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KEYWORDS	ABSTRACT
Afghan Refugees, Displacement Driven Economy, Internally Migrated Population, Khyber Pakhtunkhwa, Sustained Agriculture Labor.	Displacement creates complex social and economic challenges between displaced and host communities but also new opportunities for integration. This study examines the economic participation of displaced populations in Tehsil Razar, District Swabi, Khyber Pakhtunkhwa, Pakistan, arguing that it has evolved into a displacement-driven economy. Based on 30 semi-structured interviews with traders, farmers, landowners, elders, and officials, findings show Afghan refugees dominate trade while internally displaced persons sustain agricultural labor. Despite legal and social barriers, displaced groups are vital to the local economy. The paper introduces the concept of a “displacement-led economy” with relevance to Uganda, Lebanon, Jordan, and Europe.
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Introduction

Dislocation has become part and parcel of the modern world. As of June 2022, there were more than 100 million forcibly displaced persons in the world, comprising both refugees, asylum seekers, Internally Displaced Persons (IDPs), and stateless persons (UNHCR, 2022). Though violent political conflicts are the most visible driver (Christensen et al. 2009), displacement is also caused by social and economic pressures, and development projects led by the state. Whatever the reasons, displacement is a difficult process with very extensive social and economic implications on the populations involved, whether displaced or not, and requires large-scale social and economic redressing.

Protracted displacement is an idea that describes the long-term persistence of most crises. It is becoming the norm rather than the exception, as defined by the UNHCR as the situations when 25,000 or more refugees of the same nationality are still in exile for at least five years (Ferreira et al., 2021). However, internally displaced people are often left out of such definitions, and they may have just as many long-term difficulties without an international border. Whether international or internal, protracted displacement reshapes host societies, sometimes to the extent that displaced groups become integral to local economies.

The example of such dynamics is Pakistan. The country has hosted Afghan refugees since the invasion of the Soviet Army more than 40 years ago, and it is currently home to approximately 1.5 million registered Afghan refugees, almost 800,000 of whom live in Khyber Pakhtunkhwa (Commissionerate Afghan Refugees, 2023). In line with this, internal movement of the former Federally Administered Tribal Areas (FATA), particularly in the course of and following the post-9/11 conflicts, has transformed population trends in the province. Military actions against insurgency resulted in the displacement of more than 280,000 families (Said, 2012), although some of them had returned since that time, many of them settled permanently in host districts (UNFPA, n.d.).

The Swabi district, and especially Tehsil Razar, provides a very important point to study the relationship between international refugees and internal migrants. Since 1979, Afghan refugees, the Barakai and Fazal camps being the main concentration sites, came in waves. Internal migrants (Bajaur and Mohmand), meanwhile, moved to Swabi (pre-War on Terror economic opportunity and post-War on Terror as an IDP) to flee the violence. Collectively, these populations comprise a heterogeneous displaced community that is integrated into Swabi's economic and social life.

This paper explores how displacement has restructured the economy and society of Swabi, especially in terms of their differentiated roles of the Afghan refugees and internal migrants. It poses: to what degree have displaced peoples been integrated in the economic life of Swabi, and what role has their presence played in bringing about a displacement-led economy?

The study makes three contributions. First, it gives an empirical explanation of the interactions between various displaced communities in one host district and the complementarities and tensions. Second, it gives the concept of a displacement-driven economy, which entails the way in which displacement itself is a structuring force within host economies. Third, the Swabi case provides comparative information that can be applied to protracted displacement in other areas, both in the context of refugee economies in Uganda and in the context of mixed refugee-migrant communities in Lebanon, Jordan, and Europe.

This paper restructures the notion of displacement by connecting it to the issues of the world and letting it be not only a humanitarian issue, but also a cause of social and economic transformation.

Literature Review

Migration is a phenomenon that is thoroughly researched on a global level, but its expressions and effects differ significantly in different contexts. Pakistan has witnessed various types of population movement in South Asia: prolonged Afghan refugee, conflict-related internal displacement, labour-related internal migration, and development-related displacement. While each stream of migration has been studied in isolation, there is relatively little scholarship on how these overlapping forms of displacement collectively transform host economies. This review critically applies classical theories and new scholarship to contextualize the study in the contexts of migration studies and identify the gaps that are filled.

The push-pull theory, as formulated by Lee (1966) is one of the most popular theories that have been cited in studies of migration. It explains migration as an outcome of conditions in the origin, conditions in the destination, intervening obstacles, and personal characteristics. Push factors—such as conflict, insecurity, or lack of opportunities—drive people out of their homelands, while pull factors—such as better livelihoods or safer environments—attract them to new destinations. In the Pakistani case, Afghan refugees were pushed by decades of war, IDPs by insurgency and counterinsurgency in FATA, and dam-displaced populations by state-led infrastructural projects. Swabi's fertile agricultural lands, relative peace, and expanding markets functioned as pull factors.

