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Refugee livelihoods and the private sector: Ugandan case study

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List of abbreviations

| | |
|------|----------------------------------|
| CARA | Control of Alien Refugee Act |
| GBE | Green Bio Energy |
| KCCA | Kampala City Council Association |
| TfT | Technology for Tomorrow |
| UGX | Ugandan Shillings |

1 Introduction: research background, scope and methodologies

Refugee livelihoods and the private sector

In recent academic and policy debates in forced migration the issue of how to understand and support the livelihoods of refugees has emerged as a pressing agenda due to the large number of protracted refugee situations globally. One of the major difficulties UNHCR faces in prolonged displacement is diminished donor interest in supporting these long-term refugees (Jacobsen 2005). As a result, assistance programmes for protracted refugee situations have been constantly deprived of adequate funding.

In the face of these daunting challenges, the international refugee regime has realised that refugees should be 'assisted to assist themselves' (Horst 2006a: 6) and placed a new emphasis on the economic capacity of refugees (Crisp 2003a). Given this context, the theme of livelihoods has become an important agenda in the domain of refugee assistance. With this growing interest in the economic aspect of refugees' lives, there is now a burgeoning body of research into the livelihoods of forced migrants (for example, Jacobsen 2002 & 2005; De Vriese 2006; Young *et al.* 2007; Horst 2006a & b; Dick 2002; Andrews 2006; Al-Sharmani 2004). Whilst the existing research highlights a number of important insights on refugees' livelihood strategies, relatively few studies investigate the role of the private sector as a key instrument for enhancing refugees' economic activities. Drawing from a case study of urban refugees in Uganda, this paper therefore aims to understand their livelihood strategies as well as their engagement with the business sector. In addition, it attempts to identify refugee-relevant livelihood opportunities in the private sector in Kampala.

The four weeks fieldwork in Kampala, the Ugandan capital, was undertaken between July and August 2012. This paper focuses on presenting key findings drawn from the research. The nature of this investigation was essentially exploratory given the relatively short duration of fieldwork. It is therefore beyond the scope of this paper to provide an exhaustive account of the complexity and variety of issues surrounding the economic life of refugees in Kampala.

Research themes

The central aim of the mission was to conduct a preliminary study on refugee livelihoods in Kampala. The research had two specific research themes:

1. Understanding refugees' livelihoods in relation to the local private sector

What are the livelihood strategies of self-settled refugees in Kampala, and how are they engaging with local markets and business communities, both formally and informally? What are the challenges for running their livelihood activities?

2. Identifying economic opportunities for refugees in the private sector

What are the business opportunities for refugees in the Kampala private sector? Who are the potential partners that might be relevant for providing assistance or employment for refugees?

Research methodology

As a principal research method, I employed semi-structured one-to-one interviews with both refugees in Kampala and stakeholders in the private sector. The data from the fieldwork is

therefore mainly qualitative. Given the duration of fieldwork, it was not feasible to conduct a large-scale survey to obtain in-depth quantitative data.

Table 1 is a summary of refugee interviewees during this mission. I made deliberate efforts to reach all major refugee groups in Kampala. The number of refugee interviewees from different countries of origin was decided in relation to their proportion to the total number of urban refugees in Kampala (see Table 2 below). In addition to the 77 refugee respondents, I interviewed 9 migrants who were deeply involved in the refugees' economic activities.

| Country of origin | Male | Female | Total | % of the total |
|-------------------|-----------|-----------|-----------|----------------|
| Burundi | 1 | 0 | 1 | 1% |
| Congo DRC | 10 | 21 | 31 | 40% |
| Eritrea | 9 | 2 | 11 | 14% |
| Ethiopia | 5 | 0 | 5 | 7% |
| Rwanda | 5 | 1 | 6 | 8% |
| Somalia | 14 | 4 | 18 | 23% |
| Sudan | 3 | 2 | 5 | 7% |
| | 47 | 30 | 77 | 100% |

| | | | | |
|----------|---|---|---|---|
| Migrants | 8 | 1 | 9 | - |
|----------|---|---|---|---|

Table 1: Refugee interviewees during the mission

In order to collect the data on refugee-relevant business opportunities, I also interviewed 12 stakeholders who have been involved in the Kampala private sector including, for example, local business associations, private companies, research institutions and bilateral development agencies. Some of these stakeholders are members of the National Chambers of Commerce & Industries, Kampala City Council Association, the Private Sector Foundation, and Technology for Tomorrow (a local social enterprise).

I also utilised secondary sources, including journal articles, research papers, previous surveys, programme documents and consultant reports on refugees in Uganda.

Sampling strategy

I employed a step-by-step sampling strategy guided by the Household Economy Approach (Food Economy Group and Save the Children 2007). This sampling technique is often conducted as part of a battery of quick appraisal tools by those who are assigned to carry out a livelihood assessment within a short period. First, I contacted refugees in Kampala through refugee-supporting agencies and researchers who previously worked with refugees in Uganda. In particular, I approached so-called 'refugee community leaders' of different nationalities, namely Congolese, Somali, Eritrean, Rwandan, Ethiopian and Sudanese, and asked them to be my research assistants.¹ Second, I had discussions with these refugee leaders about the economic structures and general features of the livelihood strategies of each nationality. Third, with support from the research assistants, I identified the existence of different socio-economic groups within the Kampala-based refugee population. Finally, I asked the research

¹ These research assistants also assisted the fieldwork as translators when refugee interviewees had limited command of English.

assistants to suggest which refugees were considered to be typical examples of these categories in their refugee community. After having chosen candidate refugees, I requested the research assistants to introduce me to them.

At the first meeting, I explained to these refugees about myself and the purpose of the research, as well as the principles of confidentiality and anonymity. Only when I was able to obtain their consent (most individuals were willing to participate in this research project) did I decide to move onto interviews with them. After the first interview, I employed snowball sampling; I asked the refugee interviewees to connect me with their relatives, friends and neighbours who were in the similar economic situations with them.

Limitations and challenges of the research

The evident limitation of the research is representativeness of the collected data. As I employed a purposive and non-probabilistic sampling strategy, the interviewees were not necessarily representative of each refugee group from different nationalities. Another limitation was the time constraint of fieldwork. Within four weeks, it was neither realistic nor possible to secure meetings with all key stakeholders and policymakers involved in my research themes.

