SERIE RESEARCH MEMORANDA

Forced Migration: an Economist’s Perspective

Tom Kuhlman

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FORCED MIGRATION: AN ECONOMIST’S PERSPECTIVE

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The author is attached to the Development Economics Section of the Faculty of Economic Sciences and Econometrics as a guest researcher, sponsored by the Netherlands Ministry of Foreign Affairs. His main topic of study is the implications of the insights of the New Institutional Economics for the theory of regional planning in poor countries. The opinions expressed in this paper are his own. Comments on the paper can be sent to tomkuhlman@hotmail.com.
1. Introduction

Economists have long taken an interest in migration. At first, this interest was focused on why migration occurs; it was seen mainly as geographic mobility of labour in response to better income opportunities elsewhere, and as such a major factor in the process of economic development (Lewis 1954, Fei & Ranis 1964, Harris & Todaro 1970; Todaro 1976). The effects of migration have also been studied, as for instance the remittances from migrants stimulating economic growth in their areas of origin (Stark & Lucas 1988, Adams 1991, Brown 1990). In the field of forced migration, however, economic research is extremely scanty. It may be supposed that economists tend to regard involuntary migration as outside their domain, since it is caused by arbitrary political factors and not by the free play of market forces. At the World Bank, there has been an interest in displacement of people caused by development projects such as large dams, but even there the research has come more from sociologists than from economists (Cemea 1995; World Bank 1996); where economists have been involved, their contribution has been on a project basis, not theoretical reflection on the economics of displacement. A recent volume on migration theories from the field of economics does not even mention forced migration (Massey et al. 1998).

To be sure, migration research by economists has yielded useful insights that can be applied also to the study of forced migration (cf. The Economist 1997). But work specifically on forced migration has been almost completely lacking, a fact that caused World Bank sociologist Michael Cemea to lament:

Official misunderstanding or sheer ignorance about the complex economics of displacement and recovery are simply appalling in many agencies and countries. Many pitfalls in current practice can be traced to the sorry state of the economic research on resettlement and to the flawed prescriptions for economic and financial analysis, and for planning in this domain. (Cemea 1995: 260)

Cemea is concerned mainly with persons displaced by development. In the field of refugee studies, I know of no other research by economists than Wijbrands’ (1986) and my own (Kuhlman 1994). Hence I am compelled to talk about the potential rather than the actual contribution of economics to this field. The lack of participation by economists in the discussions on refugees, displaced persons and their resettlement problems is disastrous, because as I hope to show economic aspects are a crucial part of the social problems surrounding forced migration, and our shortcomings in the understanding of these problems help perpetuate the wrong policies. Greater attention from economists would not only benefit refugee studies (and eventually, it is to be hoped, refugee policies), but also the discipline of economics itself.

The study of refugees and forced migration is a field for interdisciplinary research par excellence, and cross-fertilization with other social sciences is good for economics as well as for its sister disciplines.

The study of forced migration, like that of migration in general, can be divided into research on causes and on consequences - i.e. what happens after migration has occurred. I shall talk about
each of these, and indicate what economics might have to say about them. The paper will then focus on the particular topic that I have been concerned with: the economic aspects of integration of refugees in poor countries, which includes the impact of refugees on their hosts. This will be illustrated by experiences from my own research on Eritrean refugees in the Eastern Sudan.

2. The causes of forced migration

Without wanting to waste time on sterile definition discussions, I shall at least indicate what I mean with forced migration. This is important, because ‘forced’ is not an unambiguous term; deportation is obviously forced, but there are many situations where not all people leave, implying that there is still some sort of choice. Is flight from famine forced migration? If so, why not flight from unemployment? Clearly the aspect of choice or force is a matter of degree. I propose to regard forced migration as migration under duress, in the face of a crisis of some sort. A crisis means that the condition is limited in time, the result of an event or a series of events, rather than a long-term condition. Duress implies that forced migration is explained mainly not by the motivation of the migrant, but by the crisis that made him flee.

It goes almost without saying that most forced migration, whether international or within the borders of a country, is caused directly or indirectly by the state. After all, the state claims a monopoly on violence, and this means that violence which is sustained enough to make people abandon their homes must be either committed or abetted by the state; examples of the latter case are the ‘ethnic cleansing’ in Bosnia in 1992/96, the Rwandan genocide in 1994, the ‘Kalenjin warriors’ in Kenya in 1992/94, and the ‘pro-Indonesian militia’ in East Timor in 1999. It is only where the state has ceased to function that groups can commit terror without government blessing - as in the recent civil wars in Somalia, Liberia and Sierra Leone. These gruesome examples do not mean that forced migration is inevitably wicked: sometimes people are moved for the greater benefit of the nation at large (as in the case of development projects) or even for their own good (as in the case of evacuation because of natural disasters). The latter case is also the main one where forced migration may occur without state involvement; significantly, people displaced by natural disasters nearly always remain within the borders of their own country. Whenever a country generates international refugees, you can be certain that violence is involved even if the ostensible cause may be famine (as in Ethiopia in 1984/85). A case where refugees were regarded as famine victims but were actually people whose survival strategy had collapsed because of war is described by De Waal(1988).

