

A photograph of a refugee camp. In the foreground, a chain-link fence is visible, partially obscuring the view. Behind the fence, there are several people, including a person in a yellow shirt and another in a purple shirt. The background shows a dirt area with some greenery and a building in the distance. The overall scene is somewhat desolate and suggests a place of displacement.

Socio-Economic Integration for Refugees

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Structure

- Sustainable Refugee Policies?
- Innovative Examples from East Africa
- Application to the Rest of the World

Sustainable Refugee Policies?

- Non-ideal theory: which political constraints can we change?
- 3 criteria for sustainability:
 - Rights -- protection, assistance, solutions
 - Politics -- local, national, international
 - Scale – numbers, over time
- 3 allocation mechanisms for responsibility:
 - Spontaneous arrival
 - Resettlement (or alternative pathways)
 - Neighbouring countries
- All have an important and unique role to play

Development-based approaches

- 85% of the world's refugees are in low and middle-income countries
- Most exile remains 'protracted', sometimes lasting decades
- The absence of 'durable solutions' has increasingly placed the focus on 'self-reliance' and 'livelihoods'
- Under what conditions can development-based approaches be effective?



The Economic Lives of Refugees

Approach

- Dataset on 16,000 refugees & hosts
- Camps and cities in Kenya, Ethiopia, Uganda
- Participatory, mixed methods approach.

Questions

- *Welfare*: when do refugees thrive or survive?
- *Social cohesion*: when do refugees and hosts get along?
- *Mobility*: when do refugees stay or go?

Key findings

- Development-based approaches can be 'win-win'
- Jobs and education are crucial
- Onward migration is not inevitable



1) Welfare outcomes

- Refugees are systematically worse off than proximate hosts
- Variation in *income levels* associated with employment, education, entrepreneurship, networks, gender, nationality, host country
- Variation in *labour market integration* associated similar but also associated with vocational training

Table 3.3. The 'Refugee–Host Development Gap'—summary of estimated median welfare indicators for refugee and proximate host populations across all six sites.

Country	Context	Population	Income (US\$/month for those employed) ⁷¹	Employment (%) ⁷²	Subjective Wellbeing (/5) ⁷³	Food Security (%) ⁷⁴	Health Score (higher is worse) ⁷⁵	Mental Health Score (higher is worse) ⁷⁶
Kenya	Camp	Refugees	68*	24*	1.5	26	6.2*	6.5*
		Hosts	42*	48*	2	14	3.8*	4.5*
	Urban	Refugees	151	49*	1.6	57*	4.8*	5.5
		Hosts	208	72*	1.8	79*	1.2*	3.9
Uganda	Camp	Refugees	32	40*	0.8*	23	6.4*	8.6*
		Hosts	15	90*	1.8*	38	4.9*	5.4*
	Urban	Refugees	94	40*	1.4*	43*	5.9*	7.7*
		Hosts	113	71*	2.2*	70*	3.3*	5.1*
Ethiopia	Camp	Refugees	47*	21*	1.8*	15*	3.4*	4.5*
		Hosts	121*	29*	3.4*	52*	2.6*	2.8*
	Urban	Refugees	66*	20*	1*	56*	6.4*	8.7*
		Hosts	225*	55*	2.8*	93*	2.7*	4*

Statistically significant differences (at a 95% confidence interval) between refugees and hosts are starred (*)



Improved access to employment and education; promoting the right to work/socio-economic rights.

