

**CHUMIR
FOUNDATION**
for ETHICS IN
LEADERSHIP

Report of the

**World
Commission
on Forced
Displacement**

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Letter from the Chairs

December 2018

The mission of the World Commission on Forced Displacement and the Chumir Foundation for Ethics in Leadership that convened the World Commission and its Steering Committee which we have had the honor to serve, is the pursuit, in practical ways, of a fair, harmonious and productive society, addressing current challenging conditions.

A world in which tens of millions of people are forced to flee from their home communities to find safety, security, survival and/or basic human rights; a world in which such displacement is growing in numbers and extending in duration, is certainly not a world advancing toward that goal.

- It is not 'fair' that there are an official 68.5 million – the experts believe there to be even more in fact – largely faultless, forcibly displaced persons; that half that number are children; that most of the displaced are in need of charity for the basic necessities of life in order to survive – shelter, food, health care and protection; and, if they are to be able to rebuild their lives, in need of intervention to have opportunities for education and training, work, reasonable freedom of movement, and connectivity with family, friends and community that modern technologies afford. It is not fair to leave any of the vulnerable out of protection. Nor is it fair to randomly burden equally faultless neighbors – themselves often among the world's poorer communities – with the accommodation of those displaced.*
- It is not 'harmonious' for fears to be exaggerated over the ability of a host community to cope; or for leaders to fan anxieties over cultural differences of the uninvited, but unfortunate, displaced – instead of promoting and acting to facilitate a vision of enrichment of the lives of a pluralistic citizenry. It is damaging for the idled and stranded to be left, in some locations, to turn to services provided by extremist and terrorist elements who exploit ill-gotten gains, pursue destructive purposes and exploit the vulnerabilities of the otherwise hopeless.*
- It is not 'productive' to idle a population and to lose for the economy and community the output of those displaced; to deny education, work and dignity to a labor force by missing opportunities for gainful employment, self-respect, self-sufficiency and a socially contributing community participation. This is a more notable loss when, with some political will and cooperation, instruments might be mobilized for development, investment and job-creation – an alternative that would maximize the replacement of dependency on, and costs of, unassured charity and security protection with economic activity and growth that could benefit donors, investors, hosts and the forcibly displaced – managing what is, after all, still less than 1% of the world's population.*

The consensus of the diverse members of the World Commission and its advisors on the reasoning and recommendations of this Report commends them for serious consideration, which we hope they will be given by those in authority. Experience convinces us that the recommendations are all achievable. While conceived as a mutually supportive whole, individual recommendations are capable of separate implementation as political timing might require. A convenient brief Summary and Recommendations section at the outset serves as a guide through this Report.

Having reported, the role of the Commission now is to consult and assist those in positions to make decisions and undertake action. The result is in their hands as leaders — and in yours as informed citizens — to discuss and decide on a constructive way forward. We remain committed to help, where we can.

We are grateful to the individuals identified here as Members of the Commission and Steering Committee — 48 individuals from around the world and of differing perspectives — who contributed their time, effort, experience and thought to the research, consultations and deliberations on this important and destabilizing issue over the past almost two years. We also thank our colleagues at the Overseas Development Institute who undertook most of our research, which is made publicly available at our website (<https://www.ChumirEthicsFoundation.org/ResearchonForcedDisplacement>). All are wonderful examples of the engaged citizenry on which a healthy community is based — and that gives us hope.

Respectfully submitted,



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World Commission on Forced Displacement – Report At a Glance

That tens of millions of faultless people are forced to flee from homes and communities for safety or survival – with millions more poised to do the same – is a tragedy. It imposes costs, burdens and market impacts randomly on neighboring poor communities; a loss of output and social contribution from idled workers; brings diverse communities into clashing interfaces and security risks from terrorist and criminal exploitation. Costs of treating the symptoms might exceed those of a bold cure.

The **World Commission on Forced Displacement**, supported by an international Steering Committee, assessed the context and consequences of the likely underestimated, but official 68.5 million and growing numbers of forcibly displaced. While under 1% of the world population, the displaced tend to arrive in a location suddenly and remain for extending periods. New strategies and actions are required. The Commission recommends:

A Development/Investment Strategy – Job creation through investment – much of it necessarily private sector – is essential to any ‘solution’, an idea increasingly endorsed, but the necessary instruments for the conditions are not present. Some 85% of the forcibly displaced (and many poised to move) are in low and middle income countries, where conditions for investment are very difficult. Available public sector resources are grossly inadequate. Policies and mechanisms are not up to the task. The Commission calls for a ‘Merchant Bank’ to establish commercial conditions, strategically channeling limited public (and potentially, philanthropic) capital to increased proactive project identification and development and to arrange and fund techniques to resolve impediments and de-risk investment projects, sectors and/or environments, in reasonable ways and fair risk/reward terms, to establish commercial investment conditions in targeted locations. The capital committed by the Merchant Bank to such needs in the pragmatic project development and transaction process, could be contractually conditioned on larger amounts of private sector commercial investment.

The Bank would take proactive and holistic responsibility for optimizing development in a location from conception to implementation – that would fill the gaps in project search, feasibility assessment, reasonable risk absorption and, occasionally co-investment – while maximizing the role of private sector activity and using public funds where private sector funds would not yet go. Existing development financial institutions were not designed, motivated and are not accountable in this way; nor as able to move nimbly on solutions as is contemplated for the Merchant Bank. Donor countries, host communities and the forcibly displaced can all benefit. The absence of adequate results in the cases addressed here is NOT due to insufficiency of capital, but of deficient instruments to deal with the impediments. (The logic applies to investment for other goals in similar market conditions – e.g. the Sustainable Development Goals.) The World Commission further recommends:

Protection/Coverage for All – Minimum protection, support and opportunities for all those forcibly displaced, or incompletely or inadequately covered – regardless of cause, location, legal regime or political status, should be provided.

Responsibility Sharing – A senior level continuing platform for advancing best practices, coordination, prevention and responsibility-sharing should be established for fairness and management of impacts. The current random allocation of responsibility to the poorest countries is unsustainable.

A Change in Narrative – A public opinion campaign, political will, and leadership are needed to affect the latitude for solution-oriented policy and social cohesiveness. The strategy must differ by location, time, conditions and local political climate.

Inclusion – Initiatives by both hosts and the displaced are called for to take responsibility for the ultimate goal of social and economic inclusion in communities.

Technology – The use of modern technologies to provide identification, services, opportunities and connectivity to the displaced should be implemented.

A new strategy of action is needed to avoid an even larger, dependent, vulnerable and desperate population. Protection, rights and social services are preconditions. Development is an opportunity for scalable constructive action with North/South and potentially South/South political consensus. Genuine resolve, more robust action in select locations and shared provision of resources could translate to real opportunity. Attitudes and leadership matter.

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Executive Summary

The Chumir Foundation for Ethics in Leadership convened the World Commission on Forced Displacement, a diverse global group of experienced policy and political figures under the Chairmanship of H.E. Heinz Fischer and advised by a global Steering Committee of scholars and practitioners to study best practices and identify solution-oriented policies to address the issue of forced displacement in contemporary conditions.

Forced Displacement: In Search of a Solution

A Destabilizing Issue to be Addressed: The world is confronted by the largest number of forcibly displaced persons in modern history – 68.5 million people⁽¹⁾, fleeing from homes and communities because of violence, conflict and persecution. That number is growing – the period of displacement is extending – solutions are more challenging. Approximately 85% of those displaced are located in low and middle income countries. On the more positive side, the number is under 1% of the world population. However, many millions more are poised to move for reasons that will not be corrected any time soon – many turning on conditions that are not necessarily linked with violence, such as natural disasters; consequences of climate change; population growth patterns and more media-visible living conditions differentials; and severe discrimination. Resettlement is currently meeting resistance, particularly in corridors of larger population movement. Return is limited. Other forms of responsibility-sharing and international coordination of assistance to those forcibly displaced – and to host communities most burdened by the accident of location nearby a point of origin of displacement – are underfunded. And, the population movement and pathways are – large and often concentrated in time and location – a condition that strains what historically and analytically would have meant new growth of a community that adds to economic activity, productivity and community fiscal balances after a reasonably short period of accommodation and adjustment.

68.5 million people are displaced due to violence, conflict and persecution.

⁽¹⁾

The UNHCR estimate of forcibly displaced is 68.5 million, of which 40 million are internally displaced (IDPs), 19.9 million are refugees and 3.1 million are asylum seekers.

The situation calls for a multi-faceted and concerted international effort to avoid or mitigate: suffering; wasted lives; foregone economic output; unmanaged irregular population movement; and the risk of recruitment of some of those displaced by extremist and terrorist groups. These are risks faced from idled populations who lack opportunity and might become desperate. The circumstances differ by location, by applicable legal regime, by whether the displaced are in domestic locations or across a border – as well as by demographics; characteristics and attitudes of the migrants and residents; and by supply/demand conditions. Policy and practice – and particularly developmental growth, investment, employment, adjustment support and economic and inclusion opportunity – alongside humanitarian protection, care and maintenance make a difference.

Approximately 85% of those displaced are located in low and middle income countries.

A manageable policy and investment objective: The moral, economic, social, political and administrative issues across forced displacement from different or mixed causes are more similar than not; and the instability and unfairness are compelling reasons for policy attention. Any fair analysis must emphasize human rights, humanitarian protection, basic care, maintenance and rights – the first and fundamental building blocks for the rebuilding of lives and reaching inclusion in a community, including for the critical element of employment and self-sufficiency. Without reciting a detailed review of rights and support, the

Political will is necessary for an international effort to avoid wasted lives.

Commission stresses these needs, the rights that permit participation of those displaced and their foundational nature for development and beyond. While recognizing the essential nature of rights, services and support for the

safety and survival of the displaced, fairness, management of the various community impacts of large numbers of new forcibly displaced arrivals and the implementation and capturing of the benefits of development, a central focus of the Report of the Commission is the potential for development and the methods and mechanisms the Commission believes critical to the success of such a strategy.

Durable solutions and constructive political attitudes require the ability to find gainful employment – whether by returning to their community of origin in safe conditions, being resettled, or integrated in the locations to which they have fled. The recommendations in this Report aim at stimulating practical action for investment and for employment of the displaced, or of the many poised to move and are intended to address situations in the low and middle income countries. Wealthy jurisdictions face significant social and political challenges from uninvited arrivals, but the economic issues are generally matters that these host governments, primarily in the Global North, can handle on their own. Employment in the low

and middle income locations requires economic development and investment for job creation in the regions where the displaced are located and generally prefer to stay. Fairness and cohesiveness require participation by local community members as well. As the capital required for this task greatly exceeds current or prospective public sector resources available for the purpose, the reallocation of some private sector activity and resources is essential to a development strategy⁽²⁾.

Instability and unfairness are compelling reasons for policy attention and do not turn on legal status or crossing of a border.

There is good news – the percentage of capital that would need to be reallocated to locations of large numbers of the displaced is a small proportion of private sector commercial capital placed each year. In recent years, capital market placements for what have been savings in excess of demand for investment has frequently produced low and negative returns in commercial money markets. This condition, particularly after hedging costs, persists today. There are higher project yields to be found – and such investments would enhance global economic growth – and do so without undermining capital formation in the developed world.

The reallocation would be largely by investment in reasonable risk/reward producing ventures and much needed infrastructure development in target markets. However, commercial ‘deal-ready’ proposals in the locations of need are vastly insufficient for a solution to displacement. Even willing investors focused on the developing world find few or no opportunities to place the funds they have available. Developing such opportunities requires more than additional capital in sophisticated and willing hands. It requires additional business developers motivated by reward plans and institutional cultures to spend the extra time and bring innovativeness, flexibility, transactional nimbleness and willingness to accept a higher risk portfolio – including withstanding the lower success rate in the low and middle income economies involved⁽³⁾. To generate meaningful levels of activity, it requires more – certain additional functionalities, primarily the introduction of arrangements that create commercial conditions and sustainable venture commerciality by addressing impediments that make the opportunities that are suitable to the location but found too risky, or otherwise beyond

(2)

A rough calculation demonstrates the point. Public development funds, if all dedicated to the building of infrastructure in developing markets, would cover only 10-15% of that sectoral requirement; while some 3-5% of private sector liquid capital, if reallocated to the Global South, would fund the gap for some years to come. See Footnote 35, page 33 for details of the numbers. It is confirmation of this analysis that over 9 of 10 jobs in the world economy are in the private sector economy.

(3)

The challenge of establishing commercial investment conditions and adding meaningful scale of investment and numbers of jobs in low income locations must counter such characteristic as: physical plant and infrastructure that are very deficient; industry experience that is narrow; skills and education levels that are low; absence of rule-of-law, as well as incidents and perceptions of corruption; populations and governments that are poor, fiscally and structurally weak; and unemployment, public debt and fiscal deficits that are high. Development assistance will remain necessary in many instances.

commercial tolerance, acceptable commercial investments. This involves more than capital – it involves more than additional motivated project developers – it involves ‘de-risking’⁽⁴⁾.

A Merchant Bank: The World Commission recommends a Merchant Bank, a special purpose vehicle and related methods that accomplishes the capital reallocation proposed. Such an approach would benefit investors by higher investment yields; earn donor governments fiscal revenues and the country’s businesses increased exports related to those investment projects. Host countries gain from additional income and fiscal revenues. The displaced capture employment, income and self-sufficiency. The world realizes improved stability, security and related cost savings. This, and better North/South and even South/South political relations, make a potent public policy case for the strategy.

Market Gap: Without any criticism intended, current policy, methods and development institutions do not achieve the necessary conditions in hosting locations to draw the needed private sector investment. Nor do existing facilities seem to absorb risks in the target locations that exceed commercial tolerances – something governments do routinely in developed economies. Development in the targeted locations requires political resolve and more activist methods and mechanisms to address the impediments. It would be self-defeating to embrace this analysis, but, for reasons of reluctance to create a new vehicle in a crowded field, fail to give the enhanced merchant banking capacities the best opportunity to perform. The Commission recommends a new entity with a purpose-built design, culture, motivational schemes, risk tolerance, stature of management, deal-structuring flexibility and transacting nimbleness – and with the ability to perform both public sector and private sector commercial roles. A new entity is recommended as cultural change in large and established institutions is not an easy task and, given the range of activities of those institutions, may not be appropriate.

The essence of the proposed activity is to make strategic use of the limited public (and, potentially, philanthropic) funds to create commercial conditions so that a readily manageable percentage of the much more plentiful private commercial funds will be invested in the target locations. Funding a greater proportion of a project than is necessary to create commercial conditions is less productive. Further, the amount of activity and job creation sought requires not only more active searching out of inherently sustainable ventures or increased funds allocated to such transactions, but also an enlargement of the techniques through the methods of the Merchant Bank so as to encompass more ventures that, with the

⁽⁴⁾ De-risking is routinely done by governments in developed economies when different risks, e.g. technology development, are considered too high for commercial capital to generate optimal activity, or meet sectoral need. This is seen in U.S. space, defense and health technologies, EU technology and support programs, Canadian tax incentives in resources and Japanese risk absorption in manufacturing automation. It is seen in plant location incentives and public sector laboratories. The proposed de-risking here is a developing economy counterpart.

boost of the additional techniques – addressing impediments and de-risking – are commercially sustainable. These additions to the tools available are public sector and non-commercial by nature. That is, the arrangements are initially and individually generally public sector tasks – at least until they are pooled. Particularly if held through project construction and, perhaps, risk abated, the de-risking instruments are likely capable of being re-financed in the capital market as a securitized instrument.

Also of importance in the proposal is the fact that, instead of making the public expenditure in the hope that the private sector will then find the environment and terms to its liking, the transactional procedure would normally have the Merchant Bank commit to the arrangements as part of a contract for the investment, including the participation of the private sector that is sought. The gaps and deficiencies to be addressed by the actions of the Merchant Bank, thus, within reasonable limits and on fair risk/reward terms, are:

- proactive dedication to the search for opportunities, despite the time required and fewer successes;
- holistic sponsorship, including detailed feasibility, assistance in negotiating accommodating policy, addressing of impediments and de-risking;
- protocols to ensure compliance with standards, honouring commitments, avoidance of arbitrary regulation and corruption, through delegated trusted authorities;
- identifying partners and/or co-investing where helpful to conclude a project, or enforce a fair arrangement against excessive concessionary demands.

History has taught us the need for clear and focused political resolve and appropriate mechanisms in the circumstances. Development success stories are the result of genuine determination and multi-faceted prioritizing of development and industrialization. Also, it has taught us the geopolitical influence acquired by those who engage. A contemporary parallel might be evidenced in the Chinese Belt and Road Initiative. Experience also leads to a design that ensures local knowledge and collaboration; regional and global structure for the hiring of the best talent and optimal diversification of risks, as well as dedicated and tailored mechanisms for the activities, objectives and conditions. The intention is for the Merchant Bank to be additive and complementary to current institutional capacities.

There is an immediate public interest and political case for the proposed methods and mechanisms of the Merchant Bank – an economic ‘win’ for donor country businesses, for hosts, for the displaced, and for the world at large; while also contributing to the curtailment of unmanaged immigration.

Forced Displacement: Policy & Action

Context

Displacement

Mix of Causes

- Conflict, Violence & Persecution (CVP)
- Human Rights Violations
- Climate & Natural Disasters

Conditions

Historic Numbers Forcibly Displaced

- 68.5 m Current CVP & More Poised to Move
- Increasingly Protracted
- Low & Middle Income Host Countries
- Difficult Markets for Investment
- Visible Large Disparities of Living Standards
- Demographics and 'Culture' Clash
- Limited Public Sector Resources
- Vulnerability to Extremist Recruitment
- Political Resistance

Objectives

Inclusion at Scale

- Economic Opportunity & Integration
- Substantial Private Investment Required
- Social Absorption

Geopolitics

- Intra/Interregional and Triangular Cooperation
- Belt & Road Initiative

Political Dynamics

Policy Motivations

- Moral & Ethical Reasons
- Manage Economic, Social, Political Impact
- Lost Output of Idle Workforce
- Positive Economic Opportunity
- Investment to Contain Migration
- Stability & Cohesiveness
- Physical Security

Narrative

- Emotional Fears vs. Real Facts
- Political Nationalism vs. Pluralism
- Influences Public Mood & Policy
- Shaped by Expectations, Political Tactics, Leadership & Media
- Variable by Place, Time, Population Segment

Public Interest Issues

- Responsibility Sharing
- Potential Donor/Host/Displaced/Broader Community Benefit
- Prepare, Mitigate Impacts & Prevent Flight
- Stable & Cohesive Communities
- Locals & Displaced Contribute to Inclusion
- Macroeconomic & Social Policy Compatibility

Policy & Actions: Who, What & How Addressed

Humanitarian

- Protection, Assistance & Rights for All
- Rights such as:
 - Work
 - Education/Training
 - Social Services
 - Connectivity
 - Anti-Discrimination

Development

- Investment for Job Creation
- Merchant Bank Roles
 - Public vs. Private Resources & Functions
 - Expand Deal Generation & Project Development
 - More Techniques to Create Commercial Conditions
 - Risk Absorption Capacity
 - Resolve Impediments
 - Sponsor Projects & Feasibility
- Provisioning Social & Economic Services & Technology

Methods & Mechanisms

- Political Will for Proactive Development
- Public/Private Strategic Roles
- Fill Gaps in Functionalities
- Holistic Sponsor & Transaction Participant
- Public/Philanthropic Funds for Creating Commercial Conditions – De-Risk/Remove Impediments
- Private Investment for Ventures
- Platform to Plan, Coordinate, Fund & Prevent Forced Displacement

Results

Social Impact

- Engaged/Employed vs. Idled Workforce
- Self Sufficient vs. Dependent Populations
- Integrated vs. Isolated Individuals
- Stable vs. Disrupted Communities
- Cohesive vs. Fractured Societies
- Reduced Security Risk
- Pluralism vs. Nativism
- Normalize Population Movement

Economic Impact

- Reduced Humanitarian & Security Costs
- Increased Output, Employment & Income
- Improved Fiscal Yields
- More Equitable Distribution of Burdens & Benefits
- Better Global Economic Prospects
- Benefits Donors, Hosts, Forcibly Displaced & Broader Community

World Commission Recommendations: Six Pillars

With 68.5 million people – 1 in every 110 people in the world⁽⁵⁾ – the World Commission has identified six principal policies, the ‘Pillars’, which it believes to be the most important issues to be addressed by the international community to achieve meaningful improvement in the lives of those affected.

Pillar I: Development: An Investment-Led Strategy – A ‘Merchant Bank’ should be established. A concerted investment initiative is required to gainfully employ/engage the large, growing, and increasingly protracted displaced population necessitating:

- a greater private sector commercial investment role to achieve a meaningful scale of impact, given the very inadequate public sector resources available for the purpose; and,
- a ‘Merchant Bank’, a publicly, and if possible, philanthropically-capitalized special purpose vehicle that would be responsible for proactively seeking out inherently viable commercial ventures, including through efforts that might exceed what a private commercial investor would do. This Merchant Bank would then steer those ventures that appear commercially sustainable through development of a project proposal, to feasibility assessment, to de-risking, to transaction structuring, to investment and implementation – holistically sponsoring projects and arranging for, or itself contracting to de-risk and remove impediments as needed and reasonable to mobilize additional private sector investments in markets that do not otherwise generate adequate investment, activity and jobs.

