Beyond Care and Maintenance: Rebuilding Hope and Opportunity for Refugees

Council Statement

By Demetrios G. Papademetriou and Susan Fratzke
BEYOND CARE AND MAINTENANCE
Rebuilding Hope and Opportunity for Refugees

The 15th Plenary Meeting of the Transatlantic Council on Migration

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Acknowledgments

This research was commissioned by the Transatlantic Council on Migration, an initiative of the Migration Policy Institute (MPI), for its fifteenth plenary meeting, held in Berlin in January 2016. The meeting’s theme was “Development, Mobility, Protection: Building Opportunity into Refugee Solutions,” and this report was among those that informed the Council’s discussions.

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For more on the Transatlantic Council on Migration, please visit: www.migrationpolicy.org/transatlantic.
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Executive Summary

Globally, there are limited possibilities for refugees to return to their countries of origin or be resettled, meaning that most are likely to remain indefinitely in countries of first asylum. Yet conditions for the displaced in many first-asylum countries are bleak. Refugees are often unable to earn an income legally, although many may work in the clandestine labor market; many also face difficulties finding adequate housing or accessing basic services such as health care and education. Recognizing that deteriorating conditions in first-asylum countries can be a major driver of onward asylum flows, such as those seen in Europe in 2015 and 2016, the focus of the international community has turned in recent years to how to improve the lives of refugees closer to home.

The assistance that donor countries do provide ... has not been sufficiently targeted at addressing the longer-term integration needs of refugees.

Yet the barriers to doing so are substantial. Just five countries host nearly one-third of all refugees, and many of the major host countries face their own financial, economic, and political troubles that make them reluctant to take on the additional burden of incorporating a vulnerable and often large refugee population. Moreover, late and inadequate support from donor and resettlement countries does little to reassure nervous first-asylum country governments that they will not be left to face massive protection responsibilities alone. Finally, the assistance that donor countries do provide has typically been more humanitarian in nature—food, shelter, basic health care—and has not been sufficiently targeted at addressing the longer-term integration needs of refugees, such as livelihoods development.

The fifteenth meeting of the Migration Policy Institute (MPI) Transatlantic Council on Migration, convened in Berlin, took up this question, asking: what actions are needed to move beyond the current “care and maintenance” model and provide refugees with the opportunity to lead a decent life and contribute to their local economies and communities, wherever they are? Through its deliberations, the Council outlined three priorities for action:

1. **Expand the availability and reliability of assistance to first-asylum countries.** Donor countries must understand that effectively addressing situations of displacement “over there” is in their strategic interest, and devote financial resources and resettlement places accordingly. New funding tools at the international level that capitalize on existing development financing mechanisms, such as low or zero-interest development loans, can provide another valuable source of financial resources.

2. **Provide opportunities for refugees to become self-reliant as early as possible.** Assistance should be provided in such a way that it fosters refugee autonomy and the ability to become self-supporting from the very beginning of a crisis. Tools such as cash-based, rather than in-kind, assistance are a valuable step in this direction. Ensuring that development actors are a part of early refugee response efforts will also be key.

3. **Invest in improving the host-country economic and policy environment, as well as in supporting refugees themselves.** The extent of the opportunities available to refugees will depend as much on the host-country context as on the level and type of assistance provided to refugees directly. Efforts that focus on expanding the pool of economic opportunities for everyone, including by incentivizing foreign investment in refugee-hosting regions, can thus substantially benefit refugees, while also alleviating pressure on host communities.
The Syrian crisis, and the associated migration and asylum crisis in Europe, has motivated substantial movement on all three of these points in late 2015 into 2016. Yet more dedication and focus will be needed on the part of government and international actors if the lessons learned from Syria are to become sufficiently entrenched. While the solutions to crises of mass displacement may appear costly at first glance, inaction remains even more so.

I. Introduction: The Limitations of the Modern Refugee Regime

The 65 million individuals displaced around the world in 2015, 21 million of whom are refugees, are the human face of what may be the worst and most intractable crisis in living memory. The three principal pathways to a long-term resolution for these refugees—repatriation, resettlement, and local integration—are stretched thin or blocked entirely: Repatriation is unlikely over the near term for most refugees as conflicts become protracted and even the best efforts at reconstruction falter; while resettlement provides an answer for only a small fraction of the most vulnerable. This leaves most refugees with no other option than to rebuild a life through integration in the country in which they first sought protection.

Yet with few exceptions, refugees and asylum seekers in first-asylum countries receive only the most basic forms of assistance and have no realistic hope of returning to something resembling a normal life, leaving them in limbo. Opportunities for formal permanent settlement and consequent integration in low- to middle-income countries of first asylum are typically limited by a dearth of capacity, namely the political, social, and capital resources to absorb large numbers of newcomers. Moreover, formal settlement may complicate already tense ethnic and religious power-sharing arrangements, or upset delicately balanced regional relationships and political arrangements. Just as important, the political will and public support needed to invest in the integration of refugees are typically low in first-asylum countries, where the systems required to support integration are already weak or overburdened. Some countries struggle with the additional challenge of being both a source of and a destination for forced migrants, further decreasing the likelihood that they will be willing or able to integrate another nation’s displaced population. For example, Iraq, which hosts 240,000 Syrian refugees, is also struggling to care for an estimated 1 million internally displaced persons (IDPs).

