

# REFUGEES' ACCESS TO JOBS AND FINANCIAL SERVICES

BACKGROUND GUIDE  
CHALLENGE TOPIC #3



The MUN Refugee Challenge is an initiative launched by UNHCR, the UN Refugee Agency, 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 as part of the 2023 edition.

Salam Al-Hariri, 26, is a Syrian refugee, mother, and trainee pharmacist in Amman. After graduating on a DAFI scholarship from the University of Jordan in 2018, she is training at a local pharmacy.  
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## THE CHALLENGE



After fleeing war or persecution, the opportunity to work and earn a living is one of the most effective ways refugees can rebuild their lives with dignity and in peace. Through safe work, people forced to flee can meet their families' basic needs, improve their self-reliance and resilience, and contribute to society—which is what they want. Nonetheless, [two-thirds of refugees](#) live in poverty.

75% of refugees have access to work in law, fully or partially. In practice, however, 62% of refugees live in countries where access to formal employment is restricted. Refugees are hindered by high unemployment rates, a lack of access to education and training, limitations on their movements, restrictions on rights concerning housing and land, and a lack of access to financial services.

## WHY IS THIS ISSUE IMPORTANT TO ADDRESS?

- **Rebuilding lives:** Rebuilding one's life implies more than having a roof over your head and a safe place to sleep. It means reclaiming control of your future. A powerful way to do so is through finding work. After fleeing war or persecution, one of the most effective ways people can rebuild their lives with dignity and in peace is through the opportunity to earn a living.
- **Ensuring safety:** Safe employment gives refugees the means to meet their own needs without resorting to negative coping mechanisms, such as finding work in the gray and black economies or putting their children to work. It also protects them from exploitation by criminal organizations, and reduces the likelihood of onward movement in search of work elsewhere.
- **Growing the economy:** Many studies show that refugees can boost the economy of the countries that host them, even in low to middle-income countries. Economic inclusion, access to employment and entrepreneurship enables refugees to contribute to their host economies as consumers, taxpayers and employers.
- **Skills-sharing:** Refugees with access to labour markets often enrich their host communities with their skills. Those who are allowed to go to school and progress to higher education, including technical and vocational education and training, are better equipped for their futures, whether in their host communities, after resettlement to a third country, or when they return home.

# 75%

of refugees have access to work in law, fully or partially. However, [62% of refugees live in countries](#) with restricted access to employment in practice



RIGHT TO WORK

# 33%

of refugees live in countries with [restricted freedom of movement](#) (the right and ability to move)



FREEDOM OF MOVEMENT

# 56%

of refugees live in countries where legislation [does not recognize UNHCR or government-issued ID](#) as a valid document to open a bank account



FINANCIAL SERVICES

## CHALLENGES TO THE ECONOMIC INCLUSION OF REFUGEES

### 1 POLITICAL DISCOURSE

Refugees are often cast as an economic burden for host countries, although research provides evidence that they are not. In Europe, for example, far-right groups often exploit public fears that refugees may be taking their jobs, undercutting wages and putting pressure on public resources (e.g. hospitals, schools, transport, welfare). In low to middle-income countries, some communities are already struggling to meet their needs and are concerned about refugee arrivals. Sometimes, tensions between host communities and refugees result from concern over the use of local resources.



Congolese refugee Ruffin Musulu owns and operates three pharmacies in eSwatini that employs several nationals.

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### 2 LEGAL RESTRICTIONS

Even though the right to work is set out in the 1951 Refugee Convention, the Universal Declaration of Human Rights, and various other instruments, some host countries limit the right of refugees to work and are reluctant to ease those restrictions. [Three out of four refugees](#) have access to work in law, fully or partially, however in practice, far fewer refugees are able to work. Other restrictions exist even in countries where refugees are permitted by law to work, such as limits on which sectors refugees can work in.

Most people seeking asylum are unable to work while their claim is being processed, which can take several months or years. Therefore, many asylum seekers live in poverty and are not able to pay for their basic needs. Restrictive laws and limited economic inclusion frequently push refugees to work in low-paying and risky informal employment.

### 3 LABOUR EXPLOITATION

Refugees who face obstacles to formal job opportunities may resort to finding work in the informal economy, making them more likely to fall victim to exploitation. They may face a broad range of challenges, including underpayment, risk of injury, job insecurity, lack of rights and discrimination. In Türkiye, it is estimated that approximately [1 million Syrians are working informally](#) without legal protection, and three out of four earn less than the minimum wage. In situations of displacement, families may also involve their children in helping generate income to ensure their survival, thus putting them at risk. In Lebanon, for example, [180,000 children](#), mostly refugees from Syria, were estimated to be working, according to 2018 research.

