

...: Refugees in Tanzania - Burden or Asset? ...

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Abstract

Since its independence, Tanzania has been the location of choice for many refugees in the Great Lakes region. In 2000, Tanzania's registered refugee population peaked at 702,000. Not only is the constant flow of refugees into the country astounding, but the volume and speed at which they arrived between the mid and late 1990s is overwhelming. As one of the most impoverished countries in the world, such shocks alter Tanzania's own plight for social and economic development. This paper explores the effects that refugees have had upon Tanzania's economy. The history of Tanzanian refugee policy and reception will be expounded, followed by a closer look at the current situation of refugees in the country. Next, positive and negative economic effects will be detailed in order to create a balance sheet based on the findings. Following this assessment, limitations of this research and their implications on current policies will be derived. Lastly, recommendations will be made for forthcoming refugee policies to mitigate any negative effects in the future.

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Acronyms

DRC	The Democratic Republic of Congo
ICRC	International Committee of the Red Cross
IO	International Organization
TCRS	Tanganyika Refugee Christian Services
Tshs	Tanzanian shillings
UNHCR	The Office of the United Nations High Commissioner for Refugees (The UN Refugee Agency)
WFP	World Food Program

Introduction

As one of the world's most impoverished countries, Tanzania continues to push for social and economic development in order to ameliorate the conditions of its people and gain a stronger role in the international arena. Though having a relatively peaceful history, the country is being challenged in a way that many countries have not experienced. Since its independence, Tanzania has been the location of choice for many of the refugees in the Great Lakes region, resulting in the official refugee population within Tanzania peaking at 702,000 in the year 2000. With such a high volume of refugees, it is not possible to shelter Tanzania's domestic economic situation from this phenomenon despite the presence of international agencies supporting the efforts. The national government has publicly announced its displeasure with the stretching of resources that the refugees have caused as well as the threats that they pose on the nation. However, some counter these claims by illustrating benefits to the country that otherwise would not have occurred was it not for the presence of refugees.

This paper explores the microeconomic effects that refugees have had upon Tanzania's economy. In doing this, first the history of Tanzanian refugee policy and reception will be expounded, followed by a closer look at the current situation of refugees in the country. Next, a comparison of positive and negative economic effects based on thematic concerns will be detailed, which will then be the basis to create a balance sheet based on the findings. Lastly, limitations of this research and implications on future policies will be derived in order to provide recommendations on current and future refugee strategies.

History of Influx and Policies

Tanzania has been host to refugees from its neighboring countries since the early 1960s, and largely accredited to its first President, Julius Nyerere, it has promoted an “Open Door Policy” towards refugees and asylum seekers. (Chaulia 2003, 154) This policy was centered on principles of “political sympathy for refugees as ‘victims’ and ‘freedom fighters’” and “the reluctance to treat refugees as foreigners when the basis of such alienation is arbitrarily drawn borders”. Furthermore, there was a belief that Tanzania had enough resources to share and that the presence of refugees would not be a protracted issue. (Kamanga 2005, 103) The motivation behind this policy was also articulated by then Vice President Rashid Kawawa upon stating that:

“Tanzania’s government is convinced that her independence is incomplete before the whole of Africa becomes free. We shall neither give up nor lag behind in supporting the refugees ... We cannot help those who run away to seek a luxurious life. We will help those who want to free their countries.” (Chaulia 2003, 156)

Due to this policy, Tanzania has remained very receptive to people seeking refuge from their governments and local situations from the early 1960s to the early 1990s.

Events in the 1990s changed the Tanzanian government attitude towards refugees. For one, Nyerere stepped down from office and was followed by Ali Hassan Mwinyi and Benjamin Mkapa who moved away from several socialist policies and tended towards capitalist tenets, thereby also stepping back from the “Open Door Policy”. (WashingtonPost.com 2001) (IRIN 2005) This resulted in the “Refugee Act” of 1998 which indicated the end of the “Open Door Policy” and was a means of assuring the Tanzanian public that the government was addressing the refugee presence and influx. This new legislation also placed greater emphasis on voluntary repatriation and provided less support to the refugees than was given in the past. (Kamanga 2005, 104) Another significant change in the reception of refugees was their limitation in mobility within refugee camps rather than integrating them into Tanzanian society. Furthermore, refugees

were prohibited from working outside of the camps or possessing farms within the refugee camps, thus changing the dynamics of the refugees in relation to their local hosts. (Landau 2004)

Secondly, the Tanzanian economic policies of the 1990s brought on greater trade and market liberalization, thus tightening the budgets, policies and foreign policy. The liberalization process discouraged immigration into Tanzania as it was not possible to promote monetary restrictions at the same time as maintaining the welfare of refugees. (Chaulia 2003, 160) As liberalization also de-emphasized the importance of the agricultural industry, the utilitarian incentive to welcome refugees as a resource of labor no longer existed. (Chaulia 2003, 160)

Lastly, catastrophic events happened in the mid 1990s to three of Tanzania's bordering countries that resulted in a mass exodus of people to migrate for safety.