2) Social cohesion

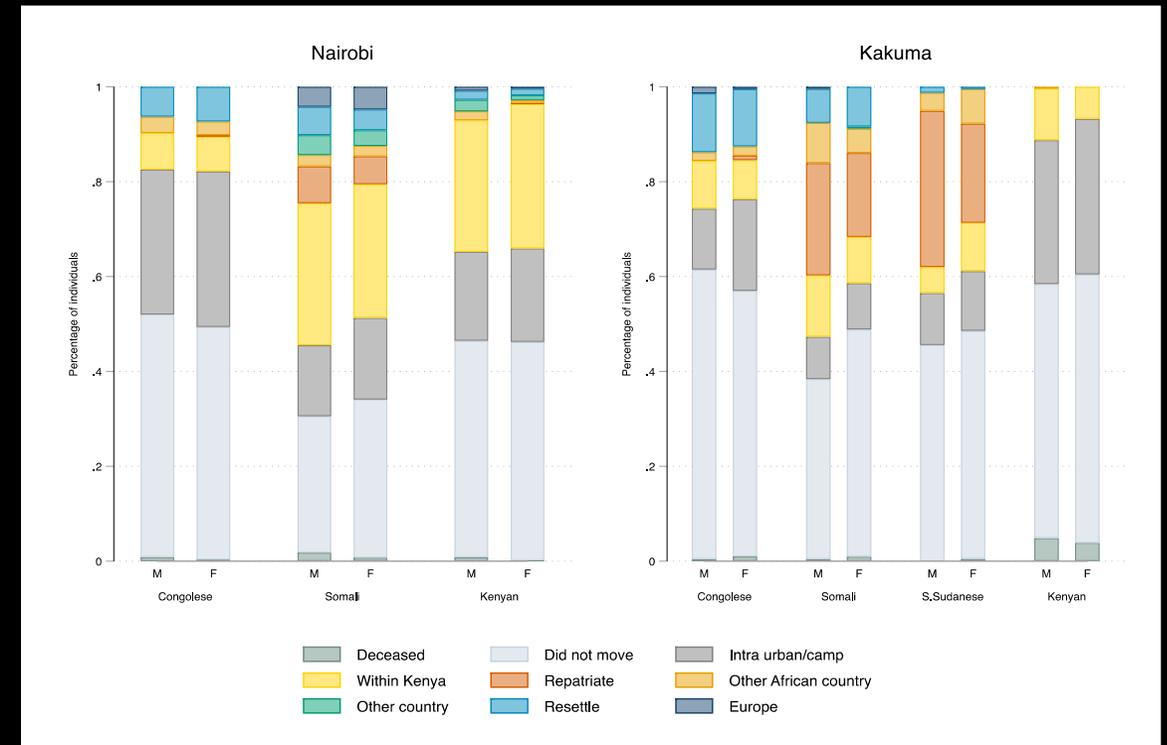
- Increased inter-group interaction is associated with more positive host community attitudes
- Economic interaction matters – notably through employment and consumption
- Intra-group attitude formation also takes place at neighbourhood level
- There are key differences between urban and camp contexts



Shared economic opportunities for refugees and hosts

3) Onward migration

- Most refugees hope to migrate to rich countries, but a tiny minority actually do
- Refugees are highly mobile but most refugee mobility is intra-urban, inter-urban, and intra-regional
- International refugee migration in/from Africa is predominantly 'regular' (e.g. repatriation/resettlement)
- There is no evidence of a positive association between development indicators and refugee migration, and some of a negative association



Attrition between survey waves – 2 year gap in Nairobi, 3 year gap in Kakuma. Source: Betts, Omata, Siu, and Sterck (2021), 'Refugees on the Move: Evidence from East Africa' (forthcoming).



Improving development outcomes for refugees

Impact evaluations -- Dollo Ado

What?

- \$100m in IKEA Foundation investment
- Cooperatives model for refugee and host livelihoods
- Focus on agriculture, livestock, and retail

