

96th Congress }
2d Session }

JOINT COMMITTEE PRINT

1021

INDOCHINESE REFUGEES: THE IMPACT
ON FIRST ASYLUM COUNTRIES
AND
IMPLICATIONS FOR AMERICAN POLICY

A STUDY

PREPARED FOR THE USE OF THE
JOINT ECONOMIC COMMITTEE
CONGRESS OF THE UNITED STATES



NOVEMBER 25, 1980

Printed for the use of the Joint Economic Committee

U.S. GOVERNMENT PRINTING OFFICE

69-826 O

WASHINGTON : 1980

1501

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LETTERS OF TRANSMITTAL

NOVEMBER 21, 1980.

To the Members of the Joint Economic Committee:

I am pleased to transmit for the use of the members of the Joint Economic Committee, other Members of Congress, and the interested public a study entitled "Indochinese Refugees: The Impact on First Asylum Countries and Implications for American Policy."

The study was prepared by the Congressional Research Service at the request of the Joint Economic Committee. The cooperation of Gilbert Gude, Director of the Congressional Research Service, is gratefully acknowledged.

It should be understood that the views contained in the paper are those of the author and not necessarily those of the Joint Economic Committee or individual members.

Sincerely,

LLOYD BENTSEN,
Chairman, Joint Economic Committee.

NOVEMBER 18, 1980.

HON. LLOYD BENTSEN,
*Chairman, Joint Economic Committee,
Congress of the United States,
Washington, D.C.*

DEAR MR. CHAIRMAN: I am pleased to transmit a study entitled "Indochinese Refugees: The Impact on First Asylum Countries and Implications for American Policy."

The study was prepared by Dr. Astri Suhrke under the direction of Alfred Reifman, Senior Specialist in International Economics, Congressional Research Service. The study was supervised for the Joint Economic Committee by Richard F. Kaufman. The assistance of Stanley J. Heginbotham and James W. Robinson of the Congressional Research Service, and Charles Morrison, formerly on the staff of Senator William V. Roth, Jr., is greatly appreciated.

Sincerely,

JOHN M. ALBERTINE,
Executive Director, Joint Economic Committee.

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INDOCHINESE REFUGEES: THE IMPACT ON FIRST ASYLUM COUNTRIES AND IMPLICATIONS FOR AMERICAN POLICY

(By Astri Suhrke)*

I. THE NATURE OF THE PROBLEM

A. Introduction

As of mid-1980, the international response to the Indochinese refugee problem had become well established, providing improved, predictable first asylum conditions in Asia and rapid resettlement of Laotians, Vietnamese, and a small number of "old" Khmer (those arriving in Thailand before October 1979). The Khmer on the Thai-Kampuchean border (the "new" Khmer who arrived after October) present a more intractable problem. About 160,000 remain in holding centers in Thailand and only some categories are considered for resettlement. Most of the 400,000 or so that earlier were concentrated on the border had by August 1980 gradually returned home, but this trend could be reversed by intensified fighting or renewed famine in Kampuchea.

The success of the program for Laotians and Vietnamese has the effect of increasing the flow of refugees attracted by liberal first asylum conditions and the prospect for rapid resettlement. Present rates suggest an annual outflow of at least 80,000-100,000 from Laos and Vietnam, even though the Government of Vietnam (SRV) no longer condones departures and the Government of Laos recently instituted liberalizing economic reforms.¹ American refugee officials expect this rate to continue for some time. Most observers think that if Vietnam permitted or encouraged departures, as many as 1 million (many ethnic Chinese), would choose to leave.

Most recent arrivals are "low-risk" refugees that do not belong to harassed minority groups, do not have close family ties in the United States, and were not associated with American programs during the war (66 percent of those in the initial processing phase for entry into the United States in March-April 1980 fell in this category IV of

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¹ This is a conservative estimate. Boat arrivals from August 1979 to April 1980 (when the SRV discouraged departures) averaged 4,867 monthly. These months include approximately equal proportions of favorable and unfavorable weather periods for sailing. Land arrivals during the 6-month period of November 1979-April 1980 averaged 5,000; most of these were from Laos. This period includes a large number of good weather months for crossing the Mekong River and the annual projection may be adjusted downward, although the monthly average of land arrivals during the last year has been higher (5,880). A monthly average of 4,500 boat arrivals and 4,000 land arrivals gives an annual total of 102,000. The upward trend continued in mid-1980: boat arrivals averaged 5,250 monthly in May-June and land arrivals averaged 9,275 monthly.

"other" under the American preference criteria for Indochinese refugees).²

It may be asked whether American policy towards Indochinese refugees adequately reflects these new realities, or if present programs will become increasingly vulnerable to domestic criticism concerning cost and equity considerations in overall American refugee policy.

The central question for the United States is whether or not to support current programs in order to offer an alternative to Indochinese peoples who would otherwise live under Communist rule. The answer to that question is partly shaped by the difficulties of changing programs once they have been established. Any attempt to restrict the inflow of Indochinese refugees could endanger those trying to reach safe haven, leave the approximately 220,000 currently in first asylum camps (not counting the displaced Khmer) to an uncertain future, and jeopardize American relations with the first asylum countries. For instance, a mere restriction of the American intake, as suggested in a June 1980 Senate resolution, by itself will only shift the burden to the first asylum countries.

Possibilities for voluntary repatriation or local integration (in countries of first asylum) remain limited. Other countries show little inclination to compensate for a major reduction in the American resettlement quota (currently 14,000 monthly). Consequently, attempts to restrict the present American programs would raise questions about the need for additional steps to limit the refugee population in first asylum areas. While not easy, ways of establishing a screening in first asylum areas and a process of orderly return might be considered, as well as long-term measures to reduce the outflow.

American options are limited by the need to consider the interests of the first asylum countries. These will be discussed more fully below, but three points are noted here:

(i) The major first asylum countries, Thailand and Malaysia, have shown willingness to provide safe haven to refugees only if there are reasonable guarantees that the refugees will be resettled elsewhere. Otherwise, they will probably again push back refugees. The Thai Government, which permits displaced Khmer on its territory pending a clarification of the conflict in Kampuchea, will find it difficult to maintain an open policy unless it is assured that other refugees from Laos and Vietnam currently in first asylum camps in Thailand will be resettled elsewhere.

² Based on 32,472 cases that were prescreened or given INS approval in March-April. This includes all those in this stage of the processing in first asylum areas except for those in the Philippine camps where comparable figures for April were not available. The distribution according to the American preference criteria for the 32,472 cases was: category I: 12.5 percent (close family ties in the United States); category II: 2 percent (former employees of the United States); category III: 19.3 percent (those associated with American programs during the war; most Hmong highlanders escaping from Laos fall in this category); and category IV: 66.1 percent "other". A recent U.S. Embassy report from Bangkok confirms that most of the recent arrivals from Vietnam are ethnic Vietnamese, and many are peasants and workers who are not "high-risk" political refugees. Many of the recent arrivals from Laos are from the farming population in the southern panhandle. These usually end up in the Ubon Ratchatani camp in Northeast Thailand (population 22,000 as of May 1980). This camp registered over 7,000 new arrivals in January-March 1980. Source: U.S. Office of the Coordinator for Refugee Affairs, and "Report of the Migration Center at Ubon," Province of Ubon, April 1980 (in Thai).

(ii) The Southeast Asian countries that provide first asylum (the members of the Association of Southeast Asian Nations, ASEAN), are considered politically and economically important to the United States.³ The ASEAN states have been of increased importance to the United States since the Communist victories in South Vietnam, Laos and Cambodia, and have become a focus for American efforts to promote stability in the region. A large refugee presence in the ASEAN countries could create domestic unrest and jeopardize current friendly relations between the United States and the ASEAN countries.

(iii) The ASEAN governments generally do not share some basic assumptions underlying American policy towards the Indochinese refugees, notably that it is important to provide a non-Communist alternative to the peoples of Indochina. They are worried about the costs and precedent of granting liberal first asylum, and question the equity of facilitating a large scale international movement of Indochinese, as compared to other peoples. They view the Indochinese refugee problem as originally an American problem, in that the first waves of refugees mainly consisted of persons closely associated with the previous American-supported regimes in Indochina. Subsequent outflows, they maintain, must also primarily be accommodated by the United States because it is the richest and leading non-Communist power. The ASEAN countries—although middle income among developing nations—can only offer temporary safe haven to refugees and consider a very small number for permanent resettlement.

B. Evolution of American Policy and Programs

Current programs to assist Indochinese refugees have evolved from crisis events. Communist victories in mid-1975 required evacuation of persons closely associated with the *ancien regimes*. When the SRV condoned departures and/or expelled ethnic Chinese in late 1978 and early 1979, the sudden, massive flow made unprecedented demands on neighboring countries for first asylum, and on other countries for rapid resettlement. The substantial increase in resettlement quotas offered at the July 1979 Geneva conference by the United States and other countries resulted in a rapid resettlement rate which since has been maintained. Moreover, the need to assure first asylum countries that they would not be left with a residual permanent refugee population (and hence resort to "push back") led third countries to process for resettlement all those who had made it to first asylum areas ("new" Khmer excepted). The United States, which since late 1976 had included a residual category of low-risk "other" in its admission criteria partly for this purpose, responded by stepping up the processing of refugees in category IV. As a result, virtually any person who now flees Laos and Vietnam is likely to find safe haven in neighboring countries, and can expect fairly rapid resettlement. This prospect tends

³ The ASEAN countries together constitute the fourth largest trading partner of the United States. American direct foreign investment in the ASEAN region totalled \$3.4 billion in 1978, equivalent to 15 percent of direct American investment in the developing countries (including South Korea and Taiwan). About 10 percent of American oil imports come from Indonesia. For a recent discussion of American-ASEAN relations, see Laurence Stifel, "ASEAN Cooperation and Economic Growth in Southeast Asia," *Asia Pacific Community*, 1979.

to encourage future refugees, even those who are not fleeing immediate threats to life and property.⁴

