Highly vulnerable yet largely invisible
Forcibly displaced in the COVID-19-induced recession
This Joint Data Center on Forced Displacement’s (JDC) Paper provides a review of the existing evidence about the socio-economic impacts of the COVID-19 pandemic on forcibly displaced, including refugees and internally displaced persons and host communities. It highlights the potential consequences of the global economic recession, as well as some of the implications for the income and wellbeing of this group, focusing on low- and middle-income economies where the overwhelming majority of the forcibly displaced live. This is the first in a series of JDC Papers on the pandemic’s socio-economic consequences.

ABSTRACT

This version was first available online on December 12, 2020.

The paper carries the names of the authors and should be cited accordingly. The findings, interpretations, and conclusions expressed in this paper are entirely those of the authors. They do not necessarily represent the views of the Joint Data Center on Forced Displacement, UNHCR, The World Bank or those of the Managing Committee of the Joint Data Center on Forced Displacement, or the governments they represent.

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Acknowledgements: Björn Gillsäter (Head, Joint Data Center on Forced Displacement); Xavier Devictor (Manager, Fragility, Conflict, & Violence Group, World Bank); and Carolina Sánchez-Páramo (Global Director, Poverty and Equity Global Practice, World Bank) provided guidance and support. A draft was discussed in a peer review meeting, chaired by Carolina Sánchez-Páramo, with Nandini Krishnan, Kevin Carey, Johan Mislaen and Sajjad Malik as official reviewers. Special thanks are due to Kevin Carey and Nandini Krishnan for their inputs related to, respectively, the section on the October 2020 World Bank Macroeconomic Poverty Outlooks, and details on the displaced Rohingya in Cox’s Bazar. Staff members of the Joint Data Center on Forced Displacement provided useful comments at various stages of the paper. The team thanks Mike Kelleher for his excellent editorial support.

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Main messages

The global COVID-19-induced recession has had a significant impact on the lives and livelihoods of the forcibly displaced and their host communities

- The current COVID-19-induced recession will push between 88 million and 115 million people globally into extreme poverty in 2020, inflicting the worst setback in a generation to the quest to end extreme poverty.
- While poverty rates are difficult to estimate for the forcibly displaced (FDPs) - which includes refugees and the internally displaced (IDPs) - they are already among the world’s most vulnerable people.
- About 85 percent of FDPs live in low- and middle-income countries which experienced a sudden and deep recession in 2020, with an uneven recovery predicted for 2021.
- With budgets shrinking for both hosting and donor countries, and health systems stretched to capacity, combined with FDPs’ pre-existing vulnerabilities, there is a risk that the forcibly displaced will be left even further behind.

The forcibly displaced were already vulnerable before the crisis, in diverse conditions, and largely invisible

- FDPs were already vulnerable due to a lack of assets, limited job opportunities, restricted access to social safety nets, and reliance on humanitarian assistance.
- The forcibly displaced live in very diverse conditions, depending on their legal status, demographic characteristics, the country where they live, their location in camps or in urban settings, among other factors. FDPs are often located in poorer, marginalized regions (or such parts of major cities) where the economic consequences of the pandemic may vary.
- The extremely thin evidence base on FDPs’ pre-existing living conditions and the impact of the current crisis on their lives (and on host communities) is a constraint to the design and delivery of programs targeting the right populations with the support they need.

Investments urgently needed for evidence-based humanitarian response

- Since FDPs now live in the shadows, largely invisible due to scant available data, it is critically important that we shine a light on their challenges and opportunities, and ensure the protection and economic inclusion of FDPs in recovery policy and planning.
- We need more and better data on the socio-economic consequences of the crisis on FDPs to better assist those affected by forced displacement. Such data will go a long way in informing programs and policies protecting and including those forcibly displaced and their hosts. The World Bank, UNHCR, the Joint Data Center on Forced Displacement, and their partners are committed to respond to the data and evidence challenge to help bring this vulnerable group out of the shadows.
- The international community, including global policymakers, must ensure increased humanitarian and development assistance for FDPs as part of crisis response plans and financial packages, and should respond to their diverse circumstances, in both the short- and medium-term.
The 2020 global recession is inflicting the worst setback in a generation to the quest to end extreme poverty. COVID-19, conflict, and climate change are the driving factors in this economic downturn, forcing hundreds of millions into extreme poverty (World Bank, 2020a). For many poor households, COVID-19-related lockdowns and other public health precautions have resulted in dramatic income losses. The forcibly displaced (FDPs) in low- and middle-income countries are among the world’s most vulnerable during the COVID-19 pandemic. The international community has expressed concern about the welfare of this extremely diverse population.1

