Working for Inclusion: Economic Inclusion in Contexts of Forced Displacement

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Since 2012, the number of forcibly displaced people has more than doubled, reaching 89.3 million by the end of 2021. Ongoing conflicts, including the war in Ukraine, will result in even larger numbers of forcibly displaced people. The economic and human development impacts of forcible displacement present challenges for the people who have been displaced, the communities that host them, and governments that receive them.

Yet evidence suggests that policy responses to forced displacement can help to mitigate potential negative effects and can create opportunities for local economic transformation. These responses can enable forcibly displaced people to make a positive contribution to the economy and society.

Governments, humanitarian organizations, and others are using economic inclusion programs as one strategy to increase income and assets and build the resilience of displaced people and host populations living in poverty. An estimated 95 economic inclusion programs are underway in contexts of forced displacement in 45 countries, more than half led by governments.

Early evidence suggests that economic inclusion programs lead to positive economic impacts for both hosts and refugees and, while the number of studies is small, impact evaluations of programs in similar settings suggest these programs can work in these contexts. Many programs are at an early stage of design or implementation so capturing lessons learned in the coming years will add to the evidence base and understanding of good practice.

Forcibly displaced people are defined as those who have been forced to flee their homes due to conflict, persecution, or humanitarian shocks. They include refugees, asylum seekers, internally displaced people, Venezuelans displaced abroad, and returnees.

Economic inclusion programs are a bundle of coordinated, multidimensional interventions that support poor individuals, households, and communities to increase incomes and assets while working toward the long-term goal of economic self-sufficiency. Its design recognizes that the poorest and most vulnerable people face multiple constraints.
GOVERNMENT- AND NONGOVERNMENT PROGRAMS SUPPORTING DISPLACEMENT-AFFECTED POPULATIONS

There are 95 active economic inclusion programs in 45 countries operating in contexts of displacement, a majority of which (52%) are led by governments. More than half are in Sub-Saharan Africa (54%), with others in the Middle East and North Africa (15%), Latin America and the Caribbean (14%), and other regions (17%).

KEY TAKEAWAYS:

• Ensure programs include both host communities and forcibly displaced people and take steps to build social cohesion and reduce tension that may arise as a result of increased competition over resources and jobs. Facilitate interaction between hosts and displaced people through program activities and increase community awareness about the positive contribution that displaced people can have on the economy and society.

• Establish partnerships that build on the ecosystem of humanitarian and development organizations working in displacement contexts. Seek to reduce duplication of services and manage the transition to more sustainable development responses. The right balance of programs and services from each can help participants build resilience.

• Use diagnostics to inform program design drawing on government data where possible for host communities and integrating data from displacement-serving agencies to design programs responsive to participant needs. Assess the different constraints, skills, and capacities of displaced people and hosts in each context and design programs accordingly.

• Build flexibility in partnerships, program design, and implementation to respond to the unpredictable nature of work in these contexts. Balance the humanitarian and development needs of the population and be prepared to shift investments to respond to changes.