



Photo: Helen Manson

PROJECT BRIEF | COVID-19 | JULY 2020

Refugees and COVID-19: Impact on Income and Employment

Insights from financial diaries research in Nakivale and Kiryandongo refugee settlements in Uganda.

PROJECT BACKGROUND

Ugandan Government's Response to Refugees

The Government of Uganda maintains very progressive policies towards refugees, as well as a comprehensive refugee response framework allowing for integration of refugees within host communities and providing refugees access to the same services (education, health, water and sanitation) as nationals. Refugees are also afforded freedom of movement, the right to work, and the right to establish a business. To sustain and expand this progressive and generous refugee approach, the Government of Uganda seeks to strengthen the resilience and self-reliance of refugees and their host communities.

About the RISE Project

Opportunity International and its partners launched Refugees, Innovations, Self-reliance and Empowerment (RISE) project in June 2019 to help integrate and financially include refugee and host communities, promote self-reliance among refugees, and stimulate local economic activity in refugee settlements and surrounding host communities. Opportunity is working with Opportunity Bank Uganda, Limited and FINCA in two settlements in Uganda, Nakivale and Kiryandongo (and will start in a third in July 2020), to extend financial products and services, as well as financial literacy training, to refugees.

Opportunity International's Approach

Opportunity's approach is a phased one. First, in order to make informed and appropriate investment decisions, Opportunity is gathering quantitative and qualitative data on refugees' financial needs and behaviours using financial diaries and other human-centered design approaches. This will be followed by testing and development of financial products tailored to refugees' needs and realities, and then distributing these services through adapted delivery channels.

Opportunity is working to strengthen refugees' financial and digital literacy, equipping them with the skills and knowledge to climb the financial graduation ladder, including digitization to reduce needs for physical cash. To date, we have trained 950 saving group members in financial literacy and, prior to COVID-19, began opening bank accounts for refugees and disbursing loans. Ultimately, Opportunity aims to demonstrate that this population can be served sustainably and responsibly.

Similarly to broad demographic categories like youth, women, and farmers, refugees are far from homogeneous. They come from different countries and circumstances, and have diverse abilities and skills. They are young and old, businessmen and women, farmers, teachers, health workers and pastoralists. Many have also accessed financial services before, and many save. Studies across Uganda show that up to 75% of refugees save; Opportunity's baseline of 397 refugees showed 90% save.



Photo: Kate Holt

BY THE NUMBERS

1.4M

Refugees now live in Uganda, now the largest host country in Africa

8 countries

Refugees come mostly from 8 surrounding countries: South Sudan, Democratic Republic of the Congo, Burundi, Rwanda, Somalia, Eritrea, Sudan, Ethiopia

14

Settlements throughout Uganda host refugees

7 years

Average length of time refugees will stay in Uganda

Data from UNHCR Refugees Statistics Dashboard, May 2020

THE IMPACT OF COVID-19 ON LIVELIHOOD ACTIVITIES

“Most refugees and people living in crisis earn small wages working in the informal sector and have seen their businesses shuttered or are unable to get supplies due to COVID-19 mitigation measures and market shortages.”

-International Rescue Committee, May 2020

Overview

Recent data captured by the International Rescue Committee highlights the plight facing refugees globally, from Kenya to Lebanon to South Sudan. In Uganda, 87% of refugees surveyed reported a major economic impact from COVID-19 and almost all Kampala-based refugees experienced some level of income loss.¹

Opportunity International and its partners, PHB Development and L-IFT, are also assessing the impact of COVID-19 on refugees living in the Nakivale and Kiryandongo settlements in Uganda. Opportunity's financial diaries research captured baseline information on 397 participants across the two locations in September 2019, and continues to gather data biweekly, offering dynamic insights on the financial lives of refugees during the COVID-19 crisis.

This brief is a part of a series on the impact of COVID-19 on refugees in Uganda, and focuses specifically on refugees' livelihood activities — overall, the survey found widespread job and income losses that are in turn leading to a dire situation for some of the world's most vulnerable communities.

