

# Socio-Economic Impact of Internally Displaced Persons in Gondar City

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## Abstract

**Introduction:** Internal displacement remains a critical humanitarian issue in Ethiopia, particularly in urban areas like Azezo, Gondar City, due to ongoing conflict and instability in neighboring regions.

**Objective:** To assess the socio-economic impact of internally displaced persons (IDPs) in Azezo, Gondar City.

**Method:** The study employed a mixed-methods approach. Quantitative data was collected using closed-ended questionnaires, while qualitative insights were obtained through semi-structured interviews and document review. A total of 41 participants were sampled using both purposive and random sampling methods.

**Result:** Findings revealed that IDPs significantly affect both the social and economic life of host communities. Challenges included limited employment opportunities, environmental degradation, and strained public services. However, IDPs also contributed through market participation and business activity, such as petty trade and informal labor. Many locals reported improved food affordability due to the resale of aid items. Social interactions were strong due to shared ethnicity, religion, and family ties.

**Conclusion:** Despite facing vulnerabilities, IDPs play a complex role in local socio-economic dynamics, offering both benefits and burdens. Strategic interventions are necessary to address emerging tensions and improve integration.

**Recommendation:** Policy measures should focus on access to services, livelihood programs, and community-based development projects aimed at fostering coexistence and sustainable urban integration.

**Keywords:** Internally Displaced Persons (IDPs), Azezo, Socio-Economic Impact, Gondar City, Ethiopia, Urban Displacement

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## ACRONYMY

ARRA	Administration for refugee and Returnees Affaires.
CSA	Central statistical Agency.
NGO	Non-governmental Organization.
UNDP	United Nation Development Program.
UNHCR	United Nation Higher Commission for Refugee.
UNICEF	United Nation Children's Fund
UNOCHA	United Nation Office for Coordination Humanitarian Affairs.

WFP	World Food Program.
IDPs	Internal displaced persons

### **I. Introduction**

The global phenomenon of internal displacement has become one of the most pressing humanitarian challenges of the 21st century. Internally displaced persons (IDPs) are individuals or groups who have been forced to flee their homes due to armed conflict, generalized violence, human rights violations, or natural disasters, but who remain within the borders of their country of origin (UNHCR, 2020). Unlike refugees, IDPs often receive limited international protection and must rely heavily on national governments and humanitarian organizations for assistance and survival. Globally, over 71.1 million people were internally displaced as of 2023, with conflict and violence accounting for the majority of these displacements (IDMC, 2023). The situation is particularly acute in regions experiencing protracted crises, including the Horn of Africa.

In Ethiopia, internal displacement is widespread and multifaceted, driven by ethnic conflict, political instability, land disputes, and environmental degradation. Regions such as Tigray, Oromia, Benishangul-Gumuz, and the Amhara region have seen recurrent waves of displacement due to armed violence and state-led operations. According to the United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA, 2021), millions of Ethiopians have been uprooted from their homes in recent years, leading to complex humanitarian emergencies and long-term developmental concerns. The conflict that erupted in the Tigray region in November 2020, for instance, triggered one of the largest waves of internal displacement in the country's modern history, spilling over into neighboring regions, including Amhara, and leading to the rapid emergence of IDP camps in areas like Azezo, Gondar City.

Urban centers like Gondar face immense pressure as they absorb large displaced populations. The socio-economic implications of hosting IDPs are profound. On one hand, host communities often experience increased demand for essential services such as water, sanitation, education, healthcare, and housing. On the other hand, the displaced population brings labor, trade, and new forms of social organization that can contribute to local economies. However, such coexistence is not without challenges. Displacement often disrupts social cohesion, strains infrastructure, and generates perceptions of inequality, especially when humanitarian aid is targeted primarily at IDPs, leaving impoverished locals feeling marginalized (Hassan et al., 2019).

The internal displacement crisis has both macro and micro-level implications for Ethiopian society. At the macro level, it challenges the state's capacity to provide security and equitable development. At the micro level, it deeply affects household resilience, access to livelihoods, and community dynamics (Garcia & Martinez, 2017). The displaced themselves often face multiple deprivations: loss of property, disruption of education and employment, mental health issues, and a lack of durable solutions. Additionally, as noted by Roberts and Smith (2017), displacement tends to exacerbate psychological trauma, with IDPs reporting higher levels of anxiety, depression, and stress due to forced migration and ongoing instability.

