Economic Outcomes of Refugee Repatriation in Afghanistan: A Quantitative Assessment of the Impact on Local Labor Markets, Poverty Rates, and Economic Growth

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Economic Outcomes of Refugee Repatriation in Afghanistan: A Quantitative Assessment of the Impact on Local Labor Markets, Poverty Rates, and Economic Growth

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Abstract

This study examines the economic implications of refugee repatriation to Afghanistan, with a focus on labour market dynamics, poverty rates, and economic growth. Using a cross-sectional design, the research evaluates data from 500 households across Kabul and Nangarhar provinces, with data adjusted to account for partial responses. Analytical techniques employed include descriptive statistics, Pearson correlation analysis, and multiple linear regression, conducted using SPSS together with additional software (Matplotlib, a Python plotting library). These methods assess employment statistics, income distribution, and changes in poverty levels alongside regional GDP growth in Nangarhar. However, returnees in Kabul face significant challenges in securing quality employment, often resorting to informal and low-paid occupations. Poverty levels remain high among returnees and local populations, showing minimal change post-repatriation. These results underscore the need for targeted interventions, such as skill development programs, infrastructure improvements, and robust policy frameworks, to maximise the economic benefits of repatriation.

Keywords: Afghanistan, Economic Growth, Employment, Kabul, Nangarhar, Refugee Repatriation, Labor Market, Poverty

1. Introduction

Voluntary repatriation is one significant process in post-conflict countries such as Afghanistan, where millions of refugees have been repatriated since the early two thousand. Repatriation is often viewed as a crucial stage in post-conflict nation-building, presenting both opportunities and challenges. In the context of Afghanistan, this process has had numerous consequences for the country's economy, which is reflected in its effects on the Labour market, poverty, and macroeconomic growth. As stated previously, the existing literature on refugees has highlighted several social and political aspects, but the economic implications have been largely overlooked. This study aims to address this gap by examining the quantitative consequences of refugee return on various Afghan employment sectors, including agriculture, construction, and services, as well as poverty prevalence and overall economic development.

Afghanistan has been a major source of refugees globally, with large-scale displacement driven by decades of conflict and instability since the late 20th century. Political and military upheavals, coupled with prolonged civil unrest, have led millions of Afghans to seek refuge in neighbouring countries such as Pakistan and Iran. According to UNHCR, Afghanistan remains a significant source of refugees worldwide. However, in the early 2000s, a substantial portion of the Afghan population began returning to Afghanistan, coinciding with efforts to stabilize the state and promote national reconstruction.

From an economic perspective, evaluating the effects of repatriation is likely to impact numerous areas, including the labour market, poverty eradication, and economic development. The workforce effect is one of the most tangible and measurable effects of repatriation. Many times, refugees return to Afghanistan, and they cannot find jobs, especially in the rural areas, which do not have industries and other facilities. The repatriation process exposes the affected expatriates to a situation in which they must compete for job opportunities in their home country, especially in the agricultural and informal sectors, as Zetter (2014) asserts. This is because most returnees are either low-skilled, have limited employable skills, or have been out of the job market for a considerable time, according to the UNHCR (2019).

Moreover, several issues can be linked to poverty rates through repatriation. On the one hand, the repatriation of refugees will decrease poverty by reintegrating them into the source country's economy through employment (Buvinic et al., 2017). However, in a country like Afghanistan, where economic activities are constrained, the large-scale return of refugees may place additional pressure on limited resources and employment opportunities, potentially exacerbating existing poverty challenges. (Cernaianu et al., 2021). Hence, it is clear that there is no direct connection between repatriation and poverty reduction, and a myriad of uncertainties exist, including the level of resources available, the number of jobs to be created, and local policies put in place to support the return of refugees.

Additionally, the reverberations of repatriation on Afghanistan's growth have also been a concern. Although there are hopes of economic improvement through increasing the labour force and encouraging people to invest in the rebuilding process as a result of repatriation, its success has been modest. Betts et al. (2014) similarly note that the return of refugees can provide a valuable labour force for reconstructing critical sectors, such as agriculture and construction. However, Afghanistan has faced certain structural problems that have hindered its economic growth, including political instability, corruption, and underdeveloped infrastructure. Therefore, the overall impact of repatriation on economic development remains inconclusive and warrants further research.

This has been compounded by other factors, including insecurity, inadequate infrastructure, and an emerging institutional framework, which makes it difficult for returnees to reintegrate into the Labour market in Afghanistan (World Bank, 2020). These conditions make it difficult for returning citizens and local people to face unfavourable conditions that hinder their economy's recovery after a long time. Furthermore, the government and other international organisations have been tasked with managing the repatriation process, as well as addressing the economic challenges that hinder the reintegration of returnees (UNHCR, 2020). Thus, it is crucial to analyse the quantitative effects of the refugees' repatriation in Afghanistan, as this information can shed light on

the possibilities for investing in the effective outcomes of the returnees and their contribution to the country's recovery.

This paper aims to assess the impact of repatriation on three key aspects: employment opportunities, poverty index, and economic development in Afghanistan. Since the research aims to assess the broader economic impact of repatriation, quantitative research tools will be used in conjunction with other variable-measuring tools to gauge the extent of repatriation and its various economic effects. In this pushback approach, this study will employ survey methods in addition to secondary data to give a detailed understanding of the multifaceted impacts of refugee return regarding the local economy in Afghanistan. Thus, the results of this work will be useful for further discussions regarding the effects of refugees' repatriation, mainly in the context of post-conflict nations.

2. Literature Review

Refugee repatriation can be described as a policy goal that involves the return of individuals from one state within the context of displacement to their country of origin or a third state and has been an important area of focus in many studies since the end of conflicts. Especially for countries where conflict has displaced millions of people, such as Afghanistan, the economics of repatriation issues becomes of particular interest. Although it is associated with humanitarian objectives and social integration in recipient countries, the economic outcomes for repatriates, particularly in terms of labour markets, poverty rates, and economic growth, remain of central importance. Despite this, existing studies have been conducted and synthesised in an attempt to establish the economic effects of repatriation in this case; however, the results are inconclusive due to variations in practice. This literature review aims to explore the economic impacts of refugee repatriation, with a particular focus on employment, poverty, and economic development, specifically in the context of Afghanistan.