A development strategy that was funded and implemented by an active, innovative and nimble organization would be transformational.

Pillar II: Responsibility-Sharing and Coordination – A senior stakeholder’s ‘Platform’ should be established. It should have a continuing role in planning and coordinating responses to – and if possible, preventing or mitigating the consequences of – situations of forced displacement. Additionally, it would

⁽⁵⁾
UNHCR Global Trends 2017, page 4

participate in the development and sharing of best practices, the promotion of responsibility-sharing and, the stimulation of more and complementary activities and resources for support of these initiatives.

Pillar III: Protection/Coverage – Effective protection should be accorded to all those forcibly displaced. Notwithstanding the remit of the 1951 Refugee Convention, the 1967 Protocol and additional regional and other category-based protection regimes, as well as universal policy and legal regimes such as those applicable to human rights and non-refoulement, those forcibly displaced who do not have the protection of an adequate international standard for their needs, leaving them vulnerable, should be accorded such coverage. The adequacy of the rights to meet the need and the consistency of compliance and enforcement are extremely important matters for more detailed review than is the mission of the Commission. The rights are, however, critical to safety, opportunity and to effectiveness of transition from humanitarian care to developmental self-sufficiency for individuals and the system – e.g. right to work, own a business, training, mobility, basic social services and connectivity. Safety and fairness, as well as the effective management of the economic, socio-political and development impacts of displacement on host jurisdictions, call for such a policy.

The Commission recommends that a senior office be established to address the ‘forcibly displaced’; and that the agencies dealing with these matters report regularly on the coverage of the services they provide so as to clarify missing elements and those who are unprotected, or inadequately protected, by existing regimes and instruments.

Pillar IV: Narrative – A change in Narrative should be sought. Public opinion is differently motivated by location, population segmentation and time. It is the view of the Commission that further efforts should be made to cultivate narratives that permit solution-oriented political action. Waging of a communications campaign to change the prevailing characterizations should be promoted – at least by public discussion of promising policies and successes.

Real stresses on infrastructure, services and resources; anxieties over job and wage competition; attitudes to diversities, are all in need of attention. Policies promising solutions – and particularly investment and employment that maximize the potential for positive and earlier net gain from population growth and contributions of inbound displaced persons – would ease tensions and help support more positive community thinking and constructive, solution-oriented policy.

A more effective public narrative would be to emphasize shared values, stress that the situation is manageable, and to detail how investment, development, jobs, labor supply and demand can produce positive results.

Pillar V: Inclusion – Integration of the displaced is necessary for a cohesive and stable society. As return is often difficult in light of unresolved causes and resettlement is resisted – ultimately, absorption may be the only durable and potentially economically positive outcome. Inclusion and pluralistic values are critical issues. Socio-economic inclusion of the displaced turns on many factors, including education, community efforts to avoid discrimination and the displaced’s adaptation to local norms and conditions. The responsibility lies with both host and newly arrived populations for successful inclusion.

Pillar VI: Technology – The best modern technologies should be deployed and featured in development strategies and be promoted for the benefits offered for identification, rights, services, information, opportunities and connectivity.

The issue of forced displacement is large enough to call for the use of all reasonable techniques for its management. It is important enough for fairness, stability, security and cohesiveness to equip the institutions with a variety of instruments. The potential for savings on defensive measures and security – and the potential, over time, for inclusion to be economically productive IF investments are made in the providing of opportunities for gainful employment and integration by the displaced – are believed to justify the pursuit of the recommendations made in this Report. The Merchant Bank in particular only involves material costs if it is successful in finding projects to mount.

Introduction

Mission The **Chumir Foundation for Ethics in Leadership** has convened and managed the **World Commission on Forced Displacement**. This Commission is a global gathering of diverse and experienced policy and political figures who is advised by a **Steering Committee**, also of international make-up and experienced in relevant economic, social and political issues and policies. The Steering Committee framed and directed a research program under the overall supervision of Commission Members to investigate the lessons of past as well as the issues raised by current experience and conditions as background on which to base the World Commission's proposals.

Mission of the World Commission

- examine the current plight and destabilizing conditions of large and growing numbers of forcibly displaced people, which also involves:
 - a protracted duration of displacement
 - an expanding range of causes, contexts and locations
- recommend practical policies and actions for key stakeholders, taking into account:
 - the needs and interests of the displaced and of host communities, as well as the requirement for additional resources and donors
 - the cumulative scale of a response and results needed in the present circumstances

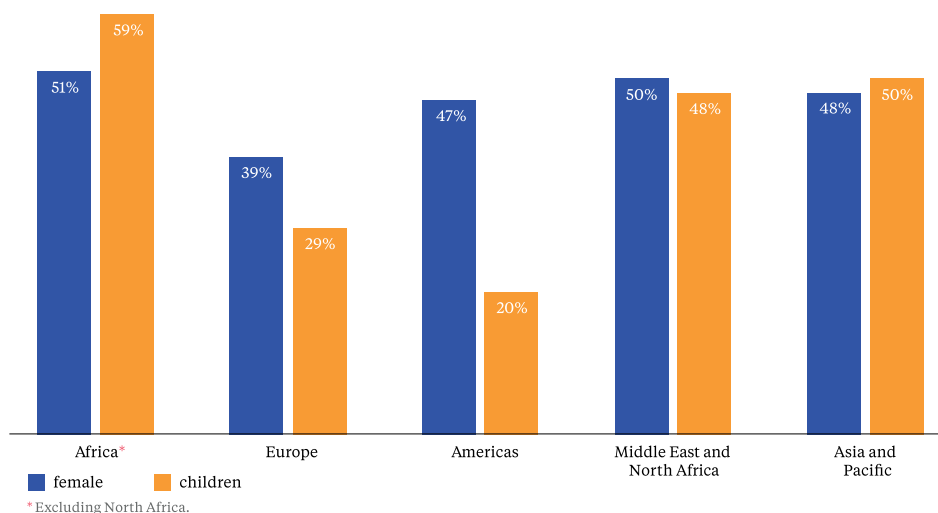
The Commission defined its mission as that of recommending principal general policies and actions – the ‘Pillars’ – as a necessary first stage in a process of designing and then implementing a range of more detailed initiatives. The recommendations of the World Commission are based on a long-term vision and on policy provisions that seem very ambitious in current conditions and political contexts. This Report explores the essential, realistic and immediate policy, as well as a direction for the future. It is considered a step in a process of informed dialogue with inter-governmental bodies, governments, private finance and industrial interests – local, regional and global – in which the Commission continues to engage in an effort to advance effective and fair policies for the affected populations; and a sharing of responsibilities by those who are able to contribute to the support, assistance and creation of opportunities for the re-integration of those forcibly displaced.

The starting point of policy analysis in this field is that of the provisions, machinery and dynamics of regimes and processes that protect, support and re-integrate the forcibly displaced in communities and in productive roles in society. Fairness to largely faultless displaced and hosts, basic human rights and human safety call for attention to the vulnerabilities and needs of the displaced – and to the special needs of women, children, the disabled and the aged. Self-interest of others in the regions directly affected – or those adversely impacted in more remote locations by the economic, social and political disruption consequences of large scale forced displacement – also commends serious attention to these issues.

52% CHILDREN

Children below 18 years of age constituted about half of the refugee population in 2017, up from 41 per cent in 2009 but similar to more recent years.

Figure 1: Demographic Characteristics of Refugee Population by UNHCR Regions – End 2017⁽⁶⁾



Key among the issues, as seen by the Commissioners, is the promotion of employment/engagement for displaced people and for their host location residents and communities. There is no durable solution without gainful employment of the working age among those forcibly displaced. The scale of job creation required necessitates significant absolute amounts of economic activity. The investment that this requires is large in relation to public sector resources available for the purpose, but is a relatively small proportion of private sector activity and investment. Most of this investment capital, however, is available for mainstream business activity and investment, not consciously designed to serve an important global policy – certainly not focused on locations that are difficult for private

⁽⁶⁾ UNHCR Global Trends 2017, page 59

sector commercial activity. However, it is in these latter locations that the investment needs to occur if the great majority of the forcibly displaced are to be helped with rebuilding their lives.

The good news is that a shift in some resources to such selected locations could add to global economic output and productivity, offering the prospect of economic gains for all interests involved – investors, donor countries, host communities and those seeking to rebuild their lives following forced displacement – while also generating positive social externalities. How policy and action can serve these objectives is an important consideration for the Commission and the purpose of a proposed ‘Merchant Bank’.

The embrace of a development strategy – for re-integration of the displaced and/or prevention of displacement – dictates, if the design is serious, not only development methods that address the deficiencies that have frustrated that goal to date, but also support and rights for the displaced to participate in the economy, without which the declared development intent as a significant response to current forced displacement is, at best, misleading. The right to work and own a business; safe passage out of danger or severe deprivation; access to education and training, mobility, healthcare, connectivity, safety and security are all essential elements, both on their own for fairness and for more stable communities, but also for development.

Scaling up development to transition from humanitarian aid to inclusion is increasingly indicated as displacement has become more protracted.

Attending to all in need, sharing the burdens and responsibilities, coordination for efficiency and effectiveness are all addressed by this Report. It is the view of the World Commission that the achieving of scaled-up development and transitioning those affected from humanitarian assistance to inclusion are increasingly important as displacement has become more protracted – and, is a strategy that is less systemically integrated in policy and practice than some of these other issues. Further, if development and employment are left unresolved, the problem becomes more intractable and destabilizing as a consequence of idled populations with nothing to lose. Hence, the emphasis in this Report is on development, and investment, the idea and proposed activities of a Merchant Bank⁽⁷⁾.

In this regard, the World Commission’s proposals align closely with, but go further than, the terms of two new international codes currently nearing completion – Compacts proposing for agreement voluntary provisions addressing the

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Further, the insufficiency of contributed resources on which humanitarian support depends also argues for development investment to achieve a prospect of self-sufficiency for and by the displaced.

challenges faced by governments, migrants and refugees. The Commission has engaged with those managing the development of these Compacts which are expected to be concluded by the end of 2018 – a Global Compact for Safe, Orderly and Regular Migration (GCM) and a Global Compact on Refugees (GCR). The Commission's Pillars are more ambitious in aspiring to extend an international norm for protection, assistance and opportunity to all forcibly displaced people, not only to 'refugees'⁽⁸⁾ or other protected categories as defined by various relevant international agendas or legal provisions. This would not undermine the rights or support provided to various categories of forcibly displaced people by current laws or policies. But, however many or few remain unprotected or less protected – they should be covered under base norms, not solely by widely or universally applicable rights, such as those established under international law on human rights or any standard that was not up to the provisions set for all those forcibly displaced. The Commission is also more specific than the Compacts in giving particular emphasis to the role, need and particular methods and mechanisms to attract more private sector investment and activity in locations where it contributes to the achievement of the fundamental need of gainful activity for the displaced and economic viability for the countries that host them. The 'right to work' is essential. But, even rigorously applied, it is not an 'opportunity to work'; and the latter is required, both for the reestablishment of viable lives of the displaced and for the economic stability of the host countries and regions.

The strategic use of public funds would make more conditions attractive to private sector investors.

An encouraging observation is that donor countries to such a strategy can benefit from improved investment returns, exports to the development projects and economies, as well as from improved global stability and security – and, in an interrelated and competitive world, from greater geopolitical influence.

However, the beneficial consequences cannot be realized by relying on what we have been doing for decades, without achieving the scale and nature of development and employment results sought. Both real political resolve and more robust – and concerted methods and mechanisms – are essential, including more project development activity and more use of techniques that create commercial terms and conditions; functionalities that close market gaps. It will only disappoint to

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The cause recognized in the current legal regime is, on its face, quite restricted. The Convention relating to the Status of Refugees adopted in 1951 defines "refugee" as "a person who owing to well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion, is outside the country of his nationality and is unable or, owing to such fear, is unwilling to avail himself of the protection of that country; or who, not having a nationality and being outside the country of his former habitual residence as a result of such events, is unable or, owing to such fear, is unwilling to return to it." Subsequent international, regional and national agreements or mandates are noted to have extended protection to those displaced across an international border (and globally by a 1967 Protocol modifying the 1951 Convention initially conceived to address European needs) as a result conflict, violence or persecution. For a more complete discussion of the criteria for protection, see Pillar III at page 53.

appropriately espouse more of a development paradigm for the response to forced displacement, but to rely on existing methods and mechanisms that have not generated the investment needed in the conditions that prevail where the need for development is substantial. The deficiencies are not centered on funds – private sector capital gathered for investment in developing economies, including in those that harbor large numbers of forcibly displaced people, has gone unused because conditions for its commitment are not met. Public funds would do better to concentrate on creating conditions and fostering the capacities that commercial operators expect, not on investment in projects themselves. The strategic use of public funds would focus on creating the conditions and projects in which larger private sector funding would commit – even contractually tying the public sector support to transactions in which private sector investment is also committed.

Fundamental Questions:

- Who to protect?
- By what standards/norms?
- By what techniques/measures?
- How to deal with emotional vs. real factors?

The Commission posed the following fundamental questions:

- Who should be accorded protection under international standards?
- What rights, support and obligations should attach and how should the costs and support be borne?
- What mechanisms and instruments are recommended for the effective implementation of the proposed policies?
- How can enhanced economic activity be achieved and, although not pursued in detail in this Report, once jobs are possible, how can job/skill/need matching be best accomplished in low and middle income countries? How can this be done at a scale that makes a meaningful impact on rebuilding lives of the displaced by generating significant amounts of employment or business opportunity to engage the working age population?
- How might these issues and the potential for a constructive and continuing role by arriving displaced populations be publicly communicated, so as to improve the public perception of the potential for positive results and the political narrative that permits solution-oriented policies?
- Both real impacts and emotional anxieties influence the current political debate – particularly in the prevailing low level of trust in governments and leaders and of the current political characterization of migration. What are the consequences of the sentiments and politics that produce – and are influenced by – a predominantly negative public narrative surrounding the forcibly displaced?

Background

Migration is hardly a new phenomenon. However, the beginning of the current global regime relating to at least certain categories of those presently forcibly displaced dates to the immediate post-World War II era in Europe. There were then large absolute numbers of people forced by the war and geopolitical realignments to leave their homes and communities for safety and survival, fleeing risks beyond their control or creation – gathering in neighboring countries that were themselves facing severe conditions of the period⁽⁹⁾. The protection, not to mention support, that governments are meant to provide was missing at their previous residence locations by virtue of the inability or unwillingness of the governments to provide it to the individuals or categories of people displaced.

Policy History Gainful engagement of the working age population of the displaced was an absolutely essential ingredient of their re-integration. History shows that it takes economic development – and, in cases of large numbers – more than ‘development policy as usual’. There are a great many differences between postwar European and current conditions and needs, but there are also some lessons to be learned from history.

In fact, the currently displaced are distributed beyond the one continent of Europe. This adds a further dimension to the policy and management challenge more than it reduces it by the wider territorial distribution of the displaced. Individuals and groups are stranded now for very protracted periods as the causes of their flight are not being resolved; and 85% of the global total of the

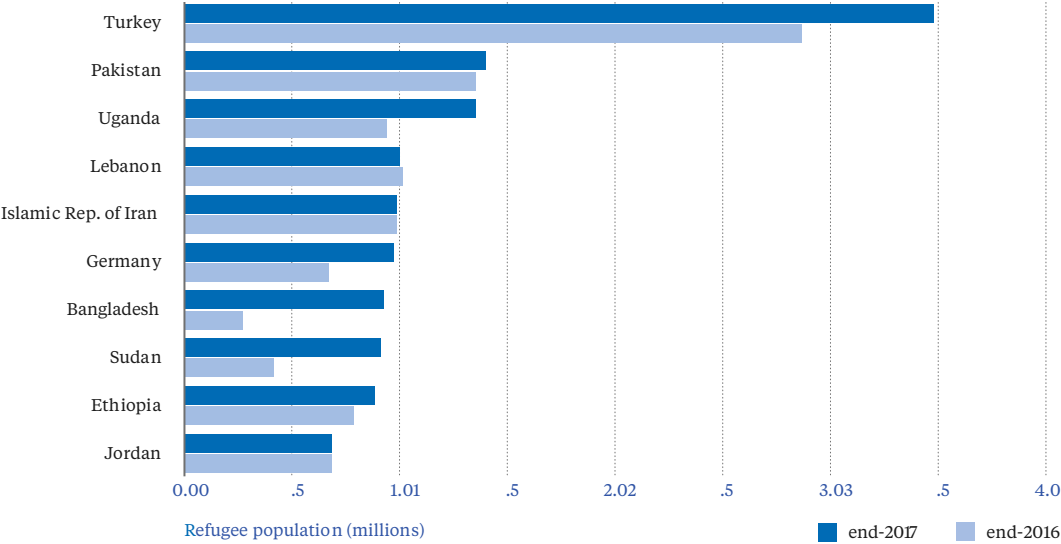
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World War II displaced some 60 million people, including 12 million Germans. This was the largest recorded population movement in European history and included hundreds of thousands of Jews who had fled Nazi Germany, Poland, Hungary and Czechoslovakia and sought refuge in neighboring countries and beyond. After the war, many surviving Jews from concentration camps returned home to find they were unwelcome or that their property had been taken over by others, and were thus displaced again. (Source: http://www.bbc.co.uk/history/worldwars/wwtwo/refugees_01.shtml)

Sorting out the return and integration of so many displaced prompted an international response that set the foundation for the global refugee regime in place today. This included the UN Relief and Rehabilitation Agency (1943) to deal with displaced people who fell into Allied hands; it oversaw large-scale returns to the Soviet Union. The UNRRA was replaced by the International Refugee Organization (IRO) in 1946, which, inter alia, focused on resettling a very modest number of those displaced by WWII from Central Europe to the US, Australia, western Europe, Israel, Canada and Latin America.

forcibly displaced are located in low and middle income countries. The top ten countries, in terms of absolute numbers hosting forcibly displaced populations currently are, all but Germany, low and middle income developing countries. If one adds internally displaced people (IDPs) – and considers the issue of the proportion of total population of a jurisdiction that the displaced represent – the challenges intensify. Some countries greatly affected by the arrival of forcibly displaced populations are already challenged by low levels of education, poor infrastructure and social services, limited or virtually non-existent industrial plant, limited and narrow industrial experience, and are fiscally stressed economies. Their governance, in some cases, characterizes them as fragile states, with unreliability of rule-of-law and evidence of corruption. The market often offers a low level of support services (e.g. financial services) for business and consumers. This limits their capacities to respond to refugee protection and solutions needs, including that of generating livelihood opportunities through economic development and commercial investment.

Figure 2: Top 10 Host Countries of Refugees⁽¹⁰⁾



The past tells us that more concerted action is needed than current policy and mechanisms provide, if the world is to avoid falling further behind in the absorption of the newly displaced every year. The conditions of the immediate post-war period involved an educated population, experienced workforce, surviving industrial plant of some 80% of the prewar capacity and pent-up demand – comparatively easier conditions for commercial capital and activity than the contemporary conditions in the locations where large numbers of forcibly displaced people are located. Even then, it took a significant financial and external

⁽¹⁰⁾ UNHCR Global Trends 2017, page 17

governmental commitment to achieve economic absorption of the displaced in postwar Europe. That was greatly facilitated by a political resolve of postwar rebuilding and of the Cold War geopolitical motivation of the dominant U.S. and its allies⁽¹¹⁾.

Post war conditions in Europe produced the refugee support program under the auspices of the International Refugee Organization (IRO) during the 1947 to 1951 period, a humanitarian response to facilitate the repatriation or resettlement of those displaced by the war. Although not conceived as part of the wider program of post-war recovery, the work of the IRO coincided with the implementation of a U.S. bilateral aid program, the European Recovery Program (commonly known as the ‘Marshall Plan’), that established an administrative structure, national governmental authorities and essentially grant funding for industrial development. Some \$13 billion was spent – the equivalent of \$145 billion in 2018 dollars; with more than that amount again given for military assistance. This assisted 17 western and southern European signatory beneficiary countries. The percentage of U.S. GDP this represented, applied to today’s U.S. economy, would amount to a support equivalent in excess of \$800 billion. In this setting, temporary protection and assistance accorded the displaced and economic growth led to the great majority of the postwar displaced working age population finding jobs and business opportunities. Overall, the experience of the Marshall Plan suggests that, in dealing with large-scale displacement, a business development-led strategy and a significant private sector commercial participation call for more active political resolve for development as a solution than is seen in the world at the moment. Addressing situations today on more than one continent with disparate circumstances would benefit from regional plans; and considerably more can be done if there is genuine commitment to solve large-scale displacement and promote economic development in these circumstances.