On the basis of this recognition, a typology of forced migration can be designed: classifying the agents causing it, their motivation (where the agent has volition), and the means they use to make it happen; only the destination is (in most cases) chosen by the migrant. Such a typology is shown in Figure 1. Admittedly, in the case of slave trade and related phenomena the role of the state is more marginal, but then the quantitative importance of these forms of migration today is small. The figure also shows the nature of the process of displacement itself, and the type of destination - internal or external, organized from above from the very start or chosen by the migrants themselves. Furthermore, the figure expresses the observed phenomenon that where people are forced to flee their homes because of persecution or random violence, they will usually first attempt to stay within their home country and leave only when they see no other possibility. ¹

¹Exceptions to this rule are what Kunz (1973) calls majority-alienated refugees, and groups who live near the border and who have close relations to ethnic kin on the other side.
Most of the literature on the *causes* of flight, insofar as it involves violence and persecution rather than natural disasters or development projects, has come from historians and political scientists (Adelman 1989). It appears to be generally accepted now that most of the forced displacement which has taken place in history is closely linked to the emergence of the nation-state (Zolberg *et al.* 1989, Smith 1994, Cohen 1997). Arisen out of conglomerations of feudal territories or where kings increased their power at the expense of feudal lords, the boundaries of European states were originally largely arbitrary as they delimited whatever territory happened to be under the control of one ruler. But as their subjects became increasingly troublesome in the wake of the Enlightenment and the French Revolution, it became necessary to justify the existence of the state with the concept of the nation. This was not everywhere an asset to the

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2 For alternative classifications, see Kunz (1973), Richmond (1993) and Van Hear (1998).

3 Examples of the former are Germany, Italy and the Netherlands; of the latter: England and France.
rulers: the Romantic nationalism of the nineteenth century led to many movements for national emancipation against the status quo, and shortly after World War I this emancipation had been achieved almost everywhere in Europe.

Thus, in both the older and in the newer nation-states of Europe, national identity was emphasized, but there was hardly any state where ‘the nation’ actually corresponded with a historical and cultural reality. Very few European states were ever ethnically homogeneous, and even in those few there is nearly always an artificial boundary dividing an ethnic group between two states. Obscuring those inconvenient complexities has meant excluding those groups that did not fit into the national identity — a potent source of instability if the groups are large enough, and the main cause of flight and violent displacement where they are not. This is true with a vengeance in many developing countries, where the idea of a nation-state is more novel and hence less easily accepted.

A better understanding of the processes that have governed the rise of nation-states will also help us to understand the root causes of refugee problems (including internally displaced persons insofar as the displacement has been due to conflict rather than development or natural disaster). That such comprehension will also help to prevent or solve refugee problems is perhaps hoping for too much; but as scientists we must pursue knowledge for its own sake, the useful application of which may or may not come about. However that may be, this line of research is, of course first and foremost the province of political theorists and historians; but economics has some contribution to make as well. That the formation of the modern state has its roots in economics has long been recognized, by Karl Marx among others. That its spread throughout the world is linked with the rise of industrial society as a global civilization has been asserted by Wallerstein (1984). The enormous and unprecedented global economic divergence between rich and poor to which this process has led is a major factor in forced migration. That economics is important in understanding forced migration is not in doubt; But what do economists have to say about its causes?

There is at present in economics a body of literature known as the New Institutional Economics. Abandoning the neoclassical practice of treating institutions and values as given, the scholars in this school study the interaction of culture, law and political structure with economic forces. Other than the school of economic anthropology (which sits on the other side of the disciplinary fence), neo-institutional economics uses the conceptual framework of individual rationality and the language of economic theory to explain the phenomena it studies. This has led to important insights in economic history (North & Thomas 1973, North 1990), and these insights are being applied also to political aspects of the development process (Harriss et al., 1995), although not as yet to the root causes of refugee problems. Such research could, however, be quite fruitful, especially if it benefits from the insights gained by students in other relevant disciplines, such as the work done on political institutions in Africa by Hyden (1983) and by Chabal & Daloz (1999).

So much for those causes of forced migration that involve persecution. Now let us turn to those cases where people do not flee from an enemy but from what are sometimes called ‘acts of God’. Here the scientific analysis should come from such people as geologists and meteorologists, who study and occasionally predict these disasters. But are they really acts of

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4 Iceland is the only one. Switzerland, on the other hand, is the shining example of a state that is not based on nationalism in the sense I use it: it originated in opposition to the emerging nation-states, was multi-ethnic from the start and never needed to use ethnic chauvinism to keep its people together.
God, or do we humans have a hand in them too? Although an earthquake is a natural phenomenon, its impact in Japan differs vastly from that in Nicaragua. It is us that make people vulnerable to natural events. It would seem to me that economics ought to have something to say about this. What are the costs and benefits of disaster-preparedness systems, and to what extent is it justifiable to exclude those uses of land that render both the users and other people vulnerable to natural disasters? While economic arguments should by no means be the only ones, I think they deserve consideration – particularly in the case of a poor country that must allocate its scarce resources wisely.

In this discussion, the economic concept of externalities is particularly helpful. When you look at an economic activity, for instance clearing a piece of land, driving a car, or buying shares in the stock exchange, you will evaluate its costs and benefits to the person or entity carrying out that activity. However, this activity will also often have consequences for other people, and these may be both negative (costs) or positive (benefits). For instance, by bringing a piece of forest under cultivation, you may deprive others who were using the forest before, or you may cause accelerated erosion further down the slope; on the other hand, you may also add to a belt of cleared land which prevents the spread of tsetse flies, you may experiment with innovations that others can later copy after you have taken the risk. These are consequences of your actions, which when negative you do not pay for, and when positive you do not get any benefit from: others pay the costs or reap the benefits, as the case may be. Now, the entire ideology of capitalism is centred on the notion that we are all better off if economic actors can interact freely in the market, because by following their private interests they will actually promote the interest of everyone. The main problem with this lies in externalities, because these are cases where there is a discrepancy between private and social costs and benefits. And this is precisely why externalities are a prime case of market failure, i.e. where the free play of market forces does not lead to the best for all of us but to unpleasant consequences. And when there is market failure, we must ask whether someone else should intervene – usually the government, which can issue regulations to prohibit socially negative actions, or tax them to bring the private costs more in agreement with the social ones, or subsidize activities with considerable social but meagre private benefits.

