

ECONOMIC AND SOCIAL IMPACT OF REFUGEE POPULATIONS ON  
HOST DEVELOPING COUNTRIES AS WELL AS OTHER COUNTRIES

I. INTRODUCTION

1. UNHCR's Global Objectives for 2003, as formulated in its Annual Programme Budget<sup>1</sup>, include calls for sharing the burden and responsibilities more equitably among all actors and building capacities to receive and protect refugees. Such objectives are also part of the Agenda for Protection endorsed by the Executive Committee at its fifty-third session.<sup>2</sup> Those of particular relevance are as follows:

- Better responsibility-sharing arrangements to shoulder the burdens of first-asylum countries<sup>3</sup>;
- Anchoring refugee issues within national and regional development agendas<sup>4</sup>;
- Redoubling the search for durable solutions through the realisation of comprehensive durable solutions strategies, especially in protracted refugee situations; the achievement of self-reliance for refugees; and the rehabilitation of refugee-impacted areas in former host countries<sup>5</sup>.

2. At the 24<sup>th</sup> meeting of the Standing Committee in June 2002, when this issue was last considered, attention focused on partnerships with bilateral development agencies, particularly in the context of the Zambia Initiative. Delegations at the meeting acknowledged the significant socio-economic impact of massive refugee populations on host countries and urged UNHCR to undertake an analysis of implications of the long-term presence of refugees in order to address its consequences and ease the burden on host countries. They also underlined the importance of assessing the contributions of host developing countries, particularly of those countries hosting protracted refugee situations.

3. In line with these comments and the strong encouragement to UNHCR to strengthen its catalytic and advocacy role with multilateral and bilateral agencies, the present paper:

- describes UNHCR's recent work in analysing the socio-economic impact of refugee populations;
- provides information on action taken by UNHCR to implement the decision of the Executive Committee at its fifty-third session on host country contributions<sup>6</sup>, and on planned activities to improve the collection and use of local indicators for programme planning, monitoring and evaluation;
- highlights UNHCR's partnership initiatives designed to engage development actors in joint planning, implementation and resource mobilization aimed at narrowing the relief to development gap, and addressing the socio-economic impact of refugee presence.

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<sup>1</sup> A/AC.96/964

<sup>2</sup> A/AC.96/973 Annex IV

<sup>3</sup> Agenda for Protection, Goal 3, objective 1, actions 1 and 6

<sup>4</sup> Idem, Goal 3, objective 5, actions 1 and 2

<sup>5</sup> Idem, Goal 5, objectives 1, 7 and 8

<sup>6</sup> A/AC.96/973, para. 24

## II. ASSESSMENT OF THE SOCIO-ECONOMIC IMPACT OF REFUGEE POPULATIONS

4. In partnership with other actors, UNHCR has recently undertaken a number of country-specific studies and missions with the purpose of assessing *inter alia* the socio-economic impact of refugees on hosting communities<sup>7</sup>. These studies are described briefly below. In each case they have allowed an analysis of both negative and positive implications of the long-term presence of refugees with a view to ameliorating the adverse effects on host countries.

### United Republic of Tanzania

5. In response to concerns expressed by the Tanzanian Government with regard to the continued presence of refugees, the Executive Committee on Humanitarian Affairs (ECHA) sent a United Nations Inter-Agency Mission to the United Republic of Tanzania to review the current situation of refugees and their impact on host communities. The mission was co-led by the Regional Directors of UNICEF and UNHCR, and took place from 25 October to 3 November 2002.

6. In its report and recommendations, the mission noted that there has been significant impact, both positive and negative, on the western regions of the United Republic of Tanzania, as a result of the presence of refugees. Security was the major concern expressed by the local community. The presence of large numbers of refugees in a sparsely populated and remote area of the country has increased competition between the refugee population and the local community for resources and socio-economic benefits. This in turn has resulted in increased criminal activity (theft, armed robbery, murder and sexual and gender-based violence). Moreover, the presence of refugees has had a considerable impact upon the environment. Significant deforestation, increased use of water resources and diminishing wildlife populations have been recorded. Deforestation and increased cultivation have also contributed to soil erosion.

7. The key recommendation of the mission was to maintain the current level of funding for refugee programmes and to provide additional support for better coordination and increased development in western Tanzania. ECHA endorsed the mission report in January and called upon the United Nations Country Team in the United Republic of Tanzania to study the recommendations, and to approach local authorities and donors on how best to move forward, including through the development of a common humanitarian action plan.

