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Settlement Opportunity and Community Finance in Refugee Livelihoods: Evidence from Northern Uganda

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Abstract: Protracted displacement is increasingly addressed through rights-based frameworks that promote refugee self-reliance and market participation. However, in low-income hosting contexts, legal entitlements alone do not ensure livelihoods or sustained investments in human capital. This paper examines how two complementary development mechanisms—settlement opportunity space and community-based finance—are associated with women’s economic outcomes and children’s schooling in northern Uganda. Settlement opportunity space refers to the local level, while community-based finance primarily involves participation in Village Savings and Loan Associations (VSLAs). By using original household survey data collected in 2025 from two refugee settlements, the study estimates multivariate logistic regression models for women’s employment, women’s business ownership, and children’s school participation, with propensity-score weighting as a robustness check. The results show that settlement context is strongly associated with women’s employment, whilst participation in Village Savings and Loan Associations (VSLAs) is strongly associated with women’s entrepreneurship and is positively associated with children’s school participation. The findings suggest that rights-based refugee policies become development-effective when paired with market connectivity and accessible household-level finance.

Keywords: Global South; refugee self-reliance; women’s livelihoods; settlement design; community finance (VSLAs); education

1. Introduction

Protracted displacement has become one of the defining development challenges of the twenty-first century. Far from being a temporary humanitarian emergency, forced displacement now unfolds over decades, intersecting with chronic poverty, weak labor absorption, environmental stress, and fragile public institutions. Nowhere is this more evident than in the Global South, where the vast majority of the world’s refugees are hosted and where governments are simultaneously expected to manage displacement while advancing inclusive growth, gender equality, and human capital development under severe fiscal and infrastructural constraints.

Uganda is a central case for studying this problem because refugee hosting is both large-scale and strongly shaped by settlement governance. (<https://dtm.iom.int/uganda>, accessed on 25 January 2026). Updated country profiling also shows that Uganda combines a broad discourse of welcome with strong institutional dependence on settlement-based management and local service delivery (<https://migrants-refugees.va/country-profile/uganda/>, accessed on 25 January 2026). This combination makes Uganda analytically useful for examining when legal inclusion becomes an effective economic capability rather than a formal promise.

These dynamics have been further intensified by recent displacement crises, most notably the ongoing conflict in Sudan, which has generated one of the largest and fastest-growing displacement flows globally. The



spillover of refugees into neighboring countries, including South Sudan and Uganda, has increased pressure on already stretched settlement systems, reinforcing the importance of understanding not only legal frameworks but also the economic conditions under which displacement is managed in practice. Refugee populations in Uganda tend to settle near the border regions of their countries of origin. Northern Uganda primarily hosts refugees from South Sudan, while southwestern Uganda hosts refugees from the Democratic Republic of Congo (mostly from North Kivu).

In response, international policy discourse has increasingly reframed refugee assistance as a potential contributor to local economies. This shift aligns displacement governance with broader sustainable development agendas, including poverty reduction, women's economic empowerment, and investments in education. However, translating this vision into a lived economic reality remains uneven. In many host countries, labor markets are thin, informality dominates employment, and access to capital is highly segmented—conditions that shape what “self-reliance” can realistically mean for displaced households. This gap is not only a policy problem. It is also an academic problem about capability conversion under constraints.

It concerns the conditions under which rights are translated into actual work, enterprise, and schooling.

Rights-based legal regimes have emerged as a central policy response to this challenge. By granting refugees freedom of movement, the right to work, and access to basic services, such frameworks aim to remove formal barriers to participation and restore dignity and autonomy. Uganda is frequently cited as a leading example of this approach because it combines legal access, settlement allocation, and local service provision into a single recognizable refugee governance model. However, the presence of legal rights does not, in itself, ensure livelihoods. Across displacement settings, refugees often remain economically marginalized despite formal entitlements, constrained by distance to markets, lack of capital, limited demand for labor, and gendered responsibilities that disproportionately affect women.

This gap between rights on paper and outcomes in practice is especially consequential for refugee women and their children. Women's economic participation is shaped not only by legal access but by care burdens, social norms, safety considerations, and liquidity constraints that limit their ability to seize opportunities even when they exist. For households, women's access to income and financial stability has direct implications for children's schooling, nutrition, and long-term mobility. When economic inclusion fails at the household level, the development costs of displacement are reproduced across generations. Legal inclusion alone does not guarantee economic integration, particularly in low-income host settings characterized by informality and financial exclusion.

From a Global South development perspective, the central issue is therefore not whether rights matter—they clearly do—but what additional conditions allow rights to become economically actionable in low-income, resource-constrained environments. This question arises not only from policy practice but also from academic debate. Existing scholarship has shown that formal legal inclusion does not automatically translate into realized livelihoods, especially in settings marked by labor informality, weak market absorption, gendered care burdens, and limited access to reliable financial tools. Our contribution is therefore to examine the specific conditions under which rights are converted into practical economic capabilities in a settlement-based refugee context. Settlement location, market connectivity, and access to basic financial tools may be just as decisive as formal legal status. However, these mechanisms remain underexplored in empirical work that bridges refugee studies and sustainable development research. In this paper, ‘Global South’ is used in a bounded sense. It refers to low-income or lower-middle-income refugee-hosting settings marked by settlement governance, infrastructural scarcity, thin labor markets, and heavy reliance on informal finance.

This paper addresses this gap by examining how settlement opportunity space and community-based finance jointly relate to women's economic agency and children's schooling in northern Uganda. Rather than treating rights-based policy as a sufficient condition for self-reliance, the analysis asks what enables households to convert legal entitlements into livelihoods and human capital investments in the Global South. In this sense, the paper shifts the analytical focus from access to outcomes—from whether refugees are permitted to participate, to whether participation is economically viable. By focusing on women and intergenerational outcomes, the study positions displacement not as an exceptional humanitarian case, but as a core development challenge—one that demands integrated solutions spanning legal frameworks, local economies, and household-level financial capability.

Throughout the paper, the term “Global South” is used in a bounded analytical sense rather than as a claim of institutional uniformity. More specifically, the analysis speaks most directly to low-income and lower-middle-income refugee-hosting settings characterized by settlement-based governance, infrastructural constraints, thin labor markets, and heavy reliance on informal or community-based financial mechanisms. In doing so, the paper moves the debate from whether refugee rights exist to whether refugees can realistically convert those rights into work, enterprise, and schooling under low-income host-country conditions.

Unlike much of the refugee self-reliance literature, which evaluates legal inclusion primarily at the national policy level, this study shows that development outcomes are shaped by whether local opportunity structures and household-level financial capacity match rights.

To ground this conceptual argument in real-world development constraints, the next section situates refugee livelihoods within the economic and institutional conditions of contexts. This paper, therefore, speaks to development economics, refugee studies, and capability-oriented analysis.