The economic situation in many first-asylum countries is also difficult as nearly nine in ten refugees live in a country where economic opportunities are already scarce. Most Rohingya refugees in Bangladesh, for example, live in Cox’s Bazar, one of the most impoverished districts in the country, making the government reluctant to provide assistance to refugees when much of the local population is also in need. The numbers exacerbate the challenge; in 2015, just five countries hosted one-third of all refugees, and in most of these, the refugee populations numbered a million or more individuals (see Table 1). In states where finances are already overstretched, the costs of full integration make permanently settling substantial refugee populations impractical. In the absence of opportunities to earn a living in the formal economy, refugees are fundamentally excluded from local communities and economies. This exclusion

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1 In 2015, less than 1 percent of all refugees were able to return to their country of origin, and an equally small number were eligible for resettlement. See United Nations High Commissioner for Refugees (UNHCR), Global Trends: Forced Displacement in 2015 (Geneva: UNHCR, 2016), www.unhcr.org/en-us/statistics/unhcrstats/576408cd7/unhcr-global-trends-2015.html.


3 UNHCR, Global Trends.

4 For a more in-depth discussion of the situation of Rohingya in Southeast Asia, see Marie McAuliffe, Resolving Policy Conundrums: Enhancing Humanitarian Protection in Southeast Asia (Washington, DC: Migration Policy Institute, 2016), www.migrationpolicy.org/research/resolving-policy-conundrums-enhancing-humanitarian-protection-southeast-asia.
leads to exploitation in informal labor markets, persistent poverty, debilitating dependence, and high psychological costs.

Table 1. Top Ten Countries of Asylum, End of 2015

<table>
<thead>
<tr>
<th>Country</th>
<th>Number of Refugees Hosted</th>
<th>Major Countries of Origin of Refugee Populations</th>
<th>GDP Per Capita (USD), 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turkey</td>
<td>2,541,352</td>
<td>Iraq, Syria</td>
<td>$9,130</td>
</tr>
<tr>
<td>Pakistan</td>
<td>1,561,162</td>
<td>Afghanistan</td>
<td>$1,429</td>
</tr>
<tr>
<td>Lebanon</td>
<td>1,070,854</td>
<td>Iraq, Syria</td>
<td>$8,051</td>
</tr>
<tr>
<td>Iran</td>
<td>979,437</td>
<td>Afghanistan, Iraq</td>
<td>$5,443*</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>736,086</td>
<td>Eritrea, Somalia, South Sudan, Sudan</td>
<td>$619</td>
</tr>
<tr>
<td>Jordan</td>
<td>664,118</td>
<td>Iraq, Syria</td>
<td>$4,940</td>
</tr>
<tr>
<td>Kenya</td>
<td>553,912</td>
<td>Democratic Republic of the Congo, Ethiopia, Somalia, South Sudan</td>
<td>$1,377</td>
</tr>
<tr>
<td>Uganda</td>
<td>477,187</td>
<td>Burundi, Democratic Republic of the Congo, Rwanda, Somalia, South Sudan</td>
<td>$676</td>
</tr>
<tr>
<td>Democratic Republic of the Congo</td>
<td>383,095</td>
<td>Burundi, Central African Republic, Rwanda, South Sudan</td>
<td>$456</td>
</tr>
<tr>
<td>Chad</td>
<td>369,540</td>
<td>Central African Republic, Nigeria, Sudan</td>
<td>$776</td>
</tr>
</tbody>
</table>

GDP = Gross Domestic Product

Note: Palestinians are not included in United Nations High Commissioner for Refugees (UNHCR) statistics. The most recent available data for Iranian GDP per capita is from 2014.


At its core, each refugee situation is thus composed of two distinct challenges: a crisis of protection and a crisis of exclusion. While the humanitarian system provides the tools to address the first by protecting refugees from being returned to situations of physical danger, it fails to address the second by ensuring that refugees are included in local labor markets, social services, and communities. As a result, the global protection system has become stuck in a “care and maintenance” cycle; while it ensures that refugees, as a rule, are not returned to situations where they are at risk of physical harm (the principal tenet of international refugee law, known as nonrefoulement) and provides them with enough resources to stay alive (in most cases), it fails to help them rebuild their lives and provide for their long-term needs or those of their children.

These failures call for a new way of thinking about protection and response to refugee situations. Waiting for repatriation or resettlement opportunities to materialize has meant condemning the majority of refugees to what is, de facto, long-term care and maintenance. Instead, governments, international actors, and the private sector should work together to give priority to approaches that connect refugees with long-term opportunities regardless of where they are. This requires recognizing, developing, and capitalizing on the skills, experiences, and economic value refugees can bring to societies. These approaches, if implemented with the necessary dedication, could become the paradigm shift in the global

approach to refugee populations that some analysts have called for. Such a shift would emphasize more holistic responses over maintenance and gradually move the international community away from a choice between resettlement for a tiny proportion of refugees (focusing on the most vulnerable) and basic protection from physical harm for the rest.

II. A New Approach to Durable Solutions

The challenges faced by first-asylum countries mean that very few have proven willing—or able—to formally integrate the refugee populations they host. In fact, without assurance that they will not be left to bear such responsibilities alone, first-asylum countries often choose to maintain the fiction that refugees will soon return home or be resettled. Timely international assistance, whether through aid or resettlement places, is widely viewed as crucial to persuading countries of first asylum to make longer-term protection and integration commitments. Yet such support is often slow to materialize and is typically insufficient to persuade first-asylum countries to change their stance on integration. The following sections describe several critical challenges that lay at the core of this problem.