In 1993 and 1994, Burundi and Rwanda experienced the bloodiest period in their history in which hundreds of thousands of people died due to genocides. In 1993, the first Hutu government came to power in Burundi. Later that year, the party leader, and thus the country president, was assassinated, engendering violence against Tutsis. Consequentially, 700,000 Hutus fled Burundi, many of whom turned to Tanzania for safety. (Alix-Garcia 2007, 6) In 1994, Rwanda experienced its own genocide, resulting in as much as a quarter of a million people entering Tanzania in a period of 24 hours. According to the UNHCR, this was the largest and fastest influx of refugees in history. (Alix-Garcia 2007, 6) By May 1994, Benaco Refugee Camp in the northwestern portion of Tanzania was the largest in the world. (Landau 2004, 36) Tanzania hosted nearly 600,000 Rwandese refugees at the beginning of 1995. (Landau 2004, 37) By the end of the genocide, two million refugees had left Rwanda, many of whom found their way into Tanzanian refugee camps.

In 1996, The Democratic Republic of Congo (DRC) also faced its own instability through the First Congo War. During this war, several refugee camps were attacked in the eastern portion of the country, resulting in those refugees relocating to Tanzania, as well as hundreds of Congolese as well. Since then, the population of Congolese that have been hosted in Tanzania has been increasing, with as many as 150,000 in 2005. (UNHCR 2005)

Between the years 1993 to 2000, Tanzania hosted almost 1.5 million refugees. In contrast to this, they had hosted approximately 400,000 from 1961 to 1993, which is a one fourth the amount seen in a time period almost 4 times longer than the influx in the 1990s. (Landau 2004)

Due to the influx of refugees into Tanzania since the mid 1990s, greater efforts have been made to strengthen repatriation efforts of the refugees. In 1996, most Rwandese refugees were repatriated to Rwanda. By 1998, a tripartite agreement between Burundi, Tanzania and the UNHCR was made in order to promote Burundian repatriation. In 2002, another tripartite agreement between the same actors was made to promote the voluntary repatriation program, and this was soon followed by the country's first National Refugee Policy in 2003. Distinct in this policy is the recognition of only three options for refugees; voluntary repatriation, resettlement or the use of safe zones. (Kamanga 2005, 108)

To add to these policies and agreements, the current Tanzanian government has been very vocal regarding its view of refugees as a burden to Tanzanian to society. Their conviction of refugees as a liability has been conveyed in all levels of government, from a statement made by President Benjamin Mkapa declaring refugees to be an "unbearable burden on the country ... which threatened to reverse the gains made so far in the country", to another statement made by District Commissioner Maulid Kaggo accusing refugees of "robbery, banditry and terrorizing the local people". (Rutinwa 2003, 4, 7)

Most recently, the Tanzanian government has declared its intention to close all Burundian refugee camps by mid 2008. (Economist Intelligence Unit 2008) They have used such ultimatums in the past, such as a deadline to repatriate all Burundians by mid 2007, a deadline that was pushed back to late 2007. Tanzania's government has stated that since there is no longer a war or strife in Burundi, it is justified to ask the refugees to return. Burundi counters this rationale with a plea that they do not have the appropriate infrastructure and resources to handle the returning influx, thus they require more time to prepare for such repatriation efforts. (Reuters 2007) The refugees who are living in the camps would be either repatriated or relocated to other refugee camps. By doing so, they consolidate those living in the camps as well as reduce their operation costs, which are run as a cooperation between Tanzania, UNHCR and other partner NGOs. (UN 2007)

In March 2008, the repatriation program reached the 300,000 mark. (UNHCR 2008) In the past year, six camps have been closed, leaving five in the northwestern part of Tanzania to aid the remaining 200,000 Burundian and Congolese refugees. Thus, the focus of the refugee programs are now shifting from one of humanitarian assistance to sustainable development, which is in alignment with the UN reform initiative –“Delivering as One”. This entails the provision of programs for income generation, environment and social services. (UNHCR 2008) The UNHCR and the Government of Tanzania are also pursuing further initiatives to provide –“comprehensive solutions for 218,000 Burundians refugees who fled their country in 1972 and live in three self-sufficient settlements, and for 2,000 Somali Bantus living in Chogo Settlement in Tanga Region.” (UNHCR 2008)

With growing trends and actions to repatriate all refugees within Tanzania, there are concerns for those who have integrated into Tanzanian culture and have married into Tanzanian

households. They have been received into Tanzania through different policies and have been able to create their own niche in the society, thus contributing to their own livelihood and to society.