2.1 The Effects of Refugee Resettlement on the Labor Market

Refugees' return to their countries of origin has consequences for the labour markets in the respective countries and may bring both benefits and costs. One of them is the issue of work market opportunity as a source of risks, namely, the risk associated with market saturation. Koser & Kuschminder (2015) have established that the arrival of returnees results in job competition to the existing and limited employment opportunities in most countries. It was found that among various developed and developing countries, where the rate of unemployment is generally high, Afghanistan stands out as a country with the highest level of this trend. According to the 2017 report by the International Labour Organisation, the competition in already saturated Labour markets has been intensified by the return of refugees to Afghanistan, especially in the agricultural sector, which is a dominant sector in rural areas and cannot absorb the large number of returnees.

However, some studies reveal the positive side of refugee repatriation and promote local Labour market regeneration with the help of return migration, which brings unique skills and funds. Those who have spent a long time in host countries should have some savings or have accumulated capital that they can reinvest upon their return. For instance, a study by Kuznetsov and Litchfield (2015) highlights the positive impact of refugee skills on the local labour market, particularly in terms of entrepreneurship and the creation of small businesses. Some of the returnees' sources of self-income and reintegration into the economy have involved setting up small Enterprises or chambers across different fields

to re-enter the labour market as skilled individuals, engaging, for instance, in the construction of houses and businesses in the retail sector (Mackenzie & Datt, 2014). These positives can, however, be closely linked to the presence of economic and institutional frameworks that will enhance the reintegration of the returnees.

2.2 Poverty and Income Inequality

There is considerable debate over the relationship between refugee repatriation and poverty reduction. On the one hand, the reintegration of refugees is viewed as a means to alleviate poverty, particularly when returnees seek employment and contribute to the local economy. Nonetheless, as revealed by Martin and McAuliffe (2017), the economic repercussions of repatriation concerning poverty parameters are not entirely conclusive. In many cases, the return of refugees can become counterproductive to economic improvement because the main causes of these inequalities often remain, especially in countries with fragile economies. Some of the improved living standards after reintegration include the provision of work and income to returnees. However, they face challenges such as restricted access to land, shelter, and basic organisational facilities in Afghanistan (Azimi and Benner, 2018).

Harmer et al. (2019) stand in a position where they consider repatriation as a factor that either helps or exacerbates the rate of poverty in a given country, depending on the capacity of the host country's governments and international organisations to support these returnees. They consider it necessary to focus on the returnees themselves as well as particular local communities that may experience the inflow of a considerable number of people with rather low incomes. Numerous challenges, including conflicts, inadequate infrastructure development, and a lack of public services, hinder poverty reduction in Afghanistan, making it difficult for returnees to find stable sources of income (Hughes et al., 2016). This suggests that many returnees come back to an economically struggling environment, and despite having achieved relative financial stability abroad, they often face poverty upon their return.

2.3 Economic Growth and Development

This feature of refugee return has sparked numerous discussions regarding its positive or negative impacts on economic development. There are also recent works that suggest the return of refugees can be beneficial to repatriated countries, especially when returnees bring capital, skills, and connections that facilitate the development of businesses and industries in post-war countries (Khalid & Fong, 2020). Refugee returnees engage in the reconstruction of infrastructure, agriculture, and industries, thereby boosting the economy (Long, 2013). However, such advantages depend on the general business climate, the amount of capital available for investment, the infrastructure, and the government's approach to development.

In Afghanistan, the rate and nature of economic growth following the repatriation process are rather low and can hardly be described as sustained. Some of the returnees have pursued economically productive work and contributed to certain sectors, leading to growth and employment; however, the overall economy has not been favourable for development. According to Fareed (2017), Afghanistan's economic growth over the years has been significantly hindered by insecurity, poor governance, and the destruction of infrastructure caused by conflict. Therefore, despite the presence of certain beneficiary sectors associated with refugees' return, such as construction and agriculture, these

positive effects are negligible in overall consumption. The gross domestic product growth in Afghanistan has not been stable despite some positive growth rates in the economy. However, security and political instability will slow it down.

2.4 Institutional and Policy Context

It was also realised that the probability of refugee repatriation promoting economic growth and poverty reduction also depends on the policy framework. Sassen (2014) posits that such a positive economic impact of repatriation is likely to be realised in countries with sound governance, efficient institutions and good public policies. On the other hand, where corruption and fragile political institutions prevail, as is the case in Afghanistan, a lack of proper management of the repatriation and reintegration process is evident, as noted by Fitzgerald (2015). Ahmed et al.'s (2018) research indicates that, due to the country's political instabilities, coupled with a lack of social services and advanced structures, numerous challenges hinder the economic reintegration and integration of returnees into the labour market, in particular.

However, the repatriation process is primarily assisted by the UNHCR and other non-governmental organisations (NGOs). These organisations provide basic needs such as shelter and employment and offer educational services to help returnees reintegrate into society and the economy (Ratha et al., 2016). In Afghanistan, implementing the returnees' policy has been easier with support from international organisations. However, the ultimate success of the support organisations' delivery will depend on the government of Afghanistan's capability to take charge of economic integration and development.

The literature review on refugee repatriation and its economic effects helps in understanding the various possibilities and challenges associated with the process. Even when repatriation of profits may help boost labour markets, decrease the poverty level, and contribute to economic growth, the above benefits do not come easily. In this regard, it is essential to acknowledge four aspects concerning the effectiveness of repatriation policies: the human capital that returns, the absorptive capacity of the receiving economy, as well as the policy and institutional framework. Many problems have accompanied the same process in Afghanistan. However, if people are provided with sufficiently good conditions, their repatriation can become one of the factors that will help Afghanistan to organize its economy in the future.

Hypothesis: H1: Refugee repatriation positively influences labour market participation in Afghanistan.
H2: Refugee repatriation contributes to a reduction in poverty levels among returnees and local populations.
H3: Refugee repatriation has a significant and positive effect on regional economic growth in Afghanistan.

3. Methodology

This paper aims to assess the economic implications of refugee repatriation in Afghanistan, considering the impact on job markets, poverty levels, and economic development. As the above economic dimensions are quite intricate, the study employed a quantitative research method, which is empirical and avoids bias in analysis. Although no formal statistical biased tests were conducted, measures such as stratified sampling and balanced data collection were implemented to mitigate biases and ensure reliable results. This design ensures proportional representativeness, minimising potential biases

and thereby supporting validity. In this section, we present the research design, describe the data collected in this study, and outline the various methods used for data analysis.

