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The economic lives of refugees☆

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ABSTRACT

The economic lives of refugees are often viewed as relatively homogeneous, and sources of within-group variation remain largely unexplored. We describe the socio-economic diversity of refugees in one particular region: East Africa. Drawing upon first-hand quantitative and qualitative data collected in Kenya, Uganda, and Ethiopia (n = 8,996), the article systematically compares 12 refugee subpopulations living in seven refugee camps and the three capital cities. In order to identify sources of variation, we examine three main questions: (1) What variation is there in socio-economic outcomes? (2) What strategies and resources do refugees rely upon, and how do these vary? (3) How are opportunities and constraints shaped by differences in institutions and identity? Overall, we show that, although the economic lives of refugees have some distinguishing and common features, they are also heterogeneous by host country, urban/camp context, nationality, and household. We explain why describing and understanding sources of within-group variation matters for research and policy.

1. Introduction

There has been growing interest in the economic lives of refugees. Traditionally considered a humanitarian question, forced displacement is also now viewed as of relevance to development economics. When people flee war and persecution to camps or cities, usually in neighbouring countries in poor regions of the world, they continue to be consumers, producers, entrepreneurs, savers, borrowers, and lenders. However, they may face particular barriers to socio-economic integration, whether because of regulatory restrictions or discrimination, for example. Refugees also have access to particular resources that emerge from access to aid or remittances. The observation that refugees face particular constraints and opportunities gives rise to a series of theoretical and empirical questions. What is distinctive about the economic lives of refugees? How do socio-economic outcomes for refugees vary across individuals, households, and communities? And what explains this variation?

Existing research in this area divides into two broad literatures: qualitative research underpinned by anthropology and sociology, and quantitative research underpinned by economics. The pioneering research of Karen Jacobsen (2002, 2005, 2006) describes the economic life of refugees, drawing upon wide-ranging and comparative qualitative data, much drawn from her own fieldwork. Her work highlights the strategies and challenges faced by refugees in rich and poor countries for earning a livelihood when faced with protracted exile. Subsequent qualitative research has described themes such as refugee livelihoods across a range of contemporary and historical contexts (Campbell, 2006; Carrier, 2017; Hammar, 2014; Horst, 2008; Lindley, 2009; Oka, 2014; Werker, 2007), and critically engaged with refugee policies relating to livelihoods, self-reliance, and socio-economic integration (Easton-Calabria & Omata, 2018; Krause & Schmidt, 2020; Skran & Easton-Calabria, 2020; Turner, 2020).

In recent years, economists have complemented this qualitative research by undertaking quantitative research to examine the aggregate

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impact of refugees on host communities (see e.g. Alix-Garcia et al., 2018; Altındağ et al.; Betts, Stierna, et al., 2023; Maystadt et al., 2019; Maystadt & Verwimp, 2014; Ruiz & Vargas-Silva, 2016; Taylor et al., 2016; Tumen, 2016; Verme & Schuettler, 2021), and explore the effect of particular policies and programmes – from cash assistance to job creation, amnesties, and vocational training – on refugee socio-economic outcomes (Altındağ & O'Connell, 2023; Bahar et al., 2021; Delius & Sterck, 2024; Krafft et al., 2022; MacPherson & Sterck, 2021; Özler et al., 2021; Salti et al., 2022; Siu et al., 2023).

A strength of the qualitative literature is its appreciation of context, contingency, and variation. However, because qualitative research most often relies on specific samples that are not representative, it lacks a basis for generalisations and comparisons across contexts. A strength of quantitative methods is that they potentially enable such systematic comparisons and generalisations. However, economists tend to favour causal studies at the expense of descriptive and comparative research (McKenzie, 2018). Furthermore, because much of the existing quantitative research focuses on means and aggregate effects, often in single-country contexts, it tends to ignore variations, exceptions, and non-linearities. Rarely have the strengths of quantitative and qualitative methods been combined to rigorously and systematically describe the diversity of refugees' economic lives.[1]

Our article attempts to fill this gap. What do refugees have in common with one another as economic actors, to what extent is there also within-group variation, and what accounts for this variation? As well as being an interesting empirical question, it also matters theoretically, because it can potentially offer insights into the extent to which particular observations about the economic lives of refugees are inherent to being a refugee or contingent upon other variables. This, in turn, matters for policy because it potentially offers insights into the levers available for improving socio-economic outcomes for different groups of refugees. To serve the increasing number of people under its mandate – more than 100 million forcibly displaced people worldwide – UNHCR's needs-based budget for 2022 exceeded USD 10 billion for the first time (a 100% increase compared to 2012). However, usually just over half of these budgetary needs actually receive donor support, leaving a significant funding gap. Understanding how the lives of refugees vary across contexts and subpopulations is therefore essential to ensure that the limited funding is used efficiently.

To understand the diversity of refugees' economic lives and examine the impacts of this diversity on policy and research, we study the socio-economic situation of refugees within one region of the world, East Africa. Methodologically, we draw upon first-hand quantitative and qualitative data collected in Kenya, Uganda, and Ethiopia (n=8,996). Our key innovation is to systematically compare 12 subpopulations of refugees living in seven refugee camps (or camp-like contexts) and three cities (with variation by country of origin, host country, and camp/urban location). While at least three studies have built descriptive data on a single refugee population – 'the Syrian refugee life study' (Stillman et al., 2022) and research on Congolese camps in Rwanda (Alloush et al., 2017) and camps in Uganda (Werker, 2007) – this article is, to the best of our knowledge, the first to compare rigorously across subpopulations.

To identify within-group differences and explore their implications, we examine three main questions. First, what variation is there in terms of socio-economic outcomes (e.g. income, assets, and consumption) for refugees? Second, what strategies and resources (e.g. work, remittances, and aid) do refugees rely upon, and how do these vary? Third, how are opportunities and constraints shaped by their host country institutions (e.g. regulation) and their identity (e.g. their human capital)? Overall, we show that refugees' living standards, economic strategies, and the constraints and opportunities they face vary significantly across host countries, refugee nationalities, and households, and explain why these differences matter for research and policy.

The article unfolds as follows. Section 2 explains our data and methods. Section 3 outlines a simplified conceptual framework derived inductively from our empirical research. Section 4 describes variation in socio-economic outcomes, Section 5 examines strategies and resources, Section 6 focuses on the role of institutions, and Section 7 on identity. We conclude the paper with a discussion of implications on policy and research.

2. Data

The quantitative and qualitative data analysed in this article come from multi-sited fieldwork undertaken between 2016 and 2018 across Kenya, Uganda, and Ethiopia (see Fig. 1 for a timeline).[2]

Our country case selection is based on variation in the regulatory and policy environments relating to refugees' economic lives (Betts & Sterck, 2022; Blair et al., 2022; Ginn et al., 2022). Uganda has relatively progressive policies on socio-economic rights, giving refugees the right to work and freedom of movement. Kenya has restrictive policies, limiting refugees' right to work and obliging most to live in camps. Ethiopia is gradually moving from restrictive to more inclusive policies but, in practice, has yet to implement seemingly progressive legislation. Their policies therefore exist on a spectrum, broadly reflecting the range of policies relating to the socio-economic rights of refugees across the developing world more broadly. Despite these differences, the countries also have several factors in common, such as being in the same region and accommodating significant numbers of refugees from an overlapping set of countries, including Somalia, South Sudan, the Democratic Republic of Congo (DRC), and Eritrea. Reflecting broader global trends, each of our three focus countries hosts refugees in both urban and camp contexts. In our research, we therefore focused on the capital city and one or more refugee camps within each country, allowing for comparison across camp and urban contexts.

At the outset of our research in Kenya, in October 2016, the country hosted nearly 500,000 refugees. The Kakuma refugee camp in Turkana County hosted about 164,000 of them, primarily from the three nationalities we interviewed: South Sudanese, Somali, and Congolese. We next collected data in Nairobi, home to about 65,000 refugees, focusing on Somali and Congolese refugees. While the Dadaab camp was the largest refugee-hosting site in the country at the time of data collection, we were unable to include it in our study for security reasons.

In Uganda, our fieldwork took place between February and May 2018. At the time, Uganda hosted 1.4 million refugees, making it the largest refugee-hosting country in Africa. Our field research covered the Nakivale refugee settlement and Kampala. Founded in 1958 in the Isingiro district in Southern Uganda, the Nakivale settlement is Africa's oldest refugee camp. At the time of our data collection, Nakivale hosted

[1] The title of the article is inspired by two seminal works: Jacobsen (2005)'s book, 'The Economic Life of Refugees' and Banerjee and Duflo (2007)'s 'The Economic Lives of the Poor'. We build upon Jacobsen's title by adapting 'Life' to 'Lives' to reflect diversity, and moving from a qualitative approach to one that also uses rigorous statistical methods to enhance our description of variation. We build upon Banerjee and Duflo (2007)'s use of descriptive quantitative research in order to compare and identify patterns in how people in developing countries live their lives. We seek to emulate their approach, but for refugees.

[2] Organising data collection over a three-year period allowed us to spend a significant amount of time in the field to build relationships with key stakeholders and refugees, understand the contexts, and undertake both the qualitative and quantitative data collections ourselves (with translators and research assistants). This gives us first-hand knowledge of the dynamics described in the paper. In fact, in many contexts, data collection was only possible thanks to the fact that we spent a significant amount of time preparing for the fieldwork and building relationships with stakeholders (e.g. UNHCR, governments, local leaders). While we believe our presence in the field increased the quality of our data and analysis, we also recognise some comparisons between contexts could be driven by the timing of the surveys.