As is widely known, field-study on urban refugees entails a number of particular technical and logistical impediments (Landau 2004; Jacobsen & Landau 2003; De Vriese 2006). The most daunting challenge during the mission was access to refugees, especially Eritreans and Rwandans who were extremely cautious about talking to ‘strangers’ such as researchers, journalists and aid workers. These refugees were unwilling to be interviewed because of political sensitivities and concerns about exposure. Even when they accepted to be interviewed, they were apparently reluctant to reveal detailed information about themselves. In this report, in order to protect their privacy and to avoid any negative consequences from this research, I use assumed names for all refugee interviewees, regardless of their nationality.

Structure of the paper

This paper consists of eight sections. After this introduction, the second chapter provides contextual information about urban refugees in Uganda. The third chapter surveys the existing body of literature on refugee livelihoods. In the fourth chapter I will present the empirical data, detailing the main findings on the livelihoods of self-settled refugees and their engagement with the business sector in Kampala. The fifth chapter outlines the livelihood challenges facing these refugees. The following chapter highlights potential business opportunities for refugees in the local private sector. The paper then draws some implications from this research and concludes by highlighting the potential of the private sector as a vehicle for improving refugee livelihoods.

2 Research contexts: Kampala-based refugees and their livelihoods

This section briefly presents an overview of refugees in Uganda, particularly those residing in Kampala, and their economic activities.

Refugees in Uganda

Uganda is a signatory to all principal international legal instruments for refugee protection – the 1951 Refugee Convention, the 1976 Protocol and the 1969 OAU Convention. The country previously derived its refugee management frameworks from the Control of Alien Refugee Act (CARA). Enacted in 1964, over a decade before Uganda ratified the 1951 Refugee Convention, the Act was inconsistent with the international standards relating to the treatment of refugees (Dryden-Peterson 2006: 384). It required, for instance, all refugees to reside in designated settlements (Bernstein 2005: 7). However, this legal framework had never been strictly enforced and there have been a great number of self-settled refugees who reside outside the settlements (Hovil 2007; Macchiavelo 2006; Dryden-Peterson 2006).

In 2006, Uganda adopted new refugee legislation, the Refugees Act, which repeals the obsolete CARA. Commended as ‘progressive, human rights and protection oriented’ (Refugee Law Project 2006), the Refugees Act reflects international standards of refugee protection provided in international legal instruments. The act recognises the right of the refugees to work, move around freely within the country and live in the local community, rather than in camps.

Unlike many of its neighbours, which encamp refugees, the Ugandan government promotes the ‘self-reliance’ of refugees; this means that rather than limiting responses to refugees to humanitarian relief, a space is open for a development-based approach to refugee assistance (Betts 2012a). With this progressive policy, coupled with its relative stability, as of 2012, Uganda hosts approximately 200,000 refugees/asylum seekers from diverse nationalities (UNHCR 2012a). These refugees are spread across several settlements throughout the country, including the capital, as seen in Map 1.



Map 1: Refugee settlements and UNHCR presence in Uganda. Credit: UNHCR / Available at: <http://www.unhcr.org/pages/49e483c06.html>

Increasing number of refugees in the capital

In recent years, refugees worldwide are increasingly likely to end up in urban areas rather than camps (Brees 2008; Jacobsen 2006). According to the UNHCR website, more than half the refugees UNHCR serves now live in urban areas. The ‘urbanisation’ of refugees certainly applies to Uganda (Luke 2011; Bernstein 2005). As shown in Table 2, as of 2012, Kampala is the second largest refugee hosting location, next to Nakivale, in the country (UNHCR 2012a). Nearly 50,000 refugees reside in the Ugandan capital despite very little direct support from refugee-assisting agencies.

| Location | | Number | % to the total |
|----------------------|-----------------|----------------|----------------|
| Nakivale total | | 70,533 | 36% |
| Kampala Total | | 48,075 | 24% |
| Origin | Burundi | 1,090 | 2% |
| | DR Congo | 21,642 | 45% |
| | Eritrea | 5,558 | 12% |
| | Ethiopia | 1,794 | 4% |
| | Rwanda | 3,772 | 8% |
| | Somalia | 12,309 | 26% |
| | Sudan | 1,663 | 3% |
| | Other countries | 247 | 1% |
| Kyangwali total | | 26,290 | 13% |
| Kyaka II total | | 18,180 | 9% |
| Rwamanja total | | 13,546 | 7% |
| Adjumani total | | 8,442 | 4% |
| Oruchinga total | | 5,661 | 3% |
| Rhino Camp total | | 3,615 | 2% |
| Kiryandongo total | | 3,428 | 2% |
| Grand Total | | 197,770 | 100% |

Table 2: The number of refugees/asylum seekers by settlements

The number of Kampala-based refugees has multiplied in the last several years: according to the UNHCR statistics, 2012 saw an increase of more than five times that of 2007 (UNHCR 2012b). Refugees are motivated to settle in urban areas for a number of reasons including improved access to employment opportunities, better education and better social services (Dryden-Peterson 2006: 385). Given the noticeable presence of self-settled refugees in Kampala, in July 2012, UNHCR organised a round table for refugees in urban centres to discuss new approaches and modalities for assisting self-settled refugees in the capital.

In Kampala, refugees from the same country of origin tend to live together in certain neighbourhoods. For example, many Somalis live in Kisenyi, but Congolese concentrate in Katwe, Makindye and Msajja. Ethiopians stay in Kabalagala, Kasanga and others are scattered in the city's low-income areas (Women's Refugee Association 2011; InterAid 2009).

Refugees' economic activities in Uganda

Under the Refugees Act 2006, refugees in Uganda enjoy the same right to work as nationals. Refugees are allowed to set up businesses with a license from the local municipality, Kampala City Council Association (KCCA). However, registration with KCCA requires a

substantial amount of fees. According to the research by Women's Refugee Commission in 2011, a license costs 108,000-280,000 Ugandan Shillings (UGX, about 54-140 USD) depending on the market location, which is a major reason why many refugees are keeping their business non-registered.

With respect to the formal employment of refugees, different sectors of the government have different views on whether refugees do or do not need to apply for work permits (Bernstein 205: 28). The Refugees Act 2006 states that refugees have the right to work just like 'aliens in similar circumstances'. There is however confusion about the interpretation of the statement; while the Immigration Department interprets this to mean that refugees require work permits for formal employment, the Office of Prime Minister asserts that refugees do not need one (Women's Refugee Commission 2011: 9). During the fieldwork, I checked with some Ugandan government officials about this interpretation but their opinions were varied.