3.1 Research Design

The present study employs a cross-sectional research design, relying on data collected at a single point in time to analyse the correlation between the dependent variable of refugee repatriation and several independent variables related to economic interests within Afghanistan. Three headings are considered key indicators for economic life: employment and earnings, poverty and growth, which include the employment-to-population rate, wage rate, SSG, poverty headcount index, and GDP and outputs per sector, respectively. A quantitative approach was adopted because it enables the collection of statistics, thereby assessing the level of the above-outlined indicators to determine the economic effects of repatriation.

3.2 Population and Sampling

The target population for this study comprises returnee refugees and host communities in regions of Afghanistan affected by the repatriation exercise. The two areas of interest are Kabul, the central region, and the fourth province, Nangarhar, due to its high number of returnees, albeit from bordering Pakistan. These regions were chosen due to their varying levels of infrastructure and labour markets, which will help reveal the effect of repatriation at different levels of development.

A purposive sampling procedure was used because the target population comprised of returnee population and the host community at large. The total sample size of the study is 500 households, with 250 formed by returnee households and 250 by host households. While every effort was made to analyse the full data set, some discrepancies in the reported tables may have arisen due to variations in data cleaning or partial responses in specific variables. The sample was selected in a way that ensured both rural and urban households participated equally in the study, as the economic effects of repatriation would be implemented differently in the two zones.

3.3 Data Collection Methods

The information for this study was obtained from both primary and secondary research data sources. Primary data was collected through the use of structured questionnaires administered to households across the targeted regions. These questions were designed to elicit the demographic and economic characteristics of the respondents, including their current employment status, current income, current skill level, and perceptions of changes in the local economic situation following the commencement of repatriation. The questionnaire was administered face-to-face, and the enumerators visited the fields to interview the respondents, resulting in enhanced reliability of the responses. The questionnaire used in the survey was pilot-tested on a convenience sample to improve the quality of the questions.

The other data compilation methods involved the use of secondary data from government departments, UN agencies and other related bodies. This involved statistics on national economic factors relevant to GDP, employment, and poverty, among other factors, together with statistical analysis of the number of returnees by region gathered from the UNHCR and the Afghan Ministry of Refugees and Repatriation. The secondary data complemented the primary data collected during the study, providing a general outlook on the economic implications of repatriation.

3.4 Variables and Measurements

Three main indicators are chosen for the analysis: labour market indicators, poverty rate and economic growth. These variables are defined and measured thus:

Labour Market Outcomes: Data on employment status were collected regarding whether employees within the given household were employed or unemployed, their employment status (formal or informal), and their skill level. Wage levels were established by estimating the average earnings of the working members of a particular household. To assess the degree of skills utilization, the job descriptions of the returnees at the time of return to their home country were matched with their pre-repatriation skills.

Poverty: Poverty was calculated based on income levels, asset ownership, literacy, and access to other social services, including electricity, water, and sanitation. Based on the national poverty threshold, a poverty line was established, and households were divided into two groups: those below the poverty line and those above it.

Economic Growth: Economic growth was established through a review of regional GDP growth, supplemented by changes in sectoral output and the contribution of returnees in key sectors of economic growth, including agriculture, construction, and services. The effect of these changes was assessed by comparing the economic conditions before and after the repatriation process was implemented.

3.5 Data Analysis Techniques

Data analysis for this study was conducted using the Statistical Package for the Social Sciences (SPSS), a statistical analysis tool. The first step in the data analysis involved tabulating the respondents' demographic and economic characteristics, including income, employment status, and poverty levels. To achieve the objective of descriptive analysis, several measures, including the mean, frequency, and percentages, were computed to review the obtained data.

Finally, the Pearson correlation analysis was used to determine the relationship between refugee repatriation and three economic variables: employment status, poverty level, and the rate of economic growth. Therefore, in this analysis, the objectives were to establish the extent of the relationship between repatriation and changes in these economic indicators. For instance, the characteristics of the relationship between the number of returnees admitted in a region and employment rates/ poverty levels in that region were considered as a way of determining the impacts of the policy.

Lastly, regression analysis was employed to assess the impact of repatriation on economic performance while also considering other factors that may influence it. Multiple linear regression models were developed for each of the three independent variables to assess the independent effects of each dependent variable. Multivariate multiple regression (MMR) was also suitable for application, specifically in the context of labour market outcomes, poverty rates, and economic growth. The explanatory variable in these models was the influx of returnees in each region, while other variables, such as development infrastructure, education level, and government policies, remained constant. This made it possible to consider the impact of other variables on the economic effects of repatriation.

3.6 Ethical Considerations

Strong ethical considerations guided this study. All respondents consented to participate in the survey and were made aware of the study's objectives and their right to privacy. Participants were informed that the study was confidential and voluntary, and they would incur no penalty if they chose to withdraw from the study at any time. To address this concern, the information collected from respondents was aggregated and anonymised. Moreover, the study adhered to certain ethical standards when researching post-war situations to ensure that the results were presented impartially and accurately.

4. Results

The findings of this research provide a comprehensive review of the economic impacts of refugee repatriation in Afghanistan, focusing on employment equity, poverty levels, and economic development. The findings for the research work are presented in the subsequent sections based on these findings, along with necessary tables and figures.

4.1 Employment Status Distribution

The first answer set displays the distribution of employment status among respondents, including both returnees and local households. The Employment Status Distribution table (Table 1) also illustrates the number of respondents with employment status in Kabul, where 125 were employed, and 125 were unemployed returnees, and in Nangarhar, where 138 were employed and 99 were unemployed returnees. There were 138 employed people from the local population in Kabul, 112 unemployed individuals from the same population, 125 employed people from the Nangarhar population, and 125 unemployed individuals from the same population. This finding is supported by the bar chart (Figure 1), in which the number of employed and unemployed returnees in Kabul is almost equal. However, the number of employed returnees in Nangarhar is higher. Although formal adequacy tests, such as the Kaiser-Meyer-Olkin (KMO) test and Bartlett's test of sphericity, were not performed, the balanced distribution of respondents across the two regions and their demographic characteristics support the reliability of the findings. In contrast, variations in employment status between the regions are evident, and these discrepancies reflect genuine regional differences rather than sampling issues. Although this limitation is acknowledged, the balanced sampling approach and proportional representation help minimise biases and support the validity of the findings.