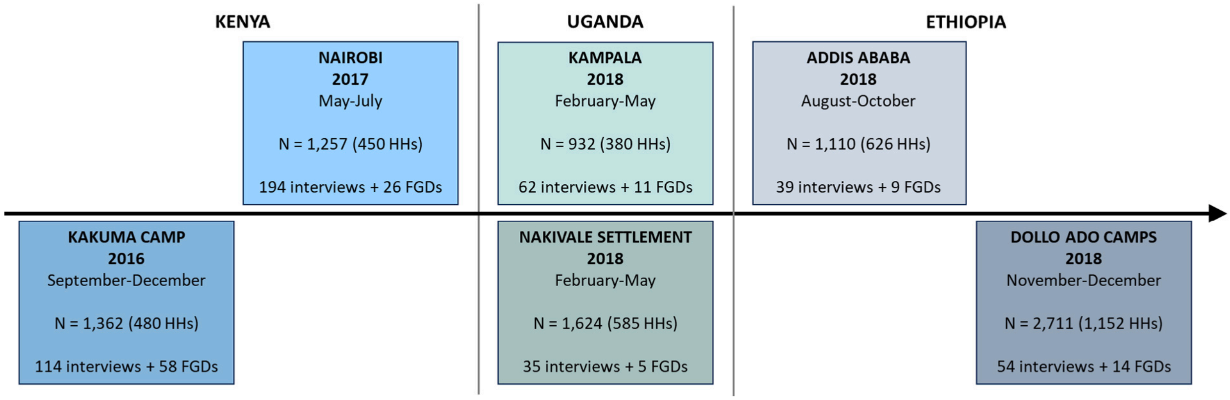

Fig. 1. Timeline of data collection and sample sizes.

approximately 104,000 refugees of various nationalities, and Kampala accommodated about 100,000 refugees from neighbouring countries. In both sites, we study Congolese and Somali refugees.

Our fieldwork in Ethiopia took place between August and December 2018. The country hosted some 900,000 refugees, making it the second-largest host country on the continent. In Ethiopia, our research sites included the five Dollo Ado camps and Addis Ababa. The Dollo Ado camps together hosted around 220,000 refugees, almost exclusively of Somali origin, given the proximity to the Somali border. In Addis Ababa, there were about 22,000 registered refugees of predominantly Eritrean and Somali origin. We included both groups in the study.

2.1. Quantitative data and methods

Our quantitative research draws upon data collected through household surveys across six sites in three countries, with a total sample size of 8,996 refugee respondents from 3,673 households.[3] A breakdown of the refugee nationalities across locations is provided in Table 1. We used simple random sampling or two-stage cluster sampling to obtain representative data on households from each population.[4] We interviewed either all or a random sample of adults within each household, ensuring the participation of the household head and the person(s) in charge of finances and food preparation (where these were different).[5] The sampling frame of each population is explained in detail in Table A.1 in the Appendix. Sampling weights and clustering are used throughout the analysis to account for the sampling design.

The survey questionnaires included modules on a range of themes such as demographics, economic activities, income, expenditures, assets, networks, mobility, food security, health and well-being. Questionnaires were refined through multiple rounds of testing with respective refugee communities before being translated into the most prevalent languages of refugee respondents. Refugee enumerators were trained for a week and conducted surveys with tablets pre-programmed with SurveyCTO.

In Sections 4 to 7, we will use simple regressions to compare average outcomes in different groups of refugees; for example, refugees who live in different contexts (e.g. urban vs camp), come from different nationalities, or report different genders. As our analysis is purely descriptive, we do not include control variables in order to simplify the interpretation of results and avoid issues relating to bad controls. However, regressions include fixed effects to focus comparisons on refugees living in similar institutional environments. When comparing refugees living in cities versus camps, we use nationality-host-country fixed effects, which identify seven nationality-host-country groups in our data (e.g. Somali in Kenya). When comparing refugees from different nationalities, we use context fixed effects, which identify our six research sites (e.g Kakuma). When comparing refugees of different genders, we use nationality-context fixed effects, which identify 12 groups from different nationalities in the research locations (e.g. Somali in Kakuma).

In Section 7, we use regression analysis to examine whether the individual characteristics of refugees predict their socio-economic outcomes where they live. For this analysis, we focus on partial effects and use a series of socio-demographic explanatory variables and fixed effects to limit omitted variable bias. Explanatory variables are grouped into five categories:

- Demographics: gender, age, age squared, married dummy, household size, dependency ratio;
- Human capital: years of education, vocational training dummy, English-fluency dummy, local-language-fluency dummy, health index, mental health index (PHQ-9);
- Social capital: has relatives locally (dummy), has relatives abroad (dummy);
- Individual history: lived in an urban area before exile (dummy), length of exile (in years), father's years of education, mother's years of education, nationality dummies;
- Geography: urban dummy.

The construction of explanatory variables is described in Table A.2 in the Appendix, and summary statistics are provided in Table A.3.

For outcomes that are measured at the household level (e.g. urban dummy), we compare the results of regressions with nationality-context fixed effects (e.g. Somali in Kakuma) and with cluster fixed effects (e.g. Somali in Kakuma 3, Zone 1, Block 3). For outcomes that are measured at the individual level, we can further include household fixed effects, thanks to the fact that we interviewed multiple adults per household. While the latter fixed effects capture a large part of the unobserved variation, we still interpret regression results very cautiously, as correlations, given the absence of exogenous variation.

2.2. Qualitative data and methods

Our quantitative research is complemented by in-depth qualitative research across all research sites, enabling us to explore quantitative patterns further and to narrate our data through human stories.

[3] The data and replication files are available on https://www.refugee-economies.org/dataset.

[4] Our samples are representative of the refugee populations living in the study sites at the time of the surveys. Our samples are not representative of all the adults who have at one point been living in the study sites (and this should not be the case, given our objective to describe how refugees live in these sites), nor are they representative of all nationals from countries of origin.

[5] The fact that we interviewed multiple adults per household allows us to include household fixed effects in regression analysis for outcomes that are measured at the individual level (e.g. employment, work income, remittances).

Table 1
Sample size per nationality in each study context.

	Kenya		Uganda		Ethiopia	
	Kakuma	Nairobi	Nakivale	Kampala	Dollo Ado	Addis Ababa
Somalia	456	556	822	459	2711	417
DR Congo	443	701	802	473	–	–
South Sudan	463	–	–	–	–	
Eritrea	–	–	–	–	–	693
Site total	1362	1257	1624	932	2711	1110
Country total	2619		2556		3821	
Total	8996					

The main qualitative methods were focus group discussions and semi-structured interviews. We conducted more than 500 interviews across the three countries (see Table A.4 in the Appendix). Throughout the fieldwork, to minimise the influence of specific groups in findings, we endeavoured to include various groups of refugees, notably men and women, different ethnicities, and diverse age groups. In addition, to triangulate the information and obtain different perspectives, we interviewed non-refugee stakeholders, including staff members of relevant UN agencies and NGOs and local and national government officials in charge of refugee community affairs.

We obtained our qualitative data systematically through the following sequencing in each research site. First, to nurture a good contextual understanding, each data collection began by consulting key informants such as refugee community leaders (formal or informal) and staff members of refugee-supporting agencies operating in each site. Mainly using one-to-one unstructured interviews with open-ended questions, this initial step provided us with a broad understanding of the lives of refugees and contributed to informing the design of survey questionnaires based on local contexts. Second, we shifted to semi-structured individual interviews and focus group discussions on more specific questions relating to themes that had emerged during the initial key informant interviews. The further insights from this stage deepened our understanding of refugees' economic strategies and outcomes within each research site.

3. Conceptual framework

Our quantitative dataset has nearly 2,000 variables, covering 12 refugee subpopulations and almost 9,000 respondents. The multi-dimensionality of the data creates a challenge in terms of how we structure our descriptive analysis of the economic lives of refugees. In order to provide some structure, we outline a simple conceptual framework (Fig. 2). The framework represents a parsimonious simplification of a complex reality. We do not claim that the diagram accurately or exhaustively represents all aspects of the economic lives of refugees. Nevertheless, it provides a heuristic structuring device for our analysis and this article. The diagram was constructed iteratively, inductively building on our initial findings and informing our subsequent analysis of the data.

Ultimately, we are interested in understanding and explaining variation in socio-economic outcomes for refugees. These 'outcomes' are represented at the bottom of the figure. There is no consensus in the literature on what precisely are the most critical socio-economic outcomes for refugees. While the policy world frequently uses the objective of self-reliance in discussions and programmes, there is no consensus on how the concept should be operationalised or measured (Betts et al., 2020a). We limit our analysis to four measures of living standards: income, asset ownership, dietary diversity, and food security, while recognising that other dimensions certainly matter.[6]

These outcomes, in turn, depend upon the resources that refugees can access. Our diagram distinguishes three main sources of resources: work, remittances and other forms of informal social protection, and humanitarian aid.[7] These resources represent mediator variables in shaping socio-economic outcomes. The types of resources refugees can access ultimately depend upon two sets of underlying factors: refugees' personal characteristics and the constraints and opportunities they face in their country of asylum. For simplicity, we refer to these as identity (who are you?) and institutions (where are you?).

In terms of 'identity', demographic characteristics (e.g. age and gender), capital (e.g. education levels and language skills), and previous experiences before exile often influence refugees' labour market outcomes. They also influence access to remittances and social protection, for example, which may depend upon refugees' social capital and networks. However, personal characteristics and networks do not explain everything.

In terms of 'institutions', refugees' access to resources is often constrained by specific regulations that limit their rights to work, move, or own property. Because of restrictions to freedom of movement, refugees often have to live in remote and challenging areas of the country of asylum. They may, for example, be obligated to reside in areas with challenging environmental conditions or with significant gaps in public good provision. Refugees' opportunities may also be shaped by informal institutions, including local norms.

There is an underlying theoretical intuition behind the idea that identity (who you are) and institutions (where you are) are likely to be key variables in explaining variation in socio-economic outcomes for refugees (Betts, 2021).