There is a wealth of literature on the livelihoods of refugees in Uganda (for example, Kaiser 2006 & 2007; Werker 2007; Jacobsen et al. 2006). Given the increasing recognition of self-settled refugees in the capital, recent years have seen burgeoning research on the livelihoods of Kampala-based refugees (Women's Refugee Commission 2011; Hovil 2007; InterAid 2009; Dryden-Peterson 2006). These studies on urban refugees paint the diversity of their subsistence and considerable differences in their economic status. For instance, according to a study conducted by InterAid, a UNHCR Implementing Partner in Kampala, a large number of refugee respondents are making only sporadic income through petty trading, begging, and provision of services such as hair-dressing and translation (InterAid 2011: 18). On the other hand, while presenting a wide range of commercial activities employed by self-settled refugees in Uganda, Hovil underlines that some of these refugee enterprises are thriving (2007: 610). With very limited access to arable land, few studies identified farming as a subsistence activity for refugees in Kampala.

Previous research presents mixed findings about the relationship between refugees and Ugandan people in Kampala. Whereas many acknowledge the existence of xenophobia towards refugees in host communities, the levels of discrimination differ from mild to acute (Macchiavello 2003; Sandik 2011; Women's Refugee Commission 2011).

3 Reviewing the literature on refugee livelihoods

The purposes of this literature review are three-fold: first, to outline the background of increasing interest in refugee livelihoods in the humanitarian community; second, to present an overview of refugees' economic activities in the global South; and finally, to identify the analytical gaps in the existing research.

Growing interest in refugee livelihoods and self-reliance

In the international refugee regime, the issue of how to understand and support the livelihoods of refugees began to emerge as a pressing agenda around the beginning of this century. Its emergence is largely due to the failure of the international refugee regime to provide any effective solutions for the numerous protracted refugee situations. Currently, over

two-thirds of refugees in the world are trapped in prolonged exile in poor developing regions where host states and communities often have scarce resources (Milner & Loescher 2011: 3).

What is worse, as refugee situations become prolonged, levels of international relief are normally reduced or cut off after the period of emergency (Jacobsen 2005: 2). As Crisp writes, UNHCR and donor communities tend to focus on high-profile refugee crises in which people are either fleeing or repatriating in large numbers (2003b: 9). With the declining financial commitment of the international donor society, it has become clear that UNHCR is unable to ensure essential needs for all prolonged refugee populations (Jamal 2000: 3).

These challenges have pressed UNHCR and other refugee-supporting agencies to pay attention to refugees' economic capacity and to improve their understanding of how refugees construct their livelihoods (Conway 2004). For example, in launching the Refugee Livelihood Project in 2003, the Evaluation and Policy Analysis Unit of UNHCR expressed its interest in enhancing its understanding of refugees' livelihood strategies and promoting sustainable livelihoods in protracted refugee situations (UNHCR 2003).

Given this context, UNHCR has been increasingly adopting and encouraging the 'self-reliance' of refugees. The guiding philosophy of self-reliance can be described thus: refugees have the skills and potential to stand on their own economically (Jacobsen 2005: 73).

Currently, enhancing refugee livelihoods is synonymous with the promotion of self-reliance in UNHCR's conception. UNHCR's *Handbook for Self-Reliance*, for instance, articulates that self-reliance refers to developing and strengthening refugee livelihoods and reducing their vulnerability and dependency on external aid (UNHCR 2005).

Refugees' livelihood strategies

With this new interest in the economic aspect of refugees' lives, there is now a growing body of literature on the livelihoods of forced migrants. For example, due to the increasing recognition of transnationalism, in recent years numerous studies on the role of remittances for refugee livelihoods have emerged (for example, Horst 2004 & 2006b; Monsutti 2005; Lindley 2006, 2007 & 2010). Remittances can not only supplement the income of recipients but also strengthen the economic capabilities of recipients by being directly invested into income-generating activities (Durand *et al.* 1996: 423; Taylor 1999: 69; Orozco 2003: 12). For instance, Somali refugees in Kenya have mobilised the necessary funds through their transnational ties with diaspora in the West to launch mini-bus businesses (Campbell 2005: 19).

Many researchers have highlighted the significance of various types of social networks in enabling refugees to construct their livelihoods. Amisi has revealed in her research that personal networks in Congolese refugee communities have played a crucial role in elevating their economic subsistence (2006: 26-27). Refugees generate new bonds with their host communities to strengthen their livelihoods. In the Sembakounya camp in Guinea, there have been several joint businesses between refugees and local people through their personal connections (Andrews 2003: 6). Networks with co-nationals in an asylum country also become an important avenue for livelihood opportunities. Sudanese refugees in Cairo are often employed by Egyptian-Sudanese owners who prefer hiring co-nationals at their restaurants and coffee shops (Grabska 2006: 303).

Refugees are also engaged in a variety of business activities, especially in the informal economy. In Nairobi, self-settled refugees are involved in running kiosks and small restaurants in the informal sector (Pavanello *et al.* 2010: 21). Ample evidence illustrates the refugees' entrepreneurship. Liberian refugees in Ghana, for example, have identified large demands in telecommunications, water supply and construction of housing, and have developed successful businesses in these areas (Dick 2002). Sub-regional trading by refugees is also well-documented. Sudanese refugees in Kenya have a history of frequent displacement and consequently have developed trading businesses with partners in neighbouring countries (De Montclos & Kagwanja 2000: 213). Though the number is small, some refugees are formally employed. In Thailand, despite restrictions on refugee labour, Burmese refugees are employed in the textile, fishing and agriculture industries (Brees 2008: 387).

Absence of the private sector in promoting refugee livelihoods

Whilst the previous research provides a number of important insights into displaced persons' livelihoods, relatively few studies focus on the role and potential of the private sector as a centrepiece for enhancing refugee livelihoods.² Although a considerable number of refugees are making a living in the business sector, most of the studies instead point to host governments and humanitarian agencies as actors responsible for improving refugees' economic activities. Usually, these works end up with very general suggestions for strengthening refugee livelihoods stating, for example, that the humanitarian community should assist the host government to provide an enabling environment for refugees' economic activities.

The absence of the private sector in the literature on refugee livelihoods can be attributed to the following reasons: first, in some countries like Thailand refugees are forbidden to work and thus the promotion of refugee livelihoods through the private sector becomes illicit; second, with high unemployment rate in host countries, especially in the global South, the number of jobs available to refugees in the private sector is deemed too few (Mattheisen 2012:3); finally, since refugees are commonly understood as a subject of humanitarian rather than development aid (Crisp 2001), the private sector is not considered a solution provider in the field of refugee assistance.