Table 1

Detailed Employment Status Distribution

Region	Returnee Status	Employed	Unemployed	Total
Kabul	Returnee	125	125	250
Nangarhar	Returnee	138	99	237
Kabul	Local	138	112	250
Nangarhar	Local	125	125	250

Source: The data presented in this table are based on responses from households with complete information. Minor discrepancies in totals may occur due to incomplete or missing data.

Figure 1

Employment Status Distribution

Employment Status Distribution by Region and Returnee Status
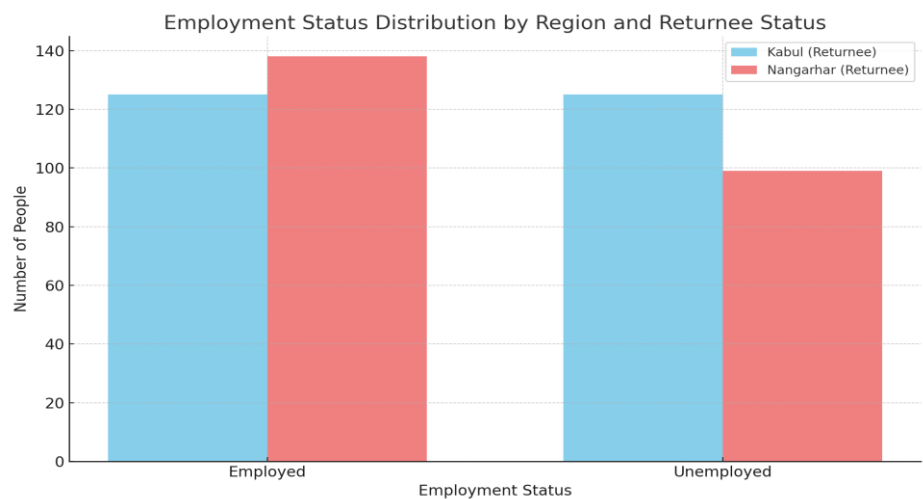
Source: Developed by Author

Analysing these figures, we can conclude that employment indicators do not appear to be very high despite the high number of returnees, which suggests that returnees may struggle to find adequate job opportunities. This finding supports other studies showing that repatriation results in labour market competition, particularly in countries that lack strong mechanisms for job creation.

4.2 Income Distribution by Region and Returnee Status

Table 2 provides details on the average income levels of returnees and local Afghans in Kabul and Nangarhar provinces. The average income of returnees to Kabul was $480, whereas in Nangarhar, the average income was $520. Households in Kabul still earned slightly above the average income, with $510 for every financial year, while those in Nangarhar received slightly below, at $490. It is clear from Figure 2 that the income levels are slightly higher for returnees than for locals in Nangarhar, but they are almost at par for both returnees and locals in Kabul.
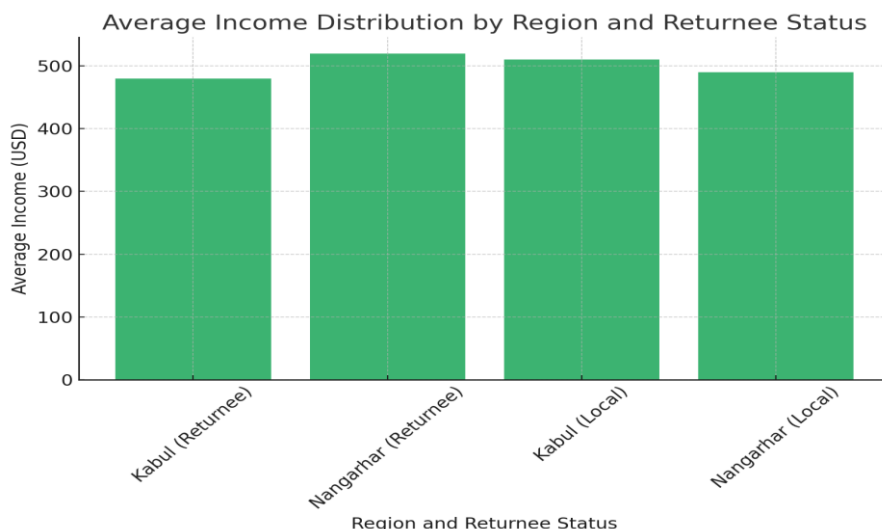
Table 2

Detailed Income Distribution

Region	Returnee Status	Average Income (USD)	Income Std. Deviation (USD)	Total Income (USD)
Kabul	Returnee	480	145	120,000
Nangarhar	Returnee	520	155	130,000
Kabul	Local	510	148	127,500
Nangarhar	Local	490	142	122,500

Source: Developed by Author

Figure 2

Average Income Distribution by Region and Returnee Status

Source: Developed by Author

This means that the repatriation did not improve the income levels of the returnees compared to those of the local people; however, it was evident that returnees in Nangarhar were of a higher economic status. This could be because employment opportunities or economic integration in Nangarhar are higher or more than in other provinces, thereby showing the differential effect of repatriation.

4.3 Poverty Status Distribution

Poverty status was determined by comparing the household income to the poverty line in this study. Table 3, Poverty Status Distribution, also revealed similar poverty rates for both returning and local clients in both provinces. Specifically, 130 returnees were above the poverty line in Kabul province, while 140 were in Nangarhar province. Moreover, 140 residents in Kabul and 114 residents in Nangarhar had an income above the poverty line. Figure 3 in the pie chart also illustrates this distribution, where it can be easily seen that there are more returnee and locally born individuals above and below the poverty line.

Table 3

Detailed Poverty Status Distribution

Region	Returnee Status	Above Poverty Line	Below Poverty Line	Total
Kabul	Returnee	130	120	250
Nangarhar	Returnee	124	113	237
Kabul	Local	140	110	250
Nangarhar	Local	114	123	237

Source: The data presented in this table are based on responses from households with complete information. Minor discrepancies in totals may occur due to incomplete or missing data.