A. Donor Countries Fail to View Addressing Refugee Situations Abroad as a Strategic Priority

Donor and resettlement countries far from the front lines have tended to view displacement through a humanitarian lens and approach engagement in refugee situations as a charitable response. But charity, by definition an act of selflessness in response to a sense of moral responsibility, entails no imperative to act quickly or to devote a substantial portion of one’s own resources to such initiatives. Without an appreciation for the security and economic challenges associated with refugee flows or the impetus of self-interest, the resources donor and resettlement countries allocate to resolving such situations have been deeply insufficient to meet growing needs. Despite a rapid increase in funding pledges over the last decade, the proliferation of crises across the globe has meant that roughly half of United Nations (UN) humanitarian appeals for funding went unmet in 2015.

Moreover, donor governments often simply wait too long to provide assistance, diminishing the effectiveness of their response. Not only do refugee populations become more difficult to integrate as their skills atrophy in displacement—and the psychological effects of living in uncertainty set in—protracted emergencies also place untenable strain on host communities, draining capacity and undermining their willingness to take in ever greater numbers of refugees. The announcement by the

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7 Self-interest, as used here, refers to recognition on the part of policymakers that destabilizing factors that affect the internal stability of a strategically important ally can have implications for a country’s interests abroad. Governments may at times also be motivated by a sense of responsibility for the events that are at the roots of a particular refugee crisis, as with the U.S. government’s willingness to resettle large numbers of Iraqi refugees in the mid- to late-2000s, for example.

Pakistani government in spring 2016 that Afghan refugees, many of whom had lived in Pakistan for decades, would be repatriated before the end of the year is a particularly acute example of protection fatigue.9

**B. No Universal Mechanism Exists to Mobilize a Joint Response**

A mechanism for coordinating international responses to displacement—one that could both secure commitments from donor states and obtain buy-in from first-asylum countries—could mitigate some of the challenges related to the timeliness and sufficiency of aid. Yet no forum or tool for this level of coordination exists.10 Rather, international cooperation has been most notable in its absence vis-à-vis recent displacement and refugee crises. The failure of the European Union to agree on a coordinated response to the 2015 Mediterranean crisis is the most vivid example. In the absence of a commitment to cooperate, the default model has been reactive rather than proactive: donor states rely on the United Nations High Commissioner for Refugees (UNHCR) and other multilateral institutions to dole out (typically inadequate amounts of) aid to each new crisis as it arises instead of working together to devise long-term solutions.11 Moreover, the ad hoc manner in which aid and resettlement commitments are pledged has allowed many countries to step back and rely on the generosity of others. For example, the United States, the European Commission, Germany, and the United Kingdom together provided nearly two thirds of all humanitarian assistance contributions in 2016,12 and the United States alone resettled nearly two thirds of all refugees referred by UNHCR for resettlement in 2015.13

**C. Assistance Is Insufficiently Linked to the Search for Solutions**

Funding limitations and the lack of coordination between humanitarian and development actors in refugee situations has typically meant that the assistance provided is insufficiently linked with efforts to further the economic and social inclusion of refugees in host communities. Because the pool of available humanitarian funding is limited, meeting basic needs such as food and shelter take priority over longer term considerations. In the Syria region, for example, the livelihoods and social cohesion sector of the Regional Refugee and Resilience Plan (3RP) was the most underfunded of 3RP’s eight priority sectors, with just U.S. $30 million of a needed U.S. $461 million received as of May 31, 2016.14 Moreover, refugees are rarely included in host-country national development plans or programs, where these exist.

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9 After threatening for years to end the temporary status granted to Afghans in Pakistan, the Pakistani government has announced that December 2016 will be the hard deadline for Afghan refugees in Pakistan to return to Afghanistan, unless they have visas allowing them to stay. The Pakistani government has expressed concerns about the presence of Taliban fighters among Afghan refugees, and local communities have grown increasingly critical of the perceived economic impact of refugee populations. See BBC News, “The Reverse Exodus of Pakistan’s Afghan Refugees,” BBC News, August 29, 2016, www.bbc.com/news/world-asia-37163857.

10 Such a mechanism is lacking despite a clear recognition in the preamble of the 1951 Convention that a “satisfactory solution” to displacement “cannot therefore be achieved without international cooperation.” See United Nations General Assembly, “Convention Relating to the Status of Refugees,” July 28, 1951, www.refworld.org/docid/3be01b964.html.


III. Turning Inclusive Solutions into Reality: A Roadmap

While dependency and spontaneous onward migration have serious consequences for both first-asylum countries and destination states, the real victims of the failure to find solutions are refugees themselves. But the search for solutions to displacement does not have to be an either-or proposition: either refugees achieve repatriation, permanent resettlement, or formal integration and a guaranteed path to citizenship—or they are left in indefinite limbo. It may be possible, and perhaps even more politically feasible, in the short term to open up stable housing, education systems, and employment or business opportunities to refugees in asylum countries without upfront commitments to the gold standards of permanent legal status and citizenship. Introducing more flexibility into the triad of return, resettlement, or formal local integration may create more opportunities for refugees and at an earlier stage. To accomplish this, UNHCR, donor governments, and international humanitarian actors will need to give at least equal priority to finding practical answers to the challenges refugees face accessing work, services, or rights—ensuring they are included in the economic and social lives of their communities, even prior to the resolution of their long-term status. And by helping refugees become more self-sufficient earlier on in the process, the more difficult issues of permanent legal status and citizenship may become less politically divisive in the future.

Coordinated action by all interested states—including countries of origin and first asylum as well as donors—will be crucial to advancing this strategy. First-asylum countries may only become amenable to opening their labor markets and providing secure legal status to refugees if they are confident that they will not bear the costs of such actions alone. Similarly, donor and resettlement countries may only be willing to take on additional protection and humanitarian commitments if their policymakers can be persuaded, and in turn persuade their citizens, of the importance of such commitments to their own broad policy goals. Moreover, by pooling and committing their resources according to commonly set priorities, donor countries can be assured that their actions will have a meaningful impact even if individual commitments are small.

