

Livelihoods strategies of urban refugees in Kampala

by Michela Macchiavello

Some 15,000 refugees – escapees from wars in Sudan, Rwanda, Burundi, the Democratic Republic of Congo, Eritrea, Ethiopia and Somalia – live in the Ugandan capital, Kampala, without UNHCR assistance. Rejecting residence in rural camps, they have chosen an environment in which they can use their skills to achieve self-sufficiency and dignity.

'Let me live where I choose and then I can survive'
(Congolese refugee in Kampala)

Most of the urban refugees are either single men or single mothers with children. The majority of them have come to Kampala directly from their country of origin without having entered a refugee camp. Others may have spent considerable time in refugee camps. Both groups are drawn to Kampala by:

- opportunities to trade and use their skills to offer services to better-off city residents
- the presence of hospitals and private medical services
- accommodation, schooling and vocational training
- internet access to maintain contacts with relatives, transfer money and explore business opportunities

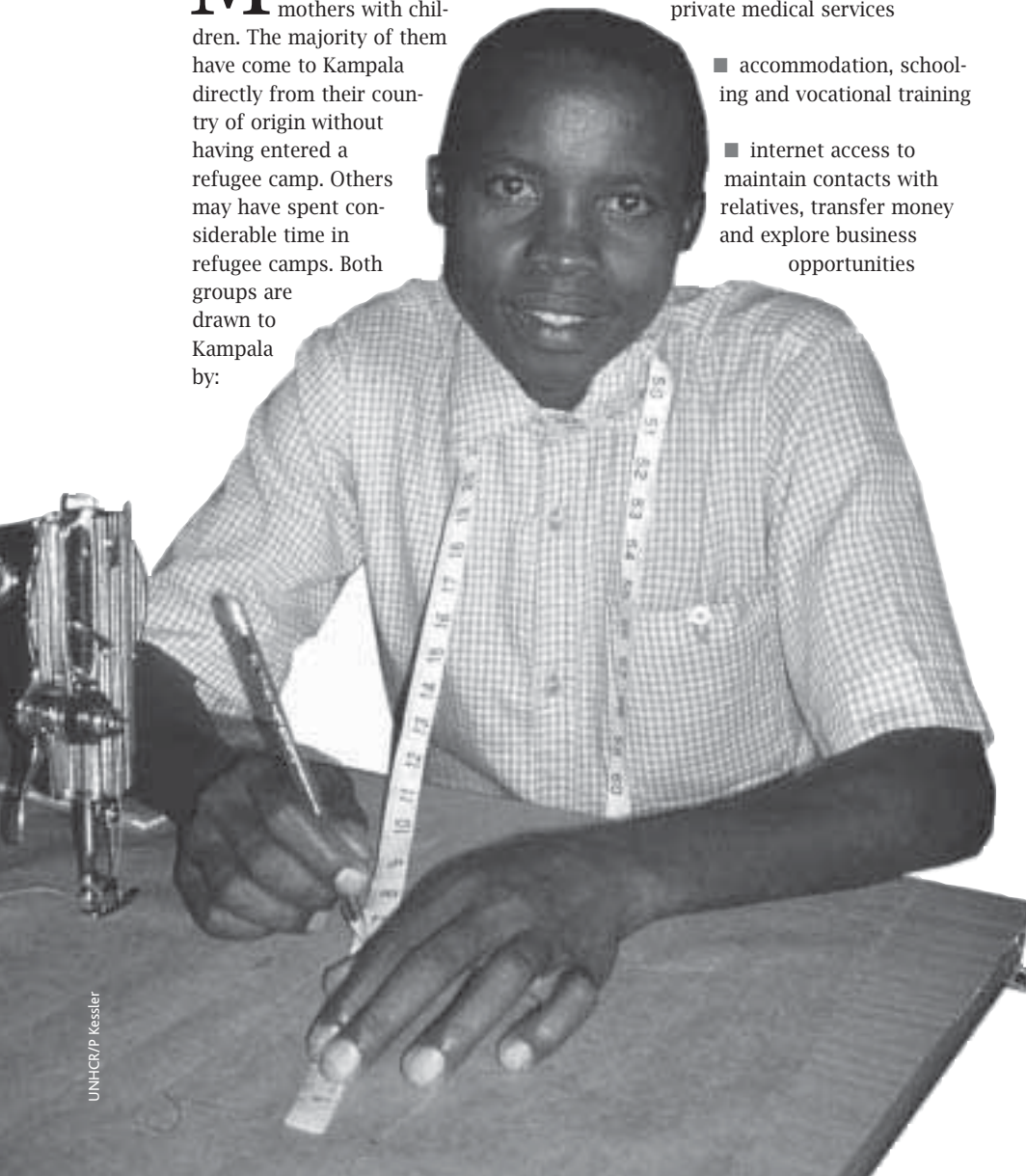
- recreational and intellectual activities
- opportunities for concealment from both the Ugandan authorities and from intelligence agents from their countries of origin who are known to monitor those who officially register their presence.

