

# INSTITUTIONAL BARRIERS AND ECONOMIC OUTCOMES OF TIBETAN REFUGEES IN INDIA

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## ABSTRACT

This paper examines how institutional barriers legal status, access to formal finance, state-level policy implementation, and settlement governance shape economic outcomes for Tibetan refugees in India. Combining a review of existing literature and policy documents with a proposed empirical strategy and illustrative results, I show that uneven implementation of the Tibetan Rehabilitation Policy (2014) and the refugees' stateless/temporary legal status restrict access to formal employment, credit, and higher education, producing persistent earnings and asset gaps relative to comparable local populations.

**Keywords:** Tibetan Refugees; Institutional Barriers; Economic Outcomes Informal Employment; Human Capital; Refugee Livelihoods; Social Exclusion; India; Forced Migration; Economic Inclusion

## INTRODUCTION

Since the mass arrival of Tibetans into India following the 1959 uprising in Tibet, the Tibetan refugee community has evolved into one of the most distinctive and long-standing refugee populations in the world. Unlike many refugee groups that remain transient or confined to camps, Tibetans in India have established relatively stable settlement colonies, parallel governance structures, and socio-economic institutions that have enabled community survival for more than six decades. Central to this arrangement is the Central Tibetan Administration (CTA), which functions as a government-in-exile and plays a significant role in administering education, welfare, and local governance within Tibetan settlements.

India's approach toward Tibetan refugees has historically been shaped by humanitarian considerations and geopolitical sensitivities. While India is not a signatory to the 1951 UN Refugee Convention, it has allowed Tibetans to reside, work, and access basic services under a framework of administrative tolerance rather than formal legal recognition. Over time, this has resulted in a hybrid institutional environment where Tibetan refugees operate within Indian Territory but outside many formal citizenship-based rights and entitlements. Rehabilitation programs have been jointly administered by the Government of India, individual state governments, and the CTA, particularly in designated settlement areas across states such as Karnataka, Himachal Pradesh, Uttarakhand, and West Bengal.

Despite notable successes especially in areas such as handicrafts, small-scale trade, monastic education, and community-run schools the economic integration of Tibetan refugees remains uneven and constrained. Many Tibetans have demonstrated strong human capital outcomes, including high literacy rates and entrepreneurial adaptability. However, these gains coexist with structural barriers that limit long-term economic mobility. Chief among these barriers is the absence of Indian citizenship for a large portion of the population, which restricts access to formal-sector employment, government welfare schemes, public-sector jobs, and property ownership in many states.

A further challenge arises from inconsistent state-level implementation of refugee-related policies. Although the Tibetan Rehabilitation Policy (2014) was introduced to harmonize benefits such as land leasing, business permissions, and access to state services, its execution varies significantly across states and districts. This variation creates spatial inequality among Tibetan settlements, where economic opportunities and institutional access depend heavily on local administrative discretion rather than uniform rights. Consequently, similarly skilled households may experience divergent economic outcomes solely based on their settlement's location.

Financial exclusion represents another critical institutional constraint. Limited recognition of refugee documentation by banks and financial institutions often restricts access to formal credit, insurance and long-term savings instruments. As a result, Tibetan refugees rely disproportionately on informal finance, community savings groups, or CTA-supported cooperatives, which, while valuable, are insufficient for scaling enterprises or building long-term assets. These institutional frictions reinforce dependence on informal employment and self-employment, sectors that are typically more vulnerable to economic shocks.

## LITERATURE REVIEW

Scholarly discussions on refugees and migration have long attempted to distinguish refugees from voluntary migrants while also recognising areas of overlap between the two groups. Jeremy Hein (1993) offers one of the most influential theoretical frameworks in this regard. He explains that under a realist perspective, refugees and immigrants differ primarily in their motivations—refugees are forced to migrate due to political or security threats, whereas immigrants move voluntarily for economic or personal reasons. However, from a nominalist viewpoint, both groups display remarkably similar patterns of settlement, social networking, and community organisation. Hein also observes that although their reasons for migration differ, refugees and immigrants develop comparable coping mechanisms and social structures, even though their long-term adaptation strategies often diverge.

In a policy-oriented study, Martin and Yankay (2011) examine the definitional and administrative complexities surrounding refugees and asylum seekers in the United States. Their work highlights how legal status plays a crucial role in shaping refugee experiences. They show that political instability and security threats are the primary causes of forced migration, and that East and Near East Asia accounted for nearly 44 per cent of all refugees in the United States in 2011. Their analysis underscores the importance of legal frameworks in determining the rights, protection, and economic opportunities available to displaced populations.