However, as King (2012) and de Haas (2014) remark, the push-pull models cannot sufficiently shed light on the complexity of displacement that is long-term and mixed migration. Such strategies usually ignore structural obstacles, state policies, and the interdependence among displaced groups. This paper employs the push-pull dynamics as a point of departure but goes further to examine how long-term economic transformation in Swabi occurred.

The current literature about refugee economies has challenged the image of a refugee as a passive aid recipient. Betts et al. (2017) showed how the community of refugees in Uganda is active in markets and can create economic value. Easton-Calabria (2022) took this discussion a step further to show how institutional and policy environments tend to restrain self-reliance. On this note, Krause and Schmidt (2023) point out how the phenomenon of refugee entrepreneurship conflicts with policies of the host state.

All these studies demonstrate that the involvement of refugees is economic, but host environments organize their involvement. Throughout the majority of research, however, the refugees are considered as one category. Afghan refugees are the masters of the bazar trade in Swabi, although they share the environment with other displaced communities who have taken up different niches of labour. This plurality is rarely reflected in the literature of the refugee economy, which makes possible the notion of a displacement-driven economy.

The rural-urban internal migration has been a subject of research considered in the framework of the dual economy model (Lewis, 1954), which underlines the role of surplus labour in the rural regions in the development of growing capitalist sectors. Deshingkar and Grimm (2020) present

more recent work to demonstrate the ways in which internal migrants in South Asia perpetuate agricultural and informal systems of labour, which are frequently under precarious conditions.

Rural-urban migrations, remittances, and shifting livelihood trends have been associated with internal migration in Pakistan (Gazdar, 2003; Sadagat, 2021). Nevertheless, little attention is paid to the interaction of internal migrants with international refugees in the same host economy. In Swabi, internal migrants provide seasonal and permanent agricultural labour, directly complementing the trading networks built by Afghan refugees. This interdependence is evidence of the necessity of structures that transcend the single-category analysis of migration.

Mixed mobility is a concept that has gained relevance in the study of migration. According to Crawley and Skleparis (2018), strict lines between the refugees and the migrants are not always beneficial because individuals travel to different countries due to intersecting motives. Similarly, Bakewell (2011) also conceptualises displacement and migration as these are not categorical ideas but as overlapping processes.

A more current literature on protracted displacement highlights that continued stay transforms the host economies and societies (Milner, 2014). The duration of stay of the Afghan refugees in Pakistan has been more than forty years, and differentiating between temporary displacement and permanent residence is no longer possible. The studies, such as Conflict-Induced Displacement in Pakistan (Springer, 2025), show how the Afghan communities adjust at the social level and economic level, but the separation in exploring how the groups of displaced people relate to one another to reorganize the host economies.

Integration is generally perceived as a process that is multi-dimensional (Ager & Strang, 2008; Heckmann, 2005). The cultural, social, economic and structural aspects can be used to understand the role of migrants in host societies. The Global North studies have paid much attention to institutional access, political rights, and social belonging (Schinkel, 2018). Informally in the Global South, it is typical that integration can be done via informal processes, including market involvement, kinship, and local patron systems (Zetter & Ruaudel, 2018).

Further on, the integration is not a linear process, which can be homogenous between groups as it was discussed in *Journal of Ethnic and Migration Studies* (2022; 2023). As an illustration, refugees can be economically integrated but they could be excluded in political systems. In Swabi, the prevalence of Afghanistan refugees in trade is not matched by the poor land access of the dam-displaced and their diverse patterns of integration.

A new literature is emerging that puts emphasis on the importance of South-South migration. Other works, like the *Palgrave Handbook of South-South Migration and Inequality* (2023) highlight the fact that the majority of migration today is between the Global South. The articles by World Development (2022) also demonstrate that these kinds of movements tend to create resource conflicts and transform the local governance. These lessons can be directly applied to Pakistan, where there is one of the largest protracted refugee situations in the world, as well as a high level of internal displacement. However, even though Pakistan is central to the migration

literature, the Global North contexts continue to dominate the literature. This strengthens the significance of making Swabi a case study, which builds on the Global South literature on displacement and economy.

Identified Research Gap

The literature reviewed above reveals three key gaps:

1. The study of refugee economies is made in independence of other displaced or migrant populations, neglecting the existence of economic interdependence in common host environments.
2. The multi-layered patterns of Global South integration are frequently neglected in cases of integration studies because they usually dwell on single migrant populations or the Global North.
3. Drivers and labour positions are explained using push and pull theory and dual economy theory, but fail to capture how displacement as such would be turned into a structuring force of host economies.

This paper fills in such gaps by theorizing the concept of a displacement-driven economy, in which Swabi takes the form of an example in which the Afghanistan refugees, internal migration, and even dam-displaced populations coexist in the process of redefining local markets, land relations, and labour dynamics. By so doing, it adds to on-going discussions on protracted displacement, integration, and South-South migration.