8. The mission also noted, however, that the presence of refugees has had a positive impact on local communities. First, local governments and communities have seen increased levels of government and bilateral donor support aimed at the development of local infrastructure, roads, transport and communications, water supplies, schools and health care. For example, several local health facilities have been built or rehabilitated to the benefit of local communities. Second, the refugees and the staff of humanitarian organizations have created demands for various goods and services enabling local businesses and farmers to increase and diversify their outputs. Almost half of the food supplied to refugee camps is procured in the United Republic of Tanzania, including in the Kigoma and Kagera regions. A number of agricultural programmes supported by the United Nations have assisted local farmers to improve their productions in a sustainable manner. An expanded market has also attracted traders and businesses from other parts of the country. Third, the refugee camps and related activities have provided considerable employment opportunities for Tanzanian nationals. District administrations have also benefited from an increase in revenue as well as direct contributions from the United Nations. Fourth, the availability of a refugee workforce with considerable agricultural experience has encouraged greater levels of productivity in the area.

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<sup>7</sup> Global objective 9.4

## Pakistan

9. Pakistan has been host to a large caseload of Afghan refugees for more than two decades. Their presence has considerably complicated Pakistan's efforts to alleviate poverty in the country. In 2002, as part of its ongoing partnership with UNDP, UNHCR initiated the planning of a project for the Rehabilitation of Refugee-Affected Areas in the North-West Frontier Province (NWFP) and in Balochistan. It is aimed to help rehabilitate the environment, the infrastructure and the local economy following the effects of the prolonged presence of large numbers of refugees. In preparation for the project, a survey on the economic and social impact of the Afghan refugee population was completed in September 2002. The survey was based on situation analysis and needs assessment of both the refugee and hosting populations and addressed the issue of vulnerable groups within the two populations. The survey looked specifically at impact upon the local labour market, food security and access to social services such as water, sanitation, health, education, and utilities.

10. The results of the survey are to be issued in February/March 2003. While preliminary findings revealed some positive aspects of the refugee presence, they also confirmed the substantial negative impact of the large-scale refugee presence.

11. As part of the project planning, the WorldWide Fund for Nature (WWF) conducted a Rapid Environmental Appraisal to assess the current status of the environment in four selected Afghan refugee-hosting sites: Panian (Haripur District) and Doaba-Khai (Hangu District) in NWFP; and Pir Alizai (Qilla Abdullah District) and Mohammed Khel (Mastung District) in Balochistan. The appraisal formed the basis of an Ecological Rehabilitation Plan for selected refugee hosting sites, which proposes a number of immediate, mid-term and long-term interventions deemed necessary to rehabilitate the ecology of these sites.

12. The combined results of these two surveys will contribute to the design of UNDP-led projects to meet specific needs of the communities.

## Côte d'Ivoire

13. Another impact assessment of protracted refugee situations was the case study of Liberian refugees in Côte d'Ivoire which UNHCR conducted, also in 2002. The study considered two aspects of the impact of refugees that raised the most concern: the economy of the host region and the environment. In the agricultural sector, the settlement of refugee farmers has undoubtedly led to an overall increase in production. Their settlement, for example, has given a major impetus to swamp-rice cultivation. Refugees also work as labourers on plantations of export crops, contributing to the development of export sectors. However, it has been recognised that the pressure of population growth (of which refugees are one important factor) has exceeded the land's productive capacity. Thus action must be taken to regenerate the fertility of the soil. Due to limited land on which to settle people, encroachment by refugee settlers on forest reserves presents another serious environmental impact.

## Sudan

14. In October 2002, UNHCR led an inter-agency mission to Sudan to investigate the question of the rehabilitation of refugee-affected areas in eastern Sudan. The mission identified four sectors as most relevant to rehabilitation efforts: the environment, education, health and water, and sanitation. Although the main purpose of the mission was to review rehabilitation needs, opportunities and constraints, particularly those arising from closure or consolidation of camps, it also highlighted the impact of the refugee presence in Gedaraf and Kassala States in eastern Sudan.