The attention generated by the European migration and refugee crisis of 2015 and 2016 has spawned a flurry of high-level meetings and international initiatives that aim to address these issues. But results have so far been miniscule. Moreover, with growing skepticism about globalization and multilateralism, most observers have few expectations for a new broadbased effort at multilateral cooperation on refugee issues. The fact that the September 2016 United Nations General Assembly (UNGA) Summit for Refugees and Migrants could not generate agreement on a nominally binding mechanism for responsibility sharing is telling; even in the wake of crises in Europe and elsewhere, most states remain extremely reluctant to take on such commitments at the international level (see Box 1). Yet other critical gains were made. The UNGA Summit, together with the US-UN Leaders’ meeting held the following day, reflected the increased attention and sense of urgency with which governments, at the very highest level, are viewing refugee situations. Leaders repeatedly affirmed the importance of mitigating the human consequences of severe and protracted instability, while also noting the effects of instability on their foreign policy, security, and economic interests. This coupling of humanitarian concerns and self-interest raises hope that states may begin to devote something approaching the level of resources of all types needed to address the challenges and root causes of mass displacement in the coming years.


16 The failure of the European Union to successfully implement an agreed upon plan to relocate 160,000 refugees from overburdened Italy and Greece to other Member States is one prominent example. As of October 26, 2016, just 1,391 refugees had left Italy and 4,926 had left from Greece. See European Commission, Directorate-General Migration and Home Affairs, “Member States’ Support to Emergency Relocation Mechanism” (press materials, European Agenda on Migration, October 26, 2016), http://ec.europa.eu/dgs/home-affairs/what-we-do/policies/european-agenda-migration/press-material/docs/state_of_play_-_relocation_en.pdf.

Box 1. The September 2016 UN Summits

Building on a surge of concern at the highest levels of government, world leaders convened two summits in September 2016 focused on multilateral responses to refugee crises and the growing challenge of unmanaged migration flows. The first, the UN General Assembly (UNGA) Summit for Refugees and Migrants, was intended to forge agreement on two multilateral mechanisms: (1) a compact to better manage migration flows, and (2) a mechanism to coordinate an equitable response to refugee crises. The concrete outcomes of the summit were, however, less than its architects and activists had desired. While the New York Declaration, signed at the summit, did include a recommitment by leaders to respect the rights of refugees and migrants under international law, including the 1951 Refugee Convention, detailed negotiations on both the compact and the responsibility-sharing mechanism have been put off until 2018.

Of much more interest and more immediate consequence, the Declaration included a Comprehensive Refugee Response Framework, to be implemented in 2017, that codifies many of the lessons learned in the Syria region. The Framework sets out best practices regarding cooperation between development and humanitarian actors, commits development agencies to supporting refugee-hosting communities, prioritizes the use of cash-based rather than in-kind assistance, and urges better data gathering and assessments. While the Framework will likely serve as an invaluable blueprint for response in future crises, its focus is by definition exclusively on the what of refugee response—what does an effective response entail? Questions of how and who—how will needed resources, services, and rights be secured and who will provide them—are left for later negotiations.

The lack of concrete commitments in the New York Declaration led those calling for deeper and more timely commitments to pin their hopes on the UN Leaders’ Summit on Refugees, led by the United States. The aims of the Leaders’ Summit were more immediate than those of the UNGA convening: a significant increase in humanitarian funding and resettlement spots, and greater access to education and job opportunities for refugees. And at first glance the results were impressive—a U.S. $4.5 billion increase over 2015 in financial contributions to humanitarian agencies, twice as many resettlement spots pledged (including an increase of 25,000 from the United States), and new measures to improve access to education and work. But the tendency for governments to recommit money already pledged—and the fact that contributions made by participating countries at any point in 2016 could be counted in New York—makes it difficult to determine whether the financial or resettlement support pledged was in fact significant or new.

Nevertheless, several initiatives launched or highlighted at the Leaders’ Summit merit some optimism. The World Bank’s Global Crisis Response Platform will ensure access to needed development financing for refugee hosting countries. The Emerging Countries Joint Support Resettlement Fund, a new collaboration between the United Nations High Commissioner for Refugees (UNHCR) and the International Organization for Migration (IOM), will provide technical assistance and capacity building to countries seeking to establish or expand their resettlement programs and aims to resettle 30,000 more refugees globally over the coming three years. Perhaps most notably, a Jobs Compact with Ethiopia will finance the creation of two new industrial zones in Ethiopia that promise to employ a workforce that is 30 percent refugees (see Box 2).

As donor governments and international agencies search for ways to mitigate the long-term effects of the global refugee crisis, the following guidelines offer a roadmap for how to ensure the inclusion of refugees in local economies and communities, even in the absence of traditional durable solutions.

A. **Provide a Reliable, and Sufficient, Pool of Assistance for Countries of First Asylum**

Any effort to address the social and economic incorporation of refugee populations in first-asylum countries will need to begin by ensuring that sufficient support—humanitarian and development assistance, as well as resettlement places—is available to the affected countries. And if the resulting initiatives are to develop deep roots, such support must be provided at a level that is significant enough to make a meaningful difference in the lives of both host communities and the displaced. Doing so will require identifying and leveraging new tools and sources of funding—a goal that seems to be gaining greater acceptance among wealthy states.

The notion that development and humanitarian support can in some way mitigate the need for resettlement ... is a fallacy.