According to the latest data available in 2019, there are about 80 million forcibly displaced in the world, living in very diverse conditions (UNHCR, 2018 and 2019). There are around 30 million refugees and Venezuelans displaced abroad, 46 million internally displaced people (IDPs), and 4 million asylum seekers. The various population groups face very different living conditions depending on their legal status, demographic characteristics, the country where they live, their location in camps or in urban settings, among other factors. Globally 85 percent of the forcibly displaced are hosted in low- and middle-income countries and 40 percent are children under 18 years of age. About 40 percent of refugees live in camps and about half of the IDPs are women (UNHCR, 2018 and 2019).2

Adding to this pre-crisis situation, various push factors have recently influenced the flows of forcibly displaced. Early evidence suggests an increase in violence against civilians in some parts of the world3 correlating with an increase in the number of IDPs. These trends can be observed, for example, in the Sahel (UNHCR, 2020a) and several northern states of Nigeria.4 Additionally, COVID-19-related push factors may have increased flows of returnees, including 500,000 or more returning from Iran and Pakistan to Afghanistan between January and September 2020.5 At the same time, border closures have also restricted mobility, which is reflected in the large drop in refugees resettled, dropping from over 44,000 between January and August 2019, to nearly 12,000 for the same period in 2020 (UNHCR, 2020b).

With governments’ budgets shrinking for both hosting and donor countries, health systems stretched to capacity, combined with the pre-existing vulnerabilities of refugees and IDPs, there is a risk that those forcibly displaced will be left even further behind. Recent surveys, often based on non-representative or small samples, suggest that this risk may be real, although only a minority of the forcibly displaced population globally is covered by recent representative household surveys (Corral et al., 2020). The available evidence, while scant and mostly examining the living conditions of refugees prior to the pandemic, points to a high risk of labor and non-labor income losses for refugees, largely associated with constrained labor market opportunities, limited coping strategy options, a low level of assets, and very restricted access to national safety net programs (World Bank, 2020a).

In this paper, first we will characterize the extent of the macroeconomic slowdown in major countries affected by internal and external forced displacement. Then, while making the case for more extensive and better-quality household-level microdata on the living conditions of forcibly displaced populations, we highlight some of the implications of the precipitous global slowdown for their income and welfare, focusing on refugees in low- and middle-income economies. Finally, we conclude with a discussion of the critical importance of ensuring protection and economic inclusion of refugees in recovery policy and planning.

Introduction

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Countries hosting forcibly displaced see lower growth, face risk of reduced support

Data from the October 2020 World Bank Macro Poverty Outlines (MPO; World Bank, 2020b) points to a dramatic contraction affecting the Emerging and Developing Economies (EMDEs), including countries hosting refugees or affected by internal forced displacement. Table 1 shows 2019 estimated and 2020 and 2021 forecasted gross domestic product (GDP) growth rates (in green and red for positive and negative rates, respectively) for low- and middle-income countries with at least 300,000 refugees or 700,000 IDPs.

All 23 low- and middle-income countries we studied are expected to see a drop in their rate of GDP growth from 2019 to 2020. Only Bangladesh, Ethiopia, Kenya, and Uganda, while experiencing a reduction in their rate of growth, are expected to report positive growth for 2020, albeit much reduced in comparison to 2019. The remaining 19 nations all report negative GDP growth for this period. The contraction has unfolded unevenly during the year, affecting mostly the first half of 2020. The severity depends on timing and duration of lockdowns, and countries’ respective positions in global value chains. Notably, the drop in global demand for oil has severely impacted large oil producers like South Sudan and Yemen.

While medium-term forecasts are characterized by a high level of uncertainty, most hosting countries are expected to experience a recovery in 2021, albeit with a high level of downside risks, including a prolonged COVID-19 pandemic. Some exceptions include Bangladesh, Ethiopia, Lebanon, South Sudan, and Uganda, where GDP growth recovery is expected to be modest at best, especially where pre-existing or parallel crises have not been resolved (e.g., debt in Lebanon, tensions within the federal system in Ethiopia). Importantly, the countries considered here show a wide variation in GDP levels in 2019. A similar reduction in growth in low-income countries might have different impacts on living standards than in middle-income nations. Furthermore, these national forecasts mask sub-national variations, with implications for FDPs who are often located in poorer, marginalized regions (or such parts of major cities) where the economic consequences of the pandemic may play out differently.