Addressing situations today would benefit from regional plans.

It is worth noting the principal existing regime for the displaced was designed decades ago to address a residual community of refugees, unable to find reasonable domestic governmental protection. The displaced targeted by that regime for assistance represented essentially all of the then displaced, regardless of the cause of displacement or status. It was not designed around assisting some, but not all, categories of the displaced. Those displaced were not only regionally contained,

(11)

The principal recipients of support – UK, France, West Germany, Italy and the Netherlands – had the ingredients and recovered well once funded. Industrial production leapt from 87% of pre-WWII levels in 1947 to fully 135 percent in 1951—a 55% jump in just four years. (Source: http://web.worldbank.org/archive/website01306/web/pdf/wdr_2011_case_study_marshall_plan_1.pdf.) It is noteworthy that these beneficiaries featured easier conditions for investment than those currently in need of investment in the low and middle income countries.

they were culturally and politically reasonably homogeneous⁽¹²⁾. This population was made the subject of a global protection initiative of the Convention on the Status of Refugees 1951. This addressed cases of displacement originating prior to that date and only in Europe. It was subsequently modified to become a global convention in 1967 in order to recognize post 1951 causes of displacement, such as the consequences of de-colonization, and all locations of refugees, not just Europe.

The idea that transitional assistance and support for the displaced can lead to a large population being integrated in gainful engagement by market dynamics alone is illusory, particularly in the current context and locations. A long term development commitment would provide a context in which host jurisdictions would have more favorable expectations, and would more readily frame policies and actions politically and in the community that would accommodate and include the displaced. In such conditions, it is more likely that a positive impact would result from any migration – and that the economic demand, activity, output and individual and fiscal revenues would turn positive more quickly. Examples of economic rebuilding and/or development success are characterized by socio-political resolve that often transcend cost-benefit analysis and become a national drive that permeates a community. The Cold War fueled that purposefulness after World War II. A pursuit of stability, security, fairness and contemporary geopolitical influence – and, perhaps, a degree of geopolitical rivalry as world power shifts – would seem to be where one would have to look for present day counterparts.

Post World War II, those displaced were not only regionally contained, they were culturally and politically reasonably homogeneous.

Investment and gainful engagement somewhere of the working age displaced that allows the rebuilding of the lives of those forced from their homes and communities, are, in principle – and widely acknowledged to be – the only durable ‘solution’; investment and job creation of enterprises face the most difficult of business conditions in the locations most affected. This calls for far more investment than current policies even remotely produce and necessitates private sector activity and investment to achieve a scale that public sector resources are grossly inadequate to provide. The challenge is to establish the policies and mechanisms – and to mobilize the political will – to endorse and fund what it will take to achieve investment, jobs, and incomes – and the participation of the private commercial sector – at a scale that significantly exceeds what policy and practices of many years have generated. It takes more than private sector capital availability (of which some significant amount has been earmarked and gone unused) to secure its investment in the challenging

(12)

The developed world – including the United States – was engaged in funding and resettlement reflecting some meaningful burden sharing at the creation of what is still the current basic refugee regime.

conditions of low and middle income countries in the regions of origin, where most of the displaced are located, by preference or otherwise.

The Context

However it is measured – by the numbers, the threat of further displacement, or the socio-economic conditions of the displaced – current conditions represent an historic watershed point for the world⁽¹³⁾. Much the same issues arise whether the displacement is caused by conflict, violence, severe human rights violations, or evolving climate and environmental degradation. The political circumstances are complicated by dissatisfaction on the part of residents in many host locations resulting from poor governance and few livelihood opportunities for the many local workers who are unemployed. Forced movement is sometimes difficult to separate from voluntary dislocation and a mix of causes do, in reality, often apply. Today's displacement situation thus repeats a dire moment experienced after World War II, and the world's reaction should, if the conditions are to be durably and constructively resolved, parallel the magnitude of the response in the postwar period: one of concerted action, cooperation, political resolve, scale and application to all those affected – with methods and mechanisms to match.

A most significant difference today is the limited willingness of states to take responsibility for the forcibly displaced. Beyond even rhetoric, many states are choosing to close their borders, contain the displaced that they do host, or force them to remain, or go, elsewhere. States should, of course, be accountable for their international obligations regarding asylum, protection and rights of the displaced. Further, those that can reasonably do so might be pressed to either accept some number of displaced, or support the funding and other needs of development to help accommodate them elsewhere. But, it is also true that conditions today make things challenging for host states. The challenge is exacerbated by recent inflows to post industrial countries and compounded by a political climate that is less supportive of migration and resettlement for a variety of reasons: from domestic economic and safety insecurities; to culture clash and xenophobia; as well as from misinformation and the public mood. It is even further complicated by challenges for international collaboration, given the shifting power structure in the world; by the eroded public trust in governments; and by fears, nationalism and hostility to differences.

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UNHCR 2017, "Forced displacement worldwide at its highest in decades," <http://www.unhcr.org/afr/news/stories/2017/6/5941561f4/forced-displacement-worldwide-its-highest-decades.html>

While the numbers are indeed tragic and difficult for any single state to deal with, models of responsibility-sharing demonstrate that cooperation can help bring about win/win scenarios whereby individual – or even all, host states, most having been randomly affected by the accident of geography – do not bear an unfair burden. The displaced can have access to protection and rights; and durable solutions benefit participating governments and their economies as well; while an interconnected world realizes a more stable and secure environment⁽¹⁴⁾. Indeed, burden and responsibility sharing for the forcibly displaced, which is discussed further below, given the largely faultless nature of the displaced and their hosts is at the heart of some of the thinking behind the new framework currently under discussion at the United Nations⁽¹⁵⁾.

Durable solutions benefit participating governments and their economies as well.

The research undertaken (and published separately) as part of the Commission's programme sought to:

- identify the economic, social and political dynamics and impacts of forced displacement, particularly of the large, sudden, concentrated population movements that characterize much of it;
- examine select cases to seek an understanding of the determinants of different outcomes;
- explore the causal factors of the variable results; and
- find evidence of policies that would most closely produce the conditions that best serve the reasonable needs and interests of each of the donors, hosts and displaced in current conditions.

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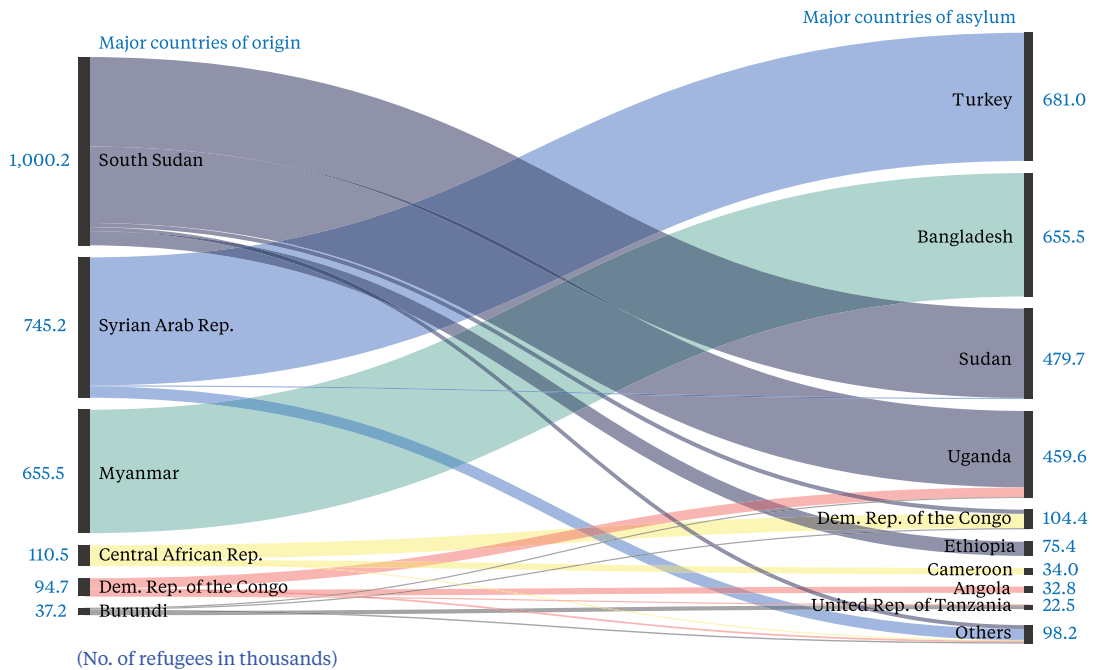
See, for example, A. (2006) 'Comprehensive Plans of Action: Insights from CIREFCA and the Indochinese CPA,' <http://www.unhcr.org/en-us/research/working/43eb6a152/comprehensive-plans-action-insights-cirefca-indochinese-cpa-alexander-betts.html>

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See, for example, Turk, V., and Garlick, M. (2016) 'From Burdens to Responsibilities to Opportunities: The Comprehensive Refugee Response Framework and a Global Compact on Refugees,' *International Journal of Refugee Law* 28:4 (1), 2016: 656-678.

Figure 3: Where New Refugees Found Asylum in 2017⁽¹⁶⁾

More than 2.7 million people fled their homes to another country in 2017, the vast majority of whom (88 per cent) originated from just three countries (South Sudan, Syria, Myanmar) and found protection in bordering countries or their immediate region.



The World Commission recognizes there to be myriad detailed provisions and regional, if not local, adaptations to address. Collaboration is necessary. The discussion which follows is neither based on a ‘one-size-fits-all’ fallacy, nor on any idea that recourse to outside resources makes an externally-developed set of proposals either appropriate or workable. Further, it is understood that a wide range of policies and practices combine to make up a credible policy response and ‘solution’. It is also recognized that contextual, political and resource constraints impose themselves on governments.

The facts of different regional conditions, shifts in conditions over time and even between sectors and the clear need for policies and instruments to take regional circumstances into account merit some emphasis. For example, in Latin America, the displacement from the North of Central America, the ongoing and rapidly growing problem of forcible displacement is increasingly problematic. Colombia – the second largest country of origin of the displaced in 2017 – has 7.9 million citizens in that condition, of which 7.7 million are

Regional political dynamics are different in Latin America from those in the Middle East or Asia.

⁽¹⁶⁾ UNHCR Global Trends 2017, page 20

Internally Displaced (IDPs)⁽¹⁷⁾. In November 2018, the number of refugees from Venezuela reached 3.0 million⁽¹⁸⁾. In 2017, more than 294,000 people from El Salvador, Guatemala and Honduras were registered as refugees and asylum seekers globally. While smaller in absolute number than other countries, this was 58% more than 2016 and 16 times the number recorded in 2011⁽¹⁹⁾. Many of these are women who are fleeing violence and death threats as well as sexual abuse and exploitation. Unaccompanied children seeking to avoid forced recruitment into armed criminal gangs also represent a significant number of those fleeing. In contemporary conditions, those displaced in this region, desperate to flee these conditions, are traveling further than adjacent countries to seek safety and opportunity, something that might involve the United States – the largest and strongest economy in the region. This immigration pressure impacts politics and policy, and often derails meaningful dialogue towards solutions. The Regional dynamics of refugees are different in Latin America from those in the Middle East or Asia and regional approaches should be considered.

Figure 4: Refugee Population by UNHCR Regions⁽²⁰⁾

UNHCR regions	Refugees (including persons in a refugee-like situation)		Change		% of total, end-2017
	Start-2017	End-2017	Absolute	%	
- Central Africa and Great Lakes	1,381,900	1,475,700	93,800	6.8	7
- East and Horn of Africa	3,290,400	4,307,800	1,017,400	30.9	22
- Southern Africa	162,100	197,700	35,600	22.0	1
- West Africa	300,600	286,900	-13,700	-4.6	1
Total Africa	5,135,100	6,268,200	1,133,100	22.1	31
Americas	682,700	644,200	-38,500	-5.6	3
Asia and Pacific	3,477,800	4,209,700	731,900	21.0	21
Europe	5,200,200	6,114,300	914,100	17.6	31
thereof: Turkey	2,869,400	3,480,300	610,900	21.3	17
Middle East and North Africa	2,679,500	2,704,900	25,400	0.9	14
Total	17,175,300	19,941,300	2,766,000	16.1	100

* Excluding North Africa.

Global ideas set out in this Report are not intended to imply internationally ‘imposed’ or single model solutions. The World Commission emphasizes that its general policy purposes require adaptation to local circumstances and industrial strategies, as well as regional collaboration, application and agreement with authorities, institutions, business, finance and communities.

⁽¹⁷⁾ UNHCR Global Trends 2017, page 6

⁽¹⁸⁾ <https://www.unhcr.org/news/press/2018/11/5be4192b4/number-refugees-migrants-venezuela-reaches-3-million.html>

⁽¹⁹⁾ <https://www.unhcr.org/news/briefing/2018/5/5b03d89c4/unhcr-alarmed-sharp-rise-forced-displacement-north-central-america.html>

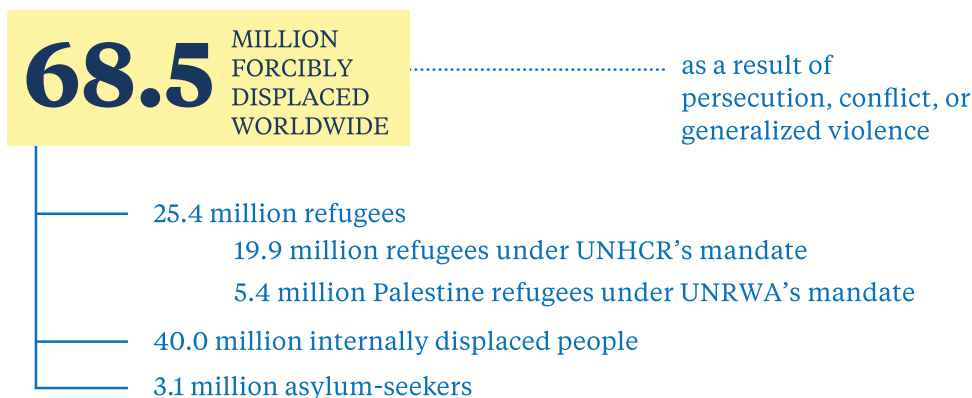
⁽²⁰⁾ UNHCR Global Trends 2017, page 14

In addition, there is need for: public policy in investment-targeted jurisdictions; assistance in building local capacity to negotiate fair deals and oversee their implementation; appropriate macro-economic conditions; and attention to the observance of rights – all of which are important to the success of a development strategy and addressed further below.

Large Numbers

There are large and growing numbers of forcibly displaced people from several, and in some cases growing, causes – posing very much the same economic, social and political consequences for communities and vulnerabilities and hardships for individuals, regardless of cause or status of the migration. The Commission recognizes that, in addition to the officially reported 68.5 million people displaced by violence, conflict or persecution, there are many millions more, both displaced in their own countries and across national borders, but for other reasons, who do not feature in any national or global statistics.

Figure 5: The Forcibly Displaced In ‘Official’ Figures⁽²¹⁾



Long term socio-economic engagement, not to mention more integrated social inclusion, of displaced people is failing to keep up with the newly displaced, producing protracted periods in stranded status of more individuals. At the end of 2017, 13.4 million refugees – two thirds of all the refugees under UNHCR's mandate – were classified as living in protracted situations. A new approach to finding a solution is needed – and, realistically, that would include some degree of the rebuilding of lives of the displaced in the locations where they are currently located.

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UNHCR (2017) Global Trends: Forced Displacement in 2017, Geneva: UNHCR. <http://www.unhcr.org/en-us/news/latest/2017/2/58b001ab4/poorer-countries-host-forcibly-displaced-report-shows.html>

Figure 6: By the Numbers – Increasingly Protracted Refugee Displacement⁽²²⁾

13.4 million people, in areas of UNHCR concern, had been displaced 5 years or more in 2017 vs. 11.6 million in 2016

- 3.0 million have been displaced for 38 years or more
 - 2.3 million Afghans have been displaced to Iran & Pakistan since 1979
- 3.5 million have been displaced 10-37 years – including refugees from Columbia, Myanmar, Sudan, Mali, Barundi, Eritrea and the Central African Republic
- 6.9 million have been displaced 5-9 years
 - 5.4 million Syrians have been displaced to Egypt, Iraq, Jordan, Lebanon & Turkey since 2012

Additionally, there are 5.4 million Palestinian refugees under UNRWA mandate

As Figure 7, illustrating the top ten host countries and Figure 8 with regard to IDPs show, with the exception of Germany, the displaced are concentrated in low and middle income locations around the world, where local populations and governments are struggling with domestic unemployment, significant fiscal deficits and high debt levels relative to fiscal capacities.⁽²³⁾

⁽²²⁾

A protracted refugee situation is defined by UNHCR as one in which 25,000 or more refugees of the same nationality have been living in exile for five or more years in a particular asylum country. This definition under represents the total number of those in protracted situations as it does not include refugees that do not meet the threshold. Most observers believe that virtually all the official numbers understate the real numbers. UNHCR Global Trends 2017, page 22

⁽²³⁾

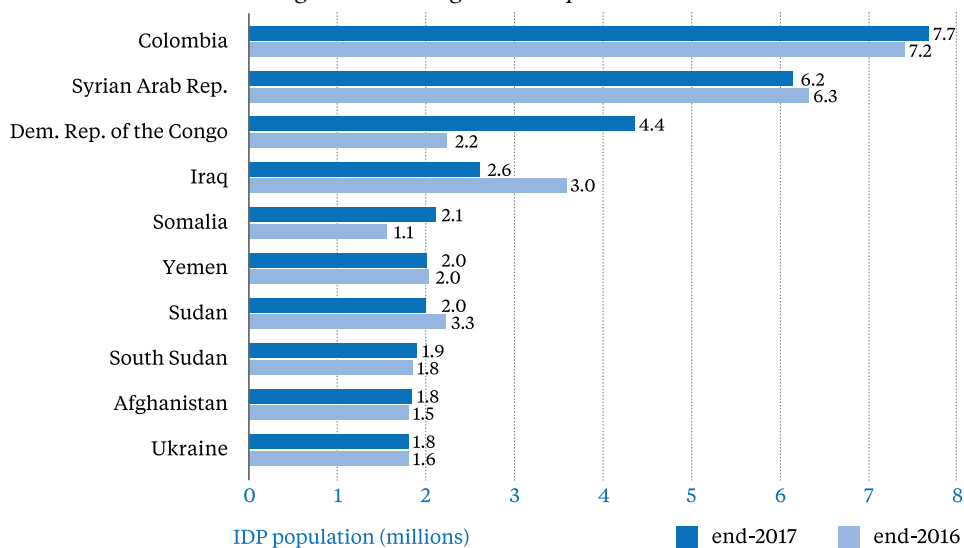
UNHCR, “Poorer countries host most of the forcibly displaced, report shows,” 27 February 2017, available from <http://www.unhcr.org/en-us/news/latest/2017/2/58b001ab4/porrer-countries-host-forcibly-displaced-report-shows.html>
See also Charlotte Edmond, “84% of refugees live in developing countries,” World Economic Forum, June 20, 2017, available from <https://www.weforum.org/agenda/2017/06/eighty-four-percent-of-refugees-live-in-developing-countries/>
World Bank, “Forced Displacement,” available from <http://www.worldbank.org/en/topic/fragilityconflictviolence/brief/forced-displacement>.

Figure 7: Top Ten Refugee Hosting Countries⁽²⁴⁾

	Total number of refugees 2017 (millions)	Percentage of total national population 2017	Total number of Internally Displaced (IDPs) 2016
Turkey	3.5	4.3	1.1
Pakistan	1.4	0.7	.46
Uganda	1.4	3.2	.05
Lebanon	1.4	23.0	.01
Iran	0.99	1.2	0
Germany	0.97	1.1	0
Bangladesh	0.93	0.8	.42
Sudan	0.90	2.2	3.3
Ethiopia	0.88	0.8	.25
Jordan	0.69	7.1	0
	63% of world refugee population		

Despite important legal distinctions and other inherent differences, internally displaced persons (IDPs) pose many of the same issues with respect to those displaced across a border and their re-engagement in a society and an economy.