This result—whether or not intended in original policy—apparently has been accentuated by bureaucratic rigidities and a strong defense of current policy in the implementing bureaucracy. The principal agent in establishing preference criteria for admission, prescreening in first asylum areas, and providing information about refugee flows, is the Office of the Coordinator for Refugees Affairs in the Department of State. The office, and especially the field branches in first asylum areas, is staffed to a large extent by persons from other government agencies who asked to do refugee work because of their expertise and previous experience in Indochina during the war.⁵ Many express much personal conviction and support for a main principle underlying American policy—that the United States has a special responsibility towards those Indochinese who cannot, or will not, remain after Communist victories. This sentiment seems to combine with a general bureaucratic interest in defending current programs. American refugee officials in Thailand, for instance, have been reluctant to publicize information that many Hmong refugees (perhaps 40 percent of the approximately 50,000 currently in camps in Thailand) are not interested in resettlement in remote, industrialized countries, nor is a smaller number of lowland Lao.⁶ Some U.S. refugee officials fear that this information might be taken to mean that current American resettlement quotas could be reduced. Similarly, field officials have been vigilant in monitoring local authorities to insure that liberal first asylum is granted and that good conditions prevail in the camps. UNHCR sources argue that opposition from U.S. refugee officials in Thailand was a main reason why a preliminary agreement between Thailand and the UNHCR in 1977 to screen incoming refugees from Laos and return those considered “economic refugees,” came to naught. Some UNHCR officials also claim that American field officers have at times appeared to promote wider resettlement of “new” Khmer on the Thai-Kampuchean border at a time when this was discouraged by Washington and the UNHCR.⁷

⁴ Vietnamese who in late 1979 started to move into Thailand via Kampuchea (the “land Vietnamese”) so far have not been brought under UNHCR protection and allowed into the resettlement stream. The UNHCR fears that to do so might encourage a further outflow that would overtax present resources available for care and resettlement. Presently 2,000-3,000 “land Vietnamese” are in a Thai Army supervised camp (“Northwest 9”), and their numbers have not increased as of late. The importance attached to increased certainty in the first asylum and resettlement process has been repeatedly illustrated. For instance, in the Nongkhal camp in Thailand, opposite the Laotian capital of Vientiane, an apparently typical procedure is for one family member to arrive first, sign up for resettlement processing, and then go into town to telephone remaining family members in Laos and tell them to come out. Where telephonic contact is not available, most camps for Laotian refugees have organized groups that will return to Laos and (for a substantial fee) fetch remaining relatives. Similarly, as reactions in Southeast Asian first asylum areas became overtly hostile to Vietnamese boat refugees in early 1979, a number of boats attempted to steer directly to designated UNHCR camps to have some assurance of protection. By early 1980, arriving boats were commonly equipped with maps where UNHCR camps were clearly designated.

⁵ For instance, the three main officials in the U.S. Office of Refugees in Kuala Lumpur, Malaysia, in early 1980 were all airlifted out of Saigon in April 1975; the head of the Bangkok office took some celebrated personal initiatives to rescue South Vietnamese from Saigon just before the city fell; the Bangkok office had in early 1980 a staff which represented a combined 67 years of work experience in Laos prior to 1975.

⁶ In the main Hmong camp in Thailand (Ban Vinai in Loel province, which in January 1980 had a camp population of 32,000), American processing officials report a “no show” rate of around 40 percent, i.e., those who have signed up for resettlement in the United States, have been processed and presumably are ready to go, but who do not show up when the buses come to take them out. Thai officials in the camp claim that the majority of the Hmong are not interested in resettlement but sign up for the processing in order to appear as bona fide refugees. A “no show” response among lowland Lao is primarily evident in the Ubon camp, where American officials estimate a 20-30 percent rate.

⁷ For instance, a UNHCR sample survey of socioeconomic characteristics of the Khmer in the Khao I Dang holding center showed a predominantly middle-class composition. UNHCR officials explained this partly with reference to “an atmosphere of resettlement” created by American officials working in the field when the holding center was established. Some UNHCR officials complain over confusion created by apparent divergencies between American policy as stated in Washington, and what is implemented in the field.

The United States has rejected resettlement as the most desirable and only possible solution for the majority of the displaced, "new" Khmer. This is because of the numbers involved, because it is assumed that most of them wish to return to their own country, and because it is not seen to be in American interests to depopulate Kampuchea of ethnic Khmer, as this would consolidate Vietnamese hold on the country.

Repatriation of Khmer prior to a political settlement in Kampuchea is very difficult, however, because the Vietnamese-supported Heng Samrin government fears that resistance fighters (Khmer Rouge and Khmer Seri) would be in the forefront of the returnees. A limited program of voluntary repatriation in June 1980 led Vietnamese units in Kampuchea to retaliate by attacking Thai border areas—not surprisingly, as a number of the returnees were Khmer Rouge.⁸ The UNHCR and the Thai Government had previously discouraged resettlement processing of Khmer in holding centers (except for a few cases of family reunion), but after the June events a slightly larger number were included in the resettlement stream. The additional 400,000 or so displaced Khmer in the border region were only given food and medical supplies and were expected gradually to drift back to Kampuchea when conditions there improved. By August 1980 only 50,000–100,000 were still left.

As for the Vietnamese and Laotians, a combination of liberal first asylum and rapid resettlement ("pull" factors) with extremely difficult conditions at home ("push" factors) will probably create a continued outflow for some time. Life in both countries remains hard for most people, including ordinary peasants and workers. Laos is one of the poorest countries in the world (with an estimated per capita income of U.S. \$60 annually). Severe problems of postwar economic rehabilitation and development have accentuated the strain of integrating a geographically dispersed and ethnically diverse population into the new Communist political order. In Vietnam, postwar economic rehabilitation has been slowed by the conflict with China and in Kampuchea, as well as the isolation from Western sources of foreign aid. Political repression and restrictions (including conscription for Kampuchea, Northern cadre hegemony, and police corruption) continue to cause discontent in the South. There are few prospects that these conditions will change in the foreseeable future. The potential pool of refugees thus extends to large population segments in both countries.

In sum, the Indochinese refugee problem has acquired two new dimensions: a change in the composition of arrivals from Laos and Vietnam, and the appearance of a sustained refugee flow.

⁸ Khmer Rouge leaders in the Sa Keo holding center in Thailand had staged rallies to mobilize people to sign up for repatriation when the program was announced. Khmer Rouge controlled the border points where repatriation took place. Washington Post, June 24, 1980.

II. U.S. POLICY AND THE COUNTRIES OF FIRST ASYLUM¹

An examination of American policy towards Indochinese refugees, and possible changes in current programs, must take into account the impact on the first asylum countries. Otherwise, the welfare of the refugees and American relations with the first asylum countries might be jeopardized.

The ASEAN countries have received about 80 percent of the Indochinese refugees seeking first asylum in Asia, not counting an estimated 200,000–300,000 who have crossed from Laos and Vietnam into China. As of early 1980, almost 500,000 refugees had passed through or remained in first asylum areas in the ASEAN region. (This does not include the displaced Khmer on the Thai-Kampuchean border.) Since the main burden of providing first asylum has been felt by the ASEAN countries, and because of their close relations with the United States, only these countries will be discussed here.

The first asylum burden has been unevenly distributed among the ASEAN states. Singapore has consistently refused first asylum unless prior guarantee of resettlement is made.² There are other differences in the ASEAN governments' response to the refugee problem, but increasing attempts to coordinate policy make it possible to discern what may be called a common ASEAN stance.

The conflicting implications of a policy that emphasizes good first asylum conditions and rapid resettlement are fully recognized by the ASEAN governments. They have repeatedly stressed that they can only provide safe haven to refugees if third countries offer rapid resettlement. On the other hand, they fear that the prospects of rapid resettlement and generous first asylum conditions stimulate the inflow of refugees. While there is some sympathy in official ASEAN circles for persons fleeing oppressive or difficult conditions in Indochina, there is concern that the refugee flow creates serious problems for first asylum countries—as well as raising some troublesome questions of equity and precedent in the international movement of people.

The ASEAN governments find the international response to the refugees uncertain and selective. Offers of resettlement depend on political exigencies in third countries, and there is no guarantee how long quotas offered at ad hoc international conferences will be maintained. Moreover, the United States (which so far has taken over half of the refugees) is criticized for applying a selective admission criterion.

¹ Much of the information used for this report was collected during fieldwork in the ASEAN countries in February–March 1980. Dr. Pasuk Pongpaichit of Chulalongkorn University assisted with the section on Thailand; Dr. Zakaria Haji Ahmad of Universiti Kebangsaan Malaysia assisted with the section on Malaysia.

² Singapore's obvious space limitation (225 square miles of territory) has generally been accepted by the other ASEAN countries as a sufficient justification. The Singapore Government has fixed the maximum number of refugees allowed on Singapore soil at any one time to 2,000. Merchant ships picking up refugees from smaller boats are not given permission to unload refugees in Singapore if the present count exceeds 2,000. Refugee boats sailing directly to Singapore are denied entry.

Even though category IV is of a "catchall" nature, persons in this category receive lowest priority for resettlement. Until late 1979, most of those resettled were in higher priority categories. The ASEAN governments object that they might be left with a residue of refugees, many of whom probably would be unskilled, diseased, or have criminal records.³ The problems caused by providing first asylum thus would be perpetuated and aggravated.

Broader implications of assisting large-scale movement of people have been noted. A number of refugees belong to ethnic minority groups (Chinese from Vietnam; Vietnamese, Chinese and hill tribes from Laos). International support for these refugees tends to legitimize the principle that ethnic groups which cannot be integrated in one country have a right to move elsewhere. This principle is of some concern to the ASEAN governments which preside over multi-ethnic states, including large Chinese minorities, and have tended to affirm a contrary principle; ethnic diversity must be taken as a given, and ethnic minorities must find their place in the national body politic. Otherwise, sundry groups may demand first asylum.

There is also the equity question. The ASEAN governments view the refugees as "illegal immigrants" (except for the "new Khmer" where the UNHCR designation of "displaced persons" is accepted).⁴ This terminology was partly adopted to accentuate the general ASEAN position that the refugees can stay only temporarily. It also reflects a feeling that many refugees are migrants who move for economic reasons. While in camps they enjoy food, medical and housing standards which sometimes surpass that available to the local population and at any rate is provided free of charge, and they are given assisted passage to the rich nations which is denied Southeast Asians who come from non-Communist countries. A sense of inequity is reinforced by traditional ethnic animosities and national rivalries.

Despite these considerations and the perceived costs of providing first asylum, the ASEAN countries granted first asylum rather freely when the arrivals were relatively few (up to mid-1978), and, with some notable exceptions, continued to permit first asylum despite vocal protestations after that. There are several reasons why first asylum was generally maintained:

First, the United States strongly emphasized the need for generous first asylum. The ASEAN governments increasingly appreciate the importance of good relations with the United States in view of the growth of Vietnamese power, and the opportunities this might open for expanded Chinese and Soviet influence in the region.

³ Categories I-III in U.S. admission criteria (i.e., persons with family and employment ties to the United States) probably have a larger proportion of educated persons than does category IV ("other"). As for the medical cases, American immigration procedure requires "medical hold" for persons with contagious diseases such as tuberculosis. This has affected a substantial number of refugees who cannot leave first asylum camps until they are clear. Persons with criminal records can be admitted to the United States if a waiver is granted except in the case of drug trafficking. Conventional wisdom among processing officials working in first asylum areas is that persons who need waivers to enter the United States tend to go to Sweden (ex-Communists, prostitutes, and drug traffickers) and that Switzerland has been taking a number of TB cases. There are no systematic data to substantiate this.

