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Can Redistribution Change Policy Views? Aid and Attitudes Toward Refugees in Uganda*

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Abstract

Many public policies create (perceived) winners and losers, but there is little evidence on whether redistribution can support new political economy equilibria that raise aggregate welfare. We study a Ugandan policy that redistributes 30% of foreign aid for refugees to Ugandans while allowing refugees to work and move freely. We randomly distribute cash grants labeled as aid shared from the refugee response and find that they substantially increase support for policies facilitating refugees' integration. Sharing information about public goods funded by the refugee response has smaller, though still significant, effects. Impacts persist for at least two years and appear to work through changing beliefs about the economic effects of refugees. We find minimal impacts of intergroup contact, implemented as business mentorship by an experienced refugee. Overall, our results suggest that economic interventions can shape policy views when the connection between the policy and the compensation is salient.

Keywords: Refugees, Immigration, Political Economy of Aid, Post-Conflict, Welfare
JEL Codes: D74, D83, I38, O12

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Can Aid Change Attitudes toward Refugees? Experimental Evidence from Microentrepreneurs in Urban Uganda

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