Theoretical Framework

Migration has been one of the main characteristics of human history, as political, economic, social, and environmental forces attract individuals and communities to cross the areas and boundaries. This paper will research various migration flows into District Swabi among the Afghan refugees, tribal agency IDPs, and communities displaced by massive infrastructure developments like the Tarbela Dam. The study is based on the classical approaches to migration, integration perspectives, and the existing debates in the migration domain in order to understand these dynamic forces. It also brings the notion of the displacement-based economy that embodies the role of overlapping forms of displacement that together restructure host economies in ways not entirely explained by the existing frameworks.

Classical perspectives: push-pull theory

The Push-Pull Theory is one of the oldest migration analysis strategies by Everett S. Lee (1966). Lee suggested that there are four groupings of factors that affect migration: (1) situation in the country of origin, (2) situation in the destination, (3) intervening factors, and (4) individual attributes of migrants. This framework holds that push factors that including violent conflict, unavailability of livelihood, or environmental degradation, force people out of their place of

origin. Pull factors, on the other hand, refer to the perceived benefits of the destination, which may be fertile land, improved law and order, or market.

In Swabi, the main cause of migration of Afghan refugees was the long-term war in Afghanistan and its socioeconomic consequences, and tribal migration in Bajaur and Mohmand was caused by poverty and the lack of security caused by insurgency. Another set of migrations was caused by the Tarbela Dam project, resulting in the physical displacement of residents. To all these people, Swabi presented a lure of agriculture, relative stability, and business opportunities.

Although the Lee model is applicable in determining the immediate causes of migration, its explanatory ability is limited in cases of long-term displacement and mixed migration flows. The scholars have stated that push-pull strategies take the risk of over-simplifying migration processes because they assume that migration is a one-dimensional decision process, instead of a multi-layered and dynamic process (de Haas, 2014; King, 2012). Specifically, the push-pull theory downplays structural limitations, regimes of policies, and long-term interdependence between the migrants and the receiving populations. This way, whereas this study uses push-pull logic to trace the basic factors that lead to the migration into Swabi, it goes further to include the aspect of displacement and adaptation, as developed by Lee.

Migration–integration theory

It is important to note the issues of integration to understand how migrants integrate into the societies of the host countries. Integration is typically considered to be a multidimensional phenomenon, which entails cultural, social, economic, and structural aspects (Ager & Strang, 2008; Heckmann, 2005).

- Acculturation is the process of acquiring the cultural habits of the host community, and these may be language, clothing, or even customs.
- Social integration entails the setting up of networks, the friendship and kinship relationships in the host society.
- Economic integration is also demonstrated in the involvement of migrants in the local economy through labour, entrepreneurship, or trade.
- Structural integration: This is access to institutional structures, including medical services, education, and political freedoms.

These dimensions are unevenly spread among migrant groups in Swabi. Afghan refugees have successfully integrated, especially in terms of economy, as they dominate the bazaar business, but are struggling with the structural and political integration because of their legal status. Tribal agency internal migrants can be more easily integrated into agricultural labour systems, but they might not have the same commercial networks. Dam-displaced people, despite being socially close to hosts, tend to have problems with land tenure and economic prospects. Integration theory

can thus be used to have an analytical prism to determine why some groups are more or less successful in integrating in certain areas than others.

However, the integration theory has been criticized for assuming that migrant groups are homogeneous units and for giving a preference to linear models in assimilationism (Schinkel, 2018). It does not pay as much attention to the interaction between various displaced people and the way that their joint existence alters the host economies and societies. This gap is especially relevant when international refugees, IDPs, and development-displaced persons flock around each other in the same localities in the Global South.

Contemporary perspectives: refugee economies and mixed mobility

The current research has attempted to go beyond the static concepts of refugees as populations that receive and focus on the economic agency that refugees have. According to Betts et al. (2017), legal and institutional challenges do not mean that refugees cannot create new market practices, generate jobs, and add to host economies. Easton-Calabria (2022) also draws attention to the increasing acknowledgment of refugee independence in humanitarian policy, despite the lack of structural capacity. This literature reframes the usual understanding of refugees as the passive beneficiaries of aid but makes them active subjects in the development of the local markets.

Simultaneously, research on internal migration and labour markets has revealed that rural-urban migrants can continue informal economies and dual economic systems (Deshingkar & Grimm, 2020; Lewis, 1954). Internal migrants in most developing nations offer cheap labour on which agricultural output and urbanization are built. The research documented in this area, however, is hardly overlapping with the field of refugee economy, and some gaps are not quite filled with explanations on how these groups of people interact with each other if they share a setting.

The concept of mixed mobility would solve some of these complexities by questioning the existence of strict line divisions in terms of refugees, IDPs, and economic migrants. According to Crawley and Skleparis (2018), such categorical fetishism prevents the realities of those whose movements are constituted by multiple drivers. Bakewell (2011) also points out that displacement and migration are not always tidy, as one may move for safety, livelihood, and social reasons. When applied to Swabi, there is a necessity to realize how different migrant groups influence the local economy as a whole, as opposed to individualizing them into an isolated phenomenon.