Despite the increasing attention to internal displacement in policy and academic discourse, there is still a lack of detailed empirical research on the specific impacts of IDPs on host communities at the city or neighborhood level. Azezo, a suburb of Gondar City, represents a critical case in this regard. It has witnessed a significant and sustained influx of IDPs over the past few years, particularly from the Tigray conflict. The town now hosts thousands of IDPs living in camps and informal settlements within close proximity to residential neighborhoods. However, limited data exist on how this influx has affected the socio-economic fabric of the community, especially in terms of employment, service provision, housing markets, and inter-group relations.

This research thus seeks to fill this gap by exploring the socio-economic impact of internal displacement on both the IDPs and the host community in Azezo, Gondar City. Drawing on both quantitative and qualitative data, the study examines the extent to which displacement has reshaped economic patterns, altered social dynamics, and influenced perceptions of coexistence. The study is guided by the understanding that while IDPs are typically seen as recipients of aid, they also possess agency, resilience, and the capacity to contribute to the societies into which they are integrated (Putnam, 1993; Woolcock & Narayan, 2000).

Understanding the dynamics of displacement in Azezo is not only vital for humanitarian response and local governance but also for informing national policy on internal displacement. The 1998 UN Guiding Principles on Internal Displacement call for durable solutions that address the long-term well-being of IDPs, emphasizing the importance of integration and community-based approaches. Therefore, this study aims to provide evidence-based recommendations for policy makers, local authorities, and humanitarian actors to support both displaced populations and host communities in achieving more resilient and inclusive

## II. Materials and Methods

This research employed a mixed-methods design, combining both quantitative and qualitative approaches to triangulate data and deepen contextual understanding. The study area is Azezo, a rapidly urbanizing suburb of Gondar City, Amhara Region. Azezo has become a significant site for IDP resettlement due to its proximity to conflict zones and existing infrastructure.

The target population included 15 internally displaced persons, 25 host community members, and 1 municipal administrator, totaling 41 participants. A stratified purposive sampling technique was employed for qualitative interviews, while the quantitative survey used a simplified random sampling approach based on Yamane's formula (Yamane, 1967). Data was collected through closed-ended questionnaires, semi-structured interviews, and document analysis.

Quantitative data was analyzed using descriptive statistics (mean, percentage, standard deviation), while thematic analysis was applied to qualitative responses. Ethical approval was obtained from relevant university committees, and informed consent was secured from all participants.

## III. Results

The findings indicate a nuanced socio-economic relationship between IDPs and the host community. Economically, IDPs were active in petty trade and informal labor. Many sold portions of their aid rations in local markets, indirectly benefiting host residents by reducing food prices. For instance, the resale of WFP-provided wheat and oil was associated with an average 45.5% decrease in food costs compared to nearby towns like Gondar.

However, tensions arose around employment competition. Respondents from the host community perceived that IDPs were benefiting from aid and jobs while locals were being overlooked. Additionally, environmental degradation—particularly water pollution near IDP camps—was linked to increased illness among host residents. Despite these challenges, strong cultural ties between IDPs and locals (shared religion, language, and kinship) facilitated cooperation and even intermarriage.

Infrastructure and services were under pressure. Local schools, health clinics, and housing systems were reported to be overstretched. Nonetheless, some IDPs brought skills and entrepreneurship that contributed to the economy. Business growth in cafes, restaurants, and petty trade was observed around the IDP camp area.

## IV. Discussion

The socio-economic impacts of internally displaced persons (IDPs) in Gondar City, particularly in the Azezo area, reveal a complex interplay between vulnerability and opportunity. The study's findings show that while IDPs endure significant hardships—including limited access to employment, education, housing, and health services—they also contribute meaningfully to the host community's economic and social systems. These findings are consistent with broader research across displacement contexts in Africa and other regions.

One of the central findings of this study is the **relatively peaceful and cooperative relationship between IDPs and the host community** in Azezo, which can be attributed to shared ethnic, religious, and familial ties. Several IDPs and host residents originate from the same ethnic backgrounds and clans, leading to high levels of intermarriage and communal interaction. This kind of integration aligns with the findings of Pavanello et al. (2010), who argue that pre-existing social networks significantly ease the integration of displaced populations into host communities. Similarly, social capital theory emphasizes that trust, shared norms, and mutual aid—often present in culturally homogeneous communities—facilitate smoother interaction between displaced populations and locals (Putnam, 1993; Woolcock & Narayan, 2000). In the case of Azezo, this shared identity enabled IDPs to live among locals without strict segregation, which is unusual in many other displacement settings where camps are isolated and guarded.