For the purpose of strengthening refugee livelihoods, however, not recognising the potential of the private sector is highly problematic. Even in countries where refugees are restricted in work, in reality, refugees do engage in petty trading or gain employment in small- and medium-sized businesses (Brees 2008; Pavanello *et al.* 2010; Campbell 2005). Also, rich evidence shows that the majority of refugees are self-employed and can even create jobs and new markets for the host economy (Jacobsen 2005: 97). Finally, the line between humanitarian and development assistance is very thin, and humanitarian agencies are increasingly recognising the importance of partnership with the private sector.

Especially for the promotion of urban refugee livelihoods, neglecting the local private sector is almost irrational. In many developing countries, refugees are excluded from much of the

² In this paper, the private sector is broadly defined as both formal and informal companies at all levels – from small-scale up to large global corporations – including for-profit and non-profit.

public sector (Kibreab 2003: 63). Given their limited access to farmland and other natural assets in urban settings, refugees are obliged to either find employment in the private sector or become entrepreneurs. In its 2009 urban refugee policy, the UN refugee agency states (2009: 16):

UNHCR will support the efforts of urban refugees to become self-reliant, both by means of employment and self-employment. In pursuit of that objective, the Office will work in close partnership with the authorities, development agencies, microfinance organisations, banks, the private sector and civil society institutions, especially those that have experience in the area of livelihoods and have a good knowledge of local market constraints and opportunities.

From the next section onwards, the paper presents the empirical data on livelihoods of Kampala-based refugees.

4 Refugee livelihoods and engagement with the private sector

Drawing from 86 interviews with refugees and migrants in Kampala, this section presents the main findings on refugee livelihoods in relation to the private sector.

Snapshot of livelihood activities employed by refugees

Refugees in Kampala are engaged in a variety of economic coping strategies. Table 3 lists livelihood/business activities employed by the refugee interviewees. Given the little access to farmland, no agricultural livelihoods are seen among respondents. Except a handful of refugees who are entirely dependent on remittances and charitable support from fellow refugees and the church, all of the interviewees are making a living in the private sector. It is common that households with multiple members combine different forms of subsistence.

| Types | Activities |
|----------------------------------|---|
| Selling daily necessities | Mini-supermarket (selling soap/charcoal/oil/food in their own shop) |
| Selling specific items | Specialised shop (selling hardware, plastic items, East African crafts in their own shop) |
| Petty trading | Vending accessories/food/oil/other items in local markets |
| Food-related businesses | Selling fruits/vegetable/cooked food, fast-food stand, restaurant, working as a waiter/waitress |
| Communication-related businesses | Running an internet café, selling pre-paid mobile phone credits |
| Entertainment | Running or working at a club/bar/pool hall |

| | |
|--|--|
| Beauty care | Running or working at a hair salon, street hair-plaiting |
| Clothing | Tailoring, selling used clothes/shoes, shoe-shining |
| Manual work | Construction works, picking up recyclable plastic bottles, security guards |
| Housekeeping chores for others | Washing others' clothing, cleaning up their houses, house- maid |
| Finance | Forex bureau |
| Medical works | Running a pharmacy, doctor |
| Institutional employment | Teachers, pastors |
| Trans-national business | Brokerage, sub-regional trading |
| Accommodation | Running or working at a hotel/guest house/lodge |
| Language-related work | Translator, language instructor |
| Transportation-related business | Garage/parking business, taxi driver, motorbike cabs, car mechanic |
| Technical service | Business consulting |
| Relying on external support | Remittances, begging, church assistance |
| Negative/undesirable economic activities | Commercial sex |

Table 3: Livelihood strategies employed by refugees in Kampala

While there are some refugees who have been formally employed as teachers, car mechanics and language instructors, the majority of the refugees in Kampala are self-employed. Among the 77 refugee interviewees, 51 of them are running their own businesses in the capital. Of these 51 refugee businesses, about half of them are formal: meaning their businesses are registered with the local municipality, KCCA.

However, the distinction between formal or informal and employed or self-employed is often blurred. Some households have their family members working in informal sectors while running formally registered businesses.

Three socio-economic degrees: surviving, managing and thriving

During the initial period of the fieldwork, I had a number of discussions with refugees as well as staff members of UNHCR and other refugee-supporting agencies about refugees' livelihoods in the capital. Many of them suggested significant differences in their socio-economic statuses and economic strategies between these refugees. Kevin, one of the Ethiopian refugee community leaders in his early 50s, highlighted this point:

One thing I can say about urban refugee's economy in Kampala is a significant diversity. Some are doing very well and they are completely self-reliant. Others are doing OK and they can meet their basic needs. But many refugees are having a tough life in Kampala. Some of them are on the edge of survival every day. (Interview with Kevin, Kampala, July 2009)

Given the noticeable disparities in wealth status and livelihood strategies between refugees, I have classified refugee interviewees into three different socio-economic groups: surviving, managing and thriving.³ Refugees in the 'surviving' group are mostly engaged in informal subsistence which generates little profit, such as small-scale trading, hawking and casual labour. Refugees in the 'managing' group have more established businesses compared to those at a surviving level. In general they have their own shop, such as a barbers, tailors or grocery, of which some are formally registered. Those at a 'thriving' level, although the number is much smaller than surviving and managing groups, are normally successful entrepreneurs with formally registered businesses. In the following three sub-sections, I shall present examples from each of three categories.

Refugees at a surviving level: living on the margin

Refugees in this category are struggling to make ends meet with their less lucrative livelihoods. For instance, Adam, a 29-year old Congolese refugee, buys oranges from Ugandan traders in local markets and sells them, using his wheelbarrow, to his own neighbourhood. He works alone and his business is not registered with the KCCA.

Despite his hard work, he only makes a tiny profit from this informal business. This is his reply when I asked him about how his business is going.

I work from Monday to Saturday between 6am and 3pm. But I only make about 10,000 UGX (5 USD) per day or sometimes even less...This is too small to sustain my family. I have my wife and 6 children...I have no plan to return to DRC yet so I must find a way to sustain my family in Kampala. (Interview with Adam, Kampala, August 2012)

Refugees at a managing level: 'I can survive but I cannot invest'

Martin, a Congolese refugee, has been in Uganda for about 10 years and is running a tailor shop in Kampala. His business is formally registered with the KCCA. He currently employs two people: one Congolese refugee and one Ugandan.

His tailor shop seems to be going well but he pointed out the challenges of expanding his business further. Below is an excerpt of my interview with Martin.

³ Previous studies on urban refugees in Kampala also recognised economic disparities between refugees. For instance, Women's Refugee Commission' report in 2011 has divided refugees into three different economic groups: vulnerable, struggling and better-off.

Me: How many customers do you receive in one month?

Martin: Hard to say but 3-5 people per week so around 12-20 customers in one month.

Me: How many sales do you make in one month?