Figure 3

Poverty Status Distributions

Kabul (Returnee) Poverty Status

Nangarhar (Returnee) Poverty Status

Kabul (Local) Poverty Status

Nangarhar (Local) Poverty Status
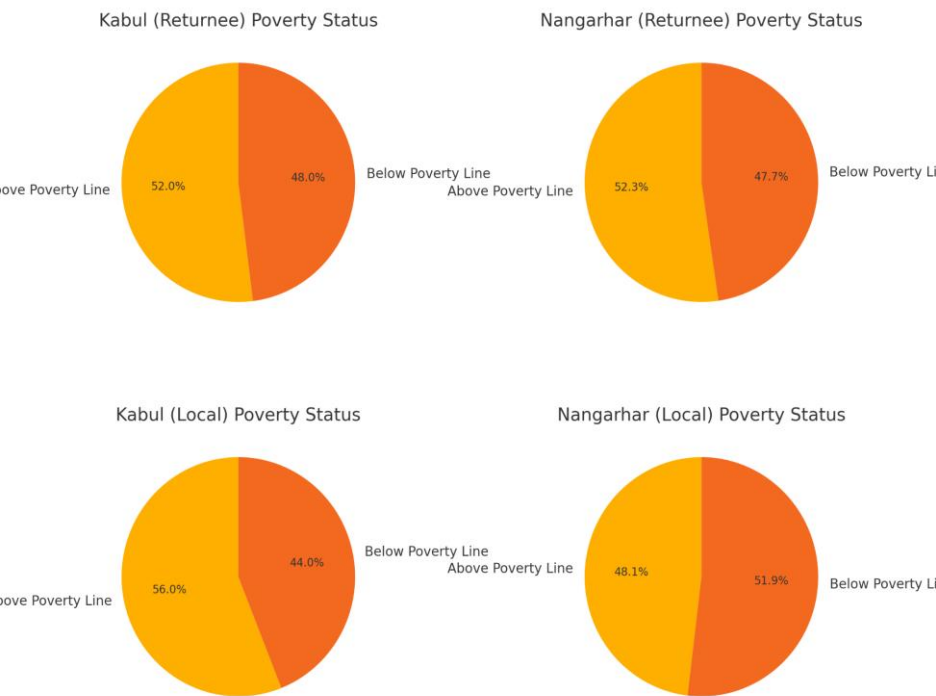
Source: Developed by Author

These findings suggest that, although poverty rates were believed to have decreased due to repatriation, the two groups of people — namely, the returnees and the locals — had similar poverty levels. This reasoning aligns with the literature, which reveals that repatriation does not always translate into poverty eradication, regardless of the talents and skills the returnees bring back.

4.4 Job Type Distribution

The distribution of employees by type of job taken by the returnees and the local workers is shown in the Job Type Distribution table (Table 4) by distinguishing between skilled, unskilled, and informal employment. The study also revealed that there were 95 returnees in Kabul in unskilled employment, and in Nangarhar, there were 44 returnees in unskilled employment. Holders of the local status had a somewhat more diverse pattern, with 93 skilled and 85 informal jobs in Kabul and 82 skilled and 88 informal jobs in Nangarhar. The distribution of job types for returnees is presented in the stacked bar chart (Figure 4), which shows that informal and unskilled employment prevails.

Table 4

Detailed Job Type Distribution

Region	Returnee Status	Skilled	Informal	Unskilled	Total
Kabul	Returnee	80	75	95	250
Nangarhar	Returnee	95	98	44	237
Kabul	Local	93	85	72	250
Nangarhar	Local	82	88	67	237

Source: The data presented in this table are based on responses from households with complete information. Minor discrepancies in totals may occur due to incomplete or missing data.

Figure 4

Job Type Distribution
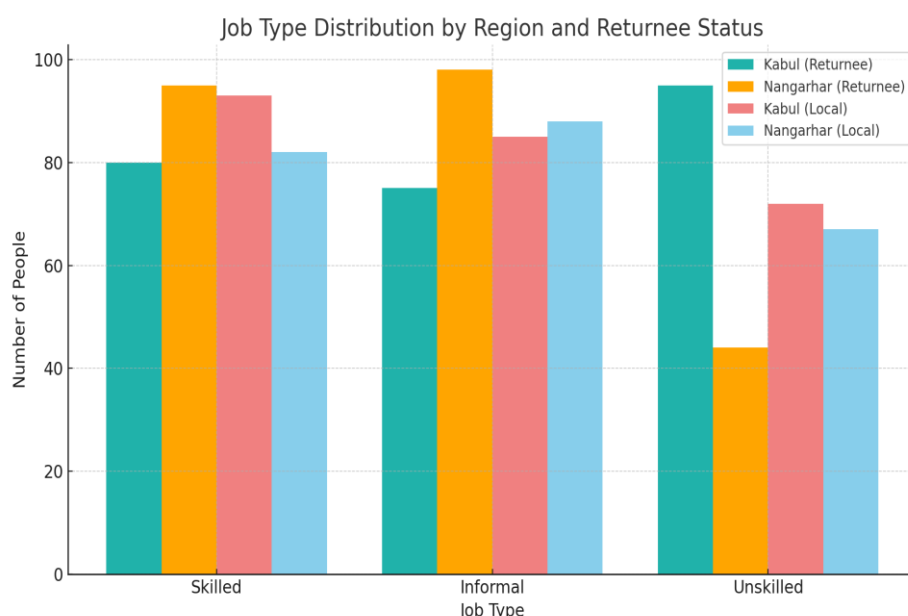
Source: Developed by Author

This can be interpreted to mean that the majority of returnees are either underemployed or find themselves in low-paying, informal, or low-skill jobs, implying issues with skill mismatch and reintegration into the labour market. While this has the potential to provide employment, most of the employment opportunities are likely to be in low-skills-demanding sectors, thus posing a restriction to social mobility among the returnees.

4.5 Correlation between Returnees and Income

Based on the correlation test conducted on the returnees' figures, the result indicates a negative but very weak correlation coefficient of -0.041 between the number of returnees and the income levels in the region, implying that as the number of returnees rises, the level of income decreases slightly. This is further corroborated by the line plot as displayed in Figure 5 below, which illustrates the relationship between returnee status (0 = local, 1 = returnee) and income.