Successes

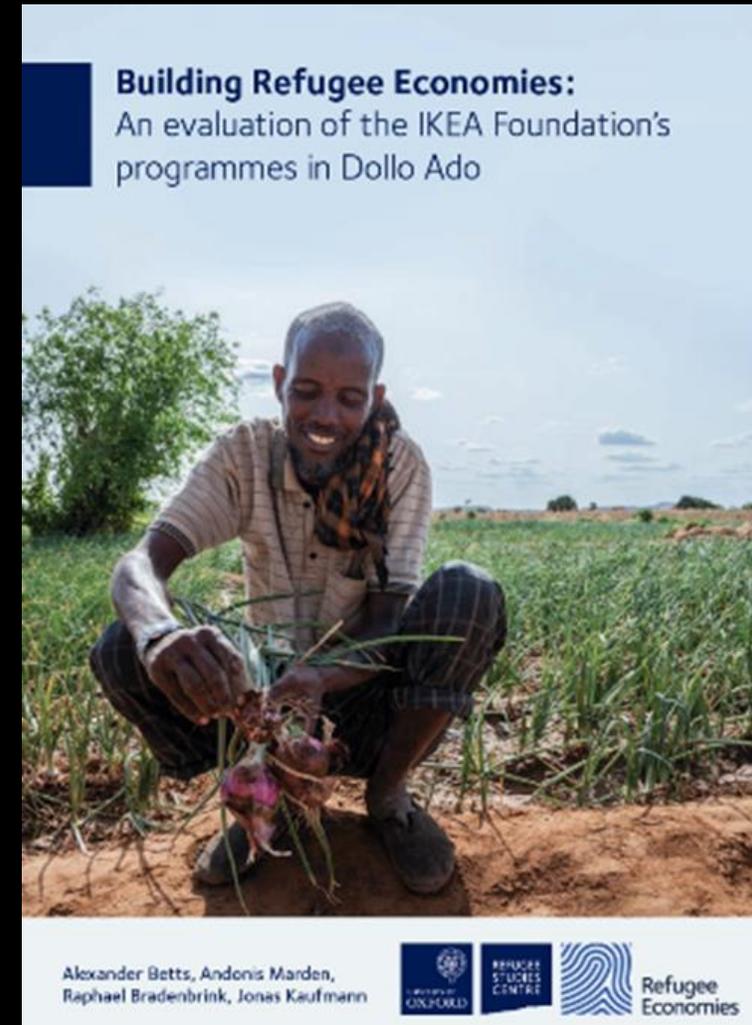
- Improved income levels
- Improved refugee-host relations
- Effective private sector collaboration

Limitations

- Still less than 10% in target sectors
- Programmes without market linkages fail

Takeaways

- The 'cooperatives' model can be effective
- Need for macroeconomic transformation



Impact evaluations -- Kalobeyei

What?

- New 'integrated' settlement opened 2016
- Adapted to sub-county development plan
- Market-based programmes for self-reliance

Successes

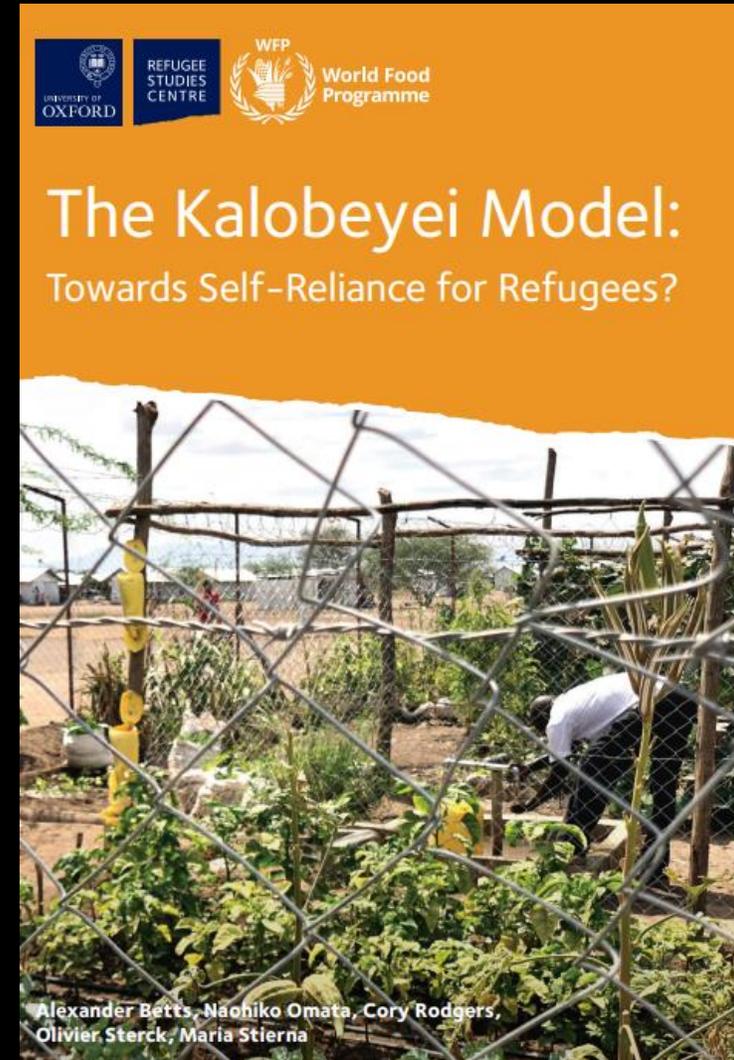
- Local political support
- Successful introduction of cash-based assistance
- Benefits of dryland agriculture