Adding to the macroeconomic consequences of the global recession, many of the major hosting countries have also been hit by unprecedented—and sometimes overlapping—natural disasters in the months following the onset of the COVID-19 pandemic, including in Pakistan, Somalia, and South Sudan, where climate events and locust infestations pose major compounding risks (World Bank, 2020b). The explosion at the Port of Beirut, Lebanon—a country hosting the second largest number of refugees per capita—has worsened a multifaceted economic and social crisis that started before the pandemic, and the October 2020 MPO forecasts a -19.2 percent GDP growth rate in 2020, with no clear sign of recovery in 2021 (World Bank, 2020c).

The pandemic-induced global recession has occurred at a time of large government deficits for many countries, and a historic peak of total debt in emerging markets and developing economies (Kose, 2020). As shown in Table 1, of the countries considered in this paper, all had an overall negative fiscal balance in 2019, except for Iraq and Somalia.7 Most of these economies are eligible for debt relief, which has been provided to many countries, including Bangladesh, Ethiopia, Kenya, Lebanon, Nigeria, Pakistan, Sudan, Yemen, and the Democratic Republic of Congo. The trend in bilateral humanitarian assistance was already on the decline since 2017, while the humanitarian appeals funding requirement was on the rise, a trend exacerbated by the current crisis (Development Initiatives, 2020a and 2020b).8 This dynamic could result in unmet humanitarian financial needs and tighter budget constraints for hosting governments, increasing the risk to refugees who may be left further behind.

Several countries from this group have eased liquidity pressures by participating in the Debt Service Suspension Initiative (DSSI) and/or by accessing the International Monetary Fund (IMF) COVID-19 financial assistance and debt service relief,9 but some of the heavily impacted nations have not, including Iran, Lebanon, Sudan, and Turkey. Reasons for not participating in these programs range from ineligibility due to concerns about debt sustainability (Lebanon, Sudan), income thresholds, or difficulties in establishing the policy underpinnings of a programmatic financing arrangement. However, even among the group of countries that have received liquidity support through DSSI and the World Bank or IMF facilities, the level of resources available in the medium-term support is not clear. DSSI is a temporary initiative (now extended to the first half of 2021, with the possibility of a further extension to December 2021), while the World Bank and IMF support has mainly been in the form of one-off disbursements through emergency and rapid financing instruments.10

At the same time, according to the recent IMF World Economic Outlook (IMF, October 2020a) and Fiscal Monitor data (IMF, October 2020b), advanced economies are also forecasted to see a deterioration of their government balances. This points to a potential contraction in aid flows from donor countries in coming years, consistent with evidence from past business cycles and macro-shocks (Pallage and Robe, 2001, Dabla-Norris et al., 2015). Adding to this pro-cyclicality in aid outflows, the trend in bilateral humanitarian assistance was already on the decline since 2017, while the humanitarian appeals funding requirement was on the rise, a trend exacerbated by the current crisis (Development Initiatives, 2020a and 2020b).

9 For the Bank, one-off budget support includes supplemental and emergency Development Policy Financing (DPF), while for the IMF it is the rapid credit facility (RCF) and rapid finance instrument (RFI).
TABLE 1 - Macro Poverty Outlook for low- and middle-income countries with at least 300,000 refugees or 700,000 IDPs (World Bank, 2020b)

