

# Mentorship for Microentrepreneurs: Evidence from Hosts and Refugees in Uganda

**Travis Baseler**

*University of Rochester*

**Thomas Ginn**

*Center for Global  
Development*

**Ibrahim Kasirye**

*Economic Policy  
Research Centre*

**Belinda Muya**

*International Rescue  
Committee*

**Andrew Zeitlin**

*Georgetown  
University*

September 2024



## Motivation

- ▶ Microentrepreneurship is common but yields low profit for many
- ▶ Constraints include both financial and managerial capital
  - ▶ Cash interventions often have positive effects, but lower for women
  - ▶ Little evidence on how returns among refugees and hosts compare
  - ▶ Training interventions are often expensive
- ▶ Mentorship by a more experienced business owner could target:
  - ▶ Business practices, networks, encouragement
  - ▶ Knowledge exchange, especially across demographics that have fewer business connections—hosts and refugees, or men and women—where returns to cooperation may also be higher

## “ReBuild” Randomized Trial in Kampala, Uganda

- ▶ Sample of Ugandans (“hosts”) & refugees, men & women
  - ▶ Main: 2,000 inexperienced & prospective entrepreneurs (age 18-35)
  - ▶ Mentors: 600 entrepreneurs with 4+ years of experience (age 25+)
- ▶ Cash Grants: 540 USD
- ▶ Mentorship: 3 mentees & 1 mentor, meet weekly for 6 mos
  - ▶ Vary gender and nationality composition
  - ▶ Vary individual- and group-level incentives
- ▶ Measuring economic and social outcomes at baseline, 3, 6, 9, & 12 months
- ▶ Preliminary results: large positive effects of cash, null average effects of mentorship

# Setup

## Background

- ▶ Uganda is one of the most progressive refugee-hosting countries globally, with the right to work and freedom of movement
- ▶ 150,000 refugees live in the capital city, Kampala
- ▶ 70% of the main sample have businesses at baseline, slightly higher among Ugandans and women
- ▶ Profits similar for Ugandans and refugees (28 USD per month)
  - ▶ 45% of household earnings
  - ▶ Higher for men (34) than women (22)
  - ▶ Significantly higher for mentors (59)

## Baseline Networks: List 3 Closest Business Contacts

Table: Contacts You Would Ask for Advice or Partner With

	Ugandan Men	Ugandan Women	Refugee Men	Refugee Women
Listed Ugandan Male (%)	74	40	17	4
Listed Ugandan Female (%)	36	69	5	12
Listed Refugee Male (%)	7	4	46	21
Listed Refugee Female (%)	2	6	24	41
Num. Listed	2.1	1.9	1.4	1.2
Number of Observations	499	499	499	500

- ▶ Ugandan men list the most business contacts
- ▶ Minimal cross-nationality or cross-gender discussion
- ▶ Could be valuable, i.e. sharing techniques or suppliers, but needs intervention