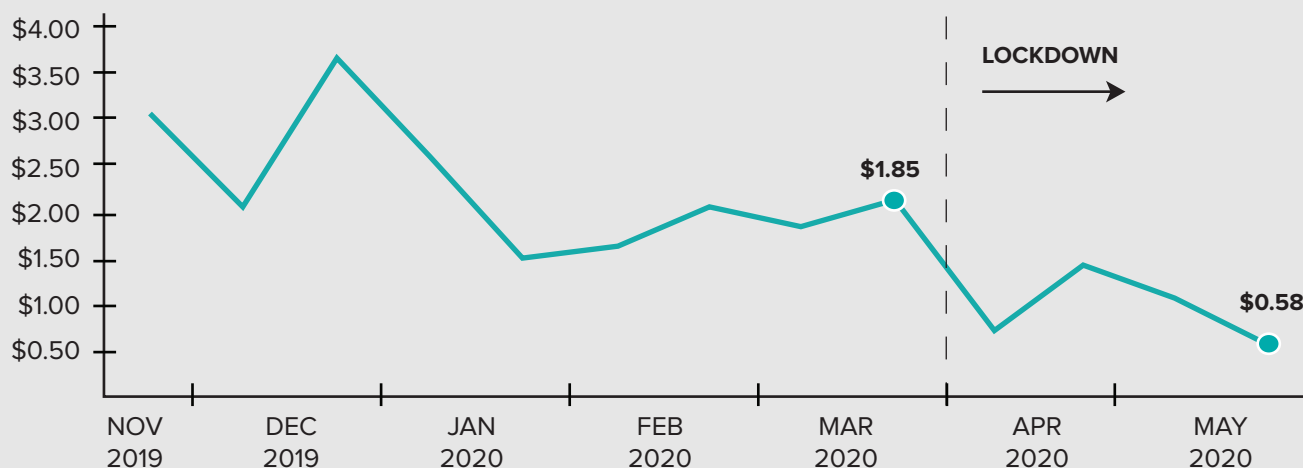
Refugees Experiencing Significant Drop in Employment Income

Baseline data indicated 52% of respondents had some form of income or business. This included working on other households' farms, casual labour, working in a small informal business, working in a formal business, working for authorities in the settlement, working for an NGO, or apprenticeships.

Overall, the research highlights a significant decline in total employment income a week following the enforcement of the lockdown at the end of March (see figure below). When the refugees were interviewed six weeks later (mid-May), average income had still not recovered (at \$0.58 on average, compared to \$1.85 during the middle of March, prior to lockdown).

Impact of COVID-19 on Total Employment Income

Data gathered from bi-weekly surveys with refugees, in USD.

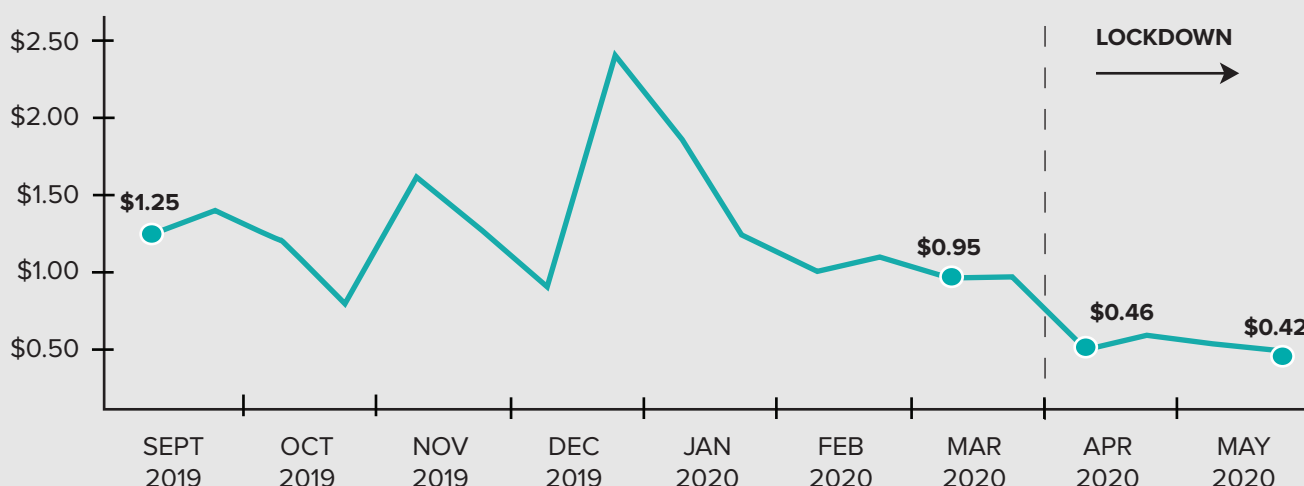


THE IMPACT OF COVID-19 ON CASUAL LABOUR

Many refugees in Nakivale and Kiryandongo earn a livelihood by working as casual labourers. Their work is varied and can be anything from digging farmland, fetching water, splitting logs for fuel wood, making bricks, working as tutors, or offering translation services. Typically, income from the work these casual labourers do is irregular and seasonal, as can be seen in the figure below.

