

**Strengthening State Legitimacy  
through Refugee Aid Integration:  
Evidence from Uganda**

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## ***How Redirecting Refugee Aid into Government Systems Reduced Backlash and Enhanced Local Governance***

### **Executive Summary**

With over 122 million people forcibly displaced worldwide, a figure that has doubled in the last decade, governments face unprecedented pressure to develop sustainable refugee hosting policies. This unprecedented scale necessitates a fundamental shift in how governments and international actors respond, moving beyond reactive crisis management to proactive, sustainable solutions. Inclusive refugee policies, which grant displaced populations rights such as the ability to work, access public services, and freedom of movement, are increasingly recognized for their potential to benefit both refugees and host economies. However, governments often express reluctance to adopt such liberal policies, fearing potential electoral backlash from host communities. This hesitation stems from concerns about resource competition, cultural differences, and the strain on public services. This policy brief presents evidence from Uganda, Africa's largest refugee-hosting country, demonstrating that governments can successfully liberalize refugee policies without suffering political consequences when paired with strategic compensation schemes for host communities. Uganda's experience between 2001-2021, spanning five general elections and accommodating a five-fold increase in refugee populations, reveals a transformative policy model. Following reforms in 2006-2010 that liberalized refugee rights and mandated that 30% of international refugee aid be shared with host communities, the relationship between refugee presence and electoral support fundamentally shifted. Areas with higher refugee presence, which initially showed electoral backlash against the incumbent National Resistance Movement (NRM) party in 2001, demonstrated neutral to positive support in subsequent elections through 2021.

### **Context and Policy Challenge**

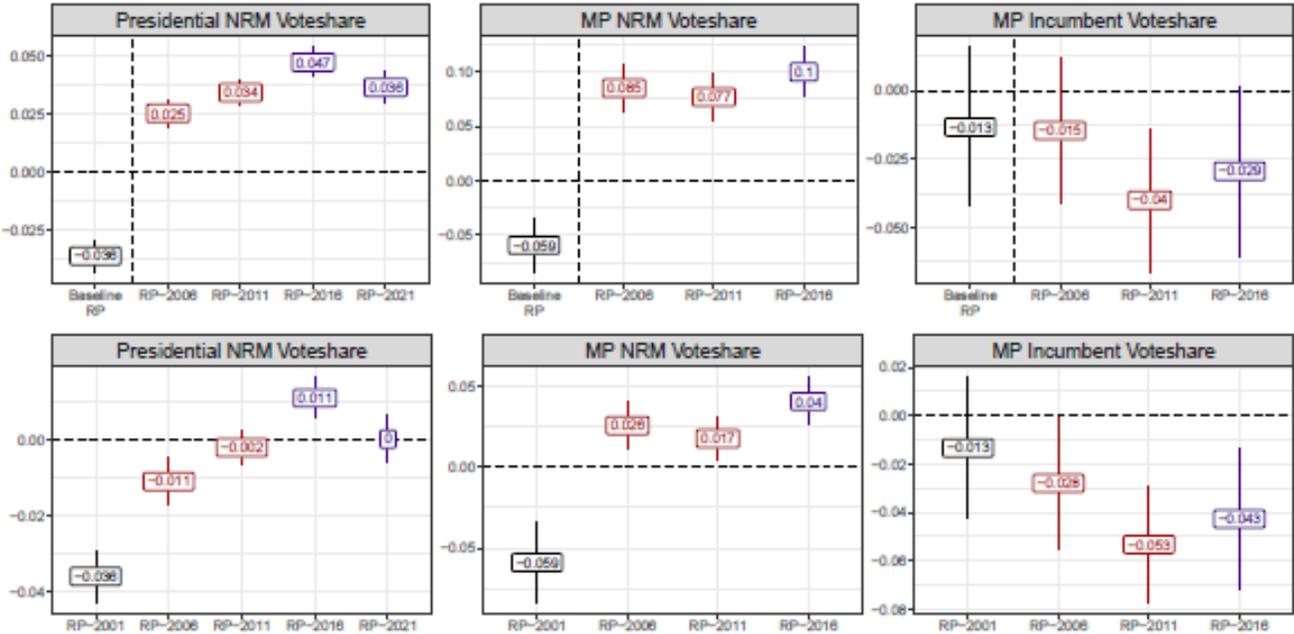
Over 75% of refugees reside in low- and middle-income countries where resources are limited and public opinion often resists inclusive refugee policies. Governments fear that granting refugees the right to work, move freely, and access services might trigger political backlash. Uganda, hosting Africa's largest refugee population, offers an alternative model: its 2016 reform aligned international aid with national systems under the Refugee and Host Population Empowerment (ReHoPE) framework.