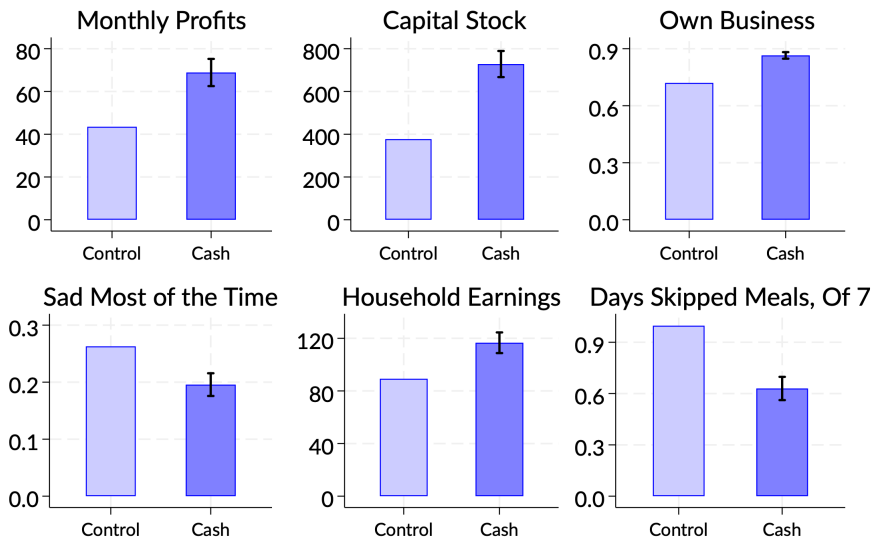
## Treatments and Research Design

- ▶ Mentorship: 3 mentees & 1 mentor, meet weekly for 6 mos.
  - ▶ Cash grant: 540 USD after six weeks plus 50 USD transport
  - ▶ Group (and mentor) composition:
    - ▶ Same nationality and gender
    - ▶ Mixed nationalities (2 Ugandans + 2 other) & same gender
    - ▶ Mixed genders & same nationality
  - ▶ Videos & handbooks with curriculum and discussion questions
  - ▶ Lottery:
    - ▶ Individual-level: clients with businesses; 3 rounds of 20 USD
    - ▶ Group-level: for each person in your group who wins, you also win
    - ▶ Equalized expected payouts with unannounced grant
  - ▶ Monthly mentor meetings facilitated by the IRC
- ▶ Cash grant + individual-level lottery only: 22% of sample
- ▶ Control: Cash at a later date, 18% of sample

## Economic Outcomes

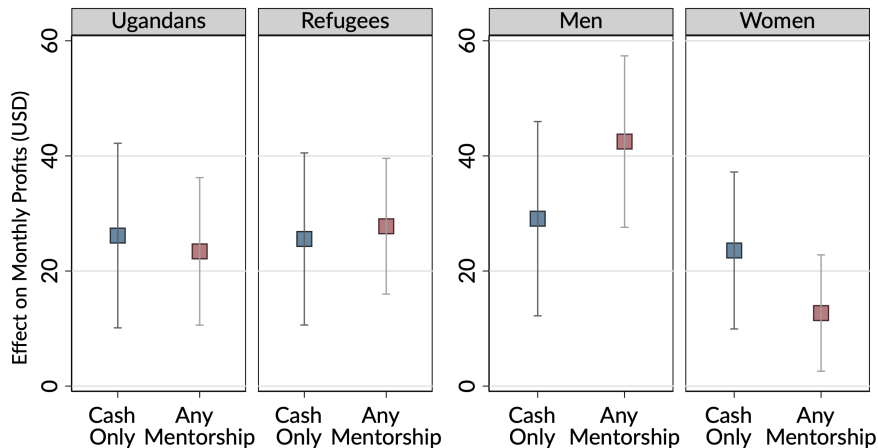


# Large, Persistent Impacts of Cash on All Groups



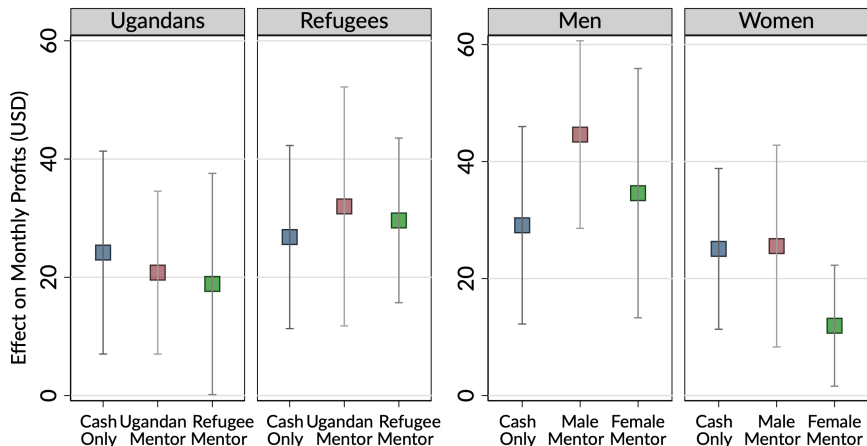
► Profit effects persist for men, household well-being effects for all