Limitations

- After 2 years, 6% income-generating activity and 2% independent of aid

Takeaway

- Self-reliance initiatives need to build productive capacity rather than just circulate aid money



The Jordan Compact

Successes

- Created the right to work for refugees in Jordan
- Provided 200,000 work permits to Syrians
- Enabled Syrian businesses to operate in SEZs

Limitations

- Lack of investment by MNCs
- Absence of prior socio-economic studies (e.g. gender)
- Limited to particular sectors (e.g. textiles, construction)

Takeaways

- A pilot that offers the opportunity to learn
- Creatively aligned incentives
- Supporting national development priorities



The Ethiopia Jobs Compact

What?

- UK/EU/WB finance of \$550m for 3 new industrial parks in exchange for 30,000 jobs for refugees

Successes

- Political deal with government
- Built upon national development priorities
- New refugee legislation and right to work

Limitations

- Stalled implementation
- Lack of socio-economic studies relating to refugees

Takeaways

- A political success, and economically viable, but a poor fit for refugee employment



Timeline: 2017 - 2024

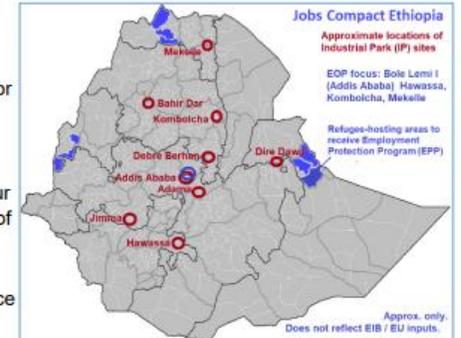
Location: Addis Ababa, Hawassa, Kombolcha, Mekelle

Donor: World Bank Group, UK Department for International Development (DFID).

Partners: Ethiopian Investment Commission (EIC), Industrial Parks Development Corporation (IPDC), Ministry of Labour and Social Affairs (MoLSA), Ministry of Finance (MoF)

Sectors: Employment Creation, Industrial development, Material relief assistance services

