



Women's Refugee Commission
Research. Rethink. Resolve.



Framework for Urban Refugee Self-Reliance

A How-to Guide

October 2011

Background

More than 50 percent of refugees* live in urban areas. Eighty percent of all refugees are hosted by developing nations and 42 percent reside in countries whose per capita GDP is below 3,000 USD. Refugees arrive in cities that are unable to keep pace with the needs of their own burgeoning populations, resulting in inadequate infrastructure and stretched public services.

Most refugees live in poverty, sharing densely populated and poorly serviced slums with the urban poor. They frequently lack sufficient legal and social support—education, health care, market access and community networks—to obtain gainful employment or run businesses. As a result, they predominantly work in the informal sector, where there are few regulations and where the risk of exploitation and abuse, particularly for women and girls, is high. Refugees have few opportunities to use the skills, education and experience they possess.

Framework

There are variations in refugees' vulnerability and resilience. These variations are influenced by the policy environment, access to services, control of assets, choices of economic strategies and the capacity to cope with risks. Livelihood programs should connect refugees to services specific to their level of vulnerability and resilience. For example, very poor and poor households are often focused on protecting existing assets and smoothing income flows and consumption patterns. Struggling and better-off households are more able to take advantage of opportunities to grow their assets and expand household income, even though they remain vulnerable to the external environment and may slip into poverty.

This section outlines a framework for addressing urban poverty among refugees. It is based on the premise that:

1. Refugees' economic choices are constrained or sup-

* In this report, the term "refugee" is used to refer to all individuals who have crossed an international border and come from a country that has produced or is producing a significant number of refugees and asylum-seekers, irrespective of their legal status.



More than 50 percent of refugee now live in urban areas, many in poor neighborhoods such as this one in New Delhi.

ported by the policy environment, access to basic services and local market opportunities.

2. Refugees need to be connected to services specific to their level of vulnerability and resilience through a graduated approach. A graduated approach includes a diverse set of interventions with the aim of increasing refugees' social and economic well-being as their access to a livelihood increases.
3. Refugees need multiple livelihood strategies to survive. Given the small incomes that most interventions generate, it is vital that refugees diversify their income sources with multiple strategies to prepare for setbacks and risks.
4. Practitioners should use a systems approach. This means brokering relationships, as a means of expanding refugees' economic opportunities, with public institutions, such as national banks, training centers, chambers of commerce and trade unions; international development agencies, such as the UNDP, ILO, USAID and other agencies working on urban poverty; the private sector; and refugee organizations.

Recommendations

Using a Framework for Urban Refugee Self-Reliance, programs should address the external environment that influences refugees' ability to accumulate assets, choices of economic strategies and ability to cope with risks. Programs should also build refugee assets through a graduated approach. And finally, programs should be youth inclusive, gender and GBV sensitive and build partnerships.

External Environment

1. **Programs should advocate for host government recognition of refugee rights in policy and practice.** Advocacy for rights should focus on a gradual expansion and enforcement of rights.

Programs should first identify whether refugees have the right to work. If they do, programs should ensure that these rights are implemented by working with local government, private sector and refugee associations. Programs should then identify additional policy barriers to refugee protection and economic well-being and advocate to host governments at the national, regional and local level for an expansion of rights.

In situations where refugees have the right to work, interventions should focus on access to both the formal and informal economy. This may mean working with employers and local government to understand these rights, ensuring that business registration costs are not punitively expensive, working on bilateral agreements to recognize diplomas from other countries or ensuring women earn equal pay. In situations where refugees do not have the right to work, interventions should focus on access to safe employment in the informal economy by discouraging harassment from local authorities and promoting decent wages and conditions among employers.

2. **Programs should identify and target those public services most supportive of refugee livelihoods.** Practitioners should facilitate safe access to existing basic services, such as education, health care and economic programs, for refugees rather than create parallel systems. This requires a systems approach in which practitioners act as brokers between public

institutions and refugees. This may require capacity building and funding of public institutions so that they may expand and adapt their services.

If new services are introduced, they should benefit both refugees and the host community.

In cases where refugees live clustered in certain neighborhoods, programs should adopt an “area-based approach” in which programs invest in services and institutions found in refugee-hosting areas. This should be done in coordination with local development planning processes.

In cases where refugees are scattered, an incentives approach, which links incentives to the number of refugees served by public institutions, may be more appropriate.

3. **Programs should conduct a market assessment to identify which goods, services and jobs are in demand and determine market trends, capacity and niche markets.** Programs should also identify potential market barriers and constraints in order to increase the chances that interventions will lead to sustainable livelihood activities that generate enough income to help families meet their basic needs and minimize their risks.