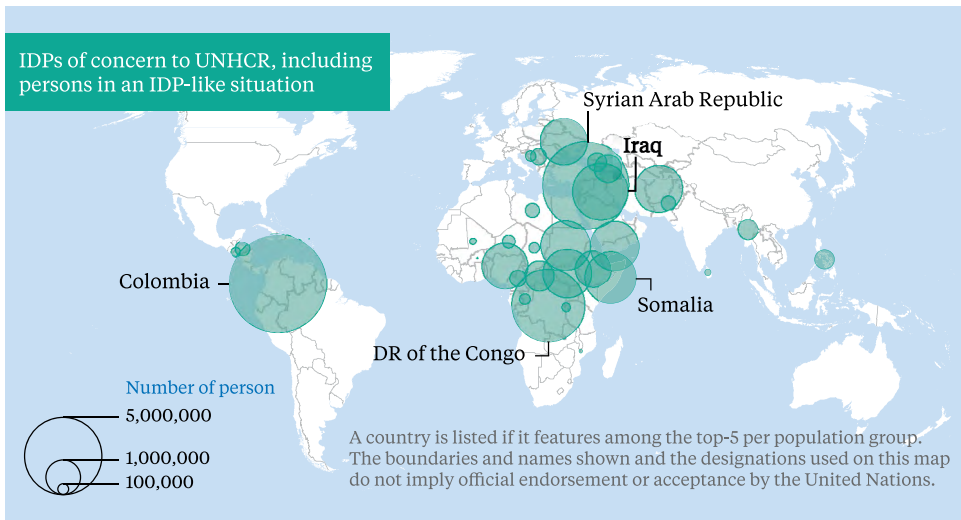
Figure 8: Ten Largest IDP Populations⁽²⁵⁾



⁽²⁴⁾ UNHCR Global Trends 2017; Forced Displacement in 2017, Geneva: UNHCR. <http://www.unhcr.org/en-us/news/latest/2017/2/58b001ab4/poorer-countries-host-forcibly-displaced-report-shows.html>
World Bank Data Bank <https://data.worldbank.org/indicator/SP.POP.TOTL>

⁽²⁵⁾ UNHCR Global Trends 2017, page 35

Figure 9: IDPs of Concern to UNHCR, including those in an IDP-like situation ⁽²⁶⁾



IDPs represent two-thirds of those forcibly displaced. Every case must be addressed on its distinct conditions. Much of international intervention on issues of forced displacement is to help a host government, newly presented with the demands of an uninvited population – individuals that in principle are not their responsibility. In the case of IDPs, the government responsible for the displaced population is not an issue – but may not be providing protection – and indeed, may be a cause of the displacement. International intervention in these situations is more likely to encounter resistance from the responsible government whether in a context of a civil war (e.g. Syria), or internal criminal activity (gangs, drugs, civil unrest in the Northern Triangle and Colombia). However, the vulnerability of those fleeing from their homes and communities – and the moral, economic, social and political impacts on the displaced and the affected communities – can be much the same. Implementation of a policy may be largely unenforceable without the cooperation of the government. However, the norms of protection and support applied to cross border displacement should, in principle, be equally applied to IDPs. The international community has recognized this – and draws the parallel to the norms of human rights with the IDP Guidelines⁽²⁷⁾.

The sensitivities to external intervention against the wishes of a sovereign authority, and degree of determination to avoid it in certain cases, greatly affect the prospect for global governance and shared-responsibility conditions in the case of IDPs.

⁽²⁶⁾
UNHCR Global Trends 2017, page 10

⁽²⁷⁾
<https://www.brookings.edu/on-the-record/the-human-rights-of-internally-displaced-persons-2>

Political Challenge

What has been evident to the World Commission since its inception is that the political context is very challenging for what should be a manageable and sustainable global sharing of responsibility for the protection, assistance and creation of opportunities for the forcibly displaced. Instead, mobilizing a meaningful response is extremely challenging. The issues arise, in part, because forced displacement, for which international sympathies might be greater than for other uninvited migration generally, is increasingly precipitated by diverse and complex causes. For example, generalized violence and accelerating climate change are sometimes related to, or are concurrent with, other factors such as economic disparities⁽²⁸⁾. While the displaced tend to be concentrated in a few locations and do generally have their greatest impact locally and regionally, the issue is a global one. Addressing this situation is important for: national, regional and global stability and security; for fairness in distributing costs and responsibilities internationally; and for the promoting of positive economic outcomes for the displaced, host communities and, cumulatively for the global economy.

Figure 10: The Top 8 Countries of Asylum for Refugees⁽²⁹⁾

Turkey	3.5 million
Pakistan	1.4 million
Uganda	1.4 million
Lebanon	998,900
Islamic Rep. of Iran	979,400
Germany	970,400
Bangladesh	932,200
Sudan	906,600

Many donor countries, including the United States, as well as a number of European and Middle Eastern countries – and even, to some extent, certain African States – are very resistant to resettlement. Many are opposed to new rights and costs at this time, slow to apply existing rights, and resistant to a predictable sharing of burdens and responsibility. Some governments are responding to public emotions by opposing immigration – or at least opposing population

Many potential donor countries are very resistant to resettlement.

⁽²⁸⁾

For more on root causes, see, for example, Zolberg, A., Suhrke, A., and Aguayo, S. (1989) *Escape from Violence: Conflict and the Refugee Crisis in the Developing World*, Oxford: Oxford University Press; Milner, J. (2014) 'Protracted Refugee Situations' Chapter 11 in Fiddian-Qasmiyeh, E., Loescher, G., Long, K., and Sigona, N (eds), *The Oxford Handbook of Refugee and Forced Migration Studies*, Oxford: Oxford University Press.

⁽²⁹⁾

UNHCR Global Trends 2017, page 3

inflows that are not fully discretionary and selective for the receiving jurisdiction. Important wealthier countries have all but closed their borders against resettlement in a political climate exacerbated by limited confidence in economic conditions.

Prospective host and resettlement countries have some reasonable questions, as well as exaggerated emotions and fears. Their concerns include visions of loss of management/control of the composition of their communities, crowding out of locals from jobs, undermining of wages and overburdening of social services. They are asking some fair questions about alien philosophies, ideologies and social practices; but are also showing some xenophobic sentiments, nationalistic political populism and security fears in a more emotional public dialogue. The United States went so far as to withdraw from the negotiation of the Global Compact on Migration and to vote against the Global Compact on Refugees. Europe is struggling to find a reasonably unified position and looks for international rules to support rights to block and/or return/deport uninvited arrivals and refused asylum-seekers. Better planning, preparation and coordination could ease some of the impediments to more effective, efficient and, potentially even preventative action – see Pillar II at page 50 for a recommendation of a ‘platform’ for a more proactive initiative to this end.

Most host countries, heavily burdened because of their locations close to the major displacement-generating countries, contend that they have done more than their share and are unable to assume more obligations or debt. Some, but not all, are signatories of the 1951 Convention and, thus, have agreed to its protection machinery. In current conditions, however, they are reluctant to accept any policy or practice that might support permanency of the migrants. Those hosting seek meaningful support from the wealthier countries – financial help, resettlement, economic development – for the burdens they bear. For a development-led response, they, in fact, do need to address investment impediments that are under their control, including ‘rule of law’, governance and corruption issues, as part of what could be a grand bargain involving greater global efforts for their development⁽³⁰⁾.

⁽³⁰⁾

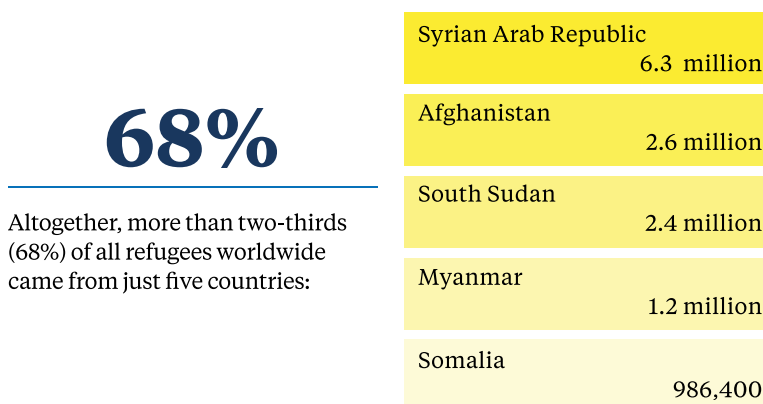
The issues of governance are raised, particularly by foreign investors – i.e. political and regulatory stability, predictability and transparency; protection against corruption; compliance with norms and standards; and enforcement of commitments. The World Commission has explored, the idea of a protocol with a few of the governments in whose jurisdictions the Merchant Bank would operate that would delegate to a tripartite body – composed of the government, international financial institutions or the Merchant Bank and international business or a regional agency – the exercise of local government authority/discretion with respect to its projects. Insurance would protect signatories against breach. A serious development response to displacement would justify the acceptance of the delegation by government of such authority and would possibly ease political conflict.

Donors, hosts and the displaced can each benefit from a serious plan. The World Commission will continue its efforts and seek additional opportunities to make the case for its recommendations that it believes warrant consideration. The Commission stresses the instruments this will require in the situations of large numbers of forcibly displaced people, the many poised to leave their homes, as well as the market conditions in which recommended policies must operate⁽³¹⁾.

Managing and Accommodating Migration

A largely faultless and sometimes traumatized population, the displaced, left unemployed or underemployed, represent not only wasted lives, but also a lost opportunity for economic output. There is no solution to their dependent condition without employment – and the problem becomes increasingly intractable if left to fester, with the displaced population stranded and idled – not to mention the obvious unfairness for so many.

Figure 11: Countries of Origin of the Forcibly Displaced⁽³²⁾



⁽³¹⁾

Significant numbers of new arrivals generally pose competition for jobs (typically, particularly, in lower skill categories), negatively impact some wages/incomes, may contribute to rising prices of goods and services and costs of housing, and impose costs on the public sector and services, at least in the short term. Time changes the dynamics. Economic growth; improved incomes from an upgraded workforce (with job/skills matching); performance by new arrivals of low value jobs freeing locals to upgrade their work and incomes; demand growth from new population with some spending power from assistance and remittances; and improved fiscal position, can turn the economic impact positive. These potentially positive outcomes and their timing are contingent on demographic conditions and characteristics of the displaced people, but, more manageably, they are also affected by investment, public policies and community behavior. The research and analysis addresses these questions in an effort to derive policy guidance from a varied body of experience. Policy measures to address those in the host populations that are negatively impacted would help improve community responses to inward population movements. A number of studies now demonstrate the potential development benefits of refugee-hosting, as humanitarian and development actors bring resources and initiatives to often poor host communities. Uganda is among the most researched states, given its progressive self-settlement policies and self-reliance initiatives by the government, UN actors, NGOs working with refugees (see, for example, Betts, A., Bloom, L., Kaplan, J., and Omata, N. (2014) 'Refugee Economies: Rethinking Popular Assumptions' Oxford: Refugee Studies Centre, <https://www.rsc.ox.ac.uk/files/files-1/refugee-economies-2014.pdf>; and World Food Programme, "Economic Impact of Refugee Settlements in Uganda," (<https://reliefweb.int/report/Uganda/economic-impact-refugee-settlements-uganda>). The potential for net positive fiscal and economic development and improved living standards resulting from the uninvited population inflows are, however, too uncertain, too remote, or overshadowed by the immediate consequences, at least when the arrivals are very numerous.

⁽³²⁾

UNHCR Global Trends 2017, page 2

Fundamental changes that are needed in the global response to forced displacement ultimately require the commitment of national governments and regional government institutions such as the European Union and Africa Union.

More activist
implementing
intervention is
required.

Pursuing now widely-shared convictions that investment and economic growth that engages the displaced are integral components of longer term and sustainable responses to situations of protracted displacement – and with the recognition that this will require significant private sector involvement – the World Commission is convinced that more activist implementing intervention is required than many proponents of a development strategy seem to have appreciated. The magnitude of private sector involvement is, in relative terms, currently quite small. The policies and procedures in place for the greater engagement of the private sector are currently insufficient in scale and inadequate in their nature.

Investment and economic development in the Global South is seen by a number of countries as useful in containing migration to a resistant developed world (e.g. Europe and the U.S.A.). For others, development responds to a moral responsibility and/or to a social, economic and political case for stability – and to at least some of the political demands by the governments of the host and/or severely disadvantaged countries. To both hosts and donors, development also improves stability and security and represents an important constructive response to current challenges. For whichever of these reasons investment and employment are supported – reducing migration, stabilizing host communities, helping a faultless needy population become reintegrated and self-sufficient – an investment/development focus represents a potential political meeting ground, serving the interests of hosts, donors and displaced, while bypassing, even easing, the more intractable immigration issue. The overall potential of enhanced economic gain for the investing parties, the target economies, host communities and the displaced – while not itself specifically addressing immigration, and even reducing pressures for resettlement – is becoming accepted wisdom in policy circles, but not yet in public rhetoric or political will and action. What is also missing seems to be an acknowledgment of the conditions, facilities and actions required to attract significant private investment activity in the conditions of the target locations and the provisioning of those capacities and missions.

There is some data evidencing, in some circumstances, an incremental population outflow in response to initial increases in income. However, forced displacement is precipitated by much more than income thresholds and it would be naïve to assume that development alone, without resolving the basic causes of outward migration, could end departures of those fleeing conflict, failed states, extreme human rights violations, climate change, or even what continues to be desperate poverty. Improved governance has been reported to reduce departures even

alongside increased incomes of an amount that elsewhere appears to have funded increased departures. Ultimately, the state of underlying causes of flight and expectations for conditions in the future will govern decisions to move away from a residence. The linkage between development and migration depends on the correction of the dominant drivers of outbound movement in particular cases and the expectations of potential migrants that these conditions are being satisfactorily addressed. Further, rising income from commercial activity and what that might imply for the community involved, could well have a more positive impact on expectations than development-assistance-dependent income change. The determination of public authorities in policing unwanted population movements also has some effect on population movement.

While some additional income, without reasonable living conditions, can fund departure rather than population retention, this cannot be a reason to suspend development, particularly since the great majority of residents in such locations do remain. Conditions that are intolerable will, at some point, increase desperate flight with or without new income. Departures in desperate circumstances could be in numbers that are large – unknowable in advance – and possibly much greater than the statistically observed incremental population outflows sometimes correlated with first and modest increased incomes. This too argues for development efforts regardless of what might be concluded about an initial income-departure linkage. Moreover, irrespective of the migratory consequences, the populations involved – both those currently displaced and potentially motivated to move on, as well as those poised to move for the first time – understandably aspire to improving their socio-economic circumstances (some from extreme conditions), a global responsibility recognized in the Millennium Development Goals (MDGs) and now in the Sustainable Development Goals (SDGs).

Parameters of the Task Impoverished and middle-income host countries and communities, where most forcibly displaced are located, are unable alone to provide the conditions needed for the required investment and economic growth. Public and philanthropic resources are insufficient for the scale of development spending and investment necessary. Private sector participation is essential. The situation is this:

- The forcibly displaced represent less than 1% of global population.
- Governments are poor today, even where economies are rich – Governments hold wealth that is 17% less than GNI, after deducting debt; the private sector holds assets that are 500% of that measure⁽³³⁾.

⁽³³⁾

Picketty, Thomas (2014). *Capital in the Twenty-First Century*, Harvard University Press, Cambridge, MA

- Over 9 of 10 jobs globally are in the private sector⁽³⁴⁾.
- The private sector is flush with excess savings at low, and still negative, yields; but they are not applied to investment in locations required to address forced displacement, despite the materially higher yields projected for such ventures.
- Two very rough calculations demonstrate that available public funds for development are a relatively small proportion of the needs; and, a small shift of private sector savings to developing economies would have a major impact:
 - Public development funds, if all dedicated to the building of infrastructure in developing markets, would cover only 10-15% of that sectoral requirement;
 - Some 3-5% of private sector liquid capital, if reallocated to the Global South, would fund the gap for some years to come – a shift that would not materially alter capital formation elsewhere⁽³⁵⁾.

Over 9 of 10 jobs globally are in the private sector.

Significant private commercial capital moves through investment in individual ventures in its core or familiar business activities. It is necessary to pragmatically identify and fix the impediments and de-risk the context and/or undertakings, on a case by case basis as needed, to establish commercially tolerable conditions for such investments to materialize.

Exhorting commercial capital to accept more risk will not produce meaningful results – witness the past decade of negative returns on much of the liquid capital in the developed world, while a marked outflow of capital occurred from the developing world – from the very locations on which we are focused. Many investment opportunities remain unfilled in developing locations despite expectations of their producing materially higher returns than the yields on money market investments. Available

Exhorting commercial capital to accept more risk will not produce meaningful results.

⁽³⁴⁾
World Bank 2012; World Development Report 2013

⁽³⁵⁾
In the UN Report, Financing for Development 2017 (and again in 2018) – multilateral institutions are reported to disburse \$70 billion (USD) and draw \$50 billion in co-financing annually. Developing world infrastructure requires \$1 trillion annually. This annual public development financing of \$120 billion would, if dedicated exclusively to infrastructure, cover 10 – 15% of the annual requirement.
As for the 3 to 5% of private sector liquid capital as being sufficient to fund the \$1 trillion annually, the rough calculation is reasoned as follows:
• \$115 trillion (USD) of assets are under institutional management. Given liability profiles, some \$80 trillion is available for long term assets
• 60% of the liabilities of these private sector institutions are long term in character (greater than 10 years), permitting long term investments
• only 25% of the assets are currently placed in long term (illiquid) investments – only 3% are in infrastructure – leaving 35% of the \$115 trillion, at least up to a cap of \$80 trillion, or \$40 trillion
• 3 to 5% of the difference between the 60% capacity for long term investment and the 25% currently in such commitments (35% of \$115 trillion = \$40 trillion) would represent \$1.2 to 2.0 trillion, fully funding the annual investment requirement for infrastructure development in the developing world for some years. By the time the capacity might fall below \$1 trillion annually, a market for such assets would have developed, drawing additional capital to that investment category.

public funds should be strategically directed to the creation of conditions in which a larger volume of private capital would flow.

There is political failure in the lack of determination to address the plight of the displaced. Further, market failure can be seen in the absence of a flow of capital from low to higher returns due to the lack of institutions that find, structure, sponsor and intermediate – or act to meet the needs of commercial investment – including the need for support of necessary feasibility confirmation, and de-risking of inherently sustainable projects. This, despite the ostensible agreement of many parties on the desirability, if not urgent necessity, of investment as a central element of a durable and politically palatable response to current and looming future forced displacement – addressing the displaced people – and millions more poised to move if they cannot live reasonable lives where they are.

Market Gap

The methods and mechanisms at work today have not been able to achieve anywhere near the volume of private sector investment and activity needed in targeted locations for development to be a meaningful response to the idled state of a great many forcibly displaced people. Without criticism, it is important to address the policy and capacity needs and the market gaps and deficiencies in order to design an effective response. The gap analysis that follows also defines the mission and the functions that the World Commission believes should be the mandate of a ‘Merchant Bank’ that it recommends be established.

Development in the market conditions at issue that do not generate sufficient commercial activity and investment require:

- additional proactive conceiving and development of more numerous, inherently sustainable projects – even if that takes longer, and produces fewer successes than business alternatives. Focusing more resources on this activity would likely help. However, given the evidence of capital pools gathered in experienced and capable hands for investment in just such circumstances but remain un-invested for lack of commercial investment opportunities, even in the most promising of targeted developing markets, the volume of incremental investment will not be high;
- a more activist step with a focus on the identification of real and specific impediments to results in any specific location, sector or venture – and the availability of arrangements, using techniques, in policy-designated communities or regions, that modify/remove the particular condition blocking a category or a particular prospective investment. Techniques are myriad and best tailored to local or project-specific conditions and needs. They range from one or more of: reasonable policy accommodations, de-risking arrangements,

supplementing local capacities for the governance (negotiating and regulating) roles, intermediating for the absence of adequate support services in the area, and/or co-investment for risk-sharing. All techniques that are reasonable, necessary, tailored and on fair risk/reward terms that correct for risks or conditions that exceed reasonable commercial tolerances should be considered. This, done pragmatically, is a transactional and bottom-up process – impediments are revealed and resolved in the project development and negotiating activities;

- holistic sponsorship to steer any promising projects through all steps, including detailed feasibility assessments and dealing with any shortcomings of services in the local market. Ideally, this would involve prospective private sector investors experienced in the industry and location from an early date;
- a dedicated pursuit to mobilize promising projects would most often be required. Project development would need to proceed under a motivational scheme that rewards the maximization, or optimization, of private sector investment in each project, despite the hard work and risk absorption that might be done by a public sector entity established to do all the above. To produce a meaningful scale of results it is essential to have performed the project development tasks and project facilitation techniques envisaged. In the conditions facing the projects, the arrangements/de-risking devices will not themselves be available from commercial sources on the risk/reward profile they offer.

Some transactions will be found that are commercially viable with the benefit solely of a focus on developments of the sort sought. However, in the conditions of the markets involved, these are definitely expected to be insufficient in number and, hence, in job creation for the policy purpose. It is this conclusion – and the necessary scale dictated by the numbers and locations of the displaced – that demands the kind of political resolve that attracts the analogies made to the postwar Marshall Plan. The industrial base and physical plant, workforce education and experience, infrastructure and social services and governance conditions are more challenging in many of the locations at issue for the needs discussed here than they were in post-World War II Europe. Political will, societal resolve, leadership and organizational structure are, ultimately, the preconditions for success.

