

# Socio-economic integration – what is it, and why does it matter?

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**Socio-economic integration must be understood as a broad concept, encompassing the experiences of refugees in all contexts, and as an integral part of both protection and durable solutions.**

Both academic and public debate tend to see refugee protection and durable solutions<sup>1</sup> as describing a relationship between nation-states and refugees. When a person's country of citizenship is unable or unwilling to provide the most basic rights, people flee to another state to seek surrogate protection until they are able to return home or acquire effective membership of another state.

This debate, focused as it is on the restoration of political membership, often fails to include an exploration of the important role of markets. When people flee their country, they are usually also uprooted from their employment, their property, their financial assets, their businesses, and recognition of their educational qualifications. Yet the restoration of socio-economic rights is often viewed as less important within protection than civil and political rights. Durable solutions are usually also conceptualised as a relationship between States and refugees, focusing on restoring citizenship, or equivalent forms of political membership.

## **States, markets, and refugees**

Refugees' access to socio-economic rights and opportunities matters fundamentally for three reasons – rights, welfare, and politics. From a rights perspective, socio-economic rights make up a significant part of the 1951 Convention and international human rights law. From

a welfare perspective, research shows that refugees' psycho-social well-being as well as a range of quality of life indicators are improved by access to meaningful work, for example. From a political perspective, research also shows that host communities are more likely to hold positive attitudes towards the presence of refugees when they perceive refugees as able to make a positive economic contribution.<sup>2</sup>

Socio-economic integration is both a process and an outcome, which refers to refugees' degree of participation within local, national, and global markets. Socio-economic integration is not an alternative to protection or durable solutions; it is a necessary condition for both protection and any of the durable solutions to be effective.

Integration necessitates a role for both States and markets, and the interaction between them. States create the conditions under which participation in markets is possible, for example by upholding property rights and enforceable contracts. But markets also rely upon businesses to create opportunities: such as for consumption, production, employment, borrowing, and lending. Whilst all of these activities are present in refugee communities, they are restricted to different degrees.

Thinking intentionally about the relationship between States and markets matters particularly in a refugee context because when people flee, receiving States have often

restricted access to socio-economic freedoms to refugees, out of concern that they will remain indefinitely or compete with citizens for finite resources, triggering public backlash. Restrictions on socio-economic rights and opportunities have sometimes been further legitimated based on the 'emergency' nature of the response, and yet, even after this phase abates, legislative and practical restrictions on meaningful socio-economic participation too often remain in place.

This tension has led to an emerging conversation around how to make socio-economic integration 'sustainable'. How can refugees be supported to fully participate in local, national, and global markets in ways that retain the support of citizens over time, whether in high-, middle-, or low-income countries?

### Beyond self-reliance

In the refugee policy world, 'self-reliance' has offered a starting point for talking about the socio-economic integration of refugees. It has enabled humanitarian organisations to recognise the importance of markets in refugee protection. But it also has limitations.

The idea – defined as refugees' independence from aid at individual, household, and community levels – is important insofar as it focuses on the gradual expansion of refugees' autonomy. But, self-reliance is much narrower than socio-economic integration, is usually only applied to low- and middle-income countries, and is open to critique – conceptually, politically, and practically.

Conceptually, self-reliance risks being too narrow, reducing socio-economic integration to being a relationship to aid, focusing around reducing dependency on humanitarian assistance rather than full participation in local, national, and global markets. By focusing mainly on refugees' pathway to autonomy, it offers limited insight into the wider structural barriers to socio-economic participation, such as legal rights, infrastructure, and macro-economic investment in refugee-hosting regions. Self-reliance has also often been seen as an alternative to durable solutions, whereas socio-economic integration needs to be understood as a necessary condition for protection and for each of the three durable solutions.

Politically, it is frequently deployed to serve wider interests. For donors, concepts such as self-reliance support a migration containment agenda, implying a means to support 'protection there' rather than 'protection here'. For hosts, donors provide funding which can support politicians in low- and middle-income countries to strengthen patronage networks. For UNHCR, self-reliance legitimates access to development funding without appearing to trespass on the mandates of development agencies. The appeal of self-reliance based on vested interest does not have to be a bad thing, if it encourages state commitment. The risk, though, is that the main pay-offs from self-reliance are to everyone except refugees themselves.<sup>3</sup>

Practically, initiatives supposedly seeking to promote self-reliance do not always result in self-reliance outcomes. For example, in one of the most high-profile attempts to facilitate 'self-reliance' – the Kalobeyei Settlement – after two years, fewer than 2% of newly arrived South Sudanese refugees identified as able to live independently of aid and only 6% had an independent income-generating activity. One of the main reasons for this is that 'self-reliance' programmes frequently circulate a finite pot of aid money in a slightly more efficient way, rather than addressing the broader structural barriers to expanding the entitlements and capabilities of refugees and host communities.<sup>4</sup>

Overall, the self-reliance debate has probably been a positive step towards expanding the socio-economic integration of refugees. However, the lens needs to be broadened, encompassing the experiences of refugees in high-, middle-, and low-income countries, regarding socio-economic integration as cross-cutting for all aspects of protection and durable solutions, and conceiving it as about the relationship between States, markets, and refugees, rather than the relationship between humanitarian organisations and refugees.