A young Somali woman working in a Somali-owned retail shop in Johannesburg, South Africa.

Graduated Approach

1. **Identify the various wealth groups of the target population and match them to the appropriate set of services.** Interventions should foster multiple economic strategies for refugee households and target not only the head of household, but all economically capable adults and adolescents.
2. **Identify the specific opportunities and barriers within each wealth group by age, gender and ethnic group.** Adapt programs to ensure that women's risks are manageable and that youth are actively involved. Programs should ensure that they are not creating harm by identifying specific types of GBV, risk factors of GBV and protection strategies to mitigate risks. Programs should consult women who can advise on the scale of risks and suggest ways to manage them.
3. **For very poor and poor households, address refugees' immediate needs while simultaneously developing longer-term livelihood strategies.**

- **Provide short-term social protection** by providing short-term cash transfers or grants to support immediate needs while implementing longer-term more sustainable livelihood strategies. Longer-term strategies may include: building social capital and strengthening social networks through support to refugee mutual assistance associations, women's groups, youth groups, refugee religious institutions and self-help groups; providing informal or formal micro-insurance schemes and/or creating child protection programs, such as subsidized day care options for working women.

Only for individuals unable to work and with limited social capital, such as the elderly, children, the disabled or chronically sick, should programs consider long-term social cash transfers.

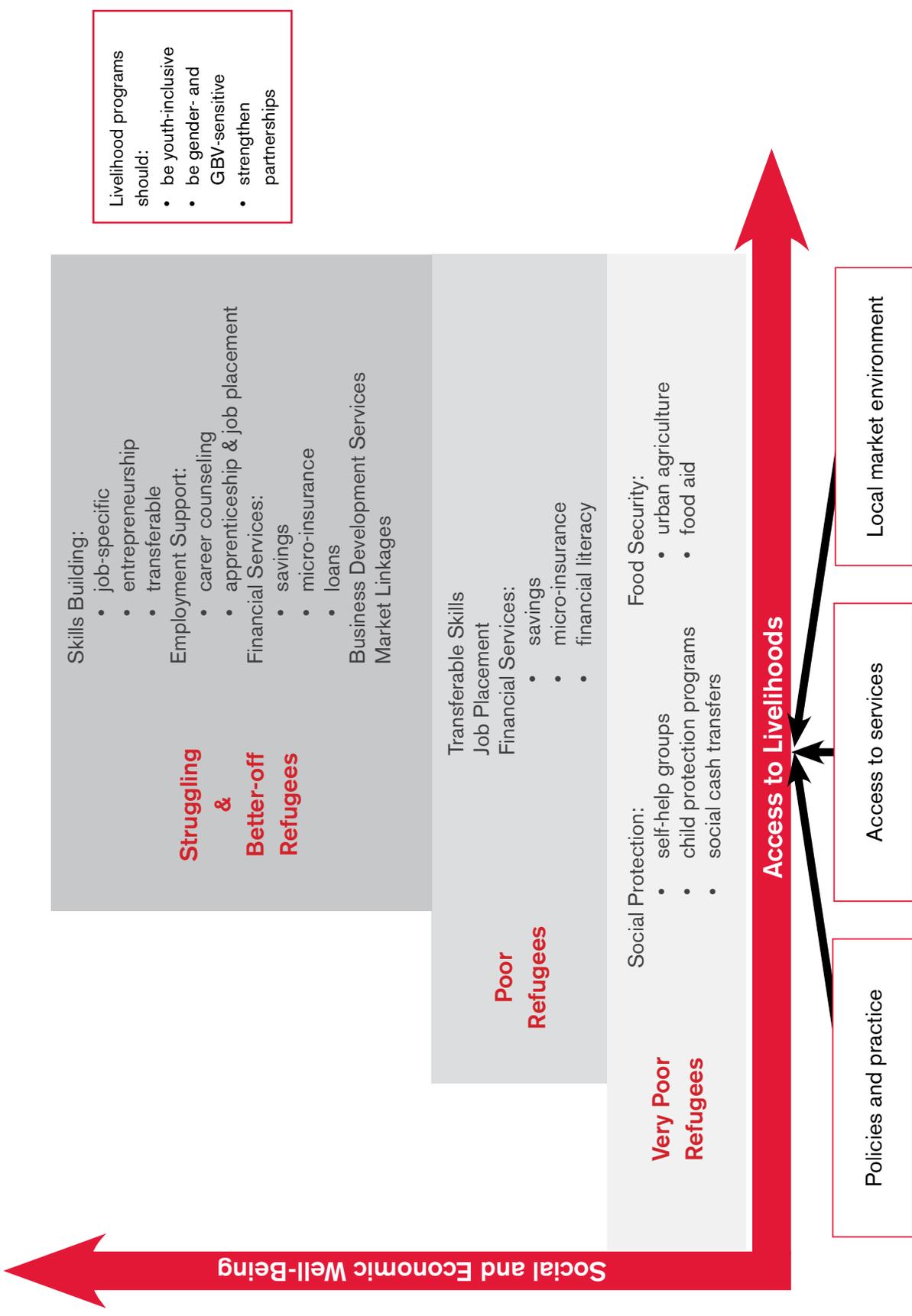
- **Ensure refugees' food security** by linking to development efforts, where possible, to ensure they reach refugees; starting or including refugees in urban and peri-urban agriculture programs; supporting savings schemes or organizing informal groups to buy larger quantities of food at lower prices; or, in the short term, providing direct food assistance.



