

FOOD VOUCHER CHOICE AND REFUGEES LIVELIHOODS IN DADAAB REFUGEE CAMP, KENYA

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ABSTRACT

Since the onset of the conflict in Somalia in 1990s, Kenya continues to host the largest Somali refugee population in the region. Given the extended duration of their stay in Kenya, the economic situation of the refugees is increasingly deteriorating mainly due to depletion of resources, savings, and remittances, as revealed by a joint assessment mission conducted on refugees in June 2009. The situation is further aggravated given that Somali refugees in Kenya are not permitted to work, own property accordingly, they are fully dependent on external support, including humanitarian assistance. The overall objective of this study therefore was to evaluate food voucher choice and refugees livelihoods in Dadaab refugee camp, Kenya. The specific objectives of the study was to establish the effect of access to market information, perception of beneficiaries and vendors, cost-effectiveness and coordination mechanism on food voucher choice and refugees livelihoods in Dadaab refugee camp, Kenya. This study adopted a descriptive research design and the study intended to gather quantitative and qualitative data. The sample size was 234 respondents comprising of 30 refugee camp leaders and 204 traders and aid workers. The study established that access to market information, access to perceptions of beneficiaries and vendors, cost effectiveness and coordination mechanism strategy had a positive and significant effect on refugee's livelihoods in Dadaab refugee camp, Kenya. The study recommended that functioning and integrated markets are key prerequisites for using a market-based approach for

providing food assistance. For cash or voucher transfers to work, people must be able to buy what they need in their local markets and markets must have the capacity to respond to increased demand through increased supply rather than through increased prices, availability of food in Dadaab camp markets is determined by the seasonal production cycles, and in the case of commodities not locally produced by the road conditions during the rainy season and main trade barriers in both camps have to do with road conditions and transport, and with the lack or irregular supply which increases transport cost. In Dadaab camp the most important constraint to trade reported by the camp leaders was poor road conditions which is clearly linked to the accessibility problems during the rainy season and the multitude of partners and initiatives foreseen in multi-year plans requires dedicated staff time within the camp to ensure effective planning and coordination, to harness financial resources, and to oversee camp's interventions through selected implementing partners and their gradual hand-over as appropriate. The study recommended that the adoption of Vouchers as the bet modality than cash in the highly volatile security context of the refugee camps, where even minor incidents quickly escalate to fighting, deaths, and displacement as it has been witnessed in refugee camps in 2012, that the Government of Kenya should be responsible for security in the refugee camps and should express a strong preference for vouchers over cash. Vouchers should be delivered, through Safaricom's closed loop system which has been analyzed to be the most cost efficient, secure, commercially available

system, in order to maximize benefits to the host communities; local producers need to be linked to the new market opportunity. The non-governmental organizations operating in Dadaab camp should apply their expertise in building market linkages through technical assistance to the relevant ministries in the government of Kenya and taking vouchers to every household in the refugee camps needs strong coordination

within the relevant NGOs and the involvement of all core functional areas in the design and delivery of the programme. The study suggested that further studies should be carried out on strategic responses on Vouchers for food assistance in Kenya's refugee camps.

Key Words: *food voucher choice, refugees livelihoods, Dadaab refugee camp, Kenya*

INTRODUCTION

The increasing global movement of massive numbers of refugees and asylum seekers represents one of the major moral, political and social issues facing the world today (Bakewell, 2013). All nations must plan for, and meet, the special and essential health and social needs of this vulnerable group of people. Recent political and conflict events in the Balkans, West and Central Africa, Afghanistan, and the Middle East have led to food shortages and poverty among asylum seekers and refugees. There are currently about 17.1 million asylum seekers and refugees worldwide (UNHCR, 2012). Added to these are even more millions internally displaced within their own national borders. The vast majority of these come from countries of the developing world (Betts, 2013). Household food security exists when the household has at all times physical and economic access to sufficient, safe and nutritious food for a healthy and active life (James, 2011). The recent refugee crisis in the Arab world and Europe has taken the spotlight off sub-Saharan Africa but a new report by UNHCR reveals that the situation in Africa in 2015 was also grim

Since the onset of the conflict in Somalia in 1990s, Kenya continues to host the largest Somali refugee population in the region. Given the extended duration of their stay in Kenya, the economic situation of the refugees is increasingly deteriorating mainly due to depletion of resources, savings, and remittances, as revealed by a joint assessment mission conducted on refugees in June 2009. The situation is further aggravated given that Somali refugees in Kenya are not permitted to work, own property accordingly, they are fully dependent on external support, including humanitarian assistance (Pandya-Lorch, 2012), also smaller groups of Sudanese and Ethiopians who sought asylum in Kenya are among the most vulnerable refugees living in the country. Refugees impose a variety of security, economic and environmental burdens on host countries, but also embody a significant flow of resources in the form of international humanitarian assistance, economic assets and human capital. These refugee resources represent an important state building contribution to the host state, but security problems and other hindrances inhibit the state's ability to access and control them. (Frize, 2006).