Economically, the study found that IDPs contribute positively to the local economy through informal trade, particularly through the resale of food aid items. According to the data, approximately 75% of the aid rations distributed to IDPs were sold in local markets, making essential commodities like wheat, oil, and sugar more affordable for host residents. This aligns with the findings of the World Bank (2019), which notes that while displacement often creates short-term strain on local services, it can stimulate local markets and generate new economic dynamics in the medium to long term. The influx of aid supplies in Azezo created a secondary market where locals could purchase essential goods at subsidized prices, which helped mitigate the effects of inflation and food insecurity in the host community. A similar observation was made in refugee settlements in Tanzania, where Seabrook (2009) reported that local economies benefited substantially from trade and food markets generated by IDP and refugee populations.

However, the positive economic contributions of IDPs do not negate the **real and perceived competition for jobs and resources**, especially among vulnerable segments of the host population. Respondents noted that IDPs often compete for scarce employment opportunities, and that their integration into the labor market—though limited—adds pressure to an already strained system. This perception echoes findings

by the Internal Displacement Monitoring Centre (IDMC, 2021), which highlights that IDPs frequently face discrimination in urban job markets, but their mere presence can foster resentment among host communities dealing with similar economic hardship. Moreover, humanitarian aid targeted exclusively at IDPs can exacerbate these tensions if not complemented by assistance to the host population (UNHCR, 2016).

Environmental degradation was another concern raised during the fieldwork. The improper disposal of human waste and other pollutants from the IDP camps was reported to contaminate local water sources, posing health risks to both displaced and host populations. Similar issues have been documented by ARRA (2011) and UNHCR (2012), which have linked refugee and IDP camps to environmental degradation, including deforestation, water contamination, and land overuse. In Azezo, the situation is aggravated by the lack of infrastructure and urban planning to accommodate the sudden population increase, a problem also observed in urban displacement studies conducted by UN-Habitat (2014).

Another important dimension observed in this study is the **role of humanitarian agencies and the state**, especially in terms of food aid, healthcare services, and infrastructure. While humanitarian organizations such as the World Food Program (WFP) have provided critical assistance to IDPs, their services often exclude local populations, even though many of them live under similar socio-economic conditions. This has resulted in what Dryden-Peterson and Hovil (2004) call "humanitarian bifurcation," where aid provision unintentionally reinforces divisions between host and displaced communities. In Azezo, although the sale of food aid indirectly benefits locals, the perception that IDPs receive preferential treatment remains a source of tension, highlighting the need for inclusive policies that support both groups.

Despite these challenges, IDPs in Azezo have demonstrated resilience and adaptability. Some have begun to establish businesses, participate in informal markets, and contribute labor to sectors such as transport and petty trade. These findings are supported by Jacobsen (2002), who argues that displaced populations often exhibit entrepreneurial behavior when given access to resources and market opportunities. Similarly, the livelihoods approach proposed by DFID (1999) emphasizes that displaced individuals retain capacities and assets that, if supported, can be leveraged to contribute to host economies and their own self-reliance.

In terms of health, the study's findings indicate that IDPs in Azezo continue to suffer from lack of access to clean water and sanitation, resulting in waterborne illnesses. This is consistent with observations by UNICEF (2017), which reported that poor WASH (Water, Sanitation, and Hygiene) conditions in IDP camps significantly increase the risk of disease. The situation is further complicated by weak public health infrastructure in host areas, which are often under-resourced and ill-equipped to handle increased demand from displaced populations.

Socially, the presence of IDPs has influenced cultural exchange and introduced new practices to the host community. While some respondents saw this as a positive development, contributing to diversity and cultural enrichment, others viewed it as a threat to traditional norms and customs. Such dual narratives are common in displacement settings, as noted by Horst (2006), who observed that cultural interaction between refugees and host populations can simultaneously foster social cohesion and cultural friction.

## **V. Conclusion**

The socio-economic impacts of internal displacement in Azezo are complex and multifaceted. While displacement has undeniably strained local services and generated competition for jobs and resources, it has also led to new economic opportunities, cultural exchanges, and increased market activity. IDPs should not be viewed solely as burdens but as contributors with resilience and capacity to support local development.

An inclusive urban development strategy that addresses both the vulnerabilities of IDPs and the needs of host communities is crucial. Without such an approach, displacement may exacerbate urban inequality and social fragmentation.

## **VI. Recommendations**

- Government and NGOs should expand vocational training and livelihood programs accessible to both IDPs and host community members.
- Health and sanitation infrastructure should be prioritized around IDP settlement areas to prevent disease and environmental degradation.
- Conflict-resolution and community dialogue initiatives should be supported to mitigate social tension and encourage coexistence.
- Humanitarian aid should be designed with a community-inclusive approach, ensuring that host communities also receive support to prevent resentment and marginalization.
- Urban planning should incorporate IDP settlements into long-term development frameworks to foster durable solutions.

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