In the case of natural disasters, when we see behaviour that makes people vulnerable (unsustainable use of land, failure to take preventive measures), it is legitimate to ask whether there may be externalities at play, and if so there is a very good justification to intervene. Vulnerability to natural disasters may be part of the syndrome of underdevelopment, but it is not always so that when you are poor you must suffer. Reducing vulnerability may be highly cost-effective.

There is actually much more to this whole business of externalities than can be explained here. Better than taxing and subsidizing would be a situation where private costs and benefits of economic activities are more in agreement with social costs and benefits; this would lead to individual economic actors doing what is good for the community. This is a matter of having the right economic institutions, and it is the main topic of study for the neo-institutional school to which I alluded earlier (Coase 1960).

Next, the case of forced migration in the interest of development. Here the role of economics is obvious: if a dam is going to produce benefits to the country as a whole that exceed its cost, then people will have to move. It is just part of the cost. Still, we may ask some questions, and these can be awkward. First and foremost, has the cost to those who will be displaced been accurately assessed? In practice, the cost has often been put at the market value of the property lost. This is
usually not the same as the cost to those concerned of re-establishing their livelihood. To get a realistic idea of the cost to the displaced, you have to estimate the counterfactual: the income they would have obtained if they had stayed put, measured over the entire period of restoration (Cernea 1995). An economist would call this the opportunity cost: by doing something you forfeit the possibility of doing something else, and a realistic cost estimate has to take those lost potential benefits into consideration. That such analysis has often been missing has caused much suffering to the millions of people displaced every year; the World Bank nowadays insists on the latter method as a basis for assessing compensation (World Bank 1996). Also, environmental costs are often not adequately accounted for, because they do not show up so easily in national accounts. All this does not mean that the decision to undertake a project is too narrowly based on economic arguments alone • it means that the cost-benefit analysis has been done poorly; economic analysis can take care of all costs and benefits that society considers relevant • whether or not they show up in the form of money. Finally, we must never forget that also government, which is theoretically there to serve the common interest, has private interests of its own, and these may diverge from the interest of society at large • another case of externalities. This results in a tendency to implement projects that are not profitable from a national point of view, or not undertaking those that are. Donor agencies are usually too polite to point out these externalities (and moreover have interests of their own), but sound economic analysis can show them up.

In development projects large enough to warrant forced migration, economists are invariably involved. As with other actors, this involvement is not always beneficial, but at least it has the potential to be. What we need is broad-based research generalizing the findings from many of these projects, and the knowledge acquired will improve the quality of the practical work of cost-benefit analysis.

3. Consequences of forced migration

More important is the role of economics in examining the consequences of forced migration. These consequences can be separated into those for the migrants themselves, for the recipient country or area, and for the area of origin. Most often studied is what migration does to the migrant: how do people cope with the loss of home, of income, with the trauma of violence, how do they rebuild their lives, and what factors influence that process. Students of forced migration tend to have strong sympathies for the displaced, and therefore the consequences of an influx of people for the native population in the area where they resettle have been somewhat disregarded. It is commonly believed that these consequences tend to be negative, and the researcher exposing this would quite probably be accused of xenophobia; the fear of ostracism has undoubtedly contributed to the neglect of this field of study. This neglect is unfortunate also for the migrants themselves, because it leaves opinions to be formed on the basis of prejudice rather than evidence. It is not at all certain that we suffer from an influx of immigrants • rather the contrary. Or could that be the truth which we are reluctant to face? Also for the region of origin there are consequences; sometimes these are intended, e.g. when it is desired to empty an area of inhabitants so that the land can be used for something else. However, most consequences are unintended, and they may be negative or positive. There has to my knowledge been very little research on this: who has gone to the Sudan to study the effect of the mass flight of southern Sudanese on the South? And in accounting for the social change you find, how will you distinguish between the effects of flight and other effects of the war?
Those students of forced migration who work on the side of what happens once migration has started (as opposed to how it started in the first place) have included lawyers (dealing with asylum questions, pre-eminent in rich countries), sociologists, anthropologists, psychologists (studying the famed ‘refugee syndrome’), and some geographers (Black 1991). A large part of the literature on the subject, however, comes from applied research and reports, from practitioners in the agencies dealing with refugees and displaced persons. Economists have played only a very minor role in this line of research.

Another way of dividing up the field is according to ‘refugee outcomes’. In the parlance of UNHCR, there are three so-called durable solutions to a refugee situation, namely (in order of preference) voluntary repatriation, local integration (i.e. in the country of first refuge), and third-country resettlement. Extending this to internally displaced persons, we may speak of return and resettlement, without the option of resettlement in a different country. I do not like the terminology of durable solutions very much, because they imply that we are dealing with problems which can be solved (cf. Aga Khan & Bin Talal 1986, Harrell-Bond 1989). Very often they cannot, we can at best mitigate their consequences; and by striving for the impossible we may fail to achieve the possible. In any case, UNHCR’s mandate is not really to ‘solve’ refugee problems at all: it is to protect refugees, to assume the role of the state for them since they no longer have a state which has the duty to look after their interests. With these reservations, we can study the possible outcomes of return, local integration and resettlement in a third country with all their implications.

This gives us the following schematic research agenda for the consequences of forced migration (Figure 2). We could, if desired, make a further distinction here between international refugees and the internally displaced – a distinction which I regard as fundamental, although I know this is not generally agreed. We must now proceed to say what economics can contribute to the eight categories listed in the figure.

**Figure 2. Research agenda for the consequences of forced migration**

<table>
<thead>
<tr>
<th>return</th>
<th>Afected entity</th>
<th>region/country of origin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outcome local integration</td>
<td>refugees/displaced persons</td>
<td>region/country of region/country of settlement</td>
</tr>
<tr>
<td>resettlement</td>
<td>1. re-integration</td>
<td>1.</td>
</tr>
<tr>
<td></td>
<td>2. integration</td>
<td>2.</td>
</tr>
<tr>
<td></td>
<td>3. asylum, integration</td>
<td>3.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

The research in which I took part was concerned with local integration of refugees, as well as with their impact on the region of settlement; this corresponds to categories 2 and 4 in the figure.