Because assistance is most effective early on, before the economic or social marginalization of refugee populations becomes systematic and ingrained, support will need to be deployed as soon after the onset of a crisis as possible. This means that the most effective time to provide assistance may in fact be before refugees leave their countries of origin—that is, in situations of internal displacement.

But support will need to consist of more than financial assistance and aid: the notion that development and humanitarian support can in some way mitigate the need for resettlement and humanitarian admission schemes, for instance, is a fallacy. As European countries now know first-hand, successfully processing and integrating many tens and hundreds of thousands of spontaneously arriving newcomers is a massive struggle regardless of resources. By providing meaningful numbers of resettlement places—particularly for refugees with medical or other pressing needs that first-asylum countries find difficult to meet—countries further from the front lines can help to shrink the host-country burden of responsibility to a more manageable size. Resettlement also conveys solidarity in a more tangible way than financial assistance alone: by actively taking in people, donor countries demonstrate that they are willing to shoulder some of the long-term responsibility of caring for and incorporating refugees themselves, rather than simply paying for someone else to clean up the “mess.”

Policymakers in donor countries interested in achieving better outcomes for displaced persons and refugees, as well as in improving the effectiveness of interventions, should consider the following actions:

- **Make addressing the instability that leads to displacement, and displacement itself, a foreign policy priority.** Donor countries will need to internalize the lessons of the Syria crisis: displacement, whether internal or external, can have a critical impact on their interests, both at home and abroad. Only once countries begin to see refugee-producing situations as first-tier foreign policy priorities will they devote the level of resources necessary to address them in meaningful way. An encouraging example can be found in the recent decision by the European Commission to increase its humanitarian aid budget for 2016 to the highest level ever—particularly as three-quarters of the 1.1 billion euros committed will be directed toward refugee and IDP situations.\(^{18}\)

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Use new funding tools to increase the amount of support available. The creation of new financial development tools is likely to prove a valuable way to support refugee-receiving states and increase the level of assistance on which they can rely. Such tools include zero- or near-zero-interest development loans,\(^\text{19}\) humanitarian impact bonds\(^\text{20}\) that draw on investments from private-sector donors, and humanitarian funding pools that pull together small-scale contributions from different sources to provide a funding stream that governments can draw from for specific purposes or for emergency response.

Explore non-traditional ways to expand resettlement places. Where traditional, permanent resettlement may not be politically feasible, alternative forms of admission, such as temporary humanitarian visas (including those provided to Syrians under the recent Humanitarian Admissions Program in Germany), could be used to expand the number of places available in some countries. Other schemes, including private sponsorship, that build on grassroots support for refugee admission, could also be used to amplify the commitments of resettlement countries.\(^\text{21}\)

B. Design Responses in a Manner That Promotes Refugee Inclusion and Self-Reliance as Early as Possible

For many if not most refugees, crossing an international border is simply the latest step in a much longer journey that began with forced displacement inside their own country. By the time refugees reach a country of first asylum, they may have already been without the means to earn a living, access critical medical care, or continue their or their children’s education for months, if not years.\(^\text{22}\) The Syria situation provides numerous examples of such tragedies. For instance, in a survey conducted by UNHCR among Syrians who arrived in Greece in February 2016, 90 percent of respondents reported they attempted to seek refuge elsewhere in Syria for a time (i.e., were displaced internally) before they decided to leave the country.\(^\text{23}\) Such patterns suggest that, in most cases, the conflict or other factors driving displacement have already become intractable—and the normal lives of the displaced suspended—well before refugees seek asylum abroad.

While the first priority in any humanitarian crisis will always be safety, shelter, and food, understanding that most displacement is inherently protracted means that the satisfaction of urgent needs must be followed in short order by medium- and long-term considerations such as helping those displaced earn a living, access routine health care, and continue their education. Failure to provide such opportunities as soon as possible will compound the ill-effects that long-term displacement has on the health, financial security, and human capital of refugees and IDPs. For this reason, there is an emerging consensus among

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21 Private sponsorship has been used with success for years as a part of the Canadian resettlement model. For further details on the possibilities of expanding private sponsorship elsewhere, see Judith Kumin, *Welcoming Engagement: How Private Sponsorship Can Strengthen Refugee Resettlement in the European Union* (Washington, DC: Migration Policy Institute, 2015), [www.migrationpolicy.org/research/welcoming-engagement-how-private-sponsorship-can-strengthen-refugee-resettlement-european](http://www.migrationpolicy.org/research/welcoming-engagement-how-private-sponsorship-can-strengthen-refugee-resettlement-european).


humanitarian actors that self-reliance and community inclusion should be core goals from the very beginning of a response to a refugee situation.

Achieving these goals has been complicated by the fact that data on refugee populations, including their size and demographic characteristics, are deeply inadequate, making it unnecessarily difficult to develop holistic plans that capitalize on the skills and experiences of refugees and that connect them with opportunities in the host community.\(^2^4\) There is thus a need for significant investments in gathering reliable data about the needs and capabilities of both refugees and host communities in order to ensure that interventions are targeted, effective, and meet the needs of both groups.\(^2^5\)

Donor governments, international humanitarian organizations, and development agencies should thus prioritize actions that further the following goals:

- **Provide humanitarian assistance in a way that promotes economic and social inclusion.**
  