2. Background and Motivation

In many Global South host countries, displacement governance is within everyday development trade-offs: balancing inflationary pressures, debt servicing, overstretched health and education systems, rural underinvestment, and infrastructure gaps. Refugee-hosting districts are often border or peripheral regions where state capacity is uneven, and markets are shallow. In these settings, “self-reliance” is not a simple matter of individual effort; it depends on whether local economies can absorb additional workers and whether households can access the basic tools—transport, information, credit, and savings mechanisms—that enable economic participation.

Uganda’s current refugee context shows why this question cannot be reduced to legal design alone. Population pressure, border dynamics, and settlement-based service burdens shape what rights mean in practice. Country-level institutional profiling likewise shows that refugee governance in Uganda combines legal openness with real administrative and territorial constraints.

In this sense, the gap addressed by the paper is both policy-relevant and scholarly. While policy frameworks often assume that legal openness can support self-reliance, academic work suggests that translating formal entitlements into realized livelihoods depends on intervening economic, social, and institutional conditions that are often uneven across locations.

Uganda is widely cited as a progressive case because refugees have legal rights that are rare in many other contexts: freedom of movement, the right to work, and access to land and services. Nevertheless, even where rights are formally recognized, the lived reality of opportunity varies sharply across locations. Settlement environments differ in ways that are deeply development-relevant: distance to trading centers and transport corridors, the strength of local demand, the presence of buyers and aggregators, and the density of services that support enterprise (from mobile money agents to skills training to childcare options). These conditions shape whether rights become usable capabilities or remain abstract entitlements.

We distinguish between the rights-based national regime and market-connected settlement conditions. The former refers to the formal legal and institutional framework that permits movement, work, and access to services; the latter refers to the local economic environment in which those rights are exercised, including market proximity, transport access, service density, and exposure to local demand.

From this perspective, settlement policy is not only a protection arrangement; it is a form of spatial economic policy. The placement and design of settlements influence transaction costs and labor market access—especially for women. When markets are far away, transport is unreliable, and security risks rise with travel, women’s mobility often contracts first. When settlement layouts limit foot traffic or concentrate households far from commercial nodes, micro-enterprises face low customer volume. When access to land exists but inputs and buyers are missing, farming remains subsistence-oriented rather than income-generating. All of these dynamics help explain why “rights-based” models can produce very different outcomes across settlements under the same national framework.

At the same time, even when opportunities exist, participation is often constrained by financial limitations. Across the Global South, low-income households rely on informal financial strategies to manage risk—such as rotating savings groups, family networks, and community lending. In refugee settings, these strategies are even more central because formal banking often requires documentation, collateral, credit histories, and stable income streams that displaced households rarely have. This is why savings-led, community-based finance, particularly Village Savings and Loan Associations (VSLAs), has become a common financial infrastructure in displacement settings: it offers savings discipline, small loans, and an informal insurance function that helps households smooth shocks.

For women, the relevance is immediate and practical. A small amount of working capital can determine whether a market stall opens, whether inventory is purchased, whether a tailoring service can take orders, or whether transport costs to reach buyers are affordable. Savings mechanisms can reduce the need for distress coping strategies when food prices rise, illness occurs, or assistance is delayed. In households with children, financial stability can mean the difference between sustained school participation and cycles of dropout linked to fees, uniforms, transport, or the opportunity costs of children’s labor.

The motivation for this study comes from a simple but policy-critical question: in a rights-based national regime, what makes the difference between households that convert legal entitlements into livelihoods and those that do not? Rather than treating legal openness as a complete solution, this paper treats it as a necessary foundation that may or may not translate into economic and educational outcomes depending on complementary development conditions—particularly settlement opportunity space and accessible community finance.

These practical constraints are increasingly reflected in academic debates, which have begun to question how legal inclusion translates into economic outcomes under conditions of informality and financial exclusion.

3. Literature Review

Recent refugee scholarship shows that financial stability and integration are shaped less by “access” alone than by legal constraints, informal coping, and gendered barriers. Qualitative work in Malaysia links refugees’ financial resilience to everyday strategies amid precarity [1]. At the same time, conceptual studies urge a shift from “financial inclusion” to “financial health,” warning that inclusion can coexist with volatility and harmful debt [2] and that digital finance may even reproduce restrictive, “encampment-like” conditions without interoperability and protection [3]. In Uganda, gender mainstreaming in settlement policy remains limited by implementation capacity and coordination gaps [4], and evidence from Kakuma shows that gender gaps in financial inclusion are tied to weaker social integration [5]; health research likewise stresses that refugee women and girls face intersecting risks that require coordinated action [6]. Methodologically, longitudinal refugee household research in Germany demonstrates the importance of tracking integration trajectories over time [7], complemented by policy synthesis on integration governance [8]. Across contexts, self-reliance is constrained by policy discontinuity and unstable systems [9], a challenge sharpened by the scale of protracted displacement [10] and by UNHCR’s (United Nations High Commissioner for Refugees (UNHCR)) emphasis that financial inclusion should enable livelihoods and protection outcomes rather than mere uptake [11]. Uganda-specific governance and operational sources further frame how national institutions and sectoral conditions shape refugee outcomes [12–14].

Our paper integrates finance–gender–integration in one framework and explicitly connects policy intent to deliver bottlenecks, showing how gendered constraints and policy discontinuities mediate the conversion of financial access into financial health and social integration—providing Uganda-grounded, actionable evidence that bridges qualitative mechanisms [1], policy implementation realities [4], and dynamic integration thinking [7]. It also shifts the argument from access alone to conversion: from having rights and nominal financial access to mobilizing those resources into durable livelihoods.

A further gap in the literature concerns savings-led community finance, especially Village Savings and Loan Associations (VSLAs), which are particularly relevant in low-income displacement settings. Unlike formal banking, VSLAs operate through savings-led group structures that provide small loans, basic risk-sharing, and social accountability without requiring collateral, formal credit histories, or stable documented income. In refugee economies, where livelihoods are often irregular and access to formal finance is limited, these arrangements should be understood not as marginal add-ons to livelihood programming but as practical, low-threshold household-level financial institutions. By lowering entry barriers to capital, VSLAs support liquidity management, consumption smoothing, and small-scale investment, particularly for women working in informal and low-asset markets.

Unlike existing studies that examine legal inclusion, financial access, or gendered constraints separately, this paper integrates these dimensions into a unified empirical framework linking spatial opportunity, household finance, and intergenerational outcomes. The specific gap addressed here is therefore not the absence of evidence on refugee livelihoods per se, but the limited empirical attention to how spatial opportunity and community finance interact within a common rights-based regime to shape gendered and intergenerational development outcomes.