15. The findings of the mission revealed that the environmental impact in eastern Sudan is associated with the presence of large numbers of refugees and increased demands on natural resources because of the growth in local populations, the lack of sustainability of agricultural practices, and harsh climatic conditions. Given the protracted nature of the refugee camps in this region, the sustained harvesting and collection of firewood from arable lands and range lands have had an impact on the soil structure, leading to a decline in crop yields in some areas. The resulting shortage of wood for construction and domestic energy use and the lack of available grazing land for livestock have also deprived local communities of a number of other livelihood activities that used to augment their income.

16. The mission report also highlights some examples of positive impact, particularly in the education and health sectors. Refugee schools have opened enrolment to nationals and local teachers have benefited from training and capacity-building programmes. Sudanese communities in areas around refugee camps have also been given access to literacy programmes and primary health-care services. Furthermore, the presence of refugees has generated employment and small scale local market opportunities.

17. The mission has developed a Plan of Action for each sector and formulated 17 priority proposals for the rehabilitation of refugee-affected areas in eastern Sudan with a view to mobilizing further resources.

### III. CONTRIBUTIONS OF HOST COUNTRIES

18. Mention has already been made of the decision adopted by the Executive Committee in October 2002, on contributions of host countries. In implementation of this decision, the Standing Committee's regular update on programme and funding now includes updated population statistics. Secondly, UNHCR's Global Report provides some information about the impact of refugees on host country economies and societies. Thirdly, the 2001 Statistical Yearbook provides data, trends and indicators assessing the burdens and responsibilities of countries in hosting refugees<sup>8</sup>. In disseminating the Yearbook, UNHCR's Media and Public Information Service emphasized the critical role of developing countries in providing asylum to refugees.

19. These various studies have indicated that, while there are significant differences between countries, the impact of forced displacement falls most heavily on developing countries. During 1997-2001, developing countries hosted some 66 per cent of the global population of concern to UNHCR; the share of the 49 Least Developed Countries (LDCs) alone amounted to almost 30 per cent.

20. The impact is particularly evident and disproportionate in relation to national economic capacity. At the global level, the annual number of persons of concern to UNHCR since 1997 has averaged 20 million, while world GDP per capita is some US\$ 5,150. In the LDCs, where the average GDP per capita is US\$ 230, the annual population of concern to UNHCR has amounted on average to 5.7 million persons. The ratio of persons of concern to per capita GDP in LDCs is thus more than six times the world average.

21. Refugees have an impact not only on the host country's economy, but also on its society. Here again, LDCs bear a disproportionate burden with over eight persons of concern to UNHCR for every 1,000 inhabitants, more than double the global average (3.4).

22. While there has been progress in quantifying the effect of hosting refugees on developing and other countries, much remains to be done to assess the impact of refugees at the local level. In addition to the various surveys mentioned in this paper, UNHCR is committed to collecting data on indicators across

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<sup>8</sup> *Statistical Yearbook 2001. Refugees, Asylum-Seekers and Other Persons of Concern. Trends in Displacement, Protection and Solutions.* United Nations High Commissioner for Refugees, Geneva. October 2002 (Chapter V).

operations, with a view to measuring the well-being of refugees and their access to resources. These data, in combination with information from host governments and development agencies, will facilitate a more systematic assessment of the local impact of refugee populations on host developing countries, as well as other countries.

#### IV. PARTNERSHIPS

23. In the spirit of burden-sharing, additional and substantial support of bilateral and multilateral donors is crucial for countries hosting large number of refugees in order to mitigate the negative effects of their presence, to strengthen the positive impacts and to support developmental initiatives in refugee-hosting communities. Achieving these objectives will be facilitated by linking or, at a minimum, ensuring complementarity of humanitarian and development initiatives through strategic planning processes that involve host governments as well as humanitarian and development actors in regions hosting refugees.

24. Building on previous experience, UNHCR is pursuing a number of important partnership initiatives, of which some examples are given below. These engage development actors in joint planning, implementation and resource mobilization efforts to narrow the relief to development gap and to address the socio-economic impact of refugees<sup>9</sup>. UNHCR's primary role is one of catalyst and advocate in broadening donor support to countries hosting large populations of refugees, and promoting the productive capacity of refugees and the development of refugee-populated areas in a manner that benefits both local communities and refugees<sup>10</sup>. For this, UNHCR has been working in close partnership with other United Nations agencies notably UNDP, UNICEF, WFP and ILO, as well as with bilateral donors.