However, for host states to realize the potential of refugee resources and continue hosting refugees, they must be assisted by appropriate humanitarian programs. For example WFP is working with more than 300 traders, including women selling fish and vegetables off blankets or from wheelbarrows along the bustling streets of the camps. WFP also began a food voucher programme in Dadaab camp, allowing beneficiaries to purchase food based on personal preferences while providing them with access to a wide range of nutritious items not available in WFP in-kind food rations; both the refugees and the hosting population acknowledge that a voucher program have multiplier benefits with overall improvement in food security and nutrition for both groups and promotes the refugees livelihood (Bailey, 2009). The vast majority of international humanitarian aid is provided in-kind, in the form of food, seeds, tools shelter materials and house hold goods at the same time however there is a significant and growing body of experience with the provision of cash or voucher as alternative or complements to in-kind assistance. As experience with using cash transfers grows so it has become increasingly clear that cash can play a part in access to food, help to rebuild or protect livelihoods, help to meet people's need for shelter and non-food items, support refugees and facilitate return and reintegration processes. The question is no longer whether cash is an appropriate way to meet the needs of disaster-affected people, but how organizations, donors and governments can use Cash transfers to best effect in line with their mission and mandates (Adedeji, 2011).

Established in 1991, Dadaab refugee camp comprises of five camps namely Dagahaley, Hagadera, Ifo, Ifo 2 and Kambioos. Dadaab refugee camp has experienced an increase in refugees from 135,000 in 1991 to 463,603 in 2011. The influx in 2011 was as a result of drought that was experienced in south Somalia and an increase in insecurity that resulted in the Kenya defense forces invading Somalia. There was, however a decline in population and the refugee population in Dadaab stands at 369,294 as at 17th February, 2016 (UNHCR, 2016). Refugees depend on UN agencies for relief supplies and specifically food and non-food items. This dependency is perpetuated by the Refugee Act (2006) and particularly the encampment policy that is very restrictive in most terms. Though the Refugee Act provides a framework for enhancing human rights in the refugee situation, it nevertheless prohibits free movement of refugees in Kenya. A refugee requires a permit from Kenya government to visit other parts of the country. They are confined in camps, thus reducing opportunities for creative livelihood engagement for income generation. As a result, majority of refugees if not supported adequately will live in abject poverty, unable to access adequate and nutritious food for their growth and that of their children. The majority depend on international NGOs, WFP and UNHCR for relief supplies, which in most cases is does not meet needs sufficiently. The camps were established in mid-1992 after the closure of the Liboi camp, which was too close to the Kenya/Somali border to ensure adequate security. Continued insecurity in Somalia means there are still regular influxes of people into the camps, with the population increasing at an average rate of 5000 per month during 2008.

The five camps are managed by the United Nations High Commission for Refugees (UNHCR) and food is provided by the World Food Program (WFP) as a dry ration. Currently the ration is provided to all residents (refugees) but does not include fresh foods such as vegetables or fruit and many residents have little access to food beyond that which is provided. Each of the camps has a market where resident vendors sell a variety of items including fresh foods. However, since residents are prohibited from employment, their ability to obtain these foods is closely related to the limited level of external support they get from remittances or through the sale of part of the general food ration.

Many refugee households lack the resources for self-reliance and indications from UN Joint Assessment Missions and surveys carried out regularly by NGOs confirm that refugee households are highly dependent upon humanitarian aid for their survival (JAM, 2006). Even if households were able to work or raise livestock, the harsh semi-arid environment around the camps is not conducive to any meaningful coping mechanisms that could constitute a source of income. Developing country governments and donors are increasingly interested in moving away from commodity-based assistance, such as food aid, and replacing it with alternative transfer modalities such as cash and vouchers. In theory, cash is preferable to in-kind transfers because it is economically more efficient (Tabor, 2002).

STATEMENT OF THE PROBLEM

Since the onset of the conflict in Somalia in 1990s, Kenya continues to host the largest Somali refugee population in the region. Given the extended duration of their stay in Kenya, the economic situation of the refugees is increasingly deteriorating mainly due to depletion of resources, savings, and remittances, as revealed by a joint assessment mission conducted on refugees in June 2009. The situation is further aggravated given that Somali refugees in Kenya are not permitted to work, own property accordingly, they are fully dependent on external support, including humanitarian assistance. Malnutrition and micro-nutrient deficiencies prevail in many refugee camps. In some cases, the populations depend solely on general food rations distributed by the World Food Program (WFP) and UNHCR. Even with these rations, barriers to access and delivery of rations, absence of fuel and necessary cooking means, inadequate nutritional composition of rations, inappropriate feeding practices, shortages in program resources, and increased rates of infectious diseases contribute to the continued presence of malnutrition in protracted camps. Restricted Cash transfers provide money to people who are struggling to provide food for their families; vouchers can be redeemed for food items or spent in selected shops. They are used to tackle hunger in places where there is plenty of food in the marketplace but where poor people cannot afford to buy it (Torsvik, 2005). The evidence for the effectiveness of food vouchers is well documented and summarized in a number of seminal documents including Harvey and Bailey (2011), Bailey (2015) Cabot Venton (2015). In rural contexts food has been noted to face challenges including understanding vulnerability and protection risks, targeting, creating effective coordination mechanisms and partnerships, and linking humanitarian relief efforts to development programmes (Pavanello 2012; Kyazze, 2012;