⁴ In Thailand, refugees picked up by Thai authorities are treated as illegal immigrants, which usually means detention by Thai police or immigration authorities before they are transferred to UNHCR camps. The camps are officially called "center for migrants" ("soon poo opayob"). In Malaysia, the refugees are called VIIIs (Vietnamese Illegal Immigrants) and the national task force on refugees is named Tasks Force VII. Similarly, the Indonesian task force is known as Panitia Pengalolahan Pengungsi Vietnam (dubbed P3V). The term for refugees ("pengungsi") is also used for migrants.

Second, to refuse first asylum as a matter of consistent policy would violate humanitarian principles, invite international condemnation for opprobrious conduct, and conflict with standard U.N. procedures.⁵ The consequences of denying first asylum to boat refugees and to displaced Khmer are particularly severe. The former cannot easily be sent home (unlike those from Laos who only required escort to the Thai-Laotian border), and the latter would face uncertain, and at one time chaotic, conditions in the Kampuchean border provinces.

Third, offers of greatly increased international assistance in mid-1979 promised to relieve some of the strain on the first asylum countries. The July 1979 Geneva conference to assist the Indochinese refugees was called primarily in response to pleas from the ASEAN states. But enhanced international support also limited the freedom of the ASEAN countries to restrict first asylum. Frequent, publicized cases of "push back" would invite criticism from those countries which the ASEAN governments needed most to relieve the burden by resettlement and financial assistance. The ability of the ASEAN authorities to minimize "pull" factors by making camp conditions unattractive likewise became restricted.⁶ Financial assistance channeled via the UNHCR to maintain the camps means that certain standards must be met; a swarm of foreign visitors to see the camps created additional pressures to provide good facilities.

Finally, some of the political side effects of assisting the land refugees have not been entirely unwelcome. The relief operation on the Thai-Kampuchean border to some extent aids the Khmer resistance groups that are fighting the Vietnamese-supported Heng Samrin government in Kampuchea.⁷ This has been of no great worry in official Thai circles, and positively encouraged by some who saw Thai cooperation in the relief program in the same light as the decision to open the border to Khmer refugees: it gives anti-Heng Samrin forces a resource base in their struggle.⁸ This attitude is not fully shared by other ASEAN governments, however, as evidenced by increasing problems of maintaining a joint ASEAN position on the Kampuchean question. The Indonesian and Malaysian Governments suggested in early 1980 that the ASEAN countries must take an initiative in seeking a negotiated settlement in Kampuchea as the present situation encourages Chinese influence in the region. The Thai Government, vocally supported by the Government of Singapore, is relatively more concerned about Vietnamese influence and the need to restore a Khmer buffer state between Thailand and Vietnam.

⁵ None of the ASEAN states are signatories to the 1951 United Nations Convention Relating to the Status of Refugees and its 1967 Protocol.

⁶ Malaysian officials sometimes refer to "the Thai policy" of making camps as unattractive as possible to reduce the inflow of refugees; within Malaysia, state officials in Kuantan have been accused by UNHCR officials of doing the same to the Cherating camp there. In both countries, substantial improvement in camp conditions have taken place recently.

⁷ The border feedings tend to be controlled by Khmer group leaders (as numbers involved make it impossible to distribute rice directly to each individual person). Armed groups—the Khmer Rouge and various loosely labeled Khmer Seri units—are able to control key points in the internal distribution system. Moreover, an open border provides de facto sanctuary to armed Khmer resistance/insurgency forces.

⁸ Local Thai civilian officials in the border region maintain that Thai officers assist Khmer resistance insurgency units—especially those in the Khmer Rouge dominated holding center in Sa Keo—in moving into Kampuchea to fight Vietnamese units. The commanding officer in that part of the border region, Colonel Prachak, has long been characterized by the Thai press as a "young Turk" who is vehemently opposed to the Vietnamese presence in Kampuchea, and at one time created some difficulties for Prime Minister Kriangsak Chamanand.

As for Laos, the consequences of a generous first asylum policy for continued conflict in that country are not accorded much importance by the ASEAN countries except Thailand. The camps for refugees from Laos are located in the Thai border regions and serve as a resource base for insurgents operating in Laos. A main reason why Hmong highlanders are not particularly interested in third country resettlement is that they are still fighting the Pathet Lao Communists who are now in power. There is considerable movement of Hmong back and forth across the Thai-Laotian border as the war in Laos continues.⁹ There are also signs that camps for lowland Lao in the northeastern border region of Thailand are used by refugee/insurgents, loosely organized under the name of "lao goo chad" ("recovering Laos"). The camps provide free facilities, including medical services, and the Lao can move relatively freely in and out of camp.¹⁰ It is not clear if, or to what extent, these activities are supported by (possibly local) Thai authorities. The prevailing sentiment in official Bangkok circles is that such activities would be counterproductive; Thailand can only benefit from maintaining a correct and cordial relationship with the Government of Laos as this helps to check Vietnamese influence in that country.

While the ASEAN governments frequently criticize international support as being inadequate, and tend to question the underlying validity of a large-scale movement of Indochinese peoples, they have been unwilling or unable to suggest alternative ways of dealing with the problem. They would no doubt welcome a screening of refugees seeking first asylum, such as that proposed by the UNHCR and the Thai Government with respect to "economic" and "political" refugees from Laos, but they have not taken a firm stand on this question with respect to either Laotian or Vietnamese refugees. Although troubled by the probable "pull" effects of a rapid resettlement rate, they are more worried that a screening by third countries would leave a large number of "economic" refugees in first asylum areas. Moreover, by stressing the difficulties of local integration, they have probably contributed to the international emphasis on resettlement as the only practical "durable solution."

The general disposition of the ASEAN governments to leave policy initiatives in matters of Indochinese refugees to the UNHCR and the United States, and to accept—however reluctantly—their role as providing first asylum, will probably continue as long as (i) the direct economic costs of maintaining camps and the Khmer relief operation are covered by foreign sources, (ii) third countries maintain a sufficiently high resettlement rate to visibly draw down the camp population, (iii) the refugees do not arrive en masse in big vessels (as

⁹ Some of the traffic allegedly also consists of opium smuggling. Reluctance among Hmong to move away from the border region has been explained by the extraordinary subservience in Hmong society to its leaders some of whom have not given up the hope to win the war against the Communists. The most famous Hmong leader, "General" Vang Pao fled to the United States with many of his followers after 1975. Other Hmong have turned down opportunities for resettlement in the United States in favor of China, where apparently they hope to be located in the Chinese-Laotian border region. This area is topographically and ethnically similar to those inhabited by the Hmong in Laos, and conveniently close for those wishing to return to fight, or for other reasons. China has agreed to accept some Hmong for resettlement. China's relations with Laos have deteriorated after the 1979 Sino-Vietnamese war and as a consequence of Laos' close ties with Vietnam.

¹⁰ Foreign medical personnel in the Ubon camp, for instance, note the recurrence of regular patients with old gunshot wounds. Some Lao refugees readily admit that they return to Laos "to collect intelligence."

happened in early 1979), and (iv) the ASEAN governments are confident that their policy is rewarded by a generally supportive relationship with the United States, as manifested in American assistance on a wide range of issues not directly related to refugees.

The ASEAN governments made efforts to present a united ASEAN policy in late 1978 and early 1979 and will likely continue to do so. Solidarity has been increasingly stressed in view of the unsettled political conditions in the region, and recent progress in coordinating foreign economic policies has been heralded as a sign that the organization is maturing.¹¹ Failure to coordinate refugee policy would strain existing cooperative endeavors, invite a "beggar-thy-neighbor" policy whereby refugees boats are pushed from one ASEAN country to another (as in early 1979), and, most important, would weaken their ability to bargain with third countries for resettlement quotas and financial assistance to cover the direct economic costs of first asylum. The doubling of the American resettlement quotas from 7,000 to 14,000 monthly in June 1979, it will be recalled, was in response both to publicized cases of Malaysian "push off" and joint ASEAN protestations that first asylum could no longer be provided, culminating in the firm stance taken by the ASEAN foreign ministers at the June 1979 meeting in Bali.

¹¹ For instance, ASEAN-EEC ties were strengthened at the 1979 conference in Indonesia; there has been some progress in development of industrial complimentary plans.

III. IMPACT ON THE ASEAN COUNTRIES

A. General

The reluctance of the ASEAN countries to house large numbers of refugees stems from the social, political and to a lesser extent the economic costs incurred by providing asylum, and suspicion that a residual refugee population might be left in the future. These considerations are especially salient in Thailand and Malaysia, but also to some degree in Indonesia. In Singapore and the Philippines, the number of refugees is so small as to have had a negligible impact on the national policy and economy.¹ Only the first three countries will be discussed here.

Direct economic costs of maintaining camps are covered by the UNHCR and voluntary agencies. The relief operation on the Kampuchean border is financed by international contributions channeled through the ICRC and UNICEF. Direct and indirect administrative costs incurred by the host governments are not reimbursed. Critics argue, however, that corruption in the handling of supply contracts is an indirect form of reimbursement for administrative expenses. Moreover, infrastructure to accommodate refugees sometimes has a lasting value for the host country. This is of minimal consequence in Malaysia (partly because the Government has discouraged development of good, permanent facilities for refugees), but of some local importance in Thailand (see below) and in Indonesia (for instance, a jetty built by the UNHCR to facilitate transport of refugees to and from the Galang Island was constructed to meet specifications 10 times larger than those needed by the UNHCR, and will be of military and civilian use in the future).

Only in Thailand have the economic consequences of the refugee presence been somewhat controversial. Rapid inflation, contributing to Prime Minister Kriangkak's fall in February 1980, and a bad drought in 1979-80 made the Thais cost conscious. The Government claims the presence of over half a million refugees has meant substantial costs for Thailand, while critics maintain there are numerous benefits.²

The size and impressive growth of the economy in these three countries suggest that the economic impact of the refugee presence is not very significant in national terms. Thailand, with a GNP of U.S. \$18 billion (1976), had a 4.2 percent average annual growth of GNP per capita in 1970-76; the corresponding figures for Malaysia are U.S. \$12 billion and 4.7 percent, and for Indonesia U.S. \$32 billion and 5.3 percent. These growth rates were generally maintained in the

¹ The Philippines had a first asylum population of around 7,000 at its height. The Government has agreed to have a processing center (RPC) for refugees destined for third countries after initial processing. The RPC at present holds 10,000 persons and an expansion is planned. Construction of the RPC is estimated to cost \$19.3 million, with the United States contributing 50 percent.

