

SOCIAL AND ECONOMIC IMPACT OF MASSIVE REFUGEE POPULATIONS
ON HOST DEVELOPING COUNTRIES, AS WELL AS OTHER COUNTRIES

I. INTRODUCTION

1. The issue of socio-economic impact of massive refugee populations on host developing countries and other countries has been on the agenda of the Executive Committee of the High Commissioner's Programme since 1983. More recently, three conference room papers have been presented to the Standing Committee on aspects of this topic. The first paper reviewed the nature and scope of the impact of refugee inflows in different situations, as well as the varied success of the international community in responding to them.¹ The second paper examined selected case studies, reviewed certain limitations on quantitative assessments of impact, and proposed factors to be taken into account in future evaluations.² The third paper explored some "preventive" and "curative" measures.³ Most recently an ad hoc meeting was convened on 19 April 2000 at UNHCR Headquarters to discuss with interested delegations possible ways on how to move forward with this issue.

2. This paper will attempt to draw together some of the issues that have emerged from these discussions and that still need to be addressed. They are grouped as follows:

- their importance for refugee-hosting countries, UNHCR, and the international community;
- the agreed role of UNHCR; and
- how best to proceed on various fronts in order to mitigate the impact.

II. THE ISSUE: ITS IMPORTANCE

3. The extent of the impact of large refugee inflows on hosting countries, especially developing countries, has been underlined throughout the Standing Committee's deliberations on this subject. Examples frequently quoted are those of the Islamic Republic of Iran, Pakistan and Thailand, as well as many countries in Africa which have been home to large refugee populations for many years. Of the 48 Least Developed Countries, 35 are hosting refugees (Africa: Angola, Benin, Burkina Faso, Burundi, Central African Republic, Chad, Democratic Republic of the Congo, Djibouti, Eritrea, Ethiopia, Gambia, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia, Malawi, Mali, Mauritania, Mozambique, Niger, Rwanda, Sierra Leone, Somalia, Sudan, Togo, Uganda, United Republic of Tanzania, Zambia; Asia: Afghanistan, Bangladesh, Bhutan, Cambodia, Nepal, Yemen). The impact of large numbers of refugees over an extended period of time on countries in this category, and the diversion of national resources to cope with such a presence, are quite considerable. In short, the effects of the refugee presence are felt on the host country's development cycle even long after the refugee problem is solved. The question is thus not just one of rehabilitation, but of development. It should be noted, moreover, that the contribution of host countries, particularly developing countries, has been recognized in subsequent resolutions on UNHCR's work adopted by the General Assembly. Most recently, the Standing Committee renewed its acknowledgement of the importance of their role in a draft decision on

¹ Social and Economic Impact of Large Refugee Populations in Host Developing Countries (EC/47/SC/CRP.7).

² Economic and Social Impact of Massive Refugee Populations on Host Developing Countries, as well as other Countries: A Quantitative Assessment on the Basis of Special Case Studies (EC/48/SC/CRP.40).

³ Social and Economic Impact of Massive Refugee Populations on Host Developing Countries, as well as other Countries: Addressing the Gaps (EC/49/SC/CRP.24).

the resourcing of UNHCR's budget, in which it stressed that direct financial support is not the only support but that significant contributions provided by countries that host refugee populations should also be taken into consideration.

4. A good example of the extent of the impact of a refugee presence on a host country may be found in the results of a recent study commissioned by UNDP and undertaken by consultants of GTZ (Gesellschaft für Technische Zusammenarbeit) for the Government of Guinea.⁴ To redress the damage sustained in just a limited number of sectors, the measures required over a three-year period were estimated to cost some \$ 85 million. Such information is a necessary first step in any attempt to mobilize resources from the international community to compensate, in a spirit of international solidarity, for the negative effects on a host country.

5. The presence of refugees may, in some circumstances, constitute a development resource, generating an economic stimulus which can lead to the opening and development of host regions. Local purchase of food and relief items, as well as employment and income created directly or indirectly by assistance projects are just some examples of benefits that may accrue for the local population. However, in most instances, an overall assessment would prove to be negative. Whether the net multi-faceted effect is negative or positive is not the subject of this Note. Rather, this paper concentrates on the most effective way to address the negative impact.

6. A sustained theme of UNHCR throughout the deliberations on this topic, has been the risk that such impacts could have (and recent experience bears this out) on the institution of asylum. It is for this reason that the Executive Committee has underlined repeatedly the need for international solidarity and burden sharing in helping States meet their obligations in providing asylum to refugees. A concern closely linked to this risk has been that of security, both for the refugees and for the areas that host them. Refugees remaining in exile for long periods of time, with limited access to land, income-generating and educational opportunities are more prone to militarization, politicization, violence and criminal activity. Such problems affect in different ways the various groups to be found within a refugee population: children, adolescents, women and men. The insecurity and illicit activities which are to be found in many camps and settlement have negative consequences not only for refugees themselves, but also for members of the local population.

III. ROLE OF UNHCR

7. Interventions by various delegations in the course of the debate on this issue reveal varying emphases as to the role that UNHCR should play in mitigating and redressing the negative impact of the presence of large numbers of refugees on a host country.

8. In terms of contingency planning and preventive steps to mitigate the impact of such inflows and their sustained presence on a host country, there are no obvious differences of opinion as to the responsibilities of UNHCR. Likewise, there is broad consensus on the merits of providing access to services established for refugees and returnees to local impacted populations. Similarly, there is general recognition of the obligation on UNHCR to remedy the environmental degradation caused by a refugee presence, in particular the need to clean up and restore camp sites following the return of refugees to their country of origin. A recent example is provided by the Memorandum of Understanding signed by Thailand and UNHCR on rehabilitating former refugee sites on the Thai-Myanmar border. More problematic, however, is the nature of the role that UNHCR should play in making up for the socio-economic impact as such, in particular the diversion of natural and other resources from a country's development activities to cope with a refugee presence.

