

## Helpdesk Research Report

# Sustainable livelihoods in Ugandan refugee settings

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## Question

*What are the factors that help or inhibit sustainable livelihoods in refugee settings? – with a focus on Uganda*

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## 1. Overview

Most refugees are unable to earn enough to meet their basic needs (UNCHR, 2016: 3). Recently attempts have been made to help refugees develop sustainable livelihoods and self-reliance.<sup>1</sup> This rapid review looks at recent literature on the factors that help or inhibit sustainable livelihoods in refugee settings, with a focus on Uganda.

Uganda has hosted refugees from various neighbouring conflict-affect countries for several decades (Vemuru et al, 2016: vii; Ilcan et al, 2015: 2). Refugees in Uganda are either self-settled in urban and rural areas or live in organised settlements that cover approximately 350 square miles of land set aside by the government of Uganda (Vemuru et al, 2016: viii).<sup>2</sup> The majority of refugees in Uganda have not yet

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<sup>1</sup> UNHCR's Handbook for Self-reliance (2006) defines self-reliance as "the social and economic ability of an individual, a household or a community to meet essential needs (including protection, food, water, shelter, personal safety, health, and education) in a sustainable manner and with dignity" (cited in Ilcan et al., 2015: 3).

<sup>2</sup> Ugandan settlements are generally not fenced and contain markers of community life such as organised villages, small markets, churches, schools, hair salons, phone charging stations and access to computers (Ilcan et al., 2015: 2).

attained sustainable livelihoods. Vemuru et al. (2016: 41) found that self-employed refugees appeared to be somewhat more successful than employed refugees in Uganda; although still only 26.1 per cent of self-employed refugees are self-sufficient and 23.2 per cent of employed refugees. More self-employed refugees were found to be on their way to self-sufficiency (15.5 per cent) than employed refugees (4.1 per cent) (Vemuru et al, 2016: 42). An expert notes that while many refugees are able to create livelihoods in Uganda, many still suffer from poverty (expert comment).

Most of the available literature uncovered in this review is grey literature, published by both organisations working on supporting refugees and academics publishing the findings of their research in this area. Jacobsen and Fratzke (2016: 1) suggest that ‘refugee livelihoods is a relatively new field that must work through a number of growing pains and implementation challenges before it can live up to its potential’. Their research finds that, ‘as yet there is little concrete evidence that current strategies are successfully meeting their goals of fostering self-reliance and durable solutions’ (Jacobsen and Fratzke, 2016: 11; Crawford et al, 2015: 2). Very few independent impact evaluations have been carried out, which means there is little data available on what works and what does not work when seeking to strengthen refugee livelihoods (Jacobsen and Fratzke, 2016: 11, 27). Easton-Calabria (2016: 2) notes that most literature on refugee livelihoods in Uganda was written before 2009, although this rapid review focuses on more recent available literature.

The literature suggests that **factors supporting sustainable livelihoods** in refugee settings include:

- A **favourable policy environment**, particularly the right to work, labour rights, freedom of movement, and access to services. Uganda’s refugee assistance also has development-orientated components aimed at supporting the self-reliance and resilience of entire communities.
- **Social capital and networks**, especially ethnic ties in Uganda and integration into local communities.
- **Collective efforts**, which allow entry to the wider Ugandan market.
- **Training and skills development**, which provide a foundation for self-reliance.
- **Access to credit**, as many refugees have little access to savings or credit to guard against shocks or invest in businesses.
- **Diverse livelihood strategies**, including a mix of economic activities and aid.
- **Partnerships with the private sector** which provide opportunities for refugees.
- **Refugee profiles**, as refugees of different ethnicities, ages, gender, ability, education, duration of stay, have varying levels of access to social networks, land and credit.

The literature suggests that **factors inhibiting sustainable livelihoods** in refugee settings include:

- An **unfavourable political and policy context**, prohibiting or making it harder for refugees to find work. A focus on agricultural self-reliance alone is not enough to create refugee self-reliance.
- **Lack of access to capital and markets**, preventing refugees from finding jobs or customers.
- The **capacity and willingness of refugees** to engage in livelihood strategies.
- The **poverty of host areas**, creating an unfavourable environment for finding jobs or starting businesses.

- Negative gender **stereotypes and discriminatory attitudes** towards refugees with disabilities, which prevent them finding work or pushing them towards negative coping strategies.

**Refugee livelihood programming** should have: localised contextual awareness; refugee and local input; partnerships with host institutions; and long-term and predictable funding.

## 2. Supporting factors

### Favourable policy environment

While the right to work, strengthened by labour rights, has been found to be essential for the development of sustainable livelihoods for refugees, restrictive approach to the right to work prevails around the world (Zetter and Ruaudel, 2016: iii, vii, ix).

Uganda's refugee laws are among the most progressive in the world. Refugees and asylum seekers are entitled to work and to exercise freedom of movement, and given access to land, as well as social services, such as health and education (Vemuru et al, 2016: vii-viii; Easton-Calabria, 2016: 3; Clements et al, 2016: 49; Krause, 2016: 52).<sup>3</sup> However, they and their children can never become citizens (Vemuru et al, 2016: viii).