² See Thai Ministry of Interior publications, "Our House Is Full" (n.d.) and "Solving the Problems of Migrants from Laos, Kampuchea and South Vietnam," Bangkok, 1977 (in Thai).

latter part of the 1970s, especially for oil-producing Indonesia and Malaysia. The GNP per capita figures for Malaysia and Thailand (respectively U.S. \$930 and U.S. \$420 in 1977) place them among the more prosperous of the "middle income" developing countries, while Indonesia's huge population (134 million in 1977) brings down the GNP per capita figure (U.S. \$300 in 1977).

The number of refugees relative to the national population is miniscule in Indonesia (the largest number at one time was 50,000), somewhat greater in Malaysia (with a national population of 13 million and a refugee population of 75,000 at its height), and even in Thailand has not exceeded 1.5 percent of the national population.

The refugee issue, nevertheless, has acquired an importance in these countries which is far greater than the above figures would indicate. Deep currents of societal conflict combine with sharp inter-elite competition to limit the willingness and ability of ruling parties to manage additional problems. These three governments are especially sensitive to refugees because their very presence—and the possibility that it might be a long stay—accentuates underlying societal conflicts and the vulnerability of existing regimes. As discussed more fully below, the refugee presence has inflamed local ethnic tension, intensified a pattern of unequal economic competition and stimulated inflation in first asylum areas. The attention and treatment accorded the refugees, who are generally well fed and cared for, contrast with the usual poverty and public policy neglect of the rural population in outlying provinces where the refugees generally are concentrated. This has raised anew questions regarding the appropriate internal distribution of wealth and income, the role of particular ethnic groups in the political economy, and the corruptibility of existing elites. These issues can be used in interelite competition to embarrass the ruling party.

Persistent Communist insurgencies in Thailand and Malaysia, and ethnic and religious tension in Malaysia and Indonesia, make it possible for militant groups to exploit contentious issues. Security risks are further increased as Communist infiltrators from Indochina may slip through the door opened to refugees. All three governments claim to have detected Communist infiltrators among the refugees. In Thailand, the presence of Khmer Rouge units, which until 1979 actively assisted Thai insurgents in the border region, is viewed with some apprehension even though the Khmer Rouge now are fighting the Vietnamese in Kampuchea.

Support from Communist countries to indigenous subversive movements is viewed as a major security threat in all ASEAN countries. The ease with which people from Indochina could reach ASEAN shores even in small, leaky boats, or cross the border into Thailand, reinforces concern with national security and a disinclination to be generous in granting first asylum. The sense of being invaded felt in small coastal and border communities as hundreds, and in the case of the Khmer thousands, of refugees suddenly appeared on their doorstep also extended to the national capital. Singapore's outspoken Foreign Minister put it most bluntly: "This is a preliminary invasion to pave the way for the final invasion."³

³ S. Rajaratnam, "Vietnam and the Refugees," Ministry of Foreign Affairs, July 1979, cited in Frank Frost, "Vietnam, ASEAN and the Indochina Refugee Crisis," in *Southeast Asian Affairs 1980*, Singapore ISEAS, 1980.

B. Country Analysis

THAILAND

1. *Economic Impact.*—The economic consequences of the Khmer relief operation are more important than those relating to the refugees in regular UNHCR camps because of the numbers of refugees involved (up to half a million Khmer at one time as against a regular refugee population of 170,000 at its height), and different amounts of expenditure. International organizations (IOs) spent about \$100 million in Thailand during the first 6 months of the Khmer relief program (October 1979–March 1980) and projected an additional \$140–\$180 million in local purchases for the remainder of 1980. A presumably smaller amount was spent by foreign financed voluntary agencies.⁴

On balance, the IO expenditures for the Khmer relief operation represented a net foreign exchange gain for Thailand. A large part of the expenditure was for nontraded items (charcoal, water, construction, and services) which have a small foreign exchange component. Additional fuel imports required to meet IO demands seem small in relation to the total Thai fuel import bill.⁵ The main foreign exchange loss was the opportunity cost of rice purchased by the United Nations World Food Program (WFP). The Thai Government agreed in late 1979 to exempt the WFP purchases from the rice premium (export tax), thus foregoing about \$3–\$4 million in foreign exchange between October 1979 and March 1980, assuming that an equivalent value of rice otherwise would have been exported.⁶

Local purchase IO expenditures during the first 6 months of the Khmer relief operation are equivalent to less than 2 percent of the average annual value of Thai exports in recent years.⁷ To this must be added substantial transfers of gold and silver from Kampuchea and Vietnam, primarily to finance import of goods from Thailand via the huge market that sprang up at the open sector of the border where the refugees were concentrated. Khmer Seri soldiers organized the trade of precious metal, which local bankers in the border town of Aranyaprathet estimated to value \$15 million monthly (equivalent to 3.5 percent of the monthly value of Thailand's commodity export in 1979). This trade dwindled after the Thai Supreme Command closed the main market in late March 1980.

The foreign exchange gain was particularly welcome in view of Thailand's persistent balance of trade deficit in the 1970s, and a worsening of the balance of payments deficit since 1977.⁸

There was probably a net loss of government revenue. Exempting the WFP purchases from the rice premium meant a revenue loss. Heavy use of the road network by supply trucks going to the border repre-

⁴ Estimates of foreign financed IO local purchases are based on UNHCR budget reports, and information from the ICRC (Bangkok office) and the UN/WFP (Bangkok office). No central estimate of foreign exchange related expenditures by voluntary agencies is available, but it probably would be much less than the IO expenditure.

⁵ The value of Thailand's fuel import in 1977 was \$1,000 million. The IOs probably spent no more than \$10–\$20 million on fuel during the first 6 months of the relief operation, mainly to truck supplies to the border.

⁶ The export premium is about \$35 per ton for broken rice. The WFP bought low-grade 30 percent broken rice which has a low export value but some of it is customarily sold to low-income developing countries. There is also a domestic substitution factor. During the first 6 months of the program, the WFP purchased about 100,000 tons of rice, or equivalent to 3 percent of Thailand's average annual rice export in 1977–79.

⁷ Based on figures for 1975–77, including goods and services.

⁸ The deteriorating foreign exchange situation led Thailand to request standby credit from the IMF in December 1979.

sented a future cost.⁹ Most important, there were substantial administrative costs. High-level government officials in the Ministry of Foreign Affairs and the Prime Minister's Office, whose time had a high opportunity cost, were increasingly preoccupied with refugee related matters, including negotiations to ensure that the relief operation would continue beyond the first 6-month budget period of the IOs. The Supreme Command, which assumed overall administration responsibility for the border region, established a separate office to deal with the IOs in Bangkok and dispatched additional units to the border. Local officials were, nevertheless, overwhelmed as the arrival of the Khmer literally doubled the normal population of Prachinburi province. It is difficult to make a quantitative estimate of administrative costs, but the magnitude is suggested by recalling that most of the Khmer refugees constitute a disorganized mass of partly armed and fighting refugees, attracting an estimated 50,000 Thai traders and a somewhat smaller number of foreign relief workers. Establishment of holding centers for another 141,000 Khmer meant additional administrative work.

Against this the Government could count tax revenue derived from the increased domestic production and trade generated by the Khmer, and a 5 percent import duty of fuel consumed by the IOs. Tax evasion is typically high in Thailand, however, and it is doubtful if the additional tax exceeded \$3 million in the first 6-month relief period.¹⁰

Some gain was derived from camp improvement that included permanent structures (e.g., rebuilding of the Nongkhai camp after the fire, estimated to cost \$1 million; and plans for construction of new holding centers for displaced Khmer in 1980 to withstand the rainy season, estimated to cost \$20 million). These structures might be of some use to local authorities when (or if) the refugees depart.

Fighting between Khmer refugee-soldiers and Vietnamese units has occasionally spilled over onto the Thai side of the border, and in June 1980 included sizable Vietnamese raids across the border. However, the cost of additional military deployment to deal with the deteriorating security situation is only partly related to the recent refugee influx. The Thai Government started to improve border defenses soon after the 1975 Communist victories in Vietnam and Kampuchea, and accelerated this program when Vietnam invaded Kampuchea. Similarly, the Government's claim that 80,000 Thai villagers in seven border provinces have been adversely affected by the war in Kampuchea and the refugee inflow must be assessed in a broader context. Frequent disturbances by Thai and Khmer insurgents, and early refugees from the Pol Pot regime in the 1975-78 period, made the Government strengthen village defenses and prepare to relocate the villages closest to the border. Such border disturbances seem to have declined after the January 1979 Vietnamese invasion of Kampuchea, while the thousands of refugees who arrived after mid-1979 are concentrated in a sparsely populated district (amphoe Ta Praya) of Prachinburi province.

⁹ For instance, heavily loaded water trucks made an average of 100 trips daily to the holding center of Khao I Dang only.

¹⁰ This is a very rough estimate. Central government taxes totalled \$2,000 million in 1977. The entire North-east Region with a population of 13 million people contributed less than 5 percent of this. If the displaced Khmer generated twice the tax revenue of a similar number of local Thai (as suggested by the doubling of tax revenue in Aranyaprathet district after the displaced Khmer arrived) this would mean a tax revenue of about \$3 million during the first 6-month period of the relief program.

From a national perspective, the Khmer relief operation had a marginal impact on Thai consumers and producers. WFP rice purchases constituted a very small part of aggregate demand and the price of rice is principally determined by the world market price.¹¹ The purchases might have affected the urban poor, however, who would normally buy low-grade broken rice.

The impact in the border region, by contrast, was substantial. Prices in the nearest border town of Aranyaprathet doubled between October 1979 and March 1980. Water and charcoal were scarce despite high prices as supply of both items is inelastic.¹²

The boom economy in Aranyaprathet and other provincial towns meant offsetting benefits. Local farmers benefited mainly by becoming traders, as shortage of water in the dry season and a prevailing pattern of subsistence farming made it difficult to adjust production to a sudden increase in demand. Small traders and farmer-traders were able to capture part of the huge market serving the Khmer border squatters partly because, in this particular case, the Thai regional commanding officer limited the value of goods supplied daily by individual traders to 300 baht (\$15). A small trader who made two trips daily could count a profit of 100-200 baht by the evening—a considerable amount for a farming population where the average monthly income per person for the poorest 45 percent was 162 baht in 1975-76. After the main border market was closed, the big holding center for principally middle-class Khmer in Khao I Dang (population: 111,000) sustained a continued, brisk trade. In the Sa Keo holding center, dominated by Khmer Rouge, there was neither the money nor the inclination to do much trading.