Building on these insights, the next section develops a capability-oriented framework that specifies the mechanisms through which rights are translated—or fail to be translated—into livelihood and human capital outcomes.

4. From Rights to Capabilities in a Global South Development Context

This paper adopts a development-first, capability-oriented analytical lens in which rights are treated as enabling conditions, but realized outcomes depend on conversion factors that translate formal entitlements into practical capabilities. In low-income hosting environments, the distance between a formal entitlement and a realized livelihood can be wide. The key question is not only whether refugees are allowed to work, but whether the economic environment makes work feasible and whether households have the means to enter markets on viable terms. The framework is capability-oriented in a precise sense: while rights expand the set of formal options available to displaced populations, conversion factors determine whether these options can be realized as actual functionings. In this article, settlement opportunity space and community finance are conceptualized as the primary conversion

factors shaping this process. The contribution is therefore not to advance a new theory of displacement, but to operationalize a capability-oriented perspective in a way that is empirically testable within settlement-based contexts.

To structure that logic, we frame refugee self-reliance as a problem of translating capabilities. Legal rights can expand the menu of possible actions—move, seek work, trade, lease land, start a business—but capabilities are only realized when people can actually act on those possibilities. Two sets of “conversion factors” are central in Global South settings:

4.1. Settlement Opportunity Space as a Spatial-Development Mechanism

Settlement environments shape what economists would call the “effective price” of participation. When markets are distant, roads are poor, transport costs are high, and information is limited, the cost of searching for work, reaching customers, or sourcing inputs rises sharply. These frictions are not marginal—they can be decisive. For women, opportunity space is also shaped by gendered constraints: safety, social norms, childcare responsibilities, and time poverty. A settlement that is closer to trading hubs, better connected to transport, and embedded in local commerce can expand opportunity space by lowering transaction costs and increasing the likelihood that effort turns into income.

In this framing, settlement design and market proximity operate like development infrastructure: they affect access to demand, exposure to value chains, and the feasibility of wage work or enterprise. The settlement is therefore not just a physical location; it is an economic environment that can either amplify or mute the promise of legal rights.

4.2. Community Finance as a Household-Level Development Instrument

Even in favorable locations, participation often requires liquidity. Small-scale enterprises typically demand upfront spending (inventory, tools, transport, rent), whilst wage work may require costs that precede earnings (commuting, job search, basic equipment). Poor households are also vulnerable to shocks that disrupt investment—such as illness, food price spikes, aid interruptions, or household emergencies.

VSLAs function as a practical development instrument in this context. They help households mobilize small sums of capital, smooth consumption, and manage risk through savings, loans, and social support. For women, these mechanisms can be especially powerful because they substitute for formal financial access and because group structures often create social accountability and mutual insurance. Importantly, the role of finance here is not framed as “credit fixes everything.” Rather, it is framed as a conversion factor: finance increases the probability that an available opportunity can be taken, sustained, and scaled—especially in the informal economies that dominate labor markets in the Global South.

In this paper, community finance is therefore not treated as a generic synonym for microcredit. Rather, VSLA participation is for refugee households.

4.3. Linking Women’s Livelihoods to Children’s Human Capital

A development-first theory must also account for intergenerational pathways. When women gain financial stability—through income, enterprise, or shock-smoothing—households are more able to maintain school participation in the face of routine stresses. Children’s education is a core sustainable development outcome because it shapes long-term productivity and mobility, and because educational discontinuity is one of the main pathways to intergenerational poverty. In this paper’s framework, women’s financial capability is not only an empowerment outcome; it is a mechanism that can protect human capital investments.

4.4. Summary of the Theoretical Claim

Taken together, this analytical framework suggests a dual conversion mechanism:

- Opportunity space (settlement design and market proximity) affects the feasibility of livelihoods.
- Community finance (VSLAs) affects households’ ability to act on opportunities and sustain investments, with potential spillovers to children’s schooling.

This approach situates displacement within the practical realities of informality, thin markets, infrastructural bottlenecks, and household-level risk management, rather than assuming that rights alone are sufficient to generate development outcomes. The framework therefore predicts complementarity rather than substitution: legal rights expand the space of formal possibilities, settlement opportunity structures determine the extent to which these possibilities are practically feasible, and community finance enables households to act on that feasibility. In this sense, the argument is not that rights fail, but that they are conditional—requiring supportive conversion factors

to translate into realized functionings. This theoretical perspective provides a structured and operational basis for empirical investigation, which the next section translates into concrete research questions and contributions.

5. Research Questions and Contribution

This paper treats displacement as a sustainable development challenge that unfolds inside real economies—characterized by informality, weak labor absorption, constrained public budgets, and uneven infrastructure. Within that frame, the paper asks how rights-based policy can be made development-effective for women and children, rather than remaining a principled legal architecture with limited traction on livelihoods. The analysis is organized around four research questions that speak directly to policy design in the Global South:

RQ1 (Opportunity space): How does settlement opportunity space—captured here through settlement context and relative market connectivity—relate to refugee women’s employment and business ownership?

This question recognizes that labor market access and enterprise viability depend on spatial and infrastructural conditions, not only on formal permission to work.

RQ2 (Financial conversion): How does participation in community-based finance (VSLAs) relate to women’s business ownership after accounting for observable differences between VSLA participants and non-participants?

This question tests whether small-scale financial infrastructure serves as a practical conversion factor, turning feasible options into actual enterprise activity.

RQ3 (Intergenerational pathway): Is women’s access to community finance associated with children’s school participation in households with school-aged children? This question links household financial capability to human capital protection—a core concern in sustainable development in protracted displacement.

RQ4 (Policy complementarity): Do the observed patterns suggest that rights-based frameworks require complementary “development layers”—market access and basic financial infrastructure—to generate measurable livelihood and schooling outcomes? Framed this way, the paper contributes to policy design and to academic debates on refugee self-reliance, gendered livelihood constraints, and the relationship between legal inclusion and realized economic capability.

This question shifts the policy debate from “rights versus no rights” to “rights plus what,” which is often the real decision space for low-income host governments and donors.

The paper contributes in three ways that are directly relevant to sustainable development scholarship and practice. Conceptually, the paper introduces a meso-to-micro explanation of refugee inclusion by linking settlement-level development conditions to household-level financial capability and, through them, to women’s agency and children’s human capital.

First, it reframes rights-based refugee policy as development governance rather than protection alone.

By foregrounding labor markets, market connectivity, and household financial capability, the paper positions refugee inclusion within local development strategies. This reduces the tendency to treat displacement as an exceptional policy domain and instead connects it to mainstream development constraints and tools.

Second, it offers a mechanism-centered account of why rights do not automatically produce livelihoods.