The Commission believes that there is a classic public sector, non-profit role(s) to be performed to expand the number and variety of projects that become commercially viable under the shelter of a non-profit, public interest activity that makes the remaining project investment capital commercially supportable. This is a classic case of social benefits that are not captured by the private investor, resulting in underinvestment by the market and calling for public sector support. By such a strategic use of limited public funds in the public interest, more private sector capital can be deployed where needed for the policy goals, allowing the public resources to stretch further. The public expenditure on individual projects

can be predicated on the private investment it is designed to attract by contractually linking the two.

The eventually resulting commercial investments would project profitability. Consideration should be given to a contingent equity interest for the Merchant Bank. This would create some recovery if and when the results can support it and help to establish a risk/reward fairness for the public sector role.

Existing development institutions fulfill an important role for which they were primarily designed – to finance government facilities and services and to finance private sector projects that contribute to development. These might have been with or without some degree of concessionary financing and/or policy accommodation. They were not established to manage a reallocation of a material volume of private sector savings to public policy purposes like those involved here – a mission that necessitates the taking of responsibility for initiating and shepherding or sponsoring the development of commercially sustainable ventures in designated locations through the development process. This is particularly important in contexts that demand more than simply additional professional time and effort searching-out and structuring opportunities. Some additional commercial activity would be expected to result from augmented search in some less difficult locations or ventures, even, potentially, operating the search on a commercial basis if there is adequate diversity of activity. However, it would be misleading to suggest that the results would represent a development-based response to the issues at hand without a serious pursuit of the of the other elements addressed above.

A new institution is needed to proactively take responsibility for generating development and maximizing private sector funding.

More specifically, development financing agencies designed for a different general purpose, are:

- rarely the proactive initiators required in the case of the Merchant Banking functions; nor do they normally take on the holistic responsibility as sponsors/ developers of ventures. This is particularly true of those institutions mandated to finance private sector projects, perhaps as investors of last resort, who most frequently respond to proposals brought by others and do not commonly finance detailed feasibility work. Similarly, it does not fall to them to proactively search-out and resolve impediments or to de-risk ventures. Nor do those fulfilling the less proactive role need to mobilize and generate ventures where they are not arising in sufficient number. They are often unavailable for the most risky, but required feasibility assessments, particularly in less developed

settings of low and middle income locations.

- motivated to invest their funds where the projects look to be promising investments, rather than turning these opportunities over to the private sector and reserving their own funds for the more challenging de-risking. They find enough opportunity with the criteria they apply to put their limited funds to work, sometimes competing among public sector counterparts, concentrating less on leveraging their resources optimally and, investing less in cases where limited de-risking might suffice to bring in private sector funding that would replace public sector resources. This all is reflected in a lower risk profile than is expected to be optimal for the Merchant Bank;
- often ill-suited to numerous small projects, even if these are most appropriate in a location;
- in some cases, more directed to public sector borrowers; and
- frequently not designed or encouraged by their shareholders to be concessionary financiers.

In short, as confirmed ultimately by the very limited development and the failure of private sector funds gathered for investment in the developing market to be deployed, there is an unmet need – a gap – in markets of relevance for the purposes considered here. The aim of the recommendations that follow is to propose policies and practices that fill the gaps. Even investors predisposed to the developing market locations expect the authorities to establish tolerable investment conditions. Moreover, if development is to be a meaningful instrument for generating enough commercial activity for the challenges faced, the magnitude of investment required to address the social needs calls for both more project search/development players and more provisioning of techniques that are solutions to real impediments.

PILLAR I – Development: An Investment-Led Strategy

As our background studies demonstrate, the humanitarian system, its normative and international legal framework and transitional assistance are a vital first response. It does not, however, in the conditions at issue, lead to sustainable gainful activity – nor to the re-establishment of reasonable lives or opportunities for the very large numbers of forcibly displaced people. That depends on inclusion in society somewhere, at some time. Economic inclusion – gainful employment of the working age population – was the first step in the past, as it is in the present. Our case study research confirms that meaningful re-establishment of livelihoods is a primary objective of refugees; and for host communities; reducing the perceived or actual diminution in living standards attributable to the impact of refugees is a key issue. Our evidence from case studies in Kenya and Jordan shows how the vast majority of refugees live in precarious financial circumstances, rarely having the right to work; and relying for the opportunity to work, on income earned, if at all, in the informal sector⁽³⁶⁾.

Among close observers there now appears to be growing acknowledgment of: the importance of development; and the prospect of benefits for donors, investors, hosts and displaced from the effective reallocation of a small proportion, but significant absolute amount, of investment to the developing locations involved. The availability of global savings and the deficiencies of market intermediation, beyond the mobilization of capital, calls for new methods and mechanisms and the need for political resolve to dedicate the resources needed to achieve a meaningful result. There is some emerging evidence

Gainful employment of the working age population is the first step for economic inclusion.

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“A Review of the Evidence for the World Commission on Forced Displacement,” Chumir Foundation for Ethics in Leadership, www.ChumirEthicsFoundation.org/ReportofWorldCommission.

that, even without proactive public sector engagement in an investment stimulation strategy, the net result of the burdens and gains from an inflow of the displaced can be positive for the host economy – the magnitude and timing of which would benefit from greater investment and depends on several variables noted in footnote 31⁽³⁷⁾. There are, equally, situations in which the impediments to private sector investment are sufficiently difficult to overcome, that reasonable additional capacities proposed by the Commission will not produce results. The aspiration and priority policy focus of the World Commission is to identify the ways in which the potential for private sector engagement can be harnessed and be significantly scaled-up by some limited but essential boost.

Potential investment projects will vary from those that require primarily more searching-out and, perhaps, creative structuring or financing, being closest to reaching commercial conditions and largely a question of fielding more professionals and deal development time.

Other prospects will require more to remove a contextual risk or impediment, or to reduce the risks of the venture itself. The distance from transaction-ready terms and conditions – and the range of the conditions or degree of commercial shortcomings – over which the deficiencies are to be redressed are questions that would be assessed from time to time and in different locations. The overall scale of the needs in investment and jobs suggests that both the professional time and de-risking categories of potential investments will have to be sought and served, if this policy is to produce material results.

The fundamental question is: what will produce private sector investment that is essential to rebuilding a meaningful number of lives, in contemporary times and difficult market conditions?

Resolving root causes of displacement is, of course, a higher order solution, but the causes at work suggest that displacement will grow before it could conceivably decline from foreseeable trajectories of the causes.

There is a considerable body of work on the humanitarian challenge and instruments – and room for improvements as addressed elsewhere in this report. The

⁽³⁷⁾

Footnote 31 describes the several factors that influence the economic consequences of population inflow. With a coherent policy framework and manageable numbers, there is evidence demonstrating how refugees can contribute to local economic growth and development, although numbers and ‘fit’ of the displaced to the host location needs do matter. See e.g. Republic of Kenya, Royal Danish Embassy, Norwegian Embassy (2010) In Search of Protection and Livelihoods: socio economic and livelihood impacts of Dadaab refugee camps on host communities, http://reliefweb.int/sites/reliefweb.int/files/resources/C477129C7D41DCFB852577B3006B2818-Full_Report.pdf, and;

World Bank/UNHCR (2017) The Economics of Hosting Refugees – A Host Community Perspective from Turkana, Report No: 113183, World Bank/UNHCR. <http://documents.worldbank.org/curated/en/695271488823317264/The-economics-of-hosting-refugees-a-host-community-perspective-from-Turkana>

The World Bank study of Turkana reveals a significant internal economy of goods and services, bolstered by the goods (especially food) and public services provided by international organizations. Refugees do eventually have a net positive effect on the welfare of locals – increasing aggregate income of host community.

World Commission emphasizes here the less examined needs, issues, tools and methods for transition to sustainable development in current circumstances⁽³⁸⁾.

The fundamental question is: what will produce private sector investment that is essential to rebuilding a meaningful number of lives, in contemporary times and difficult market conditions?

**Policy Response:
The Merchant Bank**

The World Commission's proposed strategies align closely with, and promote the transition from, humanitarian to development-led responses to displacement as currently being advocated globally. The World Commission's approach strongly endorses an increasing role of development actors in tackling large-scale protracted displacement situations. However, the reconfiguration does not, as yet, constitute a coherent and systematic model in the same way as humanitarian assistance has come to be structured through many decades of experience.

The World Commission proposes a Merchant Bank to tackle these challenging conditions.

In well-functioning and less risky markets, a range of commercial institutions perform intermediating functions that result in business opportunities. Expertise, capital and effective market demand come together to develop projects for investment and operation. The steps or activities involved include: the conception or searching-out of sustainable undertakings⁽³⁹⁾; assessment of their feasibility (examining cost/return, technical, and economic aspects; as well as industrial, commercial and political risks); structuring of the terms and conditions of participation of the necessary parties; finding suppliers and partners; and the assumption by a project sponsor of the responsibility to drive the process.

By contrast, poorer, less developed, more risky countries where many of the displaced are located – with which this World Commission is concerned – present particularly challenging conditions for such commercial enterprise and, as a consequence, for the generation of employment. As noted earlier, the markets we are addressing are often small and industrial activity is limited and narrow; banking, finance and investment services are few and shallow; labor tends to have

⁽³⁸⁾ Zetter, R. (2014) 'Reframing Displacement Crises as Development Opportunities,' Development Solutions Initiative, Copenhagen, Danish Ministry of Foreign Affairs. <https://www.rsc.ox.ac.uk/files/files-1/pn-reframing-displacement-crisis-2014.pdf>

⁽³⁹⁾ While best practices are increasingly turning to cash-based assistance, the funds deployed in support of the displaced do represent some captive demand for goods and services that might be captured for some investment opportunities.

comparatively low skills and education levels; infrastructure is poor, there are few or weak business support services, including for financial, professional and operational needs of a business; and commercial ventures take longer to establish and succeed. Accordingly, the investment risks are much higher and differ from those in industrialized economies. ‘Governance’ – rule of law, political and regulatory stability and transparency and issues of corruption – add to the risk profile. All of these factors deter investment. Private investment in these conditions calls for both additional intermediation that less developed markets do less of organically and some facilitation techniques such as risk absorption by non-profit funds and parties.

The World Commission proposes a Merchant Bank⁽⁴⁰⁾ to tackle these challenging, if not discouraging, conditions. Support would be afforded to projects thought to be in the public interest, but not commercial-investment-ready, or just not mobilized, without some boost. The functions which it must be capable of fulfilling require that the Merchant Bank be publicly-funded and a public-interest-driven entity.

In short, the Merchant Bank is designed to deploy limited public funds in ways that create conditions in which private capital and activity take up the larger role. Once de-risked and so structured, the ventures themselves (whether goods, services or infrastructure) would be expected to be commercially sustainable. The support given would be expected to be reasonable and subject to fair risk/reward balance for the public and private parties involved. The Merchant Bank would take responsibility for the de-risking that creates commercial conditions for the private investment. The link between the public sector commitments and the private sector investment would often be assured by contract tying each to the other.

The Merchant Bank’s role would vary by location, sector and even project. It would require appropriate expertise and good knowledge of the conditions in the locations targeted. It would ‘negotiate’ such policy adjustment arrangements with government as are needed and reasonable; and would be in a position to advise governments on best practices from experience gained over time. Similarly, on the accommodating public policy interface, the Merchant Bank would assist the capacities of local authorities to perform their role by offering trustworthy advice on necessary and fair risk/reward terms and conditions for a venture to be viable when some policy or economic concession is considered. It would help local governments set sensible pro-development policies. Public authorities would need to build confidence over time in the public interest standards and policy judgments of the Merchant Bank.

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This section discusses the range of issues related to the proposed Merchant Bank. A more detailed consideration of the topic is set out in a publication dedicated to this recommendation. (See <https://ChumirEthicsFoundation.org/MerchantBankProposal>)

De-risking possibilities are wide ranging – from guarantees, to concessionary funding or fiscal incentives; completion bonds; escrow arrangements; insurance; leasing of assets; currency hedging; to tailored ideas. Reflecting the discussion on the market gaps above, it is often the case that the impediments to an investment are not necessarily understood, even by very experienced individuals, before serious investigation. They are discovered first hand in the deal-structuring process – and the ‘correction’ or de-risking device might be tailored and (perhaps novel) to be least costly and most effective⁽⁴¹⁾ – negotiating any necessary policy accommodations and, most critically, taking responsibility for all aspects of a transaction to drive a project from conception to investment – including the finding of private sector investors and operators – and strategically co-investing where needed. For a development-led response, the host jurisdiction, in fact, does need to address investment impediments that are under their control, including ‘rule of law’, governance and corruption issues, which are a source of long-standing and significant investment disincentive in locations at issue. It requires a solution. Foreign investors in particular raise issues with governance – i.e. political and regulatory stability, predictability and transparency; protection against corruption; compliance with norms and standards; and enforcement of commitments. The World Commission proposes the idea of a protocol with a few of the governments in whose jurisdictions the Merchant Bank would operate that would delegate to a tripartite body – composed of the government, international financial institutions or the Merchant Bank and international business or a regional agency – the exercise of local government authority/discretion with respect to its projects. Insurance would protect signatories against breach. A serious development response to displacement would justify the acceptance of the delegation by government of such authority and would possibly ease political conflict.

The Merchant Bank would take responsibility for all aspects of a transaction to drive a project from conception to investment.

Private sector investors frequently take comfort from the support and risk-sharing that comes from participating investment by the party performing the roles of the Merchant Bank; and the Merchant Bank might use its willingness to invest on the terms it helps design as a way of avoiding excessive concessions for a fair risk/reward arrangement. Co-investment should be among the tools available to this

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Infrastructure projects – both a need and opportunity for private sector investment – could represent an example of Merchant Bank de-risking. The pricing of infrastructure services at low levels to support demand and commercial viability calls for extended amortization. That runs counter to commercial requirements, that seek faster payback in more risky locations. The Merchant Bank could de-risk with a covenant giving the investor a periodic right to require the Merchant Bank to buy the investment on agreed terms, say every five years. There is evidence of actual risks being lower than perceived; and, particularly with securitized refinancing of a pool of such projects, a limited amount of public funds backing the arrangement could go a long way to making such investments commercially viable. Documentation of the real risks and simplified due diligence made possible by rating agency grading could generate a more significant capital market for the asset class that could also be made subject to lower reserves to reduce the cost of capital.

vehicle. As noted earlier, it might also be appropriate for the Merchant Bank to be included as a *pari passu* shareholder, sharing returns up to an agreed cap – or to participate after an agreed minimum yield by the commercial investors – as a way of keeping it involved, potentially, contributing to its capital and goals and sharing upside so as to demonstrate a fair arrangement. Its mission and motivational design would maximize private sector participation in the underlying investments. Should the Merchant Bank be an investor in an underlying commercial project, it would act by strictly commercial criteria and defend against any political pressures to have the venture do otherwise.

The Merchant Bank would engage regionally and locally – and collaborate with authorities and business – in each market in order to respond to the needs; reconcile with national strategies; and aggregate globally for skills, reach and diversification. If necessary, terms would be worked out on a case-by-case basis. There is evidence that industrial ventures involved in these locations are less risky than investors perceive. There would seem to be an opportunity for securitization – refinancing in the capital markets by pooling numerous and diverse de-risking arrangements – replacing publicly funded risk absorption with private de-risking, drawing on a different category of private capital than that which would undertake the equity investing. The risk profile of this class of funded de-risking arrangements can also be managed in the provisions of securitization arrangements⁽⁴²⁾.

The Merchant Bank is meant to be additive.

The specific roles and responsibilities of the Merchant Bank would vary with the needs and characteristics of the individual context. The situation differs if an investor/operator experienced in the business sector is involved. The earlier the prospective investors and operators are involved, the more efficient the process would be. The Merchant Bank would have to ‘take up the slack’ and earn credibility for its commercial judgment.

The Merchant Bank requires credentials and credibility on commercial and public policy assessments. It is meant to be additive – NOT a duplication, nor a replacement for, existing multilateral development institutions. Doing more of what existing institutions have done for years without achieving adequate development

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Lest securitization with the private sector seem more theoretical than real, it is noteworthy that exactly that is just starting to occur in the development finance field. In late September 2018, the African Development Bank ‘sold’ \$1 billion of a mezzanine loan portfolio risk, and freed-up \$650 million of capital for fresh loans. A private fund and an African governmental fund provided some guarantees and the European Commission purchased a senior tranche. A data base shared among multilateral development banks (MDBs) documenting risks will increasingly simplify what is now a demanding due diligence – while also confirming lower than perceived risks attach – both facilitating private sector participation. Earlier, sale of portfolio holdings between public sector MDBs had been undertaken to better diversify their portfolios for which the origination had understandably produced more focused risk; and a similar ‘sale’ was carried out internally by the World Bank Group to create more room for MIGA, its insurance affiliate, to initiate additional insurance transactions. (See: Global Capital, Jon Hay <https://www.globalcapital.com/article/b1b976d81q63cz/infrastructure-needs-unfilled-despite-big-promises>)

in the locations where it is needed is not the solution for the missing elements.

The individual transactions it develops could be, in some cases, public-private partnerships, but the Merchant Bank itself is not. It is envisaged as a new, publicly funded intermediating instrument with a distinct public/private mix of roles and the unusual culture of a motivational scheme that identifies and develops ventures, but is rewarded for laying the opportunities off on others.

Were there to be private shareholders, it would interfere with the public sector functions and exclude the particular private investor from working with the Merchant Bank for reasons of conflict of interest. A public entity can perform both public and private roles without conflict, as public concessions to a public vehicle performing a private function still benefits the public. A private party deciding on a public concern to a private project in which it has an interest would be a conflict of interest. Separating the public and private activities in two entities would complicate the process of implementing a transaction and potentially encourage the Merchant Bank to favor doing deals for its own account. If the Merchant Bank were to perform only an advisory role without significant capital, the decision making would revert to its current locations, where the results have not been achieved and the restricted functionalities are found. The hiring of highest quality management would be compromised. Accountability is diluted. At the same time, the Merchant Bank should be additive and look for existing entities to do what they do for the new ventures that are mobilized – and its capital would only be used if applications were found – which is a beneficial outcome. If other institutions come to think the same way as proposed for the Merchant Bank, that would be useful, however, the requirement urged by the World Commission is that at least one institution is mandated to provide these necessary, but currently inadequately addressed, functions.

The Merchant Bank would likely best be owned by a consortium of IFIs, DFIs, philanthropies and donor governments.

With regard to the institutional positioning of the merchant bank role, there is essentially a choice between an existing organization versus a new entity with freestanding management created specifically for its mandate. While there is a preference for avoiding the creation of a new entity where a policy purpose is equally well accomplished by existing organizations, the niche mission of the Merchant Bank calls for a corporate culture that would be best realized in a free-standing entity. There is a need for:

- a dual sector organization with an unusual culture for public and private sector roles on individual projects;
- a unique motivational structure for personnel taking longer to conclude fewer

- transactions and mandated to maximize the participation of others;
- the hiring of the most skilled professionals;
- flexibility, nimbleness and innovation in function, project and financial structuring;
- a mission driven risk/return profile;
- wide availability of its operations to serve an additive role in a variety of locations – intermediating/channeling the resources and offerings of existing development institutions to the goals set out.

It is easier to fulfill an ‘agent of change’ mission by operating in tandem with the numerous current institutions than trying to do so as an internal undertaking of a current operation. The Merchant Bank would likely best be owned by a consortium of IFIs, DFIs, philanthropies and donor governments. It would, in fact, be expected to increase the number of projects presented to existing IFIs and DFIs – and, where appropriate, development assistance agencies – but be expected to manage the de-risking arrangements, portfolio and securitization itself.

The exercise of mobilizing ventures teaches those involved about the needs, and the deficiencies of the environment – guidance for constructive and effective policies. The insights gained and the impediment removal actions would come, over time, to be capable of informing the process of policy and strategy development by governments. Harnessing this additional potential function, again a mix of public and private sector insights, should be considered in the design of functionalities, structure and institutional positioning of the Merchant Bank.

If the two UN Compacts currently in the approval process – the Global Compact for Migration (GCM) and the Global Compact on Refugees (GCR) – are a reflection of the political climate on the issues of the World Commission’s recommendations, it is noted that both embrace development as a leading policy method of response. The GCM draws some attention to prevention of population movements (hence, implicitly, more economic migration); and the GCR adds some focus on development at points of origin as part of making the most of ‘return’ opportunities – both in addition to those displaced. The GCM draft does not itself address the issue of an activist mechanism required to deal with the challenges faced. Nor does either Compact note the case for coordinating macroeconomic policies so as to not indirectly make host country burdens more unfairly distributed and/or counterproductive for development. The GCR does, however, explicitly address the need for a greatly enlarged private sector investment role. It explicitly details the conditions of risks and other impediments that prevent more private sector investment and calls for an expanded effort and focus by development institutions to address them. While it encourages new mechanisms like the Merchant Bank and instruments to remove obstacles to private investment, thereby evidencing some political interest, it is not specific about a Merchant Bank type of mechanism.