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5This category has been left empty; but one could, of course, study the effect of refugees who have first settled in an area and then left again; I would tend to group such research under category 4.
When we consider that the overwhelming majority of refugees and displaced persons originate from poor countries and also resettle in poor countries, it will be clear that for this majority the problems of poverty and sheer survival are pre-eminent. It is, of course, precisely for this reason that the refugee industry in developing countries is largely concerned with the provision of relief and rehabilitation - even though this is perhaps a mistake as I hope to argue. In any case, we are talking economics here: how do you help people most effectively to survive, what should be the role of relief and how can rehabilitation be promoted? There is much literature on integration, but most of it comes from aid practitioners, and is not concerned with theorizing and therewith drawing lessons for the future (cf. Adelman 1989, Cooper 1994, Van Hear 1998a). Where social scientists have been involved, they have nearly always been sociologists and anthropologists, with a smattering of political scientists, psychologists and geographers. Economic analysis of integration has been sadly lacking. I came across a striking example in an article in the Journal of Refugee Studies of a few years ago, on income-generating activities of refugees from the Western Sahara. Nowhere in that article is there anything to show what income refugees derived from the activities, whether indeed they were at all commercially feasible. It is apparently considered sufficient when refugees have something to keep them busy (Thomas & Wilson 1996).

Similarly, the impact of refugees on the host country, and of internally displaced on the region of settlement, is in dire need of economic analysis. If rich countries complain that they cannot absorb an influx equivalent to 0.5 per cent of their population, what would it mean to a region in the Sudan to receive an additional 10% of its population? The economic aspect of this impact is of overwhelming importance to the local people, who fear having to share scarce employment, government services and declining natural resources with the newcomers. Research on this has been relatively scant, and economic research even more so.

An interesting theme for interdisciplinary research in this category would be the impact of migrants on social capital. With this is meant the degree of social organization to the extent that such organization helps to augment incomes, including non-monetary income such as food security or access to public services. There is considerable interest in social capital at present; it has been shown to be positively related to income and wellbeing, and for the poor it may be a more important resource than, say, education level (cf. Narayan & Pritchett 1999). It would be highly relevant to study how the coming of a large number of strangers would affect social capital. To the refugees themselves, the loss of social capital is an important aspect of their suffering, and it may be a principal cause of the ‘refugee syndrome’ (cf. Allen & Turton 1996). Here is a clear link with anthropological research, and a possibly fruitful area for interdisciplinary work. The work of Scudder and Colson on the long-term adjustment process of people who were displaced because of the Kariba dam in Zimbabwe and Zambia covers these aspects (e.g. Colson 1971; for examples of contributions by economists on the role of civil society in economic development, see Platteau 1994).

Repatriation of refugees (category 1) is a hot issue at present. Phrases such as ‘safe havens’ and ‘the right to remain’ are being touted as ‘durable solutions’. Refugee students, as evident from articles in recent years in JRS, correctly see them as attempts to deny the root cause of refugee problems, and to keep refugees out of asylum. In cases where the root cause has disappeared, refugees have usually repatriated by themselves without external assistance - except in cases where they had remained in the host country for a long time, and where a

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6 Macchiavello (1999) has compared three field studies which give evidence on the impact of refugees in Zambia, Malawi and the Sudan.
return home would entail significant economic deprivation (Kibraeb 1996). The same should be true for internal refugees from violence; I strongly suspect that these people will be able to pick up their lives again, although the disruption will mean that they have lost so many years of potential development - the opportunity cost again. As for people displaced by development, they will of course not usually be able ever to return to their former homes; and for those fleeing from natural disasters, as in the case of other returnees it is likely that while their lives have suffered disruption they will be able to re-establish themselves with or without external aid, and that the economic effect of the disaster will be temporary. This does not mean, of course, that they should not receive aid.

As regards the integration of refugees in rich countries (category 3), here economic aspects are less pre-eminent: the main problems of refugees are getting there and being allowed to stay in the first place, and thereafter coping with a different socio-cultural environment. Law, psychology, sociology and anthropology are likely to be the more important fields of study.

The impact of refugees on rich countries (category 5) differs from that on poor countries as category 3 is different from category 2. Yet, here too, the economic impact is a crucial theme of research, as I have stated before. There has been significant research on the impact of migrants in countries such as the United States, and it is not by far as negative as many people believe - in fact rather the opposite (The Economist 1997). Even in western Europe, not a region that has much welcomed immigration in recent centuries, there are good reasons to expect that the impact of the present immigration from poorer regions will be an economic boon in the longer term. This is not to argue that the flow of immigrants should be unrestrained - merely that the alarm many of us feel at the current level of immigration is motivated more by xenophobia than by a danger of losing our prosperity. More economic research may help to dispel some of this alarm.

Finally, a few words on the impact of forced migration on the region of origin (categories 6, 7 and 8). There have been studies on the remittances sent home by migrants from poor to rich areas; in the case of refugees such relationships are not always possible, but they often are (e.g. the case of Cuban-Americans). Such remittances have, of course, a positive direct effect on the level of income of the recipients; whether they also have a positive long-term effect on the productive capacity of the region of origin is less certain, and depends on a number of factors such as the opportunity to invest locally (not easy in a socialist country or where markets are distorted for other reasons). Areas that heavily rely on an external source of income may also suffer from ‘Dutch disease’, which makes their products less competitive (cf. Brown 1990). The impact of population loss has been studied in some historical cases, and can be both positive and negative for economic development.’ This will depend on whether the region in question should be considered as over- or underpopulated in an economic sense; but even in the former case sudden departure of many people will at least cause disruption, especially considering the categories of people most likely to leave. As for the impact of a return flow, I strongly suspect that this will usually turn out to be positive.