Conceptual Contribution: The Displacement-Driven Economy

Based on this literature, this paper explains a new phenomenon, the displacement-driven economy. This model describes the overlapping of various types of displacement: international refugee movements, domestic displacement because of conflict, and resettlement as driven by development, to form a distinct and permanent economic system in a single locality.

The Afghan refugees in Swabi have established far-reaching trading patterns in the bazaars because they have utilized the transnationalism connections and community unity to build a commercial hegemony. Internal Bajauri and Mohmand migrants are the major providers of workforce as agricultural laborers, which make the fertile Swabi lands productive. Meanwhile, the dam-displaced populations are involved in neither labour structures nor social structures in an uneven manner, which is a reflection of their partial integration into the host society. With a mixture of these groups, an economy is created not by chance in relation to displacement but essentially.

This idea goes beyond the concept of refugee economies, emphasizing interdependence among displaced populations. It is an indication that the displacement is not just disruptive to the host economies, but it can reorganize a country in a manner that becomes self-sustaining in the long term.

At the same time, the displacement-driven economy should not be understood as implying that all displaced populations benefit equally from economic restructuring. Rather, the framework recognizes that displacement economies are characterized by significant power asymmetries both between host communities and displaced populations and among displaced groups themselves. In Swabi, Afghan refugees, internally displaced persons from the former tribal areas, and development-displaced communities occupied different structural positions depending on factors such as legal status, access to land, social networks, mobility, and livelihood opportunities. While some groups were able to establish strong commercial networks or secure employment in agriculture, others remained more vulnerable to economic insecurity, limited bargaining power, and restricted access to resources. Thus, the displacement-driven economy is not presented as an egalitarian system but as one in which economic interdependence coexists with unequal access to opportunities and persistent structural inequalities. Recognizing these differentiated positions strengthens the framework by demonstrating that displaced populations contribute collectively to local economic transformation while experiencing uneven levels of integration, security, and socio-economic advantage.

The economy run by displacement is therefore defined by:

1. Complementarity between displaced groups in different economic niches (commerce vs. labour).
2. Host economies rely on displaced populations to grow and be productive.
3. Durability, because the structures, which are based on displacement, endure decades, generations.

As theorizing Swabi as a displacement-based economy, the research assists in three more extensive discussion points of migration research:

- First, it demonstrates that classical push-pull models cannot explain long-periodic and overlap displacements.
- Second, it narrows integration theory by demonstrating the value of integration as relations among various displaced groups, rather than migrants and hosts.
- Third, it builds on refugee economy literature by putting the agency of refugees into a multi-actor economic framework where other displaced groups co-create new host economies.

Implications for Migration Studies

The displacement-driven economy framework has implications beyond the Pakistani case, but its applicability should be understood as context-dependent rather than universal. The findings from Swabi reflect a setting characterised by prolonged displacement, close ethnolinguistic and cultural ties between many host and displaced communities, extensive informal labour markets, and strong rural economic embedding. These conditions distinguish the Pakistani case from refugee contexts such as Jordan, Lebanon, Uganda, or European states, where legal incorporation, humanitarian governance, labour market regulation, and patterns of social inclusion differ substantially. Consequently, the framework is best understood as an analytical lens for examining how overlapping forms of displacement reshape local economies under particular social, political, and institutional conditions, rather than as a universally applicable model.

Future comparative research could examine the extent to which the displacement-driven economy framework is applicable across different refugee settings by considering variations in legal status, citizenship pathways, ethnolinguistic proximity, access to formal and informal labour markets, humanitarian infrastructures, and rural versus urban settlement patterns. Such comparisons would help identify which elements of the framework are transferable across contexts and which are shaped by local institutional and historical conditions.

Furthermore, the framework recognises that economic contribution does not necessarily imply equal integration or security. Displaced populations may play a significant role in local economic development while continuing to experience legal precarity, discrimination, and unequal access to resources and institutions. The concept of the displacement-driven economy therefore emphasises that economic interdependence can coexist with structural inequalities and differentiated forms of incorporation among displaced populations.

Research Methodology

The approach to research defines the instruments to be applied in collecting and interpreting data and depends upon the aim of the study (Atkinson, 2017). Considering the nature of this study, which was exploratory, it was decided to use a qualitative ethnographic study design. Ethnography allows a researcher to work closely with the participants within their everyday context, whereas qualitative research helps individuals to deeply study the experiences,

perceptions, and social mechanisms (Creswell & Poth, 2016). Quantitative techniques, as useful as they may be in the process of quantifying large-scale trends, are not as appropriate in the process of defining the dynamics of displacement, integration, and livelihood in a particular locality. This work is hence interpretive and exploratory, in the sense that it seeks to know the view of the displaced populations and host communities in the District of Swabi. The qualitative method allows concentrating on the meanings, stories, and experiences instead of financial trends only.

