

BACKGROUND GUIDE

ECONOMIC INCLUSION OF REFUGEES



UNHCR, the UN Refugee Agency, is launching the MUN Refugee Challenge to encourage students worldwide to shape solutions for people forced to flee their homes. This guide was drafted to help students prepare for their debates.

The challenge

The right to work: The right to work is set out in the 1951 Refugee Convention, the Universal Declaration of Human Rights, and various other regional and international instruments such as the International Covenant on Economic Cultural and Social Rights. Nonetheless, refugees are not allowed to work in around 50% of asylum countries. They are further hindered by restrictions on their movement, a lack of access to education, restrictions on rights concerning housing and land, and a lack of access to business-crucial services such as banking and training.

Confusion between refugees and migrants: People tend to confuse refugees and migrants, yet the two terms have distinct meanings. Refugees are persons fleeing armed conflict and persecution and crossing borders to find safety. They are defined in, and protected by, international law. Migrants chose to move not because of a direct threat of persecution or death, but mainly to improve their lives by finding work, and in some cases for education, family reunion, or other reasons.

Blurring the two terms takes attention away from the specific legal protections refugees require. It can undermine public support for refugees and make the numbers look less manageable than they are. Refugees and asylum-seekers only make up 10.6 per cent of all international migrants, and 0.34 per cent of the entire world population, according to UNDESA data.

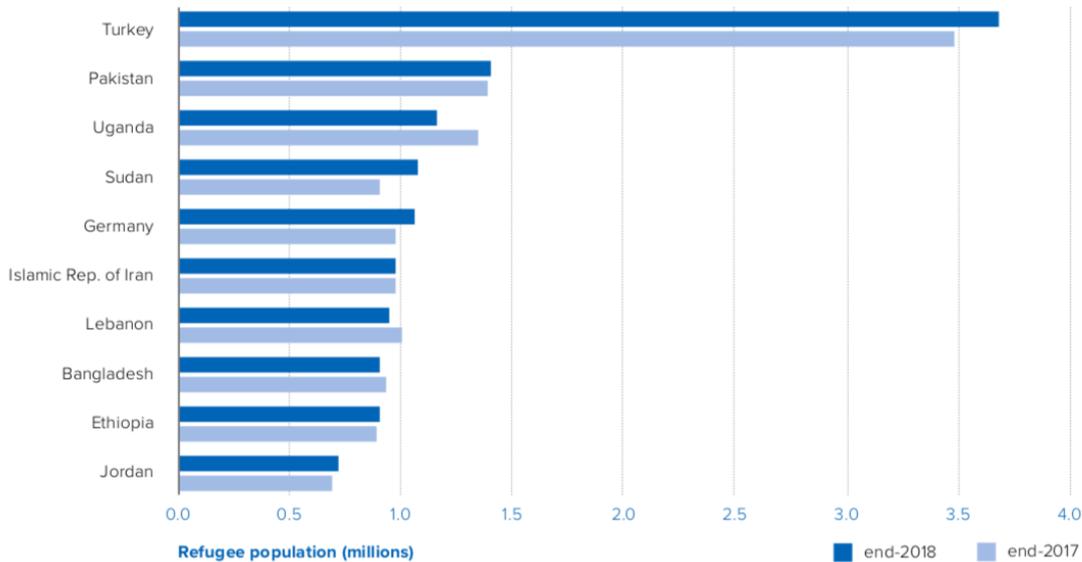
Political discourse: Refugees are often cast as an economic burden for host countries, although research provides ample evidence that they are not. In Europe, for example, far-right parties often prey on the fear that refugees may be taking jobs, undercutting wages and putting pressure on public resources (e.g. hospitals, schools, transport, welfare).

Labour exploitation: Refugees who face obstacles to formal job opportunities may fall victim to exploitation in the labour market. They face a broad range of challenges, including underpayment, risk of injury, job insecurity, lack of rights and discrimination.

Refugees in developing countries: A large majority of the world's refugees – 85 per cent – live in developing countries. The size of the host country's population and the strength of its economy will affect how they cope with the economic impact of refugee flows. Countries bordering Syria, such as Turkey, Lebanon and Jordan, have received the largest refugee populations relative to their host populations.

According to the OECD, South Sudan, Chad and Uganda host the largest refugee populations as a share of gross domestic product. Eight of the top ten countries with the highest number of refugees in relation to GDP are in Africa. Host countries with limited economic growth and high unemployment rates need international support to cope with the cost of refugee arrivals and to facilitate the economic integration of refugees.

Major host countries of refugees – end 2017 to end 2018 (Global Trends)



Why economic inclusion is key

Including refugees in the economies of their host countries is widely recognised as an effective way of increasing their independence, boosting the economic health of local communities, and restoring dignity to forcibly displaced people who have lost most (and perhaps all) of their possessions and livelihoods.

Rebuilding lives: After fleeing war or persecution, the opportunity to work and earn a living is one of the most effective ways people can rebuild their lives with dignity and in peace. UNHCR puts economic inclusion at the heart of several of its core principles, including protection, equality, access and sustainability. Through safe work, people forced to flee can meet their families’ basic needs, maintain their dignity, improve their self-reliance and resilience, and contribute to society – which is what they want.