Tanzania has certainly experienced a large influx of refugees into the country which consumes and utilizes the domestic resources. However, international organizations have also been present during the entire process. UNHCR and other foreign aid organizations have risen to the occasion to provide for the refugees. In 1990, the Official Development Assistance (ODA) provided to Tanzania was 27.3% of the country's GDP, a value which has changed to 12.4% of GDP, most likely due to increased repatriation efforts. (UNDP 2007) Therefore, the government's claims that refugees only pose a burden to the national economy is countered by international organizations and scholars who claim that there are benefits that a large migration can present to a low income economy.

Economic Effects

Refugees are most often an impoverished group who are supported by international agencies and its host country. The Tanzanian government attests that that the refugees which it hosts have become a burden to its development, degrading the markets and exacerbating, if not creating, a scarcity of resources. Contrary to this, most scholarly publications attest that the asset that the refugees provide is greater than the liability that they pose. They argue that the presence of refugees in Tanzania has been shown to increase the economic capacity through infrastructure and employment opportunities. In addition, the influx has also increased the volume of trade and amount of income.

The debate of refugee impact on its host country's economy has not been addressed as widely or thoroughly as the ordeal that the refugees endure. (Chambers 1986, 245; Whitaker, Changing Opportunities 1999, 2; Vas Dev 2003) Therefore, based on the limited amount of

information and studies available, the following comparison provides an outline of these negative and positive consequences.

Government Finances

The Tanzanian government is resolute in its statements that the arrival of refugees over the years has stretched government resources and funds such that they are not able to provide adequately for its own citizens. This has occurred in both the national and local levels. “The overall assertion made is that Tanzania, as a poorly resourced country, is being forced to shoulder a disproportionate share of the refugee burden socially, politically and economically due to inadequate international assistance thus threatening to reverse the gains made so far by the country.” (Washoma 2003, 3) In order to accommodate for the refugee population, the national government has had to designate land towards refugee camps and provide funds for their upkeep. (Whitaker, *Changing Opportunities* 1999) The diversion of these funds has influenced the amount allocated to other government concerns, such as poverty reduction strategies or national welfare. Regardless of whether the government had alternate plans for the land allocated to the camps, many instances show an abuse of the land and its resources such as deforestation for wood, thus destroying potential use of the land for the future. (Vas Dev 2003, 115) Members of the government often marveled at the fact that refugees were sheltered in good and developed areas whereas the locals didn’t even have access to basic needs. (Rutinwa 2003, 7)

Contrary to this government declaration, scholars have assessed that the activity that has ensued due to the refugee influx has certainly stimulated the national economy. International Organizations (IO) such as UNHCR are providing funds to Tanzania in order to maintain refugee camps and projects that are affiliated with refugees. Therefore, the Tanzanian budgets do not need to incur the full cost as a burden. In 1998, UNHCR provided funds to Tanzania to take cautious measure in ensuring that environmental degradation did not occur in the refugee affected areas,

thereby relieving Tanzania of the need to protect the area. (Jacobsen 2002, 583) Although the actual budget that the Tanzanian government allocates towards refugees is unknown, the UNHCR 2006 budget for the support of refugees in Tanzania was nearly US\$ 28 million, an amount that still requires greater support and supplementary supplies compared to that which is needed to adequately care for the amount of refugees. (UNHCR 2006)

The aid and supplies that IOs pour into the country also have increased the government revenue due to taxes and customs. (Washoma 2003, 6) Such an instance is in the Kasulu district where “the Tanzania Revenue Authority and the Tanzania Posts Corporation enjoy the benefits of electricity provided by the UN Agencies.” (Edelstein 2007) Foreign funding allows Tanzania to ensure that their budget remains allocated to their development priorities, such as poverty reduction and market liberalization. As income tax accounts for 79% of the government revenue in the 2002/2003 fiscal year, which amounted to 620 million shillings, a decrease in international agency activity would translate into a dramatic drop in revenue. (Rutinwa 2003, 51) The local councils are also able to take advantage of this revenue. For instance, “the Lukole market of the refugee camps is the single biggest local revenue source of the district. Per year 36 – 40 million Tanzanian shillings (Tshs) are collected, which is about 18% of the yearly local revenue.” (Rutinwa 2003, 51)

Security

Government reports have indicated that strengthened efforts towards internal security have been required due to an increase in crimes committed by refugees. The national government and local individuals have attested that crime rates have increased since the introduction of large amounts of refugees in the country. Crime is more prevalent in refugee affected areas, such as Kigoma in the western portion of the country. Refugees have been connected with the proliferation of arms, thus causing an increase in armed robbery. (Rutinwa 2003, 15) These trends

are illustrated in Appendix A, where the two refugee areas of Kigoma and Kagera certainly have the largest incidences of crime for the years of 2000 and 2001.