The big contracts to supply the refugees usually went to a few established merchants or Bangkok based companies, including the water contract which IO officials estimated to \$16,000 a day. Local traders also faced stiff competition from merchants from other provinces who came to set up shop in the border region, both small traders and large silver and weapons dealers. The benefits of the boom were thus unequally distributed and not confined to the local population.

The long-term costs now apparent were mainly in the form of substantial deforestation, as Khmer refugees and Thai entrepreneurs engaged in uncontrolled cutting to provide firewood.¹³ This cost would eventually be borne by the local producers since the soil is naturally arid in this part of the country and deforestation further reduces the ability of the soil to hold water. On the other hand, although the local population deeply resented what they viewed as "diversion" of scarce water to the refugees (as brightly painted trucks ferried water through the drought-stricken province), the cost to local Thai farmers was low. UNICEF obtained water either by drilling wells or pumping from a river some miles away from the border concentrations. Even if UNICEF had not taken this water it would have been of little use to Thai

¹¹ Annual paddy production is about 15 million tons.

¹² The 1979/80 season was exceptionally dry. Trucking of water from other provinces has become more expensive after repeated increases in the retail price of gasoline (in mid-1979 and in February 1980). As for charcoal, the Thai Government has tried to reduce deforestation by controlling production and limiting interprovincial trade of charcoal.

¹³ The mountain behind the Khao I Dang holding center—with a population making it the third largest city in Thailand—was almost denuded by early 1980. There had also been extensive illegal cutting in areas around the border concentrations.

farmers since lack of infrastructure in this region generally limits agriculture to rainfed production.

The economic impact of refugees in regular UNHCR camps in other parts of the country is insignificant in terms of foreign exchange (UNHCR spent \$37 million in the 1975-79 period, and an additional \$21 million was budgeted for 1980.) There is probably a small net revenue loss to the Government since the camps are administered by the Ministry of Interior, requiring diversion of manpower on the national and provincial levels as well as to the camps directly.¹⁴ For Thai producers and consumers, a small scale version of the pattern evident in the border region seems to prevail. Large contracts for regular UNHCR rations (rice, oil, dried or canned food) are channeled via provincial government officials to large merchants. The amounts involved for the big camps can be substantial. In the Nongkhai camp (population 27,000 in January 1980), the estimated annual value of contracts for UNHCR rations is 14 million baht (\$0.7 million), or equivalent to the entire development budget for Nongkhai province with a population of over half a million people.¹⁵ There is probably a slight inflationary impact in the provinces where the camp population exceeds that in the provincial towns (as in Nongkhai and Loei) since regular rations are usually bought in the main provincial towns. Small local producers and traders usually benefit from the informal markets that spring up around the camps and serve the in-camp markets. The trade is primarily financed by remittances to the refugees from relatives abroad, or by precious metal or savings brought along. Remittances alone can sustain a brisk trade in the wealthier camps. In Nongkhai, for instance, remittances were estimated to 1-2 million baht per month in early 1980, and probably a significant stimulus to the economy of the nearby provincial capital (population 22,000) where average annual household income was around 36,000 baht in 1975 (and probably around 12,000 baht in surrounding rural households).

Problems of water and charcoal are less severe in the regular camps than in the border relief operation. There has been some illegal cutting, especially in Loei province, but the smaller number of refugees involved and established contracting procedures facilitate a regular supply of charcoal. The camps usually have their own wells which supply most of the water needed. A different problem has arisen in the camps for lowland Lao. Ethnic similarities between lowland Lao and Northeastern Thais make it relatively easy for the Lao refugees to slip into nearby town where they compete in an already depressed market for unskilled labor in the dry season. The resultant anger among peasants and workers reinforces a sense that there is a fundamental inequity in the treatment of refugees as compared to poor Thai.

2. *Political Impact.*—The refugee presence is generally seen to involve two kinds of inequities. First, economic benefits from the refugees tend to be unequally distributed, with large merchants and strategically placed government officials reaping the main benefits. A

¹⁴ The large camps have 10-15 Thai Government officials plus 60-80 security guards (usually low-paid "asa somak", a type of volunteer). A special Operations Office for Displaced Persons was established in the Ministry of Interior, headed by a former Undersecretary of State and with a staff of at least 100.

¹⁵ "Annual Report of the Province of Nongkhai." Provincial Administration, 1979, p. 3 (in Thai).

pattern of unequal competition and distribution of income is reinforced. Second, the border regions where the refugees are concentrated are among the poorest in Thailand. The free facilities and attention given the refugees contrast with poverty and public policy neglect of the rural population in these areas. In the Northeast region alone, almost 40 percent of the population have incomes below the estimated level of "absolute poverty."¹⁶ The Thai political elite readily recognizes that regional and urban-rural disparities in income constitute a major challenge to the country's development strategy. The Government is especially uncomfortable having to defend a policy whereby Indochinese peoples are given assistance in Thailand, while poor Thai are not.

The anomaly of this situation is accentuated by traditional ethnic animosity or condescension towards the Indochinese peoples. There is also considerable doubt—expressed by government officials both on the provincial and the national level—that all refugees are fleeing political persecution. Stereotypes of lowland Lao ("lazy," "easygoing") are frequently invoked to explain why these leave Laos; Vietnamese refugees are sometimes viewed as about-to-be dispossessed rich Chinese or simply as poor Vietnamese. Local government officials and foreign relief workers suggest that a number of Thais from the Northeast region would not only qualify as "economic" refugees, but that some have in fact slipped into the camps in the Northeast to be processed for entry into the United States.¹⁷ The mass of displaced Khmer is more readily acknowledged to consist of bona fide refugees, but the Government claims that conflict in the Thai-Kampuchean border region has disrupted village life and displaced a large number of Thais who should be entitled to international assistance as well. The Government has, with UNICEF's assistance, prepared a \$18 million program for rehabilitation and development in the seven provinces along the Thai-Kampuchean border, but so far only UNICEF has promised financial support.¹⁸

The outlying provinces are also the ones where insurgency has traditionally been strong, especially in the Northeast and in the hill tribe region bordering on Laos. The Government is worried that refugee camps in these areas will cause additional discontent and/or provide a cover for Communist infiltrators. More generally, insofar as the camps tend to encourage clandestine movement across the border, their very presence obviously conflicts with the Government's policy of controlling and reducing such traffic as much as possible. The displaced Khmer present particularly troublesome security problems. The eastern provinces along the Kampuchean border are sparsely populated and relatively close to Bangkok. It is argued that the mass of refugees inhibits Thai military operations in the border area at a time when Vietnamese units in Kampuchea make enhanced defense imperative. Khmer resistance groups—alongside or among the refugees—are welcome in the sense that they oppose the Vietnamese, yet at the same time they attract Vietnamese fire and increase the possibility of escalation to involve Thai units.

¹⁶ U.S. AID, "Country Development Strategy Statement, Thailand," 1979.

¹⁷ Informed camp workers in Nongkhai estimate that 10 percent of the camp population are Thai.

¹⁸ See "Outline of Government Plans for the Thai Population in Seven Provinces Affected by the Influx of Khmer Refugees," UNICEF, Bangkok, January 1980, prepared in cooperation with the Interministerial Task Force, Government of Thailand.

Tension arising between Thai officials, on the one hand, and representatives of foreign governments and the IOs on the other, is perhaps symptomatic of underlying differences in interest and add to the perceived costs of providing first asylum. As in the case of the American military presence in Thailand during the Vietnam war, politically sensitive questions about Thai sovereignty in Thai territory arise in many ways. Local officials complain that UNHCR and American officials interfere in their work by monitoring for "push back" of refugees (or "returning illegal immigrants," as Thai officials put it), and by making public accusations of fraud in the handling of UNHCR contracts. International pressure on the Government not to forcibly repatriate displaced Khmer after the infamous repatriation in June 1979 is another case in point.

Some circles in Bangkok accept the view, principally associated with General Kriangsak, that it is in Thailand's interest to provide refuge to the displaced Khmer on the border as these constitute a "human buffer" between Thailand and Vietnam. It is not clear if this view is widely shared by supporters of General Prem, who assumed power in March 1980. Public expressions of opinion have been almost uniformly critical of the refugees, and the issue has been used in elite competition to challenge those associated with a relatively open first asylum policy.¹⁹ In view of this, the Government's cooperation with the IOs and American policy so far represents a considerable effort at accommodation. "Push back" of refugees from Laos, for instance, appears to have been drastically reduced from what was previously acknowledged as a standard procedure.²⁰

The costs of providing first asylum even when third countries permit a rapid resettlement rate thus are considerable. To this is added the suspicion that a residue might be left indefinitely, and aggravate problems caused by present minorities of Vietnamese, Lao, Hmong, and Khmer. In the Government's view, existing minorities have generally presented nothing but problems, with the partial exception of the Chinese.²¹ More Indochinese are not welcome, although the lowland Lao are less strongly resisted than the Khmer, the Vietnamese and the hill tribes from Laos. Moreover, if the refugees were to remain in outlying provinces, this would mean additional population pressure on infertile land. In the case of the Laotian hill tribes, it would mean accepting ethnic minority groups accustomed to poppy growing and slash-and-burn techniques which the Government is trying to reduce among the present hill tribes in Thailand.

¹⁹ A National Assembly report of July 13, 1979, strongly criticized an open first asylum policy. Former Foreign Minister Thanat Khoman led the attack. Public sentiment against Vietnamese and Khmer refugees so appalled members of the Thai Civil Rights Union that they organized a small mercy mission to help the Khmer on the border in October 1979. "to show that we are all human," as one said. Prime Minister Kriangsak's support for a relatively open first asylum policy was possibly a factor in his fall. His foreign minister, Sithi Sawetsila (retained by General Prem) has been criticized by some high-ranking military officers for being too "pro-American" in refugee matters.

²⁰ "Report of the Nongkhai Center for Migrants," Nongkhai Provincial Administration, 1980 (in Thai), states that provincial authorities "try to intercept and chase out" the refugees ("migrants") from Laos. Local officials still complain that American and UNHCR officials are interfering in their efforts to control the cross-border traffic.

²¹ Many of the 50,000 Vietnamese living in Thailand are refugees from the French war in Indochina. The Government suspects they may be a potential fifth column and has tried to repatriate them, but with little success. Bangkok's relationship with hill tribes in the North (including Hmong) has been marked by much conflict. The ethnic characteristics of the northeastern people (basically Lao) tend to place them in a position of a minority, and this is sometimes used to explain the persistent insurgency in that region.

