

Can Development Aid Change Attitudes Toward Refugees? Experimental Evidence from Urban Microentrepreneurs in Uganda



Host populations often believe they are negatively affected by refugees, but little is known about what kinds of assistance might foster positive relations and reduce tension. To address this, researchers are conducting a randomized evaluation in Uganda to measure the impact of programs supporting microenterprises on economic and social outcomes, including support for hosting more refugees and allowing them to work.

Policy Issue

Host countries often restrict refugees' access to the labor market because they are afraid inclusion would crowd out citizens. Even in protracted situations, international donors can often only provide humanitarian assistance like food aid that keeps refugees alive but has little expected long-run returns for refugees and host communities alike. In this project, researchers aim to study whether host communities would prefer a different allocation: more inclusive policy – allowing refugees to work – when they can also benefit from assistance. Policymakers are increasingly promising to include host communities in assistance, most notably in the 2018 Global Compact on Refugees, but whether this shift can impact host citizens' policy preferences is an open question. A substantial body of literature examines attitudes toward immigrants,¹ though few studies have taken place in lower-income countries or on the impacts of NGO programs.

Evaluation Context

Uganda is perhaps the leading example of a positive arrangement between a host government and the humanitarian community. Uganda is the largest refugee-hosting country in Africa, with over 1 million refugees, most of them from South Sudan, the Democratic Republic of Congo, Burundi, and Somalia.² The government allows refugees to work and move freely. They can locate in settlements and receive food assistance or, since 2006, live and start businesses nationwide. Additionally, 30 percent of aid directed at refugees must support Ugandan's host communities. Other host countries, particularly Ethiopia, are following this model and learning from it. Still, despite over 100,000 refugees living in the capital city, little assistance extends to urban areas, and most citizens are unaware that assistance for

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COUNTRY

Uganda

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PROGRAM AREA

Peace and Recovery

TOPICS

Cash Transfers, COVID-19, Forced Displacement, Microenterprise

TIMELINE

2019-2021

refugees is shared with Ugandans.

Details of the Intervention

Researchers are conducting a randomized evaluation to measure the impact of programs supporting micro-enterprises—grants, information on aid-sharing, and mentorship—on social outcomes, including support for hosting more refugees and allowing them to work. Other outcomes of interest include business profits, household food security, and attitudes towards other out-groups like non-coethnics and non-refugee foreigners. They are also examining the impact of the COVID-19 pandemic on attitudes and on the economic outcomes of Ugandans and refugees.

The microenterprise program will be implemented by Young African Refugees for Integral Development (YARID). Founded by a Congolese refugee, they have experience implementing cash transfers and training programs, and in addition to their close connections with the refugee community in Kampala, they include Ugandans in their programs. The partner for data collection is the International Research Consortium (IRC).

The research team will randomly assign 1,558 inexperienced Ugandan business owners to receive one of the following interventions.

1. *In-Kind Grant Only*: An inexperienced business owner will be assisted by a member of YARID's staff to purchase \$ 140 USD worth of capital of their choosing.
2. *Information Only*: A YARID staff member will convey information about Uganda's national aid-sharing policy, YARID's outreach to both refugees and Ugandans in Kampala, and personal stories of being a refugee.
3. *Grant and Information*: Business owners in this group will receive both the in-kind grant and the refugee-related information. The goal is for the business owner to associate the grant with the presence of refugees and their right to work.
4. *Mentorship*: Business owners will be randomly assigned to a mentor (experienced refugee or Ugandan business owner) with prior experience to help them develop their business. Mentors are matched to mentees based on criteria (industry, profit, years of experience, gender, location) to maintain a balance of characteristics. The mentorship meetings will be facilitated by a YARID staff member.
5. *Comparison Group*: No intervention.

The baseline survey was conducted in November 2019. Interventions then started in early 2020 but were interrupted by the pandemic. They are scheduled to resume in early 2021 if conditions allow. A midline survey to assess changes during the pandemic was conducted in November 2020, and the final survey is scheduled for late 2021.

Results and Policy Lessons

Project ongoing; results forthcoming.

Sources

¹ Adida, Lo, and Platas 2018; Alrababa'h et al. 2019; Kalla and Broockman 2020; Mousa 2019; Valli et al. 2018; among others.

² United Nations. "Uganda stands out in refugees' hospitality".

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