Data sources

The literature on the existing data regarding the Afghan refugees, IDPs, and development-displaced populations in Pakistan was reviewed. It comprised scholarly literature, government publications, nongovernmental literature, and news records. The secondary data gives a framework of the larger trends in migration and provides a background to the main fieldwork.

The core of this study is based on in-depth semi-structured interviews supplemented with participant observation and oral histories. Semi-structured interviews were flexible and provided the respondents the opportunity to discuss their experience in their own language, but did not miss the main themes:

- Circumstances of displacement,
- Processes of settlement and integration,
- Socio-economic roles of migrants in Swabi,
- Interactions between migrants and host communities, and
- Perceived political, cultural, and economic transformations.

Sampling strategy

A purposive and snowball sampling strategy was used to recruit participants. Purposive sampling was done to make sure that important categories of displaced groups were represented:

- Afghan refugees (n=5),
- IDPs from tribal agencies (n=5),
- Socio-economic migrants (n=5),
- Dam-displaced populations (n=5),
- Local elders providing oral histories (n=5), and
- Government officials (n=5).

In total, 30 interviews were conducted. Snowball sampling helped identify additional participants within each group. Sampling continued until data saturation was reached—that is, no substantially new themes emerged from further interviews.

Data collection procedures

The fieldwork was conducted in District Swabi during 2023–2024. The interviews were conducted in the language of the participant's choice (Pashto and Urdu), and the translation into English was made during the transcription. The interview time took 45–90 minutes each. Most of the interviews were audio recorded and subsequently transcribed verbatim after permission of the participants; where audio recording was not feasible, detailed field notes were made. The researcher also triangulated results by participating in local bazaars, agricultural areas, and community events in addition to interviews, a method that would enable him to validate the information obtained through triangulation as well as place interview results in context.

Data analysis

Analysis of data was done using thematic coding. Primary open coding was used to determine recurrent concepts, which were further categorized into broad themes of migration agents, experiences of integration, and economic roles. The process of coding was done manually. A deductive concern on theoretical categories, based on push–pull theory, integration frameworks, and the concept of the displacement-driven economy, was supplemented by an inductive approach. This guaranteed theoretical consistency as well as responsiveness to new and contextual themes.

Ethical Considerations

Prior to commencing fieldwork, formal ethical approval for this study was obtained from the relevant institutional ethics committee in accordance with the University's research ethics procedures. All participants received clear information regarding the purpose of the study, the voluntary nature of participation, their right to refuse to answer any question, and their right to withdraw from the study at any stage without any adverse consequences. Written or verbal informed consent, as appropriate to the field context, was obtained before each interview.

Given that the study involved Afghan refugees and displaced persons living in legally and politically sensitive circumstances, particular attention was paid to protecting participants from potential harm. Confidentiality and anonymity were maintained throughout the research process by assigning pseudonyms to all participants and removing names, locations, and other identifying information from transcripts and reported findings. Particular care was taken when reporting quotations from participants residing in small communities to ensure that individuals could not be identified through contextual details or combinations of personal characteristics.

Interview recordings, transcripts, and related research materials were stored securely in password-protected digital files accessible only to the researcher and supervisory team. Any documents containing participant information were kept separately from the interview data to further safeguard confidentiality. The researcher remained aware of the potential power imbalance between the researcher and participants and adopted a respectful, participant-centred approach throughout the fieldwork. Participants were assured that the research was conducted solely for academic purposes and was entirely independent of any governmental, security, or humanitarian organisation. Interviews were conducted in locations selected by participants wherever possible, and participants were encouraged to answer only those questions they felt comfortable discussing. Where participants showed signs of discomfort, interviews were paused, redirected, or concluded according to their wishes to minimise any risk of emotional distress or re-traumatisation.

As interviews were conducted in Pashto and Urdu, they were translated into English during the transcription process. Particular attention was paid to preserving participants' intended meanings, cultural expressions, and contextual nuances rather than relying solely on literal translation. Where idiomatic expressions or culturally specific concepts had no direct English equivalent, explanatory notes were incorporated to preserve their intended meaning. Translated transcripts were reviewed carefully against the original recordings to ensure conceptual consistency and faithful representation of participants' perspectives.

Researcher Positionality and Reflexivity

Given the qualitative and ethnographic orientation of this study, the researcher acknowledges that personal background and interactions with participants inevitably shaped the research process. As a Pakistani researcher familiar with the local cultural and linguistic context, the researcher was able to communicate effectively with participants in their preferred language and develop rapport during fieldwork. At the same time, it was recognised that the researcher's position as an academic and an outsider to participants' lived experiences of displacement could influence how participants chose to present their experiences. To minimise this effect, the researcher adopted a respectful, non-judgemental, and participant-centred approach, allowing participants to narrate their experiences in their own words and at their own pace.