Rather than assuming a linear path from legal permission to employment or enterprise, the paper highlights two conversion conditions: settlement opportunity space (the feasibility environment) and community finance (the capacity-to-act mechanism). This mechanism framing is more actionable for policy design than broad claims about “self-reliance.”

Third, it links women’s economic capability to human capital outcomes in the context of protracted displacement.

By explicitly examining children’s school participation, the paper addresses a central sustainable development risk: that displacement can lead to intergenerational poverty through disrupted education. In development terms, schooling is not a side outcome—it is a long-run outcome.

Together, these contributions address SDG-linked development priorities—poverty reduction, gender equality, education continuity, and decent work—without treating the SDGs as slogans. The goal is to clarify what actually makes inclusive policy operational in low-income hosting environments.

6. Data, Setting, and Measures

6.1. Data Sources: Original Survey and Public Context Data

This study combines primary, household-level evidence with routinely published administrative and operational statistics to locate the analysis within the realities of Global South development. The core aim is not only to report associations in a micro-sample, but also to interpret them in light of the scale, demographics, and settlement-based nature of refuge in Uganda.

Secondary anonymized household-level dataset. The study uses an anonymized secondary household-level dataset representing livelihood and schooling-related conditions in two refugee settlements in northern Uganda between July and November 2025 ($N = 179$). The dataset contains no names, contact details, biometric information, or other personally identifiable information, and the authors had no direct interaction with individuals or households. The data were used only for aggregate statistical analysis; therefore, formal ethical approval was not required. The instrument focuses on women’s livelihood engagement (employment and informal income-generating work), enterprise activity (business ownership), and household conditions that shape investment in children’s schooling. A restricted sub-sample ($N = 77$) is used for the schooling models, limited to households with school-aged children.

Public data (macro/meso context). To situate the survey within the broader development context, we draw on publicly available figures from Uganda’s Office of the Prime Minister (OPM) and UNHCR. OPM reports that “Uganda currently is a host to 1,961,518 ... refugees and asylum seekers as of 31 October 2025” and that “91% live in settlements” (with 9% in urban areas). These statistics matter for the paper’s research questions because they show that settlement environments—rather than cities—remain the dominant institutional geography of refuge, making local market access, service density, and everyday transaction costs central development variables.

We also use UNHCR’s country profile, which describes Uganda as hosting “approximately 1,946,518 refugees and asylum seekers as of end-August 2025”, as a publicly available cross-check of scale and timing. Together, these sources confirm that the study sits within a national context of development systems—schools, primary health care, local markets, roads, and financial access points—that are under chronic pressure.

To illustrate heterogeneity across settlements relevant to the opportunity-space mechanism, we reference UNHCR/OPM settlement dashboards from January 2020, which list total populations of 212,710 in Adjumani and 52,547 in Palabek. Whereas these settlement totals are historical benchmarks (not used as micro-level covariates), they are useful for showing that settlements differ markedly in size, implied market volume, and service burden—differences that can shape women’s feasible livelihood strategies and the stability of schooling expenditures. Updated operational monitoring confirms the continuing scale and territorial concentration of displacement in Uganda. It also underscores the importance of border dynamics, settlement pressures, and uneven local conditions. (<https://dtm.iom.int/uganda>, accessed on 25 January 2026). A complementary country profile likewise situates refugee hosting within Uganda’s wider migration system and stresses the importance of northern districts, labor constraints, and institutional burden-sharing.

Table 1 provides a concise snapshot of Uganda’s displacement context, drawing on public OPM and UNHCR sources. The figures emphasize three points that motivate the paper’s design. First, the hosted population is large enough that livelihoods and schooling are development outcomes rather than marginal humanitarian indicators. Second, settlement-based hosting dominates, so the economic geography of settlements—market connectivity, transport costs, and service ecosystems—matters for women’s opportunity space. Third, settlements vary substantially in scale, which can affect local demand, competition, and the feasibility of micro-enterprises. The study sites are located in northern Uganda, where most of the displaced live.

Table 1. Refugee context and settlement characteristics—Uganda.

Indicator	Value	Public source
Total refugees & asylum seekers in Uganda (as of 31 October 2025)	1,961,518	OPM Refugee Management page (31 October 2025 figure)
Share living in settlements (vs. urban)	91% in settlements (9% urban)	OPM Refugee Management page
Countries of origin (largest shares)	South Sudan 55.1%; DR Congo 30.9%	OPM Refugee Management page
UNHCR national scale cross-check (end-Aug 2025)	≈1,946,518 refugees & asylum seekers	UNHCR Uganda country page
Adjumani settlement total population (Jan 2020 benchmark)	212,710	UNHCR/OPM Refugee Statistics January 2020—Adjumani (PDF)
Palabek settlement total population (Jan 2020 benchmark)	52,547	UNHCR/OPM Refugee Statistics January 2020—Palabek (PDF)

6.2. Study Setting: Displacement as a Global South Development Constraint

Uganda is often described as a rights-oriented host, but the reality of development is defined by scale and constraints. Public figures place the hosted refugee and asylum-seeker population at roughly two million in 2025, with the vast majority residing in settlements. In low-income, high-hosting settings, this scale shifts the analytical frame: women’s employment, household enterprise formation, and children’s school participation are not

peripheral outcomes. They shape district-level service delivery, local labor absorption, household resilience to shocks, and long-run human capital formation.

6.3. Case Selection: Two Settlements under One National Regime, Different Opportunity Spaces

The empirical design compares two settlements operating under a common national policy regime but embedded in different local economic geographies. They differ in development-relevant characteristics, such as market proximity, transport connectivity, settlement configuration, service density, and value-chain linkages. More specifically, opportunity space is expected to vary with distance to trading centers, ease of transport, density of commercial and support services, and strength of local demand.

The settlement indicator is designed to capture observable variation in the feasibility environment facing households, including the relative ease of reaching trading centers, access to transport and commercial foot traffic, the density of livelihood-supporting services, and the broader degree of local economic connectivity. Rather than isolating any single dimension, the indicator is explicitly interpreted as a parsimonious proxy for a bundle of spatial-economic conditions that jointly shape livelihood opportunities. We therefore treat “settlement” not as a label but as a proxy for opportunity space—the feasibility environment that determines whether legal rights can be converted into work and a viable enterprise. This within-country approach strengthens interpretation by holding national rules constant while allowing settlement-level variation in market access and local economic conditions.

This comparative design is analytically useful because it allows the study to examine how different local development environments condition outcomes even when the overarching legal regime remains constant.