25. In Côte d'Ivoire, UNHCR and UNDP are supporting the Government's "Programme de Réhabilitation de la Zone d'Accueil des Réfugiés (PRZAR)" under the leadership of the Ministry of Planning and Development, which aims at promoting sustainable development in areas hosting refugees, using a community-based participatory approach and supporting peace efforts. The specific objectives are 1) economic, through poverty alleviation and basic infrastructure rehabilitation; 2) social, through strengthening the provision of basic services to local and refugee populations with respect to health, education, adult literacy, sanitation; 3) environmental, through protection and rehabilitation of natural resources; 4) institutional, through capacity-building to support decentralisation; and 5) political, through the care of refugees, their effective integration, security and conflict prevention through sustainable development. A joint Government, UNDP and UNHCR mission to finalise the strategy was planned for September 2002, but had to be postponed due to the recent conflict.

26. A review of the self-reliance strategy in Uganda, including data on the socio-economic impact, was planned in conjunction with other United Nations agencies, NGOs and donors. However, as security-related constraints would not allow for a full assessment of all refugee-hosting sites in northern Uganda, this review was deferred to 2003.

27. The Zambia Initiative, a pilot programme led by the Government with UNHCR playing a catalytic role, is making progress with encouraging donor support. The United States Government has contributed US\$ 1 million to UNHCR's supplementary programme to support the Zambia Initiative. Denmark has announced new bilateral contributions of Danish Krone 60 million (US\$ 7.5 million) to the Government of Zambia for 2003-2005, and has also agreed to fund the construction and equipment of two schools in the refugee-hosting areas. Japan has pledged the provision of an ambulance to Kaoma District Hospital. The Japan International Cooperation Agency (JICA) has offered a training course in agricultural co-operative

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<sup>9</sup> Global objective 10.8

<sup>10</sup> Global objective 9.4

development for three agricultural officers in the refugee-hosting areas. The European Community Humanitarian Office (ECHO) has funded a UNICEF project in the Western Province with a total budget of approximately US\$ 1 million, which is complementary to the Zambia Initiative. The Swedish International Development Cooperation Agency (Sida) also plans to include funds for HIV/AIDS projects in its programme for the area.

28. UNHCR's partnership initiatives aimed at promoting the productive capacities of refugees and improving their positive contributions to the development of local economies<sup>11</sup> have included a joint training manual and trainers' guide with ILO on micro-finance in conflict-affected communities. These were completed in 2002. A field training programme using these tools has been initiated. In parallel, and with the support of ILO, UNHCR has reviewed its policy and guidelines on micro-finance to ensure basic sound practices which will have an impact on the socio-economic development of the refugees and the host communities. Further technical support in specific countries is also planned, after training programmes have been conducted.

29. A project for the rapid deployment of ILO livelihood experts (ILO-UNHCR Partnership Through Technical Expertise) is being developed in 2003. This project seeks to deploy such experts on employment and labour-based strategies, micro-finance, skills/vocational training, and small/micro enterprises to countries of asylum and to countries of return. The aim is to involve the United Nations Country Team and partners in developing livelihood programmes that benefit both refugees and surrounding host populations and contribute to the economic development of the hosting area. The project will lead to the development of new tools and guidelines.

30. In a collaborative effort, UNHCR and WFP are developing joint needs assessment guidelines for food security. The past focus of joint food assessment missions undertaken by UNHCR and WFP was to assess the food situation of refugees in order to decide on future assistance. Under the recently revised MOU, the two agencies have now agreed to broaden their focus in future assessments to include self-reliance and food security issues pertinent to refugees and their host communities. The development of new guidelines, tools and methodologies for future joint assessments will include these elements, and should lead to the improvement of food security programmes.

## V. CONCLUSION

31. The presence of refugee populations has significant economic and social impact on host developing countries. It has led to degradation of the environment, to increased pressure on natural resources and local services and to security problems. It is also noted that refugees do contribute to the local economies, the more so when they are given the opportunity to become productive members of the society.

32. This paper has set out a range of on-going and new initiatives taken by UNHCR in partnership with bilateral and multilateral agencies to address the socio-economic impact of refugee populations on host developing countries. It is clear, however, that more needs to be done collectively by the donor community, humanitarian and development agencies, and refugee-hosting countries to minimise negative impacts and to strengthen productive capacities of refugees and their host communities, contributing to the development of the region in an integrated manner. UNHCR will continue to build partnerships in this endeavour, and to compile empirical data on the socio-economic impact of large refugee populations.

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<sup>11</sup> Global objectives 5.1, 7.2 and 10.5