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7 Emigration from Europe to the New World in the 19th and early 20th centuries is believed to have had a positive effect on the European economies (Galbraith 1979). On the other hand, the dramatic population loss suffered by European countries in the plagues of the 14th century is seen as a negative factor in development (Slicher van Bath 1987).
4. Economic integration of refugees in poor countries

As mentioned earlier, my own research was on local integration of refugees (category 2 of our agenda); integration was defined there as including their impact on the host country (category 4). The approach we followed is, I think, a useful illustration of the contribution that an economist can make to an essentially interdisciplinary field of study.

Our first task was to define integration. It may be defined either as a process or as an outcome to which that process is supposed to lead: when are you integrated? For us, the outcome was what we needed: we wanted a yardstick to assess economic integration. At first sight, this seems simple: if a refugee has achieved a standard of living similar to the average of the host country, then that refugee may be considered economically integrated. However, the Sudan is a plural society in the sense of the anthropologist J.S. Fumivall (1939): not only ethnically heterogeneous and socially stratified, but where the social stratification is ethnically bound. In other words, the ethnic group to which you belong determines your socio-economic status to a significant extent. In such a situation, an average standard of living has little meaning in social reality. Let me give an example. Refugees belong to an ethnic group which straddles the border and they have been received by their kinsmen in the host country, with whom they share the meagre resources available. They are very poor, poorer than the national average; however, this poverty is not a consequence of their refugee status but part of the situation of that particular ethnic group in the host country. Another group, who do not have ethnic kin in the host country, settle in towns; most of them are well educated, but they are forced to take menial jobs as the positions commensurate with their skills are closed to them; yet, their income is higher than that of the first group. An approach looking simply at averages would conclude that the first group are poorly integrated, and the latter better. An analysis of the social complexities will lead to the opposite conclusion.

So, just comparing the average refugee with the average host-country national may not tell you all that much if you are dealing with a plural society of which there are many in developing countries. We had to look for a more sophisticated concept of integration, one that would take into consideration (a) the possibility of a plural society; (b) the multi-dimensional nature of integration (cultural, psychological, social and economic); and (c) the impact of refugees on the host society as well as the position of the refugees themselves. One would think that the concept of integration must be rather important in refugee studies, but it was not easy to find a good definition in the literature, and none that addresses the aforementioned concerns. I had to go to the wider literature on migration. The most appropriate conceptualization I found in the scheme drawn up by the Canadian social psychologist John Berry (Figure 3). In this scheme, the process by which the migrant adapts to his new environment is called acculturation, and integration is one of four possible outcomes. For an analysis going beyond the cultural dimension, I prefer the term adaptation for the process, rather than the narrower term acculturation. Following this scheme, integration would be that outcome of an adaptation process where the migrants maintain their own identity, yet become part of the host society to the extent that host population and refugees can live together in an acceptable way. Such a concept has the advantage that it is applicable to a plural society, and that it can be studied in many aspects - cultural, psychological, even legal, and also economical. However, it is still very vague, so we have to specify it - particularly the word ‘acceptable’. I have used the following formulation: refugees can be considered truly integrated if they participate in the host economy in ways commensurate with their skills and compatible with their cultural values;
• if they attain a standard of living which satisfies culturally determined minimum requirements (standard of living is taken here as meaning not only income from economic activities, but also access to amenities such as housing, public utilities, health services, and education); if the socio-cultural change they undergo permits them to maintain an identity of their own and to adjust psychologically to their new situation;
• if standards of living and economic opportunities for members of the host society have not deteriorated due to the influx of refugees;
• if friction between host population and refugees is not worse than within the host population itself; and
• if the refugees do not encounter more discrimination than exists between groups previously settled within the host society.

Figure 3. Berry’s acculturation model

<table>
<thead>
<tr>
<th>Relations with other groups:</th>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintenance of cultural identity:</td>
<td>integration</td>
<td>assimilation</td>
</tr>
<tr>
<td>separation</td>
<td>marginalization</td>
<td></td>
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We now have a set of criteria which can be operationalized for research in different disciplines. It is easy to do this for the economic aspects:
• how and to what extent the refugees’ basic needs such as food, water, shelter, health and education are met; and
• how their presence affects the population of the host country in terms of incomes, income-earning opportunities, and access to natural resources and public services.

The next step is to design a model that will explain integration. For this I took as a basis the theory developed by Égon Kunz, who formulated what as far as I know was the first theoretical framework for refugee resettlement (Kunz 1981). This was supplemented by a model for immigrant adaptation in Canada by Goldlust & Richmond (1974). On the basis of these two, I designed the model shown in Figure 4. This is a comprehensive one, but we can operationalize it specifically for the economic aspects of integration. These were defined as follows: economic aspects of the adaptation process have to do with how and to what extent the refugees’ basic needs such as food, water, shelter, health and education are met; and with how their presence affects the population of the host country in terms of incomes, income-earning opportunities, and access to natural resources and public facilities • the goods where access is not defined by income level. A model for this was also prepared (Figure 5).
Figure 4. A comprehensive model of refugee integration

A. Characteristics of refugees
1. demographic characteristics
2. socio-economic characteristics
3. ethno-cultural affiliation

B. Flight-related factors
1. root cause of flight
2. type of movement
3. attitude to displacement

C. Host-related factors
1. macro-economic situation
2. natural-resource base of settlement region
3. ethno-cultural makeup of settlement region
4. social stratification
5. socio-political orientation
6. auspices

E. Residence in host country
1. length of residence
2. movements within country of asylum

D. Policies
1. national
2. regional/local government
3. foreign donors

Adaptation:
- assimilation
- integration
- separation
- marginalization

Impact on refugees
<table>
<thead>
<tr>
<th>Objective aspects</th>
<th>Subjective aspects</th>
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<tr>
<td>identity</td>
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</tr>
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<tr>
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<td>economic integration</td>
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<td>culture change</td>
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<td>social relations</td>
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</table>