IOs such as UNHCR have provided some support through security packages, as was done in 1995 in the amount of US\$ 1 million which was directed towards equipment and training for its police to patrol and secure the local areas. However, such aid has been found to be inadequate in alleviating the added criminal pressures that refugees inflict upon its communities. (Jacobsen 2002, 591). Thus, Tanzanian authorities must ensure that their budgets allocate a sufficient amount of funds to tackle refugee related crime. (Rutinwa 2003)

Despite the government's claims on the threat to security, they do acknowledge within their own reports that studies cannot fully attribute increases in crime to the influx of refugees. (Rutinwa 2003, 16) Refugees have certainly been party to the crimes that they have been accused, but the extent to which they have affected their local communities is very minimal in some cases. Appendix B shows the percentage of refugees who have been caught, and it is clear that Kagera isn't as influenced by the presence of refugees, but the same is not true for Kigoma.

The incidences of refugee related crimes are made more minimal when taking into account the population ratio of refugees to the local population. –As of 2002, Kigoma, the only region where refugees are spread throughout all districts, had a total population of 1,739,183 of whom about 1,355,000 were Tanzanians and 384, 183 were refugees. This means refugees constituted 22% of the total population.” (Rutinwa 2003, 15) This is the same percentage for refugee cases of murder and robbery. The ratio of refugees in the population is parallel to the ratio of crimes committed, simply indicating that refugees do not necessarily have a greater propensity to commit crimes than do their Tanzanian counterparts in the region.

Labor

The Tanzanian regions have experienced a decrease in the amount and quality of labor. IOs that have entered the country for refugee relief work are able to attract the skilled workers due to the more lucrative salaries that the foreigners can offer. For instance, skilled people have been recorded to leave their jobs as teachers and farmers in order to pursue markets and employment offered by the IOs that cater to the refugees. (Landau 2004) (Rutinwa 2003, 31) The salaries provided by the international relief agencies were in some cases two or three times higher than the salaries for similar positions offered elsewhere in Tanzania. (Whitaker, Refugees 2002, 342) In Ngara, a community in eastern Tanzania, more than 50% of the staff from the health center left their government positions in order to work for relief agencies. (Whitaker, Refugees 2002, 343) This harms the capacity of the country in its other sectors such that production in its predominant industries such as agriculture or mining is not at full potential. More importantly, if other skilled workers are not able to fill the positions that have been abandoned for the international organizations, the quality of services in health and education will diminish in areas of the country. Unfortunately, it has been reported that IOs place locals at relatively lower positions such as cooks and security guards due to lack of qualification in skills. (Rutinwa 2003, 52) This causes an even worse scenario for the locals who have pursued the foreign agency salaries as their income is much lower than expected, and thus could possibly worsen their standard of living.

Refugees themselves pose a threat to the Tanzanian workforce; refugees provide a cheaper and over abundance of labor. This cheaper option undermines the opportunities that are available to local workers who are not skilled and thus hope to gain employment in labor intensive industries such as mining and agriculture. (Rutinwa 2003, 51) Combined with the provision of lower positions to the Tanzanians aforementioned, there is an even greater competition for

employment. This competition exacerbates the unemployment rates and poverty levels as Tanzanians are no longer able to access the same opportunities that they once had.

However, provision of labor due to the refugee influx has also proven to be a positive effect towards capacity building. The refugee influx benefits the local industries as they provide an abundant supply of cheap human capital for the predominantly agrarian economy, which is very labor intensive. (Jacobsen 2002, 585) In 1962, an instance was recorded where ~~the~~ local people expressed disappointment when the refugees moved off to their own land where they would receive rations, and asked how they would not be able to look after the shambas which the refugees had extended for them.” (Chambers 1986, 250) This shows how the integration of refugees has become crucial to the economic development of local communities.

Food and Shelter

The increase in population due to refugees caused an increase in demand for certain resources which thus translated into an increase in prices. Two goods in particular were noted to have increased: food and real estate. An econometric analysis completed by Alix-Garcia shows that, on average, monthly expenditures on most products remained unchanged from the refugee influx. However, looking specifically at staple foods, a temporary increase in price is certainly revealed, with certain foods increasing due to the difference in diet of the predominant refugee population in the area. (Alix-Garcia 2007, 19 - 21) Furthermore, inflation of prices resulted in locals being ~~priced~~ priced out of the market by agency staff with high[er] purchasing power.” (Rutinwa 2003, 50) Due to the demands for housing by the international aid workers, real estate prices swelled from roughly 2,000 Tshs to 20,000 Tshs. (Rutinwa 2003, 50)

If refugees were not able to attain the material that they required for food or shelter, they resorted to scavenging their surroundings. This has resulted in farms, fields and forests being

scoured for food and resources, thus damaging the crop yields and environment. (Vas Dev 2003, 115) The farmers would no longer be able to sell their expected amount of crop, affecting their economic yield as well as the country's potential consumption of the good. (Landau 2004, 49) Especially hit are subsistence farmers who have nothing else to turn to if their crops are taken or damaged.