6.4. Measures

Building on the conceptual framework, this section outlines how key variables are operationalized for empirical analysis:

1. **Outcome variables (binary).** The study models three primary outcomes as binary indicators: (1) women’s employment (whether the adult woman respondent reports current employment or income-generating work), (2) women’s business ownership (whether the respondent reports operating/owning a business activity), and (3) children’s current school participation (whether school-aged children in the household are currently in school), estimated on the restricted sub-sample ($N = 77$).
2. **Key explanatory variables.** Two explanatory variables operationalize the paper’s mechanisms. Settlement is coded as an indicator distinguishing the two sites and is interpreted as capturing differences in opportunity space (market connectivity and the settlement’s economic environment). More concretely, the settlement indicator is intended to capture observable differences in the feasibility environment facing households: the relative ease of reaching trading centers, the availability of transport and commercial foot traffic, the density of livelihood-supporting services, and the broader degree of local economic connectivity. We do not claim that this variable mechanically isolates any single component; rather, it serves as a parsimonious proxy for a bundle of spatial-economic conditions that shape livelihood opportunities.
3. **Control variables.** To reduce confounding from basic demographic differences, models adjust for age group, education level, and household size. These controls are selected because they are plausibly associated with labor participation, entrepreneurship, and schooling via both resource constraints and time constraints (including care burdens).

6.5. Alignment with the Development Logic

The measurement strategy is intentionally aligned with the paper’s development-first theory. Settlement captures a spatial development channel: transaction costs, access to demand, and the feasibility of work and enterprise. VSLA participation captures a household conversion channel: liquidity, savings capacity, and shock response. Women’s employment and enterprise capture immediate livelihood capability, while children’s school participation captures a core human-capital pathway through which displacement can either reproduce or interrupt intergenerational poverty.

For consistency, the paper uses “community-based finance” to refer to the broader mechanism of informal household financial support, “VSLA participation” to denote the observed explanatory variable, and “financial capability” to describe the practical capacity that such mechanisms may help generate.

7. Empirical Strategy

The empirical strategy is designed to estimate policy-relevant associations between settlement context, access to community finance, and key development outcomes for refugee households, while remaining transparent about the limits of causal inference in cross-sectional data. Rather than seeking to identify a single treatment effect, the analysis asks whether consistent patterns emerge that are meaningful for development-oriented policy design in low-income, displacement-hosting settings.

7.1. Modeling Approach

For each outcome—women’s employment, women’s business ownership, and children’s school participation—we estimate multivariate logistic regression models. Logistic models are appropriate because the dependent variables are binary and because the interest lies in comparing the relative likelihood of outcomes across groups under different development conditions. Results are reported as odds ratios, which provide an interpretable measure of association for applied policy audiences: odds ratios greater than 1 indicate a higher likelihood of the outcome relative to the reference category.

Each model includes two core explanatory variables aligned with the paper’s theoretical framework:

1. **Settlement context**, interpreted as a proxy for opportunity space and local economic feasibility; and
2. **Participation in a Village Savings and Loan Association (VSLA)** is interpreted as a proxy for access to community-based financial capability.

This should not be interpreted as a proxy for the national rights regime, which is the same across both sites, but rather as a proxy for the local market conditions through which that shared framework is experienced in practice. To reduce confounding from basic demographic differences, all models control for age group, education level, and household size. These variables are included because they likely affect labor participation, entrepreneurship, and schooling through both resource and time constraints, and because they are consistently measured across households.

7.2. Addressing Selection into Community Finance

Participation in VSLAs is not randomly assigned. Households that join savings groups may differ systematically from those that do not—for example, in education, motivation, or prior economic activity. To address this concern, we complement the regression analysis with propensity-score weighting (PSW) as a robustness check.

The propensity score is estimated as the probability of VSLA participation conditional on observed characteristics (age group, education level, and household size). These scores are then used to reweight the sample so that VSLA participants and non-participants are more comparable along observed dimensions. The objective is not to claim causal identification, but to assess whether the observed association between community finance and outcomes persists after partially balancing baseline differences.

Two diagnostic checks are used to evaluate the weighting procedure. First, we examine overlap in propensity scores to ensure that treated and comparison households share common support. Second, we assess covariate balance before and after weighting by using standardized mean differences. Improvements in balance increase confidence that the estimated associations are not driven solely by observable selection into VSLAs.

7.3. Interpretation and Analytical Stance

Throughout the analysis, results are interpreted as adjusted associations rather than causal effects. This distinction is particularly important in Global South displacement contexts, where livelihoods are shaped by unobserved factors such as social networks, prior trauma, informal skills, and exposure to shocks that cannot be fully captured in cross-sectional data.

The empirical strategy, therefore, prioritizes consistency and plausibility over strong causal claims. If settlement context and VSLA participation are repeatedly associated with women’s livelihoods and children’s schooling across models and robustness checks, this pattern provides meaningful evidence for policy design—even if it does not establish definitive causality.

Accordingly, the empirical objective is not to overstate causality but to test whether the paper’s proposed mechanisms are consistently present in the data after adjustment for observable household differences.

7.4. Relevance for Development-Oriented Policy Analysis

This empirical approach is deliberately aligned with the needs of development policy analysis. Host governments and humanitarian–development actors rarely make decisions based solely on experimental evidence. Instead, they operate under uncertainty, budget constraints, and political trade-offs. By combining multivariate regression with a transparent robustness check, the analysis offers a credible, replicable way to assess whether specific institutional and financial mechanisms are systematically linked to development-relevant outcomes.

In this sense, the empirical strategy supports the paper’s broader argument: that rights-based frameworks become development-effective not through legal entitlement alone, but through complementary spatial and financial conditions that make livelihoods and human capital investments feasible in practice.

With this empirical strategy in place, we now turn to the results to assess whether the proposed mechanisms are reflected in observed outcomes in livelihoods and schooling.

8. Findings

Uganda’s displacement context is large-scale and predominantly settlement-based. There were 1,961,518 refugees and asylum seekers as of 31 October 2025, with about 91% residing in settlements rather than urban areas (<https://opm.go.ug/>, accessed on 25 January 2026). This distribution matters for interpretation: for most refugees, development outcomes are shaped less by urban labor markets and more by settlement economies, including local market connectivity, infrastructure, and service availability.

Education indicators further illustrate the pressure on these systems. UNHCR response data show pupil–teacher ratios well above national standards—around 53:1 in pre-primary and 86:1 in primary—highlighting constraints on human capital formation (<https://data.unhcr.org/>, accessed on 25 January 2026).