Vocational training participant practicing auto finishing repair in Kampala, Uganda.

- **Provide financial literacy and create informal savings schemes.** For the poor, indebtedness often increases vulnerability through the loss of productive assets. Families may use credit to cover emergency costs. Generating capital through savings, formally or informally, is a preferable strategy. In addition, many very poor and poor households manage their cash flow one day at a time and are unable to plan for future needs, such as rent. Financial literacy and savings groups should include struggling and host community members in group savings schemes.
 - **Build transferable skills** such as money management, computer skills, life skills, customer service and language skills. For those refugees who have existing education and work experience, include them in a job placement program to link them to new markets.
4. **For struggling and better-off households, programs should grow their assets and expand household income.** Many of these interventions reinforce each other and may occur simultaneously.
 - **Provide skills-building opportunities** by identifying and facilitating refugee access to existing market-oriented training and placement programs that provide a combination of job-specific, entrepreneurship and transferable skills.

A Framework for Urban Refugee Self-Reliance



Adapted from the United Nations High Commissioner for Refugees' "Targeting and Sequencing Livelihood Interventions for Refugees diagram", Livelihoods Unit, UNHCR, 2010.

Case Study: A Graduated Approach to Microfinance*

From 2007 to 2009, the Trickle Up Ultra Poor Program in West Bengal worked in 29 towns with female-headed households living on less than 1.25 USD per day. The program provided weekly cash stipends between 12 and 25 weeks so that families could eat regular meals; at the same time they received livelihood assets (mobile vending) to build their income-earning potential and participated in savings and credit groups to generate emergency funds. Trickle Up also provided safe access to drinking water and latrines. In order to graduate out of extreme poverty, participants had to meet 70 percent of the criteria below:

- eat at least two cooked meals per day all year round
- have assets valued at 155 USD or higher
- have at least two sources of income
- carry a minimum savings balance of 22 USD
- repay at least one loan within the savings and credit group
- use sanitary latrines
- access safe drinking water
- be able to sign their name

Eighty-six percent of participants graduated out of extreme poverty.

* CGAP. Trickle Up Ultra Poor Program. 2011. <http://graduation.cgap.org/pilots/trickle-up-ultra-poor-program/>

- **For those refugees who are more suited for employment**, link them to jobs or apprenticeships, address barriers in formal sector employment or work with employers to make informal sector jobs safer.
 - **For those refugees suited for small businesses or petty trade:**
 - **Help refugee-run businesses become more competitive** by assessing their business constraints and growth needs, then linking them to the appropriate business development services. This may involve organizing refugee-run businesses into informal associations or linking them to existing trade associations so that they can receive technical and management support collectively.
 - **Link refugee-run businesses to other market actors**, such as suppliers, producers and customers, to other refugee-run businesses to pool resources or to support services, such as transporters. In addition, provide businesses, especially women-run businesses, with market information so they can make better, more informed choices.
 - **Provide a range of financial services, based on businesses' needs.** This may mean linking to experienced microfinance institutions with a social mission, such as BRAC, Trickle Up, Grameen and others. In addition, microfinance programs must ensure that the market can support new or expanding businesses so that refugees are able to earn enough income to meet their needs and repay their loans. An increase in loans to women may saturate traditional female services and products. Women should therefore be encouraged to enter into less traditional but safe niche or emerging markets.
5. **Engage experienced economic practitioners to design and implement livelihood programs, and engage nontraditional actors**, such as the private sector, public institutions and development agencies, to enhance opportunities for synergy, collaboration and coordination.