MALAYSIA

The economic impact of the refugee presence in Malaysia (about 75,000 at its height) is only significant because of its political implications. The UNHCR budget for camps in Malaysia was around U.S. \$30 million in 1979—less than 0.5 percent of the annual value of Malaysia's merchandise export in recent years. Costs incurred by the Government and not reimbursed by the UNHCR were easily affordable in view of Malaysia's thriving economy, according to Federal Government spokesmen. Much of this expenditure was for increased naval surveillance to control and prevent refugees from landing (estimated to cost around U.S. \$11 million in the first 5 months of 1979 when Malaysia tightened its first asylum policy) and naturally could not be covered by an organization with a mandate to aid refugees. Direct administrative costs were primarily for in-camp personnel (from the Malaysian prison service), security guards, and a national task force established to deal with the refugee question.

The local economic impact, however, is related to the politically sensitive question of the relationship between Malays and Chinese (35 percent of Malaysia's population is Chinese). As in Thailand, the refugee presence stimulated a local boom economy. The immediate benefits tended to accrue to local Chinese merchants, partly because they control the main trading sector, and partly because government efforts to isolate the refugees and minimize contact with the local population led to centralized contracting procedures and minimal involvement of small, local Malay traders.²² Benefits accruing to Malay producers "downstream" were not very visible, while the spot inflation that typically occurred in the areas where the refugees were concentrated was felt by the Malay community.

The arrival of the refugees thus touched the core of the delicate relationship between Malays and Chinese. It seemed to epitomize Malay fears that Chinese preeminence in the economy could not be altered despite continued Malay leadership in the ruling multiethnic coalition (Barisan Nasional), and despite the explicit goal of the New Economic Policy instituted after the race riots of 1968 to foster the growth of economic power among the Malays. More directly, racial tension arose as many of the predominantly ethnic Chinese refugees landed in the east coast states of Kelantan and Trengganu—the "heartland" of Malay nationalism—and violent incidents between the refugees and the local population occurred. When the big vessels arrived in early 1979, the Government gradually toughened its stance to culminate in the publicized statement by Deputy Prime Minister Mahatir in June 1979 that refugees would be shot on sight (later said to be a misquotation).

The Government's firm stand was partly designed to focus international attention on the problem so that the refugees could be resettled as soon as possible. It was also a response to internal political challenges. UMNO's efforts to represent the entire Malay community led it in this case to take an uncompromising position. The threat from the main Malay opposition party (PAS) was not entirely discounted

²² This is less true of the first period of Bidong camp when local Malay small traders and producers brought a floating market to the island.

despite PAS' defeat in the 1978 state elections in Kelantan, and the inability of PAS to score on the refugee issue as demonstrated in UMNOs victory in July 1979 by-election in Besut, Trengganu. Perhaps more important, East coast UMNO members, Malay youth groups and UMNO Youth pressed the Government to take a firm line, and UMNO party elections were approaching by mid-1979. To accommodate the refugees came increasingly to be viewed as tantamount to not protecting Malay interests in the broader relationship between Malays and non-Malays at home. Factions associated with UMNOs traditional emphasis on multiethnic comprise had no strong reason to urge moderation since the Chinese in Malaysia tended to disassociate themselves from the entire refugee issue.²³ It was in some ways a low-cost opportunity for UMNO leaders to demonstrate their credentials as defenders of legitimate Malay rights, a role which recently had been challenged in other connections.²⁴

Yet, the Government was, and is, genuinely fearful that a large, conspicuous presence of Vietnamese refugees—even if only temporary pending resettlement elsewhere—may cause racial tension and threaten the framework for ethnic cooperation that so far has been the basis for economic growth and political stability in Malaysia.²⁵ It matters little if future refugees are ethnic Vietnamese or Chinese since the Malays tend to perceive them as Chinese. Other issues are also involved. Opposition groups have pictured the refugees as a subtle invasion force from Communist Vietnam, and the Government has done little to dispell the "fifth column" image. Moreover, critics have argued that the ability of the refugees to land in Malaysia demonstrates that the Government is ineffectual.

The Government has designated the refugees as "Vietnamese illegal immigrants" (VII). Towaway operations have been estimated to include around 7,000 VIIs from 1975 to 1978 (about 10 percent of total arrivals), and 41,000 between January and June 1979.²⁶ Since then, first asylum generally has been granted in return for increased resettlement. The Government fears, however, that a liberal first asylum policy encourages a further influx of refugees. The increased arrivals in early 1980 are explained by two factors, according to the national task force on refugees: (i) Improved weather conditions, and (ii) feedback information to potential refugees that Malaysia is no longer towing refugee boats out to sea.²⁷

INDONESIA

The refugee presence in Indonesia is small, concentrated in outlying and sparsely populated islands (Riau and Anambas group), and has a very limited domestic impact. The Indonesian position is still of

²³ Chinese welfare associations in Malaysia have quietly collected money to assist the refugees, perhaps because, as one Chinese leader said, they think they may be on a boat themselves in the future. There have been almost no public statements by the two main Chinese parties, the opposition Democratic Action Party and the National Front member, the Malayan Chinese Association, on this issue. The Malaysian Red Crescent Society, designated by the UNHCR as its "operating agency" in Malaysia, is generally considered to be non-Malay in that its national leaders are mainly Chinese and Indian.

²⁴ The New Economic Policy has been criticized for enriching a new "Malay aristocracy" and leaving behind its intended beneficiaries, the poor, rural Malay. The growth of orthodox Islamic movements (dah 'wa) among Malay youth, who urge the Government to adhere more strictly to Islamic scriptures in public policy, has also disturbed UMNO leaders.

²⁵ The Government hopes to make the temporary presence less conspicuous by concentrating the refugees in two uninhabited islands some distance from the coast (Pulau Tengah off Johore and Pulau Bidong off Trengganu).

²⁶ Based on government documents and *Far Eastern Economic Review*, August 31, 1979.

²⁷ Task Force VII document.

interest to the United States for several reasons: (i) Outlying Indonesian islands may attract more refugees in the future if Thailand and Malaysia were to limit first asylum (as happened in early 1979 when boats were diverted from the Thai-Malaysian coast to Indonesia), (ii) the Indonesian Government has agreed to have a refugee processing center (RPC) to relieve camps in Thailand and Malaysia, although on a smaller scale than the RPC being built in the Philippines, and (iii) Indonesian ambitions to play an important role in ASEAN make it likely that any joint ASEAN position on the refugees will reflect Indonesian views.

The Indonesian Government has been worried about the security implications of the refugee inflow due to Jakarta's traditional sense of fragile control over the outlying islands, concern that infiltrators may reach these islands undetected, and fear that ethnic Chinese among the refugees may create ethnic tension and eventually security problems.²⁸ The Government has rejected the possibility of permanently accepting any of the refugees, but a temporary presence is considered quite manageable. Complications arising from the ethnic Chinese issue are much less severe than in Malaysia. The refugees are increasingly being concentrated on a remote uninhabited island (Galang), thus minimizing the politico-economic problems encountered in Thailand. The Government seemed confident in early 1980 that a refugee presence of up to 50,000 could be accepted without much difficulty (as compared to 30,000 in January 1980).²⁹

The Suharto government's efforts to cooperate in refugee matters largely reflect the importance attached to maintaining good relations with the United States. The Government has demonstrated this recently in other aspects of Indonesian-American relations as well.³⁰ Friendly ties with the United States have been rewarding: Indonesia is a major recipient of economic assistance from the United States (\$195 million projected for 1980). The military-led government also stresses the significance of American arms aid (\$58 million in 1978) and the need for a supportive American presence in Asia generally in view of China's and Vietnam's growing power in the region, and, closer to home, Indonesia's troublesome conflict in East Timor.

²⁸ The Government possibly overstated the "Chinese threat" as a way of responding to common charges that present military leaders have a beneficial relationship with ethnic Chinese entrepreneurs. The security aspect is underlined, however, by the fact the national task force (P3V) is headed by General Leonardus (Benny) Murdani, Deputy Chief of Military Intelligence (BAKIN), and staffed with officers from his unit.

²⁹ Interview with government officials and independent observer in Jakarta.

³⁰ The release of political prisoners in 1978 and 1979, and permission for the international relief organizations to enter East Timor, are generally interpreted as efforts to show the Government's good human rights record. The accommodating stance on refugees is likewise explained by some government officials with reference to observance of human rights.

IV. POLICY IMPLICATIONS FOR THE UNITED STATES

If current programs for Indochinese refugees (except the displaced Khmer) were to continue, there is little reason to believe that the outflow from Laos and Vietnam will be sharply reduced in the near future. The best the first asylum countries then can hope for is a rapid resettlement rate.

The camp population in the ASEAN countries has declined markedly since mid-1979. During the first 7 months of 1980, third countries were resettling about 23,000 monthly, of which the United States was taking about two-thirds. If this resettlement rate is maintained for another year, and if new arrivals in that period are about 100,000 (which is a conservative estimate), then the current camp population in first asylum areas would be reduced from the current 232,000 (July 1980) to about 56,000 in July 1981. After that the reduction rate would probably slow down due to processing timelag for new arrivals and disinterest in resettlement on the part of the remaining camp population.

From the perspective of the first asylum countries, this would be a favorable scenario. A first asylum population of about 50,000 would be manageable. The costs of providing first asylum would not create major political difficulties for the ASEAN governments. A rapid and visible decline in camp population would help mute concern about the underlying validity and feasibility of a continuous international movement of Indochinese people.

Scenarios that are much less attractive for the first asylum countries can easily be imagined, however. The large increase in resettlement offers made at the July 1979 Geneva Conference was in response to huge numbers seeking safe haven in late 1978 and early 1979, and the widely publicized plight of refugees pushed back from some first asylum areas. If future inflows are below the peak 1979 level (when almost 60,000 arrived in the month of June alone), and if dramatic "pushoff" cases remain relatively infrequent, then there is no dramatic impetus to sustain large resettlement quotas. Domestic pressures within third countries may also lead to reduced resettlement rates. If the current resettlement rate were reduced by half to 12,000 a month, and assuming 100,000 new arrivals annually, then the first asylum population would not be reduced to around 50,000 until the end of 1983.

In this case, the first asylum countries would increasingly worry that they would be saddled with quasi-permanent Palestinian type camps. They would probably grant first asylum less willingly and resort to "pushback" of refugees. This would become a disincentive for potential refugees to leave their country of origin. In the meantime, there would be a spectacle of disorderly arrivals akin to those in early 1979. (Conversely, the equilibrating function might be renewed international offers of large resettlement quotas).

Aid.—Even in the most favorable scenario, the ASEAN governments would find it easier to accommodate refugees temporarily if there were more foreign assistance to compensate for the politico-economic costs incurred. In a less favorable scenario, additional assistance would be crucial in encouraging the ASEAN governments to maintain liberal first asylum policies, but even so may not be sufficient to compensate for the more important resettlement factor.

