Livelihoods and economic inclusion

Key points

- The Global Compact on Refugees (GCR) calls for enhancement of refugee resilience and self-reliance and for adoption of a whole-of-society approach, both to reach this objective and for the benefits it will bring.

- Access to livelihoods and economic inclusion contribute in vital ways to refugee resilience and self-reliance.

- UNHCR recommends that, to improve refugee inclusion in programmes and services, operations should convene and partner with organizations that specialize in livelihoods. You can do this by consulting a range of stakeholders. For example:
  - Financial and business development service providers.
  - Private sector organizations (companies, chambers of commerce, employment agencies, business associations).
  - Public and private training institutes.
  - Development actors, including development NGOs.
  - Governments.
  - UN agencies.
  - Academic and research institutions.

Assess whether it is viable to include refugees in programmes and services. Ask, for instance, whether specific actors:

- Provide services that are relevant to refugees.
  - Have the capacity to meet the needs of all or specific groups of refugees. Do they offer appropriate incentives? What influence do they have?
  - Possess the necessary expertise. Can they survive and compete in local markets?

UNHCR should not itself intervene to fill a gap in services except as a last resort. It should only intervene when other stakeholders:

- Lack the expertise to offer refugees appropriate opportunities.
  - Are prevented from intervening.
  - Lack the capacity to meet refugees' needs.

Where UNHCR operations do implement directly, they should apply the Minimum Economic
Recovery Standards. These help to ensure that livelihood programmes are market-oriented and of high quality.

1. Overview

Refugees can be protected, and obtain long-term solutions more successfully, when they have livelihoods and participate economically. Economic inclusion implies giving all members of society, including non-citizens and vulnerable and underserved groups, access to labour markets, finance, entrepreneurial expertise, and economic opportunities. Refugees who enjoy economic inclusion are more likely to be self-reliant and resilient, to meet their needs in a safe, sustainable and dignified manner, to avoid aid-dependency and negative coping mechanisms, to contribute to their host economies, and to be prepared for the future, whether they return home, integrate in their country of asylum or resettle in a third country.

Economic inclusion starts from the moment a refugee influx begins. If humanitarian assistance and educational services are well-directed from the start, they can create better outcomes for refugees in later phases of displacement. The first short-term support provided by humanitarian assistance helps refugees to meet basic needs and obtain adequate protection. In the medium and long-term, assistance should secure the inclusion of refugees in programmes and services offered by development actors, the private sector, and governments. Participation in market systems (through wage- or self-employment, for example) depends not just on access to finance, training, access to education at all levels, coaching, job placement, and a wide range of other support services, but also on the presence of an enabling environment whose rules and regulations protect rights and security. Where refugees have limited access to the right to work and related rights, UNHCR and partners will need to advocate for an environment that encourages the economic inclusion of refugees and enhances their access to livelihoods and decent work. It is important to recognize that positive outcomes in this area require multi-year strategic planning.

2. Main guidance

Protection objectives

- To meet basic needs.
- To protect productive capital and diversify income sources.
- To prevent asset depletion and negative coping strategies.
- To protect and build human and social capital and promote decent work strategies.
- To support equal access to services and economic opportunities.
Underlying principles and standards

Key principles

- Convene internal and external stakeholders.
- Strengthen livelihood support based on socio-economic profiling.
- Assist refugees to become self-reliant and resilient, including during the emergency phase.
- Assist refugees to contribute to (and be included in) local development plans and processes.
- Avoid the provision or creation of parallel services.

Standards

The Minimum Economic Recovery Standards (MERS) set out the minimum level of activities required to support the economic recovery of vulnerable populations after crises. The MERS handbook offers tools and approaches that help practitioners, multilateral stakeholders, local market actors, governments, and donors to support economic recovery using a market-based response. The standards draw on the accumulated experience of the world's leading humanitarian agencies and economic development practitioners.

The MERS is composed of six sets of standards that can be read in sequence or separately.