Those working in the informal sector are also extremely vulnerable to shocks. The economic effects of COVID-19 had a [disproportionate effect on refugees](#). Data from eight hosting countries (Colombia, Ethiopia, Iraq, Jordan, Lebanon, Peru, Türkiye, Uganda) shows that refugees are 60 % more likely than host populations to be working in the informal sector in areas such as manufacturing or food, which was hit hard by COVID-19. The pandemic caused widespread job losses, disrupting livelihoods and increasing poverty among refugees.



**4 ACCESS TO EDUCATION AND SKILLS TRAINING**

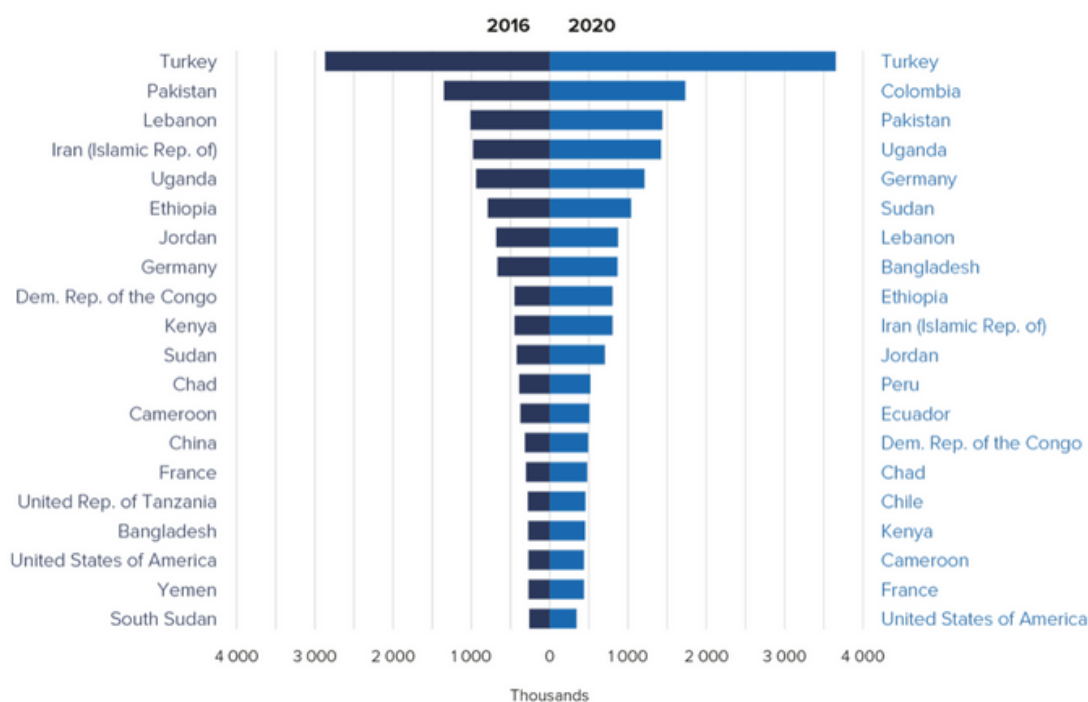
Education helps refugees rebuild their lives. It is protective and empowering, giving them the knowledge and skills to live independently. However, in many parts of the world refugees face multiple barriers when it comes to education and skills training, such as restricted or no access to schools and colleges, language differences, and prohibitive costs of learning materials, transport, fees and more. Refugees might also face difficulties in getting their previous academic qualifications recognized. Thus, refugees' prospects and opportunities for education beyond primary school are extremely limited.

UNHCR's [2022 Education Report](#) shows that only 37% of refugees are enrolled in secondary school (as opposed to over 80% worldwide) and only 6% are enrolled in higher education. [Technical and Vocational Education and Training](#) can close some of these gaps. It encompasses education, training and skills development relating to a wide range of fields and sectors.

**5 LACK OF OPPORTUNITIES**

A large majority of the world's refugees – [83 % – live in countries with developing or the least developed economies](#). The size of a host country's population and the strength of its economy will affect how it copes with the economic impact of refugee flows. Countries bordering Syria, such as Türkiye, Lebanon and Jordan, have received the largest number of refugees relative to their host populations. States 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.

Top 20 countries hosting refugees and Venezuelans displaced abroad, in absolute terms, end-2016 and end-2020



[Global Compact on Refugees Indicator Report](#)

## 6 FREEDOM OF MOVEMENT

Freedom of movement consists of the right and ability to move and choose one's residence freely and in safety within the territory of a State. To access decent work, refugees need to be able to exercise their right to freedom of movement. However, [one out of three refugees](#) does not have it.