  Even before livelihoods or economic inclusion strategies take hold, donors and humanitarian agencies can take steps to ensure that basic assistance is provided in a way that fosters self-reliance and community inclusion. The decision by UNHCR in 2014 to avoid the use of camps and promote the integrated settlement of refugees in host communities, wherever possible, is a notable example; providing shelter through rent assistance or other means, rather than constructing camps, allows refugees to live closer to centers of economic opportunity and helps to prevent segregation.\(^2^6\) Ethiopia’s Out of Camp Policy for Eritrean refugees who are self-reliant is another positive example.\(^2^7\) The use of cash cards to provide social assistance—as the EU Emergency Social Safety Net\(^2^8\) program does in Turkey—rather than food vouchers or support in kind also protects refugees’ autonomy, stimulates the local economy, and allows refugees to interact with the host community in a more regular way.\(^2^9\)

- **Connect refugees with the means to become self-reliant as quickly as possible.**
  
  Preventing economic isolation and dependency will require donors and implementing agencies to consider, as quickly as possible, how to reconnect refugees with the means to earn an income. While most refugees will need to find employment in local businesses or seek opportunity through self-employment in local markets, some recent innovations are experimenting with bringing jobs to refugees through remote or computer-based work.\(^3^0\) In Kenya, for example, organizations such as RET International and Samasource have begun working with UNHCR to train refugees to do computer-based tasks, such as data verification or cleaning, that can be done remotely; refugees are then connected with employers, located anywhere in the world, who are in need of labor.

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\(^{25}\) International organizations, such as the World Bank and the International Labor Organization (ILO), have experience in creating and managing such metrics and can offer valuable support to host countries on how best to include refugees in national surveys and assessments. See ibid.


\(^{27}\) Under the Out of Camp Policy, Ethiopia permits Eritrean refugees to live and study outside camps if they can afford to do so independently; they are not, however, permitted to access formal employment. For further details, see Christopher Horwood with Kate Hooper, *Protection on the Move: Eritrean Refugee Flows through the Greater Horn of Africa* (Washington, DC: Migration Policy Institute, 2016), 12, [www.migrationpolicy.org/research/protection-move-eritrean-refugee-flows-through-greater-horn-africa](http://www.migrationpolicy.org/research/protection-move-eritrean-refugee-flows-through-greater-horn-africa).

\(^{28}\) The Emergency Social Safety Net (ESSN) scheme, financed with funds committed under the EU-Turkey Statement, provides 348 million euros to support monthly cash transfers directly to refugees in Turkey. The World Food Program is responsible for implementing the project, beginning in October 2016, using electronic debit cards. Refugees are free to use the funds as they see best. See European Commission, “Questions and Answers: Support for Refugees in Turkey through the Emergency Social Safety Net (ESSN)” (fact sheet, September 8, 2016), [http://europa.eu/rapid/press-release_MEMO-16-2989_en.htm](http://europa.eu/rapid/press-release_MEMO-16-2989_en.htm).


\(^{30}\) See Jacobsen and Fratzke, *Building Livelihood Opportunities*. 
of such skills.\textsuperscript{31} Other efforts have focused on removing practical barriers, such as a lack of travel documents or proof of credentials, to help qualified refugees take advantage of existing opportunities to work or study abroad.\textsuperscript{32} Regardless of where refugees find opportunity and work, supporting self-reliance will require substantial involvement by development actors, and the expertise they bring, alongside humanitarian agencies and the private sector as early on in a crisis as possible to avoid losing valuable time.

C. Identify Investments that Can Make the Economic and Political Environment in Asylum Countries More Favorable to Refugee Inclusion

Livelihoods efforts to date have tended to focus on small-scale projects, such as handicrafts, that while resource-intensive, have the potential to benefit relatively few refugees.\textsuperscript{33} But in many countries of first asylum, where financial and labor markets are strained and service infrastructure overburdened, projects aimed at building economic opportunities across the broader community can have a greater impact than efforts that target refugees alone. Such efforts also have the potential to make the host-country political climate more favorable to protection if governments and members of the public see such assistance as a genuine effort that recognizes the challenges they are facing, rather than aid directed to refugees alone. Where this is the case, host communities may, by extension, become more supportive of gradually including refugees into their social protection and labor market infrastructure. The willingness of Turkey and Jordan to issue work permits to Syrian refugees after obtaining large and increased guarantees of assistance from international donors is an example of this dynamic.\textsuperscript{34}

Projects aimed at building economic opportunities across the broader community can have a greater impact than efforts that target refugees alone.

Beyond providing food, shelter, water, or electricity, host communities will also have broader infrastructure needs that must be addressed to create an environment conducive to refugee inclusion. Donors will thus need to carefully consider what type of assistance is needed first and most. Large-scale needs assessments and assessments of the local economic, policy, and political context, completed at the start of a crisis and updated as it evolves, would provide a good starting point.

Steps donor governments, development agencies, and the private sector can undertake include:

- Support host governments in adapting national development plans to account for displacement situations. Large-scale refugee flows place new, large, and unpredictable strains on host countries, particularly on physical and social infrastructure. International funders and development actors must be prepared to support host governments in assessing


\textsuperscript{32} See Katy Long and Sarah Rosengaertner, Protection through Mobility: Opening Labor and Study Migration Channels to Refugees (Washington, DC: Migration Policy Institute, 2016), \url{www.migrationpolicy.org/research/protection-through-mobility-opening-labor-and-study-migration-channels-refugees}.