- The Core Standards describe approaches and activities that prevent or mitigate physical, social, economic, environmental or other harms, and promote protection in alignment with the Core Humanitarian Standards.
- Assessment and Analysis standards advise on how to design, implement and share assessment results that inform effective and context-appropriate programmatic strategies.
- Asset Distribution standards assist practitioners to apply market-aware thinking to asset distribution, support activities linked to longer term-recovery, and minimize disruption of local market systems.
- The MERS also promote livelihoods, financial inclusion, and self-reliance through standards that focus on development of enterprise and market systems, financial services, and employment.

Protection Risks

Risks that may need to be addressed include:

- Sexual exploitation and abuse.
- Risky coping mechanisms (including survival sex, child labour, engagement in illegal activities).
- Obstacles to access and enjoyment of assistance and other services.
- Lack of access to formal and informal markets and labour opportunities.
Depletion of assets, leaving people vulnerable.
Restraints on, or prevention of, freedom of movement.

Other risks

- Legal systems may not adequately respect, protect and fulfil rights.
- Support programmes may discriminate between refugees and host communities.
- There may be a shortage of appropriate partners, especially development partners.
- Programme models may create dependence rather than self-reliance.
- Livelihood programmes may create frustration if they have no impact or their impact is deferred.
- Local people may perceive that refugees are competing with them for jobs and work.

Key decision points

Assess existing and potential livelihood opportunities and services. Because they know the context and have links with the local population, NGOs and other local institutions that are perhaps not typical UNHCR partners may be equipped to support and promote livelihoods work and help refugees to become more self-reliant. Use market assessments and value chain analysis (where appropriate) to evaluate host community and in-camp markets, and cross-check the findings against ProGres data on refugee profiles, to identify skills that are needed and skills that refugees possess. Consider sustainability, how both refugees and host communities make a living, and the capacity of the area to absorb refugees. Explore alternative solutions from the beginning.

Operations should seek partners that can include refugees in their programmes and services, taking into consideration the comparative advantage of development actors, private companies, government, financial services providers, and other stakeholders. Partners can develop joint advocacy plans to improve the economic environment for refugees.

Key steps

- To improve refugees' inclusion in programmes and services, operations should convene and partner with organizations that specialize in livelihoods.
- You can do this by consulting a range of stakeholders. For example:

  o Financial and business development service providers.
  o Private sector organizations (companies, chambers of commerce, employment agencies, business associations).
  o Public and private training institutes.
  o Development actors, including development NGOs.
  o Governments.
  o UN agencies.
  o Academic and research institutions.
Assess whether it is viable to include refugees in programmes and services. For instance, ask whether specific actors:

- Provide services that are relevant to refugees.
- Have the capacity to meet the needs of all or specific groups of refugees. Do they offer appropriate incentives? What influence do they have?
- Possess the necessary expertise. Can they operate and compete in local markets?

UNHCR should not itself intervene to fill a gap in services except as a last resort. It should only intervene when other stakeholders:

- Lack the expertise to offer refugees appropriate opportunities.
- Are prevented from intervening.
- Lack the capacity to meet refugees' needs.

Where UNHCR operations do implement directly, they should apply the Minimum Economic Recovery Standards. These help to ensure that livelihood programmes are market-oriented and of high quality.

**Key management considerations**

To strengthen refugee self-reliance successfully, livelihood interventions need to be supported by a range of teams working in education, protection, programmes, solutions, community services, communications, and other disciplines. Success also depends on cooperation with development actors, the private sector, and local partners. Where local partners lack expertise or capacity, the office may need to bring in technical support to strengthen them.

**Resources and partnerships**

**Staff**
UNHCR livelihoods staff in the field.

**Partners**
Implementation partners who take a market-oriented approach and are familiar with refugee issues.
Operational partners with specific expertise in microfinance, vocational training, entrepreneurship, employment services, and agriculture and rural development.

3. **Links**

[Refugee Livelihoods and Economic Inclusion: 2019-2023 Global Strategy Concept N... ILO]
4. Main contacts

Contact the Livelihoods and Economic Inclusion Unit, UNHCR Division of Resilience and Solutions (DRS). At: livelihood@unhcr.org.