Identity Economics shows how people's personal characteristics and background may influence their behaviour and decision-making (Akerlof & Kranton, 2000). Refugees may have different characteristics that constitute them as economic actors, and hence influence their behaviour and decision-making. The most salient of these that is specific to being a refugee qua refugee is likely to be the impact of transitional or traumatic events resulting from the experiences of persecution, flight, and reception within the host country. There is evidence that previous exposure to traumatic events may influence economic behaviour by, for example, shortening time horizons or changing perceptions of time (Beiser & Hyman, 1997). Economists have shown the importance of time horizons for decision-making in areas such as credit, debt, savings, investment, entrepreneurship, and employment (Andreoni & Sprenger, 2012). Refugees who experienced violent trauma in their country of origin are more likely to report depressive symptoms, which, in turn, may hinder their socio-economic integration (Pozuelo et al., 2023). Refugees' identities will also be distinctive from host nationals – although not from other migrants – by the fact of being outside their country of origin. Indeed, a different set of norms and social networks

[6] Other dimensions, like access to education, health, or security, can be seen both as outcomes and inputs. In our analysis, we discuss these aspects when studying access to public goods.

[7] Our framework distinguishes humanitarian aid and development aid. Humanitarian aid directly supports living standards (e.g. food rations). By contrast, development aid can impact refugees' capital (e.g. through education, cash grants, or networking programmes) and the constraints refugees face where they live (e.g. through investments in public goods).

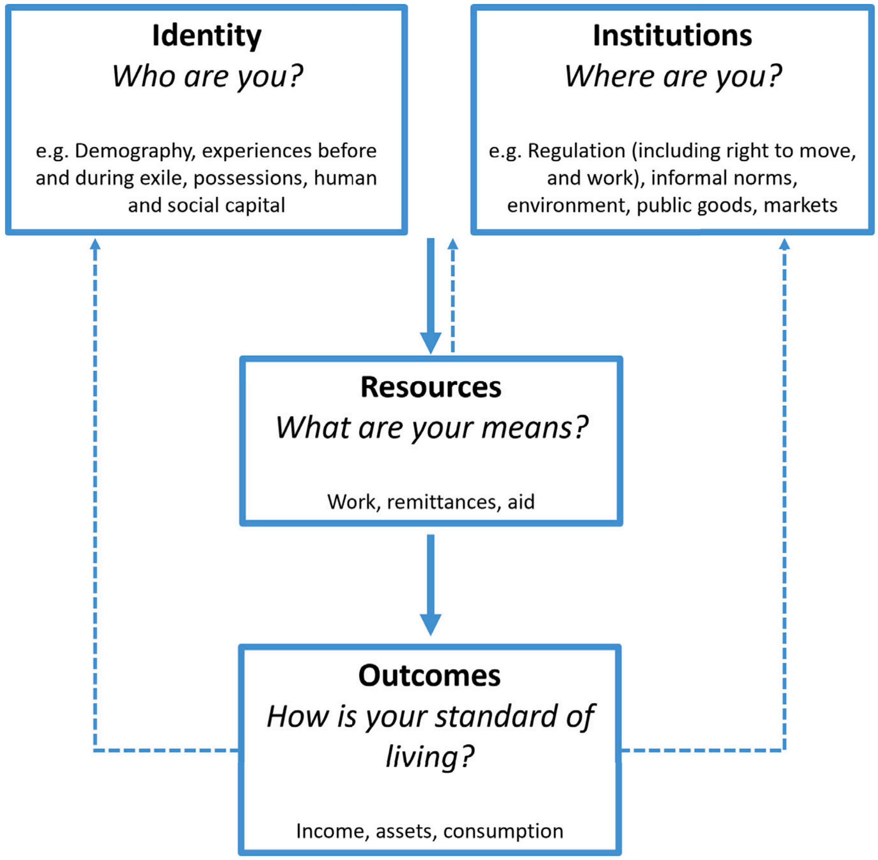

Fig. 2. Conceptual Framework.

may influence refugees qua migrants' economic behaviour compared to that of host country citizens (Betts et al., 2020b; Siu et al., 2023).

The New Institutional Economic of Development, for example, has shown how institutions affect development outcomes (Harriss et al., 1995; North, 1993; Williamson, 2000). This work highlights two main mechanisms: transaction costs and information. Institutions – such as property rights, contract guarantees, and bankruptcy laws – affect the costs of market transactions. This is because they change the ability of people to negotiate, monitor, and enforce contracts. Weak or restrictive institutions impose higher costs on people, which in turn undermines performance. Institutions also shape available information, which influences economic decision-making. Refugees are likely to face a different set of extrinsic constraints and enabling factors compared to non-refugees because they will usually have different sets of rights and duties compared to citizens or other migrants. The institutions that regulate refugees' economic lives, though, also vary across contexts.

Our conceptual framework is dynamic in at least three respects. First, some refugees are capable of moving and therefore have some agency on the institutions they face. Second, refugees' resources can be invested in their futures by accumulating human or physical capital, thereby expanding opportunities in the labour market. Third, aid can increase living standards directly (humanitarian aid) or indirectly through investments in capital and modification to refugees' regulatory, physical, and social environments (development aid).

In what follows, we provide empirical evidence on each of the dimensions presented in this diagram, highlighting the diversity of refugee situations and explaining prominent differences.

4. Socio-economic outcomes

How do refugees fare? To examine this question, we focus on four imperfect measures of living standards: total household income per capita, total asset worth per capita, a household food insecurity index, and the individual dietary diversity score. These indicators provide insights into the welfare of refugees across camps and cities in East Africa, demonstrating the stark heterogeneity among refugee populations. The construction of all variables is described in Table A.2 in the Appendix. Descriptive statistics are presented in Table A.3.

We observe large differences in welfare outcomes (1) between host countries and urban/camp contexts, (2) across nationality groups, and (3) between households.[8]

We identify large welfare differences between the different contexts (Fig. 3). Overall, the average welfare outcomes of refugees are better in cities than in camps. First, refugee households' average income per capita is significantly higher in cities (Fig. 3(a)). Urban refugees earn on average USD 34 per month more than refugees in camps (p-value < 0.001), which is substantial given that the average monthly income per capita in camps is USD 27.[9] Section 5 will elaborate on how different sources of income across the locations factor into this difference. Second, urban refugee households also own significantly more assets (p-value < 0.001), particularly those in Nairobi and Kampala (Fig. 3(b)). This difference is not driven by one type of asset in particular, as urban households are significantly more likely to own a range of assets, such as beds, sofas, cupboards, a refrigerator, or a television. In contrast, refugees in camps are more likely to own solar panels (often distributed by NGOs) and animals. For example, animals constitute as much as 40% of the value of household assets in Dollo Ado. Refugee wealth in Dollo Ado is associated with owning goats and camels; in Nairobi, it is owning a refrigerator or a car. Third, refugees in the capital cities also have

[8] We examine differences within households in Section 7.

[9] Throughout the paper, income figures are converted into constant 2015 USD using conversion factors from the World Bank.

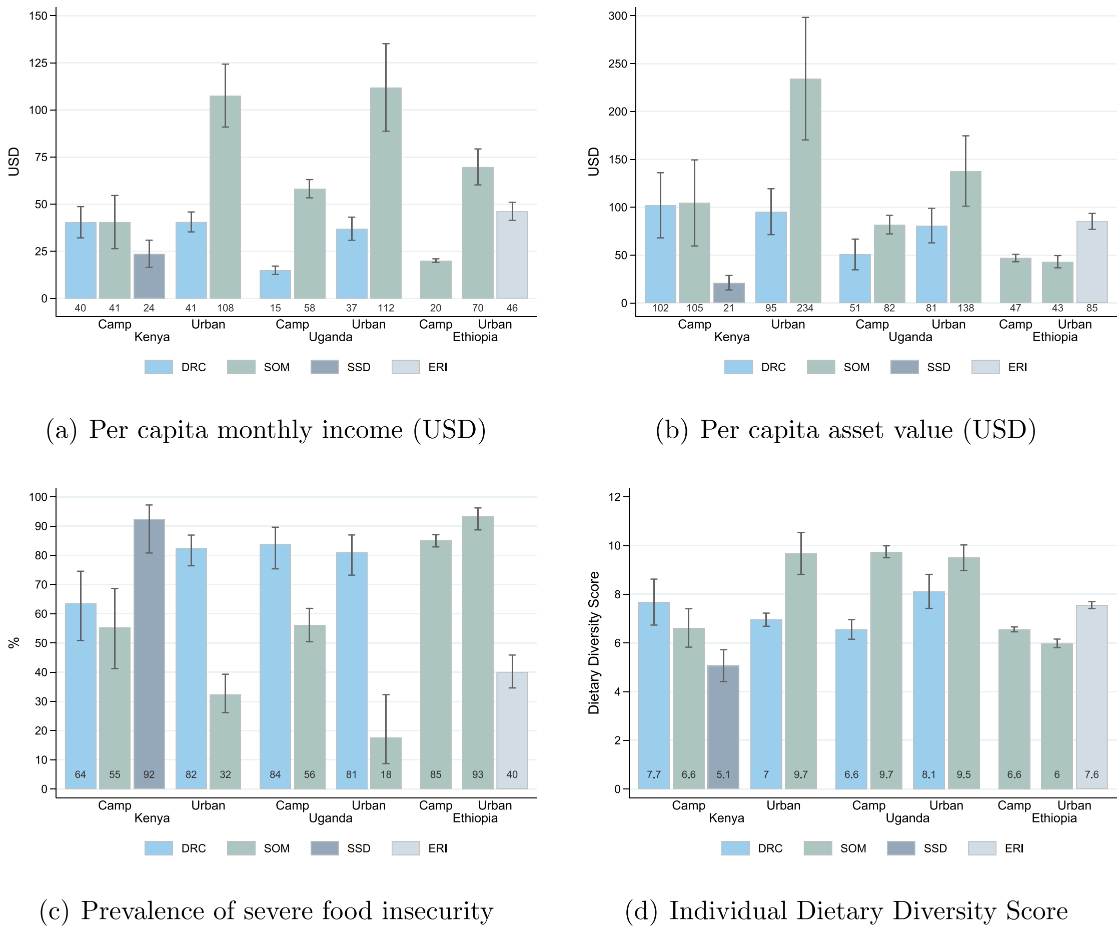

Fig. 3. Socio-economic welfare across host locations and refugee nationalities.

better diets on average: they are 14 percentage points less likely to be severely food insecure (p-value < 0.001) and have more diverse diets (p-value < 0.001). While this is true on average, Figs. 3(c) and 3(d) show that in each capital city, certain subpopulations of refugees are also highly food insecure, demonstrating the importance of distinguishing subpopulations of refugees.