Impact of COVID-19 on Casual Labor Income

Data gathered from bi-weekly surveys with refugees, in USD.



Earning an income from casual labour has all but come to a standstill due to the impact of COVID-19. During the baseline interviews (September 2019), 22% of respondents indicated this as a form of employment with which they support their livelihood, earning an average income of around \$1.25. Just one week after lockdown, income from casual labour had decreased by 56% when compared to two weeks before (from \$0.95 to \$0.46). Six weeks later, there was no sign of improvement, with average income from casual labour at an all time low of just \$0.42.



Joel Amani is a dynamic Congolese entrepreneur living in Nakivale. Aged 23, Joel has been living in Uganda since his family was forced to flee the DRC when he was 11. After having to depend on World Food Programme handouts of beans, rice and maize flour, Joel realised that many refugees were missing out on fruit and vegetables, making them more susceptible to illness. This prompted him to set up a small passion fruit business – Par Fruita – recycling plastic bottles as miniature greenhouses. Through RISE, Joel received business training and a small grant for seeds, fertilisers and training. When travel restrictions were instated, Joel used his creativity and his smartphone to continue the work of Par Fruita at distance, ensuring families still have access to fresh fruit during the crisis.



DANIEL

Refugee from the DR Congo, Nakivale Settlement

Daniel (pictured in red and yellow shirt) is originally from the DR Congo but fled to Nakivale settlement in Uganda in 2014 with his wife and six children. To support his family, Daniel started working as a casual labourer, cutting reeds from a nearby lake to make roofing. Little by little, he turned this into a small business by collecting the reeds in bulk and selling them on. With the income he made, Daniel was able to start sending his children to school.

Business training Daniel received from the Finish Refugee Council enabled him to expand into small-scale agriculture, raising livestock, fish farming and horticultural activities. This, in addition to the income from his reed business, enabled Daniel to build a new house with iron sheeting.

Since the start of the pandemic, however, Daniel has seen his business income badly affected. Demand for his products has dropped due to the impact of the travel restrictions, so has taken to selling fish door to door, traveling around eight miles daily, yet still his financial situation is getting worse.

Daniel is also showing entrepreneurial spirit and is spotting opportunities in the midst of the crisis. With the rainy season almost over, people will turn their attention to rebuilding their houses and will need construction blocks to do so. Daniel has recruited two young men from the neighbourhood to help build the blocks and they are already seeing some small income from this activity. Daniel hopes the COVID-19 crisis will recede soon so that he can get his business back on track.

THE IMPACT OF COVID-19 ON BUSINESS INCOME

During the baseline study, working in business was cited as a key source of income. Business activities across Nakivale and Kiryandongo included the following:

- Retails sales (selling directly to consumers)
- Trade (selling to businesses or organisations)
- Manufacturing (making furniture, baskets, garments production, food processing, etc.)
- Restaurants, cafés, bakeries (selling food & drinks)
- Service businesses (hairdressers, bike repair, tailoring, repairing items, etc.)
- Agent work (selling airtime, mobile money, etc.)
- Renting (rooms, vehicle, equipment, etc.)

One week after lockdown, income from business had dropped from \$15.05 before the measures were introduced to \$8.27. Income from small business then picked up slightly (possibly due to panic buying for food and other essentials as the travel and movement restrictions were enforced). For the following 6 weeks, income from business remained fairly stable.

Our researchers are using biweekly interviews to better understand why some businesses have remained relatively resilient during the early stages of lockdown. One likely explanation is that many are involved in retail (particularly food sales), and are thus exempt from the ban on trading.

“I cannot run my business. I no longer have customers. I have been able to sustain myself and my children for this period on the little I have been able to save thanks to the profits I made from my business. I’m worried that even if the lockdown is lifted, people here in the settlement will be too poor to organise any event soon.”