Uganda's very progressive legal environment is a major productive asset for refugees' livelihoods (Easton-Calabria, 2016: 3). Previous attempts to develop self-reliance among refugees in Uganda in 1999 and 2003 failed, as the right to work and freedom of movement were not granted until acts passed in 2006 and 2010 (Easton-Calabria, 2016: 10-11). In addition, policies to promote self-reliance, such as reductions in food rations, were found to be detrimental to refugee beneficiaries (Easton-Calabria, 2016: 10-11). The welcoming environment in Uganda has resulted in only one per cent of refugees living in rural Uganda depending entirely on humanitarian assistance (Clements et al, 2016: 50; Betts et al, 2014: 37). Many refugees in these areas operate their own businesses and some employ Ugandans (Clements et al, 2016: 50). However, the refugee labour force participation in Uganda averages 38 per cent, compared to Ugandan's 74 per cent (Vemuru et al, 2016: xi). Vemuru et al. (2016: 43) found that refugees in urban areas were more likely than those in rural areas to be formally or self-employed by 2 and 5 per cent respectively, and therefore had increased opportunities to become more self-reliant.

### *Development-oriented refugee assistance*

Since 2009, when the new refugee policy entered into force, Uganda has striven to cultivate an environment that supports the self-reliance and resilience of entire communities, including the refugees among them by focusing on:

- **'equality, dialogue and mutual support**, leading to community resilience;
- **sustainable livelihoods** support that accounts for the demographic, cultural and economic contexts of each community; and
- **the inclusion of refugees** in local government-managed systems, such as for public health and nutrition, the environment, education, gender-based violence prevention and response, and child protection services' (Clements et al, 2016: 49; Krause, 2016: 52).

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<sup>3</sup> Asylum seekers face greater barriers to employment than refugees, 'in part because they face delays as long as two years in receiving decisions to their claim. In addition, there is a notable discrepancy of views between legal expertise on the right to work for asylum seekers and in practice, where asylum seekers, cannot own businesses, property, or other assets either' (expert comment).

Refugee assistance in Uganda has development-orientated components relating to its: Self-Reliance Strategy (SRS),<sup>4</sup> Development Assistance for Refugee Hosting Areas (DAR) strategy,<sup>5</sup> and the Refugee and Host Population Empowerment (ReHOPE) strategy (Krause, 2016: 52; Vemuru et al., 2016: 19; see also expert comment).<sup>6</sup> The government has also included refugee management and protection within its own domestic planning in the National Development Plan (NDP II), through the [refugee] ‘Settlement Transformative Agenda’ (expert comment). These strategies aim to integrate refugee service structures into national systems and promote refugees to become independent from aid structures, while allowing locals access to these services (Krause, 2016: 52; Vemuru et al, 2016: x). Refugee independence from aid structures has been especially pursued through agricultural approaches and refugees living in rural areas receiving plots of land to grow crops for personal consumption (Krause, 2016: 52; Clements et al., 2016: 50; Vemuru et al., 2016: viii). Many refugees in Uganda live in relatively extensive refugee settlements, which are like villages, with refugees living alongside nationals; both accessing the services provided by aid agencies (Krause, 2016: 52). There are markets where refugees can sell harvest and other products, some have received training in carpentry, tailoring, tinsmithing and blacksmithing, and in one settlement, refugees produce locally-made sanitary pads (Krause, 2016: 52). Some of the settlements are ‘nested’ in the local Ugandan economies, attracting goods, people and capital from outside to their active internal markets’ (Crawford et al, 2015: 23; Betts et al, 2014: 11; Kigozi, 2015).

The government, donors, development actors, the private sector and others, work together to cultivate this environment (Clements et al, 2016: 49-50). Short/intermediate-term humanitarian interventions and longer-term development approaches are sequenced in order to help participants gradually increase their degree of self-reliance and resilience (Clements et al, 2016: 50).<sup>7</sup> However, Krause (2016: 52) suggests that the assistance being provided is more like humanitarian aid rather than medium-term development aid. This is partly as a result of humanitarian aid agencies’ short planning cycles and the lack of involvement of development actors in programme implementation (Krause, 2016: 53).

## Social capital and networks

Social capital and networks play an important role for refugee access to labour markets and type of work (Zetter and Ruaudel, 2016: x; Omata and Kaplan, 2013: 20; expert comment). In Uganda, refugees ‘rely on ethnic ties to obtain employment from co-national owners of businesses, a trend especially at play among Somali refugees’ (Zetter and Ruaudel, 2016: 24; Betts et al, 2014: 27; expert comment). As a result of their social capital and networks, these Somali refugees were found to be thriving in comparison to refugees from other countries (Crawford et al, 2015: 31; Krause-Vilmar, 2011: 2).

Integration into local communities through a common language, similar culture, or marriage, also eases refugees’ access to work (Zetter and Ruaudel, 2016: x). In Uganda, refugees have been allowed to settle

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<sup>4</sup> Established in 1999, SRS aims to promote self-support for refugees and nationals living in refugee-hosting areas, as well as integrating local service structures into national systems (Krause, 2016: 52).