Cross & Johnston, 2011). Despite the crucial contributions of cash program for the livelihood of the refugees, little study has been carried in this field in Kenya. The studies which have been done tend to focus on the factors and challenges affecting the adoption of this modality in the humanitarian world. A number of studies conducted in Bangladesh and other developing countries suggest that the poor tend to have a higher marginal propensity to consume food (MPCF) out of food transfers than cash transfers or increased cash income. For example, a study in Bangladesh by Ahmed and Shams (1994) found that the MPCF out of cash transfers from the Rural Maintenance Programme was 0.48, while the MPCF out of payment vouchers in wheat from the Food-for-Work programme was 0.61. Del Ninno and Dorosh (2003) examined the impact of wheat transfers and cash income on wheat consumption and wheat markets in Bangladesh. Their study suggests that the marginal propensity to consume wheat out of wheat transfers to poor households is approximately 0.25, while MPC wheat out of cash income is near zero.

These studies show that payment vouchers in food is more effective in improving household food security than cash transfers (Ahmed, et al., 2007). This present study will strictly focus on why and how organizations, Donors and governments can use cash transfer modality to improve the refugees livelihood better ,previous research studies have concentrated on listing the theoretical advantages and disadvantages of cash transfer as compared to in-kind relief. These include Dreze (2009) who studied cash based response being more rapid than in-kind assistance, Mark (2007) focused on why is cash based approach more appropriate humanitarian response and observed that storage, transportation and distribution cost are the key determinants, however this study intends to carry out research on the strategic choices that encourages the shift from the traditional food ration to food voucher assistance and how it will promotes refugees livelihood in Dadaab refugee camp, Kenya.

GENERAL OBJECTIVE

The general objective of this study was to establish food voucher choice and refugees livelihoods in Dadaab refugee camp, Kenya.

SPECIFIC OBJECTIVES

1. To establish the extent to which access to market information affect food voucher choice and refugees livelihoods in Dadaab refugee camp, Kenya
2. To assess how perceptions of beneficiaries and vendors affect food voucher choice and refugees livelihoods in Dadaab refugee camp, Kenya
3. To find out the extent to which cost- effectiveness affect food voucher choice and refugees livelihoods in Dadaab refugee camp, Kenya

4. To assess the effect of coordination mechanism on food voucher choice and refugees livelihoods in Dadaab refugee camp, Kenya

THEORETICAL REVIEW

Theory of Change for Cash Transfers

Some academic and analytical work has aggregated analysis of different Cash transfer programmes to compare their approaches. As few programmes are explicit about their Theory of change, this work is helpful for understanding the implicit assumptions and reasoning behind the choice of cash transfer and impact on development. A theory of change for imposing conditions on CTs is summarized in Bastagli (2009). The broad aim of conditionality is to improve human capital outcomes and promote resilience through impacts on behavior. By adding conditions, CTs aim to incentivize investment in mid- to long-term human capital accumulation, which can be under-served by poor people making short-term coping decisions. Conditions also aim to increase intra-household bargaining power of weaker individuals, and increase human capital across society. Growth Armando Barrientos has published a recent paper examining the micro level impacts of CTs on growth (Barrientos, 2012). His Theory of Change is that transfers improve human capital and productive capacity, which leads to economic growth. This framework suggests that transfers influence growth by lifting restrictions on household productive capacity. It suggests that cash transfers mediate growth by facilitating access to credit, providing more certainty and security in consumption, and helping overcome cost restrictions, which can influence household decision-making in poverty, and that they do influence micro-level growth through these proposed channels (Frize, 2001).

In theory of change (Maxwell and Jasper, 2008) explained the complex ways in which refugees make a living they said that cash/voucher may be particularly appropriate to help support, protect and rebuild livelihoods they mentioned livelihood provisioning which is meeting basic needs (e.g. milling voucher, voucher for food and cash for non-food items), livelihood protection which is reducing vulnerability by diversifying livelihood opportunities and protecting assets this study argued that two broad sets of information are needed in order to determine the appropriate transfer modality, the first relates to people livelihoods and how local economies and markets work. This includes whether the goods and services that people need are available locally and whether markets are able to respond to an increased demand for commodities, the second set includes information about delivery mechanism, beneficiaries preference, agency capacity and host government policies. This theory introduced the concept of understanding how livelihoods and markets are affected and as well consider detailed information about the willingness of retailers to accept voucher, cost-efficiency and risk analysis (Seaman, 2009). This theory is relevant to this study because it provides the variables for analyzing cash transfer-food voucher competitiveness and clearly shows the determinant of the appropriate aid modality, the theory

asserts that market information is critical to determine the most appropriate type of humanitarian response.

