

Return Migration and Economic Outcomes in the Conflict Context

The Economic Consequences of Refugee Return

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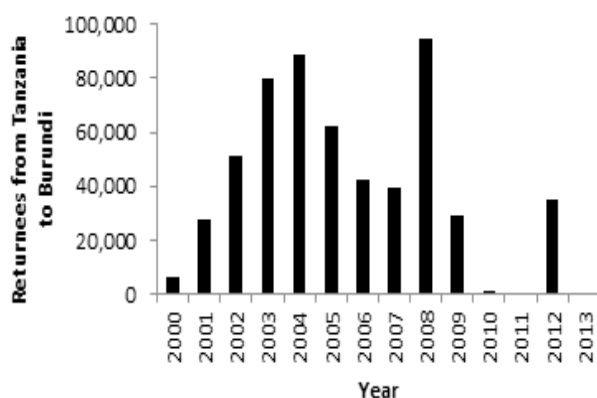


Refugees who return home have lower levels of wealth than other households.

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Topic at a Glance

Knowledge about the economic implications of refugee return is essential in order to develop adequate policies in the post conflict period. This paper explores differences in economic outcomes between return migrant and non-migrant households using panel data from Burundi, a country which experienced large-scale conflict-led emigration and massive post-war refugee return. The results indicate that returnee households have significantly lower levels of livestock and report lower values of subjective economic well-being. The gap between returnee and non-migrant households is driven by more recent returnees, defined as those that returned less than 10 years ago. Our search for channels suggests that returnees are more likely to engage in economic activities that are generally correlated with lower levels of livestock. One possible explanation for this dynamic relates to the legal restrictions on economic activities faced by returnees while in displacement, which resulted in high levels of inactivity abroad and a potential loss/deterioration of skills.



Caption: Rfuge returnees from Tanzania to Burundi. Sorce: UNHCR.

New Insights

The previous literature on return migration has focused on the case of “voluntary” migrants. However, millions of individuals around the world have been forced to leave their home countries in order to escape violence. The United Nations High Commission for Refugees (UNHCR) estimates that there were 21 million international refugees worldwide in 2015, and more than 80% of them are in neighboring developing countries. Many of these refugees will eventually go home and become “return migrants.” In this study, we explore the economic implications of being a returnee in a situation in which conflict was the original driver of a large-scale migration, followed by massive return migration after the end of the conflict. The analysis focuses on the case of Burundi, a country which experienced both: large-scale conflict-led emigration in the early 1990s and post-war refugee return in the 2000s.

The analysis indicates that Burundian returnee households had significantly lower levels of livestock – which is the main form of capital accumulation in the country – than those households that stayed home. Returnee households also reported lower values in subjective measures of economic well-being. The gap between returnee and non-migrant households appears to be driven by more recent returnees, defined as those that returned less than 10 years ago.

This gap is partly explained by the refugees’ legal restrictions on economic activities while in displacement. Burundian refugees in Tanzania, the main host country, were not given land for agricultural activities, had their mobility restricted to four kilometers from the camps and had legal limitations on the types of economic activities in which they could engage. As a result, many of these refugees were fully dependent on international aid support for the entire duration of their stay abroad. This inactivity is likely to have contributed to a deterioration of skills, discouragement and poorer labor market outcomes upon return.

You can find the full article at: <https://doi.org/10.1016/j.world-dev.2017.02.015>

Policy Recommendations

There is substantial support in policy circles to promote the return of refugees to their countries of origin as a long-term solution to their situation. This support stems in part from the perception that the presence of refugees represents an economic burden for hosting states and can lead to insecurity and conflict. However, often these refugees are returning to a politically fragile context. If refugees returning home experience economic hardship there could be increased social tensions and even a new cycle of conflict in countries of origin. The successful reintegration of former refugees is often a prerequisite for sustainable peace. Our results highlight the importance of economic activities during the displacement period for the long-term outcomes of refugees after returning home. In particular, the results highlight the importance of allowing refugees the opportunity to engage in employment and other economic activities while in displacement in order to facilitate economic integration after returning home.

Limitations

The results of this study might not be applicable to other circumstances, as we look at refugees who were primarily in a situation of encampment, with legal restrictions on movement and economic activities, many of whom were required to return home by the host country and were returning to one of the poorest countries in the world. The consequences of return could be different in situations in which refugees are integrated into the host economy and have the option of staying permanently.

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