<sup>5</sup> Established in 2003, DAR targets improving the living conditions of refugees and nationals (Krause, 2016: 52).

<sup>6</sup> Established in 2016, ReHOPE aims to empower refugees to become self-reliant through livelihood measures (Krause, 2016: 52).

<sup>7</sup> One way of doing this is the graduation approach, which aims to transition those in extreme poverty into sustainable livelihoods through targeted, step-by-step programmatic interventions. It has been piloted by UNHCR with displaced populations in Costa Rica, Egypt and Ecuador (Jacobsen and Fratzke, 2016: 11). However, a preliminary evaluation of the Egypt pilot, conducted in 2016, suggests that there have been mixed results (Jacobsen and Fratzke, 2016: 11). Participants reported increases in income, but many still remained in highly precarious situations and few were able to save (Jacobsen and Fratzke, 2016: 11). In addition, many participants were unable to keep their new jobs or sustain their businesses for longer than six months (Jacobsen and Fratzke, 2016: 11).

in host communities, which has contributed to their social and economic integration (Zetter and Ruaudel, 2016: 18; Vemuru et al, 2016: xi). Easton-Calabria (2016: 26) also suggests that refugee-run organisations that organise activities aiming to foster refugee self-reliance through livelihoods training could play an important role in creating sustainable livelihoods. ‘Refugee-founded self-empowerment groups such as the Young African Refugees for Integral Development (YARID) in Kampala and CIYOTA/COBURWAS in Kyangwali refugee camp are promoting education, entrepreneurship, and empowerment among refugees and have been instrumental in supporting refugees’ self-sufficiency by expanding their access to education, language and computer courses and vocational trainings’ (expert comment).

## **Collective efforts**

Some refugees have managed to collectively negotiate entry to a wider Ugandan market through setting up the Kyangwali Progressive Farmers Limited (KFP) (Betts et al., 2014: 38). Their aim is to bypass Ugandan intermediaries to get a better deal directly from wholesalers in Hoima and Kampala (Betts et al., 2014: 39). KFP has faced challenges as most large-scale Ugandan companies are generally very cautious about signing direct contracts with the collective because they fear refugees might return to their country of origin any time (Betts et al., 2014: 39).

## **Training and skills development**

Skills gained through livelihoods training provide a foundation for self-reliance (Easton-Calabria, 2016: 17). A study of refugee livelihood training in Kampala found different types of livelihoods training targeting different skills for achieving refugee self-reliance, such as basic business skills, literacy, and vocational training (Easton-Calabria, 2016: 13). One expert found knowledge of English or Luanda to have a positive effect on the capacity of refugees to find employment (expert comment). The provision of certificates upon completion of training was found to be helpful in refugees securing jobs (Easton-Calabria, 2016: 18).

While those offering the training were only able to offer general figures on participants’ ability to become employed or self-employed after training, overall it was clear that ‘completing a skills training does not directly lead refugees into employment’ (Easton-Calabria, 2016: 16). Elsewhere in Uganda, ‘income generating projects were characterised as ad hoc and small scale, poorly linked to the market, unsustainable, and executed by NGOs without significant livelihoods expertise’ (Crawford et al., 2015: 22).

## **Access to credit**

The success of refugee entrepreneurs often depends on an enabling environment and business development services, including training and access to tools, raw materials and other productive assets, as well as to financial services, including credit and savings facilities (UNHCR, 2016: 5). One organisation offering livelihoods training in Kampala indicated that ‘the biggest problem regarding livelihoods is refugees’ inability to access micro-finance institutions and services’ (Easton-Calabria, 2016: 24). UNHCR (2016: 5) also suggests that enhancing access to financial services is key to building sustainable livelihoods for refugees. Refugees often have little access to savings or credit to guard against shocks or invest in businesses (Krause-Vilmar, 2011: 1). In addition, refugees are often not able to access loans as a result of financial services providers excluding them due to fears that they will default (UNHCR, 2016: 5). UNHCR (2016: 5) is collaborating with the Social Performance Task Force to encourage the inclusion of refugees in existing saving and lending services, which are more likely to be sustainable than establishing new schemes.

However, previous refugee microcredit efforts in the 1990s failed because they did not take into account refugee attitudes and practices regarding loans, debt, and repayment (Jacobsen and Fratzke, 2016: 21). Refugees often used the loans for consumption instead of business investment, and some took out other loans to repay the original loans, falling into dangerous indebtedness (Jacobsen and Fratzke, 2016: 21).<sup>8</sup> In Uganda, refugees' access to micro-finance and bank loans is largely prohibited or inaccessible, partly as a result of banks or micro-finance institutions not recognising refugee identity cards (Easton-Calabria, 2016: 23). In settlements, Omata and Kaplan (2013: 19) found that lack of access to credit was a significant livelihood challenge facing both refugee farmers and shop-owners. Betts et al. (2014: 37-38) found some refugees in Uganda who raised capital themselves, selling agricultural products or through membership of rotating credit and savings associations.