NGO Theory of Poverty

From Basic Needs to Development Vision According to Brodhead (2008), to be a development organization it is essential to have a theory of poverty that directs its efforts to the underlying causes of poverty. Without such a theory the organization inevitably remains a relief and welfare agency, responding only to poverty's most evident symptoms. Indeed many NGOs concerned with the plight of the poor did begin as relief and welfare organizations, and many remain so today. They see that people are unable to meet their basic needs and, without asking why, respond in the most direct and immediate way by providing food, clothing, health care, and shelter as required. They engage in first generation strategies. Brodhead (2008) notes that the more thoughtful NGOs at some point find themselves asking, "Why are these people poor." They began, at least implicitly, to formulate a theory of poverty. They attempt to "look upstream," searching for the source or cause of the problem. Many NGOs that pursue this question conclude that the problem is local inertia, a sort of self-imposed and by implication self-correctable powerlessness resulting from lack of organization, political consciousness, belief in self, credit, and basic skills. Armed with an action theory that suggests this inertia can be broken through appropriate external interventions, they set about to intervene with community development programs and reorient themselves to second generation strategies.

This theory postulates people preference should be part of the decision making process before deciding the aid modality however preference is not always an easy issue to determine in advance of an intervention, people may say that they will accept whatever the agency gives them, they may want to give 'right' answers in interviews or focus group discussion, anticipating the type of assistance that the agency appears to be offering they may be more concerned with the overall value of assistance than the type of assistance being offered (Brodhead, 2008) he therefore suggest that it important to explore the reasons behind preference for different types of assistance another important point discussed in this theory is how much additional food can be supplied by traders at or near market costs and if traders cannot respond to market demand resulting from cash transfer with additional supply at little or no extra cost per unit sold distributing voucher is likely to result in inflation and thereby affects livelihoods (Basu, 2009) Some NGOs have adjusted their theories accordingly and set about to advocate for changes in critical policies and to work with government through partnerships aimed at reorienting its programs in ways that strengthened local control and initiative. They moved to third generation strategies, a point whereby focus is on policies which acts against peoples' livelihoods. The NGO Theory of Poverty: From Basic Needs to Development Vision is suitable for this type of study as it tries to explain the nature of assistance a community is getting and the nature of assistance the organization intends to extend to the community. The best form of assistance is that which fosters independence through addressing the causes of poverty instead of focusing on the immediate relief through the provision of consumables such as food the theory further states

that it is important to consider the impact of the shock on people's livelihood (Crisp, 2009). This theory clearly indicates that there is a paradigm shift from the traditional assumption that not meeting the basic needs simply translates to desperate for humanitarian assistance its important in this current studies since the researcher will bring out the recent focus on livelihood which is a break from the past, the theory is relevant in this study since it suggests NGO projects should aim at development through partnerships and coordination with both the private sector and the government.

Famine Theory, Entitlements and Livelihoods

Famine theory is marked by a lack of consensus and passionate debate (Devereux, 2000). Perhaps the most relevant part of this debate for present purposes concerns Sen's entitlement approach. In *Poverty and Famines*, published in 1981, Sen aimed to shift the analysis away from a preoccupation with famine as a failure of food availability and towards famine as a failure in people's access to food (their entitlement). This focus on access makes it clear that famines cannot only be analyzed in terms of aggregate levels of food availability at national or regional levels; indeed, Sen showed that famines can occur even when sufficient food is available within a region or country. The entitlements approach does not of course rule out food availability as a possible cause of famine, but it does suggest the need for better analysis of the economics of famines, and how people try to survive them. Falling wages, reduced levels of employment or casual labour and high food prices may be just as important as falls in food production this theory therefore sees the livelihood aspect of people as a determinant of food availability or lack of it for that matter. Devereux (2000) argues that entitlement approaches to famine point out quite different responses. Food aid responses follow logically from a food availability diagnosis. But if food availability is not the main constraint, for example where food is available in markets but people cannot afford it, then giving people cash becomes a possible response. Nonetheless, food availability models have proved remarkably persistent, and there remains a tendency to calculate food gaps at an aggregate level, and for food aid to be seen as the best way of meeting these gaps. In analyzing the 2003 famine response in Ethiopia, for example, found that humanitarian agencies were still conceptualizing famine in terms of 'a prevailing narrative of food availability decline (e.g. drought leading to crop failure leading to starvation) and neglecting both non-food related dynamics of the crisis and non-food aid responses (Lautze, 2006).

In *Hunger and Public Action*, Dreze and Sen argued strongly for greater consideration of cash responses (Dreze & Sen, 1989). Although informed by entitlement theory, their arguments were not just theoretical, but were also based on an assessment of the practicalities of different forms of response. They argued, one of the important factors accounting for the frequently belated and insufficiently effective nature of famine prevention efforts in Africa is the dependence of the chosen entitlement protection measures on the timely arrival of food aid, and generally on the complicated logistics associated with the direct delivery of food. The question however is

whether and how this situation can be remedied. Greater use of cash support is an obvious option (Dreze & Sen, 1989).

