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Are refugee camps attractive? The impact of refugee camps on migratory movements of the host population

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This paper assesses the impact of refugee camps on migratory movements of the local host population by combining satellite data on the location of refugee camps, official statistics and newly created retrospective panel data on yearly migration trajectories of the local host population derived from a household survey in Kagera. Kagera is a region in northwestern Tanzania that was receiving more than one million refugees fleeing the Burundian and Rwandan genocides in the mid 1990s.

While the existing literature has documented refugee camps coupled with the presence of NGOs to have a direct impact on welfare, consumption, health and labor market participation of the local population living around the camps, these effects are only measured for those households still living in proximity of refugee camps some years after the opening of camps. I hypothesize that the presence of refugees might have induced changes in the composition of households living around the camps: camps might pull benefiting households while pushing others to move away from the camps. This paper examines whether the presence of refugees leads to differential migratory movements of the local population, contingent on their socio-economic background.

PROJECT DESCRIPTION

The number of individuals who left their country of origin as a consequence of violence, conflict or persecution has grown substantially over the past two decades. In 2017, there were 69 million forcibly displaced individuals worldwide, out of which 29 million individuals were classified as refugees or asylum seekers that crossed international borders and 40 million individuals were considered internally displaced people (UNHCR 2018). This number is expected to further increase due to numerous conflicts worldwide.

Despite the representation in the media and policy concerns, the vast majority of 84 percent of the refugees do not transit to the Global North, but are hosted by neighboring developing countries. These host areas are often as poor as the regions of origin and refugees impose a large pressure on the limited resources.

Given the prominence of the political debate regarding forced migration, it is surprising that empirical evidence regarding the impact of refugee camps on the host population is still sparse. Only few studies analyze to which extent the host population in developing countries benefits or suffers from the presence of refugee camps in the neighborhood.

Alix-Garcia and Saah (2009) find that the prices of locally produced goods rise due to the presence of refugees, while aid-delivered goods become cheaper. In a more recent paper, Alix-Garcia et al. (2018) exploit spatial and temporal variation in night lights around the Kakuma camp in northern Kenya. They find an increase in economic activities in areas close to the refugee camps which match evidence from survey data on increased household consumption in these areas. Analyzing the labor market effects of refugee camps in Tanzania, Ruiz and Vargas-Silva (2016) describe slightly more nuanced results. The authors find that the exposure to refugee camps overall decreased the probability of working as an employee on the local labor market. Contingent on being employed after the arrival of refugees, the probability of working for the government or as a professional and to receive a pension were however significantly higher in areas close to the refugee camps compared to regions farther away. Maystadt and Verwimp (2014) analyze heterogeneous welfare effects of hosting refugees, measured in terms of consumption per capita, contingent on the socio-economic background of the exposed households.

They find that the hosting population gains on average by responding to the presence of refugees with a rise in consumption per capita, but report heterogeneous effects across different socio-economic groups.

The existing studies usually rely on a before-after comparison of households that are `\textit{still}` living in areas around the camp in the period after the refugee shock and did not change their location over time.

This article goes one step further and analyzes to which extent the composition of the host population residing close to the camps has changed as a consequence of the presence of refugees. I hypothesize that the effects observed in previous studies might have been partly driven by selective out-migration or in-migration of the host population as a coping strategy to deal with the effect of camp openings.

In this paper, I focus on refugee camps in the northwestern region of Tanzania, Kagera. Kagera was receiving more than one million refugees fleeing the Burundian and Rwandan genocides in the mid 1990s. Identification is facilitated in this specific setting since camp openings can be considered partly exogenous. After the massive and sudden arrival of refugees in 1994, the Tanzanian government and UNHCR did not purposefully place camps in best suited areas, but opened them near the main junctions to Burundi and Rwanda where refugees had arrived and were constrained from further movements due to natural barriers (Maystadt and Verwimp 2014).

By combining satellite data on the location of refugee camps in the region of Kagera with official statistics and a newly generated dataset on the yearly number of refugees per camp as of 1994 to 2010, I generate a yearly dataset on the location and refugee population within Tanzania.

I complement this dataset with a second newly created retrospective panel data set on yearly migration trajectories of the local host population derived from the Kagera Health and Development survey, a panel tracking survey that was following individuals initially surveyed in 1991 over almost 20 years and contains information about their location (GPS coordinates) as well as retrospective information on past migratory moves (De Weerd et al. 2012).

When analyzing the effect of refugee presence on the local host population, I find that self-employed individuals and older individuals are more likely to be pulled to the camps (in line with narrative evidence on "business booms" around the camps), while rather highly educated individuals and men are more likely to be pushed away from the camps.