

Refugees' engagement with host economies in Uganda

Naohiko Omata

Multi-sited fieldwork in Uganda allows for an exploration of the complex patterns of engagement between refugees' economic activities and local economies, in urban, emergency and protracted settings.

The Government of Uganda has made self-reliance central to the country's approach towards hosting refugees. Currently, Uganda hosts more than one million refugees of diverse nationalities, including from the Democratic Republic of Congo (DRC), Somalia, South Sudan and Rwanda, who live in both rural camps and urban areas. Refugees in Uganda generally enjoy the right to work, freedom of movement within the country, and access to basic services. Such policies have an important role in facilitating refugees to engage in business activities and enable them to become embedded within local and national markets and industries in Uganda.

Between 2013 and 2015, my colleagues and I conducted a study on refugees' economic lives, looking at their interaction with local host communities across four sites with three different contexts: Kampala – the capital city; Kyangwali and Nakivale – long-established camps; and Rwamwanja – a newly established camp.¹ This multi-sited research offers an interesting comparison of economic relationships between refugees and hosts over time and in different geographical environments.

Kyangwali and Nakivale: 'import and export' economies

Nakivale settlement has existed since 1959 and Kyangwali settlement since 1989. They are formally designated as 'settlements' rather than 'camps' because of their relatively open layout and the economic freedoms afforded to refugees. Both are located in the rural south-west of the country but though geographically remote they are far from economically isolated. Not only is there diverse economic activity within the settlements but also their economies are embedded in wider

economic structures that extend beyond their geographical boundaries. Goods and services are imported and exported, with refugees playing an active role in these supply chains.

Upon arrival, refugees in both settlements have historically been given access to a plot of land to cultivate; not surprisingly, therefore, commercial farming is the most common economic activity. Kyangwali settlement is known widely among Ugandan crop traders for its good-quality maize. During the harvest season Ugandan trucks and minivans regularly travel out of Kyangwali, loaded high with sacks of maize purchased from refugee farmers and destined for sale in local markets, in Kampala and other Ugandan cities, and even in neighbouring countries such as Tanzania and South Sudan.

While agricultural activities dominate both settlements, over time an array of vibrant businesses has emerged and become deeply embedded within both national and regional commercial networks. In fact, many of the well-established shops in both Kyangwali and Nakivale buy goods from existing supply chains run by Ugandan wholesalers who regularly come to the settlements and sell goods to satellite shops.

"Kyangwali settlement is one of our important selling points. In Kyangwali, we have seven refugee shops that we sell our items to." (sales manager for local Ugandan brewery)

In Nakivale, we observed similar commercial interactions between refugees and Ugandan wholesalers. Many Somali business owners in particular would regularly import products including milk, pasta, camel meat, clothing, cosmetics and medicines to the settlement from their Somali-Ugandan counterparts in Kampala.

Rwamwanja: an emerging economy

Rwamwanja settlement opened in April 2012 in a rural village in Western Uganda in response to the emergency influx of Congolese refugees. By late 2013, when we did our initial research, people were still arriving. New arrivals are provided with food rations and relief supplies, including cooking items, a hoe, blankets, jerry cans and machetes. Similar to Kyangwali and Nakivale, the refugees are allocated a plot of land for their residence and cultivation.

According to refugees who came to Rwamwanja when it was first established, economic activity inside the settlement emerged almost immediately, with the first visible commercial transactions based around the exchange of food and non-food aid items between refugees. Soon Ugandans from neighbouring villages joined in the bartering, despite the refugee and host populations having very little pre-existing ethnic or cultural affinity or shared language. Refugees exchanged bags of maize or cooking oils for Ugandan crops such as bananas and cassava, and sold non-food items. These initial trading activities have since transformed into more organised refugee markets. For instance, the market in Kaihura village, one of 36 villages in the settlement, currently attracts about 2,000 sellers and customers, including both refugees and Ugandan nationals, every market day.