Entitlement theory has helped to inform the development of new ways of analyzing and understanding poverty and food security. These have come to be labelled as 'livelihoods approaches'. As Scoones and Wolmer (2003) argue, although 'sustainable livelihoods' has become a development buzzword and umbrella term that means many different things to different people, the livelihoods approach has nonetheless contributed to a better understanding of the diversity and dynamism of poor people's livelihoods. There has long been a tendency for aid agencies engaged in both relief and development assistance to focus primarily on agricultural production and subsistence farming as the key component of rural livelihoods. Ellis (2000) points out; however, poor people's livelihoods are often made up of a wide range of activities, including migration, petty trading, casual labour and non-farm activities. Recognizing the diversity of livelihoods also implies a wider range of possible responses to the threat of their collapse. If food security is seen primarily in terms of subsistence agriculture and food production, then food aid is the obvious response to food insecurity. Livelihoods analysis, in contrast, has tended to suggest a wider range of factors behind people's vulnerability. In Afghanistan, for example, (Lautze, 2006) has challenged the predominantly food production-based analyses of the famine in 2001-2002, arguing that the crisis was in fact in part a 'debt disaster', and that there was an acute crisis of purchasing power.

A review by Save the Children of recent emergency food security interventions in the Great Lakes found that aid agencies in a range of different countries and contexts had largely responded to food insecurity with food aid and seed interventions, but existing livelihoods analysis suggested that these were often inappropriate (Levine & Chastre, 2004). Similarly in Afghanistan, a recent review of agricultural strategies found a narrow set of responses dominated by seed distributions which, Christoplos argues, were driven by a misplaced narrative which saw livelihoods as dominated by subsistence agriculture (Christoplos, 2004), a clear set of economic issues arise in considering the appropriateness of cash. Economists have approached these in terms of a comparison with in-kind alternatives (Abdulai, Barrett & Hazell, 2004) Economists tend to see cash as inherently preferable to in-kind mechanisms because it is, economically, more efficient (Tabor, 2002). On the other hand, economic analysis highlights potential risks, such as the potential for local inflation, which needs to be carefully assessed, especially where markets are weak and disrupted, as is often the case in emergencies. Devereux (2002) argues that 'the judgement about which resource to transfer (assuming the donor can exercise flexibility) should be based on a pre-assessment of local economic conditions, especially of market functioning. This applies to the choice of cash versus food, the positive and negative effects of each on local production, employment, trade and prices must be carefully assessed'.

This literature is relevant for this study because it clearly states the necessity of establishing the objective of the assistance programme before deciding on the aid intervention type. Objectives are defined in terms of a particular need, for example the need to be able to access enough food

for a family to survive, or the need for adequate shelter after displacement. It provides an assessment checklist which is important to consider whether to go cash/voucher or in-kind thus the study talked about whether the basic items are available in the market, how quickly can the cash or the in-kind be delivered, what are some of the other forms of assistance being provided or planned and will Cash/voucher complement or conflict with these so according to this particular study it is based on some of this fact that agencies can decided the best transfer modality to use. Therefore the choice between cash or in-kind distributions then becomes a question of cost-efficiency, market strength, coordination mechanism and preference of the beneficiaries.

RESEARCH METHODOLOGY

Research Design

Overall, the proposed study took the form of a Descriptive research design. The design guides the researcher in planning and implementing the study in such a way so as to achieve the intended goal (Burns and Grove, 2001). The study was intended to gather both qualitative and quantitative data to establish the strategic choice of food voucher in place of traditional food rations in promoting refugees livelihood in Dadaab refugee camp, Kenya, the researcher seek to provide in-depth descriptions or understanding of phenomena (Hancock, 1998). According to Mugenda and Mugenda (2003) descriptive research is used to obtain information concerning the current status of phenomena to describe ‘what exist’ with respect to variables or conditions in a situation. The above postulations suffice to justify why this study has been conducted within the descriptive paradigm since it facilitate gathering of reliable and accurate data It allows the researcher to understand people in terms of their own definition of their world (insider-perspective as opposed to an outsider-perspective). It also allows the interaction of viewpoints from different stakeholders which in turn are expected to yield a holistic picture of the situation. This study has considered this design appropriate since it facilitate gathering of in-depth, accurate and comprehensive data

Target Population

Fredric (2010) defines target population being universal set of the study of all members of real or hypothetical set of people, events, objects to which an investigator wishes to generalize the result The study targeted 590 persons in Dadaab Camp who are beneficiaries of the new voucher program Booyesen (2007) defines a study population as a “constructed/defined set of elements identified during conceptualization.” In this investigation, 590 persona contained within Dadaab refugee camps (5 camps) who have benefitted from food voucher programme implemented in this area have formed the core of the study population. Staff members from the implementing Agency with links to services related to the cash transfer program also constitute part of the study population. These staff members are considered key respondents and their views will assist in providing information especially on technical areas about the cash transfer program. The

targeted respondent was 580 people comprising of 50 refugee aid workers, 500 traders and 30 refugee leaders

Sampling Design and Sample Size

Kothari (2004) defines sampling as the selection of aggregate or totality on the basis of which a judgment or inference about the aggregate or totality is made; that is a process of obtaining information about an entire population by examining only a part of it. According to Cooper and Schindler (2003) a sampling frame is a list of all population units from which the sample of study is drawn. This researcher has employed census survey that is to say all the 30 refugee camps leadership were sampled and of the greatest advantage of this is all the leaders had the same opportunity to participate then stratified random sampling was used to select the other groups. Stratified random sampling involves process of stratification (different strata are made on the bases of different factors such as life stages, income levels, management level etc.) and a random sample is then drawn from each stratum (Sekaran & Bougie, 2010). Additionally, a stratum is homogenous from within but heterogeneous with other strata.