### The way forwards

Refugee protection around the world is under threat. From the UK to Denmark and Australia, the right to asylum is being openly challenged. Amid structural changes in the



Refugee and host community livestock traders sell goats in Bokolmanyo refugee camp, Dollo Ado (Credit: Raphael Bradenbrink)

global economy triggered by offshoring and automation, and global recession following COVID-19, democratic politics is polarising in ways that are conspiring against both asylum and multilateral aid funding.

The challenge is even greater because, alongside declining political will, refugee numbers and needs are also growing. New drivers of displacement, notably climate change, will mean that we will face large numbers of forced migrants who fall outside the scope of States' interpretation of the 1951 Convention. As 'survival migration' – from contexts like Venezuela, the Northern Triangle of Central America, and the Sahel – increases, socio-economic integration will become even more important as a means to respond sustainably to tens of millions of people crossing borders in search of rights and opportunities.

And yet a series of opportunities exists. Across rich countries, demography and ageing populations are creating labour market shortages. Entrepreneurship and upskilling a diverse and global workforce offer a means to support economic growth. Technology is

also increasingly enabling work to take place remotely, with the internet, cloud technology, blockchain, and the metaverse changing the future of work, and how socio-economic integration will likely be defined. States are also starting to explore new forms of complementary pathways for refugees connected to socio-economic opportunities, such as work and education.

The challenge in the Global South, whether for refugees in camps or suffering economic hardships in cities, has to be to expand socio-economic rights and opportunities. The evidence tells us that access to labour markets, bank accounts, seed funding, cash-based assistance, and property rights are all likely to make refugees and nearby host communities better off.

For refugees in the Global North, socio-economic integration is no less important. Government support is crucial but so too is access to labour markets, the educational opportunities to access meaningful and fulfilling work, and timely access to banking and finance. In Europe, for instance, delays

in asylum seekers being allowed to work and restrictions on employment categories benefit no-one, and there is no evidence that they serve as a deterrent. In this context, it's not about States versus markets but about how they can work together to enable people to live autonomous and dignified lives.

In neither context, though, does socio-economic integration have to be politically unsustainable. If anything, the evidence appears to suggest that the greater the socio-economic integration and the more refugees are perceived as contributors to host societies, the more positive receiving community attitudes are likely to be.

### **A new and inclusive conversation is needed**

A new conversation needs to take place that connects themes such as 'the future of work', technology, demography, and infrastructure to refugee protection. It needs to be a conversation that recognises the role of States, markets, and society – in which governments, business, and international organisations work together in order to reimagine socio-economic integration as an integral part of how the world responds to displaced people. And to accommodate that, what we 'measure' as a humanitarian community also needs to adapt. Self-reliance is almost certainly too narrow and restrictive a view of socio-economic integration. At the very least, better data is needed to describe and explain variation in refugees' socio-economic outcomes.

Approaches to socio-economic integration also need to take into far better account the economic strategies adopted by displaced people themselves. The author's research has revealed that very often socio-economic strategies adopted by refugees fall outside of humanitarian organisations' scope of vision. Sometimes, organisation staff are unaware of refugees' own economic activities and at other times they may not consider these activities as relevant. Cross-border livelihoods, split-family strategies, circular urban-camp movement, for example, all reveal how important mobility and transnationalism are to refugees' economic lives, and yet they are often restricted or rendered illicit by States and organisations. For example, across the Ethiopia-Somalia border,

refugees' livelihood strategies often rely upon working across and trading between the two countries. Similar dynamics can be found at the Uganda-South Sudan and the Democratic Republic of the Congo-Rwanda borders, for example.<sup>5</sup> A key part of supporting socio-economic integration is to understand and then build on refugees' pre-existing economic strategies.

Socio-economic integration, appropriately conceived, is not in opposition to refugee protection or durable solutions; it is an integral part of both. The purpose of the refugee system should not just be to restore people's civil and political membership of a State, but also to restore their ability to participate meaningfully and autonomously in local, national and global markets.

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1. UNHCR promotes three durable solutions for refugees: voluntary repatriation, local integration and resettlement.
2. See, for example, Bansak K, Hainmueller J, & Hangartner D (2016) 'How economic, humanitarian, and religious concerns shape European attitudes toward asylum seekers', *Science*, 354(6309), 217-22 [bit.ly/European-attitudes](https://doi.org/10.1126/science.1254444); Betts A, Stierna M F, Omata N, & Sterck O (2023) 'Refugees welcome? Inter-group interaction and host community attitude formation' *World Development*, 161, 106088 [bit.ly/refugees-attitude-formation](https://doi.org/10.1016/j.worlddev.2023.106088)
3. For another excellent articulation of this point, see Easton-Calabria E (2022) *Refugees, Self-Reliance, Development: A Critical History*, Policy Press.
4. For an extended discussion, see Betts A (2021) *The Wealth of Refugees: how displaced people can build economies*, Oxford University Press.
5. Betts A, Omata N, & Sterck O (2021) 'Transnational blindness: International institutions and refugees' cross-border activities', *Review of International Studies*, 47(5), 714-742 [bit.ly/transnational-blindness](https://doi.org/10.1017/S0022216X21000000)