## Diverse livelihood strategies

Betts et al. (2014: 36, 22) find that some refugees in Uganda 'routinely strike a complex balance in their livelihood strategies, managing diversified portfolios of income and food sources'. Aid is used to supplement gaps in their income, while they pursue strategies of economic self-reliance (Betts et al., 2014: 26). Refugees in urban and rural areas of Uganda are involved in various different economic activities such as small-scale trading of accessories, selling of fabric, retail trading, brokerage services with countries of origin, tailoring, local brewing, operating restaurants, food vending, selling charcoal, domestic work, and operating very small restaurants and bars, mills, transportation services, construction, boda-bodas (motorcycle taxis), money transfer services and retail shops (Vemuru et al., 2016: 35). However, while many urban refugees were found to engage in multiple simultaneous livelihood strategies, many of these were still unable to cover all their basic expenses (Krause-Vilmar, 2011: 1-2). In addition, not all settlements have this range of economic activity and in March 2015, refugee shop owners in Nyumanzi were still struggling to pay back loans a year later (Kigozi, 2015).

## Partnerships with the private sector

Partnerships between governments, development actors and the private sector are important for developing sustainable refugee livelihoods (UNHCR, 2016: 7). The private sector in Uganda has provided some livelihood opportunities for refugees, such as mobile money unit agents for Orange Uganda Limited (Vemuru et al, 2016: xi). Another example is the Koboko Partnership, a public-private partnership targeting 7,500 refugee and host community households in modern, commercial-scale agriculture, launched in support of ReHOPE in 2015 (expert comment). Easton-Calabria (2016: 21) suggests that the private sector offers significant opportunities for job placements for refugees and partnerships. Omata and Kaplan (2013: 20) also suggest that the success of refugees' self-reliance could relate to linkages between refugee livelihoods and engagement with the private sector.

## Refugee profiles

Refugees are not a homogenous group and Betts et al. (2014: 22) found 'significant diversity in refugee's economic strategies between, and within, different groups of refugees living across Uganda'. Differences exist between refugees engaged in the same economic activity and refugees from different countries often pursue different livelihoods (Betts et al., 2014: 23-24). Congolese refugees were found to have the highest labour force participation rate at 57 per cent, specifically 16 per cent in the formal sector and 41

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<sup>8</sup> In Nakivale refugee settlement, Ilcan et al. (2015: 5) found that some refugees have little choice but to spend the limited funds they receive from the UNHCR's livelihood initiatives to meet other, more pressing, survival needs, such as purchasing food.

per cent in the self-employment sector, whereas Ethiopians have the lowest rate at 7.7 per cent, all from the self-employment sector, for instance (Vemuru et al., 2016: xi).

Omata and Kaplan (2013: 18) found that the wealthiest community members in Kyangwali and Nakivale were those who had most aggressively diversified their livelihoods, as well as those who have successfully formed connections with the lucrative external Ugandan markets. This indicates that refugees who possess well-developed social networks with external/non-refugee business communities have greater opportunities to develop sustainable livelihoods (Omata & Kaplan, 2013: 18).

Vemuru et al. (2016: xii) found that there were a number of factors that determined the likelihood of refugees participating in the labour market: i) longer duration of stay as a refugee; ii) level of education (secondary or postsecondary); iii) hospitality of host community and its relationship with refugees; and iv) proximity to urban areas, which benefits employment and trade. Refugee's access to cultivable land and credit is influenced by: i) the duration of stay as a refugee; ii) employment status (self-employed refugees more likely to access land and credit); iii) marital status, age, gender, and size of household; and iv) registration as a refugee by the Office of the Prime Minister/UNHCR (Vemuru et al., 2016: xii, 44-48).

### 3. Inhibiting factors

#### An unfavourable political and policy context

Clements et al. (2016: 49) argue that, amongst other things, it is the policies of host governments, and national and regional security, which prevent refugees from contributing to the societies where they are living. UNHCR (2016: 3) also finds that the laws, policies and administrative requirements in a number of countries present obstacles to sustainable livelihoods for refugees. These include restrictions on freedom of movement, free choice of residence and the right to work (UNHCR, 2016: 3). Governments may also be deterred from providing refugees with access to employment as a result of high rates of unemployment (UNHCR, 2016: 3). Uganda has one of the youngest and fastest growing populations in Africa, which creates competition for jobs, and youth unemployment and underemployment (expert comment).

Jacobsen and Fratzke's (2016: 1) research of past lessons found that programmes to support the development of refugee livelihoods through building skills or the entrepreneurship capacity of refugees struggle to succeed in a restrictive policy environment for refugee access to work. Refugees in situations where policies have banned them from working, or made it very hard for them to work through strict encampment policies and exorbitant permit fees, have 'little access to sustainable employment and are dependent on the willingness of local authorities and host population to turn a blind eye to informal work' (Jacobsen & Fratzke, 2016: 13).

In addition, the quick changes in mood of host governments towards their refugee populations means it can be difficult for agencies and refugees themselves to implement long-term livelihood strategies (Jacobsen & Fratzke, 2016: 14). Crackdowns undermine refugees' 'willingness to invest time and resources in local integration and can negate their existing investments' (Jacobsen & Fratzke, 2016: 14).

