

► ILO Brief

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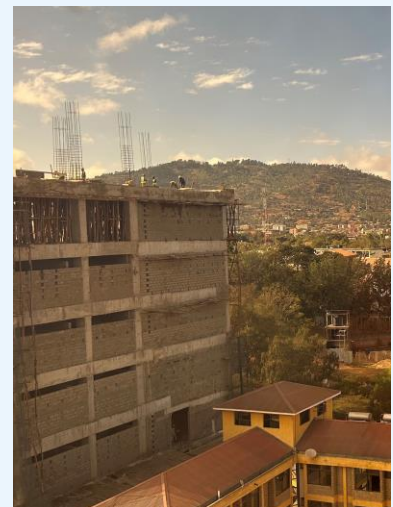
Constructing pathways:

Enhancing employment and inclusion of host communities and urban refugees in Kenya's construction sector¹

► Introduction

Approximately 98,115 registered refugees (plus an unknown number of unregistered refugees) live across Kenya's cities and urban areas.² With the majority of development and humanitarian assistance targeting camp-based refugees, which account for the majority of Kenya's refugees and asylum seekers, those living in urban environments commonly face gaps in support for meeting their basic needs and accessing social protection options and livelihood opportunities.

As refugee populations are dispersed within cities and often reluctant to come forward out of fear of legal repercussions, data on their profiles and opportunities is relatively scarce. To address this challenge, the ILO carried out a market systems assessment (MSA) based on the Approach to Inclusive Market Systems (AIMS) in which social protection considerations were streamlined. The report's findings, outlined in this brief, shed light on the profiles of urban refugees, the sectors where they work or have potential to find decent livelihood opportunities, the key constraints currently limiting their inclusion, and the possible ways to tackle these.



A construction site near Nairobi

► Refugee profiles

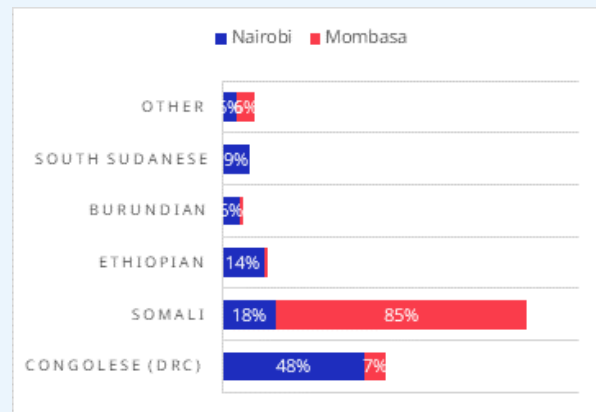
Urban areas host around 15 percent of Kenya's total refugee population, although this figure is likely higher due to an unknown number of unregistered refugees. The majority reside in either Nairobi (89 percent) or Mombasa (7 percent). There are large populations of Somali refugees in both cities, thanks in large part to the large existing communities of

¹ This brief is authored by Nicholas Hudson

² The data and information provided in this section comes from the UNHCR Kenya Operation Statistics as of October 2023 (<https://www.unhcr.org/ke/wp-content/uploads/sites/2/2023/11/Kenya-Statistics-Package-31-October-20237.pdf>)

Kenyan Somalis. Most other refugees and asylum seekers hail from the Democratic Republic of the Congo and other countries of the Great Lakes Region, as well as Ethiopia, Sudan, and South Sudan.³

Desk and field research indicated that refugees from DR Congo and Great Lakes countries typically possess highly proficient levels of Swahili and similar or shared customs, norms, and traditions with the host communities. As a result, refugees from these countries are better able to establish themselves in Kenya's urban economies. In contrast, those from Somalia and to a lesser extent Ethiopia and Eritrea often do not speak Swahili and share fewer cultural commonalities. Refugees from Somalia therefore integrate tightly into the large existing communities of Somalis and Kenyan Somalis, providing entry points to jobs and support but also keeping them relatively insulated from the broader host community.



Country of origin for registered urban refugees

► Ground level: a general overview of Kenya's construction sector

Kenya is currently in the midst of a construction boom. Fuelled by increasing population growth and the rapid shift from rural to urban centres, the construction industry is vital to Kenya's economy in terms of its ability to create jobs and overall economic impact. The sector's gross domestic product (GDP) contribution has been increasing, recording an 11.5% growth from KES 486 billion in 2018 to KES 542 billion in 2019.⁴ In 2023, the construction industry employed 222,200 individuals.⁵ Other factors driving the growth include broader economic development, infrastructure investments, and the policy drive towards more affordable housing.

