"Bridging the Digital Divide: Empowering Entrepreneurial Somali Refugee Women in Kenya's E-Commerce Sector"

Executive Summary

The Digital economy is a force for innovation and growth in Kenya, yet, despite their rich heritage wombed in entrepreneurship, Somali refugee women residing in urban Kenya encounter significant barriers to participate in it. This paper explores the challenges these women experience especially when leveraging the use of e-commerce platforms like Jumia, WhatsApp and Facebook marketplace,. Using Amina's story as a lens, it identifies systemic challenges such as foundational knowledge, digital literacy limitations, cultural and legal restrictions. Recommendations involve the call for targeted and strategic interventions including developing digital literacy, infrastructure and policy reforms in fostering digital inclusion. Empowering Somali refugee women to engage in the digital economy presents an opportunity to drive inclusive growth and economic resilience in Kenya.

Introduction: Amina's Story

In Eastleigh Nairobi, a single mother of two and a Somalian refugee, Amina, dreams of expanding her small hijab business online. However, like many Somali refugee women, Amina has very low literacy skills, no digital skills or experience and faces discriminative cultural and systematic challenges. This is the case for thousands of Somali refugee women in Kenya's urban areas who despite their entrepreneurial spirit are locked out of jobs in the digital economy (Bille, 2013).

This policy brief aims at highlighting gaps that prevent Somali refugee women from participating in Kenya's e-commerce sector by examining the challenges they experience and offering actionable recommendations. With the digital economy growing rapidly in the country, it is necessary and urgent to solve these issues for inclusive development.

Background: Digital Opportunities in Kenya's Economy

Kenya is recognized as a leading technology hub in Africa, with innovations like M-Pesa revolutionizing mobile payments and platforms like Jumia transforming e-commerce. Internet penetration, at 43% as of 2023, and expanding 4G and 5G coverage fuel Kenya's digital economy, creating opportunities in online trade, freelancing, and digital education (World Bank, 2020).

Eastleigh, Nairobi, is a vibrant commercial hub, home to over 1,000 small and medium enterprises (SMEs) generating over $1 billion annually (KNBS, 2020). Somali refugee women play a critical role in this ecosystem, running small-scale booming businesses. However, their participation in digital platforms remains minimal. While platforms like WhatsApp, Facebook Marketplace, and Jumia offer pathways to market expansion, Somali refugee women are hindered by digital illiteracy, financial exclusion, and cultural norms.

The **Kenyan Digital Economy Blueprint** (2019), outlines inclusivity as one of the principles for the growth of digital sector. However, Somali refugee women, who play a critical role in Eastleigh's small scale trade sector, continue to experience multiple obstacles that hinder their chances in the digital economy.

Eastleigh stands as a model of how refugees can be integrated into the Kenyan digital economy but there is need for targeted interventions to ensure that marginalized refugees, especially women are not left behind. In particular, elements in digital training initiatives, change in legal structures and positive cultural norms can enhance refugee women participation, and Eastleigh could serve as the model for refugees' incorporation into Kenya's digital economy.

The Problem: Barriers to E-Commerce Participation

To understand the exclusion of Somali refugee women from Kenya's digital economy, it is essential to examine the barriers they face. These challenges are interconnected and compounded by their refugee status.

- **Foundational Skills: Literacy as a Barrier**

To support learning, employment, entrepreneurship, and civic engagement, refugee women need a combination of interrelated skills, comprising foundational, transferable, entrepreneurial, job-specific, and digital skills (see Figure 1).

FIGURE 1: UNICEF'S SKILLS TYPOLOGY
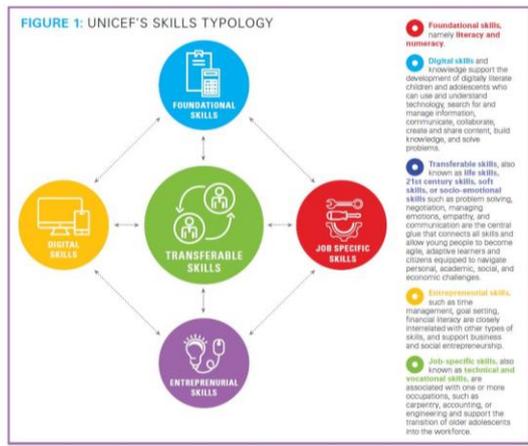
Amina, like many Somali refugee women, has limited formal education due to displacement and conflict. Without basic reading and writing skills, navigating digital platforms such as Jumia, Masoko or WhatsApp for business becomes nearly impossible. This exclusion is exacerbated by the lack of accessible literacy programs tailored to refugees. Interestingly, due to lack of the said foundational skills, women like Amina are excluded from even the most basic online training programs available on platforms like Coursera , Udemy or YouTube (Betts et al., 2018).

• Digital Skills: The Missing Gateway

While smartphone penetration in Nairobi is high, Somali refugee women fall short of the skills needed to effectively use their smartphones to upload products on e-commerce platforms or engage with customers via WhatsApp. A 2020 survey by the International Rescue Committee (IRC) revealed that only 12% of Somali refugee women in Nairobi have participated in digital literacy programs. This is due to few training centres, high prohibitive charges, and cultural restraints created to cage women especially within the Somali community. Due to this, their small businesses are left offline, losing out on potential customers each day.