8.1. Econometric Model

These contextual patterns do not, on their own, identify household-level mechanisms. However, they explain why settlement conditions and access to basic financial tools are plausible determinants of women’s livelihoods and children’s schooling. We now turn to multivariate estimates to assess whether these relationships persist after adjusting for observed household characteristics. We estimate multivariate logistic regression models for binary outcomes. For household i , the baseline specification is:

$$\text{logit}(\Pr(Y_i = 1)) = \beta_0 + \beta_1 \text{Settlement}_i + \beta_2 \text{VSLA}_i + \beta_3 \text{Education}_i + \beta_4 \text{AgeGroup}_i + \beta_5 \text{HouseholdSize}_i + \varepsilon_i, \quad (1)$$

where Y_i is (a) women’s employment, (b) women’s business ownership, or (c) children’s school participation (restricted to households with school-aged children), Settlement_i is a binary indicator distinguishing the two settlements and interpreted as a proxy for settlement-level opportunity space (market connectivity and feasibility environment). VSLA_i indicates participation in a Village Savings and Loan Association, used as a proxy for access to community finance. Coefficients are reported as odds ratios ($\text{OR} = e^{\beta}$) with 95% confidence intervals.

8.2. Main Regression Results

Table 2 reports odds ratios from the multivariate logit models. Results are interpreted as adjusted associations. The strongest and most consistent pattern is a dual mechanism: settlement context is most strongly associated with employment, whilst VSLA participation is most strongly associated with entrepreneurship and positively associated with children’s schooling.

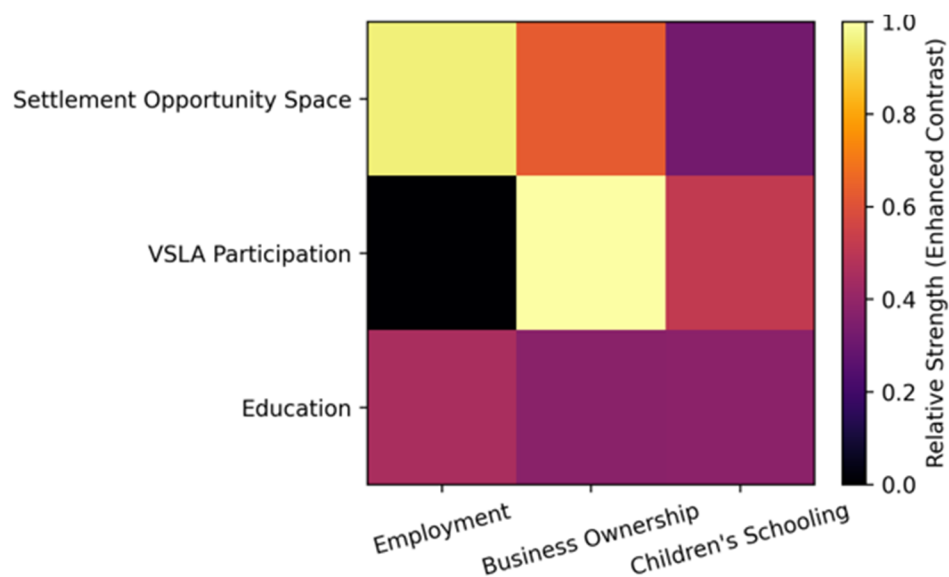
Some remarks. $N = 179$ for employment and business models. The schooling model uses the restricted sample of households with school-aged children ($N = 77$). Odds ratios > 1 indicate a higher likelihood of the outcome relative to the reference category, and odds ratios < 1 indicate a lower likelihood.

Because the schooling model uses a smaller subsample of households with school-aged children, its results should be interpreted more cautiously than those for employment and business, although the pattern remains informative.

Figure 1 displays the relative strength of associations between settlement opportunity space, community finance (VSLA participation), and key development outcomes. Color contrast emphasizes differences in the intensity of effects. The figure highlights a dual mechanism: spatial opportunity primarily drives women’s employment, whilst community finance drives entrepreneurship and children’s schooling.

Table 2. Multivariate logistic regression results (odds ratios).

Predictor	Employment OR	95% CI	<i>p</i>	Business OR	95% CI	<i>p</i>	Schooling OR	95% CI	<i>p</i>
Settlement (more market-connected = 1)	7.97	[3.56, 17.83]	<0.001	3.75	[1.72, 8.18]	<0.001	1.36	[0.66, 2.79]	0.403
VSLA participation (member = 1)	0.50	[0.20, 1.29]	0.153	8.69	[1.86, 40.49]	0.006	2.70	[1.22, 5.99]	0.014
Education level (ordinal)	2.21	[1.26, 3.87]	0.006	1.66	[0.98, 2.81]	0.061	1.68	[0.92, 3.08]	0.090
Age group (ordinal)	0.82	[0.52, 1.31]	0.414	0.94	[0.57, 1.55]	0.802	0.78	[0.53, 1.16]	0.222
Household size (count)	1.03	[0.92, 1.15]	0.601	1.11	[0.99, 1.25]	0.079	1.00	[0.90, 1.12]	0.939

**Figure 1.** Heatmap: mechanisms and outcome.

Taken together, the estimates suggest that, rather than being driven by leverage, it is driven by the alignment of spatial access and financial capability.

The central empirical contribution of the paper lies in this differentiation: opportunity space is most strongly associated with women's employment, whereas community finance is most strongly associated with entrepreneurship and children's schooling.

8.3. Interpreting the Coefficients in Development Terms

- Employment (work participation).** Settlement context is the dominant correlate of employment (OR 7.97; $p < 0.001$). This pattern is consistent with the “opportunity space” mechanism: in settlement-based hosting contexts, local market access, mobility costs, and demand density shape whether women can work at all. Education is also positively associated with employment (OR 2.21), suggesting that scarce paid opportunities are more accessible to women with higher levels of education.
- Entrepreneurship (business ownership).** VSLA participation shows the strongest association with business ownership (OR 8.69; $p = 0.006$), even after controlling for other factors. In practical terms, this suggests that community finance operates as a conversion factor: access to small, flexible capital and informal insurance can enable the purchase of inventory, basic tools, or transport to markets—key inputs for microenterprises in informal economies. Settlement context remains important (OR 3.75), indicating that finance works best where a feasible market opportunity exists.
- Children's school participation (human capital).** In the restricted sample, VSLA participation is positively associated with children's school attendance (OR 2.70; $p = 0.014$). Interpreted carefully, this is consistent with a household stabilization channel: savings and small loans may help households manage shocks and maintain schooling-related expenditures in service environments that are already under pressure.

8.4. Robustness: Propensity-Score Weighting (PSW)

Because VSLA participation is not randomly assigned, we implement propensity-score weighting (PSW) as a robustness check. See Table 3. We estimate a propensity score for VSLA participation by using observed covariates (education, age group, household size) and reweight the sample to improve comparability between VSLA members and non-members. The goal is not to claim causal identification, but to test whether the VSLA–entrepreneurship association persists after rebalancing observed characteristics.

Table 3. PSW diagnostics and weighted estimate.

