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Can Aid Change Attitudes toward Refugees? Experimental Evidence from Microentrepreneurs in Urban Uganda*

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PRELIMINARY DRAFT

Abstract

How should aid for refugees be allocated to assist refugees and gain the support of host communities? While host populations often believe they are negatively affected by refugees, little evidence exists on the potential for aid to facilitate positive relations and mitigate tension. We conduct a randomized controlled trial to investigate two programs for Ugandan (host) microentrepreneurs: cash grants delivered with information that connects the grant with Uganda's inclusive refugee policies and existing aid-sharing policy, and mentorship by an experienced refugee. We find that grants lagged to aid-sharing significantly increased support for inclusive policies including refugees' right to work and hosting additional refugees. Grants and information separately, mentorship by a refugee, and mentorship by a Ugandan also increased support for inclusion but by less than the cash and information programs combined. Contact with the refugee-led organization partially drives these effects. Through the first outline, we do not find effects on business profits from any treatments but do find other positive economic effects from mentorship by a Ugandan.

Keywords: Refugees, Political Economy of Aid, Firms & Productivity, Post-conflict, Welfare
JEL Codes: D74, D83, D88, O12

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