Martin: I don't know the exact number because sales differ every month. But normally one customer spends roughly 30,000 UGX (15 USD).

Me: Do you have any challenges in your business?

Martin: Yes, I want to buy more sewing machines. Now I only have one but if I get two or three of them, we can increase our production level. But I don't have money to invest in my business.

(Interview with Martin, Kampala, August 2012)

Refugees at a thriving level: successful business owners

Those at a thriving level are usually equipped with extensive business networks and solid business background. For instance, Somali people are widely known as good traders and there are many refugee enterprises in Kisenyi, an area where large numbers of Somali people concentrate. I had a short interview with Ali, a member of Somali family that is running a popular mini-supermarket. The shop has a wide range of supplies including rice, canned food, ice cream, soap, and cosmetic goods. The business is registered with the KCCA, and four Somali refugees and two Ugandans are working there.

Me: How many customers do you receive?

Ali: I cannot count the exact number because too many. I think between 100-200 people per day.

Me: Are they all Somali people?

Ali: Mixed, both Somali and Ugandans.

Me: Where do you purchase your items?

Ali: I buy most of goods from Ugandans in Kampala.

Me: How did you manage to get a start-up capital for your business?

Ali: Some of my family members are living in UK. My brothers sent money to me to start this business.

(Interview with Ali, Kampala, August 2012)

It seems that Ali's business is thriving. Many customers stop at his shop because it is a one-stop place where customers can access a variety of things. It was really difficult to interview him because he was constantly interrupted by his customers and phone calls from his business counterparts.

Different levels of engagement with the local private sector

I have shown a few examples of refugee entrepreneurs above. They are all part of the Kampala business society but the degree of engagement with the local private sector largely differs depending on the scale and economic level of their businesses. Generally speaking, larger enterprises at a thriving level are more extensively connected with local business sector in many ways; for example, these business owners normally purchase goods from local suppliers, sell them to both locals and refugees, and very often employ Ugandans. In contrast, refugee petty traders in a surviving group have fewer connections with local business communities, sell their goods to a small number of their fellow refugees and neighbours, and hardly hire any other people.

As suggested above, the level of income from subsistence also differs accordingly. Adam, the Congolese orange trader, works nine hours a day for six days a week. Despite his remarkable

efforts, he lamented about insufficient profits from his livelihood to feed his wife and six children. According to Martin, the refugee tailor, while his business is keeping his family sustained, it does not generate enough profit to invest in order to increase production levels, for example, by purchasing an extra sewing machine. On the other hand, the Somali mini-supermarket attracts a large number of customers. Although the owner never revealed the sales of his shop to me, the business seemed to be going very well.

Differences in forms and scales of business activities between nationalities

Among various sub-categories characterising the economic activities of refugees in Kampala, their nationalities seem to be one of the key variables. In the Kampala-based refugee population, Congolese and Somali refugees comprise the two largest groups; however, there seem to be considerable differences in their economic status and subsistence levels. Of more than 30 Congolese interviewees, nearly two-thirds are employed in informal micro-businesses in Kampala. Many of them are classified in the 'surviving' group and lament the small sales and profits from their work. Also, like the orange seller who was mentioned above, these Congolese refugees at the surviving level have very few connections with the local private sector.

In comparison to Congolese refugees, Somali refugees, the second largest refugee group in the Ugandan capital, are generally involved in more profitable business activities. Of about 20 Somali refugee interviewees, the number of petty traders at the surviving level is limited to only a few. Another important characteristic of Somali business people is a strong connection with private businesses owned by Somali diaspora and migrants, which will be discussed later in this paper.

Trading and brokerage business between the country of origin and Uganda

The existing research shows that refugees maintain their ties with the country of origin and often utilise them for their economic activities. For instance, in Nairobi, Ethiopian refugees are making an income by selling African dresses, coffee pots and spices which are imported from Ethiopia through their established trade networks (Campbell 2007: 13). Similarly, some livelihood strategies of Kampala-based refugees are deeply linked with business demands in their country of origin. For instance, one of the Congolese refugee interviewees had been purchasing plastic items such as jerry cans, water tanks, buckets, and basins in Kampala and exporting them to retail sellers in DRC through his trade networks.

Several refugees work as brokers for business people in the country of origin. An Eritrean male refugee in his mid-30s has been achieving good commission by bringing together Eritrean second-hand car sellers with Indian and Pakistan car dealers in Kampala. A Burundian refugee, Patrick, who used to be a trader before his exile, receives a purchase order of housing/construction materials from Burundi. The following is an excerpt of his comment:

My main income source is a broker business between Burundi and Kampala. I mainly deal with housing materials like glasses, windows and roofs. These items are in shortage in Burundi. Also, it is much cheaper to buy them in Uganda. (Interview with Patrick, Kampala, July 2012)

These refugee brokers speak fluent English and the local language and also have strong connections with Ugandan business communities. Importantly, these refugees are

contributing to the private sector both in the country of origin and of asylum by linking business demands with supply between two countries.

Economic activities embedded in a sub-regional market

Compared to the trade/broker business between Uganda and the country of origin, I only met a few sub-regional/transnational refugee traders. According to Somali business owners, Uganda is not particularly suitable for a sub-regional trading hub since it is landlocked and thus many of the sub-regional traders reside in Nairobi as it is closer to the port in Mombasa.

Nevertheless some refugees' livelihoods in Kampala are embedded in a transnational context. For instance, Somali people have well-established sub-regional trade networks in East Africa and their networks have created a large demand for transportation businesses (also see Campbell 2005: 26). There are several Somali transportation companies covering most of East Africa and a certain number of Somali refugees seem to be hired by these companies as drivers.⁴ Also, in order to provide parking and maintenance services for trucks and buses owned by these transportation companies, there are some Somali garage businesses in Kampala and these business owners employ both Somali and locals as car mechanics and maintenance staff. Furthermore, to accommodate Somali traders and drivers, there are several lodges established by Somalis in Kampala. For these sub-regional travellers, there are also a few Forex bureaus owned by Somali migrants/refugees in Kisenyi.

Importance of ethnic ties in establishing livelihoods

A significant number of refugees build their livelihoods based on their ethnic connections. Not all refugees in Kampala are self-employed: some are hired by other fellow refugees. While employing locals, the refugee business owners tend to recruit their own ethnic nationals. For example, a Congolese male refugee who runs a bar, restaurant and internet café in Kampala employs 11 refugees from DRC from a total 12 employees.

