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**Institute of National Planning**



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# **Refugees in Egypt: Impacts and Policy Recommendations**

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**Refugees in Egypt  
Impacts and Policy Recommendations**

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# Refugees in Egypt: Impacts and Policy Recommendations



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## **Introduction**

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**May God guide us all to work for the betterment of our country.**

**President of the Institute**

**Prof. Dr. Ashraf El Araby**

## Refugees in Egypt: Impacts and Policy Recommendations

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## **Summary**

The global refugee and forced displacement crisis has emerged as a significant and urgent challenge for global development. According to the 1951 United Nations Refugee Convention, a refugee is someone who has fled their country due to fear of persecution based on race, religion, nationality, membership of a social group, or political opinion. The broader category of forcibly displaced people includes those who are forced to move due to persecution, conflict, violence, or human rights violations.

Recent data from the United Nations High Commissioner for Refugees (UNHCR) indicates that an estimated 117.3 million people were forcibly displaced worldwide by the end of 2023, with this number projected to reach 130.8 million by the end of 2024. This total includes 32.6 million registered refugees and 7 million asylum seekers.

The majority of refugees are hosted by developing countries, where they often place a strain on public services such as housing, healthcare, and education, potentially leading to resource shortages and social tensions. Egypt, a lower-middle-income country, exemplifies these challenges. The number of registered refugees and asylum-seekers in Egypt surged from approximately 109,000 in 2010 to 646,291 according to the UNHCR latest data in May 2024. Government estimates, however, indicate that the total number of displaced people in Egypt could be significantly higher, potentially reaching several million.

Unlike many other countries that house refugees in camps, Egypt adopts a different approach by allowing them to live alongside local communities in urban areas. Refugees, particularly Syrians and Sudanese, have access to public services including healthcare and education comparable to that of Egyptian citizens. While Egypt lacks a formal integration policy, it encourages refugees to participate in the workforce, contributing positively to the economy.

The surge in the refugee population has sparked concerns and public calls for policy revisions, including proposals for repatriation and restrictions on settlement or naturalization. Recent events, such as the conflict in Sudan, have exacerbated the pressure on Egypt's refugee hosting capacity. In July 2023, the Prime Minister addressed the strain on Egypt's public services during a speech in Rome and appealed for international support. This mounting pressure has prompted the Egyptian government to reassess its refugee hosting policies.

## **Refugees in Egypt: Impacts and Policy Recommendations**

This study aims to comprehensively explore the economic, social, cultural, and environmental impacts of hosting refugees in Egypt. By considering both the benefits and challenges. The study further proposes policy recommendations to mitigate negative impacts and foster sustainable refugee integration.

A mixed-methods approach is employed. In addition to secondary data, Primary data is collected through an online survey of Egyptian citizens and semi-structured interviews with key stakeholders. Vector Autoregression (VAR) model is employed to analyze the dynamic relationship between refugee influx and key macroeconomic indicators: growth rate, inflation, and unemployment.

The Study is divided into four chapters, chapter one establishes a baseline on the current situation of refugees, chapter two analyzes economic impacts, chapter three explores citizen perceptions of social, cultural, and environmental impacts, chapter four highlights successful integration practices in other countries.

The findings reveal both challenges and benefits associated with hosting refugees. Economic challenges include increased prices, mainly housing costs, and competition in the low-skilled labor market. However, refugees can also contribute to job creation. The VAR model reveals a dynamic relationship between refugee influx and macroeconomic variables. The impact of refugee influx on inflation (housing and utilities) exhibits a lagged effect. Initially insignificant, then it becomes positive and significant in the later lags, suggesting that refugee settlement leads to increased demand over time. A short-term decrease in unemployment is observed, followed by a potential increase. This suggests a possible substitution effect, as refugee labor participation intensifies competition in the job market as their integration into the economy progresses.

Social and cultural negative impacts, as perceived by the surveyed sample, include pressure on health services. However, benefits include the potential for increased social networks. Environmental challenges encompass strain on resources such as water and energy, as well as the potential spread of diseases. Nevertheless, there is the possibility of attracting aid for environmental protection projects.

The conclusion synthesizes the findings and offers policy recommendations, it ends with recommendations for future research.