Construction has magical potential because it offers opportunities for many skills

► International NGO livelihoods officer in Nairobi

Some of the key recent development projects include the launch of the affordable housing program as one of the key pillars of the "Big Four Agenda", the construction of the Nairobi Expressway, the Mombasa Gate Bridge, expansion of the Nairobi – Mombasa Highway and expansion of Mombasa Port among others. The demand in the housing market has also increased. For instance, the building sector has struggled to keep pace with the rapidly growing demand for residential units in Nairobi and Mombasa – the annual demand for housing units is estimated at 250,000 units with a supply of 50,000 units, culminating in a housing deficit of two million units or 80% deficit.⁶

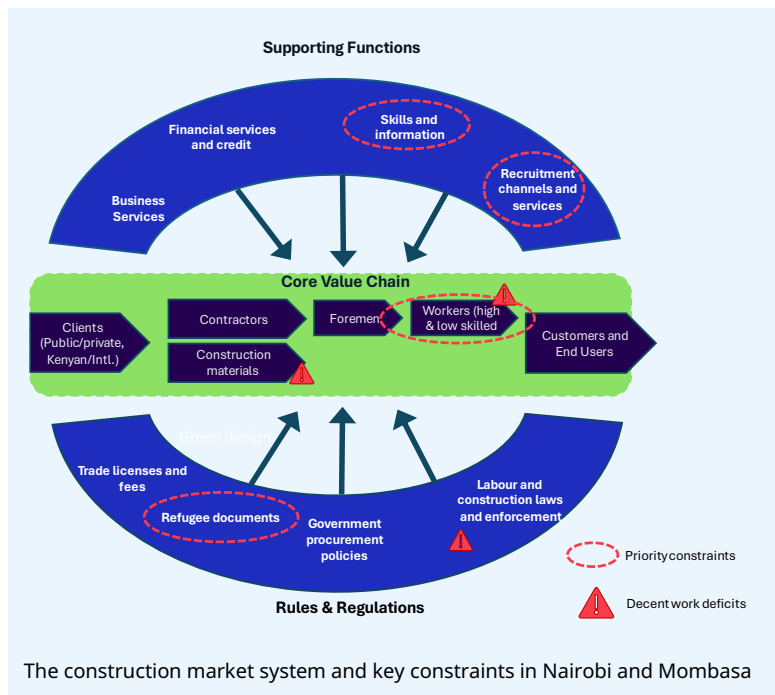
³ Data from: [Volume-C-Urban-Refugees-Results-from-the-2020-2021-Urban-Socioeconomic-Survey \(2\).pdf](#)

⁴ National Construction Authority, 2020. Construction industry outlook, 2020.

⁵ Kenya National Bureau of Statistics, 2024. Economic Survey, 2023.

⁶ Centre for Affordable Housing, 2023. Housing Finance Yearbook, 2023. Kenya Profile

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Refugees and asylum seekers participation in the construction industry are similar in Nairobi and Mombasa. While many men from urban host communities work in the construction sector, few refugees and asylum seekers are employed there. The assessment found the **low-skilled construction labour market** to be the most relevant section of the value chain for the project's target group. Because of the more significant construction boom in Nairobi compared to Mombasa, the opportunities are fewer in Mombasa compared to Nairobi.

The construction industry is a labour-intensive industry **dominated by men**. For instance, in 2023, women made up only 33% of the wage employment in the construction sector. In the labour markets in the industry, men tend to occupy most of the specialised positions. At the same time, women are primarily employed in low-skilled jobs like cleaning the worksite, carrying

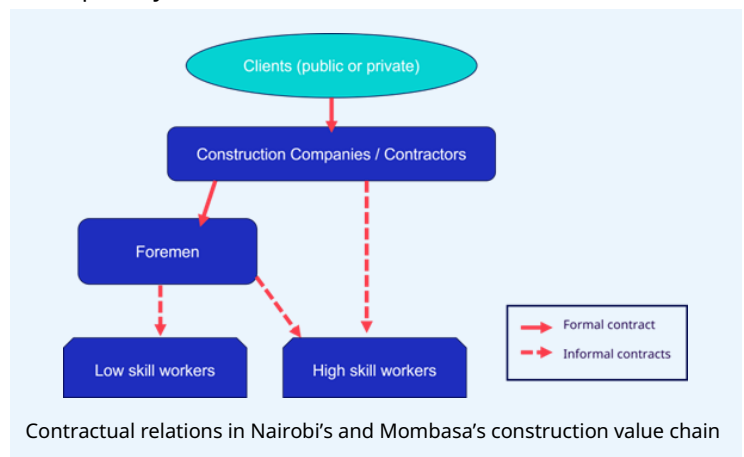
materials, bricklaying, and tile sealing. However, women may also be indirectly involved in the sector, for instance selling food to the workers at the construction sites. Men usually have the opportunity to learn specialised trades by spending time on the job alongside other specialised workers, who are almost always men.

The core market

The building contractors are divided into two categories: **large-scale contractors** who depend on government contracts or wealthier private clients and **small-scale contractors** whom these larger companies subcontract. Though the numbers were difficult to estimate, key informants reported abundant small-scale contractors, resulting in stiff competition for government and private contracts. Foreign construction companies often hire managerial and supervisory staff from their home countries. However, they may outsource architectural and design work and labour acquisition.

Smaller construction companies often hire temporary workers on a piece-rate basis. In contrast, construction contractors use **sub-contractors** for low-basic or highly technical work to keep costs low. For instance, most construction companies reported subcontracting the provision of workforce, especially semi-skilled and unskilled labour, to **labour subcontractors or foremen** who, in turn, hire workers with diverse job roles and skill sets.