Before the reform, most refugee aid bypassed local institutions. This led to fragmented service delivery and undermined government legitimacy. The reform sought to address these challenges by reallocating donor funding to local governments in refugee-hosting areas, enhancing the visibility and accountability of state institutions. The country's experience provides crucial insights for other nations considering similar policy reforms, particularly given the current global context where several countries—including Kenya, Rwanda, Djibouti, Zambia, and Ethiopia—are actively considering or implementing comparable integration policies.

### Research Foundation and Methodology

The study analyzes a panel dataset of 5,167 Ugandan parishes across five national elections (2001–2021), combining UNHCR settlement-level refugee population data with harmonized electoral returns. Refugee exposure is measured using distance-weighted settlement populations, standardized for comparability. A difference-in-differences design with parish and region-year fixed effects exploits within-parish variation over time, comparing areas with higher and lower refugee exposure before and after Uganda’s 2006–2010 refugee policy reforms. Baseline controls from the 2002 census adjust for demographic and economic differences, while mechanisms are explored using Afrobarometer surveys, public goods indices, nighttime lights, and text analysis of parliamentary speeches and newspapers.

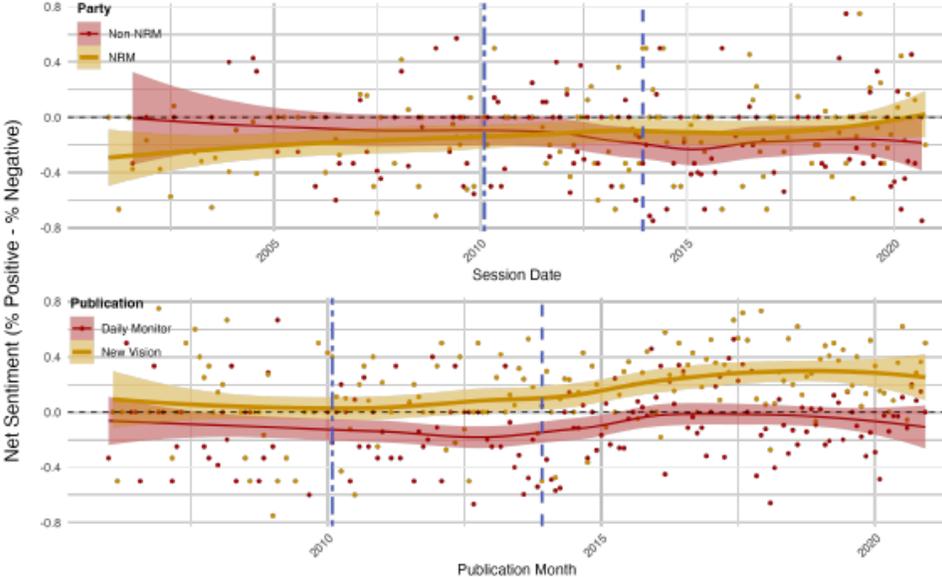
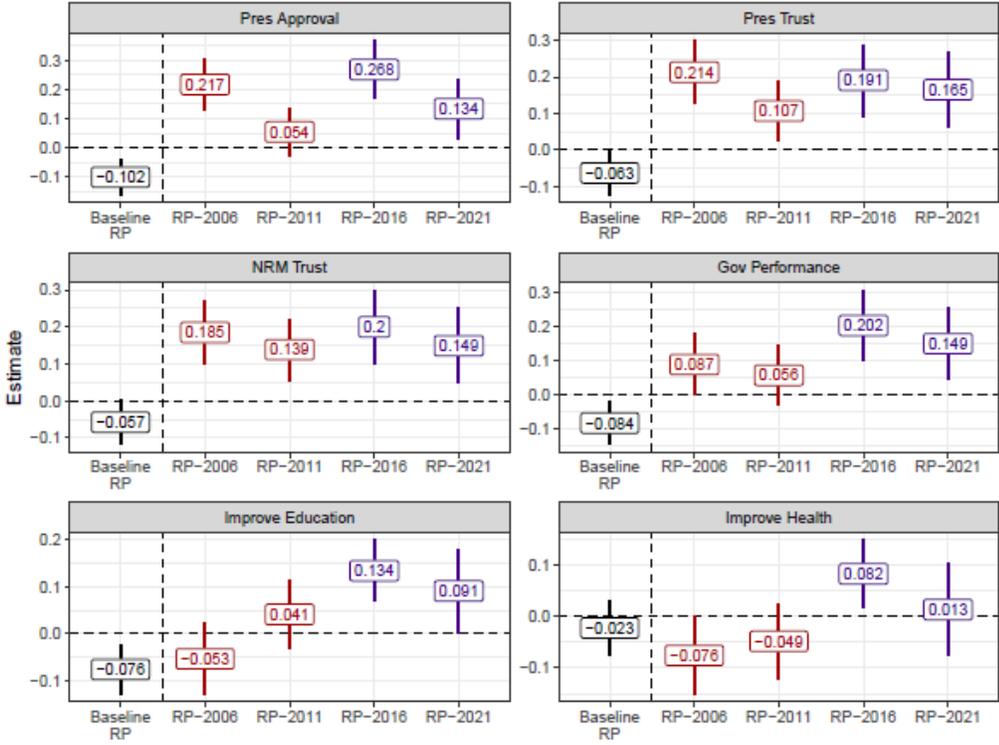
### Key Findings