Safety: Safe employment also gives refugees the means to meet their own needs without resorting to negative coping mechanisms, such as finding work in the grey and black economies or putting their children to work. It also protects them from exploitation by criminal organisations, as well as reducing the likelihood of onward movement in search of work elsewhere.

Economic growth: Many studies show that refugees can boost the economy of the countries that host them, even in low to middle-income countries.

In Kenya, for example, UNHCR worked with the World Bank Group on a study that found that the 180,000 refugees in and around Kakuma camp were contributing to an economy worth US\$56 million a year, sparking a programme to encourage more private-sector investment.

Skills: Refugees with access to labour markets often enrich their host communities with their experience and skills. Those who are allowed to go to school and progress to higher education, including technical and vocational training, are better equipped for their futures, whether in their host communities, after resettlement to a third country, or when they return home.

Gender equality: Employment and entrepreneurship also have a role to play in gender equality and protection. Women with an income – and who have a physical workplace to go to – are better protected against gender-based violence, are more independent and better able to provide for and protect their families. Female refugees who work also do not have to rely on an income from their children working on the streets, enabling them to attend school instead. Yet according to a 2018 report by the Georgetown Institute for Women, Peace and Security, in the 36 countries classified by the World Bank as fragile and conflict-affected states, only 4 in 10 women are in paid work, compared to 7 in 10 men.



Responses and solutions

Rights: Entrepreneurship is just one aspect of “economic inclusion”. To thrive in business and the labour market, refugees also need reassuring that they have the same rights as locals when it comes to access to services, administrative processes, and legal rights and protections. Otherwise, the danger arises that refugees will split off into separate or parallel economic ecosystems.

A list of rights that would enable refugees to work would include the granting of work permits, the right to own property, ending restrictions on foreign ownership of businesses, and permitting investment in refugee businesses from abroad (for example, from personal contacts and networks in their home countries, or from other overseas private sector supporters).

Training and resources: When refugees live in countries where their diplomas and experience are not recognized or where their skills are not in demand, one option is to provide skills training and apprenticeships. Refugees can be allowed access to a wide range of training programmes – from accountancy and law to technology, financial management, marketing and investment.

For example, in 2016, the German government created a programme providing regional vocational centers with the funds to enroll refugees in a six-month apprenticeship scheme including training in trades such as metal and electrical work, as well as language and integration classes.

Supporting host communities: Ensuring that host countries already facing economic difficulties are not left behind is a core principle of the Global Compact on Refugees, adopted in 2018. According to the Compact: “To foster inclusive economic growth for host communities and refugees, in support of host countries and subject to their relevant national laws and policies, States and relevant stakeholders will contribute resources and expertise to promote economic opportunities, decent work, job creation and entrepreneurship programmes for host community members and refugees, including women, young adults, older persons and persons with disabilities.”

Integrated settlements are a good example of initiatives that support the economic well-being of both refugees and host communities. These are areas where refugees and host populations are provided with the same rights of access to the labour market and the same opportunities to receive cash-based assistance, training and other resources. One example is the Kalobeyei settlement in Kenya.

Private-sector support: The private sector has a key role to play in supporting the economic inclusion of refugees. Businesses can offer employment and training, but also a wide range of technologies and goods that can facilitate refugees’ access to the job market.

An example of private-sector involvement in refugees’ economic inclusion is the Tent Partnership for Refugees, founded by Hamdi Ulukaya, CEO of Chobani, which works with businesses to identify and understand opportunities to help refugees, in areas ranging from employment and training to supply chains, service delivery and expertise.

Another example is the Association of German Chambers of Commerce, which has joined forces with the government to establish a network of more than 2,000 companies, including many small and medium enterprises, to help refugees integrate into the labour force.

Cash-based assistance: In 2016, UNHCR began expanding cash-based assistance, giving refugees the choice in how they spend the money and benefitting local economies as they buy essential goods in local stores and pay for local services. It also enables them to pay their rent, buy medicines, pay off debts and start businesses.

Community support: Integrating into a new country and finding employment, on top of recovering from the traumatic experience of fleeing war and persecution, can be extremely difficult. Host communities and NGOs play an important role in supporting the local integration of refugees and helping them access the job market. Community support can take the form of legal advice, language courses, support with writing CVs and preparing for interviews, access to computers for job search, and so on.

Questions to guide debate

- How can we expand the rights of refugees to access the labour markets of their host countries?
- How can we convince businesses to play their part in supporting the economic inclusion of refugees? What are the obstacles and how can they be overcome?
- How can governments in refugee-heavy regions balance the need to support refugees with the needs of their own citizens when it comes to employment and business? How can the private sector help in this regard?
- How can we tackle the unfounded fear that refugees present an economic threat? How can we counter political narratives that perpetuate this?
- What are the priorities for supporting the economic inclusion of refugees in resettlement countries, such as Germany or the USA, as opposed to host countries, such as Lebanon or Bangladesh?
- In host countries, what are the priorities for supporting the economic inclusion of refugees living in camps (40 per cent) as opposed to urban areas (60 per cent)?
- How can we better link up schools and universities where refugees are studying with future employers?