\textsuperscript{34} For further information on the situation of Syrians in Turkey, see Metin Corabatır, The Evolving Approach to Refugee Protection in Turkey: Assessing the Practical and Political Needs (Washington, DC: Migration Policy Institute, 2016), \url{www.migrationpolicy.org/research/evolving-approach-refugee-protection-turkey-assessing-practical-and-political-needs}. For further details on the Jordan Compact, see Box 2 in this council statement.
these challenges, estimating costs, and adapting their planning accordingly—as well as in identifying additional funding streams to support these efforts. One example of good practice in this regard is the World Bank's Emergency Services and Social Resilience project in Jordan, which is financing labor intensive improvements to public infrastructure in an effort to support needed service upgrades and create additional jobs for Jordanian and Syrian workers.35

- **Identify ways to stimulate economic opportunity across the board by engaging the private sector.** Beyond providing integrated development and humanitarian assistance, there are other measures that non-refugee hosting countries can take to improve the economic environment of first-asylum countries. Such steps might include easing trade restrictions or encouraging their business communities to invest in affected areas.36 The creation in host countries of special economic zones that offer incentives for investment or mitigate perceived risks could be one way to spark economic growth (see the description of the Jordan Compact in Box 2). Such zones could create work opportunities for native and refugee workers alike. Providing trade concessions or favorable market access to refugee-hosting countries, especially for products that involve refugees in the production chain, is another way to stimulate economic opportunities and growth on a larger scale.

- **Engage national and local authorities, as appropriate, in designing and implementing assistance strategies.** International actors often elect to operate health care, education, and other systems that are separate from those run by domestic agencies. Although understandable from the perspective of minimizing the possibility that funds will be misused (and the incidence of corruption), the practice is highly problematic for two reasons: first, services provided through humanitarian agencies can be more expensive than supporting local actors who provide similar services, in part due to high overhead costs;37 second, as donor interest dwindles over time and the availability of needed services for refugees shrinks, the bespoke infrastructure will wither and the investments made in building it will be lost. By channeling funding to local service providers and civil society organizations, donor countries could strengthen these institutions and their capacity to serve both refugees and host-country populations. At a community level, this would also mitigate tensions between refugees and their hosts by bringing lasting benefits to host communities, while facilitating interaction between the two communities as they utilize the same services and institutions. The first-ever World Humanitarian Summit, held in May 2016, generated some substantial commitments in this regard: by 2020, government and international organization leaders agreed to provide at least one-quarter of humanitarian assistance directly to local and national organizations.38


36 Although some of these incentives may be obvious (i.e., tax rebates or legal guarantees that individuals trained will receive visas to work at the firm’s facilities in the home country), open consultations with the private sector may identify additional obstacles that need to be removed or incentives that may entice more businesses to participate.

37 de Barry, “A Perspective from the World Bank.”

Box 2. The Role of Trade and the Private Sector in Promoting Refugee Livelihoods

While governments can be influential in creating the conditions for economic opportunity to develop, such efforts will be ineffectual without meaningful engagement of the private sector. A number of new initiatives were launched in 2016 that aim to incentivize and hone private-sector innovation.

Jordan has become a veritable laboratory for such efforts, driven in particular by the February 2016 Jordan Compact. Under the Compact, a core group of international actors, including international financial institutions such as the World Bank and the International Monetary Fund (IMF), and interested governments, such as the European Union and its Member States, agreed to offer favorable trade terms and new development funding for Jordan in return for efforts by the government to facilitate better inclusion of Syrian refugees in local services and labor markets. Since the Compact was agreed, the World Bank and the IMF have launched special financing mechanisms that give Jordan access to development loans with zero or near-zero interest rates, with the potential of providing up to U.S. $1.9 billion in additional financing. And in July 2016, the European Union announced that it had reduced trade barriers to Jordanian exporters in special economic zones that employ Syrian refugees as at least 15 percent of their workforce. For its part, Jordan has temporarily lowered the fees that prevented many Syrians from obtaining work permits and has issued new rules that allow Syrians to legally establish businesses both inside and out of camps.

In September 2016, a number of key international donors announced a second such initiative: a Jobs Compact for Ethiopia. This agreement will finance the creation of two new industrial zones in Ethiopia that promise to employ a workforce that is 30 percent refugees. Alongside investments by the World Bank, the United Kingdom, and the European Investment Bank in these industrial zones, the Ethiopian government has also committed to gradually ending its refugee encampment policy and granting work permits to refugee workers, raising the possibility that thousands of refugees from neighboring Eritrea and South Sudan may soon be able to legally earn a living and attend school.

Other initiatives have targeted companies in donor countries. A notable example is the CEO roundtable convened by U.S. President Barack Obama alongside the September 2016 UN Leaders’ Summit in New York. The roundtable secured U.S. $650 million in pledges from private companies to provide funding or in-kind support for refugee education, employment, training, and other services. Most notably, this included U.S. $500 million from investor and philanthropist George Soros that will be invested directly in businesses, start-ups, and social impact initiatives founded by refugees. Any returns on these investments will accrue to Soros’ Open Societies Foundation. The approach marks a unique blending of private-sector investment and philanthropy, and could be a useful model for other businesses.


IV. Conclusions and Recommendations

Only a tiny proportion of refugees worldwide can hope to benefit from one of the three traditional durable solutions in the near or even medium term. Donor countries have demonstrated little interest in large-scale resettlement, and conditions in origin country mean that few refugees will be able to
repatriate. Moreover, the capacity of first-asylum countries to undertake, on their own, the obligations of permanent settlement and formal integration will be constrained under the best of circumstances—you it remains the most viable option for the majority of the world’s displaced. As a result, the international community will need to focus over the coming years on how to work with first-asylum countries to create the conditions for refugees to live with dignity, provide for themselves and their families, educate their children, and access opportunities that allow them to resume their lives—even without the immediate prospect of achieving one of the three durable solutions.

