Critical Evaluation of Methodological and Analytical Tools to Assess the Costs and Impacts of Forced Displacement

KNOMAD Conference and Policy Forum: Impacts of Refugees and IDPs on Host Countries and Host Communities

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1. Context

1. Objectives
• explore methodological and analytical challenges in econometric evaluations
• comprehensive evaluations, not specific sectoral or spatial analysis
• enhance the quality of the econometric tools

2. Impacts of forced displacement on refugees and host countries and communities

3. Paradigm shift - development-led and resilience-based
2. Purpose and Scope – what is being measured and how?

1. Quantify and model macro- and micro- economic shocks

2. Quantify and model socio-economic impacts on affected populations - profile poverty, vulnerability and welfare (PVW)
2.1 Quantifying and modelling economic impacts: approach and methodologies

Partial equilibrium modelling (PEM) methodology
• economic, human development, (infrastructure) impacts, and key sectors

Challenges
• availability of data and counter-factuals
• metrics and factor in insecurity and uncertainty spill overs
• factoring in effects of economic shocks
• estimate the growth impacts of forced displacement
2.2 Quantifying and modelling impacts on affected populations: poverty, vulnerability and welfare

Methodologies less systematic, instruments more diverse

Challenges

- aligning different actors’ variables, definitions and metrics
- access relevant and robust data sources
- develop econometric model with key predictors of target population’s welfare
- distinction between welfare and poverty modelling
- distinguishing between monetary and non-monetary vulnerability
2.2 Quantifying and modelling impacts on affected populations: poverty, vulnerability and welfare

- narrow range of welfare and poverty predictors
- expenditure aggregates more reliable than income data as poverty line indicator
- case (ie household) size most important variable, 18% of welfare variability; 22% of poverty variability
- housing conditions second most important factor explaining welfare and poverty
3.1 Dealing with Counterfactuals

Counter factual rather than difference-in-difference

• three stage method: i) baseline prior to shock; ii) performance of each sector; iii) difference between actual performance and estimate performance without displacement

Issues

• availability of baseline and time series data
• selection of variables to measure counter factuals
• exogeneity
3.2 Dealing with Data Availability

Nature, adequacy and accuracy of data problematic, main limitation to analysing impacts

- macro-economic rely on secondary data
- micro-economic, human development and social impacts, secondary data and primary data

Innovations data collection

- clustered, multi-level and stratified methodology
- ‘stress level’ calculation: higher prices, food production deficits and IDP inflows.

None of case studies used Needs Assessment Surveys
4. Conclusions

- PEM more or less standardised tool
- socio-economic impact methodologies – diffuse, problems of alignment
- cross-cutting problems of counter factuals, exogeneity, data availability and analysis
- lack of data to capture speed of socio-economic change
- lack of multidimensional instruments to measure and monitor fragility
- political economy questions
- measuring peace- and state-building
- multiplicity of actors
Thank you

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