## Mentorship Reduced Profits for Women Relative to Cash



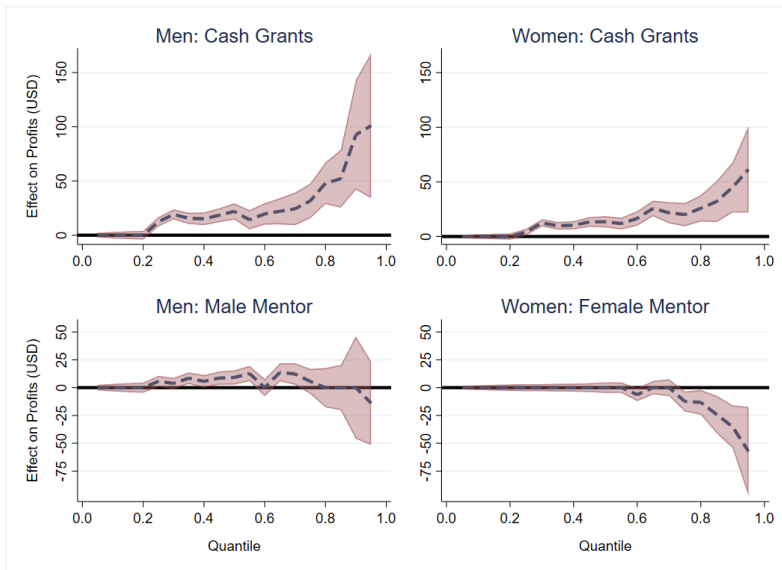
- ▶ Report attending 2.8 (1.1) meetings per month and 10.9 (6.6) additional contacts with group members through (after) 6 months