<table>
<thead>
<tr>
<th>Country</th>
<th>GDP growth, percent</th>
<th>Overall Fiscal Balance</th>
<th>GDP per capita in 2019</th>
<th>Number of refugees in 2019</th>
<th>Number of IDPs in 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Afghanistan</td>
<td>3.9</td>
<td>-0.5</td>
<td>2.5</td>
<td>-1.1</td>
<td>-3.4</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>6.1</td>
<td>2.0</td>
<td>1.6</td>
<td>-0.4</td>
<td>-2.2</td>
</tr>
<tr>
<td>Cameroon</td>
<td>3.7</td>
<td>-2.5</td>
<td>3.0</td>
<td>-2.2</td>
<td>-4.4</td>
</tr>
<tr>
<td>Chad</td>
<td>3.2</td>
<td>-0.8</td>
<td>2.4</td>
<td>-0.6</td>
<td>-1.7</td>
</tr>
<tr>
<td>Colombia</td>
<td>3.3</td>
<td>-7.2</td>
<td>4.5</td>
<td>-2.4</td>
<td>-9.2</td>
</tr>
<tr>
<td>Dem. Rep. of the Congo</td>
<td>4.4</td>
<td>-1.7</td>
<td>2.1</td>
<td>-1.3</td>
<td>-2.1</td>
</tr>
<tr>
<td>Ecuador</td>
<td>0.1</td>
<td>-13.0</td>
<td>4.8</td>
<td>-3.2</td>
<td>-8.9</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>9.0</td>
<td>2.3</td>
<td>0.0</td>
<td>-2.5</td>
<td>-3.5</td>
</tr>
<tr>
<td>Islamic Rep. of Iran</td>
<td>6.8</td>
<td>-4.5</td>
<td>1.5</td>
<td>-3.7</td>
<td>-6.6</td>
</tr>
<tr>
<td>Iraq</td>
<td>9.4</td>
<td>-0.5</td>
<td>2.0</td>
<td>-1.3</td>
<td>-16.2</td>
</tr>
<tr>
<td>Jordan</td>
<td>2.0</td>
<td>-3.5</td>
<td>3.8</td>
<td>-4.6</td>
<td>-8.2</td>
</tr>
<tr>
<td>Kenya</td>
<td>5.4</td>
<td>1.5</td>
<td>5.2</td>
<td>-7.9</td>
<td>-7.8</td>
</tr>
<tr>
<td>Lebanon</td>
<td>4.0</td>
<td>-10.2</td>
<td>12.2</td>
<td>-10.6</td>
<td>-14.3</td>
</tr>
<tr>
<td>Nigeria</td>
<td>2.2</td>
<td>-1.1</td>
<td>0.3</td>
<td>-4.6</td>
<td>-5.8</td>
</tr>
<tr>
<td>Pakistan</td>
<td>1.0</td>
<td>-1.6</td>
<td>0.5</td>
<td>-9.0</td>
<td>-8.1</td>
</tr>
<tr>
<td>Peru</td>
<td>2.2</td>
<td>-12.0</td>
<td>7.6</td>
<td>-1.6</td>
<td>-9.6</td>
</tr>
<tr>
<td>Somalia</td>
<td>2.9</td>
<td>-1.5</td>
<td>2.9</td>
<td>-0.5</td>
<td>-0.0</td>
</tr>
<tr>
<td>South Sudan</td>
<td>-0.3</td>
<td>-4.8</td>
<td>13.6</td>
<td>0.0</td>
<td>-6.8</td>
</tr>
<tr>
<td>Sudan</td>
<td>2.5</td>
<td>-0.4</td>
<td>2.5</td>
<td>-10.8</td>
<td>-6.9</td>
</tr>
<tr>
<td>Turkey</td>
<td>0.9</td>
<td>-3.9</td>
<td>4.0</td>
<td>-2.9</td>
<td>-5.4</td>
</tr>
<tr>
<td>Uganda</td>
<td>3.8</td>
<td>1.1</td>
<td>2.8</td>
<td>-4.9</td>
<td>-7.2</td>
</tr>
<tr>
<td>Ukraine</td>
<td>3.2</td>
<td>-0.5</td>
<td>1.5</td>
<td>-2.1</td>
<td>-5.0</td>
</tr>
<tr>
<td>Yemen</td>
<td>2.1</td>
<td>-12.0</td>
<td>7.6</td>
<td>-1.6</td>
<td>-9.6</td>
</tr>
</tbody>
</table>

Source: Col. (1) to (6): World Bank Macro Poverty Outlook (World Bank, 2020b); Col. (7): World Bank data - GDP per capita, PPP (current international $); Cols (8) and (9): UNHCR 2019 Global trend report and UNHCR population data accessed on November 2, 2020; refugee numbers include Venezuelans displaced abroad; IDPs of concern to UNHCR.