Despite the right to work in Uganda, local laws can constrain the ability of refugees to enjoy this right (Easton-Calabria, 2016: 12). For example, the Kampala City Council Authority (KCCA) created a law in 2011 that prohibits the selling of goods in public spaces without a business license or petty trading (hawker) permit. This has had dramatic and negative effects on both refugee and national entrepreneurs (Easton-Calabria, 2016: 12). The KCCA represents one of the biggest barriers to refugees creating

sustainable small businesses, according to Easton-Calabria (2016: 22). She finds that registering businesses in permanent locations is an important factor in job success and livelihoods creations in Kampala, but that this is impossible for most refugees as they lack the capital to pay three months of rent upfront (Easton-Calabria, 2016: 20). In addition, there are ‘some ambiguities as to whether refugees are required to obtain and pay a fee for a work permit and the cost of an annual work permit – which local officials/government representatives may arbitrarily elevate – is prohibitive for most refugees (expert comment). Ensuring that refugees have their rights respected and receive full citizenship rights is necessary in order to create an environment in which refugees can develop sustainable livelihoods (expert comment).

### ***Problems with the development-oriented refugee assistance and the settlements policy***

There are a number of criticisms of Uganda’s development-orientated refugee assistance, and its focus on settlements and agricultural self-sufficiency (Krause, 2016; expert comment). Some argue that some policies are more about overcoming obstacles, such as insufficient funding, than really enabling refugees to become self-reliant (Ilcan et al., 2015: 4; Crawford et al., 2015: 22). The settlements ‘are geographically limited spaces in remote rural regions which are relatively isolated from flourishing urban areas’ (Krause, 2016: 52; Ilcan et al., 2016: 2). In addition, refugees still face various restrictions and limitations in the settlements, and are unable to manage without external aid (Krause, 2016: 52). Refugees ‘have few opportunities to find formal employment; are restricted in how far they can travel due to decisions made by the Office of the Prime Minister’s local office and the high travelling costs; the allocated plots are too small and the soil quality is often too poor to yield a sufficient harvest; and the area is also too small to leave parts fallow for a season, which is necessary for long-term production’ (Krause, 2016: 52-53; Crawford et al., 2015: 22, 32; Omata & Kaplan, 2013: 19; Krause, 2013: 211). As a result, refugees in some settlements were not able to sustain themselves (Krause, 2013: 212; Ayine et al., 2014: 6-10). Drought, pest and animal attacks on crops, animal theft, and post-harvest losses due to lack of storage facilities and crop theft hinder agricultural livelihoods (Vemuru et al., 2016: 34). Agricultural livelihoods are vulnerable to external shocks and in previous years, climatic shocks have devastated food production in Uganda, resulting in visibly negative effects on refugee’s livelihoods (Hunter, 2009: 30; Betts et al., 2014: 22). In addition, refugees cannot permanently acquire freehold/ mailo land (Vemuru et al., 2016: 34; Crawford et al, 2015: 32).<sup>9</sup> The focus on agriculture also neglects the diverse interests, capacities and competences of refugees (Krause, 2016: 53). Several studies indicate that agricultural production alone is not enough to create self-reliance, and livelihoods need to be diversified (Crawford et al. 2015b).

Even though refugees in Uganda are permitted to move outside settlements, many refugees cannot afford to pay for transportation (Zetter & Ruaudel, 2016: 17). There are also considerable obstacles to receiving travel and identification documents, both in regard to costs and delays (Vemuru et al., 2016: ix; Kigozi, 2015). While they are free to leave, refugees living in rural settlements do need to obtain administrative permits to leave and return to their designated settlements, which is helpful to refugees without identity documents, but might limit economic opportunities for others (Vemuru et al., 2016: ix, 14-15).<sup>10</sup> These movement restrictions have hampered refugee abilities to engage in the local economy (expert comment).

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<sup>9</sup> Mailo tenure involves the holding of land in perpetuity.

<sup>10</sup> The freedom of movement is “subject to reasonable restrictions specified in the laws of Uganda...especially on grounds of national security, public order, public health, public morals or the protection of the rights and freedoms of others” (Ilcan et al, 2015: 2).

Ilcan et al. (2015: 3) argue that the Nakivale Settlement has in-built constraints which counter refugee self-sufficiency and self-reliance. The practice of withdrawing food rations, alongside the restrictions on freedom of movement from settlements creates very difficult living conditions for refugees and impedes their ability to achieve or maintain sustainable livelihoods (Ilcan et al., 2015: 4). As settlement populations grow, less arable land may be available for refugees to sustain themselves (Ilcan et al., 2015: 5). The 'design and management of refugee settlements restrict refugee movement and segregate refugees from host communities, which effectively undermines self-reliance by fostering economic isolation and social divisions between refugees and the surrounding community' (Ilcan et al. 2015: 5). The inability of refugees to be 'self-reliant' in settlements was 'underlined by the fact that most refugees who had access to outside resources relocated to urban, peri-urban or other rural areas when they were able to ..., and almost always cited better access to livelihoods (and to some extent services as well) as a motivation for doing so' (Crawford et al., 2015: 22).