The arrival of refugees and aid workers into this scarcely populated rural village has stimulated local economies in the surrounding areas. According to Ugandan villagers who live nearby, many new businesses began to appear after the influx of refugees, including restaurants, bars, guesthouses and shops. Henry, the Ugandan owner of a popular restaurant located at the entrance of the settlement, established his business in January 2014:

"I used to run a small restaurant in Kampala. I came and checked the area and found no good restaurants so I decided to move here. Currently, I receive about 200 customers per day. Many of them are working for the aid agencies but some of them are refugees and Ugandan business people visiting the camp."

Owners of pre-existing businesses in the host area have also benefited significantly from the presence of refugees and humanitarian workers. One local family renovated their bar to target the growing population; the business grew rapidly and in 2014 the family expanded it to create a lodge with a restaurant just outside the entrance of the settlement.

Compared with Nakivale and Kyangwali, refugees' economic activities in Rwamwanja were still embryonic and less extensively connected with national and transnational economies. Nevertheless, Rwamwanja reveals the dynamic process through which a new 'refugee-induced economy' emerges following a mass influx of refugees even in an underdeveloped host region.

Kampala

With an estimated population of more than 1.5 million, Kampala is the largest city in Uganda. Here refugees live and work side by side with both Ugandan nationals and migrants from across the continent. Most Somali refugees live alongside Somali-Ugandans and Somali economic migrants in Kisenyi in Kampala, taking advantage of their ethnic ties with the vibrant Somali-Ugandan economies and filling gaps in labour demand in sectors where most non-Somali Ugandans would not seek employment. Several large-scale Somali-Ugandan enterprises in the oil, petrol and retail industries hire a large number of Somali refugees. A Somali-Ugandan manager from one of these companies explained that hiring Somali refugees is a simple decision:

"We feel more comfortable working with Somali people because we have a lot in common such as language, religion and cultural habits."

In contrast, Congolese refugees live scattered in several areas in Kampala such as Nsambya and Katwe, and live alongside Ugandan communities. While they are associated with a range of economic activities, the selling of *bitenge* (traditional Congolese fabric) is the most common, for two main reasons – firstly, the up-front investment needed is relatively small and, secondly, positive stereotyping of Congolese



Fresh produce exporters load the chilli peppers they have bought from Congolese refugee farmers at Rwamwanja settlement in Uganda.

craftsmanship among Ugandans provides a helpful market opportunity. These Congolese refugees find mutually beneficial economic links with Ugandan merchants; these Ugandans have come to rely heavily on Congolese refugees, who act as the primary distributors and retailers for their products.

Countering prevailing perceptions

Among policymakers, there is a prevailing perception that the presence of refugees intensifies competition for employment with national populations in a host country. Contrary to this perception, however, in Kampala, Congolese and Somali refugees have sought their own economic space in the wider host economy, not necessarily in conflict with nationals. And in each of our study sites, the presence of refugees' economic activities has resulted in interdependence between refugees and host communities, rather than a zero-sum game of economic rivalry.

In the protracted refugee contexts of Nakivale and Kyangwali, refugee settlements have become embedded in regional commerce through 'import and export' of items and have become active trade hubs in their remote, rural locations. Even in recently established Rwamwanja, refugees' business activities are being gradually linked with surrounding economies and appear to play a role in revitalising host communities. While the ways in which refugees position

themselves in host economies differ in each setting, refugees clearly play an important, perhaps indispensable, role in wider commercial sectors in Uganda.

Some implications for policy and practice follow from this analysis. Often, attempts to support refugees' income-generating activities are conceived in abstraction rather than with an understanding of wider market contexts. Actors working to enhance economic opportunities for refugee and host populations need a clear and better understanding of the relevant economic systems and structures. Furthermore, interventions should aim either to build upon existing markets and businesses or help refugees to more effectively engage with those markets. And, finally, external actors need to help create an enabling environment. Refugees can be market creators if certain conditions and rights are granted, enabling them to identify and employ unique livelihood assets while avoiding intensifying competition with host populations.

Naohiko Omata naohiko.omata@qeh.ox.ac.uk
Senior Research Officer, Refugee Economies Programme, Refugee Studies Centre, Oxford Department of International Development, University of Oxford www.rsc.ox.ac.uk

1. See Betts A, Bloom L, Kaplan J and Omata N (2016) *Refugee Economies: Forced Displacement and Development* www.bit.ly/RefugeeEconomies2016