# Negative Effects of Mentorship Driven by Female Mentors

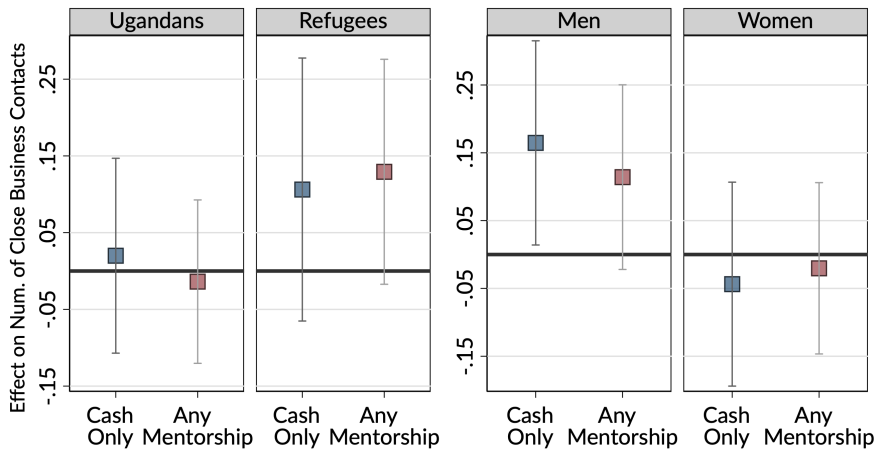


► Similar effects for household well-being index

# Strongest Effects Among the Large Businesses



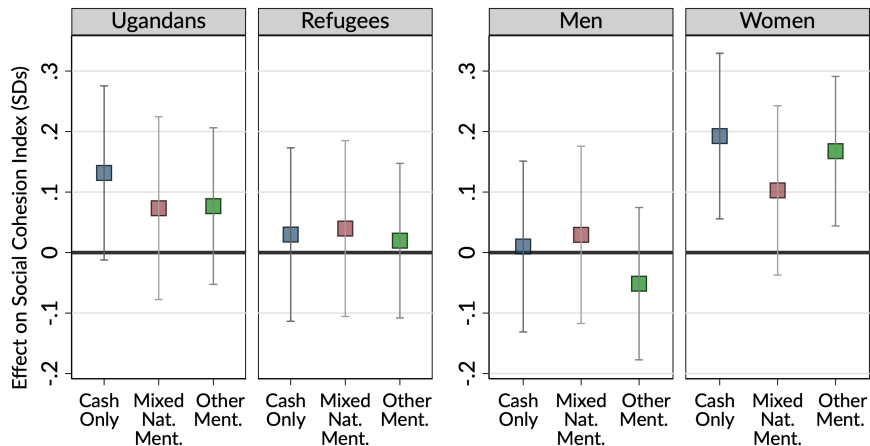
## Men Expand Networks with Cash (Not Mentorship)



► Most expansion within nationality

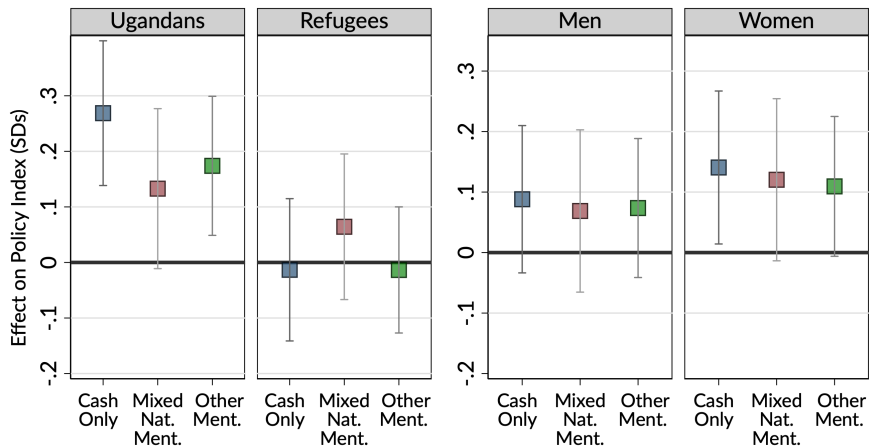
## Social Outcomes

## Cash Effects Social Cohesion; Mixed Nat. Groups Don't



► I.e. ok as neighbors, family members, trust game, donation

## Cash Effects Policy Views; Mixed Nat. Groups Don't



► I.e. right to work, freedom of movement, accept more refugees



## Messaging highlights the benefits of hosting refugees

Video at ReBuild Launch Event:

*The IRC started the ReBuild program because refugees live here in Kampala, and we want both refugees and Ugandans who live in Kampala to benefit. Refugees and Ugandans are participating in this program. ... In Uganda, more than 30% of foreign donations for refugees go to supporting Ugandans.*

- ▶ Our previous work (Baseler et al., 2024) shows this labeling has large, persistent effects on attitudes, compared to cash alone
- ▶ Replicated across:
  - ▶ Refugee-led organizations and INGOs
  - ▶ Small (8 USD) and large grants
  - ▶ Kenya and Uganda
  - ▶ Urban and rural settings
  - ▶ In person and video delivery

## Summary

- ▶ Large, positive effects of cash grants on business, household, and social cohesion outcomes for 12+ months
  - ▶ Similar effects for Ugandans and refugees: more studies needed to generalize from development literature
- ▶ Marginally positive economic effects of mentorship among men, marginally negative among women
  - ▶ Effect for women concentrated among upper quartile
  - ▶ No evidence for substitution to other economic activities, effect on sector choices, or taxation by mentors
  - ▶ Cost an additional 350 USD per client to deliver
- ▶ No evidence that intergroup contact had additional social effects beyond the labeled cash grants

Thank You!