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

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November 10, 2021

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 topped by 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: I374, D83, E88, O12

*We appreciate comments from Samuel Bazzi, Arun Chandrasekhar, Michael Clemens, Kevin Doucoure, Julian Dupuis, Paschal Dupuis, Marcel Fokkema, Jon Hahnsoffer, Mikko Minton, Pia Raffler, Ilwaco Lwanga, Justin Sandefur, Jeremy Weinstein, and seminar participants at Stanford, Harvard, the Working Group on African Political Economy (WGAPE), and EREAD. We appreciate the hard work of the staff members at YARID who implemented the interventions and the International Research Consortium, especially Dr. Daniel Kibuka Musingu, Achak Naitoudi, and Dr. Daniel Songwe, who collected the data. We thank Liping Chen and Anke Shen for outstanding research assistance, and Christopher Wetzel for excellent field assistance. We thank Innovations for Poverty Action's Peace & Recovery Fund, Stanford University, the World Bank, and an anonymous donor for funding. This work is part of the program "Building the Evidence on Protected Forced Displacement: A Multi-Stakeholder Partnership". The program is funded by UK aid from the United Kingdom's Foreign, Commonwealth and Development Office (FCDO), it is managed by the World Bank Group (WBG) and was established in partnership with the United Nations High Commissioner for Refugees (UNHCR). The scope of the program is to expand the global knowledge on forced displacement by funding quality research and disseminating results for the use of practitioners and policymakers. This work does not necessarily reflect the views of FCDO, the WBG or UNHCR. This study was approved by the Stanford University Institutional Review Board (protocol 4474), Harvard University Institutional Review Board (protocol IRB19-201), the University of Rochester Institutional Review Board (protocol STUD0000089), the Uganda National Council for Science and Technology (protocol NS 2014), and the Midway Uganda Research Ethics Committee (Protocol 0506-2019). This study is registered in the AEA RCT Registry under the unique identifying number AEARCT18-006529. Any errors are our own.

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