Access to participants was negotiated through community elders, local leaders, and trusted community members who introduced the researcher to potential participants and explained the purpose of the study. This facilitated trust while ensuring that participation remained entirely voluntary. Although these gatekeepers helped establish initial contact, they were not present during interviews, allowing participants to speak freely and reducing the possibility of external influence on their responses.

The researcher remained attentive to power dynamics throughout the interview process. Recognising that participants might perceive the researcher as being associated with governmental or official institutions, the researcher clearly explained their independent

academic role, the objectives of the research, and the measures taken to ensure confidentiality. Participants were repeatedly assured that their decision to participate or decline would have no impact on their legal status, access to assistance, or relationship with any government or humanitarian organisation. Interviews were conducted in locations chosen by participants to promote comfort, privacy, and open discussion.

Given the legally and politically sensitive circumstances surrounding Afghan refugees in Pakistan, particular care was taken to protect participants from any potential harm arising from disclosure. No information relating to immigration documentation, legal status, or other identifying details was reported unless it was directly relevant to the research objectives and could be presented without compromising participants' anonymity. All interview data were anonymised through the use of pseudonyms, and potentially identifying contextual details were omitted or generalised where necessary. These measures were intended to safeguard participants while ensuring that their perspectives were represented accurately and respectfully.

Integration of displaced communities into host society

The process of integration into host societies is usually the result of a prolonged displacement (Zetter & Long, 2012). The process, however, is influenced by structural, legal, and social factors that may either ease or bring hindrance to settlement. In Tehsil Razar, the Afghan refugees and internally displaced/migrated population both belong to the same ethnic group, Pashtun, as the local population does. This language and cultural similarity eliminates one of the barriers to integration. Nevertheless, these two groups integrate differently because of their different legal and political status.

Afghan refugees: constrained legal status and partial integration

The Commissionerate of Afghan Refugees data shows that there were around 15,337 Afghans in Tehsil Razar in 2018, which is divided into the Barakai (12,606) and Fazal (2,731) camps (UNHCR, 2018). Although the population probably increased since that time, Afghans are still residing in specific refugee settlements and do not have a way to naturalize (Oeppen et al., 2023). This deprives them of citizenship rights, property ownership, and registration of an independent enterprise.

Despite these limitations, Afghan refugees have developed various adaptive strategies. A high number of businesses are run in the camp bazaar and local markets, and most of them are normally registered under the name of Pakistani acquaintances, on an informal basis. Limited as they are, such arrangements are indicative of partial integration into the local economy. "I have lived here since the 1980s. My shop is in the camp bazaar. This is my home now. We cannot go back to Afghanistan anymore (Interview Afghan trader, n=5, 2023). Socially, Afghan refugees engage in local communal activities, including Gham-Khadi (collective grief and feast), which means daily social embeddedness. However, intermarriages between Afghan and local families remain rare and discouraged on both sides. Such reluctance to accept highlights the fact that Afghans remain

a different identity, who may be considered as insiders in everyday life, but outsiders in legal and political realms.

Internally displaced/migrated populations: deeper integration

Conversely, the internal migrants of Bajaur and Mohmand do not experience any formal inhibition to integration. Being Pakistani nationals, they can own property, start businesses, and receive state services. A great number of them have been given national identity cards and even domiciles at Swabi, virtually indigenizing them in official books. This complicates accurate population counts, but strengthens their legal status.

The IDPs and internal migrants reside in villages with locals either as tenants, but in more cases as landowners, where the transactions permit. Social ties are stronger than in the Afghan case, and intermarriage, though not common, does occur. *“We bought land here after moving from Mohmand. Our children are attending local schools now, and people treat us like theirs* (Interview internal migrant, n=5, 2023). Local perceptions play a key role in facilitating smoother integration. Although the Afghan refugees are still considered foreigners, the internal migrants are generally accepted as part of the community since they share the citizenship, legal rights, and social embeddedness.

Comparative insights within Swabi

The comparison between the migration of Afghans and internal migrants in Swabi shows the key role of legal and political status in determining the results of integration. Both communities have the same ethnicity and language as the host community, although the status of Afghan refugees is not fully absorbed due to their foreignness, even after decades of living in the country. Internal migrants, on the other hand, enjoy stronger integration, which is enhanced by land, documentation, and the right to participate in local governance.

An overview of the economy

Tehsil Razar of District Swabi is predominantly agricultural, with tobacco being the cash crop (SMEDA, 2009). Swabi accounts for nearly 60 percent of Khyber Pakhtunkhwa's total tobacco production, and Tehsil Razar is its main hub. The majority of tobacco businesses are based on depots at the tehsil level, highlighting the importance of the specified location to the value chain of the crop (Ullah et al., 2015). Tobacco was planted on more than 13,000 hectares in 2018 and produced around 38 million kilograms, which was the highest in Pakistan (PTB, 2019).