> COVID-19 recession increases vulnerability of FDPs, but data are scarce

While poverty rates remain difficult to estimate for refugees, they are among the most vulnerable (Corral et al., 2020), and now face risks that their conditions could worsen due to the pandemic. Inclusion of refugees in national representative household surveys has been a recent undertaking that was ratcheted up during the Syrian crises, but micro-level data on refugees’ livelihoods and living standards globally remains extremely scarce (Verme, 2016; Corral et al., 2020). Only a very small number of national socio-economic household surveys include host communities and refugees. Table 2 provides examples of a few recent socio-economic household surveys with a large representative sample of refugees and host communities, allowing for robust statistical inference. While offering unique insights, these surveys cover only a minority of the global refugee population and do not represent the diversity of this group.

Yet this limited sample of available evidence points to aggravated risks for the refugees including: the pre-existing fragility of their living conditions and livelihoods; a low level of assets; limited coping strategy options; restricted access to social safety nets; and reliance on humanitarian assistance (Beegle and Christiaensen, 2019). Figure 1 shows a conceptual map of some of the potential risks likely faced by refugees. Although the lack of data constrains our ability to quantify the likelihood of each channel of impact, pre-existing conditions in some country contexts can help us assess the likely risks faced by refugees. These risks might affect refugees in different ways depending on their specific demographic characteristics, the country in which they are hosted, and whether they live in camps or in urban settings. Beyond expanding survey coverage, data collection efforts must be designed in a way to cover this diversity and allow for disaggregated statistical analysis, including by gender and other demographic characteristics.11

Table 2 - Socioeconomic household surveys collected in recent years with representative samples of refugees and host communities

<table>
<thead>
<tr>
<th>Country</th>
<th>Survey</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jordan</td>
<td>Survey of Syrian Refugees and Host Communities (SSRHC, 2015-2016)</td>
</tr>
<tr>
<td>Lebanon</td>
<td>Encuesta dirigida a la población venezolana que reside en el país (ENPOVE, 2018)</td>
</tr>
<tr>
<td>Kurdistan region of Iraq</td>
<td>Human Mobility and Host Communities Survey in Ecuador (EPEC, 2019)</td>
</tr>
<tr>
<td>Uganda</td>
<td>Uganda Refugee and Host Communities Household Survey (URHS, 2018)</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>Skills Profile Survey (SPS, 2017)</td>
</tr>
<tr>
<td>Peru</td>
<td>Gran Encuesta Integrada de Hogares (GEIH, 2019)</td>
</tr>
<tr>
<td>Ecuador</td>
<td>Cox’s Bogar Panel Survey (CBPS, 2019, 2020)</td>
</tr>
</tbody>
</table>

11 Efforts are currently on the way to significantly improve the data landscape: while we are seeing an increase in the number of countries that include forcibly displaced in their household surveys, there are several high-frequency phone surveys being designed and implemented to better understand the socio-economic implications of COVID-19 for nationals and the forcibly displaced, many of which are supported by the World Bank, UNHCR and the Joint Data Center on Forced Displacement.


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COVID 19-INDUCED ECONOMIC RECESSION

LABOR INCOME: Refugees are mostly active in the informal economy (related to de jure and de facto lack of right to work) and in sectors highly impacted by lockdowns and the global recession.

NON-LABOR INCOME: Refugees have limited access to national safety nets; humanitarian needs are increasing and only partially met; and remittances sent to refugees might decrease.

HOUSING: Those housed outside of refugee camps have precarious housing conditions and a high risk of eviction; unimproved and crowded housing conditions might increase the likelihood of disease transmission.

FOOD SECURITY: Disruption in food aid logistics; reduced food consumption as coping strategy during economic stress.

EDUCATION: Refugee children going to school are affected by school closure, like most students globally; lack of access to schooling has a significant lasting impact on their future productivity, incomes, and opportunities.

INCOME LOSS RISK

NON-LABOR INCOME

LIVING STANDARDS AND PROTECTION RISK

HUMAN CAPITAL

LABOR INCOME RISKS

When active in wage labor, refugees are typically employed in the informal sector and in lower-quality jobs. For example, the quality of employment for Venezuelan workers in Ecuador (EPEC, 2019) is much lower than for Ecuadorian citizens. In comparison with hosts, their informality rate is 15 percentage-points higher and they are 29 percentage-points more likely to have a temporary contract (Olivieri et al., 2020). Similar patterns have been documented for Syrian refugees (SSRHC, 2015-2016), with an overwhelming majority of their employment coming from informal wage work, except for encamped refugees in Jordan who are more likely to be employed by non-governmental and international organizations (Krishnan et al., 2020). While informality characteristics the employment status of a significant portion of the working population in low- and middle-income hosting countries, for refugees there is the additional constraint of their labor market status largely being limited by legal restrictions on their right to work, de jure and de facto.13