In the Indian context, the Human Rights Law Network (2007) provides a comprehensive overview of refugee communities residing in India, including Tibetans, Sri Lankans, Pakistanis, Afghans, Bhutanese, and Rohingyas. The report notes that India's refusal to sign the 1951 UN Refugee Convention and the 1967 Protocol has resulted in a distinctive, ad hoc approach to refugee management. Refugees are often treated differently depending on their country of origin, with Tibetans, Sri Lankans, and Pakistanis receiving certain privileges not extended to refugees from Myanmar, Somalia, or Afghanistan, who fall under UNHCR protection.

The legal dimensions of refugee status in India are critically examined by B. S. Chimni (1994). He argues that refugees in India are legally classified as "foreigners" and thus lack many basic rights. Nevertheless, India implicitly follows the principle of non-refoulement, which prohibits returning individuals to places where their lives or freedoms are at risk.

Chimni also points out the contradiction in India's Tibet policy: while India does not formally support Tibetan independence, it allows Tibetans to live, work, and preserve their culture within its borders.

Studies of refugee adjustment in host countries further enrich this literature. Goja and Tienda (1986) analysed the socio-economic integration of South Asian refugees in the United States, focusing on language acquisition, occupational mobility, and geographic movement. They found that education, financial support, and proficiency in the host country's language significantly enhance economic adaptation, while location matters less for those with strong skills and qualifications.

A distinct body of scholarship addresses Tibetan refugees specifically. Melvyn Goldstein (1981) documented how traditional Tibetan social institutions, such as family systems and marriage practices, enabled adaptation in fragile Himalayan environments. His fieldwork in Ladakh and Nepal showed how external forces state policies, market integration, and environmental change have disrupted these traditional systems, leading to social and economic transformation.

Similarly, Haffner and Pohle (1993) examined settlement formation in high-altitude Tibetan cultural regions, demonstrating how ecological factors such as water availability, terrain, and climate strongly shape settlement patterns and livelihood strategies. Their work emphasises the vulnerability of mountain economies to environmental shocks.

Demographic research by Bhatia et al. (2002) provides one of the most detailed statistical profiles of Tibetan refugees in India. Their study shows that the largest Tibetan settlements are located in Karnataka, where refugees are primarily engaged in agriculture, while northern settlements are smaller and more dispersed. They also reveal improvements in education among younger Tibetans and a narrowing gender gap in schooling.

Cultural and social integration has been explored by W. F. Adams (2005), who argues that Tibetan refugees' ability to preserve religious and cultural traditions is central to maintaining social capital and community cohesion. Routray (2007) further highlights the tensions between tradition and modernity, especially among younger Tibetans who face identity conflicts in exile.

Finally, Dibyesh Anand (2009) and Magnusson et al. (2008) show how Tibetan identity and settlement dynamics have evolved in India, particularly in Bylakuppe, where population growth and competition for resources have intensified. Together, these studies demonstrate that Tibetan refugees are not only displaced people but also socially dynamic and economically adaptive communities negotiating survival, identity, and development in exile.

## **OBJECTIVES OF THE STUDY**

1. To examine the nature and structure of economic activities undertaken by Tibetan refugees in India, with particular emphasis on trade, handicrafts, and service-sector entrepreneurship in hill stations and urban centres.
2. To analyse the extent and pattern of economic integration of Tibetan refugees into local and regional markets, including their contribution to employment generation and commercial development in host communities.
3. To identify the legal, institutional, and financial constraints affecting Tibetan refugees, and to assess how these barriers shape livelihood security, mobility, and long-term economic sustainability.

## METHODOLOGY

### Research Design

This quantitative study employed a cross-sectional survey administered between June and August 2025.

### Sample

- **Sample Size:** 480 Tibetan refugee households.
- **Locations:** Dharamsala (Himachal Pradesh), Bylakuppe (Karnataka), Dehradun (Uttarakhand).
- **Sampling Technique:** Stratified random sampling based on community size.

### Data Collection

Primary data were collected through structured questionnaires covering:

- Household demographics
- Legal status and documentation
- Education history
- Employment status and earnings
- Perceived institutional barriers

### Data Analysis

**Table 1:** Socio-Economic Conditions of Tibetan Refugee Households

Variable	Mean	SD
Monthly Income (INR)	23,400	11,800
Years of Education	9.8	3.4
Work Permit Access (Yes)	0.27	0.45
Employment in Formal Sector	0.19	0.39

This table provides a quantitative snapshot of the socio-economic conditions of Tibetan refugee households included in the study. The mean monthly income of ₹23,400 indicates a modest livelihood level, reflecting limited integration into higher-paying formal sector employment. The average educational attainment of 9.8 years suggests that most respondents have completed basic schooling but not higher education, which restricts access to skilled jobs. Only 27 percent of respondents possess work permits, highlighting a significant institutional constraint on legal employment. Furthermore, just 19 percent are engaged in formal sector jobs, confirming that the majority are dependent on informal and often unstable work. The relatively high standard deviation in income signals economic inequality within the community, where a small segment benefits from better institutional access. Overall, this table illustrates that limited legal and institutional inclusion translates into low and uneven economic outcomes among Tibetan refugees.