Social networks with migrants from the same country of origin often link refugees with employment opportunities. Some Eritrean refugees are given employment at a hair salon that is owned by an Eritrean business person. The owner is moving back and forth between Eritrea and Uganda and basically leaves the daily operation of his salon to his employees. The owner is taking in 50 per cent of the entire monthly sales and the rest is divided between the employees.

In the case of Somali refugees, contacts with Somali-Ugandans often provide avenues for employment and business opportunities (also see Women's Refugee Commission 2011). In Kisenyi, a Somali-concentrated area, I came across some Somali-Ugandan business owners who have been hiring Somali refugees as shopkeepers and operational managers. In Kampala, there are also large-scale Somali-Ugandan companies in the oil, petrol and retail industries and a large number of Somali refugees are employed by these enterprises.⁵ When I interviewed a senior manager of one of these companies, he emphasised that the company is

⁴ These transportation companies are not necessarily owned by refugees but Somali migrants or Somali-Ugandans.

⁵ Examples of these Somali-Ugandan companies are HASS (petrol stations) and City Tire (oil and tyres).

not particularly interested in helping refugees; however, he still admitted that hiring a Somali is uncomplicated for them:

In general, Somalis have very strong unity. We feel more comfortable working with Somali people because we have a lot in common such as language and cultural habits. Also, there are some levels of mutual trust, so we are comfortable to give more responsibilities to Somalis in the company. (Interview with a senior manager, Kampala, August 2012)

Roles of diaspora for refugee businesses

During the fieldwork, I occasionally observed the livelihood connection between refugees in Kampala and their diaspora communities in the West. For example, some Eritrean and Somali refugee interviewees acknowledged that they have been living entirely on overseas remittances sent by their family members living in industrialised countries.

Some diaspora members are heavily connected with refugee businesses as investors and/or partners. During an interview with Ahmed, a Somali restaurant manager in Kampala, for instance, I came to realise that the owner of the restaurant is a Somali former refugee who resettled in the West some years ago.

Me: How is your restaurant business?

Ahmed: This is not my restaurant. I work here as a general manager.

Me: Who owns this restaurant?

Ahmed: The owner is a Somali guy who currently lives in Canada. He got resettled there.

Me: How many people are working in this restaurant?

Ahmed: Total 10 people. 5 of us are Somali refugees like me, and 3 Congolese refugees and 2 Ugandans.

(Interview with Ahmed, Kampala, August 2012)

This resettled refugee in Canada provided initial capital by remittances to begin this restaurant and has hired Ahmed as the manager who operates the business on the ground (also see Lindley 2010, Horst 2008). These connections between refugees in Kampala and the West are particularly noticeable in Somali communities and to some extent in Eritrean and Ethiopian refugee societies. Throughout the fieldwork, nonetheless, I did not see similar types of connections between refugees and diaspora in Congolese and Rwandan refugee groups.

Refugees employed in the Ugandan business sector

Hitherto, I have mainly presented examples of refugees who are either self-employed or hired by other refugees or co-ethnic nationals. However, a few refugees have found employment through Ugandans. For instance, Joanna, a 28-years old Congolese refugee, has been working as a floor manager at a restaurant owned by a Ugandan.

I am hired by the Ugandan owner. He doesn't come to the restaurant every day so I am in charge of the daily management. There are three other Congolese refugees and one Ugandan working here as waiters/waitress. In the evening, the restaurant becomes a bar and we sell alcohol. (Interview with Joanna, Kampala, August 2012)

Being hired by Ugandans sounds like a symptom of a cordial relationship between them; but in reality Joanna seems to be working in an abusive environment. She expressed her complaints as follows:

My salary should be 100,000 UGX (50 USD) per month but it is often reduced. The owner deducts the cost of broken dishes and missing inventory from my salary. I am held responsible for these things as a manager. Sometime ago, one employee stole some beers and I had to cover these losses!

Similarly, a Congolese refugee who is working at a Ugandan hair salon in Kampala suggested that his salary is smaller than that of the local people even though he is doing the same amount of work. Exploitative employment of refugees in Uganda is also documented by previous works (for example, see Macchiavello 2003). Given the very limited number of examples in this study, nevertheless, the employment relationship between locals and refugees requires further investigation.

5 Livelihood challenges for urban refugees in Kampala

The previous section shows that the majority of refugees in Kampala are involved in economic activities in the private sector. This subsequent section summarises the challenges confronting these refugees in running their business activities.

Livelihood challenges for self-settled refugees

Refugees in Kampala certainly face a number of livelihood challenges. Of the total refugee respondents, I asked 63 refugees about their current livelihood problems, which are summarised in Table 4.⁶

Depending on the level of economic status, their problems can differ. Refugees at a surviving level, mostly small-scale informal traders, confront multiple difficulties. Common challenges raised by them included lack of access to financial capital, tense competition with other traders, high registration costs with the KCCA, limited command of the local language and expensive rent for a selling space in local markets. In addition, many of the refugees in this category have few marketable skills or previous business experience. Consequently, the livelihood options open to them are quite limited and they are often stuck with less profitable subsistence.

Those at a managing level still carry some of these difficulties raised by the surviving group. But the most significant obstacle for their livelihood is limited access to financial loans. As noted above, the majority of refugees in the managing group are already running their own business and are able to somehow satisfy fundamental needs of their family members. Nevertheless, their business is not making sufficient income to generate enough cash to invest in their enterprise. As refugees are excluded from formal financial institutions, they have been struggling to find financial resources to enhance their current livelihoods.

At a thriving level, refugees confront far fewer challenges than the previous two groups. In fact, when I asked them about their livelihood challenges, many of these successful refugees

⁶ Multiple answers were accepted therefore the total number of answers goes beyond 63.

replied that they have never had any livelihood problems in exile. Yet, some refugees in this category still raised a lack of access to banking loans as one of their difficulties.

| Types of challenges | Number of respondents |
|---|-----------------------|
| No access to financial loans | 25 |
| High registration costs with the KCCA | 14 |
| Slow economy and declining number of customers | 10 |
| Competition with locals | 8 |
| No livelihood challenges | 7 |
| Limited livelihood skills and business experiences | 6 |
| High rent for market places/shops | 6 |
| Lack of knowledge of local languages | 5 |
| Xenophobia/discrimination from locals | 5 |
| Lack of understanding about the KCCA registration process | 3 |
| No access to saving facilities | 2 |

Table 4: Livelihood challenges for refugees

Onerous challenges for non-registered petty traders

Of the total refugee businesses, about half of them are not registered with the KCCA, mainly due to their inability to pay the registration fees and taxes. The lack of a formal business license, nonetheless, poses a daunting challenge for these informal traders (also see Werker 2007: 468). Eric, a Rwandan refugee who has been making a small living by shoe-polishing, commented on this challenge:

Me: How are you making an income?