**1.No Electoral Backlash Due to Compensation Schemes:** The study analyzing electoral returns from 2001-2021, found that the incumbent government faced no political backlash in refugee-hosting areas after implementing inclusive policies. This finding is particularly striking given a five-fold increase in the refugee population post-2013 due to the South Sudan civil war. The crucial factor was the implementation of compensation policies starting in 2004, which mandated reallocating a share of refugee aid (e.g., 30% of international aid budgets) to Ugandan host communities and integrating humanitarian programs with local government development plans.

**2. Improved Public Goods and Citizen Approval:**

The compensation schemes led to tangible improvements in public services for host communities, including better access to education, health clinics, and road quality. Citizens in refugee-hosting areas recognized these improvements and, significantly, credited the incumbent government for them, leading to increased approval for the president and the ruling party. These material benefits helped offset perceived downsides of hosting refugees.



**3. Elite Rhetoric and Non-Confrontational Messaging:**

Analysis of parliamentary debates and newspaper articles over 21 years showed that the opposition parties did not mobilize against refugees or inclusive policies. Instead, the national incumbent party consistently framed refugee issues positively, emphasizing a humanitarian and development standpoint, which was amplified by government-controlled media. This positive framing, combined with the tangible benefits of compensation policies, made an anti-refugee stance politically costly for the opposition.

**“My community benefits from the fact refugees live nearby. Like construction of schools, health centers, and water points were open just because of refugees”**

-Participant in Madi Okolo District

## Policy Recommendations: Four Strategic Transformations for the Path Forward

The Ugandan case offers critical insights for policymakers grappling with forced displacement, suggesting a shift from reactive crisis management to proactive, inclusive development-oriented responses.

- Integrate Humanitarian Aid with Local Development Plans:** Policymakers should explicitly design programs that channel a portion of refugee aid towards strengthening public services and infrastructure in host communities. This ensures tangible benefits for both displaced populations and their hosts. The World Bank's Development Response to Displacement Impacts Project (DRDIP) in Uganda, with its Displacement Crisis Response Mechanism (DCRM), exemplifies this by directing rapid funding to refugee-hosting districts to scale up public services like schools and health facilities before the full impact of refugee inflows is felt.
- Invest in Anticipatory Action and Data-Driven Planning:** Leverage advanced technologies, such as AI-driven forecasting models, to predict displacement flows with high accuracy (e.g., World Bank's model forecasts with over 80% accuracy, providing a 4-6 month window). This shifts the response from emergency to preparedness. Proactive planning allows for timely allocation of resources for social infrastructure and integration of refugees into national services and local planning processes before major inflows occur. The IOM emphasizes "data for foresight" as a fundamental shift in thinking.
- Promote Economic Inclusion for Refugees from Day One:** Implement policies that grant refugees the right to work, access land, and use public services from the outset. This empowers refugees to become self-reliant and allows them to contribute to local economies. Colombia's regularization program for Venezuelan migrants boosted local consumption and income without adverse effects on host communities. Uganda's policies also demonstrate this potential.
- Cultivate Positive Public Discourse:** Governments should actively frame migration and refugee-hosting issues from a humanitarian and development perspective, emphasizing mutual benefits and contributions. This can help neutralize potential anti-immigrant sentiment, making it politically challenging for opposition parties to campaign against inclusive policies.

### Conclusion:

The evidence from Uganda challenges the assumption that inclusive refugee policies inevitably lead to political backlash. By strategically pairing liberal refugee rights with compensation schemes that visibly improve public goods and local economies, and by fostering a positive narrative around displacement, governments can successfully integrate refugees and strengthen social cohesion. This transformative approach is not just a moral imperative but a pragmatic one, reducing long-term costs and harnessing the potential of displaced populations for the benefit of all. In a world facing escalating displacement challenges, adopting such systematic, strategic, and sustained responses is crucial for building resilient societies.

## Acknowledgements

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This brief is produced by the Penn Development Research Initiative – DevLab (PDRI-DevLab).

PDRI-DevLab is an interdisciplinary hub at the University of Pennsylvania that brings together faculty, researchers, and students to address global development challenges, with a focus on forced displacement, governance, climate, and machine learning for peace.

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