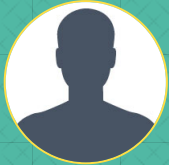


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# How do we bring economics into the humanitarian space?



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The global wave of refugees and displaced persons presents an overwhelming challenge to agencies, NGOs and supporting services driven by conflicts and environmental crises. Traditional donor dependency and relief models look less and less sustainable in a world of economic downturns and donor fatigue. There has to be a new way forward backed by the private sector and civil society, where refugees become economic actors with rights, instead of helpless dependents.

Developing countries can gain from refugee flows - they just need to use economics in humanitarian interventions. Instead of allowing economic growth to be undermined by islands of dependency among refugees and displaced persons, we can use market-driven approaches to accelerate development to meet humanitarian needs.

As the Oxford Refugee Studies Centre has pointed out, many refugees are hosted for more than 17 years in the countries they take refuge in, and that private sector solutions must replace traditional refugee assistance. Refugees and victims of war and famine in South Sudan, Somalia, Northern Uganda and Northern Nigeria are all in urgent need of income that can be sustained for however long they are displaced. We need economics with a smiling face and a social perspective in order to offer alternatives to dependency.

Since 2016 Uganda has been adapting to the influx of refugees to the country from South Sudan. The national government, donors, and refugee support agencies have had to quickly put together a response that avoids prolonged dependence and minimizes the prospect of alienated youth, crime and violence. Failure risks

destabilization, dissidence, and perhaps illegal migration to Europe or other parts of Africa.

Donors and development contractors have to think their way through this. The penalty for not getting ahead will be to have long-standing development interventions sunk by a wave of new social and political problems. Adaptation and innovation will mean that we meet humanitarian needs with updated and adapted market development strategies, leading to accelerated and more sustainable development.

There is also a brutal truth to why we need to bring markets into humanitarian programmes: donors will not be able to pay for long-term dependency – not least due to the current mix of Western disillusion and populist realpolitik in international affairs. And rapid development rather than transitional dependency is the best way to make the best of the support currently available.

Uganda is a useful case study because it has highly progressive refugee policies. Government and communities are welcoming newcomers out of solidarity and as an economic asset. Community Refugee Hosting Areas (CRHAs) are being used to allocate land, with resources going 70% to refugees and 30% to the hosting population.

A recent UNHCR survey shows how programmes such as NUTEC, a UK government funded agricultural development programme managed by Palladium, can adapt to the economic demands of refugees. 50 per cent of refugees sampled in ten community hosting areas all over Uganda reported they had some access to land, of which half was allocated by the government, 23 per cent was rented, 19 per cent had been provided by local communities and eight per cent was borrowed. The survey also revealed production of sorghum, maize, millet, simsim, cassava and potatoes by refugees in Northern Uganda. To boost production and incomes, refugee farmers were shown to need improved access to seeds, production tools, equipment and storage.

NUTEC is supporting Uganda's efforts to boost development among refugees by focusing on opportunities for agricultural market based input and aggregation models. This means promoting value chains where small scale farmers directly serve nearby markets for growing populations. It also means strengthening large-scale commercial farming and its capacity for the production of staple foods, and linking aggregators to smallholder producers. Systemic market development approaches focused on value chains to improve input supply, production and distribution, have great potential.

Bringing market development into humanitarian responses offers the prospect of more sustainable livelihoods for refugees, avoiding the consequences of long-term dependency. In so doing we can also protect existing market development projects

threatened by such conditions and use them as platforms to build a comparative advantage in rapid economic responses. These can be adapted and deployed wherever and wherever such challenges arise, and starting now gives us the chance to learn for the future when similar challenges arise again.

We need to bring economics into the humanitarian space, before our failure to do so threatens economic development itself.

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