This can [have serious consequences for the lives and well-being](#) of displaced individuals and communities. It not only limits their ability to flee and seek safety from conflict but also hinders their ability to work or access life-saving services such as health care. According to UNHCR, [lack of freedom of movement](#) may increase poverty, marginalization and dependency on humanitarian aid.

## 7 ACCESS TO FINANCIAL SERVICES

[A lack of access to financial services](#) such as deposit accounts, payments, credit, insurance and other mainstream services can be a major hurdle to self-reliance and economic independence. 56% of refugees live in countries where the legislation does not recognize UNHCR or government-issued ID as a valid document to open a bank account, which makes it difficult to spend, save, borrow or send money, as well as to start and operate a business. Without such services, refugees cannot fully participate in a country's economy or build a stable life for themselves and their families.

## 8 REFUGEE ENTREPRENEURSHIP

In contexts where unemployment in host communities is high, refugees prefer to follow the entrepreneurial path. For example, in [South Africa, Brazil and Morocco](#), refugees tend to become entrepreneurs due to limited opportunities in the formal job market. Even where entrepreneurial activity is not legally allowed, self-employment might still be the most viable option because of a lack of alternatives.

According to UNHCR, 59% of refugees live in countries with restricted access in practice to registering and operating a business. Challenges include language barriers, lack of market knowledge, unfamiliarity with local legal regulations and tax systems, and limited access to finance.



Syrian refugee Salma Al Armarchi's culinary skills are earning her a living. Salma's break came in 2016 when her eldest son Fadi asked her to cater for a picnic at Berlin's ReDI school of Digital Integration, where he was taking a free coding course. In 2012, Salma, her youngest son and her daughter had fled Damascus for Germany on a tourist visa and applied for asylum.

© UNHCR/Gordon Welters

## WHAT IS CURRENTLY BEING DONE TO ADDRESS THIS ISSUE?



- UNHCR works to ensure that refugees have access to affordable and suitable financial services. For example, together with the Swedish International Development Cooperation Agency and the Grameen Credit Agricole Foundation, UNHCR launched [a programme to promote access to financial and non-financial services](#) for refugees and host communities in Uganda. The programme provides selected financial service providers with debt-financing and technical assistance to enable them to expand their lending operations and access to entrepreneurial training to over 100,000 refugees and host communities.
- UNHCR has been expanding its [cash-based interventions \(CBI\) programme](#), giving refugees a choice in how they spend the money and benefitting local economies. It also enables them to pay their rent, pay off debts and start businesses. UNHCR delivers cash assistance through banks or mobile money accounts. In 2016, access to bank accounts and other digital payments for refugees in places where UNHCR operates was limited to only a few countries. In 2020, as a result of the implementation of UNHCR's CBI policy, [47 countries have managed to negotiate such access](#), of which 32% have set up mobile money mechanisms.
- UNHCR advocates for refugees' access to jobs, education and other services in their country of asylum and works with partners to help refugees make a living. For example, UNHCR works with ILO and UNDP on [micro-financing programmes](#) to increase refugees' self-reliance.



MADE51 brings beautiful, refugee-made products to the international market. Brought to life by UNHCR, this initiative connects refugees with social enterprise partners to design, produce and market artisanal products around the world.  
© UNHCR/ 6M Productions

### Complementary Pathways

Complementary pathways are safe and regulated avenues that complement resettlement, by which refugees may be admitted into a country where they can be safe while supporting themselves to potentially reach a sustainable and lasting solution.

Complementary pathways include humanitarian visas, community sponsorship of refugees, family reunification, work visas and education programmes. UNHCR works with various partners to develop complementary pathways to third countries that will meet the protection needs of refugees.



## GOVERNMENTS

- Governments can help to [ensure that refugees have the same rights as locals](#) when it comes to access to services, administrative processes and legal rights. Such rights include work permits and ownership of property (eg, ending restrictions on foreign ownership of land and businesses). In 2021, Jordan issued a [record 62,000 work permits to Syrians](#). And under the 2016 Jordan Compact, an initiative to improve access to education and legal employment for Syrians, Syrian refugees were allowed to work in several sectors of Jordan's economy.
- Governments can [provide training and education](#) to facilitate refugees' access to the job market, since refugees may live in countries where their diplomas and experience are not recognized or where their skills are not in demand. For example, in 2016, [the German government created a programme](#) providing regional vocational centres 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.
- Governments can help [ease the pressures on host countries](#). For example, the Canadian government [increased its refugee resettlement levels](#) for the next three years in its 2021–2023 Immigration Plan. Such actions can help host countries with limited economic growth and high unemployment rates to cope with the cost of refugee arrivals and to facilitate the economic integration of refugees.