Covariate/estimate	SMD Before	SMD After	Comment
Education level	0.482	0.279	Balance improves (42% reduction)
Age group	0.226	0.225	Minimal change
Household size	0.201	0.178	Improves (11% reduction)
Weighted VSLA effect on business ownership (β)	—	0.221 ($p = 0.026$)	Positive association persists after weighting
Weighted VSLA effect on business ownership ($OR = e^{\beta}$)	—	1.25	Interpretation: ~25% higher odds under PSW

A smaller coefficient after weighting is expected, as the procedure adjusts for observable selection into VSLA participation. The key question is whether the association remains positive and statistically meaningful under this more conservative specification.

Interpretation: After weighting, key observed imbalances—especially in education—are reduced, and the association between VSLA and business ownership remains positive and statistically significant. This strengthens confidence that the entrepreneurship result is not driven solely by observable differences between members and non-members, while still acknowledging that unobserved selection may remain. In other words, the weighted estimate is smaller than the unweighted estimate, not because the relationship disappears, but because reweighting yields a more conservative approximation once observable baseline differences are partially balanced. What emerges is a differentiated model of inclusion: spatial conditions determine whether women can participate economically at all, while financial mechanisms determine whether participation can be initiated, sustained, and translated into household resilience.

9. Discussion: Implications for Global South Sustainable Development

The findings support a development-first interpretation: rights-based frameworks create possibilities, but development conditions determine results. In low-income host settings, the difference between “allowed to work” and “able to earn” is shaped by infrastructure, market depth, household liquidity, and exposure to shocks. A rights-based policy can therefore be best understood as a necessary foundation—one that requires complementary investments to become economically meaningful. The policy significance of this result is that inclusion is not a single reform problem but a layered development problem involving law, place, and finance simultaneously.

The broader implication is that refugee policy advances development not merely by removing legal barriers, but by lowering the practical barriers that prevent households from exercising their formal rights.

Figure 2 compares the multidimensional influence of settlement opportunity space, VSLA participation, and education across employment, entrepreneurship, and schooling outcomes. It shows the differentiated impact of spatial and financial mechanisms.

9.1. What the Results Imply about “Self-Reliance” as a Development Strategy

Self-reliance is often framed as an individual attribute—work harder, become entrepreneurial, depend less on aid. The evidence in this study suggests a different reading: self-reliance is an outcome of systems. When the opportunity space is larger (i.e., better market connectivity and settlement context), women’s employment and business ownership are higher. When access to community finance is available, women’s entrepreneurship is more likely, and schooling outcomes are stronger.

This is consistent with how livelihoods function in many Global South economies: people do not enter markets solely because they have rights; they enter because transaction costs are manageable and they can mobilize small, timely capital. In displacement settings, where shocks are common and formal financial access is limited, the ability to save and borrow informally can be the difference between keeping a business operating and closing it at the first setback.



Figure 2. Radar Chart. Relative Strengths of Mechanism.

9.2. Settlement Planning as Spatial Economic Policy

A key implication for sustainable development is that settlement design and placement function like economic infrastructure choices. Connectivity to trading hubs, transport corridors, and local demand affects the feasibility of both wage work and micro-enterprise.

This point is also consistent with the updated evidence from Uganda. Settlement-based governance concentrates pressure on specific territories, so market access and local service density become core determinants of economic feasibility. (<https://dtm.iom.int/uganda>, accessed on 25 January 2026).

In practice, settlement opportunity space shapes the cost of reaching markets, the reliability of input and customer flows, the viability of small trade and services, and the extent to which women can participate without prohibitive time or safety burdens.

For policy purposes, this means that “rights-based” cannot be treated purely as a legal matter. If refugees are formally free to move but are located far from market and transport links, the practical effect can resemble a restriction. Development-focused displacement governance, therefore, needs to treat market connectivity (roads, transport access, trading linkages, and service density) as part of the rights package. Even under comparatively open legal regimes, practical constraints related to distance, transport, market thinness, and service access may sharply limit effective participation.

9.3. Community Finance as Development Infrastructure, not a Side Project

The strong association between VSLA participation and women’s business ownership—and the positive association with children’s school participation—suggests that community finance is not merely a “livelihood add-on.” In development terms, it functions like micro-level infrastructure: it mobilizes capital, smooths shocks, and enables investment in informal enterprises, which are the dominant employment pathway in many low-income settings.

In this sense, community finance should be treated as basic development infrastructure at the household scale. It provides a mechanism for small investment, shock smoothing, and temporal flexibility where formal finance remains thin or exclusionary. This has practical implications for donors and implementing partners. VSLAs are often treated as small community activities funded through short project cycles. The findings suggest the opposite: community finance should be treated as a durable platform that can carry multiple development functions:

- enterprise startup and working capital,
- consumption smoothing during shocks,
- payment capacity for education costs, and
- confidence-building for gradual integration into broader financial systems (including digital finance).

Crucially, this does not require romanticizing microfinance. Credit can harm households if livelihoods are not viable. The policy implication is not “more loans,” but better conversion support: savings-led models, risk-sensitive lending, and linkages to markets, skills, and basic services.

At the same time, the effectiveness of community finance depends on the presence of viable economic opportunities; where markets are absent, or demand is extremely limited, financial access alone is unlikely to generate sustained livelihoods.

9.4. Women’s Livelihoods and the Protection of Human Capital

The association between women’s financial inclusion and children’s school participation matters because it signals a pathway through which displacement can lead to intergenerational poverty or intergenerational resilience. Education continuity is one of the most development-significant outcomes in protracted displacement: it shapes future earnings, reduces vulnerability, and strengthens social inclusion.

From a Global South sustainable development perspective, the schooling results suggest that interventions supporting women’s financial capability may yield returns beyond immediate income by stabilizing household expenditure on schooling and reducing the likelihood of dropout during shocks. This strengthens the case for integrated programming rather than siloed “livelihoods” versus “education” budgets.

9.5. What a “Development-Effective” Rights-Based Model Looks Like

Taken together, the findings point to a rights-based policy model that is development-effective rather than merely symbolic. In other words, rights without market access may underperform, while market access without liquidity can still exclude participation; both are needed for self-reliance to become operational. Such a model would include:

1. **Opportunity space expansion:** settlement planning that reduces distance-to-market costs and increases access to demand.
2. **Household conversion support:** scalable community finance (savings-led, shock-aware) that enables investment and resilience.
3. **Human capital protection:** deliberate linkage between women’s economic capability and children’s schooling continuity.

This is a realistic policy frame for low-income host countries: it recognizes constraints, prioritizes high-leverage mechanisms, and treats inclusion as an integrated development pathway rather than a narrow legal reform.