Indeed, Fig. 3 highlights significant differences in socio-economic welfare within each geographical context. For example, in Kakuma, South Sudanese refugees are, on average, substantially worse off than the other two nationalities. The South Sudanese households own next to nothing, receive half of the income of the other two groups, and 92% of them are severely food insecure. Qualitative evidence suggests that the greater precariousness of South Sudanese refugees is largely due to the fact that a considerable number of South Sudanese refugees arrived in the camp relatively recently. Thus, many of them have not established their independent economic means and are entirely reliant on WFP's food ration, which is often inadequate in amount. In a focus group discussion with South Sudanese residents living in Kakuma, one participant described the situation:

> Life in Kakuma is very challenging. Most of us are heavily reliant on free food rations. But the amount of food is small so we usually eat once a day. Many South Sudanese refugees resell these food items to Turkana hosts in exchange for firewood and charcoal because we do not have enough for cooking.

In Nairobi, Kampala, and the Nakivale settlement, Somali refugees are significantly better off than the Congolese; they have much higher household incomes on average (+170%, p-value < 0.001) and much lower prevalence of food insecurity (−45 percentage point, p-value < 0.001). While four in five Congolese refugee households in Kampala face severe food insecurity, only one in five Somali refugee households do (p-value < 0.001). However, it would be inaccurate to conclude that Somali refugees are better off in all contexts. In Addis Ababa, Somali households are worse off when compared to the Eritrean: they are twice more likely to be severely food insecure (p-value < 0.001) and their asset worth is about half the amount of Eritrean refugees (p-value < 0.001). Section 6 will explain how differences between these two groups can be partly explained by their different status in the capital city.

Finally, we also observe substantial variation in welfare outcomes within each population in each site. The R-squared of simple regressions of the outcomes on context fixed effects capturing the 12 groups shown in Fig. 3 are 0.29 for per capita income, 0.11 for per capita asset value, 0.27 for the severe food insecurity dummy, and 0.34 for the individual dietary diversity score. This shows that substantial variation exists within groups in each context. Fig. 4 shows the Gini coefficients of income per capita in each context. The Gini coefficients range from 0.27 for Somali refugees in the Dollo Ado camp, which corresponds to the Gini of Sweden, one of the most equal countries in the world, to 0.47 for Somali refugees in Nairobi, which is about the Gini of Mexico, one of the most unequal countries in the world. Inequality levels among refugees appear to be lower in the camps than the cities. While average incomes are lower in camps, households face broadly similar constraints and receive the same type of assistance.

In the next section, we show that much of the heterogeneity in welfare outcomes across contexts can be explained by differential access to the labour market, networks and social protection, and humanitarian aid.

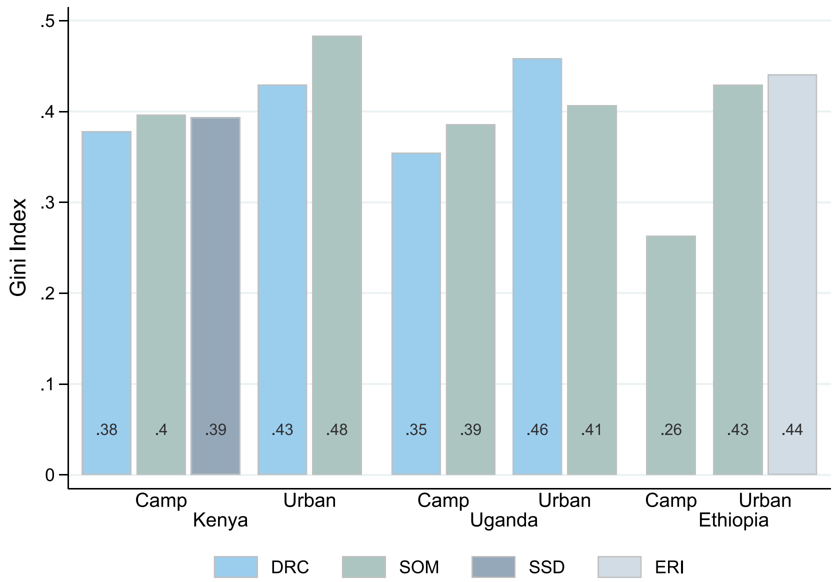

Fig. 4. Inequality across contexts, as measured by the Gini coefficient for per capita monthly income.

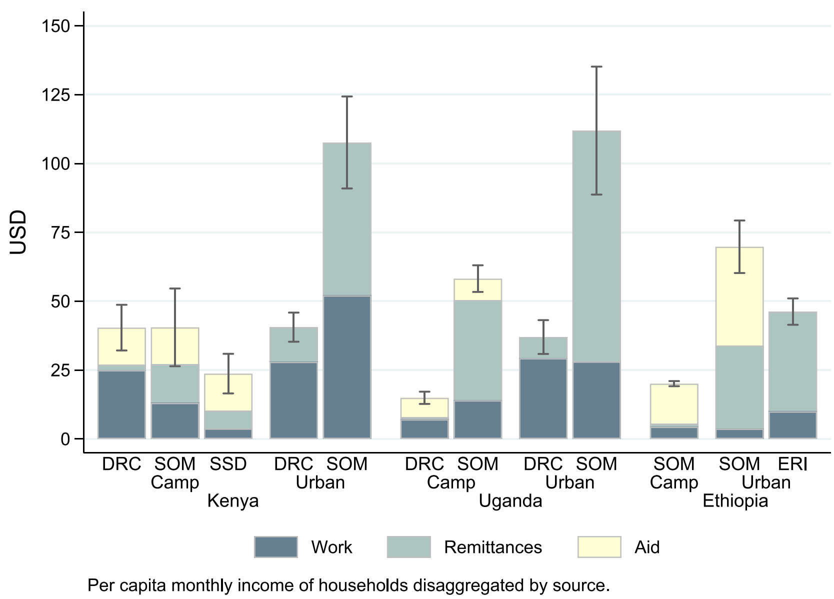

Fig. 5. Per capita household income disaggregated by source of income (USD).

5. Strategies & resources

Refugees have three main strategies for making a living: working for an income, relying on remittances, and benefiting from social protection, whether through social networks or humanitarian aid. Fig. 5 shows that the importance of these different strategies varies substantially across locations and nationalities, and that most households rely on more than one strategy.

Three trends are evident in this figure. First, income from work is significantly higher in urban settings (p-value < 0.001). Second, income sources vastly differ between urban and camp settings: refugees in camps largely depend on humanitarian aid, while urban refugees mostly rely on work and remittances (p-value < 0.001). Third, Somali households have greater average incomes (p-value < 0.001), largely because they have better access to remittances through their networks (p-value < 0.001). We substantiate these observations and describe exceptions in the remainder of this section.

Considering first the labour market, we observe stark differences in the proportion of refugees with an income-generating activity (IGA) across locations, nationalities, and gender (Fig. 6). Overall, about one in three refugees earn an income from work. However, this proportion is much lower in Ethiopia (p-value $= 0.03$), where refugees' labour opportunities are more strictly regulated and restrictions are enforced. Within all four research sites in Kenya and Uganda, Congolese refugees are more likely to earn an income than Somali refugees (p-values < 0.001). Considering all locations and nationalities, the gender gap in the likelihood of earning an income is large, at 13 percentage points (p-value < 0.001). For different reasons, South Sudanese refugees in Kakuma and Somali refugees in Addis Ababa stand out as having very low employment rates. Only 12% of South Sudanese adults in Kakuma earn an income from work, which is partly due to the fact that many of them had arrived in the camp relatively recently and were living in areas that were still underdeveloped at the time of the research. Only 7% of Somali adults in Addis Ababa work for an income, which is largely explained by stricter regulations and by the fact that most stays

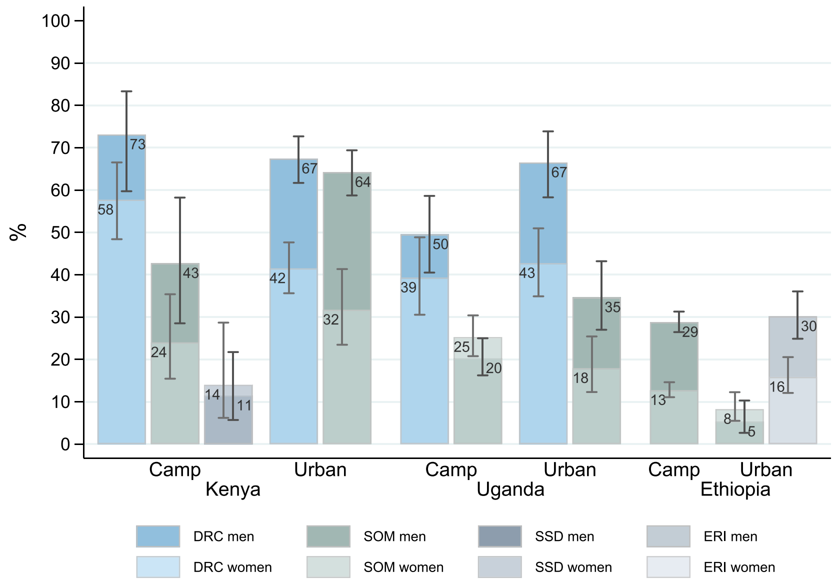

Fig. 6. Percentage of adult refugees with income-generating activities (IGAs) by location, nationality, and gender.