The first-ever Global Refugee Forum, held in 2019, brought together refugees, heads of state and government, UN leaders, international institutions and civil society representatives in Geneva.

© UNHCR

### Global Compact and Global Refugee Forum

The Global Compact on Refugees, affirmed by the United Nations General Assembly in 2019, put in place a new and comprehensive refugee response model. Its four key objectives are to ease the pressures on host countries, enhance refugee self-reliance, expand access to third-country solutions and support conditions in countries of origin for return to safety. Through the Global Compact on Refugees, 193 countries committed to improving refugees' self-reliance and easing pressure on host countries.

Guided by the Global Compact on Refugees, the Global Refugee Forum is the world's largest gathering in support of refugees and the communities that host them. It provides space for States and stakeholders to announce new pledges and share good practices to inform and inspire burden and responsibility-sharing. It represents the political will and ambition of the international community as a whole for strengthened cooperation and solidarity with refugees and affected host countries.



## BUSINESSES



- Businesses can work together to [find innovative ways to increase refugee employment](#). For example, the [Tent Partnership for Refugees](#), founded by Hamdi Ulukaya, CEO of Chobani, works with businesses to identify and understand opportunities to help refugees integrate in the economy.
- Businesses can [offer employment to refugees](#). For example, in 2021, UNHCR launched the [Companies with Refugees Forum](#) to encourage businesses in Brazil to hire refugees.
- Business can [offer a wide range of technologies and goods](#) that can facilitate refugees' access to the job market. For example, in 2019, [Microsoft partnered with UNHCR](#) to empower 25,000 refugee and host community youth in Kakuma with digital skills and computer science training.



Turkish businessman Hamdi Ulukaya, founder of Chobani, a yogurt company, visits the Tent Foundation in Jordan, the Jerash Factory in Sahab, Amman and meets with refugees.

© Tent Partnership

## REFUGEES, HOST COMMUNITY AND NGOS



- Refugees, host communities and NGOs can leverage innovative ways to create jobs for refugees. For example, [NaTakallam](#) provides income to refugees, displaced persons and their host community members by hiring them as online tutors, teachers, translators and cultural exchange partners.
- Host communities and NGOs can help equip refugees with the tools and skills needed to access the job market. For example, [Powercoders International is an NGO](#) that provides free intensive coding courses and a subsequent work placement, allowing its students to gain valuable, market-relevant skills as well as work experience, which increases their chances of employment.



Refugee students part of [Powercoders International](#) receive free coding courses, allowing them to gain technical skills needed to access the job market.

© Powercoders International



## Questions to Guide the Debate

- How can we expand the rights of refugees to access employment and entrepreneurship?
- How can we expand the rights of refugees to access financial services, including opening bank accounts or contracting loans to start a business?
- How can we convince the private sector to play their part in supporting the economic inclusion of refugees? What are the obstacles and how can they be overcome?
- How can governments hosting large numbers of refugees balance the need to support refugees with the needs of their own citizens when it comes to employment and business?
- 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 differences when it comes to supporting the economic inclusion of refugees in wealthy resettlement countries (such as Germany or the US) versus supporting them in less wealthy host countries (such as Lebanon or Bangladesh)?
- In host countries, what are the priorities for supporting the economic inclusion of refugees living in camps as opposed to urban areas?
- How can we better link up schools/ universities where refugees are studying with future employers?

## Useful Resources

- [Global Compact on Refugees Indicator 2021](#)
- [UNHCR Global Trends Report](#)
- [2019 - 2023 Global Strategy Concept Note: Refugee Livelihoods and Economic Inclusion](#)
- [UNHCR's Policy on Cash-Based Interventions](#)
- [UNHCR: Digital Payments to refugees | A pathway towards financial inclusion](#)
- [Key considerations on Technical and Vocational Education and Training \(TVET\)](#)
- [UNHCR Livelihoods \(English with subtitles\) - YouTube](#)
- [Livelihoods and Economic Inclusion - YouTube](#)
- [Global roadmap for refugee entrepreneurship](#)

## Contact Us

If you have any questions about UNHCR's MUN Refugee Challenge or this background guide, please visit our [webpage](#) or contact [hqmunrefugee@unhcr.org](mailto:hqmunrefugee@unhcr.org).