The study is observational and cross-sectional, and the findings should be read as robust associations rather than definitive causal estimates. However, the consistency of patterns across models and the robustness checks strengthen confidence that the observed relationships reflect meaningful mechanisms in the context of displacement. The external validity of these findings is strongest in settlement-based refugee systems in low-income host countries, where legal openness coexists with weak local markets, transport frictions, limited access to formal finance, and high exposure to shocks. Generalization should be more cautious in urban refugee settings, high-income asylum systems, or contexts with substantially different labor markets and financial systems.

These insights are especially relevant in light of recent large-scale displacement shocks, such as the Sudan conflict (2023–present), which continue to expand refugee populations in settlement-based systems and increase the need for scalable, development-oriented policy responses.

This framework can travel beyond the Ugandan case. It is most relevant where three conditions coexist:

1. Refugees have some degree of formal legal inclusion.
2. Market access is spatially uneven or institutionally weak.
3. Households face persistent liquidity constraints.

In such settings, rights create possibility, opportunity space creates feasibility, and community finance creates usable capacity. This pattern is not limited to refugee settlements. It can also inform research on urban displacement, borderland economies, climate mobility, and other low-income settings where formal inclusion is insufficient to ensure meaningful participation.

10. Limitations and Future Research

Several limitations should be acknowledged when interpreting the findings. First, the analysis relies on **cross-sectional** survey data, which limits the ability to establish causal relationships. Whereas multivariate regression and propensity-score weighting reduce confounding from observable characteristics, unobserved factors—such as prior entrepreneurial experience, informal skills, social networks, or exposure to conflict and trauma—may influence both participation in community finance and economic outcomes. The results should therefore be understood as robust associations rather than definitive causal estimates.

Second, the study relies on self-reported measures of employment, business ownership, and children’s school participation. Although these indicators are widely used in development research and are appropriate for informal economies, reporting error and social desirability bias cannot be fully ruled out. Future research could strengthen measurement by combining household surveys with administrative school records, market-level data, or longitudinal income tracking.

Third, the analysis captures outcomes at a single point in time and therefore cannot assess dynamics—such as how long women remain in business, how households respond to shocks over time, or whether children’s schooling is sustained across academic years. Longitudinal data would allow researchers to examine whether the observed associations persist, strengthen, or weaken as settlements mature and economic conditions evolve.

The study, therefore, identifies plausible mechanisms and policy-relevant patterns, but it cannot fully separate contextual effects from household self-selection into better opportunities.

A further implication of this limitation is that future work should more clearly distinguish between selection into opportunity and the effect of opportunity itself, especially where more entrepreneurial households may sort into better-connected environments or savings groups.

Future research should therefore pursue three directions. First, panel studies that follow households over time would enable stronger causal inference and reveal livelihood trajectories under protracted displacement. Second, as digital financial services expand in refugee-hosting areas, research should examine how digital finance interacts with VSLAs, potentially amplifying or substituting their role in enterprise and shock management. Third, comparative work across settlements at different stages of development could shed light on how settlement aging and infrastructure investment alter opportunity space and the returns to women’s enterprise.

11. Conclusions

Protracted displacement is not only a humanitarian condition. It is a structural development challenge that unfolds within real economies, institutions, and households.

This paper shows that, in northern Uganda, legal inclusion alone does not ensure that refugees can secure livelihoods or sustain investments in human capital. What matters is whether rights can be converted into economically viable action.

Using original household data, the analysis identifies a clear and differentiated mechanism. Settlement opportunity space is most strongly associated with women’s employment, reflecting the role of market access, transport, and local demand in determining whether work is feasible. Community-based finance, by contrast, is most strongly associated with women’s entrepreneurship and is positively linked to children’s school participation, reflecting the importance of liquidity, savings, and shock management at the household level.

Taken together, these findings support a simple but powerful proposition: rights create possibility, but development conditions determine realization.

The Ugandan case is analytically useful because it isolates this mechanism under a relatively open legal regime. However, the underlying logic is not country-specific. It is replicable across many low-income and lower-middle-income refugee-hosting contexts where three conditions coexist: formal legal inclusion, spatially uneven or thin markets, and limited access to formal finance. In such environments, outcomes depend on two conversion factors—opportunity space (feasibility) and financial capability (capacity to act).

This yields a generalizable framework:

- Rights → expand formal options
- Opportunity space → determines whether participation is feasible
- Finance → determines whether participation can be initiated and sustained

This “conversion chain” provides a practical lens for analyzing refugee inclusion well beyond settlement-based systems, including urban displacement, climate mobility, and informal labor economies more broadly.

For policymakers and development actors, the implications are operational. Refugee inclusion should not be designed as a single policy lever, but as a layered system:

- **Spatial layer:** reduce distance-to-market constraints through settlement planning, transport access, and local economic integration
- **Financial layer:** support savings-led, low-threshold financial mechanisms that enable small investment and resilience
- **Human capital layer:** link women's economic capability directly to schooling continuity and long-term productivity

These recommendations should drive concrete, scalable interventions: market-oriented settlement placement, transport connectivity, support for VSLAs and similar institutions, and integrated livelihood–education programming.

For low-income host countries, rights matter only when they are usable. If refugees are formally allowed to work but remain far from markets and without access to liquidity, legal inclusion risks becoming economically ineffective. Conversely, when market access and financial tools are present, even modest opportunities can translate into meaningful livelihood gains and more stable investments in education.

Looking forward, future research should extend this framework in three directions. First, longitudinal studies are needed to test whether these mechanisms persist over time and under shock conditions. Second, comparative work across settlement and urban contexts can assess how opportunity space evolves in response to infrastructure and market development. Third, the interaction between community finance and digital financial systems should be explored, particularly regarding how to scale access without increasing risk.

The broader implication is global. Across many parts of the world, vulnerable populations are formally included but remain excluded in practice because participation costs are too high. The lesson from this study is therefore not limited to refugee policy. It applies wherever rights outpace the conditions needed to exercise them.

Inclusion delivers real development only when institutions make rights usable in everyday life. Refugees are not a burden to contain, but people with capabilities—and a genuine human and economic opportunity. The most durable policies, therefore, go beyond granting access: they make participation viable, fostering a win–win dynamic in which both host communities and refugees can live, work, and progress together.

Author Contributions

R.M.V. has mainly written Sections 1 and 4–9; S.C.R. is the main author of Sections 2, 3, and 10. The authors have jointly approved and conceived the whole paper. All authors have read and agreed to the published version of the manuscript.

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Not applicable.

Informed Consent Statement

Not applicable. This study does not involve direct interaction with human subjects or the collection of identifiable personal data.

Data Availability Statement

All data sources used in this study have been duly acknowledged and appropriately cited within the manuscript.

Conflicts of Interest

The authors declare no conflict of interest.

Use of AI and AI-Assisted Technologies

No AI tools were utilized for this paper.

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