The poorest of the population are particularly hardest hit by this increase in demand as they must now spend more on their basic goods and have a smaller amount of disposable income to use for savings or investments. Refugees have also been found to sell the goods that they received as aid from IOs, thus further flooding the market and distorting the price of food. The World Food Program (WFP) estimates that refugees sell 75% of the food given to them. One such instance was recorded when a woman recounted her ability to gain a cooking pot for just two ears of corn. (Whitaker, *Changing Opportunities* 1999) This is simply one example of prices going beyond the capacity that the locals could afford. Food aid also crowded out the local market, thus when farmers were able to produce surplus produce, they were unable to sell them for a profit as their prices had to compete with the freely provided food aid. (Whitaker, *Refugees* 2002)

Despite these concerns, the same econometric analysis conducted on food prices indicate that households decreased their expenditures on food items and experienced an increase in positive welfare indicators, such as construction material of homes. (Alix-Garcia 2007, 21) –This is consistent with a scenario where households sell off their food stocks in order to take advantage of high prices and then invest that money in household improvements and durable goods.” (Alix-Garcia 2007, 21)

Interesting to add to this debate is the recent food crisis that has been gripping many developing countries. Food concerns and shortages were a concern as far back as October of 2007

when the World Food Program (WFP) decreased its food provisions to the western Tanzanian camps. (Afronews 2007) With increasing prices and decreasing supply, the results of the aforementioned econometric analysis may indicate different results.

Common Property and Infrastructure

As resources are shared with the refugees, willingly or not, the common property resources are spread out even thinner amongst its users. This economic effect is felt the most by the poorest of the rural communities as they are the most dependent on the common property for their livelihood. (Chambers 1986, 253) Similar to the overuse or abuse of land and the foraging of food, the common goods such as grazing land, water and roads experience greater exploitation and use, thus rendering them unusable for future use. In some regions of Tanzania, wells were destroyed and natural springs polluted, thus affecting the water supply for many of the surrounding villages. (Rutinwa 2003, 37)

Infrastructure has also been ruined due to the refugee influx. The heavy-duty vehicles used by the emergency relief operations have worn down roads, bridges and airstrips due to the volume and weight of the cargo. (Rutinwa 2003, 23) During the rainy season, the ~~most~~ affected bridges were washed away by floods which they normally withstand, turning some parts of the [Kagera] region into islands.” (Rutinwa 2003, 23) This not only affects transit routes through the country, but it also affects the local access to markets.

There are several counter arguments to the destruction of the commons and infrastructure. In order to effectively accomplish their mandates or missions, IOs invest in the creation or upkeep of public infrastructure such as roads and water access. (Jacobsen 2002, 580) A very large advantage to such investment is the spillover it creates into the local communities and their communal use. By satisfying their own needs, the access that they provide spills over into the

local area. (Jacobsen 2002, 581) For instance, the construction of roads and bridges provides better access to markets and eases the delivery of humanitarian assistance. It must be noted however that despite this construction, UNHCR has admitted to the aforementioned destruction of infrastructure.

In addition, IOs are able to offer their services and infrastructure to the locals at the end of their mandate or during times of economic constraint, such as drought and famine. (Whitaker, Refugees 2002, 343) When Tanzania was unable to support its people during periods of drought, the locals were able to turn to the refugee camps to gain basic needs, such as food and medicine. (Whitaker, Refugees 2002) Furthermore, once the IO no longer finds need for the camp or its resources, or it terminates its mandate in that portion of the country as many refugee camps have been doing, the buildings and other capital assets are given to the local community for their future use. Such a case occurred in Malawi in 1995 when the repatriation of Mozambicans was completed, thus UNHCR turned all equipment and infrastructure worth \$35 million for Malawi's use. (Jacobsen 2002) Although a Tanzanian example has not been publicized, the closure of so many camps in the past year and in the year to come could certainly bring this scenario to fruition.