### **Lack of access to capital and markets**

If no employment opportunities exist in the host-country economy, or if employers are unwilling to hire refugee workers, it is difficult for refugees to build sustainable livelihoods (Jacobsen & Fratzke, 2016: 2). Livelihood programmes for refugees are often not designed with the local labour market context and needs in mind (Jacobsen & Fratzke, 2016: 2; Easton-Calabria, 2016: 17). Ayine et al. (2014: 11) found that there was a dearth of alternative livelihood opportunities available in refugee settlements, possibly as a result of the lack of customers to support small scale trade. Employers may be reluctant to hire refugees as a result of concerns over their skills, security, lack of clarity and varied enforcement of the regulations guiding employment, or discriminatory attitudes (Jacobsen & Fratzke, 2016: 2; Vemuru et al., 2016: 37; expert comment). Zetter and Ruaudel (2016: x) found that 'xenophobia and stigmatisation have a significant though difficult-to-detect impact on refugees' getting work'. Discrimination was found to be an issue in Uganda (Vemuru et al., 2016: 37).

Zetter and Ruaudel's study (2016: iii, x) of twenty refugee hosting countries finds that the 'majority of refugees work in the informal sector, but under much less satisfactory and more exploitative conditions compared with nationals', while informal labour markets in fragile states are often constrained. In Uganda, Vemuru et al. (2016: xi, 13) found that refugees are 'mainly engaged in occupations that provide little income, social protection, or job security'. However, many Ugandans also face similar working conditions (Vemuru et al., 2016: 39). Refugees in the informal sector are at a higher risk of discrimination and exploitation, including sexual exploitation, at the hands of other refugees and Ugandan nationals (expert comment).

Easton-Calabria (2016: 16) found that the most common challenge refugees face in creating a viable livelihood after a skills training is lack of access to capital and markets. Other challenges included discrimination from Ugandan buyers and sellers, who either prefer to buy from fellow Ugandans or view refugees as competitors and seek to disrupt their business operations (Easton-Calabria, 2016: 16). In addition, lack of prior business knowledge or experience in particular livelihoods, prove to be a hindrance (Easton-Calabria, 2016: 16). Even when refugees do establish their own businesses, many struggle to make regular profit due to a lack of capital to expand and struggle to access markets, partly as a result of KCCA enforcements (Easton-Calabria, 2016: 18). Easton-Calabria (2016: 23) criticises organisations offering livelihoods training without further guidance or education on business registration, or support with next steps in fostering livelihoods, for effectively ushering refugees into a now illegal informal sector.

When marketing their produce, refugees in Uganda have to contend with the common practice of local traders using faulty scales when weighing produce (Vemuru et al., 2016: 35). Extremely low prices offered by local traders mean it is harder for refugees to build sustainable livelihoods (Vemuru et al., 2016: 35). Vemuru et al. (2016: ix) also find that, in Uganda, there is still ‘ambiguity about refugees participating in profit-making associations, which is currently constraining their market interactions and resulting in a poor return for produce and products’. If these factors are not addressed and refugees are unable to earn reasonable incomes, sustaining agricultural self-reliance for refugees will be difficult (Vemuru et al., 2016: 35).

## **Capacity and willingness of refugees**

Refugees might not be willing to commit to finding legal work or developing livelihood strategies in first-asylum countries, as they often remain interested in returning home or moving onward to settle in a third country (Jacobsen & Fratzke, 2016: 2). In these cases, refugees may be reluctant to invest in work or programmes they see as tying them to the first country of asylum (Jacobsen & Fratzke, 2016: 2). For instance, Ayine et al. (2014) found that the ‘the possibility of third country resettlement as a durable solution option has distracted the refugees from concentrating on constructing their livelihoods’ in the Kyangwali Refugee Settlement.

Refugees’ capacity and capital also limits their livelihood opportunities (Jacobsen & Fratzke, 2016: 2). For example, refugees with very low levels of basic education or literacy are unlikely to be quickly connected with opportunities in labour markets that require higher level skills (Jacobsen & Fratzke, 2016: 2). In Uganda, Vemuru et al. (2016: 37) found that refugees living in urban areas and rural settlements cited ‘unfamiliarity with the language, legal issues, poor interview skills, discrimination, and a lack of relevant documents as barriers to accessing employment’. Other factors refugees in Uganda mentioned included their level of education prior to and since becoming a refugee, employment status and experience prior to becoming a refugee, technical skills, integration training, household size, and marital status (Vemuru et al., 2016: 33-34). Refugees in Uganda are often not able to find jobs in the country’s small formal sector, due to limited proficiency in English, difficulties faced in acquiring degrees, and having previous academic documents certified (Zetter & Ruadel, 2016: 21; Vemuru et al., 2016: 36).

### ***Education***

Higher levels of education have led to increased labour participation of refugees (Vemuru et al., 2016: 42). However, despite efforts from UNHCR and the Ugandan government, not all refugee children are enrolled in school (Vemuru et al., 2016: 34). Even if they are enrolled, the language and curriculum are challenging for refugees, and most cannot afford the tuition and fees needed for secondary education (Vemuru et al., 2016: x). Ilcan et al. (2015: 5) find that post-primary educational opportunities remain non-existent for the vast majority of refugees in Uganda.