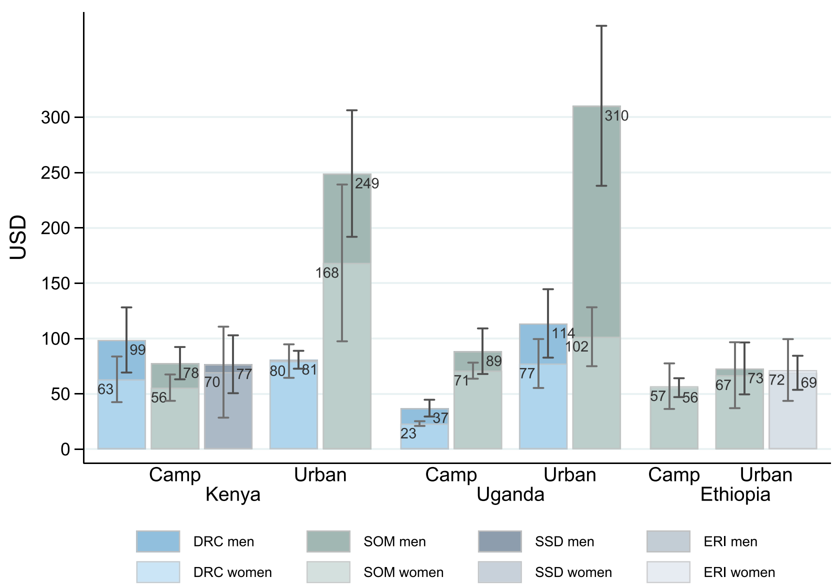

Fig. 7. Individual income from income-generating activities (IGAs) by location, nationality, and gender.

in the city are due to medical, protection, or humanitarian concerns (see Section 6 for details).

The average incomes among refugees with an IGA vary substantially across the same three dimensions (Fig. 7). On average, working refugees earn USD 86 per month, but urban workers get twice as much as those in camps (USD 127 vs 53, p-value < 0.001).[10] The higher urban incomes are primarily driven by working Somali refugees in Kampala and Nairobi. They earn two to three times more than other refugees, whether compared with the Congolese in the same cities or with refugees in the other locations. As explained below, while differences in skillsets and the local demand for specific skills may account for some of this variation in remuneration, differential access to local networks and remittances and discrimination may also play a role. Lastly, the gender income gap of USD 35 per month (p-value < 0.001) is substantial, considering this means that working refugee men earn, on average, 32% more than working refugee women.

Some of the massive differences in income are explained by the types of activities that refugees of different nationalities do in different contexts (Fig. 8). One striking difference across sites relates to the proportion of working refugees employed by international organisations and NGOs. These employees are typically called "incentive workers" and considered volunteers because they most often do not have the right to work. Their incentive payment is not considered as a wage but as a compensation. In the Kakuma refugee camp, nearly half (43%) of the working refugees are incentive workers, with relatively fixed incentive payments averaging about USD 74 per month. This partly explains why the average incomes of working refugees are similar across nationalities in Kakuma. In the Dollo Ado camps, nearly 60% of working refugees receive an incentive payment from international organisations and NGOs (about USD 56 per month on average). By contrast, the proportion of refugees working for international organisations and NGOs is limited in Nakivale. As explained in Section 6,

[10] For comparison, host nationals across the same communities who work earn USD 224 per month (USD 245 in cities vs USD 50 in camps).

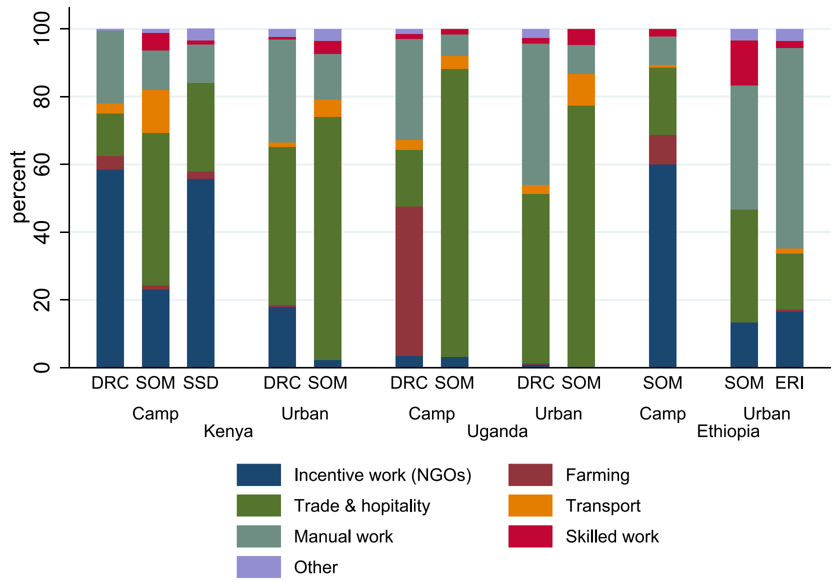

Fig. 8. Distribution of adult refugees with an IGA working in different sectors, by location and nationality.

this is largely due to the very different legal framework in Uganda, in which the Ugandan government plays a much bigger role. In cities, few refugees work for international organisations and NGOs.

When refugees do not work for international organisations or NGOs, they tend to specialise in certain activities by nationality. In Kakuma, working Somali refugees are about four times more likely to be involved in trade than the Congolese (43% versus 11%, p-value < 0.001), while Congolese workers are twice as likely to do manual work (25% versus 11%, p-value = 0.01). This labour market segregation is especially pronounced in the Nakivale settlement, where about 85% of working Somalis obtain their income from trading food and other goods – whether by hawking, through retail shops, or from establishments such as restaurants or butcheries – and none of the Somali respondents reported working in agriculture. This is in stark contrast to the Congolese workers in the settlement, who are primarily involved in farming (44%) and manual work (29%). In comparison, only 17% engage in retail and food businesses.

A similar tendency is observed in Nairobi and Kampala, where three in four working Somali refugees are engaged in trade and hospitality compared to about 45% of the working Congolese. By contrast, only 9% of working Somalis do manual work, versus 40% of working Congolese. Moreover, while skilled non-manual work such as teaching, health care professions, or office jobs constitute a small proportion of the employment in either group, the working Somalis in these cities are more likely than the Congolese to be employed in such capacities (+3 percentage points, p-value = 0.045).

The labour market differences between the Somali and Congolese refugees in Kampala and Nairobi can be explained by the presence of a large Somali-ethnic population in these cities. Especially within the Eastleigh district of Nairobi, popularly portrayed as 'Little Mogadishu' (Carrier, 2017), taking advantage of ethnic and religious bonds, many Somali refugees have found income-generating opportunities. A Kenyan staff member of an international NGO explained how their livelihoods have been shaped by the wider Somali society:

> Many Somali refugees sell clothes because the clothing business in Eastleigh is so popular. Eastleigh is the biggest hub of clothing trade business in Kenya and there are so many Somali Kenyan wholesalers [of clothes]... Somali refugees can even buy clothing items on credit from shop owners and repay after they sell.

Congolese refugees do not have such ethnic counterparts in Nairobi. A considerable number of Congolese refugees engage in casual labour, for instance as construction workers, cleaners, and watchmen/security guards. Unlike Somali refugees, most of them are employed by Kenyan host communities who do not have any ethnic linkage with the DRC. In Addis Ababa, the proportion of Somali adults with an income-generating activity is too small to allow us to examine whether labour market segregation exists between Somali and Eritrean refugees.

There are massive differences in access to remittances between cities and camps and between nationalities (Fig. 9). Urban refugee households are 18 percentage points more likely to regularly receive remittances than those in camps (p-value < 0.001). Conditional on receiving remittances, the average monthly amount received per capita is also USD 35 higher in urban areas (p-value < 0.001). Greater access to remittances among urban refugees is partly explained by greater networks of family members living in high-income countries, which is highly correlated with receiving remittances. Urban refugees are 10 percentage points more likely to have relatives living abroad (p-value < 0.001), and households with relatives abroad are 38 percentage points more likely to regularly receive remittances (p-value < 0.001). Different mechanisms can explain these correlations. First, accessing remittances is often easier in cities, where financial institutions are more developed. For instance, while Addis Ababa has many branches of financial institutions, the rural areas surrounding Dollo Ado camps have none.

Second, refugees living in cities may receive more remittances because the money can be more easily invested into productive businesses. Another version of this mechanism is that refugees who expect to receive remittances may self-select to live in cities, where money can be invested in businesses. This particularly applies to Somali refugees living in Nairobi and Kampala. Both cities have a significant presence of ethnic Somali business communities in which Somali refugees with financial resources can identify business or investment opportunities. Often, large or medium-sized businesses which are owned or co-owned by Somali refugees benefit from remittances sent by members of the diaspora, especially in Nairobi. For instance, Katra is a Somali refugee who operates a clothing business. She came to Eastleigh in 2006 and is officially registered in Nairobi. Her shop is co-owned with a cousin based in Minnesota, who was resettled to the US in 2005. They both contributed USD 5,000 in start-up capital to cover stock, rent, and licence fees.