Sample size determination is the act of choosing the number of observation or replicates to include in a statistical sample (Kombo and Tromp, 2006). The sample size is an important feature of any empirical study in which the goal is to make inferences about a population from a sample. In a descriptive research a sample size of 10-50% is accepted (Mugenda & Mugenda, 2003) in this study the researcher worked with a sample size of 40% to select the respondent. The following formula was used to determine the sample size as recommended by Cooper and Schindler (2004).

$$n = \frac{Z^2 PqN}{e^2 (N-1) + Z^2 pq}$$

$p = 0.7$, $q = 0.3$, $Z = 1.96$, $e = 0.05$ Where e = Expected error n = sample size N = entire population; Z = level of significance; P = probability that individual has the characteristic or outcome being studied; q = probability that individual does not have the characteristic or outcome being studied

$$\frac{1.96^2 * 0.7 * 0.3 * 550}{0.05^2 (550-1) + 1.96^2 * 0.7 * 0.3} = 204 \text{ traders and workers}$$

The sample size was 234 respondents comprising of 30 refugee camp leaders and 204 traders and aid workers. The reason for using stratified sampling was to improve the representativeness of the sample by reducing sampling error in coming up with a sample of equal proportion according to gender and geographic location and of further getting a random sample for data collection was to enhance representativeness of the sample population. Use the stratified sample formula (Sample

size of the strata = size of entire sample / population size * layer size) to calculate the proportion of people from each group.

Data Collection Instruments

Data was collected through the use of questionnaires and interviews, a questionnaire is a set of questions designed to generate the data necessary to accomplish the objectives of the research project (Orodho, 2005). Cooper and Schindler (2003) recommends the use of questionnaire in descriptive studies because the self-administered surveys cost less than personal interview and researcher can contact participants who might otherwise be inaccessible. This study used a questionnaire containing both open and close-ended questions so as to be able to capture more information from the respondents. The close-ended questions were on 5-point Likert scale. Likert scale is the most widely used approach to scale response in survey research. Structured Interviews (also known as standardized interview or a researcher-administered survey) is a research method commonly employed in survey research (Patton, 2002). The aim of this approach was to ensure that each interviewee is presented with exactly the same questions in the same order. This ensures that answers can be reliably aggregated and that comparisons can be made with confidence between sample subgroups or between different survey periods (Stebbins, 2001).

Structured interviews are a means of collecting data for a statistical survey. In this case, the data is collected by an interviewer rather than through a self-administered questionnaire. Interviewers read the questions exactly as they appear on the survey questionnaire; the choice of answers to the questions is often fixed (close-ended) in advance, though open-ended questions can also be included within a structured interview. According to Taylor and Bogdan (1998), a structured interview also standardizes the order in which questions are asked of survey respondents, so the questions are always answered within the same context. This is important for minimizing the impact of context effects, where the answers given to a survey question can depend on the nature of preceding questions. Though context effects can never be avoided, it is often desirable to hold them constant across all respondents (Stebbins, 2001). Interview schedules are sometimes considered a means by which researchers can increase the reliability and credibility of research data (Wolcott, 2007). The researcher chose this type of instruments due to its ability to increase the level of reliability of the study. In addition, a structured interview has an advantage in that it controls the flow of the interview as it is difficult to divert due to the nature of the questions which are closed and guided. The data was collected using both qualitative and quantitative data collection methods. Basically interviews were used to obtain information from the refugee leaders. Interview schedules were developed to capture both qualitative and quantitative data by incorporating both open and closed ended questions.

Data Collection Procedure

The researcher obtained written clearance from the District Administrator authorizing him to conduct the study. The Department of refugee affairs in Dadaab camp was also informed about the study and its significance. The Key Informants were mobilized for interviews during the pretesting process of the data collection tool. The researchers first conducted focus group discussion. During these discussions issue raised which the researcher had not thought about were incorporated into the questionnaires as well as structured interviews, In each case, participants were asked to fill in a consent form after all the explanations concerning the study were clearly stated. After each session, participants were thanked for taking their time to take part in the study.