Impact on hosts
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<tr>
<td>overall income</td>
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<tr>
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<td></td>
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<tr>
<td>other aspects of living standards</td>
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</tr>
<tr>
<td>stratification</td>
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<td>natural resources</td>
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<td>infrastructure</td>
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<tr>
<td>culture change</td>
<td></td>
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<tr>
<td>security</td>
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</tbody>
</table>
Figure 5. A model for the economic dimension of refugee integration

A. Characteristics of refugees
   1. demographic variables
   2. socio-economic background
   3. ethno-cultural affiliation

B. Flight-related factors
   1. root cause of flight
   2. type of movement
   3. attitude to displacement

C. Host-related factors
   1. macro-economic situation
   2. natural-resource base of settlement region
   3. ethno-cultural makeup of settlement region
   4. social stratification
   5. socio-political orientation
   6. auspices

D. Policies
   1. national
   2. regional/local government
   3. foreign donors

E. Residence in host country
   1. length of residence
   2. movements within country of asylum

Non-economic dimensions of adaptation

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<th>Subjective aspects</th>
</tr>
</thead>
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<td>attitudes towards refugees</td>
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<td>internalization</td>
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<tr>
<td>social relations</td>
<td>satisfaction</td>
</tr>
<tr>
<td>security</td>
<td></td>
</tr>
</tbody>
</table>

Economic adaptation

Impact on refugees
   1. participation in economy*
   2. income*
   3. access to non-income goods and services*

Impact on hosts
   1. employment*
   2. income*
   3. availability of non-income goods and services*
   4. infrastructure
   5. natural resources

* Differentiated by socio-economic categories
5. A summary of the findings

So much for the theory. I shall also give a brief account of our findings which show how the above concepts and models were applied. For a full account, I refer to Kuhlman (1994). The study in question was based on two separate field studies: one carried out in 1986/87 by a joint Dutch-Sudanese team (from the Free University Amsterdam and the University of Khartoum) with some Eritrean participation as well; this part was financed by Dutch bilateral aid, and it was concerned specifically with the impact of refugees, although in the process data on the situation of refugees themselves were also collected (Kuhlman 1990). The other part was carried out in the same period by the University of the Saar in Germany; it so happened that their data complemented ours very well, and they generously put them at my disposal.

The case: Eritreans in Kassala

From 1967 onwards the regions of the Sudan bordering on Eritrea began to receive a flow of refugees from the guerrilla war being waged against the Ethiopians or to be more precise, from the campaign of terror waged by the Ethiopian army as its counter-insurgency strategy. This flow continued right up to Eritrea’s de facto independence in 1991. By the time our fieldwork started there were over 700,000 of them in the country. The border region of Kassala had just over 150,000 of them, making up 21% of the population. At this time there was one large refugee camp near the town of Kassala housing 36,000 people (not all of them necessarily refugees) who were being fed by international aid; the remainder lived among the local population, either in the town or in the surrounding rural area. The Sudanese government was far from happy with them being there: it worried about the negative impact such a large influx of people would have on a poor country and appealed to the international community for aid to deal with the problem. The UNHCR marshalled the aid, and recommended to allocate virgin land in the vast expanses of the country to resettle the refugees. The Sudan would donate the land, the UNHCR and its backers would provide the investment to make it productive and the funds to tide the settlers over the initial difficult period. This, it was thought, would remove the burden from the local population, make waste land productive and make the refugees self-reliant instead of dependent on aid. Similar thinking, by the way, has been pervasive throughout Africa over the last few decades.

This policy, on the face of it, did not work particularly well: we estimated that in 1986/87 only about 31% of all Eritrean refugees were actually in camps; over two thirds were so-called self-settled, in spite of the fact that they received little or no aid (nearly all of which went to the camps and settlement schemes) and were actively discouraged by the Sudanese authorities who often severely harassed them? This paradox presented an interesting topic for research: why would people prefer the vagaries of a harsh natural and social environment to the fleshpots of international aid? Therewith, one of the most important questions for our research was given: how did the official policy of organized resettlement affect economic integration?

Comparing integration settings

It was said before that the Sudan is a plural society, and we needed to find out how the refugees fitted into the existing socio-economic stratification as well as how they affected it. Hence, a classification of households was made based on (a) the extent to which the household functioned as a production unit (in addition to being a consumption unit); (b) if it did, to what extent it produced for the market; (c) its access to land and capital; and (d) if it did not, what positions on

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For an account of what happened to these refugees after Eritrea’s independence, see Kibreab (1996) and Bascom (1998).
the labour market did its members occupy: employer, self-employed, or employed by others; and if the latter, under what terms — fixed or casual. This led us to seven categories which we called employment classes, and this was one of the most important measures of economic integration (our dependent variable). Based on the model in Figure 5, the policy factor can be operationalized into a distinction between self-settled refugees and those in organized settlements, in order to see where integration works better; however, we need to specify a little more, because there are different types of organized settlements, and among the self-settled there is a big difference between rural and urban settlers. We can distinguish seven integration settings, as I have called them; you may see this as an operationalization of the policies together with host-related factors. One of the most crucial tests was now to see how ‘employment class’ was correlated with ‘integration setting’. Our data showed quite a high correlation (Table 1): in the settlements there are large proportions of people who do not participate in any economic