Business

The influx of refugees provides industries the means to expand their enterprises, and thus further increase the employment opportunities that are available in the area. (Whitaker, Refugees 2002, 342) An increase in entrepreneurial endeavors has also been observed in refugee areas of Tanzania. Small scale industries such as bakeries have popped up, taking advantage of a new market that is willing to trade and buy goods. (Rutinwa 2003, 49) This activity is further spurred on by policies of international agencies to purchase locally. For instance, the International Committee of the Red Cross (ICRC) must purchase 80% of what it requires from the country it operates and the Tanganyika Refugee Christian Services (TCRS) spends 79% of its entire budget

locally. (Rutinwa 2003, 50) The amount of funds that are used and maintain in the country as a result from the external funds of IOs certainly contributes to the income of the local communities surrounding the refugee camps. Upon closure of refugee camps, a socio-economic vacuum will be created because businesses and relief organizations will terminate their contract in that region, thereby closing markets and causing unemployment for many locals. (The East African 2007)

Local markets also become more active and locate themselves near the refugee camps in order to satisfy their needs for goods. (Whitaker, Refugees 2002, 342) Prior to the refugee influx, farmers needed to go to Rwanda or Burundi in order to sell their harvests, however with the increased market activity near the camps they were able to sell their products with minimal transport costs, thus saving on operation cost. (Whitaker, Refugees 2002, 342)

However these expansions have not always been met with success for the farmers and business men. Firstly, focus groups in Lushunga expressed their concern that the new businesses belonged to other Tanzanians who migrated into the refugee affected area, thus *real* local people did not benefit from profits brought in by the expansions. (Rutinwa 2003, 50) In fact, the locals were priced out of the market and suffered inflation from the prices that resulted from the bigger businesses. (Rutinwa 2003, 50) There have also been reports of farms being expanded only to be raided by refugees. Another consideration to make is that ~~instead~~ of a positive correlation between the availability of labor and increased commercial agricultural activity, production seems more closely linked to falling real prices for tobacco and environmental conditions.” (Landau 2004, 51)

Trends

The influence that refugees exerted on Tanzania certainly didn't happen overnight, and scholars have noted particular trends and patterns in the refugee effect. Firstly, as already

mentioned, the vulnerable members of the local population are affected the most. (Chambers 1986; Whitaker, *Changing Opportunities* 1999) For instance, the poor locals who lived close to the camps were able to benefit from refugee health and water facilities; however, the elders of the village were neglected in care since the youth were able to work in the camps. Surplus farmers were able to benefit from the increasing food prices, but such prices were detrimental to subsistence farmers who needed to purchase more food to satisfy household needs. Secondly, some scholars suggest that the negative impacts were not pertinent or noticeable until the goods and resources became scarce and lead into competition between the refugees and hosts. (Whitaker, *Refugees* 2002, 347 - 354)

Limitations

The refugee influx into Tanzania has certainly created an impact on the country, however it is the extent to which this impact aids or disables the country and its future that is uncertain. The aforementioned details on both positive and negative effects, which are also summarized in Appendix D, are proof of the consideration that this topic has been given, albeit very minimal and superficial. Herein lays the largest limitation in researching and assessing refugee effect on Tanzania: the available information on the economic impact of refugees on Tanzania's economy is incomplete, sometimes superficially stated without supporting data, and / or difficult to attain due to the complexity and multidimensionality of the issue of refugees. (UNHCR 1998) It is due to this subjective and incomplete understanding that it has been very difficult for scholars and government officials to provide exact data and proof of either argument, let alone provide econometric analysis on correlations and causalities between refugees and their host country's economy.

The Balance Sheet

In order to conclusively state the effect that the refugees have had on Tanzania's economy, quantitative proof would be required to complement the copious amount of qualitative observations that have been made throughout the years. Due to the limitations aforementioned, it is difficult to surmise the data into a balance sheet with quantitative terms.

However, knowing these constraints on developing such an analysis, a relative assessment can be presented based on the qualitative and limited quantitative data. Despite the difficulty in delineating exact costs and benefits of refugee presence, scholars have attempted to understand the *relative* impact that they have created. Appendix C outlines a general balance sheet of economic impact on different types of hosts. Robert Chambers has asserted that economic impact on the host country depends on the vulnerability of the population affected as well as their proximity to the refugee camps. Although this is not specific to Tanzania, very close relations can be seen with the examples detailed above. Even this type of analysis doesn't definitely illustrate whether refugees produce a negative or positive effect on a country's economy. However, interesting to note is that the "overall economic development" dimension only shows positive results towards the host country, regardless of vulnerability.

This assessment can be used to create a similar balance sheet to outline the relative economic impact on Tanzania. This is illustrated in Appendix D. A similar legend has been utilized and judgments on scale are based on the severity to which the counterargument is able to strike the initial contention. Once again, a definite conclusion cannot be drawn as there are degrees of impact that emerge, however the balance scores do sum up to a neutralized impact on the Tanzanian economy. The summary provided for both the negative and positive arguments, as well as the rating connected to this summary, supports the assertion made by Chambers and other

scholars that the vulnerability of host members certainly influences the manner and severity in which the economic impact is absorbed.