-Faridah, Nakivale Settlement

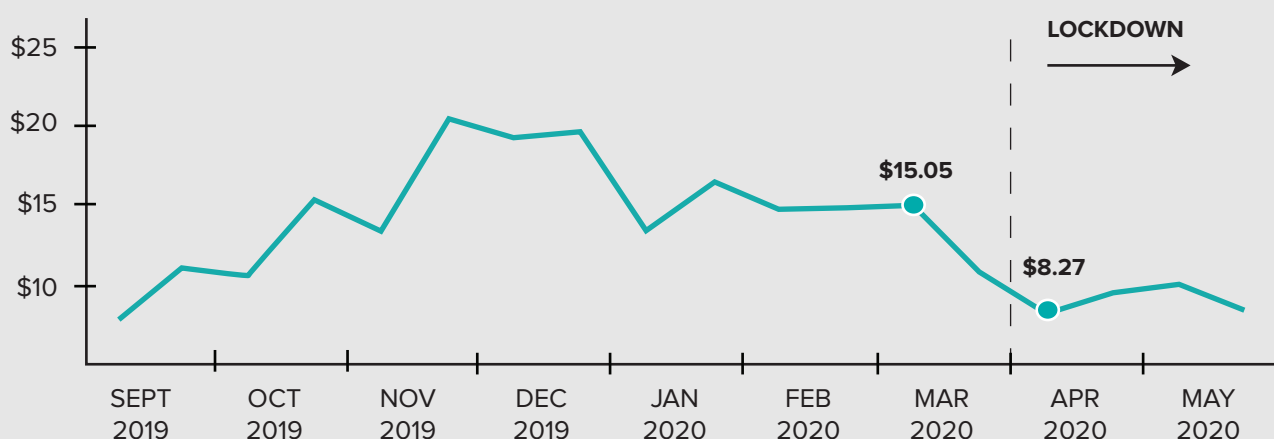


Photo: L-IFT

Faridah runs a small business that organises events for people in the settlement, renting out items such as chairs, tents and music systems. Before COVID-19, Faridah took out a loan from Opportunity Bank of Uganda to buy more tents and expand her business. “I had so many customers interested in my services,” says Faridah. Following the country-wide lockdown on the 31st of March banning gatherings, Faridah’s business has come to a standstill.

Impact of COVID-19 on Business Income

Data gathered from bi-weekly surveys with refugees, in USD.



THE IMPACT OF COVID-19 ON AGRICULTURAL INCOME

Agricultural activities in the settlements include crop agriculture, horticulture and livestock. According to the baseline, 63% of the financial diaries respondents are involved in some type of agricultural activity. Most are involved in subsistence agriculture, producing for their own consumption. Those that indicated agriculture for sale purposes:

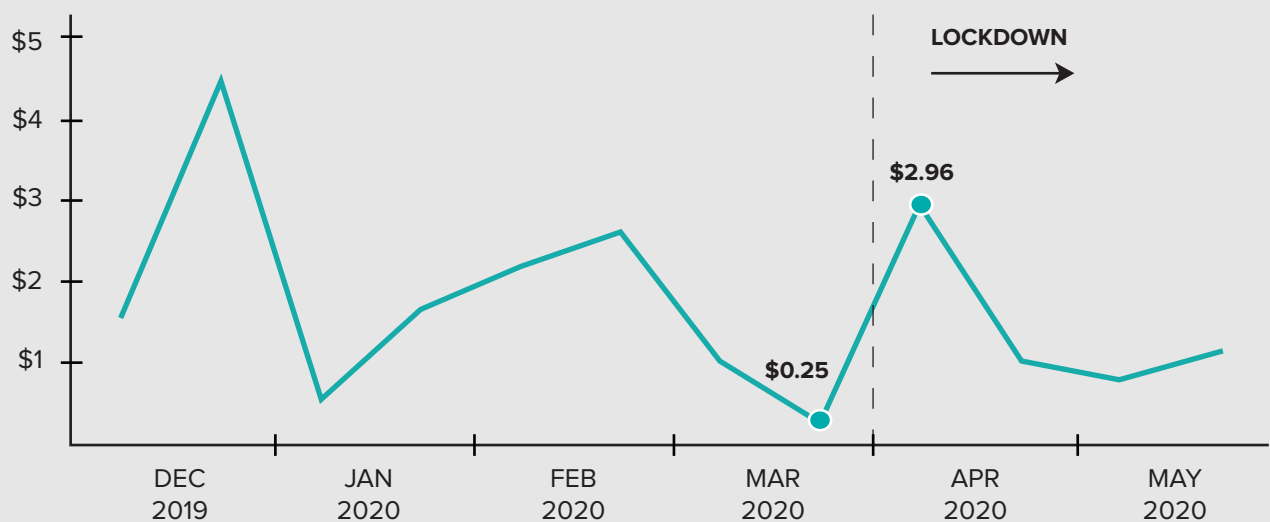
- **11%** sell crops for income
- **6%** sell horticulture for income
- **5%** sell livestock for income

Interestingly, agricultural sales increased following the lockdown, demonstrating increased demand for agricultural products sold within the settlements.



Impact of COVID-19 on Agricultural Income

Data gathered from bi-weekly surveys with refugees, in USD.



Endnotes

- 1 <https://www.rescue-uk.org/press-release/new-irc-data-shows-covid-19-brings-increased-food-prices-hunger-and-economic-distress>

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