Contribution of Refugees on the Economy of Rwanda

A study by the University of California Davis* provided empirical evidence of the positive economic impact of refugees on Rwanda’s economy. The key findings include:

• One additional camp-based refugee receiving cash assistance increases annual real income in the local economy within a 10-km radius around the camp by $205 to $253 (as compared to $120–$126 in camps where assistance is provided in-kind—Fig.1)
• Refugees boost trade between the local economy and the rest of Rwanda, by $49 to $55 per refugee per year (Fig.1)
• 34–47% of refugees in camps have some wage income
• On average a camp-based refugee has an income of USD 73 per year in addition to received aid
• 8-13% of refugees in camps own a business
• 8-20% of refugees in camps receive remittances

Another study by the University of Maastricht** revealed that:

• A Rwandan residing within 10 km radius from a refugee camp is 90% more likely to be engaged in wage employment in comparison to someone located beyond 20 km from a camp.
• Living within 10 km of a refugee camp results in a household having greater asset ownership in comparison to those living beyond 20 km radius.

Example of a refugee who contributes to Rwanda’s economy

• Gilbert Ngongo, a refugee, is the CEO of Sea Food Ltd – a Rwandan company which supplies many of Kigali’s most upscale hotels and restaurants with seafood
• Self-financed corporate investment of RWF 300,000,000
• Sales per year: RWF 1,128,000,000 (USD 1.3 million)
• Paying taxes to the Rwandan Revenue Authority
• Works with investors to generate Foreign Direct Investment to Rwanda
• Number of employees: 14

Key enablers for refugees to contribute to Rwanda’s Development:
• Shift to Cash Based Intervention by humanitarian agencies
• Refugees being fluent in Kinyarwanda (or Kirundi)
• Freedom to work, move and in all ways participate in Rwanda’s economy as consumers, entrepreneurs and employees
• Moves towards alternatives to camps and socio-economic inclusion

*University of California Davis: Economic Impact of Refugees: Findings from Three Congolese Refugee Camps of in Rwanda (Taylor et al, 2016)
**University of Maastricht: The Local Economic Impact of Hosting Refugees: The Case of Congolese Refugees in Rwanda (Loschmann et al, 2016)

Refugee Economic Inclusion Website

http://www.unhcr.org/rw/livelihoods

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