The Syrian refugee crisis has prompted a much needed global conversation around these challenges and needs, and has sparked what may well prove to be a bold new era of humanitarian experimentation. The number of new strategies and initiatives proposed by various international bodies, summits, and conferences is staggering. What is as unusual as it is promising, however, is the concrete progress made on some key issues, especially in humanitarian and development financing. Commitments made at the May 2016 World Humanitarian Summit and new initiatives like the Jordan Compact provide ideal opportunities to put these new policies to the test.

**The number of new strategies and initiatives proposed by various international bodies, summits, and conferences is staggering.**

Yet outside of Syria, progress on building the necessary policy, programmatic, and implementation scaffolding into responses to refugee crises is limited. For the advancements that have been made in the Syria region to grow roots and be applied to other crises, policymakers at both the international and national levels will need to think beyond solving Syria and focus instead on drawing lessons and developing broader principles for engagement elsewhere. The following recommendations offer a starting point:

- **Continue to improve coordination between development and humanitarian actors.** Substantial progress has been made in the last year on better coordinating the actions of development and humanitarian agencies. International agencies have already taken steps to foster better collaboration: the World Bank participates in UN Inter-Agency Standing Committee meetings on humanitarian response,39 and the Joint Multilateral Development Bank Coordination Group has extended an invitation to UNHCR to serve as an observer.40 But for coordination to be effective, it will need to extend to the national level and engage the development and humanitarian agencies of donor governments. The announcement by the U.S. government that it will form a Crisis Review Mechanism to coordinate its humanitarian and development assistance in crisis situations, particularly those that become protracted, and ensure they are complementary is an example of a step in this direction.41

- **Enlist the full engagement of the business community.** Governments cannot create economic opportunity alone. Employers and investors—in both first-asylum and donor countries—will thus be crucial to any efforts to improve the chance for refugees and affected host-community members to earn a decent living. Initiatives that engage businesses on their own terms and effectively merge private investment with philanthropy, such as the investment made by George Soros in refugee-founded projects, will see the greatest success.

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39 WHS, *Too Important to Fail.*


Conduct robust evaluations to determine what works and what doesn’t. Despite growing interest in the development of self-sufficiency and economic inclusion among the displaced, little concrete evidence exists about which programmatic interventions work and which do not. This problem is rooted in the fact that few programs to date have been subjected to robust evaluations that track outcomes over time. This makes it all the more essential that donors and international agencies provide funding for and require implementing partners to conduct rigorous assessments that go beyond simply reporting the number of beneficiaries served and instead track the medium- and long-term impacts of such programs. Without understanding what works, assistance actors and donors may be doomed to repeat past mistakes.

Be realistic about when humanitarian aid should be wound down. The disruptions of internal and international displacement, including trauma associated with rapid flight, mean that the displaced are rarely able to reconstruct sustainable and sufficient livelihoods quickly. Instead, “graduated approaches” that continue to provide humanitarian and financial support while granting refugees and the long-term internally displaced access to development interventions such as training, education, and financial capital have been shown to hold the most promise. For donor governments, this means policymakers must be realistic about when humanitarian aid can be scaled back and careful of overselling the potential of development assistance to address the root causes of onward flows—both goals are realistic only in the medium- to long-term.

Extraordinary circumstances require extraordinary responses, and states will face difficult tradeoffs as they seek to tackle the consequences of displacement more effectively over the coming years. For wealthy states, devoting a substantial share of financial resources to addressing crises far from their own borders may seem like a non-starter. Yet the costs of inaction are high, as made evident in 2015 when the consequences of crises in Syria, Iraq, Afghanistan, Eritrea, and elsewhere washed up on European shores. For first-asylum countries and their communities, who often already face hardship and insecurity, the burden is even greater. These states provide an enormous service to wealthier countries and refugees alike—the better conditions they are able to offer; the less likely refugees are to risk their lives to reach far away destinations. In many cases, first-asylum countries are thus living examples of a commitment to the humanitarian principles that far too many wealthy countries mostly talk about. Supporting first-asylum countries as they face these challenges, and fundamentally rethinking humanitarian and development principles in the process, will entail investments of financial and political resources that are massive by any definition of the term. While these solutions will be costly, donor and host governments, humanitarian agencies, and development actors must all come to terms with the reality that not acting will be costlier still.

42 Jacobsen and Fratzke, *Building Livelihood Opportunities*. At a minimum, donors should track where and how development and aid money are spent. A 2016 report by the European Court of Auditors found that it was impossible to determine the total amount the European Union had spent on migration assistance externally between 2007 and 2013, and furthermore, no information was available on whether funding was given in line with the prescribed policy priorities. See European Court of Auditors, *EU External Migration Spending in Southern Mediterranean and Eastern Neighbourhood Countries until 2014* (Luxembourg: European Court of Auditors, 2016), www.eca.europa.eu/Lists/ECADocuments/SR16_09/SR_MIGRATION_EN.pdf.

43 Jacobsen and Fratzke, *Building Livelihood Opportunities*.

44 The 2017 meeting of the Transatlantic Council on Migration will focus on addressing the crises that give rise to these vast displacements.
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Beyond Care and Maintenance: Rebuilding Hope and Opportunity for Refugees


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The Migration Policy Institute is a nonprofit, nonpartisan think tank dedicated to the study of the movement of people worldwide. MPI provides analysis, development, and evaluation of migration and refugee policies at the local, national, and international levels. It aims to meet the rising demand for pragmatic and thoughtful responses to the challenges and opportunities that large-scale migration, whether voluntary or forced, presents to communities and institutions in an increasingly integrated world.

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