Data Presentation and Analysis Procedures

The data collected was coded, entered and analyzed using the Statistical Package for Social Sciences 12 (SPSS 12). Open-ended responses was grouped and coded. Content analysis was applied to qualitative data collected. Since closed ended and open ended questions was incorporated in the interview schedule, both qualitative and quantitative data analysis methods was adopted. In quantitative data analysis, closed ended questions was organized, coded, data entered into computer. Data analysis was done using SPSS and tabulations done using excel spreadsheet and MS word. Data was summarized descriptively by use of frequencies, percentages, charts (Bar graphs and pie charts) and tables. The Qualitative data from open ended questions was sorted into common themes and then coded. Information from key informant interview was organized appropriately for purposes of reporting and presentation. Analysis of Variance (ANOVA) was used to test the level of significance of the variables on the dependent variable at 95% confidence level. Multi-regression analysis was used to establish the degree of mathematical relations between the study variables.

$$Y=\beta_0+\beta_1X_1+\beta_2X_2+\beta_3X_3+\beta_4X_4+\varepsilon$$

Whereby: Y= promotion of refugees livelihood; X1=Access to market information strategy; X2=perception of beneficiaries and vendors; X3=cost effectiveness strategy; X4=coordination mechanism strategy; B1, β_2 , β_3 , β_4 are coefficients of determination and ε is the error term.

RESEARCH RESULTS

Access to Market Information

The study revealed that access to market information had a positive and significant effect on refugee's livelihoods in Dadaab refugee camp, Kenya. The study further established that majority (72.3%) of the respondents strongly agreed that the key basic items that people need are available in the markets in sufficient quantity and at reasonable price, 19.0% agreed, 4.1%

strongly disagreed, 3.1% disagreed and 1.5% were neutral with a mean of 1.48 and a standard deviation of 0.98 and Majority (57.4%) of the respondents agreed that knowledge and access to market information assists in providing information on what people are likely to spend cash/voucher on thus promoting livelihoods, 37.9% strongly agreed, 3.6% disagreed and 0.5% neutral and strongly disagreed with a mean of 1.71 and a standard deviation of 0.70. Dadaab refugee camp gets its supplies through the Northeastern corridor that links Nairobi with Mandera and Somalia. Refugees, in most of the cases, use the camp markets, though they can resort to the town markets if commodities are not available in the camps despite the distance from the towns, the host community makes some of their purchases in the camps because of the cheaper prices.

Perceptions of Beneficiaries and Vendors

The study revealed that perceptions of beneficiaries and vendors had a positive and significant effect on refugee's livelihoods in Dadaab refugee camp, Kenya. majority (69.2%) of the respondents strongly agreed that perceptions of the targeted beneficiaries makes the food-insecure households to have a preference regarding the form of aid they receive thus promoting their livelihoods, 30.8% agreed with a mean of 1.31 and a standard deviation of 0.46 and majority (54.9%) agreed that on the statement that traders have positive perception in the programme's impact on their business, 39.0% strongly disagreed, 3.6% disagreed, 2.1% neutral and 0.5% strongly disagreed with a mean of 1.72 and a standard deviation of 0.96.

Cost- Effectiveness

The study revealed that cost effectiveness had a positive and significant effect on refugee's livelihoods in Dadaab refugee camp, Kenya. Majority (53.3%) of the respondents strongly agreed that Cash/voucher response results in price increase of the goods that people are likely to purchase, 41.0% agreed, 2.6% neutral, 2.1% strongly disagreed and 1.0% disagreed with a mean of 1.57 and a standard deviation of 0.78 and Majority (56.9%) of the respondents agreed that the cost effectiveness of voucher in promoting livelihoods is because of its flexibility and choice of recipients' allowing the voucher to be spent on peoples own priority, 38.5% strongly agreed, 2.1% strongly disagreed, 1.5% disagreed and 1.0% neutral with a mean of 1.72 and a standard deviation of 0.75.

Coordination Mechanism Strategy

The study revealed that coordination mechanism strategy had a positive and significant effect on refugee's livelihoods in Dadaab refugee camp, Kenya. Majority (53.1%) of the respondents strongly agreed that Cash/voucher response must fit within government policies and the permission to implement must be granted by the government, 41.5% agreed, 3.1% neutral, 1.0% strongly disagreed with a mean of 1.57 and a standard deviation of 0.76 and majority (60.5%) of the respondents agreed that voucher and in-kind projects should be coordinated to ensure complementarity and to prevent voucher being provided for items that people are receiving in in-

kind so as to promote livelihoods, 36.9% strongly agreed, 1.5% disagreed and 0.5% neutral and strongly disagreed with a mean of 1.68 and a standard deviation of 0.62.

REGRESSION ANALYSIS

A linear multiple regression analysis was used test the relationship between the four independent variables and the dependent variable. Statistical Package for Social Sciences (SPSS) version 17.0 was applied to code, enter and compute the measurements of the multiple regressions for the study.

Table 1: Model Summary

Model	R	R Square	Change Statistics						
			Adjusted R Square	Std. Error of the Estimate	Square F Change	df1	df2	Sig. Change	
1	.514 ^a	.645	0.795	.476	.012	.593	4	190	.002 ^a

- a. Predictors: (Constant), Access to market information strategy, Perception of the targeted beneficiaries and traders, Cost-effectiveness and Coordination mechanism strategy
- b. Dependent Variable: Refugees' livelihoods

According to the findings in the table 1, the value of adjusted R² is 0.795. This indicates that a variation of 79.5% of Refugees' livelihoods in Dadaab camp and the four independent variables (Access to market information strategy, Perception of the targeted beneficiaries and traders, Cost-effectiveness and Coordination mechanism strategy) at a confidence level of 95%. In addition other factors that were not studied in this research contribute to 20.5% of the Refugees' livelihoods in Dadaab camp. Therefore, further research should be conducted to investigate the other factors which contribute to that 20.5% of the Refugees' livelihoods in Dadaab camp.