Additional assistance could take two forms:

1. Direct economic assistance to the areas where the refugees are concentrated would be welcome, especially in Thailand where the economic cost and inequities inherent in the refugee program are most keenly felt. Until recently, the United States did not bilaterally support Thai programs for "affected Thais" in the Thai-Kampuchean border region, but contributed to existing, smaller programs undertaken by the international organizations. After the June 1980 hostilities on the border, the United States committed \$2 million in economic aid to help Thai villagers affected by the fighting. Aid to the local population surrounding the refugee camps elsewhere in Thailand is presently done in an ad hoc manner through "outreach programs" administered by voluntary agencies and IO officials most attuned to the local reaction. Aid to refugee populated regions in other ASEAN countries would be welcome for political reasons as expressions of sensitivity to perceived inequities resulting from programs that provide what seems to be generous support to foreigners—and Indochinese to boot. In Indonesia, for instance, Australia has a small aid program to "affected areas" that the Suharto government hopes will be duplicated by other countries. The United States so far has no such program in Indonesia.

2. Continued and enhanced American support for the ASEAN governments in matters not directly relating to refugees would be appreciated. This is especially important because the ASEAN governments view the United States as the principal advocate for liberal first asylum conditions, which the ASEAN governments believe sustain the refugee flow. The ASEAN governments do not find their own interests directly served by facilitating a refugee flow; they are sensitive to the costs of providing temporary asylum; and they consider partial "push back" as an option that would reduce the inflow. Consequently, there is a sense that the ASEAN countries are aiding the United States by providing generous first asylum to the Indochinese peoples. General reciprocity is therefore seen to be in order.

American support is especially important in two areas: (i) Endorsement of the ASEAN position on Kampuchea, which is not a foregone conclusion (see below), and (ii) additional military assistance to Thailand where the security situation has deteriorated due to the Vietnamese presence in Kampuchea and renewed Thai-Vietnamese border clashes in June 1980. In Indonesia and the Philippines—which have taken an accommodating stance on the refugee issue by providing first asylum and have agreed to special RPC facilities—additional demonstrations of American support would also be welcome. The Indonesian Government, for instance, is concerned over the scheduled sharp reduction in American economic assistance (on grounds that Indonesia is an OPEC nation), and the Philippine

Government appreciates American aid for economic as well as political reasons.

Alternatives to Resettlement.—The UNHCR alternative “durable solutions” are voluntary repatriation and local integration (in first asylum areas). Both possibilities are limited in the case of the Laotian and Vietnamese refugees. Most do not wish to be repatriated, and those (mainly Laotians) who prefer to stay permanently in first asylum areas are not very welcome there. Moreover, as long as quick resettlement is held out it is difficult to find candidates for voluntary repatriation, and first asylum countries are reluctant to consider local integration. For the displaced Khmer on the Thai-Kampuchean border, “durable solutions” depend on an eventual political settlement in Kampuchea. The prospects for a settlement remained dim as of mid-1980.

Laotians.—At present, maybe 20,000 of the lowland Lao refugees in Thailand are not very interested in resettlement. The Thai Government has previously indicated that it might accept 10,000–20,000 on a permanent basis, provided the flow of lowland Lao refugees into Thailand were sharply reduced. Settlement in Thailand is feared by Thai leaders because of their conviction that it would attract a large number of Lao into a refugee stream that would end in the northeastern part of Thailand which, although the poorest region in Thailand, has an average per capita income about twice that in Laos.

Thus, hopes for local integration of the Lao, as expressed for instance in a U.S. Senate committee report in 1978, hinge on the stemming of future inflows.¹ The most straightforward means of achieving this is to accept Thai authorities’ actions, which they proposed in 1977, in returning what they consider illegal immigrants. The long porous border between Thailand and Laos naturally makes it difficult to apprehend all “illegal immigrants,” but without Thai identity cards the Lao cannot easily have a long, profitable stay in Thailand. Many of those who come now are encouraged by the protection and facilities offered by the refugee camps, and international disapproval of Thai “push back” of arrivals from Laos. If a strict screening procedure were established before bestowing UNHCR refugee status on incoming Laotians, and some were returned to Laos, the future inflow would probably be reduced. The United States has so far opposed screening and “push back” of Laotians on the grounds that they are all refugees and therefore can only be returned voluntarily. As long as this policy is maintained, the Thai Government has little control over the inflow of migrants/refugees from Laos and hence no incentive to pursue discussions of local integration.

Thai willingness to consider local integration of Lao in principle reflects the ethnic commonality between the lowland Lao and the Thai population in the Northeast. With appropriate international assistance, some Lao could fairly easily be integrated in the northeastern part of Thailand. This does not apply to the Hmong hill tribes, whom the Thai Government has expressed no interest in accepting on a permanent basis.

¹ “Humanitarian Problems of Southeast Asia, 1977-78.” Report, Committee on the Judiciary, U.S. Senate, 95th Cong., 2d sess. (March 1978), p. 16.

The Hmong highlanders not wanting resettlement (possibly numbering 15,000–20,000 in early 1980) present an intractable problem. The Thai Government has previously demonstrated considerable capacity for tolerating such problems by not drawing attention to them, and the present situation may simply continue without resolution for some time. The brutal solution of pushing the Hmong back to Laos has not been acceptable to the United States, and is viewed as unjustified in some Thai circles as well, given the continuing war between the Hmong and central government forces, assisted by Vietnamese units. Nevertheless, traditional lowlander-highlander antagonisms and generally unsettled conditions in the border region make a systematic policy of granting first asylum of questionable practicability (and is one reason why Thailand is not a party to the United Nations Convention and Protocol on Refugees). Thai border patrol police frequently push back hill tribes fighting the Burmese Government when they seek refuge on the Thai side of the border, and this has evoked little American concern.²

A special American interest in the Hmong, however, stems from previous American support to Hmong units fighting the Pathet Lao Communists, the fact that the Hmong are now fighting a Communist government that emerged out of the Pathet Lao movement (both the earlier and the current fighting being phases in longstanding conflict over Hmong autonomy from lowland authority), and the apparently vicious nature of the current campaigns (government forces have been accused of using napalm and poison gas). There is little the United States can do, however, to help the Hmong if they do not want to be resettled, and as long as the Thai Government is unwilling to accept them on a permanent basis. Reluctant to accept Thai Government authority over the Hmong problem, American refugee officials in Thailand and UNHCR representatives are at present trying to monitor Thai authorities to prevent "push back" of Hmong.

Displaced Khmer.—The Thai Government has stressed that third country resettlement should not be held out as a general prospect for the displaced Khmer because this might: (a) Minimize the chances for voluntary repatriation and leave in Thailand those not accepted for resettlement; (b) make it more difficult to restore an administrative corps of ethnic Khmer in Kampuchea and hence reduce the pervasiveness of Vietnamese presence if or when a political solution is obtained, (c) cut into resettlement quotas that are now primarily filled by Vietnamese and Loatian refugees in regular camps, and (d) attract more Khmer from the border region to centers deeper inside Thailand despite the Thai Army's ban on such movement. The other ASEAN countries generally support the Thai position for similar reasons. The United States has been somewhat more attuned to the desirability of resettling those displaced Khmer who have family ties here and wish to be resettled.³

² In a recent incident, for instance, fighting between Karen and Burmese Government units led 400 Karen insurgents to cross the Thai border into the Mae Sot area. The Thai Border Patrol Police sent them back when the fighting temporarily died down. Bangkok Post, March 29, 1979.

³ The U.S. Coordinator for Refugee Affairs, Ambassador Victor Palmieri, in a May 6, 1980, testimony before the House Foreign Affairs Subcommittee on Asian and Pacific Affairs, said that the United States would expand the processing of displaced Khmer with "close ties" to the United States if the Thai Government permitted.

After the June attempts at repatriation failed, the processing of Khmer for admission to the United States was expanded to include those with previous association and employment ties to the United States (categories II and III). A maximum of 20,000 was initially estimated to qualify. France and Canada also expanded their Khmer resettlement programs somewhat. As of September 1980 there was no general commitment by recipient countries to accept all the 160,000 Khmer in holding centers, although, except for 25,000 loosely identified as Khmer Rouge supporters, most of them were presumed to want resettlement.

The prospects for a more generalized program of resettlement and repatriation partly depend on the progress towards a political settlement in Kampuchea. The American position on a political settlement in Kampuchea for some time coincided with those of ASEAN and China, demanding a full withdrawal of Vietnamese forces from Kampuchea. In early 1980, however, the Malaysian and Indonesian Governments have showed somewhat greater interest in the possibility of compromising with Vietnam, fearing that otherwise the conflict in Kampuchea would be a vehicle for Chinese influence there. The Vietnamese incursions into Thailand in June 1980 resulted in a show of ASEAN unity, and the Malaysian and Indonesian alternate views were—at least temporarily—played down in favor of full support for the Thai position. Thailand's insistence on full Vietnamese withdrawal from Kampuchea, in turn, is reinforced in ASEAN deliberations by awareness of U.S. support for this position.

Until or unless a political settlement in Kampuchea is obtained, the Thai Government likewise looks to the United States as the principal agent in marshaling international relief support for the displaced Khmer on the border. Financing is short term, and uncertain in view of demands from other disaster areas (e.g., Somalia), and the relatively improved food and medical conditions on the border compared to the disaster conditions in late 1979. The latest pledging conference in Geneva in May this year made it possible to maintain current programs through August 1980, but continuing financing will certainly be needed for some time beyond that.

V. CONCLUSIONS: POLICY OPTIONS FOR THE UNITED STATES

A. General

American programs for Indochinese refugees originated in response to crises, and subsequently developed a momentum, rationale, and supportive bureaucracy of their own. The programs, consequently, have domestic and foreign policy implications which might not have been recognized, nor intended, when they were first established.

Nevertheless, alternative policy options for the United States are limited. A key limitation is the impact on the first asylum countries, which makes it difficult for the United States to modify existing programs without increasing the burden on friendly states in South-east Asia and jeopardizing the welfare of existing refugees.

B. Kampuchea

Kampuchea presents the most intractable refugee problems. Most of the displaced Khmer have nowhere to go and are utterly dependent upon international relief assistance.

A troublesome dilemma arises from the fact that such assistance provides some measure of support to Khmer who are fighting the Heng Samrin government in Kampuchea. For some, this consequence is considered beneficial because it works against Vietnamese control in Kampuchea, and may eventually facilitate a political settlement that restores Khmer sovereignty. For others, it is thought to be unfortunate in that it may open the way for Chinese influence in Kampuchea, and prolongs a conflict between two repressive regimes.