Implications of Effects

In light of the vigorous movements towards repatriating refugees and the closure of the refugee camps, an understanding of the effects caused by refugees on the economy poses serious implications on the current refugee strategies and programs that the Government of Tanzania and UNHCR are implementing. The current strategies seem to be operating on the government's assessment of the refugees as a national burden, despite the claims by scholars and the UNHCR that the country has benefitted from the presence of the refugees. (UNHCR 2008) If the impact of refugees is negatively related to the economy, then the strategies in place may address a cause for Tanzania's current development and economic status. The lack of information on the causality would still not provide adequate knowledge on the sectors and regions that require greater support in order to repair the impact that the refugees have caused, but the current actions would be a proactive step towards ensuring the economy's stability.

However, if the assumptions and assessments that the national strategies are based on are wrong and the refugees are in fact able to provide positive effects on the national economy, the methods and alacrity at which refugees are being repatriated would need to be addressed. Furthermore, the causal relationship of the refugees on the economy may also influence the social programs that would be necessary in order to mitigate shocks due to the changes occurring to the local communities most affected by refugees and their relief agencies.

The removal of the refugees, especially those who have integrated themselves into Tanzanian society, will influence the way in which the local communities will continue to operate their businesses and acquire public goods and services. It is feared that the repatriation ... will

spell the end of business for about 15 relief organizations that have been implementing partners of UN agencies operating there.” (The East African 2007) The repatriation has also caused tension between the Tanzanian government and the government of the returning nationals as they feel unprepared to receive an influx of people while their infrastructure and public services are minimally equipped to handle even the present population. Such sentiments have been expressed by Burundi’s Minister of Human Rights and National Solidarity, Immaculee Nahayo:

—We are in talks with Tanzania authorities to see how this can be stopped because this is unacceptable. It is not easy to receive such a big number of people. We need to prepare ourselves for it and that is the reason we asked Tanzania to wait before it takes the decision [to repatriate].” (Reuters 2007)

Such anxious statements reflect the same concerns that Tanzania had at the onset of the acceptance of refugees into the country, thus supporting the government’s concerns over the influx of refugees.

The knowledge of the refugees’ economic effects on Tanzania would also alter the reaction and support provided by the international community. The available and measurable indicators have brought greater attention to and assessment of certain sectors of the economy, such as infrastructure and provision of social services. (UNHCR 1998) Determining the exact sectors and regions of Tanzania that are negatively or positively affected by refugees would help international relief organizations to effectively distribute resources and funds. A better understanding of other sectors as well as the dynamics between all sectors and regions in light of the refugee influx will ensure that aid is provided to those areas that need it most. This not only ensures that refugees are taken care of, but also that the sustainability of the locals is an integral part to development of the area. Lastly, as international aid is a large portion of Tanzania’s budget, the decrease in IO activity may alter the funds that Tanzania receives and has integrated into its national strategies. This change in funding schemes and sources would need to be

explored by the government to ensure that the same services are still offered despite the disappearance of relief agencies.

Policy Recommendations

There are four recommendations that must be considered as Tanzania continues through its repatriation program and develops further refugee policies.

Firstly, greater monitoring efforts must be made in order to document and understand the effects that refugees have on Tanzania's economy. Although it may be too late to assess the influx effects, the economic changes that occur during the removal of refugees from northwestern Tanzania and the closing of the camps can signal the extent to which the refugees were integrated as well as the economic role that they played in the local communities.

Secondly, stronger and more holistic refugee policies must be created in partnership with the origin countries to ensure that repatriation and any other refugee migration is to the betterment of the refugees, the governments and the local communities that the refugees inhabit. This includes the consideration that the package benefits offered to the refugees' repatriation accounts for social and economic wellbeing upon return to the country of origin.

Thirdly, regions in Tanzania that host refugee camps and significant population of refugees must be supported. Regardless of a negative or positive impact on the local area, the removal of refugees will cause changes in the dynamics of the area, and thus the government needs to be aware that the removal of refugees and IOs will alter the infrastructure and markets.

Finally, a return to Nyerere's Open Door Policy may mitigate future negative impact of refugees on Tanzania. The decision to limit refugees into refugee camps and the influx of refugees from the Great Lakes Region occurred at roughly the same time. Due to the lack of

information on economic patterns prior to and during the refugee influx, it is difficult to ascertain whether either action caused a change in dynamics between Tanzanians and the refugees. However, the testimonials and studies of refugees who integrated into Tanzanian society of their own accord have not raised the same economic concern as those placed into refugee camps. Therefore, a policy that would permit some refugee integration, as was done prior to the 1990s, may ease the dynamics between locals and refugees in addition to promoting positive societal contributions from the refugees.