<table>
<thead>
<tr>
<th>Setting.</th>
<th>SELF-SETTLED</th>
<th>REFUGEES</th>
<th>ORGANIZED SETTLEMENTS</th>
<th>Row total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Khartoum (N=125)</td>
<td>Kassala (N=141)</td>
<td>rural (comm. agric.) (N=137)</td>
<td>rural (subsist. agric.) (N=143)</td>
</tr>
<tr>
<td>Employment class.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. employer</td>
<td>3.6</td>
<td>1.7</td>
<td>3.8</td>
<td>5.9</td>
</tr>
<tr>
<td>2. self-employed, non-farming</td>
<td>11.1</td>
<td>31.2</td>
<td>37.2</td>
<td>16.8</td>
</tr>
<tr>
<td>3. self-employed, farming</td>
<td>2.7</td>
<td>34.7</td>
<td>62.5</td>
<td></td>
</tr>
<tr>
<td>4. fixed job, skilled</td>
<td>28.1</td>
<td>37.7</td>
<td>4.1</td>
<td>5.3</td>
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<tr>
<td>5. fixed job, unskilled</td>
<td>23.5</td>
<td>9.0</td>
<td>13.2</td>
<td>3.0</td>
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<tr>
<td>6. casual labour only</td>
<td>17.6</td>
<td>15.9</td>
<td>9.1</td>
<td>6.4</td>
</tr>
<tr>
<td>7. no economic activity</td>
<td>19.6</td>
<td></td>
<td>2.3</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Row percentage</td>
<td>13.7</td>
<td>15.5</td>
<td>15.1</td>
<td>15.7</td>
</tr>
</tbody>
</table>

Number of Missing Observations (i.e. where the employment class could not be determined) = 90

<table>
<thead>
<tr>
<th>Statistic</th>
<th>Value</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kendall’s Tau C</td>
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<td>.0000</td>
</tr>
<tr>
<td>Somers’ D</td>
<td>-.24730</td>
<td>.0000</td>
</tr>
<tr>
<td>Spearman’s R</td>
<td>-.3436</td>
<td>.0000</td>
</tr>
</tbody>
</table>

Notes.
1. In the settings for which the data come from the University of the Saar, employers are subsumed under class 2.
2. The percentages of households without economic activity as given in this table are percentages of the total number of which the employment class is known.
3. The numbers of cases as recorded here are not the actual ones, but adjusted according to a system of case-weights.

activity, and very few refugees in the higher strata of the social structure - no employers, few self-employed people. Furthermore, while there are differences between urban and rural refugees and within the rural group between those who are subsistence-oriented farmers and those who are wage workers in commercial agriculture, the largest differences are between the self-settled refugees and those in organized settlements: the former are much better off.

Is this really so? I can think of three criticisms: first, what is the influence of other factors (such as education level, previous occupation, ethnicity, household composition including gender) on economic integration as measured by employment class? Second, what if the characteristics of the populations differ by integration setting? Could that not explain the observed differences in integration achieved, rather than the integration setting itself? E.g. perhaps it is the resource-poor who tend to go to the camps, but not the camp environment that causes their poverty. Third, are we really sure that the measure ‘employment class’ is an adequate yardstick for economic resilience or standard of living? All of these questions were addressed in the research. On the first, we found fairly strong correlations for some other factors, but none as strong as the impact of integration setting; on the second, whereas the populations of the different settings vary by ethnicity, socio-economic background and settlement history, the correlation between those factors and integration setting is stronger than that between those same factors and employment class; in other words, people in organized settlements are worse off not because they are unskilled or belong to disadvantaged groups, but because of being in those settlements. Finally, on the validity of ‘employment class’ as a yardstick of prosperity, we did correlate employment class with two proxies for consumptive wealth: housing standard and the extent to which food security was seen as a major problem in the household; on both of them there was generally a good correlation with employment class, except that the self-employed whom we classed higher than employees were in fact worse off than skilled employees - not an altogether surprising finding. We also looked at evidence from other studies which had produced data on employment and income among refugees. These largely corroborate our findings that the self-settled are better off everywhere.

Thus, one important question has been answered, namely why most refugees do not live in the settlements where the government and UNHCR want them to be and where they receive aid: they are better off by themselves, without aid. But this finding alone would have been a meagre result from such a research project. We also looked at how well integrated the self-settled refugees really are, and what factors determine their economic integration. This must be done, of course, by comparing them to the Sudanese. We included Sudanese households in our research, and found that the differences are larger in urban than in rural areas. However, as argued before, in a plural society averages have little meaning, and now I must tell you something about the Kassala region.

The position of self-settled refugees in the Kassala region
This is a region which until the early 19th century was inhabited by a variety of nomadic tribes, the largest of whom are the Hadendoa and the Beni ‘Amer, fiercely antagonistic towards one another. After the Sudan was colonized by the Egyptians in the 1820s, Kassala developed into a town and new groups migrated towards the region: firstly Arabic-speaking Nubians from the Nile Valley who took up commerce and employment as civil servants, and secondly West African people (such as Hausa and Fula) who worked as manual labourers. Development received a new impetus in the 1920s, when a large irrigation scheme for growing cotton was set up in the Gash Delta, in the vicinity of Kassala. The nomads, meanwhile, were impoverished because their livelihood as transporters (camel caravans) was destroyed by the railway and later by road transport; and because the end of tribal warfare meant more people, more animals on a
more limited grazing area — hence slow degradation of the rangeland. The Beni ‘Amer suffered the most and were forced to shift towards rainfed agriculture, in an area which is very marginal and more suited for nomadic pasture. The Hadendoa were able to continue their traditional lifestyle, thanks to their stake in the Gash Delta irrigation scheme: they were the landlords to whom the actual farmers paid a share of the crops; yet, they too were poorer than before.

