



The refugee-development nexus

by Roderick Parkes and Annelies Pauwels

Many advanced economies are now creating labour market integration initiatives for refugees, with a focus on offering education and long-term employment possibilities. This marks quite a shift: in the 1990s, in fact, such policies were scaled back, with critics arguing that they were not in the national interest as integration policies would only turn a temporary refugee population into a permanent one, and would ultimately create ‘pull factors’ for further waves of migrants.

While these criticisms persist, advocates of integration have responded by highlighting the need to plug gaps in the labour market and demographic shortfalls at home. They argue that their policies can be exported abroad, to refugee-hosting states like Jordan and Lebanon where they will prevent ‘secondary movements’. And yet these utilitarian and developmental arguments, although they might seem a shortcut to a more progressive refugee policy, risk undermining the integrity of refugee policy and repeating the mistakes of the 1990s.

The new focus

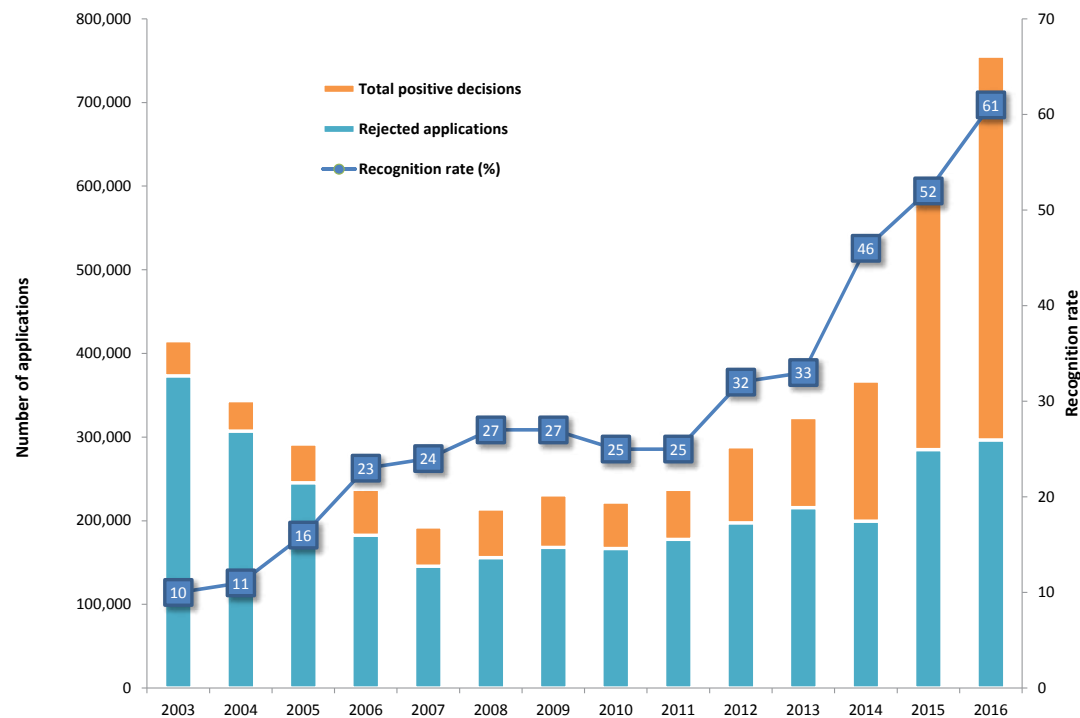
Over the past four or so years, a number of advanced economies have established labour market initiatives which aim to speed up refugees’ access to work and maximise their employment

opportunities. To avoid losing time during the asylum process, some use Early Intervention Programmes, which offer asylum-seekers with qualifications (and those belonging to groups with high refugee recognition rates) access to work directly after they have filed their asylum application. Other governments take account of the existence of local employment opportunities (alongside the usual factors like housing availability) when placing asylum-seekers across the country. The goal of all this is to integrate long-term labour market thinking into the immediate protection response.

Such policies require the speedy recognition of refugees’ skills, including hard-to-identify elements like informal qualifications and work experience. Many authorities now identify the skills of asylum-seekers at reception centres, or even by using immediate on-the-job assessments. The outcomes of these assessments are then taken into consideration when choosing a settlement area. Language-learning schemes are a priority, too. The European Commission recently extended the online linguistic support for Erasmus+ (European Region Action Scheme for the Mobility of University Students) participants to the benefit of around 100,000 refugees. Encouraged by this, civil society initiatives have also picked up on this trend: the Kiron University in Berlin, for instance, which offers free



Decisions on asylum applications in the EU (2003-2016)



Data source: Eurostat - Note: for the years 2003 to 2007 data is not available for Belgium, Luxembourg, the Netherlands and Italy. Data for 2016 does not include Q4.

online higher education to refugees without language and diploma requirements.