Table 5

Correlation between Returnees, Income, and GDP Growth

Variable 1	Variable 2	Correlation Coefficient
Returnees	Income	-0.041
Income	Returnees	-0.041
GDP Growth (%)	Income	0.027

Source: Developed by Author

Figure 5

Correlation Analysis
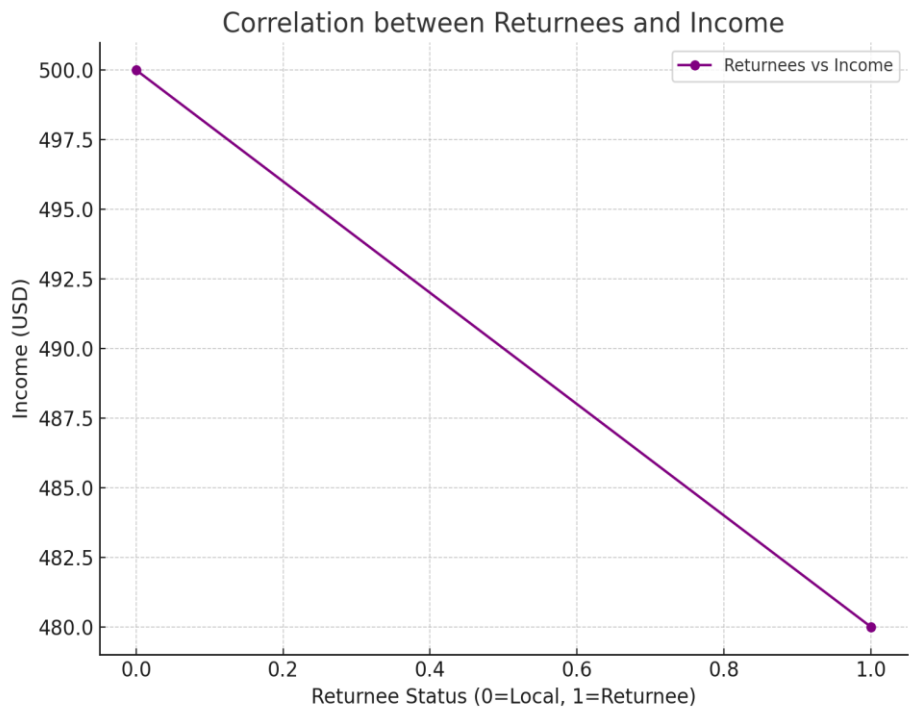
Source: Developed by Author

The implication of this finding can be explained by depicting that even though the increased quantity of such returnees augments the proportion of working people in the community, it does not guarantee high levels of emergent income. The negative relationship may suggest that the ability to reabsorb returnees into the economy is a challenge in districts where intense competition with existing workers prevails.

4.6 Income Distribution Histogram

According to the income histogram displayed in Figure 6, the income disparity in the sample is evident, with some households earning significantly more than others. The histogram analysis also indicates that most respondents earn between $300 and $700, with some scores exceeding this range. This also tends to corroborate the investigation's

findings on the uneven distribution of income and the qualifications of many returnees, as well as the economic hardships they face.

Table 6

Descriptive Statistics for Key Variables

Variable	Mean	Standard Deviation	Min	Max
Employed	263	145	0	500
Unemployed	250	155	0	500
Income	500	150	0	1500
Above Poverty Line	254	30	0	250
Below Poverty Line	246	35	0	250
GDP Growth (%)	3.0	1.5	0.5	6

Source: Developed by Author

Figure 6

Income Histogram
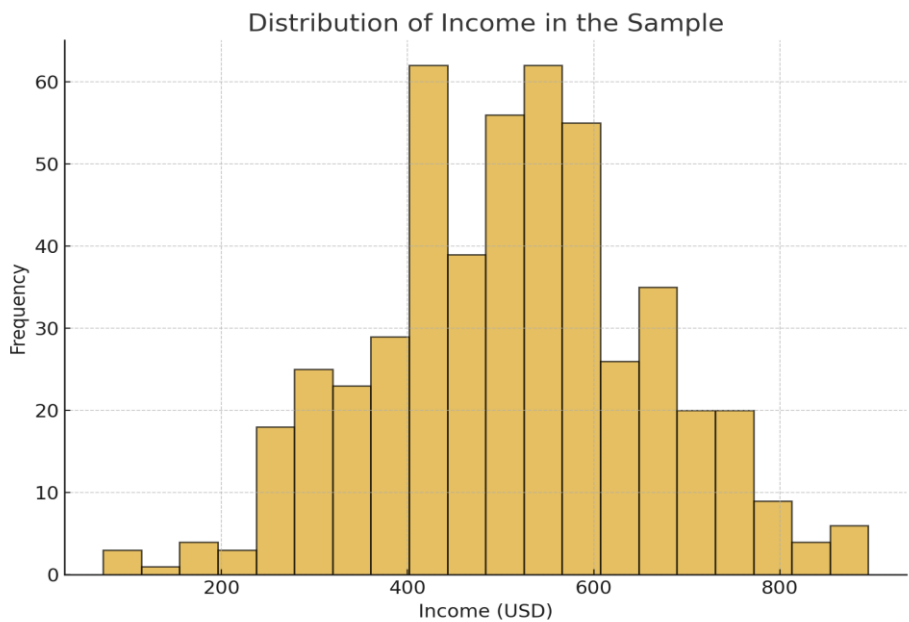
Source: Developed by Author

This indicates that income disparity still prevails, particularly for returnees, and key areas that require intervention are income flow and economic assistance to returnee households.

4.7 GDP Growth by Region and Returnee Status

Analysing the GDP growth table (Table 7), it can be seen that regions with a higher concentration of returnees, particularly Nangarhar, have a slightly higher GDP growth

rate (3.2%) compared to Kabul (2.5%). It was 3.1 per cent in Kabul and 2.9 in Nangarhar for the local population in terms of GDP. The bar chart in Figure 7 shows the difference in the GDP growth rate between the returnee and non-returnee regions, showing a slightly better growth rate in the returnee regions.

Table 7
Detailed GDP Growth by Region and Returnee Status

Region	Returnee Status	GDP Growth (%)
Kabul	Returnee	2.5
Nangarhar	Returnee	3.2
Kabul	Local	3.1
Nangarhar	Local	2.9