Not only are work opportunities for refugees often limited by legal constraints, but when they do work, they are active in sectors exposed to the impacts of the current economic downturn. A recent study examining eight major hosting countries shows that in recent years 60 percent of the employed refugee sample examined worked in highly impacted sectors, such as manufacturing, retail, and food services (Dempster et al., 2020). Meanwhile, only 7 percent of refugees worked in the low-impacted sectors, like education and public administration. The rare example of evidence during the pandemic is the case of Cox's Bazar, Bangladesh, highlighted below (see Box), which illustrates that the reduction in employment among the displaced Rohingya population was mostly due to legal restrictions imposed prior the pandemic, rather than the impact of COVID-19 itself.

Like most displacement situations, Cox's Bazar represents a unique context. The impact of COVID-19 on labor income might differ significantly in other settings. There are reasons to believe that urban refugees might be more exposed to job losses during lockdowns, considering their higher participation rate in the informal labor market, as compared to refugee camp populations. This pattern is also observed among camp and out-of-camp Syrian refugees in Jordan (SSRHC, 2015-2016), where the latter are more often employed in the informal sector than the former (Krishnan et al., 2020). This heterogeneity of impact relates to differences in refugees’ de jure and de facto right to work in the countries where they live.14

NON-LABOR INCOME RISKS

Refugees' access to national social safety nets is extremely limited. A few countries recently launched national safety net programs targeting refugees and host communities,15 and there are some examples of localized efforts to proactively include forcibly displaced in unified

Displaced Rohingya, overwhelmingly reliant on humanitarian assistance, were extremely vulnerable even before COVID-19 (Genoni et al., 2020)

Approximately 700,000 Rohingya were forcibly displaced from Myanmar to Cox's Bazar district in Bangladesh between August-November 2017. Three years since this influx, they remain largely concentrated in camps in Ukhiya and Teknaf sub-districts. The newly displaced joined 300,000 settled and registered refugees from previous influxes. The influx increased the population of the district by 30 percent and led to a large increase in localized density. In Ukhiya, displaced Rohingya account for as many as 4 out of 5 persons, while in Teknaf, they account for 4 out of 10 persons. Today, Kutupalong-Balukhali is among the largest and most dense refugee camps in the world, averaging 46,000 persons per square kilometer.

With very limited mobility and constrained ability to work outside camps, the displaced Rohingya are almost entirely reliant on humanitarian assistance for basic needs, including food, shelter, water, sanitation and health. Data from the Cox's Bazar Panel Survey (CBPS) baseline conducted between March and August 2019 indicate that assistance has been largely successful in meeting the caloric needs of the displaced populations, with calories consumed per capita being on par with the neighboring host community. At the same time, labor force participation was very low, with only a third of the working-age-Rohingya population working (primarily within camps) or looking for work.

A follow-up phone survey implemented in March-April 2020, after nationwide COVID-19 lockdowns were announced in late March, revealed that employment rates among the Rohingya were a third of baseline levels, while unemployment rates had doubled. However, the data also showed that 66 percent of the drop-off in employment occurred before March 1, and more than half of the working-age male camp respondents had not worked since January 2020. This decline in already limited work opportunities is likely linked to the Government of Bangladesh's decision in September 2019 to ban the use of cash assistance (including for workfare programs) in camps. In addition, reduced operations in camps due to COVID-19 are reflected in further job losses in camps in March and April 2020.

These findings highlight the extreme reliance of camp-based populations, such as the Rohingya, on humanitarian assistance as a singular source of sustenance. While public health concerns in camps were actively and effectively managed, this overwhelming reliance on assistance implied that the Rohingya were adversely impacted by both changes in government policy which preceded COVID, and the need to limit humanitarian operations to core programming due to COVID-19.

Note: Based on (Genoni et al., 2020)

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13 For a description of temporal and spatial variation in developing countries’ de jure policies toward FDPs, see Blair et al. (2020).


15 Examples include the Chad Refugees and Host Communities Support Project (PARCA), the DRC Eastern Recovery Project (STEP 2), or the Emergency Social Safety Net (ESSN) in Turkey.
national social registries. These initiatives, however, remain rare and the current crisis might reverse this trend.