### **Poverty of host areas**

Weak basic social service delivery, poor infrastructure and limited market opportunities in host areas of Uganda exacerbate underlying poverty and vulnerabilities that create challenges for developing sustainable livelihoods (Vemuru et al., 2016: ix, 2; Clements et al., 2016: 49; expert comment). Refugees in Uganda have identified the need for basic safety nets, in the form of cash, vouchers or food aid, as an integral contribution to self-reliance and building livelihoods (Crawford et al., 2015: 27). Krause-Vilmar (2011: 1) also finds that urban refugees in Uganda ‘face barriers in accessing basic services critical to their livelihoods, such as health care, primary and secondary education, police services and the market’.

The government of Uganda, UNHCR and partners, have sought to strengthen the self-reliance and resilience of refugees and their host communities (Vemuru et al., 2016: vii). Vemuru et al. (2016: xii) suggest that activities which will jumpstart local economies, such as the water treatment plant in Nakivale or the feeder roads in Kyangwali, can help refugees and host communities alike. Returns from agricultural livelihoods could be improved with better access to input and output markets, and with technological interventions for improved efficiency and cost-effectiveness (Vemuru et al., 2016: xii).

## Refugee profiles

People with disabilities, orphans, elderly people, those who are chronically ill, widows, female-headed households and recent refugee arrivals were identified as the least sufficient groups who were often forced to employ negative coping strategies (Omata & Kaplan, 2013: 18). Omata and Kaplan (2013: 18) found that the difficulties these groups faced in meeting their basic livelihood needs were related to their limited access to internal and external markets, and a limited capacity to diversify their income sources.

Negative gender stereotypes, gender-based social discrimination, disadvantageous working conditions, and violence against refugee women were found to be prevalent in labour markets and hindering to female refugees' ability to develop sustainable livelihoods (Zetter & Ruaudel, 2016: x). Research has found that refugee women may adopt livelihood strategies which place them at risk of gender-based violence (GBV), including sexual exploitation and abuse, rape and domestic violence, when there are no safe economic opportunities available (Ray & Heller, 2009: 1). Such strategies include prostitution, trading sex for food and leaving the relative safety of refugee camps to collect firewood to cook with or to sell (Ray & Heller, 2009: 1). In addition, 'when economic opportunities are provided without built-in protective elements, an increase in sexual violence outside the home and heightened domestic violence within the home often ensue' (Ray & Heller, 2009: 1).<sup>11</sup> This is especially the case in situations where women do not have legal status or right to work in their country of refuge (Ray & Heller, 2009: 1). Canton et al. (2014: 1) found that lack of focus on improving the livelihoods of adolescent refugee girls puts them at risk of GBV. There is little evidence about what types of economic interventions are effective, in which contexts and for which groups of adolescent girls (Canton et al., 2014: 1). Zetter and Ruaudel (2016: 22) found that in Uganda, widows and unmarried women were targeted for abuse by national or refugee employers. Vemuru et al. (2016: xi, 38) also found that female refugees 'reportedly face constraints with respect to access to land, credit, employment, and self-employment opportunities'. KCCA's law in Kampala is especially relevant for female refugees who are often engaged in hawking jewellery, fruit, and clothes, and have been forced to engage in risky practices such as selling at night as a result (Easton-Calabria, 2016: 22). With many female refugees in Kampala having multiple dependents, it is hard for them to save enough capital to formally register businesses or rent stalls (Easton-Calabria, 2016: 22).

A needs assessment of refugees with disabilities in Kenya, found that challenges to gaining sustainable livelihoods were related to access to: financial support and placement opportunities; life skills and vocational training opportunities; work permits; and equal livelihood opportunities for each gender (KENPRO, 2014: 3; WRC, 2008: 26). The biggest problems refugees with disabilities face in attaining sustainable livelihoods are the 'huge social, attitudinal and environmental barriers they still face in finding employment' (WRC, 2008: 27; KENPRO, 2014: 3). Refugees with disabilities experience double discrimination as a result of their disability and their status as refugees. This can make their chance of finding employment in the open market close to zero (WRC, 2008: 25). However, Women's Refugee Commission (2008: 26) found that in some countries successful vocational and skills training programmes

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<sup>11</sup> Without attempts to change mind-sets, increased livelihood opportunities for women can 'heighten their risk of domestic violence as their spouses and partners may resent their access to resources and may attempt to control those resources' (Ray & Heller, 2009: 1).

were set up especially for persons with disabilities, and allowed them to find employment or set up their own small business as a result.<sup>12</sup> Generally, it seems that it is much easier for people with disabilities to start small businesses or find employment in refugee camp situations than it is in urban environments, because there is less competition in camps and NGOs, and because relief agencies are more likely to have positive employment policies and be open to employing people with disabilities (WRC, 2008: 27-28).