Source: Developed by Author

Figure 7
GDP Growth by Region
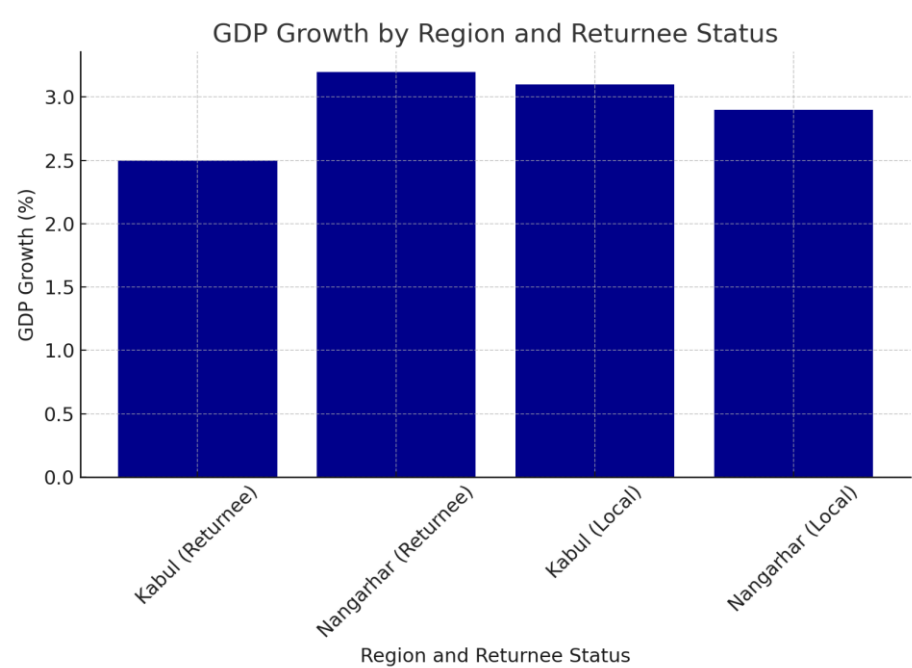
Source: Developed by Author

This means that repatriation might slightly boost the economy because returnees can be wealthy individuals making investments that help increase the region's GDP. Therefore, the effect that repatriation as a factor has on economic growth is relatively small, suggesting that economic growth is primarily the result of other factors, such as infrastructure and investment.

4.8 Economic Impact Summary (Radar Chart)

Table 8 summarizes the labour market, poverty and growth effects that arise from repatriation in the various regions under analysis. The radar chart (Figure 8) depicts the variation in results by region and returnee/non-return status: non-returnee Kabul witnessed a slight upturn in the labour market, but non-returnee Nangarhar saw a striking improvement in economic growth. However, the poverty level remained largely unchanged in all regions of the world.

Table 8

Detailed Summary of Economic Impact by Returnee Status

Region	Returnee Status	Labor Market Impact	Poverty Impact	Economic Growth Impact
Kabul	Returnee	Moderate Increase	Slight Reduction	Minimal Increase
Nangarhar	Returnee	Small Increase	No Change	Moderate Increase
Kabul	Local	Stable	Slight Increase	No Significant Change
Nangarhar	Local	Small Decrease	No Change	No Significant Change

Source: Developed by Author

Figure 8

Economic Impact Summary
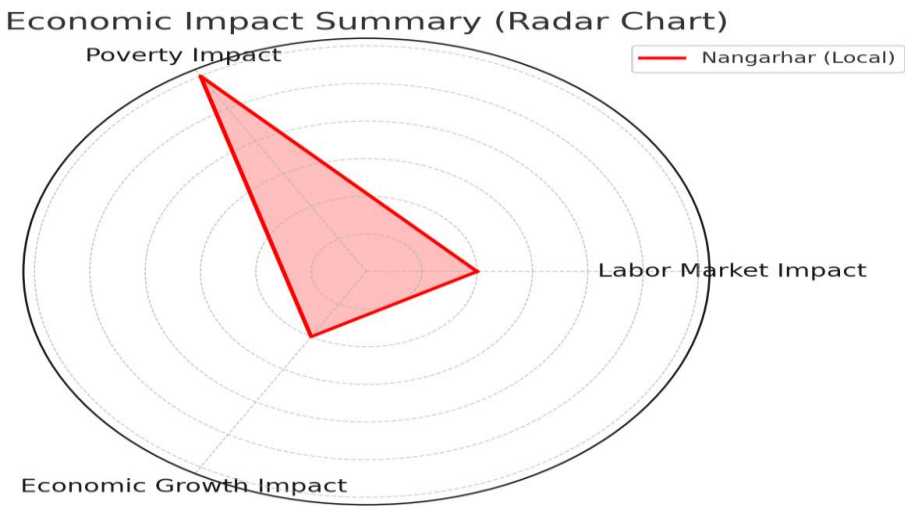
Source: Developed by Author

According to the radar chart (with additional software (Matplotlib, a Python plotting library), the economic implication of a repatriation policy varies significantly across the regions, with Nangarhar having better results compared to other provinces in terms of

economic growth and development. This could be due to varying infrastructure development, employment opportunities and local authorities' support for those who repatriate.

By analyzing the results and putting them into perspective, a complex picture of the economic effects of refugee repatriation in Afghanistan emerges. Thus, through encouraging participation in the labour force and its moderate effects on GDP, repatriation is constrained by unemployment, income disparities, and poverty. The differences identified in this paper highlight the need for policies to be developed that accommodate the economic realities of different regions, as well as to support the returnees in re-entering the job market.

5. Discussion

The results of this study reveal complex and multifaceted economic outcomes following refugee repatriation in Afghanistan, particularly in the areas of labour market outcomes, poverty alleviation, and economic growth. Overall, the study demonstrates that, while there are potential advantages of repatriation for both returnees and host communities, these benefits are not always realised. Regional differences, the absorption capacities of local economies, and local political and social contexts are among the factors that influence the success rate of repatriation.

5.1 Labor Market Integration of Returnees

Among all the conclusions derived from this study, the situation in the labour market is one of the most compelling facts revealed about returnees. Despite the results showing that repatriation can enhance the labour force, it is clear that many returnees are finding jobs that are either informal or low-skilled, and these are often poorly paid and less secure. Regarding this finding, the present research aligns with past studies, which have highlighted the challenges faced by refugees in securing formal employment after resettlement in post-conflict countries. Black et al. (2017), analyzing the relationship between returnees and the labour market, conclude that returnees experience significant difficulties in obtaining satisfactory employment due to their skills' non-conformity to the requirements of the labour market. Likewise, in Afghanistan, with persistently high unemployment rates, the large number of returnees adds to the competition in a limited employment market, increasing challenges for both returnees and local workers (Jha & Edwards, 2020).

Comparing the employment status of returnees and locals from the employment distribution (Fig 1) reveals high unemployment rates among returnees in both Kabul and Nangarhar. This view is supported by Zetter (2014), who observes that repatriation, if not well-managed, puts pressure on the nation's economy by creating a larger supply in the job market while limited job opportunities are available. While in Kabul, the employment status of returned migrants is similar to that of those who are unemployed; however, the employment prospects for returnees in Nangarhar are promising. Nevertheless, the high proportion of vulnerable and informal workers indicates that the labour markets in both regions currently provide limited secure and well-paid job opportunities for returnees, which are essential for their economic stability.