Amount: US\$ 550,000,000



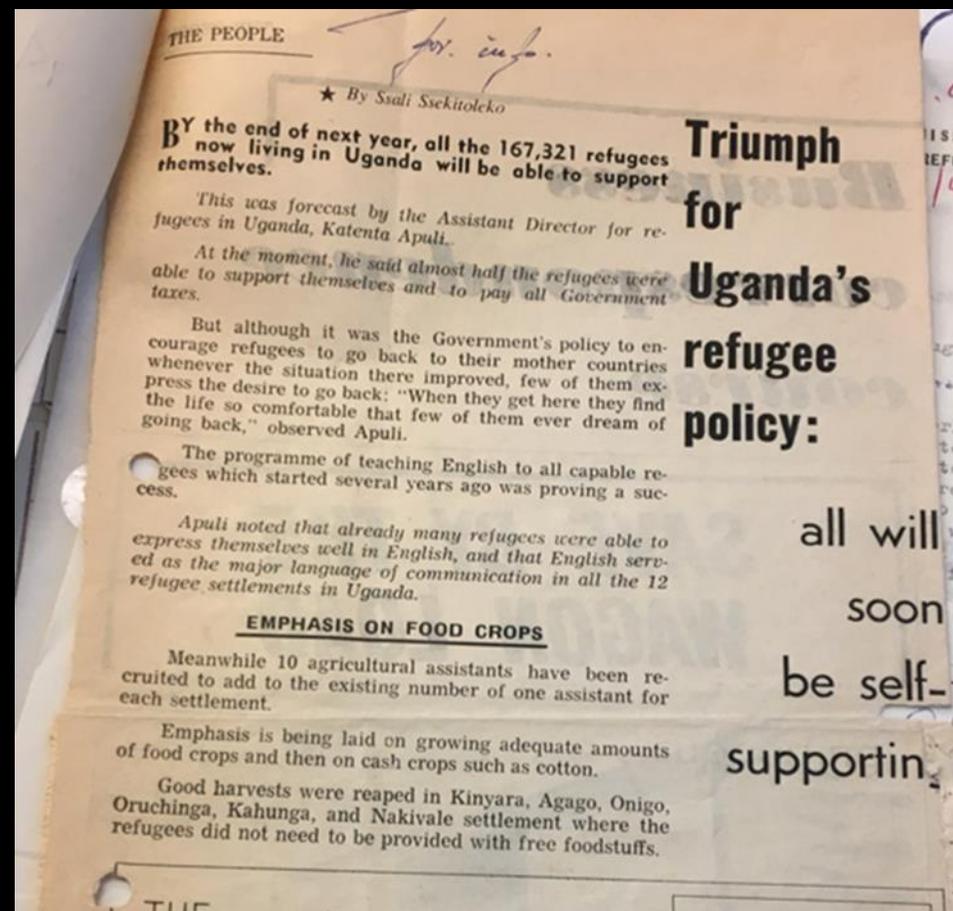
Colombia – temporary integration

- Colombia hosts 1.7 million Venezuelans
- Widely distributed across urban areas
- Most labelled as ‘externally displaced’
- Series of ‘regularisation’ programmes based on ‘Permiso Especial de Permanencia’ (PEP)
- General temporary regularisation programme 2021
- Supported by commitments of ‘solidarity summit’



The Politics of Socio-Economic Rights?

- Undertaking political economy analysis
- Engaging with national and local politics
- Finding 'champions' (e.g. Imad Fakhoury; Felipe Munoz; Josphat Nanok; Ato Zeynu)
- Understanding historical context
- Packaging the right incentives



Ukraine



Governance Gaps

- Moving beyond 'asylum and immigration' policies towards 'refugee and migration' policies.
- Breaking down the 'firewall' between migration funding & development assistance
- Coordinating across Ministries of Home Affairs, Development, and Foreign Affairs
- Senior government leadership to create 'bargains' with host countries.

Evidence Gaps

- Does the 'migration hump' apply to migration from crisis zones?
 - The need for RCTs on development interventions & migration
 - Three sets of interventions:
 - Cash
 - Work
 - Education
- Effects on aspirations
and actual migration
- Looking at urban/rural and refugee/non-refugee

Conclusions

- Rising numbers, declining will...but a 'Ukraine moment'?
- Spontaneous arrival, resettlement, *and* neighbouring countries
- Evidence-based approaches to 'refugees and development'
- The limits of 'self-reliance' without expanding productivity
- The politics of the right to work
- Towards Job Compacts 2.0?

ALEXANDER BETTS

THE WEALTH OF REFUGEES

HOW DISPLACED PEOPLE CAN BUILD ECONOMIES



www.refugee-economies.org