Refugees rely heavily on humanitarian assistance to meet their needs. Humanitarian cash transfers and other in-kind transfers are often the only support they receive. This reliance on humanitarian aid exposes them to grave risk in the current crisis. By some accounts, there have been disruptions of humanitarian aid delivery during lockdowns, from access to health services, to shelter and food. A recent United Nations appeal for a $10.3 billion COVID-19 humanitarian response plan (OCHA, 2020) illustrates the growing need for resources and services to adequately protect forcibly displaced populations.

To the extent that refugees rely on remittances as an important source of income, all indications suggest that remittances have fallen significantly (Ratha et al., 2020). These reductions disproportionately affect developing economies (World Bank, 2020a), which would likely have a negative impact on refugees. Although data on receipt of remittances among refugees are rare, one example from a 2018 survey on Uganda refugee and host communities (URHS, 2018) shows that refugees in Uganda who receive remittances experience lower rates of poverty compared to the rest of the refugee sample (World Bank, 2019). Remittances might thus play a role in helping refugees smooth their consumption in the current crisis.

16 Such as the Djibouti national registry (including refugees).
Crisis threatens refugees’ food security, housing, health, and economic future

Considering their low level of assets, limited access to credit and insurance markets, and constraints in accessing safety nets, refugees’ available coping strategies in response to income losses are limited. The income shocks previously highlighted might have direct implications on refugees’ living standards and protections, in particular along three dimensions: food security, housing, and health.

Food security

Like other vulnerable groups, refugees in low- and middle-income countries often need to reduce food consumption in times of economic stress. A survey collected in April 2020 during the lockdown in Cox’s Bazar (Lopez-Pena et al., 2020) showed that 72 percent of camp dwellers (refugees) and 59 percent of hosts were unable to buy essential food items in the seven days prior to being surveyed. Of those, 54 percent of respondents in camps and 63 percent in host communities resorted to buying lower quality or cheaper food items; and 43 percent skipped meals while 47 percent reduced food portions. If income loss risks are indeed realized, refugees might have to rely on such negative coping strategies. This is especially worrisome as food supply chains have been disrupted globally, with shortages in production, transport and logistics, leading in some places to food shortages and/or increases in food prices. On the one hand, because their food consumption often relies on aid, disruption in food aid supply chains can have dramatic impacts on their food security.

Human capital: health and education

Limited access to national public health care systems, and the lack of infrastructure such as improved sanitation, are transmission factors potentially affecting FDPs in an acute way. Considering the high population density in camps, the current pandemic could have profound consequences for refugees who might be vulnerable to infection, unless included in the supply of protective measures. Data on COVID-19 infection rates among camp populations is scarce and epidemic speed is difficult to predict (Truelove, 2020). The few groups for which information is available include the Rohingya refugees in Cox’s Bazar, where 25 percent of camp residents reported at least one common symptom of COVID-19, compared to 13 percent of those in host communities, according to a phone-based survey administered between April 11 and 17 (Lopez-Pena et al., 2020).

Refugee children’s school enrollment and attendance was already constrained prior to COVID-19. For example, a lack of financial means prevents 40 percent of refugee children from attending school in Lebanon (Krishnan, 2020b). In another context, refugee children in Ethiopia (World Bank, 2018) generally attend primary school (76 percent), whereas enrollment rates for secondary school are remarkably low (13 percent). While this situation existed prior to the crisis, it is laid bare by the COVID-19-related school closures affecting all student, including refugees. More data is needed to better understand the constraints limiting access to schooling and how they might differ for refugee children, as the lack of access to schooling has a significant lasting impact on their future productivity, incomes, and opportunities.

Housing

Refugees’ housing conditions heavily depend on the specific populations considered, both in term of access and quality. Available evidence suggests wide variations between displaced populations in and out of camps, and variations between and within hosting countries. For refugees living outside camps, housing conditions are often precarious. More than 95 percent of Syrian refugees living outside camps (SSRHC, 2015-2016) rent their dwelling, and the vast majority report difficulty in doing so. This is especially true in Lebanon, where few landlords sign written contracts. Rent costs represent at least one-third of total income in refugee households in Lebanon and significantly more than half of total income in Jordan (Krishnan et al., 2020). This pre-existing situation is particularly risky in the context of large widespread income shocks associated with the current pandemic, where landlords might not be able to forgo rent payments and the informal nature of the rental market accessed by refugees puts them at high risk of eviction.