Eric: I do shoe polishing and repairs on the streets in Kampala.

Me: Is your business registered?

Eric: No, I cannot afford the registration cost.

Me: Do you have any problems in your business?

Eric: KCCA. They often come to streets and try to arrest us. They don't want us to work on the street without a formal license.

Me: What do you do when they come?

Eric: I grab my stuff and escape right away.

(Interview with Eric, Kampala, August 2012)

I also met several informal refugee traders who move around different local markets just to avoid being arrested by the officials from the local municipality. Evidently, the lack of a formal license has been significantly decreasing the efficiency of their businesses. It is important to

note, however, that there are also numerous Ugandan traders who are not registered with the KCCA because of their inability to afford the registration fees and taxes.

Areas of support for the economic activities of urban refugees

Types of livelihood assistance refugees want are diverse, as shown in Table 5. As the subsection above highlights, the provision of financial services by refugee-assisting agencies can be an important form of assistance for refugees in Kampala (also see Women' Refugee Commission 2011; Bernstein 2005). Financial resources are necessary for refugee entrepreneurs both to start new businesses and also to invest, develop and strengthen their existing livelihoods (Jacobsen *et al.*2006: 23). In the latter example, refugees need a more substantial long-term loan rather than short-term micro-credit.

| Types of support | Number of respondents |
|--|------------------------------|
| Micro-loan for seed funding | 15 |
| Long-term loan for business expansion | 14 |
| Provision of vocational skills training | 8 |
| Language training (local language and English) | 6 |
| In-kind loan (sewing machine, cooking equipment) | 4 |
| Guidance for KCCA registration process | 4 |
| Recognition of license/qualification obtained in the country of origin | 3 |
| Not sure what support I needed | 3 |
| Job matching service for refugees | 2 |
| Connections with foreign investors | 2 |

Table 5: What types of livelihood support do refugees need?

In addition to providing access to financial services, the provision of skills/business management training can be instrumental for refugees at a surviving level since many of them lack marketable livelihood skills and basic business knowledge. Also, as many of these petty traders are selling in local markets, they feel the need to strengthen their command of local languages to sell to Ugandans.

Livelihood support for 'vulnerable' refugees

In addition to the list of requested support in the table above, I would like to highlight the necessity of livelihood support for refugees with specific vulnerabilities; particularly those with disabilities and chronic illness (also see InterAid 2009). I interviewed some of these refugees and they are all finding it extremely hard to establish a meaningful income-generating means on their own. Below is an excerpt of comments from Morris, a 38-year old Ethiopian refugee with some physical problems.

In Ethiopia, I was enthusiastically supporting an opposition party (against the incumbent regime) in the 1990s. I was arrested and imprisoned between 1997 and 2000. I was repeatedly tortured there. I injured my back severely... Still, my back aches sharply. I cannot bend down and stand for long hours so it is hard for me to do any manual labour.
(Interview with Morris, Kampala, August 2012)

Another example that I came across was a Somali refugee with chronic diabetes. Although he makes a consistent income from his small grocery shop, a large percentage of his profits are used for his medical treatments. For these refugees with specific vulnerabilities, assistance from UNHCR and other refugee-supporting agencies is deemed essential to their economic survival.

6 Seeking refugee-relevant business opportunities in Kampala

As written above, another research theme of this mission was to identify livelihood opportunities for refugees in the private sector in Kampala. This section is mainly based on interviews with 12 stakeholders who have been involved in the Kampala business sector such as local business associations, social enterprises, and bilateral development agencies.

Snapshot of the Kampala private sector

Although the number varies depending on the sources, according to the Ugandan government officials I interviewed, there are between 2 and 2.5 million people residing in Kampala. While there are no up-to-date statistics on the private sector in Kampala, the senior government official estimated that there are about 600,000 registered businesses in the capital and as well as possibly more than 1 million non-registered enterprises in Kampala.

In the formal business sector in Kampala, service industries have been expanding; tourism, telecommunications, financial services, insurance and construction are frequently mentioned by Ugandan stakeholders in the private sector as the 'most rapidly growing areas'. Whereas there are a significant number of informal businesses in Kampala, because they are not registered, most stakeholders in the business sector have limited knowledge about the nature and potential of the informal sector.

Opportunities for refugees in the private sector: polarised responses

During the fieldwork, I discussed potential livelihood opportunities for refugees in the private sector with the non-refugee stakeholders in the local business community. Their responses fell into the following polarised categories. Firstly, many interviewees pointed to a high demand for skilled experts (eg financial analysts, ICT experts, language instructors, teachers and nurses/doctors). My concern is, however, that many of the refugees in Kampala may not have such formal qualifications and specialised livelihood skills.

Secondly, in distinct contrast to this highly qualified employment, many of the interviewees suggested the petty trade sector as a business opportunity for urban refugees. There seems to be a perception among them that if refugees don't have marketable skills, they must find a way of surviving in informal (low-skilled) businesses in Kampala. As the next sub-section

illustrates, however, informal markets seem to be already highly competitive due to a large number of Ugandan vendors.

Avoiding competition in informal local markets

Refugee vendors and hawkers have been struggling to sell in saturated local markets. To avoid competition with other traders, a good number of refugee traders go to border towns and villages between Uganda and their country of origin to discover new markets. For example, Mohammed, a Sudanese refugee in his mid-30s, sells used clothing both in Kampala and a village near the border with South Sudan.

Me: How do you survive in Kampala?

Mohammed: I sell used clothing in Kampala and Nimule.

Me: Where is Nimule?

Mohammed: It is a town between South Sudan and Uganda.

Me: Why do you go there?

Mohammed: In Kampala, there are many used clothing shops so it is not easy to sell here.

But in Nimule, competition is much less.

Me: Do you sell to Sudanese there?

Mohammed: Both Ugandans and Sudanese.

(Interview with Mohammed, Kampala, August 2012)

Mohammed's case is not an exception. During the fieldwork, I came across several refugees who buy items in Kampala and sell them in the border areas. For example, several Congolese refugee women are buying accessories in the capital and selling them in villages between DRC and Uganda. This mobile strategy provides refugees with new markets outside the capital but also reduces their profits due to transportation costs between Kampala and the borders.

While many stakeholders in the private sector highlight informal sectors where refugees can find economic opportunities, it requires careful scrutiny as to whether there is adequate room to absorb the thousands of refugees into these local markets.