Third, some refugees in cities may receive more remittances from family abroad because life conditions are more challenging. For example, in the absence of access to humanitarian aid and the right to

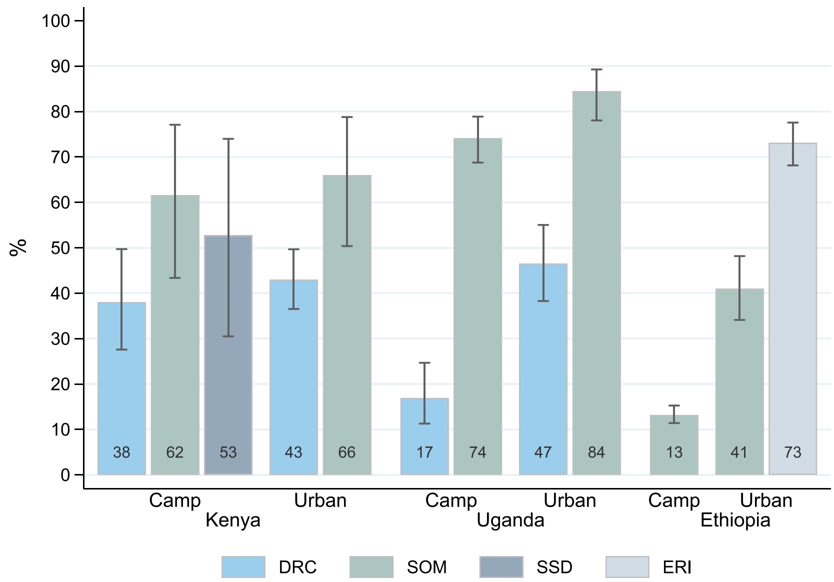

Fig. 9. Percentage of households that receive remittances by location and nationality.

work, remittances sent by relatives abroad are crucial to subsidise the cost of living in Addis. Many refugees, both from Eritrea and Somalia, highlighted the significance of remittances as their "lifeline". A 24-year old Somali refugee who lives in Bole Michael with his mother is one of those who benefit from regular remittances from her sister in the US: "From family in the US, we get about USD 200 per month. This is the only source of income for us because we do not have work here". Given the restrictive living environment for refugees in Addis Ababa, they have been receiving remittances from this relative since their arrival in the capital city in 2014.

Concerning nationality, Fig. 9 demonstrates how Somali refugees are far more likely to receive remittances than Congolese and South Sudanese living in Kenya or Uganda. Overall, Somali households are 32 percentage points more likely to receive remittances than households of other nationalities (p-value < 0.001) and, provided they receive any, the monthly amount per capita received is USD 44 higher on average than that of other recipient households (p-value < 0.001). However, the group that is the least likely to receive remittances across all sites is the Somali in Dollo Ado. There, only 13% of households receive any remittances, predominantly because very few of them have relatives living in the Global North. Refugees in Dollo Ado mostly come from rural backgrounds and also have not benefited from UNHCR's third-country resettlement programmes which are often one of the major channels to send family members to developed countries.

While refugees' networks abroad are the primary providers of remittances, the extent and quality of local networks are also crucial for the day-to-day subsistence of refugees in all contexts. For example, nearly all refugees report relying on family, friends, and community members if they do not have enough food to eat or face an emergency. For instance, in Kakuma camp, a considerable number of South Sudanese refugee individuals who are not kin-related come together and build a 'fictive' household to share food and other necessary expenses by combining their meagre resources. Similarly, in Addis Ababa, where many refugees do not have independent livelihood sources, forming a fictive household is a common strategy for their survival. During a focus group discussion, one Eritrean refugee highlighted:

> If one does not have remittances, he must develop his own survival strategy. Usually, he relies on other Eritrean refugees who receive support from abroad. This is why we have so many fictive families [among Eritrean refugees]. We live together and share resources. We divide daily tasks like washing, cleaning, cooking, and split all payments.

Some refugees organise groups to help each other. As explained above, refugees in exile are often excluded from formal financial services. To fill in this gap, refugees resort to informal lending from within their own community (in camps, they also get financial support from aid organisations). For instance, within the Somali community in Nairobi, there are numerous 'ayutos', a type of community savings mechanism. Fatuma, a Somali female refugee who has run an ayuto since 2011, explained its importance for refugees:

> Now we have 17 members. Every Friday, each member gives KES 1,500. One person will get this total... In Eastleigh, we need to start business to secure our bread, medicine and police bribe [on our own]. But it is not easy to get a loan for us. We do not have documents and ID card which formal banks request. This is the only way to get initial capital.

Lastly, humanitarian aid also plays an important social protection role, especially for refugees living in camps or settlements who are entitled to food assistance from the World Food Programme (WFP). Historically, WFP was distributing monthly in-kind rations in camp settings. In-kind rations typically consist of cereals (about 12 kg per person), pulses (4.5 kg per person), enriched Corn-Soy-Blend (CSB, 1.5 kg per person), and vegetable oil (about 1L per person). The specific content of food baskets varies with country, food availability, and fluctuations in WFP funding. However, in many contexts, WFP is transitioning to cash transfers or food vouchers to give more autonomy to refugees and develop local markets (Delius & Sterck, 2024; MacPherson & Sterck, 2021; Siu et al., 2023). At the time of our research, refugee households in Kakuma were receiving a combination of in-kind rations and digital cash transfers, while refugees in Nakivale and Dollo Ado were receiving in-kind rations (see Table A.2 in the Appendix for details). In these camps, refugees often resell their food ration to local traders, the host population, or other refugees. Some refugees, mostly women, have organised themselves systematically into groups to sell the food rations to purchase items not provided by aid organisations. Besides food assistance, host governments and a range of NGOs and international organisations provide services to refugees living in camps and settlements. These include programmes related to shelter, health care, education, microfinance, agriculture support, energy support, and water, sanitation, and hygiene (WASH) programmes.

By contrast, access to humanitarian assistance is mostly absent in cities. Whilst refugees in Nairobi, Kampala, and Addis Ababa have little to no access to material assistance, one exception is Somali refugees with Urban Assistance Programme (UAP) status in Addis Ababa. As described, UAP refugees are those with medical, protection, or humanitarian concerns that camp-level facilities cannot adequately address. Given these vulnerabilities, UAP refugees receive a monthly stipend and health and educational support from UNHCR. However, the amount they receive is not adequate to cover living costs in Addis Ababa, and many UAP refugees complained about the inadequacy of the received stipend. The head of a Somali refugee household in Bole Michael told us: "Our family receives cash support of ETB 3350 per month for our entire family but this is too small to cover all expenses". While there are differences in living expenditures across neighbourhoods, according to Somali refugees living in Bole Michael, the average living costs for one adult are about ETB 2500-5000 per month. Notably, this is three to seven times higher than the average stipend received per household member in our survey.

This section has demonstrated the variety of resources and strategies refugees rely on to sustain themselves and that the importance of these varies across locations, nationalities, and genders. Next, we show that this variation can partly be attributed to the different constraints and opportunities refugees face (Section 6) and their different personal and household characteristics (Section 7).

6. Institutions

Although refugees engage in economic activities and participate in markets in their host states, their economic lives are usually shaped by various constraints. These constraints differ considerably between and within the three countries. Depending on where they live, refugees have to navigate different regulations, environments, and informal rules.

First, refugees face several formal regulatory constraints imposed by the national authorities (Betts & Sterck, 2022; Blair et al., 2022; Ginn et al., 2022). At the time of our fieldwork, Kenya and Ethiopia had strict encampment policies, which required refugees to reside in a designated refugee camp, with rare exceptions for health, education, or resettlement. These policies significantly restricted the freedom of movement of camp-based refugees and their access to commercial and labour markets beyond the camp areas unless refugees obtain special permission from the camp authorities.

In both countries, refugees' right to work outside camps was also constrained. The Ethiopian government was particularly restrictive with refugees' socio-economic rights. Under the Refugee Proclamation of 2004, refugees have been unable to access any form of formal employment in Ethiopia. In Kenya, the 2006 Refugee Act stipulates that refugees are allowed to work in Kenya and should be able to apply for formal employment with a 'Class M' work permit. In reality, however, these permits are rarely provided, and refugees are virtually excluded from engaging in the formal labour market. Compared to Kenya and Ethiopia, Uganda offered a more generous regulatory environment for refugees at the time of our research, giving refugees the right to work, move around the country, and live within a community. In reality, however, few refugees can access formal employment because obtaining work permits from the Ugandan government is, as in Kenya, bureaucratically challenging and costly. Across each of our focus countries, the vast majority of refugees are therefore limited to working in the informal sector.

In some cases, refugees' economic lives take place under the 'chain of dual administration' (Colson, 2004) from host governments and humanitarian agencies. The differences in governance systems can, in turn, differentiate refugees' access to certain types of economic opportunities, especially in camp contexts. This was most visible in Uganda and Kenya. As discussed above, Uganda's self-reliance strategy has a particular emphasis on integrated service provision inside the settlements, and public services like health and education in Nakivale are generally provided by the national government, albeit financed with some international support. In contrast, as Milner (2009) has described as 'abdication', the Kenyan government has largely delegated responsibility to the international aid community to offer support for refugees. Kakuma camp operates a system of parallel service provision, in which UNHCR and its implementing partners primarily provide social services while allowing Kenyan nationals to also use those services. The presence of service providers inside Kakuma is boosting refugees' access to livelihood opportunities. In terms of employment, overall levels are surprisingly higher among refugees in Kakuma than in Nakivale. The higher employment rate in Kakuma is largely due to the availability of so-called 'incentive work', where international organisations and NGOs engage refugees in operations within the camp.

Refugees' access to formal financial services, such as private banks and public financial institutions, is also minimal in these host countries. For instance, in Ethiopia, refugees are not allowed to open a bank account without a letter of permission from the government authority. Even in Uganda, where refugees enjoy relative socio-economic freedom, access to the banking system is quite cumbersome. To open a bank account, refugees who are formally employed are required to submit a signed letter from their employer with a photocopy of their refugee ID card as proof of their formal economic status. Similarly, self-employed refugees must obtain a recommendation letter from a referee who already possesses a bank account at the same bank. Moreover, these financial institutions perceive refugees as 'high risk' and avoid giving financial services, especially loans, due to the widespread view that refugees can leave the country without notifying the institutions.