Most urban refugees are educated urbanites – 70% of the sample interviewed had either finished or been attending secondary education prior to flight and 30% had a college or university qualification. Many are academics, researchers, engineers, teachers and musicians. There is a large number of secondary school students keen to complete their education.

Refugees in Kampala refute the traditional image of refugees as a burden on the host country. Over a third of the sample are economically self-sufficient, mostly working in the informal sector as artisans, tailors, hairdressers, traders in precious metal and diamonds and vendors of food and second-hand clothes. A quarter of refugees interviewed depend on remittances from relatives outside Uganda. Another 15% can be judged to be on the way to establishing viable livelihoods in Kampala.

Many Ugandans regard them with hostility, stereotyping refugees as economic parasites or collaborators with countries and factions which are the enemies of Uganda. Many employers exploit their refugee workers with impunity. The failure of Ugandan law to give refugees legal entitlement to work creates confusion which prevents would-be employers from using their skills.

One in four of the refugees is struggling to survive, regularly unemployed or too ill to work. Many would like to start their own small business but struggle to find the initial capital.



Women are particularly successful at integrating into the local economy and sustaining their own livelihoods. Many are resourceful and entrepreneurial – selling charcoal, home-made clothes, dressing hair and growing vegetables. Those few who have received microcredit have generally managed to repay loans or have gone on to run successful enterprises. Most, however, are frustrated by lack of credit and are also held back by lack of fluency in English – the main language of commerce in Uganda.

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Microfinance for the most vulnerable

In 2000 UNHCR and an implementing partner started a microfinance scheme which soon collapsed due to failure to repay loans. UNHCR concluded that a non-UN organisation would be more likely to command respect and less likely to be regarded as a source of free assistance.

The Jesuit Refugee Service established a scheme – primarily providing loans to vulnerable single mothers – which in its first year assisted 23 refugees. While its rate of repayment – just over 50% – is not generally regarded by microfinance specialists as a success, consideration must be given to the non-economic benefits that refugees derive. Instead of being regarded as shiftless, destitute and dishonest, they are given a psychological boost by being perceived as would-be entrepreneurs worthy of trust.

'It does not matter what you tell them, they don't believe you. You are a refugee and you are liar. Now I have asked for a loan here. They can see that my sister is sick. I hope I will get it.'
(Sudanese women interviewed at JRS office)

Among the refugees who successfully repaid their microfinance loans is a Sudanese woman who had lost contact with her husband during flight and cared for her eight children alone. After struggling to get by as a nanny

in a Ugandan home she tried making doughnuts for sale before going back to the refugee camp where she had lived. She cultivated her plot and was later able to sell her produce in Kampala; with a loan from JRS she set up a corner shop, repaid her loan and was able to send two of her children to school. After successfully applying for a second and larger loan she expanded the range of goods in her shop and is now hoping to send more of her children to school.

The primary reason why many single mothers default on their loans is family illness, particularly malaria. A Rwandan woman with a degree in community health could not utilise her qualification in Kampala as she did not speak English. Thanks to a microfinance loan she started a profitable business selling second-hand shoes. She had already managed to repay half of her loan when she had to have an operation and, at the same time, two of her children contracted malaria. After settling the medicinal and hospital bills she was left with no funds to make her enterprise sustainable.

Other refugees defaulted mainly because of lack of entrepreneurial experience, mismanagement of funds or sheer bad luck. Four Burundian women went to northern Uganda to buy a large quantity of cassava. Unfortunately, an outbreak of Ebola fever made it impossible to transport the cassava back to Kampala to be sold and it rotted.

JRS had far more applications than it could support. Because of the default rate the scheme was temporarily suspended, leaving those refugees with outstanding applications disappointed, angry and sad. The only other alternative available to them is the money lender, an option not affordable for them.

A Congolese man with a degree in rural development had tried in vain to invest in a chicken business but like many was compelled to use the money for food and rent for his family. He had applied for a loan at JRS and his eyes glittered at the prospect of finally being able to run his chicken business and have some hope for the

future. When he learned about the scheme's suspension he sank into depression and lost weight.

Conclusion

Most of the urban refugees surveyed are capable of supporting themselves, either by establishing a lucrative livelihood or by receipt of funds from relatives and friends abroad. The evidence strongly suggests that further microfinance schemes could have a great impact on improving the life conditions of the highly vulnerable minority, particularly female-headed households. African governments and the international community need to:

- provide assistance soon after refugees arrive in urban environments to enable them to successfully adjust and realise their earning potential
- do more to build refugees' managerial, vocational and entrepreneurial skills
- offer English language training
- provide assistance to vulnerable single mothers; if allowed to remain in a state of destitution they will be perceived as a burden by the local population
- directly involve refugees in planning programmes aimed at promoting self-sufficiency
- learn from the attempts of refugee communities to help themselves
- agree how to define refugee self-sufficiency in order to better compare research results.

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With Nuffield Foundation funding the author spent six months in 2001 in Kampala as an RSC research associate. For the main results of this study see UNHCR New Issues in Refugee Research Working Paper no 95, online at: www.unhcr.ch/epau.