Beyond agriculture: remittances and services

The agricultural sector is sustained and supplemented by substantial foreign remittances. Swabi is among the leading districts sending skilled and unskilled labour abroad, particularly to Gulf States and Europe (Khan, 2010). Remittances constitute a significant percentage of household incomes and are usually invested in land, housing, and education facilities. In addition,

employment in the public sector is considered prestigious and constitutes an important source of local income.

Commerce and local markets

A growing role played by small- and medium-sized enterprises. There are three large markets, namely, Shewa Ada, Yar Hussain, and Camp Bazar, which are commercial centres that supply daily goods and services. Camp Bazar and Jaganaat are also the primary centres for the wood trade associated with tobacco curing (Personal Communication, 2023). These bazaars are not just commercial places, but they form significant interaction places among locals, the Afghan refugees, and internal migrants.

Limited industrial development

The industrialization of the industry has not developed. Although there are small-scale flour and cigarette mills in the area, Tehsil Razar does not have an industrial zone. The nearest is located in Gadoon Amazai, Tehsil Topi, within the same district (SMEDA, 2009). Such a disconnect makes reliance on agriculture, trade, migration, and the employment of the people the primary pillars of the economy.

Structural role of displaced populations

A notable feature of the local economy is the labour and commercial vacuum created by the socioeconomic profile of the host population. Several locals are landowners who rent out land, foreign workers who rely on remittances, or those in government employment. This opens up room for resettled communities to take vital positions in farming and trade. *“Most of our youth go abroad or prefer government service. Migrants now control farming to a significant extent”* (Interview local elder, n=5, 2023). Therefore, there is a favorable economic setting in Tehsil Razar that allows integration of the Afghan refugees and internal migrants, whose roles have become very influential in the sustenance of agriculture and trade.

Economic roles of the displaced communities

The displaced communities in Tehsil Razar have been integrated into the host society primarily through their participation in the local economy. Their roles are mostly complementary to the local population, as there is some competition in some areas, like business and employment markets. Notably, the economic impact of the Afghan refugees and internally displaced/migrated population is not equal, and should be discussed separately.

Afghan refugees and the business economy

Although Tehsil Razar's economy is agriculture-based, Afghan refugees residing in the Barakai and Fazal camps are concentrated in trade instead of farming. Camp Bazar, located within the refugee camp, has become one of the major markets of the tehsil. The cloth trade, the wood industry, which deals with tobacco, and petty trading in food and daily use commodities are

dominated by the Afghan traders. The locals will often shop at the place because they believe that they have a superior quality product at a reduced price. As one Afghan trader noted, “*Our families built this market step by step; locals now depend on us for essentials*” (Interview Afghan trader, n=5, 2023).

Moreover, Afghans are present not only in Swabi but also in major commercial centers such as Mardan and Nowshera. Most of them act as wholesalers with their sources in Faisalabad, Lahore, and even China. One of its unique aspects is the Afghan cloth dealers who selected the door as a strategy that poses direct competition to the local shopkeepers. Likewise, Afghans also dominate the tobacco wood business, which is essential in the curing of the Virginia tobacco crop, the cash crop in the district.

A recent trend is the rise of overseas remittances. Approximately half of the Afghan interviewees reported having relatives in Europe or the Gulf who send financial support, enabling reinvestment in local businesses (Interview Afghan trader, n=5, 2023). Although limited by law, they could not legally buy land or carry out financial transactions without the involvement of local intermediaries. The business environment was typically described as favourable by Afghan refugees as better than being backed home.

This is indicative of a larger trend reported in refugee economies in the world: refugees, including those not holding legal citizenship statuses, tend to become part of the economy by exchanging trade and engaging in informal networks (cf. Betts et al., 2021; Omata, 2022). The Swabi case, therefore, demonstrates how displacement over a long period can perpetuate commercial integration over the long term despite institutional obstacles.

Internal migrants and the agricultural economy

In contrast, the internally displaced and migrated population—mainly from Mohmand and Bajaur—are heavily concentrated in the agricultural sector. While some pursue business or government jobs, the majority work as tenant farmers or sharecroppers on local land. Three primary arrangements have been found:

- a. *Ijara* (Lease system): migrants are renting and all risks and benefits of cultivation belong to them.
- b. *Nema* (50/50 crop sharing): Farmer and landowner have equal contributions of inputs and outputs.
- c. *Drema* (1/3rd crop sharing): The farmers contribute to the land only and are paid a third of the output; meanwhile, the landlords supply all the financial resources.

Among them, *Nema* is the most common one (Interview internal migrants, n=5, 2023). According to local elders, the absence of a migrant workforce would destroy farming in Swabi (Interview local elder, n=5, 2023). Many internal migrants own homes in the area, and some even land, though the majority remain tenants. Some of the families stated that they had never gone back to their ancestral villages, whereas some families have contacts and visit occasionally (Interview

internal migrants, n=5, 2023). Compared to their home districts, migrants always claimed that their economic situation had become better, as there were few opportunities to develop agriculture and secure a job.