And now the Eritreans. To begin with, the Beni ‘Amer have always lived on both sides of the border, and nomadic families used to migrate across it seasonally. When Eritrean Beni ‘Amer began to flee to the Sudan in 1967, they were not seen as foreigners by their ethnic kin in the Sudan, and they were given land there. The Hadendoa (who do not live on the Eritrean side) and the urban people (most of whom had their roots in distant lands) did, however, point at them as undesirable aliens. Eritreans from other tribes which in Eritrea have a lowly status (notably the Baria and Baza) had started coming to the Kassala region in the 1940s, in order to work as seasonal labourers in the developing horticultural area of the Gash Basin near Kassala (there were no longer enough West Africans), and from the 1960s also in the large-scale mechanized agriculture which was being developed in the southern part of the Kassala region. The large numbers of refugees coming into the region from 1967 onwards were often first settled in camps along the border, but not always: there were also many who immediately found refuge with local people. Those hosts were either refugees who had come earlier or (in the case of the Beni ‘Amer) friendly Sudanese. From 1978 onwards, the refugees also included Christians from the Eritrean highlands, who were much more alien to the Sudanese than the Muslim lowlanders.

How did they find work? This depends on who they were. The Beni ‘Amer (the largest group) often joined their kinsmen in their marginal subsistence agriculture — making it even more marginal. Irrigated agriculture in the Gash Basin and mechanized agriculture south of Kassala expanded enormously and took up many refugees as cheap labourers. In the town of Kassala, there was an exodus of skilled labour in the 1970s — towards the oil-producing countries of Arabia. The Eritreans — particularly the highlanders — filled many of the positions these Sudanese had vacated. Furthermore, the money that these expatriate Sudanese earned was invested most often in building, in hotels and restaurants, or in transport operations; both refugees and West Africans found work in these sectors. Finally, there was a flourishing smuggling trade between Ethiopia, Eritrea and the Sudan, carried on mostly by Eritrean refugees. What we see in the last three decades is a modest emancipation of the West Africans from unskilled labourers to positions of skilled labourers (such as drivers), small farmers and small traders; the refugees moved into the positions left vacant by that process.

Thus, we see that the refugees were only the latest arrivals in a long line of migrants into the Kassala region. They were able to find niches for themselves within the plural society, and each ethnic group had its own niche just like those that came before. In the process this society was altered, with changes in the relative positions of several groups. On the whole, those refugees who did not have ethnic km in the Sudan took up lowly positions in the socio-economic stratification, and their position was made much weaker because of official discrimination: they could not get work permits, they could not get business permits, they could not organize themselves into unions, etc. All this was because they were supposed to be in settlements.

The impact of refugees
In terms of aggregate production, we estimate that the large influx of refugees had a positive effect; this estimate was made on the basis of changes in relative wealth in Kassala compared with the Sudan as a whole over the period 1967-87. While it cannot be said that the area has become richer (on the contrary), it has done better than the average for the country. The same is
true for employment: in Kassala the situation is less bad than in the Sudan as a whole. However, the impact has not been favourable for all socio-economic (read: ethnic) groups; some Sudanese groups compete for jobs and markets with certain categories of refugees. Among those Sudanese there is strong resentment, but only when the Sudanese-refugee divide coincides with an ethnic one. The Beni ‘Amer, on the other hand, readily share what little they have with a large number of refugees who are also Beni ‘Amer.

It is commonly believed among Sudanese that refugees exert pressure on scarce resources: housing, education, health, public utilities. This is easy to debunk: public utilities and social services are poor because of the decay of government, not because of an increase in users. On the contrary, a denser population ought to make it cheaper to provide these facilities, so the influx could have led to better services - at least after an interval. As for housing, our research showed that the cost of rent had actually decreased relative to other prices over the period under consideration; this is because there has been so much investment in building by expatriate Sudanese.

The environmental impact of refugees, meanwhile, is real. In small-scale agriculture, fallow cycles are shortening, leading to accelerated exhaustion and erosion of the soil; trees are being cut for making charcoal. These problems are not caused by refugees, but by a combination of a particular economic situation and population growth; the refugees are a significant contributor to the latter.

By the way, organized settlements, set up to cushion the impact on the host country, are not without cost: the land earmarked for them turns out to be not as free as the government thought, but played a part in the grazing schemes of nomads; those people lose, and the environmental impact of cultivating marginal land is often not known but certainly more problematic in the long term.

Conclusions
What can we learn from all this? Firstly, I think, our findings show the failure of attempts by bureaucrats (whether in host governments or in aid organizations) to organize people’s lives through planning. If you want to help refugees in poor countries, the best is to assist them in the places where they are and in the activities they do; resettlement and income-generating projects may well make them worse off. Studying their survival strategies will help to identify their problems and point the way to how best to assist them. However, what they need more than material assistance is the freedom to live their lives; this means a liberal policy in allowing them to work, to do business, to rent and own real estate, to send their children to school.

This would be a hard thing for any host country government to swallow, and this is where aid can be useful. Instead of avoiding the impact by putting the refugees into camps (which in any case may not work), the aid funds would be put to better use by helping the country cope with the impact. Research on refugee-affected areas can help to identify in what fields the impact is most negative, and on which groups the burden falls, as well as where there are opportunities for a beneficial effect. Assisting the social groups to which the refugees belong - without looking as to who is a refugee - means that both the refugees and those suffering a negative impact would be helped.

Interestingly, this calls for a rather different role of UNHCR than what it has played increasingly in recent decades: instead of seeing refugees as people in material need who need assistance (to be channeled through UNHCR), it would concentrate on protecting and promoting the rights of
refugees. This is, of course, what it was set up to do; but it has become increasingly bogged down in its aid role, and it often declines to insist on refugees’ rights for fear of jeopardizing its relationship with the host government. After all, there is a common interest here: both UNHCR and the host country government benefit from the flow of aid funds. That the refugees also benefit is more questionable, as I have attempted to show. I believe that refugees need rights more than material assistance, and this is why I have given my book the title *Asylum* or Aid. In fairness, it must be said that there appears to be some recognition for such views in the aid community (including UNHCR) in recent years (cf. Bascom 1998).

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