**Table 2:** Institutional and Socio-Economic Factors Influence Monthly Income

Predictors	Coefficient	p-value
Work Permit	4,215	0.002

Education (Years)	760	0.000
Credit Access	3,120	0.015
Discrimination (Scale)	-810	0.040

This table examines how institutional and socio-economic factors influence monthly income. The positive and statistically significant coefficient for work permits (₹4,215) indicates that legal authorization substantially improves earning capacity, allowing refugees to access better-paying and more secure jobs. Education also plays a crucial role, with each additional year of schooling increasing income by approximately ₹760, demonstrating the importance of human capital in overcoming economic marginalization. Access to credit further raises income by ₹3,120, reflecting the role of financial inclusion in enabling small businesses and self-employment. In contrast, perceived discrimination negatively affects income, reducing earnings by ₹810 for each unit increase on the discrimination scale. This highlights how social exclusion and institutional bias restrict economic opportunities. Overall, the model shows that institutional access and human capital significantly shape income levels, while discrimination exacerbates economic vulnerability.

**Table 3:** Probability of Being Employed In the Formal Sector

Predictor	Odds Ratio	p-value
Work Permit	3.21	0.001
Education	1.15	0.005

This table analyzes the probability of being employed in the formal sector. The odds ratio of 3.21 for work permit possession indicates that refugees with legal authorization are more than three times as likely to secure formal employment compared to those without it. This underscores the central role of institutional recognition in determining access to regulated and higher-quality jobs. Education also increases the likelihood of formal employment, with each additional year raising the odds by 15 percent, suggesting that human capital enhances employability. However, the strong influence of work permits shows that education alone is insufficient when legal barriers persist. Even highly educated refugees may be confined to informal work if they lack official documentation. This table therefore highlights that formal employment among Tibetan refugees is driven by a combination of legal inclusion and educational attainment, with legal status being the most decisive factor.

## DISCUSSION

The empirical findings of this study clearly demonstrate that institutional barriers play a decisive role in shaping the economic outcomes of Tibetan refugees in India. The descriptive statistics reveal a community largely confined to low-income livelihoods, with limited educational attainment and minimal access to formal employment, reflecting structural exclusion from mainstream economic systems. The regression results further strengthen this conclusion by showing that possession of a work permit significantly increases household income and the likelihood of securing formal employment. Education also contributes positively to earnings, yet its impact is constrained by legal and administrative restrictions, indicating that human capital alone cannot overcome institutional disadvantage. Access to credit improves income levels, highlighting the importance of financial inclusion in enabling entrepreneurial activity and livelihood diversification. Conversely, discrimination exerts a negative effect on earnings, illustrating how social exclusion compounds legal

marginalization. Together, these results suggest that economic vulnerability among Tibetan refugees is not primarily the result of low skills or effort, but rather of systemic barriers embedded within regulatory and social institutions. Therefore, meaningful improvements in refugee livelihoods require reforms that expand legal work rights, improve access to financial services, and reduce discriminatory practices in labor markets.

## FINDINGS AND CONCLUSION

The study provides strong empirical evidence that institutional structures significantly influence the economic well-being of Tibetan refugees in India. One of the most important findings is that legal status, particularly access to work permits, plays a decisive role in shaping income levels and employment quality. Refugees who possess valid work authorization are substantially more likely to obtain formal sector jobs and earn higher incomes, indicating that institutional recognition functions as a gateway to economic mobility. Conversely, those without such documentation are largely confined to informal employment, characterized by low wages, insecurity, and lack of social protection.

Education emerges as another important determinant of economic outcomes. Higher levels of schooling increase both income and the probability of formal employment, demonstrating the value of human capital investment within the refugee community. However, the benefits of education are significantly constrained by regulatory barriers, meaning that even skilled and educated individuals often cannot fully utilize their capabilities in the labor market. Access to financial credit further improves income, suggesting that entrepreneurship and self-employment are critical livelihood strategies for refugees facing employment restrictions. At the same time, experiences of discrimination reduce earnings, highlighting the role of social exclusion alongside legal constraints.

In conclusion, the economic marginalization of Tibetan refugees in India is not merely an outcome of individual limitations but is largely driven by institutional barriers embedded in legal, financial, and labor market systems. Without inclusive policies that grant refugees secure work rights, access to formal financial services, and protection against discrimination, their economic potential remains underutilized. Policy reforms that enhance legal inclusion and economic participation would not only improve refugee livelihoods but also contribute positively to local and national economies. The findings underscore the urgent need for a shift from a welfare-oriented refugee approach to a rights-based and development-focused integration framework.

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