9. The approach that UNHCR has advocated can be described generically as "catalytic", engaging the energies and resources of the rest of the United Nations system and the international development

⁴ Solidarité avec la Guinée. Impact des réfugiés sur les populations, l'environnement, les infrastructures socio-économiques et de production des zones guinéennes affectées. Document présenté à la deuxième Consultation Spéciale pour la Guinée, Bruxelles, 1999.

community. It is true, however, that a range of other factors ultimately determine the effectiveness of such a role, namely basic conditions of stability in the country concerned, and national efforts to promote respect for human rights, the strengthening of public institutions, especially systems of security and justice, and the reinforcement of civil society for peacebuilding and reconciliation

10. The nature of this catalytic role is not monochrome since it depends on particular circumstances. For example, the Income Generating Projects for Refugee Areas (IGPRAs) undertaken in Pakistan were administered by the World Bank and funded by donors. More recently, UNHCR has sought to promote a "Brookings model" approach, which reflects a greater integration of planning and efforts by development and humanitarian actors, while respecting the specific mandates of the various partners. A more low-key approach is one of advocacy, such as in the preparatory work for the Third United Nations Conference on Least Developed Countries (LDCs) which will be held in Brussels, 13-20 May 2001. In preparing for this Conference, UNHCR representatives in these countries have been asked to ensure that at the country level, the issue of the impact of refugee influxes and return movements on the socio-economic development of LDCs is taken into consideration in the formulation of country plans of action. The proposed structure for these country plans includes a section on "vulnerability" which will allow for consideration of issues related to likely refugee influxes and contingency planning. UNHCR representatives have been asked to involve themselves in the work of the national Inter-Ministerial Preparatory Committees, through the United Nations Development Group and, at the national level, the Resident Coordinator system.

11. Such a role can be both meaningful and effective in assisting refugee-hosting countries. To adopt a more interventionist role based on UNHCR's extensive field presence and recognized operationality would be short-sighted and ultimately self-defeating, especially in the face of donor concerns about "mandate creep"; put quite simply, the resources in support of such an enhanced role would not be forthcoming.

12. The United Nations reform programme launched by the Secretary-General in 1997 has resulted in development management tools which could also prove useful in the United Nations system's efforts to mitigate and redress the negative consequences in countries hosting large refugee populations. These coordination tools include the Common Country Assessment (CCA) and the United Nations Development Assistance Framework (UNDAF). The CCA process leads to an analysis of key development challenges and national priorities and needs. The process should also become a forum for advocacy and dialogue among the governments, the United Nations system and the broader development community. In this connection, UNHCR may play a catalytic role within the CCA process by bringing to the attention of all concerned the need to include the social and economic impact of refugees in hosting areas among the development priorities of a country. The government must support this effort.

13. More specifically, UNHCR should carefully follow up developments in the CCA process, and draw the attention of development agencies to the need to:

- Take into account regional concerns, including cross-border phenomena such as human displacement and environmental issues;
- Reach, to the extent possible, a sub-national level of disaggregation of data, in order to clearly show the impact on refugee-hosting areas;
- Identify critical vulnerabilities of certain areas for the purpose of, *inter alia*, the mitigation of refugee-affected regions;
- Strengthen policy dialogue among national authorities and donor organizations concerning the need to mitigate and redress the impact of refugees.

14. The UNDAF is the logical next step of the assessment and analysis process set in motion by the CCA. The UNDAF is the planning framework for the development operations of the United Nations system in a given country. As such, it should reflect the development needs and priorities identified by the CCA. If the government and the United Nations system as a whole have duly identified as a development priority the social and economic impact of refugees in hosting areas, the UNDAF should include a set of UN activities aimed at redressing such impact. As in the case of the Third United Nations Conference on LDCs, the CCA and UNDAF processes can serve as additional fora where UNHCR can play its catalytic and advocacy role.

IV. THE WAY FORWARD

15. UNHCR for its part will endeavour to reinforce its catalytic role through active participation in the various processes listed above. It will also carefully monitor each protracted refugee situation, supporting a strategy of self-sufficiency pending voluntary repatriation in order to enhance prospects for successful and sustainable reintegration upon return to the country of origin. This approach has the added benefit of promoting security in refugee-populated areas, and gaining better value from funds currently allocated to long-term assistance programmes.

16. The nature and scale of the issue under consideration calls for a broader response than that of the United Nations system. Basic to the success of these combined efforts is the commitment and willingness of the affected state to have the issue of the impact of refugees on its economy and infrastructure as part of its development agenda. This is fundamental. On the basis of the recognition of this impact as a development issue, then empirical research can be undertaken to quantify the problem for subsequent presentation to Consultative Group Meetings and Thematic Roundtables.

17. In support of such an approach, there needs to be greater convergence and interface in the planning and initiatives of the various humanitarian and development actors to ensure that the investments of a humanitarian nature are not just punctual, but can be better linked to parallel and subsequent development activities. This would be a quite tangible, though long-overdue, result of the current ongoing discussions within the Inter-Agency Standing Committee (IASC), the United Nations Development Group, the Brookings Roundtables and the Development Assistance Committee (DAC) of the OECD on overcoming the gaps between humanitarian assistance and long-term development.