Table 2: ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.539	4	1.135	4.593	.002 ^a
	Residual	43.123	190	1.227		
	Total	43.662	194			

- a. Predictors: (Constant), Access to market information strategy, Perception of the targeted beneficiaries and traders, Cost-effectiveness and Coordination mechanism strategy
- b. Dependent Variable: Refugees' livelihoods

The significance value is 0.002a which is less than 0.05 thus the model is statistically significant in predicting the effects of independent variables on the dependent variable. The F critical at 5% level of significance was 2.362. The F calculated (value = 4.593) was greater than the critical value (4.593 > 2.362) an indication that the Access to market information strategy, Perception of

the targeted beneficiaries and traders, Cost-effectiveness and Coordination mechanism strategy. These findings are shown in Table 4.10. Based on the analysis, the regression equation for the independent variable on the dependent variable resulted to the following:

$$Y = 0.613 + 0.712X_1 + 0.660X_2 + 0.541X_3 + 0.759X_4$$

Where: Y = Refugees' livelihoods; X₁= Access to market information strategy; X₂= Perception of the targeted beneficiaries and traders; X₃= Cost-effectiveness; X₄ = Coordination mechanism strategy.

Access to market information strategy, Perception of the targeted beneficiaries and traders, Cost-effectiveness and Coordination mechanism strategy had a positive and significant effect on Refugees' livelihoods as indicated by beta values. The relationships ($p < 0.05$) are all significant with Access to market information strategy ($t = 4.521$, $p < 0.05$), Perception of the targeted beneficiaries and traders ($t = 2.335$, $p < 0.05$), Cost-effectiveness ($t = 3.704$, $p < 0.05$) and Coordination mechanism strategy ($t = 1.478$, $p < 0.05$). Moreover, results shows the constant in this model is represented by a value of 0.613, which is the expected value of Refugees' livelihoods in Dadaab camp in Kenya when the values of the independent variables are equal to zero. Coordination mechanism strategy was found to be the most (75.9%) significant among the four variables followed by access to market information strategy (71.2%), Perception of the targeted beneficiaries and traders (66.0%) and Cost-effectiveness.

CONCLUSIONS

The study concluded that functioning and integrated markets are key prerequisites for using a market-based approach for providing food assistance. For cash or voucher transfers to workpeople must be able to buy what they need in their local markets and markets must have the capacity to respond to increased demand through increased supply rather than through increased prices. The study concluded that availability of food in Dadaab camp markets is determined by the seasonal production cycles, and in the case of commodities not locally produced by the road conditions during the rainy season. Some large retailers increase their stocks before the rains, which mitigates the impact of the poor road conditions. Prices depend mostly on the seasonal production cycles and they usually mirror the availability trends.

The study concluded that main trade barriers in both camps have to do with road conditions and transport, and with the lack or irregular supply which increases transport cost. In Dadaab camp the most important constraint to trade reported by the camp leaders was poor road conditions which is clearly linked to the accessibility problems during the rainy season. The study concluded that the multitude of partners and initiatives foreseen in multi-year plans requires dedicated staff and time within the camp to ensure effective planning and coordination, to harness financial resources, and to oversee camp's interventions through selected implementing partners and their gradual hand-over as appropriate.

RECOMMENDATIONS

This study recommended the adoption of Vouchers as the best modality than cash in the highly volatile security context of the refugee camps, where even minor incidents quickly escalate to fighting, deaths, and displacement as it has been witnessed in refugee camps in 2012. This study recommended that the Government of Kenya that is responsible for security in the refugee camps should express a strong preference for vouchers over cash and be firm on that decision and vouchers should be delivered, through Safaricom's closed loop system which has been analysed to be the most cost efficient, secure, commercially available system and electronic vouchers are more cost efficient than paper vouchers, and much easier to control. The study recommended that in order to maximize benefits to the host communities, local producers need to be linked to the new market opportunity. The non-governmental organizations operating in Dadaab camp should apply their expertise in building market linkages through technical assistance to the relevant ministries in the government of Kenya.

The study recommended that taking vouchers to every household in the refugee camps needs strong coordination within the relevant NGOs and the involvement of all core functional areas in the design and delivery of the programme, the study also recommends that market assessments represent an integral part of food voucher choice feasibility and response analysis should be carried out prior to designing any programme. The assessment should confirm that the key commodities and services that persons of concern require are accessible to all groups, available in sufficient quantity at reasonable price and that the anticipated increase in demand can be met without creating distortions in price or availability. The study recommended that one has to undertake an analysis of costs and cost-efficiency before one implements food voucher, this allows the comparison of total cost (transfer value + delivery and implementation costs) of different transfer modalities and delivery mechanisms before making choice of which modality to use in what context.

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