Unless or until a political settlement is obtained, American policy needs to recognize Thai sensitivities to the dilemmas posed by limited resettlement of Khmer. If it appears that such resettlement attracts more Khmer into Thailand, and/or undermines the long-term prospect for repatriation, then Thai willingness to provide continued safe haven on the border will be strained.

C. The Refugees From Laos and Vietnam

As for the refugees from Laos and Vietnam, the United States has three main options:

1. *Maintain Current Programs.*—This would be acceptable to the first asylum countries despite certain misgivings about the self-sustaining nature of these programs and fears that current high resettlement rates may not last. This option has other implications:

(a) *Cost:* The American refugee program for fiscal year 1980 estimates a total of 221,000 admissions, of which 168,000 are Indochinese. A program of similar magnitude is projected for fiscal year 1981: a total of 217,000 admissions (plus 5,000 asylum status adjustments),

of which 168,000 would come from Indochina. After 1981, Indochinese admissions will probably decline sharply, maybe to 30,000-40,000 a year, assuming that the displaced Khmer do not fully enter into the resettlement stream.

The entire cost of this program was estimated to be \$1.7 billion for fiscal year 1980, according to a February 1980 report from the Office of the U.S. Coordinator for Refugee Affairs. Of this, \$1.02 billion were incurred in the domestic resettlement and assistance process, including \$779 million in federally funded programs (of which \$583.7 million under the Department of Health and Human Services), and an estimated \$244.6 million in state and locally funded services. Additionally, the cost of initial resettlement (including transportation and processing) was estimated at about \$260 million. Care, maintenance and emergency relief for refugees abroad accounted for another \$417 million.

The cost of domestic programs in 1 year includes assistance to previously arrived refugees who continue to be eligible for support. Projected costs for the entire American refugee program for fiscal year 1981 are, therefore, somewhat higher—\$2.056 billion, according to a September 1980 report from the Office of the Coordinator for Refugee Affairs. Of this, Federal funding totals \$1.678 billion (including \$532.3 million for international assistance programs and initial resettlement cost of refugees destined for the United States), and State and local services total \$378 million. This does not include the program for 1980 arrivals from Cuba and Haiti, estimated to be \$115 million.

The figures include the cost of regular federally funded social services utilized by refugees living in the United States who meet normal eligibility requirements. The cost estimates do not take into account tax and other economic contributions provided by refugees once they are settled here. Moreover, while Indochinese refugees constitute about 80 percent of expected entries to the United States under the 1980 and 1981 refugee program, this does not mean that they necessarily absorb an equivalent portion of the budget. Direct Department of State costs for Indochinese refugees, which include most of the American contribution for care and maintenance overseas plus initial resettlement, are expected to total \$272 million in fiscal year 1980. No estimate of the entire Indochinese component of refugee program costs is currently available.

While the United States has resettled more Indochinese than any other country (totalling 388,802 from April 1975 through July 1980), the People's Republic of China has received about 265,000, France has taken 66,245, Canada, 60,625; Australia, 39,464, and other countries have accepted smaller numbers. Japan has only accepted 500 for resettlement—for reasons relating to its high population density and homogeneous population—but is making a significant financial contribution. The Japanese Government announced at the July 1979 meeting in Geneva that it would contribute 50 percent of the UNHCR's budget for Indochinese refugees, and has so far pledged \$60 million (in addition to \$23.6 million contributed prior to July 1979). The UNHCR program for Indochinese refugees in 1979 totaled \$134.4 million, and was expected to increase to \$162 million in 1980 before tapering off to a projected \$71 million in 1981.

(b) *Equity*: The United States considers all Vietnamese (except a few "land Vietnamese") and Laotians who reach safe haven in Asia as refugees, and on that basis is supporting UNHCR programs in first asylum areas. There is no case-by-case screening to determine if the person is likely to be persecuted if returned to his country of origin, which is the definition of "refugee" according to the 1980 U.S. Refugee Act and United Nations usage. By contrast, American policy is more strict towards persons who flee non-Communist countries, as evidenced in the initial case-by-case screening of Haitian refugees. The equity question posed by the differential treatment of Cuban and Haitian refugees thus applies equally in the Indochinese case.

American legislation and policy presume that a distinction between "refugee" and "illegal immigrant" can and must be made; otherwise the country would be swamped. An emerging question, however, is whether the blanket assumption that those who leave Laos and Vietnam are "refugees" reflects the realities of the new political order in these countries. The predominance of "low-risk" refugees (probably many in category IV) among recent arrivals from Laos and Vietnam suggests that political persecution is not the only, if even the principal, motive for current departures. Whether or not the refugees would be persecuted if returned (on the assumption that the act of leaving is a political protest) remains an open question. In the case of Laos, the UNHCR was sufficiently confident to support Thai efforts to separate "economic refugees"—who would be returned to Laos—from "political refugees" who would be placed under UNHCR protection. This policy was not implemented largely due to American opposition. Similarly, some informed observers speculate that many lowland Lao would probably return if economic conditions in Laos improved, and that those with no record of active political opposition to the Government would be relatively easily absorbed.¹

(c) *Foreign policy*: Current programs are based on the American practice since World War II of considering those who flee Communist countries as "refugees," and must ultimately rest on the argument that it is in the American interest to provide an alternative to people who do not wish to live under Communist rule. There is a strong presumption, according to this view, that those leaving Communist countries do so because of a repressive political environment, and efforts to distinguish between "economic" and "political" refugees consequently are irrelevant. Past American involvement in Indochina, some also claim, suggests a particular accommodating response to those Indochinese who reject Communist rule.

Some critics of current programs argue that the assumption that people leave Laos and Vietnam solely because of political repression tend to limit the nature of public debate on this issue. Failure to recognize that economic conditions help to stimulate the outflow of refugees, in this view, deters a full consideration of the possible role

¹ Some of the traditional easygoing characteristics of Lao political culture seem to remain under the new order. Informal traffic across the border to visit relatives and seek occasional employment frequently blends with the movement of refugees. Close Thai observers (including former Undersecretary of State for Foreign Affairs, Wong Pholnikorn) claim that Lao who do not have a record of political activity are readily accepted when they return. This is confirmed by the Vientiane office of the organization designated by the UNHCR as its operating agency for voluntary repatriation of Laotians, the Mennonite Central Committee. (Interview with author.)

that foreign economic policy might have in controlling the refugee flow. These critics raise three questions, which have no clear answers: (i) Would further assistance for economic reconstruction in Laos and Vietnam, perhaps through international organizations, improve living standards in these countries, and consequently, significantly reduce the outflow of refugees? (ii) Would assistance to Laos and Vietnam encourage these governments to cooperate in controlling the flow of refugees, or, conversely, enable them to use the refugee issue to bargain for aid and other concessions? (iii) Would aid to Laos and Vietnam appreciably enhance the welfare of those who cannot leave (a question which may assume more significance if third countries were to reduce their current intake of refugees)?

2. *Reduced American Intake.*—If the annual American intake of Indochina refugees were reduced, and assuming that other countries would not take up the slack, the immediate effect would be to increase the burden on the first asylum countries. The social, political, and economic consequences of that burden would result in costs to the United States—whether diplomatic, economic, or both—that would be sizable. One possibility for relieving the countries most heavily burdened (Thailand and Malaysia) would be to make greater use of refugee processing centers in Indonesia and the Philippines. This might induce Thailand and Malaysia not to push away refugees indiscriminately, but neither government would find it easy to defend a continued open first asylum policy.

This option would increase time spent by refugees in camps (waiting to be resettled), and might ultimately only delay rather than reduce the overall intake by the United States. Its effect in discouraging potential refugees from leaving Laos and Vietnam in the future is uncertain.

3. *Screening and Reducing American Intake.*—A more radical option would be to combine a reduced American intake with measures to limit the number of refugees in first asylum countries. This would probably mean case-by-case screening in first asylum areas. The procedure could be similar to that used by American officials to identify “low-risk” and “high-risk” persons for purposes of resettlement priority. Only the “high-risk” categories would be given refugee status and turned over to UNHCR for protection and subsequent resettlement processing.

This would be consistent with American policy towards orderly departures directly from Vietnam (where only categories I–III are accepted). The problem, of course, is what to do with the “low-risk” cases who are already in first asylum countries and constitute perhaps half of the 220,000 refugees. Members of this residual group could be admitted to the United States under special provisions that confer only some of the economic and legal benefits given regular refugees (akin to the categories devised for Cubans and Haitians in June 1980), but the costs of administering yet another program would have to be weighed against the benefits of separating programs to correspond to the distinction between “political” and “economic” refugees.

Another alternative is to return the “low-risk,” presumably “economic,” refugees to their country of origin. Their legal status would

be that of "illegal immigrants." In the case of Laotians, the procedure might follow the 1977 agreement between the UNHCR and Thailand to give first asylum only to those considered "political refugees," and escort the "illegal immigrants" to the Laos border. By providing Thai authorities more control in the handling of refugees and immigrants, this might also encourage Thailand to accept permanently some of the lowland Lao currently in camp who wish to remain in Thailand.

As for the Vietnamese, there would have to be a modicum of agreement with the SRV for the return of "illegal immigrants." The SRV would probably want some incentive to cooperate in controlling the international movement of its citizens, perhaps aid for economic reconstruction and development. Economic assistance might also help the Laotian Government to accept and resettle its returnees.

This option would relieve the strain on the first asylum countries and meet some of their concern regarding the continuous outflow from Laos and Vietnam. There would be a deterrence effect on potential future refugees. This alternative, however, has wide-ranging implications for the United States.

The UNHCR and the ASEAN countries might take the initiative in screening and arranging to return the "illegal immigrants," but general American support and assistance in the screening process would be required. This would mean a marked change in American policy towards Vietnam, and to a lesser extent towards Laos. It would also entail a fundamental change in the premise of American policy towards Indochinese refugees by denying that the United States has an interest in providing an alternative to Indochinese people who want to leave their country. The alternative policy would assume that a distinction between "refugee" and "illegal immigrant" can be applied to persons leaving Laos and Vietnam; that the United States has certain obligations towards the former—similar to its obligations towards refugees from other countries; but that American interests and/or obligations towards "economic refugees" from Laos and Vietnam constitute a separate issue.

In sum, there are no easy alternatives to current American programs. A reduction in the American intake by itself would increase the burden on other countries—notably the first asylum states in Southeast Asia, probably jeopardize the welfare of existing refugees, and conflict with the notion that America has a commitment to aid people wishing to leave Communist countries. Other alternatives to limit the flow of refugees involve a radical change in U.S. policy toward Indochina.