This is quite a shift. In the 1990s, many Western states purposefully kept asylum-seekers out of the labour market: they feared creating pull factors, attracting economic migrants who would claim the right of asylum only in order to hold down a seasonal job. Moreover, these governments considered even genuine refugees to be a temporary presence, and expected them to return home once the situation was deemed safe – just a matter of months, in some cases. During the Yugoslav wars, for example, 2.7 million Bosnians were displaced, many seeking refuge in the EU. But as soon as the 1995 Dayton Agreement was in place, member governments sent them home, arguing that this would cement post-war reconstruction and democratisation.

Back in the 1990s, of course, Western governments recorded high levels of asylum abuse, and policy-makers treated many nationalities *prima facie* as bogus, subjecting them to expedited processing and expulsion. Today, refugee recognition rates are generally high (up, in the EU, from around 10% at first instance in 2003 to around 60% today) and authorities are keen to funnel applicants straight into work programmes. The demand for the change is clear: compared to the 1990s, refugees are now deemed likely to be displaced for some considerable time, meaning that their long-term job perspectives matter. At the end of 2015, an estimated 6.7

million refugees – 41% of all those under the mandate of the United Nations High Commissioner for Refugees (UNHCR) – were deemed to be in a ‘protracted situation’.

Furthermore, the high incidence of these protracted conflicts means that labour market integration policies are in demand outside the West, too. Jordan has led the calls of major refugee-hosting states for help in handling a refugee population which is large, young, and is not projected to return home for 17-20 years. Amman argued that viewing refugees solely through a humanitarian lens – turning them into permanent supplicants of emergency aid or welfare – is not sustainable given the strain on budgets. It would also squander the economic potential of a generation. Last year, the then UN secretary-general concurred, calling for humanitarian aid to “get children back into school, design employment programmes and begin rebuilding infrastructure”.

Explaining the change

A brief assessment of the facts suggests that this focus on getting refugees into work is well founded. Many of today’s refugees have been displaced for some time, making a long-term perspective key. The UNHCR defines a ‘protracted situation’ as one where 25,000 or more people have been exiled for 5 years or more. The UN refugee agency identifies 32 such situations, with an average length of 26

years. Last year, it recorded the third-lowest level of refugee returns for 20 years, with smaller numbers only in 2010 and 2014. Since 1995, a sizeable 17.1 million refugees returned to their country of origin, but just 4.2 million did so in the 10 years up to 2015. In order to ensure their dignity, they need to be able to sustain themselves abroad.

For wealthy Western host states, granting refugees access to a social market economy on a sustainable basis is an urgent challenge. Refugees in advanced economies are a young and predominantly male population compared to native demographic structures which are generally ageing and balanced evenly between males and females. For instance, of the recent refugees to Europe 53% are aged 18-34, 80% of whom are male. True, recent refugees to the EU might be better educated than their compatriots left behind at home, but they are often lower skilled and less educated than the host population (with only 30% having received secondary education, in one estimate, and another suggesting that 30-40% are illiterate or have only primary education).

In poorer host economies such as Jordan or Lebanon, the problem is even more acute. These countries are already heaving with young people, meaning that they will struggle to integrate an influx of young refugees (20% of Syrians in these two countries are infants aged 0-4). And the skills-profile of these refugees is far worse than those who make it to Europe. According to local estimates, 9 out of 10 refugees in Jordan and Lebanon live below the poverty line, and 50% are vulnerable to food security shocks. In a region like the Horn of Africa, the situation is even more dire: a typical camp in Ethiopia is youthful, poor, badly educated and heavily (70%) male.

Customised integration paths for refugees are costly, but they are also increasingly necessary when considering the diversity of refugee groups, including by country of origin and language affinity. Their success time is lengthy, too: according to one study, on average it takes EU member states 6 years to integrate more than 50% of refugees into the workplace and as much as 15 years to push that employment rate up to 70% (that is, the same rate as economic migrants). Maintaining an integration programme over 15 years is hugely costly.

But compare these costs to the prospect of making long-term jobless payments and supplying rent subsidies to refugees, beginning the integration process at the earliest opportunity makes sense.

In short, the shift of focus towards labour market integration seems well matched to the needs of refugees, as well as the capacities of their host societies, and more or less justifies itself. Yet, some analysts have gone further, arguing that ‘refugees are not a burden, but an opportunity’: they try to give an added justification to integration policies by presenting refugees as an economic boon. They suggest integration policies could reap a ‘refugee dividend’, indeed multiple dividends. There is a *demographic* dividend (refugees are youthful workers), a *development* dividend (refugee-sending countries like Liberia gain remittances) and a *debt* dividend (refugees become net contributors to public finances). These are ‘developmentalist’ arguments – they are seductive, but also potentially dangerous.