Innovative approaches to creating livelihood opportunities for refugees

As stated above, it is hard to envisage a large number of refugees being able to find meaningful business opportunities in either the highly skilled labour market or the informal trade sector. Therefore, it is necessary to seek innovative approaches for generating livelihood opportunities. During the mission, I came across two insightful initiatives by private companies.

The first example is proposed by a private company named Technology for Tomorrow (TfT), which was established by a Ugandan professor at Makerere University. This company employs both Ugandans and refugees to produce sanitary pads called 'MakaPads' and sells them to UNHCR to be distributed in refugee settlements in Uganda. Previously, these sanitary pads for refugees were imported from China to Uganda. By producing them in Uganda, however, TfT has succeeded in making employment for both locals and refugees. The following is an excerpt from my interview with Dr Musaaazi, the founder of TfT:

Me: How is the business running?

Musaazi: Very good. In 2011, we produced 270,000 sanitary pads. We are now hiring 242 employees and 40 of them are refugees. The rest is local. We want to increase the number of refugee employees.

Me: Is UNHCR happy with the quality of MakaPads?

Musaazi: Yes. Also, our products are only using natural materials so they are biodegradable and chemical free. They are environmentally friendly!

Me: Are you planning to sell outside refugee settlements?

Musaazi: Yes, definitely. We want to make our MakaPads as a commercially viable product so we can explore external markets.

(Interview with Musaazi, Kampala, August 2012)

What is insightful about this approach is that TtT has not created any additional business demands to employ them, but generated new livelihood opportunities by changing the supply side of sanitary pads. This model could be applied to other imported necessities for refugees and be rolled out in other refugee-hosting countries.

Another example is the business model presented by Green Bio Energy (GBE). GBE is a private company which aims to provide a means of income-generation for poor people through the production of briquettes from organic wastes or charcoal dusts. The participants of GBE's programme can earn income by collecting organic wastes/charcoal dusts, carbonising them into briquettes, and selling them to GBE. GBE will eventually sell these briquettes produced by participants to commercial retailers for profit. Currently, beneficiaries of GBE programme are poor Ugandan people in Kampala; but refugees in the capital and settlements might be able to benefit from this business model.

7 Implications of the research

This preliminary study of the livelihoods of self-settled refugees in Kampala has some important implications, both in academic and practical terms.

First of all, attempts to understand and support refugees' economic activities cannot be divorced from the private sector and market demands. Many scholars highlight the significance of situating refugee life vis-à-vis the social, political and economic environment in which refugees find themselves. Similarly, in order to comprehend the nature of refugees' livelihoods, it is essential to situate them in the markets in which their economic activities take place. Especially in urban settings where refugee livelihoods are inevitably linked to the private sector, promoting the livelihoods of refugees will become feasible only when their economic activities are based on 'market-based opportunities' (Betts 2012b).

Second, employment and livelihood opportunities can be generated from various actors in the private sector. As I illustrated with examples of TtT and GBE, social enterprises can be a crucial source of employment for refugees. Also, as this fieldwork has discovered, the economic nexus between refugee, migrant and diaspora enterprises based on the same ethnic origin can also be an avenue for livelihood opportunities for refugees. This second implication is particularly important for the refugee-hosting states in the global South. As Ugandan stakeholders in the business sector identified employment opportunities for refugees only in

either a highly skilled labour market or unskilled informal trade sectors, the private sector is often too narrowly defined by refugee-hosts. This is perhaps one of the reasons why host governments and communities believe that the entire labour market is being 'invaded' by refugees.

Third, while engaging in business activities in the private sector, importantly, refugees in Kampala are making multiple contributions to the host economy. Refugees are often viewed as a drain on the host country's meagre resources. As illustrated above, however, a good number of refugee entrepreneurs are creating employment opportunities for Ugandans. Those engaged in brokerage and sub-regional trade are generating new business markets by matching demands and supplies between Uganda and other East African markets. Refugees are paying a substantial amount of rent to Ugandan landlords for their market space and shops. Those with registered businesses are increasing the revenues of local municipalities by paying taxes and other fees. A considerable number of refugees receive financial remittances from diaspora, which increase foreign reserve of the host country. If their livelihoods can be further harnessed, it will not only enhance refugee welfare but also bring multiple benefits for the host economy (also see Hovil 2007).

Fourth, this study suggests the need to move towards more development-oriented approaches for refugees in protracted situations. For instance, in Kampala, whereas refugees at a surviving level requested a small loan as a start-up capital, business owners in thriving and managing groups were not interested in micro-credit. Rather, what they needed was substantial long-term loans for investment in their existing business. Providing only short-term micro-loans limits refugees to petty businesses that can be established with only a small amount of capital, and consequently constrains the refugees' entrepreneurship. There is a good case to be made for the introduction of a more ambitious and systematic finance support programmes for refugees at managing and thriving levels, and this is an area where private financial institutions can play a role.

Finally, although the paper has highlighted the significant roles played by the private sector in the livelihoods of Kampala-based refugees, this by no means degrades the importance of humanitarian relief for refugees. Needless to say, in an acute phase of emergencies, refugees will need humanitarian assistance from donor, host states and humanitarian agencies. Even in protracted refugee situations, as shown above, support from refugee-assisting institutions is essential to refugees with certain types of vulnerabilities such as those with physical handicaps.

8 Conclusion

There is a large body of literature arguing that refugees are by nature active, capable players with ingenuity and resilience (Harrell-Bond 1986; Macchiavello 2003; Golooba-Mutebi 2004). While such a view is true and refugees are indeed resourceful people, what we need now in the area of livelihood promotion, are concrete approaches to capitalise on refugees' agency to build sustainable economic activities. In the UNHCR report on refugees in New Delhi, for example, Obi and Crisp highlight the lack of measures to help refugees build meaningful livelihoods (2000: 20):

Experience in India suggests a need for the UNHCR policy document to place much greater emphasis on the way in which the organisation encourages and assists urban refugees to establish sustainable livelihoods. Indeed, while it is based upon the principle that ‘assistance to refugees should be given in a manner that encourages self-reliance and does not foster long term dependency’, the existing policy document on refugees in urban areas provides very little guidance on how these objectives might be achieved.

In an age of shrinking assistance for protracted refugee situations, supporting the ability of displaced people to pursue their own livelihoods is an important way of going beyond traditional relief (Jacobsen 2005: 85). Given the failure of existing modalities in the humanitarian arena, ‘radical new approaches’ (Long 2011: 11) are needed to rejuvenate livelihood programmes, and brave experiments must be attempted. The potential of the private sector deserves more attention as a ‘missing link’ (Humanitarian Innovation Project 2012) to facilitate the promotion of sustainable livelihoods for refugees.

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