Second, the locality and surrounding environments of refugee camps often create constraints for refugees. For instance, all refugee camps covered in our study are located in the remote countryside, distant from major commercial hubs. The regions that host both Kakuma and the Dollo Ado camps are historically marginalised areas, largely devoid of significant industry or economic investments. Because of the arid climate and poor soil quality, there is relatively little agriculture. In Uganda, the Nakivale settlement also lies in a rural and underdeveloped area in Southern Uganda with only small-scale commercial activities. However, due to Uganda's government policy, refugees are given access to plots of land for farming.

While UNHCR usually plays a key role in governing refugees in camps, the influence of UNHCR significantly diminishes in urban areas. Instead, the national and local government as well as host communities play a more crucial role in shaping the institutional contexts in which refugees find themselves. For example, despite the encampment policy of the Government of Kenya, local host communities are accommodating refugees and the Nairobi City County offers registration for refugees' business activities.

Finally, refugees can face an additional set of informal regulations that exclude them from some activities. These constraints are particularly salient in Kenya. For instance, refugees in Kakuma camp are not allowed to keep livestock such as cattle, goats, and camels and are prohibited from collecting firewood and cutting down trees for charcoal production or construction. These restrictions are imposed by the local host authorities, who seek to control the revenues from these livelihood activities. For refugees in Nairobi, one of the biggest livelihood obstacles is abuse from the public authorities, especially police officers. With precarious legal status and little access to the justice system, refugees are subject to increased risk of harassment and bribery by the police. Somali refugees are particularly targeted by the Kenyan police as they have continually been perceived as a security threat to Kenya, given a string of terrorist attacks caused by Al-Shabaab (RCK 2015). Compared to host populations living in the same neighbourhood, Somali refugees in Kenya were 18 percentage points more likely to have been arrested or questioned by the police in the three months preceding the survey (30% vs 12%, p-value = 0.002). The value of payments Somali refugees had to make to the police during this period of time is also significantly higher (USD 44 versus USD 18, p-value = 0.001). In Nairobi, paying cash to the police has become so routine for many refugees that they include such costs in their daily budgets. For instance, Najat is a Somali woman who runs a retail shop in Eastleigh. She is registered in Nairobi as a refugee and her business is officially registered with the Nairobi City County, but she is constantly exposed to police harassment, as her testimony indicates.

> When I am on my way home, they [police officers] stop me and say 'refugees have no right to stay in Nairobi' and 'refugees must go to the camp'. Last time, I had to pay KES 4000 [about USD 40]. Even though I am registered in Nairobi, they do not care about my paper documents.

Outside designated camp areas, some groups of refugees experience labour market discrimination. While Congolese refugees in both Nairobi and Kampala often seek informal employment from host nationals, they suffer from wage discrimination. We interviewed a number of Congolese refugees who have found casual labour opportunities from Kenyan neighbours as security guards, porters, and cleaners, for example. Yet almost all of them are paid a much lower wage compared to Kenyan nationals who are doing exactly the same job. Likewise, Congolese refugees in Kampala also face wage discrimination. One Ugandan business owner who employs refugees at his trading company dealing with agricultural processed products frankly said to us:

> At my shop, I employ some Congolese refugees as porters and staff who help pack these items into bags. For more than 10 years, I have been working with these Congolese residents... I hire them because they are cheaper than Ugandan labour. This is a seasonal recruitment so no contract. Whenever I need people, I call these Congolese refugees [who live in my neighbourhood].

Similar to our observation in Nairobi, for Congolese refugees in Kampala, these reduced wage rates paid by nationals are a common source of frustration. The Congolese refugee interviewees in both Nairobi and Kampala expressed how difficult it was to cover all necessary items or to make any savings for their future with these lower payments.

7. Identity

The opportunities refugees have and the constraints they face depend on who they are and where they decide to live.[11]

First of all, refugees' personal characteristics have a strong influence on where they chose to live in exile. Refugees' nationalities and ethnicities play an important role in that regard. For instance, the vast majority of Congolese refugees in Nairobi identify as Banyamulenge – an ethnic group that is often glossed as "Tutsi Congolese" because it consists of Tutsi pastoralist migrants who arrived in Congo in the 19th century from Rwanda (Court, 2013). Their status as "foreigners" has been often manipulated by other ethnic groups and resulted in Banyamulenge's limited access to social and political rights. Furthermore, recurrent violent conflicts over the past few decades in DRC have reinforced a division between "autochthonous" Congolese and Banyamulenge (Ntanyoma, 2019). Against this backdrop, a significant number of Congolese Banyamulenge fled DRC and became refugees in neighbouring countries. In 2006, however, the Banyamulenge community living in the UN's Gatumba refugee camp in Burundi was the victim of a systematic attack by a Hutu rebel group, leaving 166 people killed and 106 wounded. The Gatumba massacre is still deeply anchored in the collective memory of the Banyamulenge community, explaining why – despite the Kenyan encampment policy – the Banyamulenge in Kenya firmly refuse to move to refugee camps to avoid living close to other ethnic groups from DRC. For Banyamulenge Congolese, refugee camps are not seen as a sanctuary.

Refugees' skills and background also influence where they live (Figs. 10 and 11). The number of years of education is by far the most important variable predicting whether a refugee chooses to live in a camp or in the capital city (Table A.5 in the Appendix). One extra year of education is associated with a 2 percentage point increase in the likelihood of living in the capital city (p-value < 0.001). Using the decomposition method described in Hoeffler and Sterck (2022), we find that refugees' years of education explain 15% of the variation in urban status. Other personal characteristics also matter in residency choices, but to a lesser extent. Refugees who were living in an urban area before exile are 15 percentage points more likely to live in a capital city in exile (p-value = 0.06). Refugees with relatives abroad are also more likely to live in cities (p-value < 0.001). These factors explain 3.4% and 3.6% of the variation in urban residency, respectively.

We find that the location where refugees reside predicts about half of the explained variation in labour market outcomes. Beyond residency choice, we find that refugees' labour market opportunities are shaped by their personal characteristics (Table A.6 in the Appendix). First, refugees' human capital influences their labour market outcomes. Refugees' number of years of education and completion of vocational training are positively associated with the likelihood of having a job and with total income from work (p-values = 0.03 and 0.001, respectively, with household fixed effects). One more year of education is associated with both a 0.7 percentage point increase in the likelihood of having an income-generating activity and with monthly incomes that are USD 2.5 higher on average. Among all socio-demographic variables considered in our regression, 'years of education' is the most important predictor of work income, explaining 3% of the total variation in this variable. Having vocational training is associated with a 10.7 percentage point increase in the likelihood of having a job (p-value = 0.02 with household fixed effects). Vocational training is the second most important predictor of employment. Knowing the local language is also associated with a higher likelihood of having an income-generating activity (+10 percentage points, p-value = 0.02 with household fixed effects) and a higher income on average (+ USD 18, p-value = 0.005 with household fixed effects). However, we observe large differences in educational attainment between men and women (Figs. 9 and 10) and identify important heterogeneous treatment effects in that regard. Returns to education appear to be entirely driven by men and are much larger in cities. While these correlations should not be interpreted causally, they suggest that refugee men living in cities face different constraints and opportunities than women and camp-based refugees.

Refugees' demographic characteristics also explain how they fare in the labour market. The relationship between age and the likelihood of having a job follows an inverted U-shaped relationship, which peaks around 43-year-old. It is the single most important predictor of employment, predicting 5.4% of the variation in employment. Similarly, work income peaks around 47-year-old. Gender is also an important factor: women are 15 percentage points less likely to have a job and their monthly income is USD 22 lower on average, ceteris paribus (p-values < 0.001).

Many refugees live in exile for a considerable period of time. Refugees in our data have left their country of origin for six years on average (Fig. 12). Interpreting the correlation between this variable and outcomes of interest is complex because length in exile could both affect and be affected by refugees' opportunities. Length in exile is positively correlated with the likelihood of having a job and work income (p-values = 0.08 and 0.04, respectively, with household fixed effects). This could be due to the fact that it takes time for refugees to find stable employment, or it could reflect the fact that refugees are more likely to move if they do not find employment. Similarly, the number of years in exile is negatively correlated with the urban dummy, suggesting that refugees stay longer in exile if they live in a camp or that recent arrivals are more likely to choose to live in cities. We find no significant evidence that length in exile is associated

[11] See Betts, Omata, et al. (2023) for a comprehensive discussion on refugee mobilities in East Africa and Betts et al. (2021) for evidence on refugees' cross-border activities.

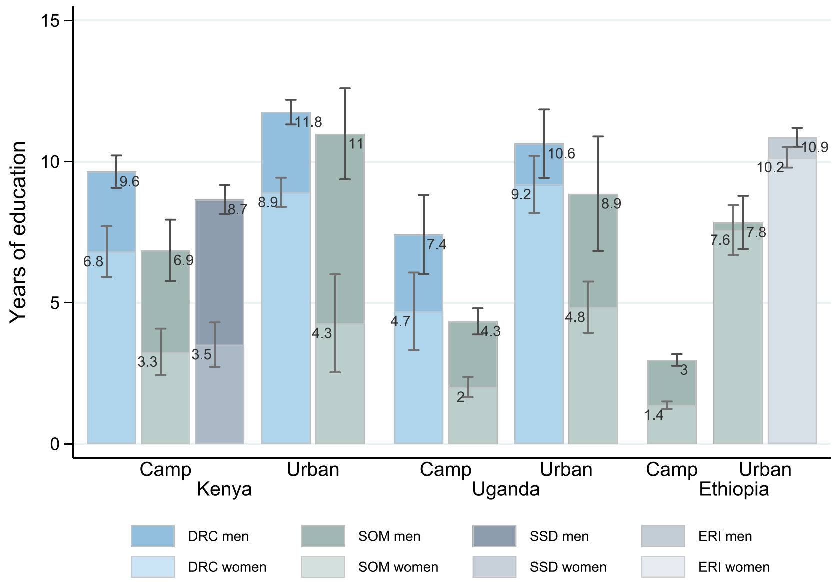

Fig. 10. Years of education by location, nationality, and gender.