**Key Words:** Refugees –Egypt-Impacts- Forced Displacement-Sustainable integration



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## **Refugees in Egypt: Impacts and Policy Recommendations**

### **Introduction**

In the era of global polycrisis the refugee and displaced people problem emerges as one of the complex issues that pose a growing threat and an urgent challenge to global development, as indicated by the World Bank's 2023 flagship report on development "Migrants, Refugees, and Communities" (World Bank 2023).

The 1951 United Nations Refugee Convention defines a refugee as "a person who is outside his or her country of nationality or habitual residence, owing to a well-founded fear of being persecuted on grounds of race, religion, nationality, membership of a particular social group, or political opinion". Refugees are entitled to certain protections under international law, including the right to seek asylum in another country, non-refoulement (the principle that forbids the return of refugees to countries where they face threats), and access to basic rights such as education and healthcare. Asylum-seekers are individuals who have fled their homes and are awaiting a formal decision on their asylum claims, which may occur in a host country. Importantly, an asylum seeker may not necessarily be granted refugee status, depending on the specifics of their case. This legal distinction can influence their access to rights and resources during the adjudication process. Refugees and asylum-seekers are part of a larger group known as forcibly displaced people. Forced displacement (also forced migration or forced relocation) refers to the involuntary or coerced movement of a person or people away from their home or home region. The United Nations High Commissioner for Refugees (UNHCR) defines 'forced displacement' as displacement resulting from persecution, conflict, generalized violence, or human rights violations (UNHCR, 2015). While refugees, asylum seekers, and forcibly displaced persons all share the experience of being uprooted from their homes, each group is defined by unique legal circumstances and protections.

The global refugee and forced displacement crisis continue unabated due to the surge in their numbers during the last decade. According to the UNHCR's latest statistics by the end of 2023, an estimated 117.3 million people will be forcibly displaced worldwide because of persecution, conflict, violence, or human rights violations (UNHCR Data Portal). This number is expected to increase to 130.8 million by the end of 2024, including 32.6 million registered refugees and 7 million asylum seekers (UNHCR, 2024).

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The large influx of refugees raises concerns about their impact on hosting countries, particularly since 75% of the world's refugees and displaced persons are hosted in developing countries (UNHCR Data Portal). These countries are already grappling with chronic economic challenges triggered by recent global turmoil, leading to perceiving refugees as a burden. Studies have documented a clear correlation between refugee arrivals and increased strain on public services like housing, healthcare, and education. These pressures can lead to resource shortages, economic difficulties, and even social tensions within host communities (Hamza, 2021).

Egypt, a lower-middle-income country already facing chronic economic problems compounded by multiple global shocks, is also an appealing destination for refugees from neighboring countries. According to UNHCR in 2010, the number of refugees living in Egypt stood at around 109 thousand, by the end of 2023, following the war in Sudan, this figure increased to reach 646,291 by May 2024 (UNHCR,2024a). However, several government statements suggest that the actual number of displaced people hosted in Egypt is higher and could reach several million. (Youm7, 2022; 2023).

Unlike many countries, Egypt does not house refugees in camps, they are integrated into local communities. Refugees, particularly Syrians and Sudanese, have access to public healthcare and education similar to Egyptian citizens. Egypt also encourages refugees to participate in the workforce, contributing to the economy. However, the significant and rapidly increasing influx of refugees, especially Syrians and Sudanese, has raised critical concerns.

Social media is rife with calls for a policy review, advocating for refugee repatriation and denying settlement or naturalization (Arab, 2024; Youm7, 2024; BBC News, 2023). The Prime Minister's July 23, 2023, speech in Rome highlighted the immense burden Egypt bears in hosting millions of displaced persons who share equally in government services with Egyptians, prompting urgent appeals for international support (SIS, 2023). Faced with mounting pressure, the Egyptian government is actively revising its refugee hosting policies (Shehata, 2024). This escalating crisis underscores the critical need for effective integration policies to prevent challenges from becoming insurmountable.

The study's primary objective is to explore the impacts of hosting refugees in Egypt, both positive and negative. It aims to develop recommendations that assist policymakers in mitigating the challenges, while also fostering the positive integration of refugees into Egyptian society.