Conforming Macroeconomic Policies

The international community is making seemingly conflicting demands of the lower income host countries. It asks them to bear costs of hosting refugees while keeping macroeconomic aggregates (spending, debt) under control. These countries were facing macroeconomic challenges of deficits and debt as a percentage of GDP even before refugee expenditures; and relatively weak income and fiscal positions make them more vulnerable to rapid increases in debt as unfinanced expenditures rise.

Managing large volatile expenditures is difficult in the best of circumstances, but when the country is under the auspices of an IMF-supported or other fiscally disciplined program, and spending on refugees will affect achievement of the objectives of the program, such as lower fiscal deficits and debt targets – and changing the targets, or reducing other spending, raising revenues, or undertaking some combination of austerity measures are the choices. The austerity option might be imposed by the IMF or other financial sources. That policy might be chosen predominantly in service of the financial considerations rather than as a balance of economic, social, and political objectives and needs, or as a reflection of a geopolitical agenda. The level of displacement spending actually borne by the host states; its impact on macroeconomic performance, positive or negative; the impact of the new arrivals on the economy, aside from triggering immediate fiscal expenditures; and their permanence and time profile, all affect the perspective and appropriate adjustments on a case by case basis. In the extreme, the financial burdens, without much public awareness, can be made to be borne by the host economy and population through austerity, despite ostensible concessions made by donors for the spending consequences of inbound population. Recourse to grant financing and/or debt relief, on appropriate pre-conditions, might even make the most overall economic sense. Indeed, monetary and fiscal policies might be used as proactive instruments of migration management, if properly coordinated and offered conditionally on the pursuit of particular policies regarding the displaced. This is obviously clearly linked with the discussion of burdens and responsibility-sharing and the case against expecting neighboring countries, by that geographic fact alone, to bear the biggest part of the costs⁽⁴³⁾.

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The financial burden of hosting large numbers of displaced persons, whether in absolute terms or relative to its established population, is significant. The manageability of the burden and the extent of external financial support by grant, concessionary financing or other preference – and whether there is conflict between fiscal discipline and the effective response to an uninvited population inflow – is an empirical and case-specific question. Support that is contingent on commitments of a host government to address a challenge and/or an insistence by lenders on austerity measures for financial and economic reasons, indirectly impose burdens on the host jurisdiction. These are matters of burden-sharing and raise questions of compatibility of the macro-economic policies and the ostensible social policy expectations. Some examples that are illustrative of the stresses and the topic of accommodating macro-economic policy are addressed more fully in the Merchant Bank, A Proposal of the World Commission on Forced Displacement, <https://ChumirEthicsFoundation.org/MerchantBankProposal>

The Public Policy Case for Investment as the Dominant Policy Response

It is important to emphasize that there is a good global economic and political case for a development approach. Investments that give refugees constructive employment opportunities can result in high

private and social yields. The immediate public policy case for such development is:

- Surplus savings exist in the developed world earning low, even still negative, returns on money market investments⁽⁴⁴⁾. Investment opportunities with inherently higher yields are not being undertaken in the developing world. The reallocation of a small percentage of liquid capital from the developed world to the low and middle income economies primarily located in the Global South would economically benefit both investing countries (from more opportunities and better investment returns); and investment-receiving economies benefiting from increased employment, incomes, and an improved fiscal condition. The reverse, a capital outflow, further starving these low income locations of much needed capital, has been happening for the last decade up until this last year or 18 months when that turned around⁽⁴⁵⁾.
- To supply investment/development projects mobilized in target locations, exports are generally called for from the developed investing economies and

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There continues to be a significant volume of liquid capital realizing low and negative yields after hedging costs. There is also evidence of a low level of investment. Excess savings and low interest rates remove the policy option of reducing interest rates to stimulate investment and to reduce excess savings. This creates a 'liquidity trap' where added financial resources do not remedy the underlying slow economy, producing 'a secular stagnation'. Resulting underinvestment in new plant, equipment, methods or systems, deprives the economy of potential increases in productivity and growth. The lost output that would increase available resources for the range of societal uses is foregone – and it is lost, not recovered later. Reallocation of some capital to higher yields would contribute positively to the macroeconomic conditions by breaking stagnation. Migration can be a factor in allocating economic resources in a way that enhances productivity significantly, contributing to global efficiency, economic potential and increased output. New research suggests income disparities – both between and within states are linked to low levels of investment, for whatever reason that lower investment prevails. Fostering investment promises productivity and output growth and reduced income disparity. Reduced disparity in turn should, at least comparatively over time, reduce population movement to which disparity contributes. See Qureshi, Bell, Dervis (2018) *Productive Equity: The Twin Challenges of Reviving Productivity and Reducing Inequality*; Brookings Institution Press (February 2019)

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The following data demonstrates some patterns of capital flow to developing economy locations in the recent past:

- Global stock of capital held by non-financial companies in the S&P 500 doubled between 2008 and 2015; and, that same group of companies have, since 2010, allocated 113% of the amount spent on capital investments to share buy-backs and dividends, up from 38% in 1990. This payout is not what companies generally prefer to do with their capital. It does suggest savings availability.
 - A total of \$700 billion FDI in developing countries in 2015 was only half what it was in 2008 – evidencing disinvestment in the developing world; and, FDI as a percentage of capital formation is twice as important in emerging markets as in developed ones. Public equity markets that account for 42% of investment in the US and 35% in Europe, finance only 15% in emerging markets. Negative trends in FDI capital flows to the developing world after the 2008 crisis, was not made up for by debt, as domestic credit as a percentage of GDP was 135% in OECD countries, but 36% in Africa, 45% in Latin America; and only 15% in developing economies.
- An OECD survey in mid-2017 reports some overview of the capital allocations to developing markets.
- During 2012-2015 USD\$81.1 billion was mobilized from the private sector, 44% through guarantees.
 - 77% supported projects in middle-income countries, particularly in Africa which was the main beneficiary region at 30%. Private sector capital evidences a greater disinclination to invest in the most challenging of the developing economies (only 7% of investment in developing countries went to less developed countries and 3% to other low income countries) reinforcing the case for additional techniques being mobilized, if development investment is to be an important tool of policy.
 - A large share of the amounts mobilized went to the banking (33%), energy (25%) and industry (14%) sectors, and 26% of the total contributed to combating climate change. (See OECD July 2017 *Amounts Mobilized from the Private Sector by Official Development Finance Interventions*)
 - Greater attention should be paid to remittances to developing countries which received \$480 billion in 2016, 60% of private capital inflows and some three times Official Development Assistance, as a potential source of private capital. (See OECD July 2017 *Amounts Mobilized from the Private Sector by Official Development Finance Interventions*)

create employment to produce those exported items in the investing country. The production resulting from the investment in the target countries would not typically displace activity in the investing economy since the kind of goods and services that the investment receiving locations would produce would not otherwise be the kind of products the investing economy would manufacture.

- Social stability and security externalities from the engagement of the displaced populations are beneficial to both country groups.
- Host countries would see a serious development effort as an important gesture on the part of the wealthier countries.

Immigration and development can be treated as separate policy issues.

Some number of humanitarian assistance-dependent displaced would become self-sufficient reducing those costs. Security expenditures might in time also be reduced – potentially a substantial saving – even if it is hard to quantify what savings would be directly attributable to the development.

In the current political climate – and while the case for an investment plan does NOT turn on the question – immigration and development can be treated as separate policy issues. In fact, development would potentially ease pressures for immigration. Once stabilized, reasonable living conditions are established and the reasons for forced flight resolved, most of the displaced do – and seem to prefer to – remain in their region of origin. This has the prospect of a shared political interest between hosts, donors and displaced.

Failure to pursue such a development strategy would represent a lost opportunity for global economic growth – involving lost, unrecoverable, economic output due to a workforce lying idle, or underemployed. Less output means fewer resources to contribute to redress the needs of faultless displaced people or to unburden faultless communities; and/or to support other social goals. The World Commission also sees such a failure as a lost political opportunity to build one strand of a bridge between North and South that might gestate over time into more fulsome responsibility-sharing and collaboration. Of course, there are also social and political costs of destabilized communities and security risks that could be reduced by enhanced stability. Properly done, local residents, displaced populations and poised migrants all benefit. Effectively done, donors also benefit, as does also global stability, security, economic output, humanitarian cost saving and, likely, reduced security expenditures over time.

Development at locations of large numbers of forcibly displaced poses the issue of permanence and ultimately, perhaps, of socio-economic inclusion. This issue is not resolved and the challenge is to influence opinions by a serious development plan that employs local and displaced workers and makes inclusion of some displaced worthwhile for communities currently resisting permanent development and

integration of migrants. It is also possible to conceive of long term investment but a changing workforce, particularly as successive waves of migrants move on established routes. Some activities might be movable with the migrants. If development is taken up seriously as a policy of donor states, it is inconsistent with anecdotal evidence that there would be no takers for such an offer that benefits hosts and displaced alike⁽⁴⁶⁾.

Properly and effectively done, local residents, the displaced and donors all benefit.

Our research evidence from countries such as Jordan and Uganda and the Syrian Refugee Response Plan suggests that some promising results can be achieved, although not without many operational and political challenges and limitations.

As set out above in Pillar I, development and private sector investment do feature prominently in macro-level policy terms, where the consequences are economically, socially and politically positive. At the micro-economic transactional level, capacities need methods and mechanisms that are purpose-built to fill identified gaps to achieve the investment objectives.

The social, political and legal conditions that the Commission believes to be important for fairness, effectiveness in the management of the contemporary conditions of forced displacement and supportive of dynamics that would be supportive of a developmental paradigm would be improved by provisions addressed in the Pillars II to IV that follow.

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One must recognize the reasons why host countries resist the establishment of, and compliance with, certain rights; and policy must provide the means to mediate those concerns (prominently, rights to work and own businesses, mobility, education and training) as these are necessary conditions to encourage private commercial investments and hence to benefit the displaced alongside the local population. The effectiveness of the marketplace in the job placement of the displaced is not a trivial matter, but requires development and investment. States like Ethiopia, for example, are new examples of experimentation with refugee job accessibility. In the early stages of the World Bank's IDA18 refugee sub-window financing, Ethiopia is implementing its new "Jobs Compact" which includes initiatives for both host communities and refugees, with the intention of increasing job opportunities, work permit accessibility, and development in host regions. As in Jordan, Ethiopia is experimenting with "industrial parks" and other projects. Other states that have hosted refugees for long periods of time, including Tanzania and Kenya, maintain strict regulations on freedom of movement and work permit accessibility for refugees. The countries cite an array of reasons for preventing refugees from working, including concerns over job prospects for their own citizens, public opinion, legal obstacles relating to granting permits to refugees, and the need to find other durable solutions like return or resettlement, as opposed to integration (which could be implied if a refugee is able to work). Zetter, R., and Ruaudel, H. (2016) Refugees' Right to Work and Access to Labor Markets – An Assessment, World Bank KNOMAD Study, <http://www.knomad.org/publication/refugees-right-work-and-access-labor-markets><http://www.knomad.org/publications>. The Comprehensive Refugee Response Framework (CRRF) and other frameworks have sought to address this, and new self-reliance initiatives are emerging. Likewise, states like Uganda, with more progressive policies toward allowing refugees access to work and livelihood activities, are being closely examined for policies and practices that have produced reasonable results (e.g. Betts, A., Bloom, L., Kaplan, J., and Omata, N. (2014) 'Refugee Economies: Rethinking Popular Assumptions' Oxford: Refugee Studies Centre, <https://www.rsc.ox.ac.uk/files/files-1/refugee-economies-2014.pdf>. Continuing attention is called for on methods for effective local economic development and the capturing of work and income for local and displaced workers. Investment, job/skill matching, legal rights to work, own businesses, move to opportunities and receive training, connection to information and other people are all involved. See e.g. Republic of Kenya, Royal Danish Embassy, Norwegian Embassy (2010) In Search of Protection and Livelihoods: socio economic and livelihood impacts of Dadaab refugee camps on host communities, http://reliefweb.int/sites/reliefweb.int/files/resources/C477129C7D41DCFB852577B3006B2818-Full_Report.pdf, and; World Bank/UNHCR (2017) The Economics of Hosting Refugees – A Host Community Perspective from Turkana, Report No: 113183, World Bank/UNHCR. <http://documents.worldbank.org/curated/en/695271488823317264/The-economics-of-hosting-refugees-a-host-community-perspective-from-Turkana>. The World Bank study of Turkana reveals significant internal economy of goods and services, bolstered by the goods (especially food) and public services provided by international organizations and that refugees have a net positive effect on the welfare of locals – increases aggregate income of host community.

PILLAR II – Responsibility-Sharing: Fairness, Predictability, and Effectiveness

International Standards and Fairness

By any reasonable criteria, the burden of forced displacement should be a global responsibility.

Indeed, that seems to be almost inherent in the very logic of an international set of rules or standards. In fact, however, the burdens fall disproportionately on a small number of mainly lower income countries – some of which are least able to provide sustainable responses and the necessary resources. The World Commission’s research, both the global overview and the country case studies, have shown how the lack of global commitment over many decades has negatively impacted the development prospects of host countries, diminished the socio-economic wellbeing of host communities and, principally, failed to afford refugees and other forcibly displaced people, including IDPs⁽⁴⁷⁾, effective protection, sustainable livelihoods and inclusion assistance. National and regional instability sometimes accompanies the inability of host countries to deal adequately with the impacts of forced displacement. Our research has demonstrated how the delicate balance between collective aspirations and obligations on the one hand, and individual national interests (of both donor and host countries) on the other have together produced significant conceptual and operational limitations on how the responsibilities might be effectively rebalanced.

The call to reconfigure how international cooperation should better share responsibility is not new⁽⁴⁸⁾. The World Commission has observed renewed actions to try to achieve this objective. As an important element in its thinking, it proposes new modalities to approach this challenge. From the World Commission’s perspective, reframing the approach means shifting from an expectation that host countries might receive international support, to a positive obligation on the international

Responsibility sharing involves considerations of fairness, ability to pay, and the private sector being effectively engaged, not just sharing in the payment of bills.

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We address in the next section the question of the categories of the displaced that should be covered by international standards. While each case should be judged according to its circumstances, should IDPs be unable to look to their own government for protection, support or a solution, multilateral mechanisms and standards should not be excluded by virtue of those displaced being physically within the borders of their countries of habitual residence.

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See e.g. Suhrke, A. (1998). ‘Burden-sharing during refugee emergencies: the logic of collective versus national action’, *Journal of Refugee Studies*, 11:4, 396-415. The debate on burden sharing first took shape with the two ICARA Conferences (International Conferences on Assistance to Refugees in Africa) in the 1980s.

community to provide that support in a timely and consistent way. It means reasserting the primacy of protection of forcibly displaced people as a global obligation and necessity; and it means repositioning the responsibility from national/local level palliative responses to sustainable global level development-led action. In its fullest sense, responsibility sharing involves considerations of fairness, ability to pay, and the private sector being effectively engaged when necessary, appropriate or offered. It means seeking durable solutions, not just sharing in the payment of bills. It is, perhaps, worth noting that development and private sector investment along the lines advanced through the strategies noted in Pillar I – Investment: A Development-Led Response above – would involve some sharing of the responsibility by the private sector as well as by those who establish a Merchant Bank.

Multilateral Mechanism

While successful responsibility-sharing aims to foster a sense of global solidarity with countries impacted by forced displacement, the end goal and the key challenge is how to create and sustain institutionalized responsibility-sharing that ensures the predictable and continuing commitment of all stakeholders – and beyond just sharing, ensuring the sufficiency of resources focused on the needs and the ability to plan, prepare, mitigate the adverse impacts and even potentially to prevent some forced displacements. In circumstances in which commercial investment is achievable, the private business sector would contribute to the extent that employment and business income replaced assistance. The lack of an operational apparatus to focus on sharing has been a fundamental failing in the past.

The end goal is to ensure the sufficiency of resources focused on the needs and the ability to plan, prepare, mitigate the adverse impacts and even potentially to prevent some forced displacements.

To this end, the World Commission promotes two proposals:

- Establish a suitable continuing institutional mechanism to promote more equitable distribution of responsibilities, beginning with a proposed design and formula of sharing.
- A multilateral initiative to overcome the largely ad hoc discretionary approach to these responsibilities by the wealthiest, but least directly affected, states and to agree on a committed formula of donor nation shares, ideally with a pre-funded standby facility.

The World Commission's urgings with respect to responsibility-sharing resonate strongly with a core component of the emerging 2018 Global Compact on Refugees and the Comprehensive Refugee Response Framework (CRRF) which is an integral part of the Compact. The draft Global Compact on Safe, Orderly and

Regular Migration also supports the principles, but is less specific on the provisions. The Commission proposes a new high level, multi-stakeholder (state/institution/business/civil society), continuing and funded 'Platform' established by intergovernmental agreement, with Member States agreeing on its mandate, but with active involvement of the United Nations High Commission for Refugees (UNHCR). This group should have a mandate to coordinate and reconcile needs and capacities for tackling displacement crises and longer term goals to be delivered through policy coordination, planning, responsibility-sharing, monitoring, evaluation, preparedness and, where possible, prevention.

Construction of a comprehensive and robust response system would represent a fundamental step forward, but much detail remains to be agreed; and a roll out would doubtless be cautious and met with resistance and dilution by many states. The World Commission sees the following priorities:

- Establishing indicative metrics for responsibility-sharing for the Platform as a whole, and a template for determining the metrics of responsibility sharing for specific displacement situations. Agreed metrics are key to ensuring the predictable and sustained commitment of all stakeholders to the principles and operation of the Platform.
- In line with the opportunity-led agenda of Pillar I, the Platform would encourage the development of innovative financing arrangements that underpin longer term development responses to protracted situations of forced displacement. These would include: development of and funding for the Merchant Bank to promote private commercial investment in hosting states – and, perhaps, in selecting locations for the Bank's intervention; proposing macro-economic policies for specific impacted countries that are more pro-development; ensuring the coherence and consonance of policies by international economic actors (e.g. relating to debt, fiscal needs and public expenditures, including the merits of grants and/or debt relief as alternatives and part of a development plan); and the advancement of best practices in the defining of rights, again, that support the prominence accorded development strategies.
- Exploring innovative solutions, in addition to development, for the many situations of protracted displacement by, for example: reinvigorating third country resettlement; facilitating the international mobility of refugees and other forced migrants through migration pathways⁽⁴⁹⁾; promoting regional efforts and Plans of Action to resolve long-standing displacement situations⁽⁵⁰⁾.

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Populations in the poorest countries face similar circumstances independently of the presence of displaced people. Success in realizing the Sustainable Development Goals will be affected by the achievement of development in locations where displaced are also found. There are SDGs relevant to displacement situations and to development generally; development aimed at preventing poised migration from materializing; the specific needs of the displaced populations and host communities addressable by development; and general development in pursuit of the SDGs that reduces the risk of conflicts or violence that contributes to fragile states. It would likely encourage resettlement and inclusion if significant development support were to be available to those communities that actively assist absorption – effecting the capture of economic benefit accompanying the reception of displaced persons. There are questions to be addressed in prioritizing of target communities for the engagement of the Merchant Bank.

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See, for example, the World Bank's IDA18 refugee sub-window financing in Ethiopia and Uganda, which includes funding for the ongoing Development Response to Displacement Impacts Project (DRDIP), a regional initiative that supports refugees and hosts in Djibouti, Ethiopia, and Uganda. The World Bank is also working closely with the Intergovernmental Authority on Development (IGAD), the regional body that brings together eight African countries from the Horn of Africa, Nile Valley, and Great Lakes, in order to address forced displacement via a development approach.

PILLAR III – Protection For All ‘Forcibly Displaced’

Similarity of Need and Impacts

From its inception, the World Commission has stressed the absence of a persuasive justification for the exclusion from the protection and support of some international norms and mechanisms of any category of those forcibly displaced. Even while recognizing the mandate of the UNHCR that is seen as applying beyond the criteria of the 1951 Convention and 1967 Protocol and other mandates established for particular regions, identified causes and categories under which different groups are protected and the provisions of international law that have more universal applicability, such as the human rights regime – the Commission believes that all those forcibly displaced and in need of protection should be afforded protection. Whatever group, however small, remains unaddressed – or addressed to a lower standard than those that are best practice – the World Commission recommends that, without derogating from existing protections and assistance regimes, those currently left unprotected, or incompletely or inadequately protected, should be covered by some minimum standards for the following reasons⁽⁵¹⁾:

The World Commission recommends that all those forcibly displaced and in need of protection should be afforded protection.

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The 1951 Convention and its Protocol are complemented by regional refugee instruments, such as the 1969 OAU Convention, the 1984 Cartagena Declaration, the EU Qualification Directive 19 and other relevant instruments of the EU asylum *acquis communautaire*, and the 1966 Bangkok Principles. Moreover, complementary protection mechanisms and temporary protection or stay arrangements have proven important tools to ensure that international protection is provided to those in need of it. (For a more thorough discussion of the scope of those covered by some international protection, see UNHCR, June 2017, “Persons in need of international protection”).