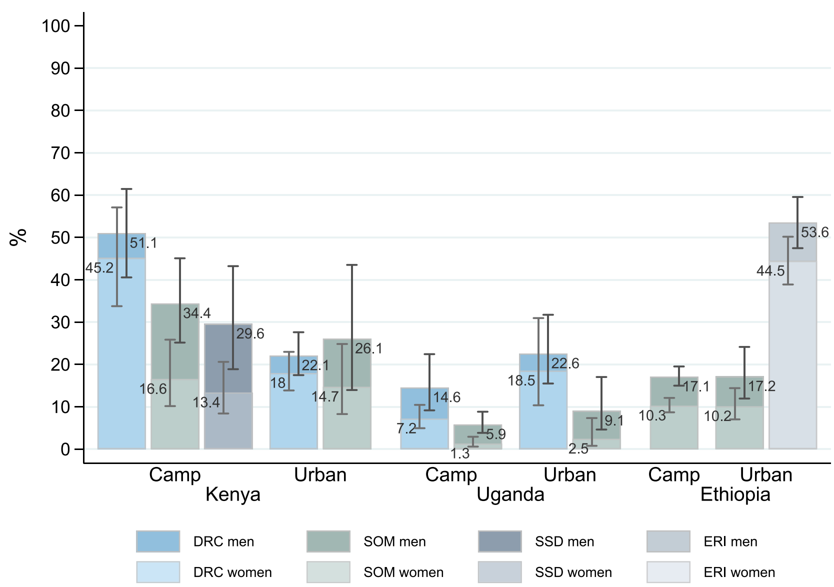

Fig. 11. Percentage of adult refugees with vocational training by location, nationality, and gender.

with a higher likelihood of receiving remittances or higher levels of remittances.[12]

Beyond labour market outcomes, refugees' resources mostly depend on where they live and where their relatives live. First, remittances are typically more important in cities and both the likelihood of receiving something and the average amount received strongly depend on refugees' network (Table A.7 in the Appendix). Refugees with relatives in a Western country are 45 percentage points more likely to receive remittances (p-value < 0.001), and they receive on average USD 86 more (p-value < 0.001). Then, with few exceptions, humanitarian and development assistance is mostly delivered in camps. For most households, food assistance is the most important programme they receive. While in Kenyan and Ethiopian camps, all refugees were receiving the same quantity of food assistance per person, the size of the food ration in Uganda depended on how long refugees had been staying in the camp. Because WFP was facing serious budget constraints at the time of the survey in Uganda, refugees who had arrived in the settlement before January 2013 were receiving half the ration of the most recent arrivals. The targeting of other humanitarian and development programmes often depends on personal characteristics. For example, livelihood programmes are most often offered to refugees with specific skills, and some cash transfer programmes specifically target reproductive-age women and children. Similarly, demographic characteristics (gender, household composition, dependency ratio) often play an important role in the targeting of programmes for vulnerable households.

8. Conclusion

Refugees have distinctive economic lives. This distinctiveness comes from the particular institutions that regulate their economic life (e.g. national restrictions on the right to work and own property) as well as

[12] We also estimated the correlation between the number of years in the current location and asset ownership, dietary diversity, and food security. While we observe a positive correlation between these outcomes and the number of years in exile, the correlation is not always significant when relatively the most constraining fixed effects are included in regressions.

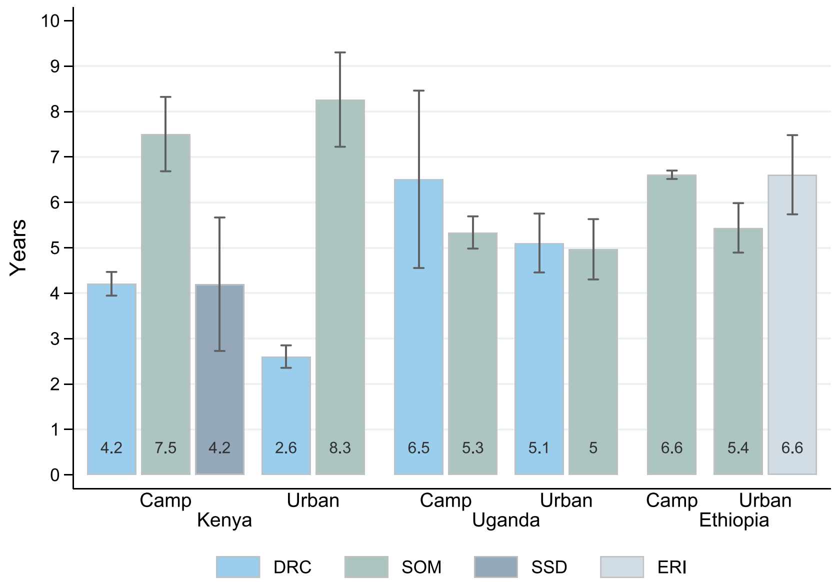

Fig. 12. Years in exile by nationality and location.

their experiences of displacement (e.g. trauma may have an impact on time horizons, economic decision-making, and socio-economic outcomes see e.g. Andreoni & Sprenger, 2012; Beiser & Hyman, 1997; Pozuelo et al., 2023) and exile (being outside the country of origin may offer opportunities such as receiving remittances but also create informal barriers to socio-economic integration) (Betts, 2021; Betts et al., 2017).

However, far from being a homogeneous group, this article shows that there is considerable within-group variation in the economic lives of refugees. Even within the same region – East Africa – socio-economic outcomes vary considerably. By dividing our qualitative and quantitative data into 12 different subpopulations, we have been able to reveal a range of ways in which refugees' outcomes, strategies, and constraints vary with host country context, urban/camp context, nationality, and household/individual-level characteristics. By organising our empirical findings into a heuristic conceptual framework, we are able to highlight some of the contextual factors that shape variation in the economic lives of refugees.

Our research highlights many striking examples of heterogeneity. In terms of socio-economic outcomes, there is significant variation by income, assets, and consumption levels. In terms of strategies and resources, the balance of income from work, remittances, and social protection varies significantly, as do the types of work undertaken. On a theoretical level, differences in institutions (across contexts) and identities (across households and individuals) might be conceptualised as underlying these types of within-group variation. This finding offers fertile ground to connect research on the economic lives of refugees to broader trends in economic theory, relating to identity economics and institutional economics, for example.

Recognising diversity and heterogeneity matters for policy and practice. It reveals that one-size-fits-all approaches to refugee assistance are likely to be ineffective unless complemented by contextual understanding that is specific to (a) the host country, (b) urban/camp context, and (c) nationality group — and in some cases specific to (d) households and individuals (e.g. based on gender, education levels, and number of years in exile). It is true that many humanitarian programmes already take into account some of these differences (e.g. urban programmes are often distinctive, and there is often programming based on gender); in other areas, such as nationality, there may be less differentiation in programme design, especially in diverse camp settings.

Refugee assistance programmes should therefore be designed with subpopulations in mind and take into account differences in living standards, strategies, and how institutions and identity shape economic lives in each context.

Assistance models might be differently targeted to address the particular needs of different populations. In situations of greater inequality, such as among Somali refugees in Nairobi, refugees may require different levels of assistance, with some able to live independently of aid, making means-testing or a 'graduation' model a viable policy option. In situations in which refugees have different economic strategies, they may require different types of assistance. Those whose primary sources of income are work or remittance may benefit more from microfinance or forms of adaptive social protection, which enable households to cope with shocks or fluctuations in income levels. Those who have recently fled their country of origin or are dependent on aid as their primary source of income for other reasons may be more likely to require long-term cash assistance.

The relevance of different types of assistance will also vary by context. In countries with the right to work, vocational training and job creation schemes will be highly relevant. In countries without the formal right to work, supporting entrepreneurship training (to participate in the informal economy) or education that enables participation in the transnational or digital economies may be more relevant. Urban and rural programmes are likely to be more different for some nationality groups than others. For example, Somalis frequently engage in commercial activity in both urban and rural contexts, while Congolese refugees are more likely to engage in agricultural activities in camp contexts and seek sources of employment in sectors requiring vocational skills in cities.

Our findings further challenge homogenising narratives that portray 'refugees' as an undifferentiated group. Endemic within pro- and anti-refugee news media coverage, political discourse, and the advocacy work of NGOs and international organisations, are frequent claims about 'refugees' as an undifferentiated group. Our findings challenge this view by revealing that, even within one region of the world, there is significant heterogeneity in the economic lives and characteristics of refugees.

CRediT authorship contribution statement

Alexander Betts: Conceptualization, Funding acquisition, Investigation, Methodology, Project administration, Supervision, Writing – original draft, Writing – review & editing. **Maria Flinder Stierna:** Data curation, Formal analysis, Investigation, Supervision, Visualization, Writing – original draft, Writing – review & editing. **Naohiko**

Omata: Data curation, Investigation, Methodology, Supervision, Writing – original draft, Writing – review & editing. **Olivier Sterck:** Conceptualization, Data curation, Formal analysis, Investigation, Methodology, Resources, Software, Supervision, Validation, Visualization, Writing – original draft, Writing – review & editing.

Declaration of competing interest

The authors have no conflict of interest.

Data availability

The data and replication files are available on https://www.refugee-economies.org/dataset.

Appendix A. Supplementary data

Supplementary material related to this article can be found online at https://doi.org/10.1016/j.worlddev.2024.106693.

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