

Beat: Business

New Research finds Humanitarian Assistance to Refugees boosts economy of Uganda

By United Nations World Food Programme

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USPA NEWS - A new study conducted in Uganda has found that humanitarian assistance for refugees creates significant economic benefits for the local economy, and these benefits are greater when the assistance is in the form of cash transfers and land for agricultural production.

A new study conducted in Uganda has found that humanitarian assistance for refugees creates significant economic benefits for the local economy, and these benefits are greater when the assistance is in the form of cash transfers and land for agricultural production. The study was conducted by a team of researchers from the University of California, Davis and the United Nations World Food Programme (WFP), with support from the Government of Uganda. Data was collected through hundreds of surveys in and around the Adjumani and Rwamwanja refugee settlements.-----

“This is the first time in Uganda that we have been able to calculate the economic impact of humanitarian food assistance,” said WFP Deputy Country Director Cheryl Harrison. “It is also the first time that we have calculated the economic impact of Uganda’s generous approach to providing agricultural land to refugees. The results show clearly that refugees benefit those countries that welcome them and give them what they need to build new lives.”-----

The study team found that the assistance given to the refugees produces an “income multiplier” for host communities. When WFP provided cash assistance, each dollar increased real income in and around the settlements by an additional US\$1 and US\$1.50. And when food was provided to refugees in kind, the corresponding increase was US\$1.30.

“The multipliers are significant, regardless of whether a refugee family receives cash or food. When a refugee household receives cash from WFP, the annual income in the Ugandan economy increases by US\$1,100 “ and by US\$850 when the assistance is given in the form of in-kind food,” explained the study’s lead researcher, Professor. J. Edward Taylor of the University of California, Davis. WFP has been distributing cash among refugees, in collaboration with the Uganda Government and the United Nations High Commissioner for Refugees (UNHCR), since 2014. Cash-based transfers not only empower people by giving them the ability to decide for themselves what they eat, but boosts their purchasing power. This boost, as verified by the study, increases the strength of the refugees’ contribution to the local economy. Currently, WFP is assisting 650,000 refugees, ten per cent of whom are receiving their food assistance in the form of cash transfers. WFP is expanding its use of cash transfers to reach more than 200,000 refugees by early 2017. -----

REFUGEE PROGRAM EXPLAINED BY JAAKLO VALLI CO RESEARCHER AND WFP’S PROGRAMME MANAGER Jaakko Valli, co-researcher and WFP’s refugee programme manager in Uganda, said there were also considerable economic benefits from the intense farming carried out by refugees on land provided by the Ugandan Government for their resettlement. While they are not necessarily more efficient than their Ugandan neighbours, Valli said, refugees realize higher yields because they invest considerably more labour. Like host-community farmers, refugees create income spillovers when they hire agricultural labour from other households and purchase agricultural inputs from local businesses. Refugees also contribute to local food supplies by selling some of their crops. Each refugee household that has been given land by the Government contributes up to US\$220 to the Ugandan economy annually, depending on the settlement. The USAID-funded study undertook field research between March and June this year. The research teams conducted extensive interviews with a sample of households, comprised of mostly Congolese refugees in Rwamwanja and South Sudanese in Adjumani. The team also interviewed local businesses inside the two settlements and within a 15-km radius. Data from these findings enabled the researchers to construct a local-economy impact evaluation model from which the results were derived. The full technical report from the study is due to be published later this year. Source: World Food Programme (WFP).

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