In an ideal world, an international standard and predictable protection, support and assistance would apply to all those displaced. What is the intention of the responsibilities of the UNHCR beyond the Convention? Does protection effectively turn on need, norms and the effective management of impacts on individuals, groups and communities – i.e. effectively anyone fleeing from conflict, violence or persecution; being outside their country of residence; and unable to be protected by their home government or that of their new location? Or is the cause of displacement, legal status and location the basis of jurisdiction? Nothing in this Report is intended to derogate from current legal entitlements. Rather, the recommendations are intended to urge the protection, as stated in an earlier draft, of the Global Compact on Refugees, but removed from the final text. That protection is not dependent on a particular cause, legal status, or location, but that “The need for international protection arises when persons are outside their own country and unable to return home because they would be at risk there, and their country is unable or unwilling to protect them.”

That causes are numerous and mixed and that some level of protection is called for, even if some applicable regime fails to establish such a standard. “Refugees flee because of persecution, conflict, violence and serious human rights violations. Increasingly, environmental degradation and natural disasters also interact with these factors to drive refugee movements. Refugees require protection, assistance and solutions to their plight.”

For a consideration of protection of internally displaced persons (IDPs) “legally ‘owed’ protection from their State, but not so protected, see IDP Guidelines <https://www.unhcr.org/en-us/protection/idps/43ce1cff2/guiding-principles-internal-displacement.html> and see Pillar III for the recommendation of its ratification by the UN General Assembly. The Global Compact on Migration might accomplish this result.

- the World Commission believes that all those forcibly displaced and in need of protection should be afforded protection;
- morally, those displaced by different causes are equally faultless, vulnerable, and appropriate to support;
- economically, socially and politically, the stability, cohesion, security, economic output impacts and risks for the displaced and for affected countries essentially involve the same dynamics. All need to be able to rebuild lives in safety, security and freedom from intolerable vulnerabilities, regardless of the cause of flight;
- operationally, development, as the most promising durable response, is both practically and politically focused on ‘locations’, not on population segments, even while recognizing the companion issues of access to the opportunities that turn on the setting of rights and their enforcement; the distribution of benefits; and the need to address disparities and their causes⁽⁵²⁾.

Operationally, development is both practically and politically focused on ‘locations’, not on population segments.

The Steering Committee research conducted for the World Commission has shown how, compared with earlier eras, forced displacement in the contemporary period is marked by a diversity and complexity of drivers matched by fluid and complex patterns and pathways – so called ‘irregular migration’ – by which those who are displaced seek refuge and protection. These movements, at least in respect of some causes, are increasingly unpredictable and often incremental, potentially making changes hard to detect. Moreover, in the past, most refugees and others who were displaced were contained in their regions of origin, usually in neighboring countries. This is no longer the case. Onward trajectories through transit countries to distant destinations are a small percentage, but material absolute number, of people and are a salient feature of forced displacement today. The onward movement is presumably in response to protracted displacement and low expectations of opportunities emerging in the countries of transit. However, technology and globalization have also changed migration pathways – and global political dynamics change as a consequence.

Most significantly, rather than the traditional binary of refugees and voluntary migrants, the international movement of people is now characterized by an expanded range of causes of ‘forced’ displacement. Mixed migration is a term which describes the complex mix of population movements – including, inter alia, refugees, flight from violence, asylum seekers, economic migrants, victims of

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By these criteria, Internally Displaced People (IDPs) qualify for policy response and consideration by the Commission. However, international deliberations, except by the IDP Guidelines and the de facto attention paid to them in the field, exclude IDPs from the current two Compact deliberations. IDPs remain under the jurisdiction of their home governments. Sovereign authority and reluctance to breach this concept until the atrocities become intolerable politically have kept the issue out of the current international discussions. This group represents two-thirds of the forcibly displaced and is expected to represent a growing percentage in the future <http://www.internal-displacement.org/internal-displacement>

trafficking and smuggling, former IDPs, unaccompanied minors and victims of climate change and natural disasters. Irrespective of the cause, often their mode of travel is the same. They travel in an irregular manner along similar routes, using similar means of travel, but moving for different reasons⁽⁵³⁾ – possibly changing with the stage of their migration. Indeed, it is important, as noted above, to recognize the multivariate causes and consequences of all migratory movements when considering the scope of those to be protected. Without setting out an in depth analysis of the various regimes and legal rights – but recognizing the fact of protections under a variety of regimes and resolutions applicable to different causes and locations – the policy issue addressed here is that of seeking to accord all those who are displaced effective protection and access to some support based on need, vulnerability and, perhaps, even opportunity to ameliorate an unfair or destabilizing societal situation or risk. So long as there is a category of forcibly displaced person that needs protection – or additional protection – and is without it – this recommendation of the Commission should be pursued.

Mixed Causes of Migration

The concepts of forced displacement and mixed migration are relatively new phenomena, but of mounting importance, both in terms of sheer numbers and with regard to political significance at national, regional and global levels. They reflect the tendencies for an increasing number of people to migrate at greater risk and further afield from their countries of origin, in search of a safe and better future in more affluent parts of a globalized world. Indeed, the absence of development is often a principal driver of onward or secondary movement – there is a lack of investment to support economic growth and new jobs for new arrivals, or for locals to move to higher value jobs as new arrivals take up their prior employment in a location. People are on the move for a combination of reasons. The World Commission's focus is those whose reasons are related to safeguarding of safety, security and survival. Whatever the reasons for any particular movement, some number fall through the net of humanitarian assistance for 'refugees' or protection under other formal definitions applied. Those people not formally covered by the protection, security and other entitlements from the governments of transit or destination countries; the vulnerability of women, children, the aged and the disabled exposed to these multivariate patterns and processes of forced displacement are of concern in the view of the World Commission. Excluding any forcibly displaced migrants from protections and opportunities is hard to justify when considering either their needs or impacts on the world around them.

People are on the move for a combination of reasons: safety, security, survival and tolerable living conditions.

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See Zetter R (2018) 'Conceptualizing Forced Displacement: Praxis, Scholarship and Empirics', Chapter 2, Dona G. and Bloch A. (eds) *Forced Migration: Issues and Debates*, London: Routledge, forthcoming 2019.

Research supporting the work of the World Commission has elaborated the conditions which today transcend the familiar characteristics of location and cause of flight in identifying ‘refugees’ under the legal and normative provisions of the 1951 Geneva Convention and 1967 Protocol. It is significant to recall, however, that essentially the intent of the criteria at the time was to afford protection to the full involuntary movement of the time. Our research suggests that as many as 100 million people were forcibly displaced worldwide in 2015, substantially more than then ‘official’ figure of 68.5 million. The lower estimate disregards potentially millions of migrants who also are ‘forcibly displaced’ for reasons other than conflict, violence and persecution, but rather by natural disasters, or difficulties of survival as a consequence of conditions from climate change. Those in transit as well as IDPs are likely poorly documented, suggesting the official numbers are a substantial underestimate.

Including those displaced by natural disasters, or difficulties of survival as a consequence of conditions from climate change, as many as 100 million people were forcibly displaced worldwide in 2015.

Multiple drivers, mixed migration flows and irregular entry into transit and destination countries constitute a political challenge – how to identify those to be protected by need and impact, not just legal status. This would expand the coverage of protection and focus attention on assessing the sufficiency of the protection provisions provided for each, particularly for those who do not fall within some significant category and related standards. It is noteworthy that both Compacts that are in the ratification process are inclined to define groups to be protected somewhat along need-based lines. In this context, it would help if, in the implementation of both Compacts, there could be clarity about the regime under which any category of displaced is intended to fall.

Broadening the application of international protection is, perhaps, the most ambitious and the most challenging of the World Commission’s proposals. To this end, the Commission proposes several actions, the most far reaching of which is the recommendation for the preparation and adoption by the United Nations General Assembly (UNGA) of Guiding Principles on the Protection and Rights of Forcibly Displaced People. This proposal is supported by other separate recommendations: proposals for a UN ‘High Representative’ for the Forcibly Displaced and/or the creation of a new mandate for UNHCR or the International Organization for Migration (IOM) to take responsibility for protecting forcibly displaced people who do not qualify as Refugees or for adequate current protection. The purpose is to ensure that some authority is anticipating the evolving drivers and characteristics of the displaced and the policies appropriate to their protection and opportunities.

Resistance to Expanded Coverage

These proposals have yielded some traction with civil society, but met with resistance in dialogue with governments and intergovernmental organizations seemingly for two reasons.

First, the mandate of UNHCR (as opposed to the 1951 Convention and 1967 Protocol and other legal instruments of protection noted earlier), is interpreted by the Agency to task it with protecting those outside their country of origin who are in need as a result of the failure or inability of their government of origin to do so. The reality is that it is states that regulate entry into their territories and determine the rights and status of the migrants who arrive at their borders. Mixed migration flows, irregular entry and, indeed, even those who eventually succeed in gaining refugee status, are seen by some governments as a threat to state sovereignty and security. Resistance to immigration, and even to ‘forced migrants’, however defined, is hardening worldwide. The second reason for the lack of progress is the binary between two forms of international mobility – that covered by the definition of ‘refugee’ and anything else. The two Compacts, on Refugees and on Migration, are likely to cement the binary despite the complexity of displacement trends and the increasingly questionable case for retaining it. The Commission hopes that the two Compacts will be implemented in a way which, at the very least, recognizes their complementarity and ensures that there is coherence and consistency in the treatment of all those who are forcibly displaced.

Mixed migration flows are seen by some governments as a threat to state sovereignty and security.

Specific Steps

The World Commission has and will continue to advocate for:

- development of global guiding principles for the protection of migrants in vulnerable situations, including migrant children, women, the aged and the disabled. We recall the agreement reached in the New York Declaration for Refugees and Migrants that States would consider developing non-binding guiding principles and voluntary guidelines, consistent with international law, on the treatment of migrants in vulnerable situations (especially unaccompanied and separated children) who do not qualify for international protection as refugees and who may need assistance. We also welcome and strongly support the UN Secretary General’s (UNSG) endorsement of Recommendation 1 of the Report of the Special Representative on Migration (A/71/728) for the development of these guiding principles;
- support for the independent expert panel that will be commissioned by the UNSG charged with the responsibility to: develop a working definition of ‘migrants in vulnerable situations’; provide an overview of the applicable

- international legal frameworks and non-binding instruments; and identify legal and normative protection gaps for this category;
- inclusion of a record of their activities in addressing the needs of the broader constituency of forcibly displaced people in the annual resolutions of UNHCR, IOM and OHCHR, and annual reports of other intergovernmental bodies such as the International Labour Organization (ILO), UNICEF and UNDP.

In addition, the World Commission recommends:

- expansion of the mandate of either the IOM or UNHCR to take responsibility for protecting forcibly displaced people aligned with the development of guiding principles advocated above. The creation of a position of UN ‘High Representative’ for the Forcibly Displaced, or a mandate for the High Commissioner for Refugees or IOM would be a stepping stone in this process;
- the formal adoption of the 1998 Guiding Principles on Internal Displacement by the UN General Assembly;
- enhancement and enforcement of adherence to rights protection under the 1951 Refugee Convention and 1967 Protocol, particularly with respect to rights which impact employment and livelihoods such as the right to work, own a business, education and training, mobility and increasingly, access to relevant information of job opportunities⁽⁵⁴⁾.

The World Commission also urges the enhancement of the protection and rights of forcibly displaced people though indirect means.

Recognizing that the political acceptance of this ambitious agenda by national governments is likely to be resisted, the World Commission also urges the enhancement of the protection and rights of forcibly displaced people though indirect means, namely: the inclusion of forced displacement in the assessment of target locations for development; and changing the narrative and inclusion to address all displaced as well. Governments should be encouraged to include the displaced in their national plans for Poverty Reduction Strategy Papers (PRSPs) and in its various areas of responsibility.

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‘Rights’ of the displaced are a significant factor in achieving results for the application of most any provision must take into account varying circumstances. For example, rights to education should address all levels and fields. Access to education in STEM (Science, Technology, Engineering and Math) subjects should be addressed for all ages including, from a young age, and particularly for girls, (who represent only 12% of engineering students). This is critical to closing the gender gap and ensuring that all members of the displaced community have skill sets relevant to the employment opportunities in their new locations. (World Economic Forum, July 2017)

PILLAR IV – The Narrative: Politics and Policy

Importance of the Characterization of the Issue

The political latitude for constructive dialogue and solution-oriented public policies, the cohesiveness of society, and prospects for the inclusion of the displaced, are greatly affected by public attitudes, as well as by information and communications regarding the forcibly displaced or immigrants more generally. The policy environment is shaped by this wider political and public discourse in both donor and hosting countries. Many of the aspirations of the World Commission and its mission to promote opportunity and investment-led solutions, and widen responsibility-sharing, in order to enhance protection and opportunities for forcibly displaced people will not be achieved without the support of a positive public discourse.

The current narrative reflects not only the diversity of views suggested, but also an undertone of negative sentiment to inward population movement – and even hostility to irregular (uninvited and unauthorized) inflows – with little regard for the conditions and possible compulsion for safety or survival at the outbound point of origination, or for idleness and absence of prospects at secondary points of departure. Further, historically, forced displacement involved mainly regional patterns and issues. Today, while by far the largest number of those forcibly displaced are contained to the region of origination, small percentages but reasonably sizable absolute numbers make their way to more remote locations where cultural, religious and linguistic differences are more likely – and where resistance and greater challenges to integration, a ‘culture clash’ – arise. It also seems the case that more of the displacements, at least those arising from conflict, civil strife or violence, continue for longer periods. So-called ‘frozen conflicts’ seem more frequently to last longer – often being proxy hostilities – a fact that arguably should increase the attention to shared responsibility as the faultlessness of those displaced is more evident.

A more positive public discourse is needed.

Public opinions are not uniform across locations, not even across segments within a community or over time. They are often contradictory, fluid and highly specific to locality, socio-economic group and circumstance. It is very difficult to draw general conclusions, either around the state of public opinion, or on the most effective ways to influence and shape it. The case studies undertaken for the World Commission research, which present a mixed picture of the public discourse,

confirm these reflections. For example, the relatively positive and hospitable attitudes to the orderly arrival and resettlement of large numbers of refugees in Canada (a country of immigration), contrast with public attitudes in Germany (a country much less shaped by immigration), where initially positive public support for the spontaneous arrival of a large number of asylum seekers in 2015-16, has eroded over time. Although there exists a thread of African hospitality running through Kenyan public and political discourse on refugees, attitudes have been largely negative, and have hardened over time with perceptions of refugees linked to crime, illegality and insecurity.

Despite the specificity of these public narratives, some general conclusions about public attitudes, and the broad factors that drive them, are becoming increasingly important in a context of large-scale, protracted displacement. The setting is one of an increasingly hostile and deeply disturbing public narrative and media hostility towards refugees.

Asylum-seekers, and forcibly displaced people more generally, have been perceived to undermine social relations and cohesion between different ethnicities and religions in an increasingly interconnected world. International social media connections feed anti-social, hostile or divisive views domestically.

International social media connections feed anti-social, hostile or divisive views domestically.

Refugee containment policies in impacted countries and globally are a reflection of, and contribute to, this negative public narrative by governments that are increasingly ill-disposed to the rights, vulnerabilities and needs particularly of the culturally, religiously, or ethnically different populations of the displaced – at least within host country borders.

Principles and Segmentation

What follows are the general principles of the approach which the World Commission has taken. Further work is being considered regarding an understanding of the segmentation of opinion and motivations, tracking segmentation of messages, techniques and platforms for reaching the audiences and the methods and platforms for informing and potentially influencing opinion.

An aspiration of the World Commission is to challenge the negative political characterization of the forcibly displaced; to address the rhetoric and hostile public narrative and reshape them in ways that recognize the involuntary circumstances of the forcibly displaced, the reasons for their rights, the potential community interest and the case for genuinely seeking solutions in the ultimate inclusion somewhere of displaced people. The phenomenon of significant displacement exists. The challenge is to recognize:

- the dictates of fairness to migrants and host communities and the potential for shared interests and solutions;
- the scope for positive economic social and cultural contributions to host societies from forcibly displaced people and indeed from all migrants if underpinned by supportive policies;
- and how the needs of both the forcibly displaced and the hosts can be addressed if constructive immigration and inclusion in communities is sought.

The situation of both forcibly displaced and hosts can be improved by constructive policy.

Facts, myths, emotions, the influence of nationalism and the impacts of social and political differences need to be considered.

The World Commission recognizes that international actors, such as UNHCR, have an important role to play in shaping public discourse on refugees and other forcibly displaced people, through public advocacy on behalf of refugees and by lobbying governments to uphold norms and fund assistance programmes. However, the impact of such actors is indirect and their neutral political position prevents direct engagement with some aspects of the public discourse.

Using its independence, the World Commission seeks to be a constructive actor by direct political engagement with national governments, national opinion formers and public debate. The opportunities for the Commission to use its freedom from institutional constraints, the considerable capacities of the Steering Committee and the experience of the members of the Commission to improve the narrative all might represent comparative advantages. A further potential role for the Commission is set in the following context:

- The World Commission recognizes that attempts to reshape public attitudes towards refugees and migrants are unlikely to succeed if they do not first engage with people's genuine concerns – acknowledging genuine challenges, promoting an open discussion of solutions and proposing clear responses to real concerns. While there is certainly a racial element in the way some segments of a society view the advent of migrants and refugees, negative attitudes cannot always or solely be dismissed as racism or xenophobia. Attitudes are much more difficult to address if items of concern involve real and adverse impacts on matters of economic conditions; job availability and wage impact; work skills and market fit; culture, identity, religion, political and social ideology and practices; public service capacity limits; and insecurity. These are linked both to the specific issue of refugees and to anxieties around change and diversity more broadly. Such an understanding guides the World Commission's approach.
- The World Commission acknowledges that understanding and engaging with public attitudes works best, if not only, when clearly rooted in national and local contexts, and the nuances of public attitudes within them. Reframing the

refugee/forcibly displaced people issue, from an abstract global debate to a fact that resonates in people's lives, requires consideration of strategies in different local contexts and community segments. The most effective strategies are likely to be those that work on several levels, from politicians and the media to civil society and the private sector.

- Furthermore, the World Commission recognizes the need to rethink approaches to public engagement. There is good evidence that simply providing accurate, factual information and 'myth-busting' information – for instance on the number of refugees arriving in a country – is unlikely to have much resonance as a persuasive tool beyond civil society groups and individuals already supportive of a welcoming approach. Indeed, they may even exacerbate negativity. Instead, a more effective public narrative is to emphasize shared values, stress that the situation is both manageable and being managed and address how investment, development, jobs and labor supply and demand, skills and fit can produce positive results. The objective is to foster solution-oriented thinking. The other Pillars play a significant role, or link, when they offer the prospect of improvements or 'solutions'.
- In terms of technologies for communication, the World Commission recognizes the importance of deploying social media, alongside traditional channels, to convey messages and address the ability of international networking to cause even a solitary anti-social actor in a community to find legitimizing support for a destabilizing view from a remote country and act out within an otherwise stable community.
- Saying more would require expert advice and exploration of survey data to identify: prevailing views, their segments and motivations; communication and messaging techniques; and methods to achieve effective media engagement. Defining pilots and evaluating projects for innovative messaging and also indirect means of positive messaging, such as reporting on community sponsorship schemes, are also likely tools.

A more effective public narrative is to emphasize shared values, stress that the situation is manageable, and to detail how investment, development & jobs can produce positive results.

The Commission urges that a coalition of those who care be considered to design and carry out a major public communications campaign⁽⁵⁵⁾.

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It is noteworthy that the work of the Marshall Plan administration involved the mobilization of an active communications campaign, including a message regarding the 'good neighbors' that the relocated displaced population represented.

The Ultimate Objective

A World Commission background research paper⁽⁵⁶⁾ highlighted the significance of inclusion, especially economic inclusion, for the livelihoods and well-being of forcibly displaced people as well as for its long term impacts of newly arriving populations on host countries. The paper elaborated the conditions and challenges of inclusion processes and policies. As the work of the World Commission has unfolded it has become clear that socio-economic inclusion is integral to the mission of rebuilding the lives of the forcibly displaced and is the ultimate goal of policy – influencing and being affected by development-led responses, responsibility sharing, protection of the forcibly displaced and improving the narrative.

With 13.4 million, or two-thirds of all UNHCR mandate refugees in 2017, having been away from their countries of origin for 5 years or more, it is clear that host communities and the displaced need to work toward accommodating one another. In 2017, based on disaggregated data collected by UNHCR on 85% of refugees, 61% are living in some type of private accommodations as they seek to assume some semblance of a normal life in their new host community. However, 39% of refugees are living in some form of camp which, by its separateness of both demography and geographic location, inhibits interaction and inclusion in the host community.

Inclusion is the ultimate goal.