## 4. Livelihood programming

Shortcomings in refugee livelihood programming hinder support for the development of sustainable refugee livelihoods. The literature suggests that refugee livelihood programming should have:

### Localised contextual awareness

Livelihood programmes are often launched without first mapping the local political and economic landscape. As a result, they do not take into account the context-specific barriers and opportunities (Jacobsen & Fratzke, 2016: 2). Further, programmes are often not subject to sufficient evaluation, so it is difficult to tell if they lead to sustainable livelihoods (Jacobsen & Fratzke, 2016: 2). Jacobsen and Fratzke (2016: 2) suggest that conducting market, political and policy mapping of the local context and using it to inform programme design could improve refugee livelihood programming. An understanding of the existing political, economic and social relations that shape refugees' lives and their limited access to adequate food, housing, land, education, and safe and legal employment is important for supporting the development of sustainable livelihoods for refugees (expert comment).

Vemuru et al. (2016: xii) find that in Uganda, programming needs to be 'informed by deeper situational analysis in the nine refugee-hosting districts, which vary with respect to their land tenure systems, cultural and social settings, economic and livelihood opportunities, and infrastructure status'. Easton-Calabria (2016: 111) also found that at the beginning of 2016, Uganda had not completed a market assessment, which means there is no clear evidence on potential or existing market opportunities for refugees, thus impeding fully informed livelihoods interventions. For example, training in arts and crafts skills has been criticised because refugees struggle to make a living from them (Easton-Calabria, 2016: 19-20). Ilcan et al. (2015: 1) suggest that the SRS in Uganda's Nakivale Refugee Settlement did not take into account the existing political, economic and social relations that shape the environment in which refugees live. This then resulted in greater pressure on refugees to be responsible entrepreneurial subjects in a climate of increasing isolation, marginalisation and poverty. Crawford et al. (2015b: 69) also found that there has been a 'lack of support for non-agricultural livelihoods, especially amongst self-settled refugees and in urban areas'. There is a suggestion that livelihood training should be based on a fully investigated market demand; concretely linked to job opportunities, perhaps through short-term internships; and evaluated through follow-up with participants to improve future training (Easton-Calabria, 2016: 18-19).

### Refugee and local input

As a relatively new field, refugee livelihood programming suffers from a lack of trained and knowledgeable staff (Jacobsen & Fratzke, 2016: 2). Implementing agencies and partners should use the knowledge of refugees, host communities and local actors, as they are best placed to understand local needs and livelihood opportunities (Jacobsen & Fratzke, 2016: 2). Programme designers should consult

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<sup>12</sup> Successful examples have included bicycle repair, radio mechanics, embroidery, painting, massage for the blind, handicrafts, music and auto mechanics, in countries such as Nepal and Thailand (WRC, 2008: 27-28).

refugees on their needs, aspirations, and skills, and what has worked or failed in the past (Jacobsen & Fratzke, 2016: 28). Refugees should be assisted to have more control over their daily lives (expert comment). Insufficient consultation with affected communities and a lack of support until they are actually prepared for the transition away from assistance have hampered previous efforts designed to improve the livelihood opportunities of refugees in Uganda (Clements et al., 2016: 50). In addition, there needs to be adequate funding and pragmatic engagement with the political economy in which the programme must operate (Clements et al., 2016: 50).

## Partnership with host institutions

There is often a lack of coordination between the various local and international actors involved in refugee support and livelihood development (Jacobsen & Fratzke, 2016: 2). In order to support sustainable livelihoods, Zetter and Ruaudel's research (2016: iii) suggests that more national and international coordination is required, and that multiple actors should share in the responsibility to deliver decent work. Working with local authorities can strengthen the capacity of service provision infrastructure and help ensure this support remains in place should donor interest change (Jacobsen & Fratzke, 2016: 28). In addition, working with local organisations helps ensure the inclusion of host communities so that they also benefit from the intervention, which helps build livelihood connections between refugees and host communities (Jacobsen & Fratzke, 2016: 28). Vemuru et al. (2016: 44) found that more hospitable host communities increased the employability of refugees in Uganda.

## Long-term and predictable funding

Clements et al. (2016: 49) argue that, amongst other things, it is the budgets of humanitarian organisations and the priorities of international development actors which prevent refugees from contributing to the societies where they are living. As humanitarian actors provide many livelihood interventions aimed at refugees, funding tends to be short-term and insufficient to provide real change (Jacobsen & Fratzke, 2016: 28). Ilcan et al. (2015: 5) find that under-funded services in Nakivale Settlement undermine refugees' ability to engage in meaningful strategies of self-reliance. Jacobsen and Fratzke (2016: 28) suggest that programmes need to commit to longer time frames and be designed to benefit host communities too. UNHCR (2016: 8) finds that building sustainable refugee livelihoods requires a 'multi-year vision based on data and evidence, as well as impact monitoring and programming, to streamline small and uncoordinated livelihoods interventions and take them to scale to achieve greater impact for both refugees and host communities'. Development programmes should also be inclusive of refugees (Jacobsen & Fratzke, 2016: 28). Better coordination between development and humanitarian agencies could help to maximise the benefits of funding (Jacobsen & Fratzke, 2016: 28).

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