Conclusion

The effect that refugees cause on Tanzania's economy is not well documented and thus not properly understood. There is a variety of evidence to prove both positive and negative effects, each argument posing a counter to the other. However, the lack of quantitative information to support such arguments hinders both scholars and policy makers from accurately defining refugee influence on the Tanzanian economy.

Predominant arguments that support the concept of refugees as a burden on the economy include reallocation of government funds from national priorities to refugee programs, increase in food prices, and the destruction of common resources and infrastructure. Negative influences such as these restrict the development of the local and national economy as the capabilities of the Tanzanians are limited by the sacrifice that they must make in order to host thousands of refugees.

Advantages to the presence of refugees can also be given. Some of these assets include the increase in market activity and government revenue, increase in labor supply, and the provision of infrastructure. These are aspects of the economy that may not otherwise have been stimulated were it not for the added population and IO funding made available.

Regardless of the outcome on economic impact, the vulnerable members of society such as the poor and elderly absorb the effects more readily and to a larger extent than any others due to their dependence on their surroundings and the balance of the market on which their livelihoods are reliant. As they don't have social programs to support them, they do not have any other alternatives. (Whitaker, Refugees 2002, 347)

Despite the lack of information and research in this field, an assessment and balance sheet can be created in order to appraise the relative economic effects that the refugees have caused throughout the years. This, however, has not pointed to either burden or asset as a conclusion since it also indicates mixed effects based on the sector which is examined.

As Tanzania continues with its efforts to close refugee camps and reduce the refugee population within its border, its government must consider the ramifications of its actions and policies given that their knowledge of the role of the refugees on their economy is not fully understood. If their actions are based on misinformation of the refugees as a burden, their current strategies may be harming the economy rather than ensuring its stability. It is the thorough consideration of possible negative and positive influences that allows effective decision making for country policies and the future of its economy.

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Appendix A: Crimes Committed in Different Tanzanian Regions

Region \ Year	Murder		Armed Robbery		Illegal Possession of Arms and Ammunition	
	2000	2001	2000	2001	2000	2001
Arusha	169	144	94	120	25	47
Dodoma	159	158	45	59	10	18
Kagera	186	226	57	158	48	62
Kigoma	105	104	232	12	38	35
Lindi	34	37	6	11	1	4
Mbeya	133	121	19	53	28	64
Rukwa	82	60	55	2	30	24
Tanga	68	66	9	1	9	45
Zanzibar	18	9	--	--	--	--

Source: Rutinwa, "The Impact of the presence of refugees on Northwestern Tanzania", 2003.

Appendix B: Percentage of Crimes Committed by Refugees

	Refugee cases in Kigoma (%)	Refugee cases in Kagera (%)
Murder	22	3
Armed Robbery	25	10.5
Illegal Possession of Arms / Ammunition	--	4

Source: Rutinwa, "The Impact of the presence of refugees on Northwestern Tanzania", 2003.

Appendix D: Balance Sheet of Refugee Effects on Tanzania

Dimension	Negative	Positive	Balance
Government Finances	<ul style="list-style-type: none"> Diversion of funds and resources away from national priorities 	<ul style="list-style-type: none"> IOs provide funds to aid with refugees Government revenue increase due to taxes received from IOs 	+
Security	<ul style="list-style-type: none"> Greater expenditure on security needed in refugee affected areas 	<ul style="list-style-type: none"> Criminal activity cannot be strongly linked to influx of refugees 	-
Labor	<ul style="list-style-type: none"> Locals receive smaller salaries from IOs than expected Crowding out of locals from labor market 	<ul style="list-style-type: none"> Decrease in human capital cost for local industries due to increase in labor supply 	+ / -
Food and Shelter	<ul style="list-style-type: none"> Increase in staple food prices and real estate prices Farmers decrease in crop yield Local poor have less disposable income due to price increase Food aid crowds out local market 	<ul style="list-style-type: none"> Increase in overall welfare Decrease in household expenditure 	(-)
Common Resources and Infrastructure	<ul style="list-style-type: none"> Overuse and abuse of common resources Destruction of transportation routes 	<ul style="list-style-type: none"> IOs build infrastructure which is also used by locals 	+ / -
Business	<ul style="list-style-type: none"> Increase in productivity may not be due to refugee availing cheaper labor, but from external market forces 	<ul style="list-style-type: none"> Expansion of enterprise due to increase in labor Increase in demand and supply for small enterprises Increase in market activity 	(+)

Legend: + → strong asset (+) → greater asset than burden +/- → mixed effects
 - → strong burden (-) → greater burden than asset