To this end, under contemporary conditions of escalating numbers of refugees and other forcibly displaced people and their protracted displacement, combined with rising security anxieties attached to migration – as well as increased diversity in some cases of interfacing groups as some forcibly displaced travel further – many host countries have prevented and are increasingly resistant to the reception and integration of these populations. Public rhetoric is increasingly negative and political opposition is intensifying.

Yet, these same conditions should reinforce the relevance and significance to policy-makers and receiving communities of understanding the pathways to inclusion. This is especially the case since, despite the many constraints, inclusion and

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Chumir Foundation for Ethics in Leadership 'Forced Displacement and Inclusion – Rebuilding Lives and Livelihoods'. Research to be published December 2018. <https://ChumirEthicsFoundation.org/ResearchOnForcedDisplacement>

integration tend to take place incrementally and informally, assisted by, but not fully controlled by, the policy environment and legal restrictions on settlement, rights and access to services and employment. Resistance to the permanence of the uninvited population erects hurdles, if not barriers, to this process. However, inclusiveness remains an ultimate measure of a ‘solution’.

The concept and modalities of refugee and migrant inclusion are context specific and inextricably bound up with structural factors such as the political and public discourse discussed in Pillar IV of this Report on the Narrative, the historical experience with immigration, and perceptions of nation-state identity and national self-understanding⁽⁵⁷⁾. However, among the principal factors that mediate the processes are:

- the social and economic conditions and characteristics of the forcibly displaced and host communities;
- the legal context of protection, rights, access to citizenship;
- access to work;
- the role of public and welfare policy in facilitating (or limiting) inclusion such as access to housing, education and welfare entitlements;
- the role of social networks, social capital and the agency of the refugees;
- the ‘fit’ of demand and supply for workers as between local employers and new arrivals as well as acquisition of skills, notably learning the host country language and the characteristics of the displaced population, including gender and generation;
- community and neighborhood dynamics; and
- the duration of inclusion as an ongoing process; perceptions and constructions of the ‘other’ with its potential for social exclusion and marginalization.

Much successful action for inclusion and integration is almost invisible and arises ‘organically’ rather than as the directly measurable outcome of proactive policies.

Conversely, it is the non-integration of refugees and migrants that tends to attract the attention of policy-makers, politicians and the public.

A development strategy could motivate absorption if it brings benefits to all in the community.

From a policy perspective, integration is usually regarded as the desired outcome for the forcibly displaced themselves, particularly for resettled refugees and for spontaneous arrivals who receive refugee status in the Global North. For those who remain in the major host countries, the policy of local integration has been

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Ager, A., and Strang, A. (2008) ‘Understanding Integration: A Conceptual Framework’, *Journal of Refugee Studies*, 21:2, pps. 166-191. *Journal of Refugee Studies* (2010) Special Issue – Critical Reflections on Refugee Integration: Lessons from International Perspectives, 23:4, 2010. Zetter, R., Griffiths, D., and Sigona, N. (2006) *Immigration, Social Cohesion and Social Capital: What are the Links?*, Monograph for Joseph Rowntree Foundation, York, Joseph Rowntree Foundation. <http://www.jrf.org.uk/publications/immigration-social-cohesion-and-social-capital-what-are-links>

advocated, over many decades, as one of the three durable solutions to displacement, (the other two ‘solutions’ being return and resettlement), although the modalities by which this might be promoted are diffuse and imprecise and the outcomes uncertain. Yet resistance is strong. Part of the thinking of the Commission’s proposals for a development strategy is the prospect that it could motivate absorption if that brings benefits to all in the community.

From the perspective of the World Commission, with its focus on sustainable, development-led strategies, these conditions constitute a significant developmental challenge for host countries, as well as for donors and international actors, rendering in particular the economic inclusion of forcibly displaced people a pressing priority in order to reduce the negative impacts of economic exclusion, but also to capitalize on the potential development opportunities that they might provide.

A Shared Obligation

Clearly inclusion is multifaceted and it is a two-way process between the displaced and host communities toward an end state. In essence, it is a process of rebuilding lives and livelihoods by inclusion in new settings after forced displacement.

Our research evidence, and the experience of forcibly displaced people and refugees themselves, overwhelmingly points to the conclusion that employment is the key plank for their economic inclusion and, more generally, a pivotal factor in the process of settlement and integration. Second, economic inclusion is central not only as a ‘stand-alone’ instrument of integration – advancing self-sufficiency, economic well-being and independence – but also the means to wider psychosocial aspirations, such as reclaiming dignity and identity, independence and agency. Third, it underpins or reinforces other integrative objectives, such as stronger interaction with hosts, increasing opportunities for learning the host language, enhanced social inclusion and mobility.

Employment is the key plank for economic inclusion.

Accordingly, the World Commission urges national governments and employer organizations, the main international organization in this field, the International Labour Organization (ILO), to promote an agenda of policy engagement for economic inclusion that addresses:

- facilitating variables such as: reception policies; labour market access, in particular the right to work; language proficiency; qualification recognition and skills training and matching;
- constraining variables such as: the political economy of displacement and

resistance to economic inclusion; clarifying rights and status determination; recruitment and employer resistance; decent work conditions and avoidance of exploitation, marginalization and gender discrimination; and

- mediating variables such as: macro- and micro-economic conditions, fiscal policy and private investment conditions; policies for the urban economy; access to finance and micro-enterprise start up; establishment of mechanisms and associated methods for scaled-up development through the Merchant Bank; and mechanisms for job/skill management and supply opportunities for displaced-party-owned and hiring enterprises.

The Commission notes the benefit of a vision of a community inclusive of the displaced, urges that the agencies and coalitions suggested under the Pillars on the Narrative and the Merchant Bank in advancement of that vision be adopted, and stresses that inclusion involves definite responsibilities of the displaced as well as the host community.

Inclusion involves definite responsibilities of the displaced as well as the host community.

PILLAR VI – Technology: In Support of the Goals

Modern technology has the potential to significantly improve the response to situations of forced displacement and the lives of those displaced. Already we are witnessing widespread use of mobile technology by refugees who obtain information about safe travel routes, stay connected with family and their home communities, receive assistance through cash transfers on mobile phones, and seek services and employment opportunities in places of settlement. “Apps” have been created by refugees, aid organizations, advocates, the private sector, and through “hack-a-thons” to harness mobile technology to improve service and protect rights. The World Commission envisions further development and use of technology to pursue a number of goals.

Further, connectivity, communications, data gathering and processing is a central aspect of new technologies. Data is highly relevant to sound policy development – identifying the needs and evidencing what has worked and what has not. This often requires disaggregation across the forced displaced communities for both these reasons. Such data gathering and mining is uneven in many settings, perhaps most seriously among the less well-served in society.

On displacement related issues, data gathering has been noted to be inconsistent at best, with some countries collecting different levels of detail and many countries not collecting any data at all in a marginalized community.

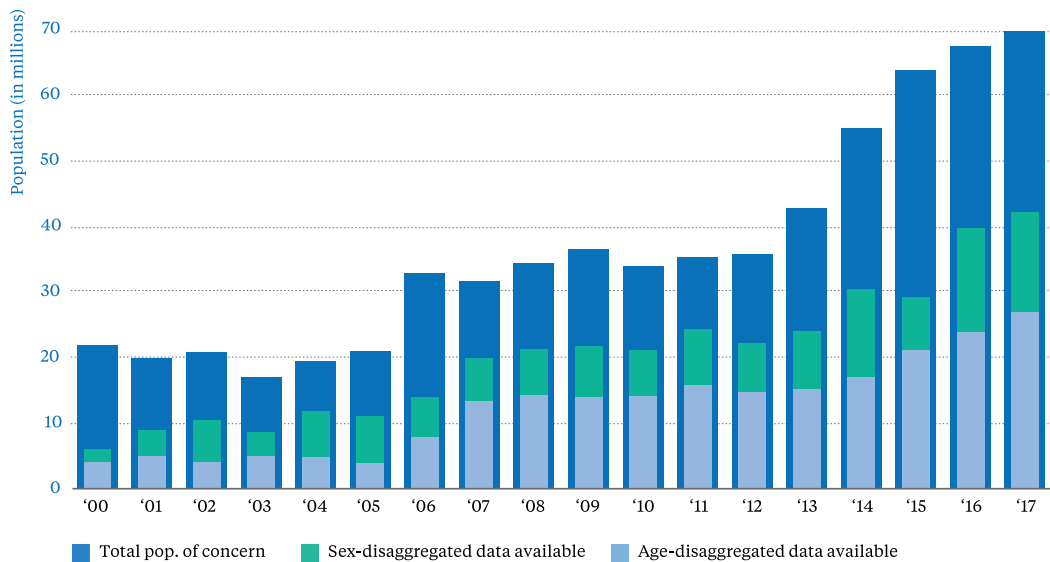
Technology can help improve service and protect rights for refugees.

Improved and consistent collection and disaggregation of data would better identify number, location and need of vulnerable populations. The application of communications and information processing technologies for the displaced could have a measurable and positive impact on data gathering all along the forced displaced spectrum – if that is flagged as a priority. For example, UNHCR notes age-disaggregated data for 27.0 million, but sex-disaggregated data of only 12.6 million of the 68.5 million displaced⁽⁵⁸⁾.

⁽⁵⁸⁾

UNHCR Global Trends 2017, Demographic and Location Data, page 58

Figure 11: Coverage of sex and age disaggregated data for UNHCR's population of concern 2000-2017⁽⁵⁹⁾



While the data is incomplete it offers a window into the demographic similarities and differences across individual locations, regions and countries. Using this data could help to identify the number, location and need of vulnerable members of any group, including the displaced:

- children at risk from separation from their families, lack of educational opportunities and protection from neglect and trafficking;
- women for addressing the need for establishing equal rights, accessing livelihood opportunities inside and outside the home, vulnerability to sexual and gender based violence, and access to reproductive health services;
- LGBTQ persons in need of safe access to services, healthcare, livelihood opportunities, and protection from discrimination and violence;
- disabled persons to help identify health care needs, reduce stigma and discrimination and identify ways to improve inclusion in society; and
- workers with particular skills for job matching and potential for new business ventures.

Improved and consistent collection and disaggregation of data would better identify number, location and needs of vulnerable populations.

⁽⁵⁹⁾ UNHCR Global Trends 2017, page 58

The availability of more accurate information could significantly impact the planning and response in areas of current and potential need for aid, protection, job creation in host communities and ultimate inclusion of the displaced in their new locations.

**Secure Personal
Identification of Forcibly
Displaced Persons**

Persons forced to flee their homes are often unable to take with them documentation that establishes such information as their identities, citizenship, and place of birth. “Block chain technology” is now being explored as a way to preserve information in a manner that cannot be altered and that is accessible to forced migrants as they travel and settle in other countries. An “e-identity” could also assist displaced persons in maintaining medical information, establishing money transfer and banking opportunities and receiving humanitarian assistance.

**Maintaining Social Ties
with Family, Friends and
Communities**

Large numbers of forcibly displaced persons maintain personal Facebook pages, both to record their experiences and to maintain connections with family and friends. Websites and Facebook pages are also used to establish virtual communities among persons who have fled from one state and are now residing in a number of other countries. The communication among the displaced also includes information on security risks and conditions and opportunities at different points in the journey. These sites also permit forcibly displaced persons to “tell their stories” to an outside, online world.

**Remittances and
Transfers**

Large numbers of migrants and increasing numbers of refugees use electronic money transfer facilities for remittances to support the material, development and sometimes life sustaining needs of family and friends in their countries of origin. Reverse flows also take place from diaspora to refugees and between refugees, for example from urban settled refugees to family in camps. These electronic transfer mechanisms offer the potential to reduce economic vulnerabilities of refugee households, underpin, albeit localized, local development opportunities, and also to play an important and less visible role in sustaining local communities.

**Educational
and Livelihood
Opportunities**

A number of initiatives have given refugees, both in camps and self-settled, access to educational materials via the internet – including opportunities to earn a college degree. Culture and entertainment can also play a role in the lives of the displaced and modern media, programming can cultivate pride, identity and might help the prospects of a constructive relationship of host and displaced as well as support for the critical need for an embrace of pluralism. Efforts are now underway to establish platforms that can link the forcibly displaced, who can identify their skills and qualifications, with potential employers, who list job opportunities.

Technology provides a new and expansive outlet for the existing creative economies of hand-craftsmanship, innovative design and gig economy related jobs that make it easier to undertake certain ventures. These operations might now require less capital, permit flexible hours and provide access to larger markets. These features accommodate particularly, but not exclusively, women who are also expected to maintain a home, care for children and elderly parents, if not also aspects of a community, and also facing harassment when attempting to work outside the home.

**The Importance
of Internet
Access**

The promise of technology depends upon expanding connectivity to and for forcibly displaced persons, who are generally an underserved population and not included in hosting state broadband plans. UNHCR has announced a goal of universal access for refugees, and the Draft of the Global Compact on Refugees includes a commitment to “promote internet connectivity and access to new technologies for host communities and refugees to support online livelihood opportunities.” The World Commission endorses these efforts.

Gender-specific access and training should be available to address the gender gap in internet use which is growing wider. Globally the gap rose from 11% to as much as 13.4% in 2016 by some measures and the gap in Least Developed Countries (LDCs) is 31%⁽⁶⁰⁾. An Office of the High Commissioner on Human Rights (OHCHR) Report notes that “gender digital divide is both a consequence and cause of violations of women’s human rights” and recognizes that the digital gender divide is also about translating access into empowerment for women and girls to be able to have broader influence in society; participate politically; and have an impact on the rights of women and girls to have access to: work, reproductive health services, education consistent with their male counterparts, and to

⁽⁶⁰⁾ See Web Foundation <https://webfoundation.org/news/DiggingintotheDataonGenderDigitalDivide>, October 31, 2016 and Measuring the digital divide: Why We Should be Using Women-Centered Analysis

engage in the cultural life of their communities⁽⁶¹⁾.

Additionally, more than half the world's population is under the age of 30⁽⁶²⁾. In 2017, estimates were that 53% UNHCR's population of concern are under the age of 18. Engaging and encouraging youth to communicate in a positive manner via social media would help to counteract the efforts of extremists and terrorists in displaced populations. ISIS successfully recruited 27,000 fighters between 2011-2017⁽⁶³⁾. ISIS used encrypted messaging apps to organize and carry out the November 2015 Paris attacks. An estimated 90,000-200,000 pro-ISIS messages were posted daily across social media platforms in 2015.⁽⁶⁴⁾

The deployment of modern technology to provide identification, services, opportunities and connectivity to the displaced aids in the management of the situation as well as the pursuit of improved lives.

⁽⁶¹⁾

See <http://www.ohchr.org/EN/Issues/Women/WRGS/Pages/WaystoBridgetheGenderDigital.aspx>

⁽⁶²⁾

<https://KofiAnnanFoundation.org>

⁽⁶³⁾

A. Kirk (2016), 'Iraq and Syria: How many foreign fighters are fighting for Isil?' The Telegraph [online], 24 March www.telegraph.co.uk/news/2016/03/29/iraq-and-syria-how-many-foreign-fighters-are-fighting-for-isil

⁽⁶⁴⁾

The Islamic State's use of online social media', Military Cyber Affairs. www.scholarcommons.usf.edu/mca/vol1/iss1/4

Consultation and Dialogue – Role of the Commission

Given current political moods, the prospect of recognizing an ‘all interests’ mutually beneficial strategy, while challenging, might be found in an investment/development strategy. If a development strategy is likely to appeal to governments looking to potentially improve conditions, it should be pursued on its own without requiring action on the other recommendations which may encounter different resistance. Education on the links to the effectiveness of development in addressing the issues of forced displacement arising from the other recommendations should continue.

Whether endorsed for reasons of containment, moral imperative, or economic/social/political impacts, or costs and opportunities, effective collaboration on such a plan would build some trust among the countries involved that would help to address other issues. Significant development would offer political and real benefits noted under Pillar I on Development in the form of:

- higher investment yields, exports, employment and the benefits of enhanced growth for donors; improved macroeconomic conditions generally, if such investments help to break the investment constraint of low yields due to surplus savings and low interest rates; and globally increased output for other uses;
- enhanced incomes and fiscal capacities for host states and the displaced; and a response to the call for support (‘responsibility sharing’) made of the Global North, even if this is not an ‘open door’ commitment;
- improved stability, security and social cohesion in an interconnected world, eventually saving money through the reduction of humanitarian dependencies and decreasing security expenditure in a more stable environment. The inadequacy and unreliability of the contributions on which humanitarian support depends is a further motivation to advance a development strategy.

Significant development would offer political and real benefits.

Political progress would be more promising with development policies being segregated from other issues, particularly from immigration, that attracts opposition and even hostility. This does not suggest that more importance is attached to

development over any other issue. Attention to impacts from any unaddressed segments of the displaced for community stability by addressing any unprotected displaced populations; definition and enforcement of rights; adequacy of resources for humanitarian needs; fair distribution of burdens; constructive community dialogue over best practices; and the critical issue of pluralism are all important. It does, however, suggest that the recommendations are interrelated but also addressable separately; and that each issue will have its own political dynamics.

As the World Commission moves to a period of consultation on its recommendations, we welcome thoughts and suggestions on how we might have our work best serve the public interest, in constituencies of donors, hosts and displaced – those carrying disproportionate burdens and those who are victims of circumstances beyond their control; those bearing the human, social and economic costs of forced displacement; and those expected to support the displaced. The burdens are longstanding and borne by many of the same people over extended periods. The dimensions of the problem are growing worse. There is no single remedy and no universal solution. We do well, however, to review, update and expand our tools – debate and experiment – with methods and mechanisms that might just improve the lives of a number of people caught-up unfairly in conditions of deprivation that we can do something to ameliorate without great sacrifice to ourselves. And, of course, the best should not be the enemy of the good.

Political progress
would be achieved
by implementing
development policies
even separately from the
other recommendations.

The Chumir Foundation

The Chumir Foundation for Ethics in Leadership is a non-profit foundation that seeks to foster policies and actions by individuals, organizations and governments that best contribute to a fair, productive and harmonious society.

The Foundation analyzes contemporary issues that it selects as subjects of societal importance; and facilitates open-minded, informed and respectful dialogue among a broad and engaged public and its leaders to arrive at recommendations for public policies and actions that aim at community betterment.

In this project, the Foundation has convened the **World Commission on Forced Displacement**, a diverse international group of experienced policy and political figures under the Chairmanship of H.E. Heinz Fischer. The Commission has been advised by a world wide **Steering Committee** of scholars and practitioners overseeing research, analysis of past experience and proposing contemporary solution-oriented policies. The Foundation and Commission have addressed overall best practices for dealing with forced displacement. It has devoted considerable attention to the issue of gainful employment for those displaced as well as to the needs, benefits and methods of drawing the private sector into an investment role as part of a development-oriented response to the challenges of forced displacement. It has, in a separate Report, (<https://ChumirEthicsFoundation.org/ReportofWorldCommission>) made recommendations on other aspects of policies regarding displacement: those to be accorded protection and support; the fair sharing of the burdens to which displacement gives rise; a constructive public narrative permitting more solution-oriented political action; the responsibilities of all involved to address the ultimate objective of inclusion and rebuilding of lives of those affected; and the use of modern technologies to best accomplish the goals. All of these elements are considered in the context of the effective support of development and transitioning of those affected from humanitarian dependency to self sufficiency.

The Commission initiative follows a global conference, the ‘Congress of Vienna 2015’, organized by the Foundation to consider new ideas for public interest responses to significantly destabilizing situations in the world community. For more information about the Foundation, please visit www.ChumirEthicsFoundation.org.

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The **World Commission on Forced Displacement**, convened by the **Chumir Foundation**, is a global gathering of a diverse group of experienced policy and political figures under the Chairmanship of H.E. Heinz Fischer and advised by a global Steering Committee of scholars and practitioners. Their mission has been to examine the current plight and destabilizing impacts of 68.5 million, and growing numbers, of forcibly displaced people and to recommend practical solution-oriented policies and actions for the various parties involved. The Commission makes six principal recommendations.

A central recommendation is that of a development investment policy aimed at gainful employment of the forcibly displaced and those in their host communities. This is seen as essential to any durable ‘solution’. Private sector investment is necessary for a meaningful scale of response to the challenge. A ‘Merchant Bank’ is proposed—mandated to make strategic use of limited public sector funds to develop and de-risk business conditions for venture and infrastructure projects, permitting large amounts of private sector capital to be invested, in challenging market conditions. This reallocation of capital is both manageable in magnitude and method and expected to be beneficial for donors, investors, host communities, those displaced and societies at large.

The other principal recommendations address best practices and international standards to protect, foster development, and encourage two-way behavior to advance the prospects of ultimate inclusion in communities for all forcibly displaced people seeking to rebuild their lives that were disrupted by conditions beyond their control. Risk and burden-sharing; best technologies for facilitation of support, services and opportunities; and initiatives for better informed public opinion and social cohesiveness are principal aims of these recommendations.