The pitfalls of developmentalism

Europe’s policy towards refugees, whether at home or abroad, is supposed to be largely needs-based: refugee reception and humanitarian aid are two fields which are reactive – they respond to needs as they arise. Yet, governments are frequently tempted to defend their refugee policies to voters by lending them an added utilitarian rationale – for instance the economic payoff. The trouble is that, as soon as governments start justifying their refugee engagement like this, they cease tailoring policies to refugees’ needs and behaviour, and instead start co-opting the issue of refugees to fit their policy goals. This tends to end in the worst of all worlds: governments end up creating refugee policies which fall short of both the needs of refugees and the expectations of voters.

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Western governments could fall into this trap again, should they now give their refugee and humanitarian policy an explicit developmentalist rationale. Of course, politicians may want to provide voters with a justification for costly refugee reception poli-

cies, highlighting the potential long-term contribution of refugees to the economy (with some of the more optimistic analysts claiming that a 0.09% increase in GDP spending on refugees today will be paid back in five years with a GDP increase of

0.84%). They may also want to show that their approach will reduce migration inflows (refugees will sate domestic demand for foreign workers, and development aid will prevent 'secondary flows' from Jordan and Lebanon by building sustainable livelihoods there). But history suggests such justifications could backfire.

In the 1990s, governments had to explain to voters why they were expanding the rights of asylum and broadening the old Cold War definition beyond those fleeing political persecution. Earlier, in the 1950s, they had to explain why they were creating a refugee regime in the first place. Both times, they could easily have justified the reforms as needs-based. But both times, governments chose instead to appeal to a broader transformative argument. In the 1950s, they presented the creation of a refugee regime as a means to delegitimise the regimes people were fleeing; in the 1990s, they tied the reform to a global project of human rights and democracy promotion. Just like today, governments were invoking the national interest and advertising their ability to stem further inflows.

The trouble with this approach is that it no longer adapts policy to refugees, and it begins adapting refugees to policy. In the 1990s, for instance, European governments were keen to show that their democracy promotion policies abroad were having an effect, and played up the incidence of refugee return, vastly overstating repatriation rates. Analysis now suggests that even some Bosnians, poster children for successful repatriation, were only going home long enough to sell their restituted properties. Yet, the only reason this is now known – why there has been this critical re-evaluation of the returns statistics from the 1990s – is because today activists are so keen to stress the reverse argument: the developmental approach is justified only if people are *not* likely to go home.

There is a risk of politicisation, too. In the 1990s, humanitarian aid was linked to the broader field of human rights promotion. There seemed to be a natural overlap. And yet governments used humanitarian arguments to assertively promote human rights abroad, with the US arguing that a state which caused its citizens to flee had effectively forfeited its sovereignty. These highly-politicised interventions are one reason why humanitarian workers today are vulnerable in the field, having lost their neutral status. Linking humanitarian aid up to development policy would, again, seem to be a natural overlap. But development policy functions differently, and involves wrangling between donor and recipient governments and political conditionality.

Avoiding the pitfalls

European refugee work, whether at home (in the form of refugee reception) or abroad (humanitarian action), is most successful when it is needs-based. And an assessment of current refugee needs in Europe, MENA, Africa and Asia suggest that the EU is right to take refugees' labour-market integration into account across the board. It makes good sense, too, to coordinate this refugee work with developmental policies, be it skills training inside the EU or efforts to make refugees self-supporting in camps abroad. Yet, integrating refugee policies fully into a developmental paradigm – adopting its concepts, metrics and justifications – could be dangerous, just as it was problematic to integrate refugee policies into a human rights paradigm in the 1990s.

The EU is thus taking care to keep the two fields close but separate. It is coordinating refugee work with developmental know-how, without merging the two fields. Overseas, for instance, the EU has turned its existing Regional Protection Programmes into Regional Development and Protection Programmes, making sure that refugee camps and host communities across Africa and the Levant offer inmates the scope to support themselves long term. But the EU has resisted popular calls to attach some kind of development-style conditionality to its humanitarian support, especially if this involves preventing the onward movement of refugees. Resisting such pressures was a tricky task during the negotiation of the so-called EU-Turkey deal.

The EU is also resisting the dogma of the development paradigm. At present many advocates promote the idea that all conflicts are intractable: this justifies treating refugees from a generous developmental perspective. A number of EU programmes actively run counter to this – the reorganisation of the European External Action Service's (EEAS) early-warning system for crisis and its new cadre for crisis stabilisation (PRISM); the discussions about creating a European team of trained conflict mediators; the voluntary return programmes for refugees. If today's conflicts have indeed been going on for nearly 30 years, that means they were just as protracted in the 1990s – suggesting that all that has changed is our confidence in solving them.

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