The process of agricultural integration of internal migrants is similar to other areas where displaced groups take up work in the agriculture sector, including seasonal migrant workers in India or Latin America (de Haas, 2014; Deshingkar & Grimm 2005). Swabi, therefore, offers a useful example of the restructuring of agrarian labour markets by internal displacement.

Discussion

Swabi findings suggest that the displacement is not a humanitarian crisis, but it was a process of reorganizing the host economies. The Afghans, who are refugees, have found a way to consolidate their niche in areas of trade and business, forming networks in the market that benefit the migrants and the locals. Internally displaced people in war-torn regions have moved to agricultural labour markets, and this has continued to keep the farming productivity in the district going. Those who have been displaced by the dams, despite being smaller in number, have been integrated into occupations associated with land, but more difficult to restore livelihoods because of the loss of their ancestral lands.

These economic roles of distinction help to highlight that integration is not even and stratified: one community has gained economic footholds, and another is marginal. Notably, these results indicate that Swabi displacement has not destabilized the economy but transformed it into a displacement economy with different groups of migrants joining hands to end up being the foundation of any commercial or agricultural activity.

Comparative discussion

Although the Swabi case applies to Pakistan's particularities, its lessons can be applied to the wider field of migration scholarship. The research of the Ugandan refugee settlements in East Africa reveals that the same division of labour is present: refugees get occupied with trade and entrepreneurship, whereas the host communities and other migrants supply them with the services of agricultural labour (Betts et al., 2017). This is akin to Swabi in his dual system of trade and farming supported by displaced communities.

Lebanon and Jordan are examples of how competing populations of refugees, Palestinian and Syrian, can be seen occupying statistically differentiated positions within limited economies in the Middle East (Fakhoury, 2021). These groups are also creators of economic value, similar to the case of the Afghan refugees in Swabi structurally marginalized in terms of not being able to exercise formal political power and access state services.

Even the displacement, which has long been a consistent problem in Europe, challenges the linearity of integration. Studies of Syrian and Ukrainian refugees emphasize the tendencies of incomplete economic inclusion and unchanging social and structural constraints (Crawley &

Skleparis, 2018; JEMS Special Issue, 2022). The institutional structures are different, and yet the unbalanced integration courses in Europe remind one of the courses that were observed in Swabi. The Swabi case will thus apply to a trend in the international scene, displaced populations are not only a source of host states' economies but also long-term structural constraints. The displacement-based economy idea suggested may thus be used to make comparative studies of Global South and Global North settings.

Theoretical contribution: Displacement-Driven Economy

This study leads to the concept of a displacement-based economy, which adds to the migration theory in three aspects. To begin with, it expands upon push-pull models (Lee, 1966) by demonstrating that displacement is an explanation of not only why people migrate but also why individuals are the centre of host economies in the long term. Second, it moves the integration theory forward (Ager & Strang, 2008) because it argues that integration does not happen in a uniform process but rather in a differentiated pattern of economic, social, and structural outcomes within the migrant populations. Third, it adds to the discussion of refugee economies (Betts et al., 2017; Easton-Calabria, 2022) by showing that frequently hosts support their economies not just through refugee populations but also through several overlapping populations of the displaced.

The Swabi example can be used to give an idea of displacement as an economic change driver and can be applied outside of Pakistan due to its foregrounding of the matter. Be it Africa, the Middle East, or Europe, the realities of long-term displacement offer up economies that are not merely host-driven, but ever more displacement-driven. This theoretical framing also helps to understand the process of restructuring societies and economies in different settings based on migration.

Conclusion

This paper has revealed that the communities displaced in Tehsil Razar of the District Swabi are not peripheral but central to the local economy. Afghan refugees prevailing in trade and commerce, people displaced internally are sustaining agriculture, and groups that were displaced by the dams, though they lost ancestral lands, have created livelihoods slowly. These groups are the pillars of the economy that this study conceptualizes as a displacement-driven economy. As the Swabi case points out, displacement is not merely a humanitarian burden, but acts as a change agent for host economies. Although the local landowners still benefit in terms of ancestral property, they have managed to become part of the economic life of the community despite legal and social obstacles. Their withdrawal would have a devastating impact on the agricultural production and market systems, which shows the depth of their contribution.

The findings have a sound outside of Pakistan as well. The same things can be observed in Uganda (refugees dictate trade) and in Lebanon and Jordan (refugees inhabit differentiated niches with repressive politics), or in Europe (Syrians and Ukrainians are less economically integrated but structurally marginalized). Placing Swabi within this broader comparative context enables the study to use the concept of a displacement-based economy as a valuable tool for understanding

migration between the Global South and Global North. Displaced populations are treated as economic partners, not just as aid-takers, and integrated into society through inclusive legal and labour policies. Further studies are required to investigate displacement-driven economies elsewhere to advance the concept to a greater extent and examine its long-term effects. Overall, the Swabi case has an empirical and theoretical contribution, as it provides new information that transcends Pakistan to migration discussions across the globe.

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