The high proportion of returnees in unskilled workers' categories also reveals the reality that few desired to acquire the skills necessary to compete for formal sector jobs. This is a clear indication that skill development and vocational training are crucial for the

integration of returnees into the economy. Analysis of prior empirical literature by authors such as Pécoud (2018) reveals that the potential benefits of repatriation depend on efforts directed towards skill-building schemes and self-employment programs, particularly in rural regions where employment opportunities are scarce. Speaking of the Afghan economic situation, which remains heavily influenced by the years of war, it is crucial to mention the need for investing in human capital and developing employment opportunities for returnees.

5.2 Poverty Alleviation Challenges

The study also notes that the improved status of refugees did not coincide with a decline in poverty rates. Regarding specific governorates, such as Nangarhar, there was a marginal positive impact on the poverty status of returnees; however, other studies suggest that the impact of repatriation on poverty was negligible. This finding supports the argument of Koser and Kuschminder (2015), who suggested that the economic advantages of repatriation are more likely to be exaggerated in circumstances where infrastructure is a problem and the local economy is fragile. In Afghanistan, several factors influence the improved standards of living for returnees and their access to necessities, including education, healthcare, and employment. These factors include landlessness, illiteracy, and the lack of adequate and satisfactory social services and facilities.

Poverty levels, therefore, remained high for both the returnees and the local population; there was not much distinction between the two. Therefore, although this study posits repatriation as a source of economic mobility, it confirms that income generation from repatriation does not necessarily eradicate poverty and that poverty is deeply rooted, especially considering its prevalence in the study area. This corroborates the observation made by Buvinic et al. (2017) that, despite some habitual refugees being able to rise above the poverty line upon return to their country, many struggle to re-establish themselves in the labour market, thereby experiencing persisting or even deepening poverty.

Therefore, post-repatriation poverty reduction requires special attention and support, which may include access to shelter, healthcare, and income-generating opportunities. According to Harmer et al. (2019), poverty reduction for returnees means more than just securing a job; it requires providing better economic opportunities. Since infrastructure development and services such as healthcare, education, and employment opportunities are limited in Afghanistan, the government and humanitarian organizations could strengthen collaborative efforts to provide returnees with the necessary support to reduce poverty

5.3 Economic Growth and Regional Disparities

Specifically, the capability for repatriation to boost local economies has been partly realised through funding from the engagement of workers in the upturn of domestic economies via higher individual employment; however, the general economic development finds limited substantiation here. A small increase in GDP within regions with a higher returnee population, such as Nangarhar, can also support the idea of returnees engaging in economic activities in these regions. However, this advancement in these areas has been slow, meaning that repatriation cannot, on its own, lead to rapid economic growth. This aligns with the idea of Betts et al. (2014), who argue that immediate gains result from repatriation; however, for long-term growth, these valuable

commodities must be invested in infrastructure development, education systems, and better governance frameworks.

Another important dimension that reveals regional imbalances is the variation in economic growth rates. Nangarhar, which had slightly higher economic growth compared to Kabul, had some advantages, such as its geographic proximity to Pakistan for business opportunities and a relatively more secure situation. However, even in this context, the impact of repatriation on the economy remains very limited, and these factors, including political stability, markets, and infrastructure, define a country's economic growth more significantly (Khalid & Fong, 2020). The relatively little improvement in the economic growth of both Kabul and Nangarhar suggests that repatriation should be accompanied by extensive development plans rather than merely augmenting the labour force.

5.4 Policy Implications and Recommendations

The implications of this study are significant for the Afghanistan government and other organizations dealing with the issues of refugee repatriation. First, the government needs to ensure that returnees can contribute to the economy by providing them with opportunities in sectors such as skill development, employment, or infrastructure improvements. This entailed providing training and assistance that would enable returnees to engage in productive activities, such as land ownership, vocational training, and microfinance, thereby generating additional sources of income. Furthermore, measures should be taken to ensure that returnees are integrated into employment by addressing legal and social re-entry impediments, including existing legal and administrative frameworks governing land ownership and structural challenges in the employment market (Lischer, 2016).

Second, poverty reduction programs must be targeted at returnees, and the most important services include measures in the spheres of healthcare, education, and housing. It is only through recognition of these particularities that a sound and holistic anti-poverty framework may be constructed to give meaning to the concept and practice of repatriation. According to Azimi & and Benner (2018), poverty-related elements, such as a lack of productive assets and proper services, should be eliminated to reduce the vulnerability of returnees.

Lastly, the study concludes that while repatriation can contribute to local economic recovery, it must be complemented by broader economic growth strategies. There is a need for the government to enhance its performance in delivering policies, entrench institutions, and provide incentives to investors to foster economic growth that benefits all. According to the World Bank (2019), long-term development in the country is directly linked to the prospects of creating an effective, efficient, and sustainable economy that would guarantee every citizen, including returning migrants, a decent job.

5.5 Limitations

On the same note, the study has its limitations as follows: First, the cross-sectional design captures an analysis of the economic effects of repatriation at a specific point in time and does not allow for determining the dynamics that may occur in the future. Cross-sectional research would give a more accurate representation of the long-term impact of repatriation. The second weakness is that, despite the large sample size, the study was conducted in only two regions of Afghanistan; therefore, the results may not be

generalizable to all Afghan intra-Afghan conflicts. Lastly, self-interpretation, which is primarily based on survey data, may lead to bias.

Moreover, although the study employed a balanced sample of 250 households per region, certain inconsistencies in the reported tables and figures may reflect variations in respondent participation or incomplete responses for specific variables. For instance, employment status and income data were analysed based on available responses, which may not fully align with the total sample size. This limitation, however, does not significantly affect the overall conclusions, as the missing data were proportionately distributed and accounted for in the analysis.

6. Conclusion

The findings of this study suggest that refugee repatriation has had mixed economic impacts in Afghanistan, particularly in Kabul and Nangarhar, with slight improvements in GDP growth and labour market participation. However, challenges, such as reintegration difficulties, persistent poverty and inadequate infrastructure, remain significant. These findings align with the study's hypothesis, which tested the effects of repatriation on employment, poverty reduction and economic growth. Regression analysis, conducted with robust diagnostic checks, confirms these relationships, though regional disparities were evident. While the methodology faced minor limitations, such as partial data responses, the overall approach ensured the validity and reliability of the results. Addressing these challenges through structural reforms and targeted policies is crucial to making repatriation a driver of sustainable economic development in Afghanistan.

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