Ranging from low to high skills, **workers are typically hired informally on an on-needs basis**. For day-to-day work, the foreman will typically hire the necessary labour weekly, with **workers assembling at the construction site** on Monday and the foremen taking the number needed for that period. Others may be recruited **through referrals or informal networks**, where a foreman will put a call out (through word of mouth), that they need a certain number of workers. The process for higher skilled workers is similar, though relies more heavily on a



referral system. In some cases, they may be hired directly by the contractors SME who are familiar with them and their skills.

► Roadblocks to progress: key constraints

As indicated above, refugees are almost entirely present within the **low-skilled labour** market portion of the value chain. Most refugee workers are hired on a daily or weekly basis with highly limited opportunities to develop their skills and improve earnings. The only existing mechanism for upskilling reported during field research was through foremen's monitoring and correcting of work on site. However, with labour often changing by the week, employers claimed there is little incentive to invest into workers' skills development.

Those with more specialized skills but lacking certificates will often resort to taking lower paid low skill jobs. For larger scale projects and those with better working conditions, official certificates are required. For smaller scale or local projects, certificates may be less necessary if a skilled worker has connections with foremen or contractors who are familiar with their work and skill level.

These connections make up the **informal networks** that play an essential role in **the recruitment process**. While not limited to higher skilled jobs, at this level they are especially important if a worker does not have the necessary certificates or documentation. Through these, a foreman will put out word that they are looking for a particular specialist, upon which they will be referred to a worker. This process naturally excludes many refugees who are less integrated or connected in the local sector. For low skilled labour, many jobs are found simply by turning up at construction sites and asking the foreman for a job. However, in other cases the foreman will contact a worker in their network and tell them to bring with them the number of workers needed for a specific period. WhatsApp groups where workers share such work opportunities also exist, though these are not accessible for refugees with phones that are not compatible with such messaging services.

Work within the sector, especially at the lower levels, is highly informal. Workers cited **highly irregular and unpredictable** job stints, meaning many must also rely on additional income earning activities. There are no contracts, and wages are often below the national minimum wage. Some refugee workers also reported competition and poor cohesion with host community workers, who would sometimes report refugee workers to government authorities for working without proper documentation in order to open work opportunities for themselves.

Finally, the construction sector is notorious in Kenya for its dangerous working conditions, with **work accidents**, even fatal ones, common according to focus group discussions with workers. This stems from a variety of factors, from lack of protections provided to insufficient awareness of proper protocol and precautions. In most cases, especially for local projects, workers must purchase Personal Protective Equipment (PPE) on their own, meaning in many cases they go without. According to contractors, this depends on whether the clients allocate resources for safety equipment or not. Workers interviewed reported that first-aid kits are occasionally available on-site in case of accidents. While contractors are required to hold work injury benefit insurance covering the worksite, compensation and access to health services in the case of work accidents is highly informal: workers covered by the National Health Insurance Fund (NHIF) access health services under the scheme, while in the contractor will cover the healthcare costs for those who are not covered by NHIF in the case of severe injuries. Financial compensation is negotiated informally between the contractor and the worker's family only in cases where a work injury affects work capacity in the medium- to long-term.



As a result of the prevalence of work injuries and the need to dip into savings to access health services in cases of minor injuries, workers reported a strong propensity to contribute to the NHIF but noted having limited capacity to contribute. Awareness of the Haba Haba scheme was very low, but workers demonstrated a limited propensity to contribute due to the preference to invest any savings in income-generating activities in the immediate term.

► Blueprints for opportunities: recommendations

The table below outlines potential interventions to address the root causes of the key constraints.

No.	Recommendations
1	Demonstrate and pilot business models of retaining workers for longer periods
	Partner with construction SMEs and demonstrate the business case of retaining workers for longer periods as opposed to cycling through new talent on a daily or weekly basis, as well as ensuring access to social protection. By doing so, foremen and construction SMEs can reduce transaction costs , for example from poor workmanship or the time lost briefing or correcting the work of new hires and improve timeliness and productivity on construction sites. Longer employment relations would also facilitate social protection coverage.
2	Link construction workers with employers using existing digital platforms
	Promoting the adoption of existing technologies by employers and the inclusion of refugee workers onto the services can help to link talent with labour needs . Such platforms can also help employers manage their workforce and provide a method for workers to upskill or have their skills and experience vetted. Opportunities for such platforms to facilitate access to social protection for workers could also be explored.
3	Collaborate with trade unions to promote awareness and training on best OSH practices and social protection coverage
	Launch campaigns that raise awareness among both workers and employers on the importance of providing safe working conditions and taking proper precautions on the job site, including the value and benefits of contributing to social protection schemes.
4	Develop part-time training programs to address skills gaps
	Collaborate with foremen, construction SMEs, and vocational training centers to develop part-time programs that cater to the skills gaps identified by foremen and construction SMEs, for example plumbing and electrical work. Part-time programs will be more accessible to refugees who cannot afford to give up income earning activities, while explore options for integrating on-the-job training components will further increase accessibility.