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The forcibly displaced can contribute to the global recovery, benefitting themselves and host nations

The forcibly displaced must be included in the health response to the COVID-19 pandemic. Providing preventive measures - including public health interventions and economic support to comply with lockdown orders - would help limit the spread of the virus. In addition, emerging evidence also suggests that refugees have been contributing as frontline workers during the pandemic. Where data is available, the share of such workers that are refugees is significant: in the United States, for example, the 2018 American Community Survey (ACS, 2018) suggests that 161,000 refugees work in the health care industry, while 170,000 work in food supply chains.

The COVID-19-induced recession is unfolding at a time when public acceptance of migrants and refugees is already declining globally. According to a recently released Gallup poll[^18], the world was overall less accepting of migrants in 2019 than in 2016 and there is a risk that this trend might worsen during the current crisis. Both cultural and economic factors have driven xenophobic trends in past economic crises - such as during the Great Recession (Goldstein and Peters, 2014). Measures like lockdowns and limitations on mobility, including border closures, while contributing to the widespread recession, have been critical to containment of the pandemic. However, moving forward, as borders re-open and the recovery phase begins, it will be important to protect the ability of those forcibly displaced to find safe pathways to flee from conflict and seek residency or asylum.

There is growing evidence that the forcibly displaced have made substantial contributions to their host communities and countries, as evidence suggests in the US and countries in Europe (See Card [1990], for evidence from the US; and Mette and Peri [2015] for Denmark). More recently, in the context of the Syrian crisis, evidence from Turkey suggests that the refugee inflow benefitted the more-educated Turkish workers, although it may have displaced some of the Turkish informal-sector workers, including women (Tumen, 2016).[^20] Nevertheless, evidence from other countries suggests that these short-run impacts tend to dissipate over time (Cohen-Goldner and Paserman [2011]). Consistently, cost analyses available for high-income countries suggest that longer employment bans on refugees increase the costs of hosting them (such as for asylum seekers who arrived in Germany in 1999 and 2000 [Marbach et al., 2018]). Moreover, refugees have been found to pay significantly more in taxes than they receive in benefits (Evans, 2017). All this evidence provides a strong rationale for allowing refugees to actively participate in the global economic recovery process.

In low- and middle-income countries, significant data gaps exist that limit our ability to document more widespread evidence of refugees’ contributions and costs to the economies in which they reside. However, a few recent studies provide such an assessment: In the context of Syrian refugees in Lebanon for example, empirical evidence for the 2013-2014 Winter Cash Assistance Program points to significant multiplier effects on the local economy, with each $1 USD spent by beneficiaries generating $2.13 USD of GDP for the national economy (IRC, 2014; Masterson and Lehmann, 2019). In a more recent context, simulations for Ecuador show that allowing Venezuelans to obtain employment would increase Ecuador’s GDP between 1.6 and 1.9 percent and alleviate the pressure on disadvantaged host community workers (Olivieri et al., 2020).

Such positive evidence notwithstanding, refugees continue to be most vulnerable in terms of labor market access and opportunity. More and better data would provide policymakers greater scope to design inclusive approaches that integrate refugees in a way which maximizes their benefits to host countries.

[^20]: Belal et al. (2019) find however a null impact of Syrian refugees’ inflow on the Jordan labor market.
The Way Forward: Support and inclusion of forcibly displaced, with timely evidence

Increased humanitarian and development assistance is required since the recession has heightened risks to FDPs’ health, food security, housing, education, and economic future. Development partners and the international community must expand their commitments to protect FDPs and ensure that they are considered as part of any crisis response plans and financial packages.

More and better data are needed to design policies and interventions to improve the lives of FDPs and their host communities. Such data can also improve our understanding of risk factors and the implications of COVID-19 for nationals and the forcibly displaced.

For a successful response to the COVID-19 pandemic, it is crucial to include FDPs in the public health response strategy. Providing preventive measures would help limit the spread of the virus, and refugees are already contributing as frontline workers during the pandemic.

Further, including labor and skills of the FDPs is important for the economic recovery strategies. Matching their skills with local needs allows FDPs to make a tangible contribution to the recovery process that would benefit hosting communities as well.

References