> *Case Study: In 2020, The M-shule pilot programme in Nairobi's Eastleigh and Mlango Kubwa neighbourhoods provided free Wi-Fi hotspots to refugees and local communities, enabling access to COVID-19 health information and entrepreneurship training. This initiative aimed to bridge the digital divide, supporting both communities in gaining critical skills for small business development and staying informed during the pandemic. Participants reported increased confidence in using platforms like WhatsApp to connect with customers, yet scaling such programs remains a challenge (Danish Refugee Council, n.d.)*

• Cultural Barriers: Mobility and Gender Norms

Cultural norms within the Somali community often restrict women's mobility and interaction with male clients. Their aspirations of becoming online sellers are curtailed by these norms, as delivering products or interacting with customers beyond their immediate community is discouraged. These cultural barriers, while rooted in community values, create a significant gap for Somali refugee women access to the growing economic opportunities that come with the booming digital economy in Kenya. Without intervention these women practically continue to be locked out of business opportunities online that require mobility and interaction with the public. Such restrictions limit access to gig opportunities, including those provided by platforms like Jumia, Facebook Marketplace or Uber (UNHCR, 2021).

• Transferable Skills: Adapting to New Realities

Although many Somali Refugee women have excellent verbal skills in their native Somali, they face a hard time connecting with diverse customers who speak Swahili or English. Transferable skills like cross cultural communication, digital problem-solving, and adaptability are some of the valuable skills needed to survive in the new age gig economy. However, little is known about programs that focus on these competencies. Of the total refugee-centric efforts, only 15% provide training in transferable skills such as these, leaving women like Amina, unprepared for the digital workspace (IRC ,2020)

• Financial and Legal Constraints

Systematically, Somali refugee women are locked out of the mainstream financial systems due to restrictive policies. For instance, without proper identification and due to their refugees status, they are restricted from engaging in certain activities such as registering a business, opening checking accounts or using services such as M-Pesa. This leaves them not only socially excluded but also legally limited. Based on the provisions of the Kenya Banking Act of (2019), refugee documentation is not accepted by financial institutions, thereby limiting their ability to engage in e-commerce.

Opportunities for Change: Recommendations

In order to support Somali refugee women residing in urban settings such as Eastleigh get integrated to the Kenya's digital economy, targeted interventions need to focus on access, skills, and systemic barriers.

• Improving Digital Access and Infrastructure.

To close this gap, partnerships with technology partners like Safaricom should ensure that refugee women access affordable internet packages and products at subsidized prices. Areas with high refugee population concentration in urban centres can access Internet connection from freely accessible community internet centres with available devices for use. The UNHCR-Microsoft project in Kakuma showed how such infrastructure could be transformative by enhancing the access to digital learning (Microsoft, 2023). Replicating this in urban areas will allow Somali women to effectively engage with digital tools and platforms.

- **Comprehensive Digital and Foundational Skills Training**

It is imperative to remove barriers to basic literacy. Tailored training initiatives, in Somali language focusing on foundational literacy, basic numeracy and basic digital skills such as smartphone navigation maybe provided in collaboration with local NGOs. For high level digital skills, collaboration with platforms like Jumia, Masoko or Meta Platforms, Inc should be established to focus in more technical and specialized areas such as digital marketing, graphic design, and content creation.

- **Policy Reforms for Financial and Digital Market Access**

Amendments in the Kenya Banking Act (2019) are required to enable Somali refugee women access to microfinance, banking and mobile money options such as M-Pesa. In the same breadth, Jumia, Meta, and other e-commerce platforms, should offer refugees an easy registration process, language support, and waived fees to bridge the already existing gap. According to World Bank data, refugees who interact with e-commerce platforms record income gains of up to 30%, an indication of the potential economic gains of inclusion (World Bank, 2020).

- **Developing Refugee-Focused Entrepreneurial Ecosystems**

Refugee-focused microfinance initiatives providing low-interest loans for digital business startups can empower women like Amina. Additionally, Creating mentorship networks that connect Somali women with experienced Kenyan entrepreneurs will offer the guidance necessary for navigating online marketplaces and scaling businesses.

Call to Action: Mobilizing Stakeholders to Drive Digital Inclusion

The successful integration of Somali refugee women into Kenya's digital economy requires the concerted effort of multiple stakeholders:

- **Government:**

The Kenyan government needs to change policies that restrict refugee's access to educational and financial systems.

It should allocate funding to support the development of effective community outreach digital training programs for women in refugee populations and ensure that these programs are both culturally sensitive, accessible and widely promoted to the populations they are targeting.

- **Private Sector:**

The private sector has a crucial responsibility in supporting the participation of refugee women in the digital economy. Entities such as Safaricom, Jumia, Meta Platforms, Inc can help with facilitating training partnerships with local community based organisations or Somali women groups, providing subsidized digital tools and training for refugees, and simplify complicated platform registration processes for women refugees who want to become digital entrepreneurs.

- **Humanitarian Organizations:**

Humanitarian and Refugee aid organisations must remain sensitive of gender gaps and incorporate gender-sensitive approaches into their refugee initiatives. More than just providing emergency aid, they must look at long term solutions that help women refugees build sustainable livelihoods through skill enhancement and entrepreneurial development programs.

- **International Partners:**

International bodies, including UNHCR and the World Bank can supply essential resources and guidance, foster information exchange from successful programs and replicate effective approaches to the promotion of digital inclusion from other refugees contexts.

Conclusion: A Vision for Inclusion

At home in her small apartment in Eastleigh, Amina's determination shines despite the challenges . Take a moment and envision a future in which she can operate her E-commerce business, not only to take care of herself and her family but also while training and mentoring (in their native language) other Somali refugee women in Eastleigh and beyond.

This possibility exists in Kenya's vibrant digital economy, but for this to be realized policy interventions are necessary as well as collective effort to dismantle the various barriers. Empowering Somali refugee women for them to contribute optimally to the digital economy is not only the right thing to do: it is an economic opportunity waiting to be seized.

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