

# Boosting the socio-economic inclusion of refugees from Ukraine

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**With many Ukrainian refugees<sup>1</sup> facing prolonged stays in host countries, they require effective access to decent work, education, and social and financial services.**

The EU's decision to activate the Temporary Protection Directive (TPD) provided the necessary framework for Ukrainians arriving in Europe to enjoy access to basic rights, and paved the way for inclusion in host communities and national social protection systems. In spite of this, a range of challenges are impeding the socio-economic inclusion of Ukrainian refugees.

Socio-economic inclusion enables refugees to live with normalcy and dignity, to contribute to host communities, and to avoid reliance on negative or harmful coping mechanisms. However, representative data on the socio-economic profiles of refugees and the current state of inclusion remains limited. The results of UNHCR's Intention surveys,<sup>2</sup> feedback from regional refugee response plan partners,<sup>3</sup>



Before the war, Ekaterina was a wedding photographer. In Romania she has found work at a a bookshop and shared working space, January 2023. Credit: UK for UNHCR/Ioana Epure

and exchanges with refugees and specialised stakeholders have therefore assumed a heightened importance. This data provides insight into the challenges faced by, and opportunities open to, national social protection systems, and reveals the current status of refugees' access to services, decent work, financial inclusion, education and housing.

### What do we mean by socio-economic inclusion?<sup>4</sup>

In a refugee context, inclusion is the practice of ensuring that forcibly displaced people have de jure and de facto access to government systems and services on a par with nationals. This includes freedom of movement, entrepreneurship, upskilling and skills recognition, and access to land, documentation, decent work, education, health, social protection and social care services, housing, finance and wider economic opportunities.

While de jure access has been facilitated largely via rights accorded under the TPD or similar national instruments in non-EU

Member States, a series of administrative and practical barriers have emerged. Some are related to specific areas, such as difficulties in obtaining skills recognition for professional qualifications, while others affect socio-economic inclusion as a whole. Language barriers may be the most common but overstretched systems and services, limited technical capacity of service providers, lack of awareness among stakeholders regarding refugees' rights and entitlements, coordination gaps, and inadequate information channels for refugees regarding how to access services also impede inclusion. The lack of systematic monitoring of refugees' effective access to socio-economic rights and services by the host authorities is also a barrier to identifying and addressing challenges as they occur.

Participatory approaches are a fundamental element of inclusion, giving refugees a voice in the co-development and adaptation of systems, services and programmes so that they cater for refugees' actual needs, take into consideration the potential of refugees as net socio-economic

contributors, and address existing access barriers. Inclusion often entails a 'whole-of-society' approach, adapting and improving government services for refugees at local and national levels, in line with the Global Compact on Refugees.

### Status of inclusion of refugees from Ukraine

The vast majority of refugees from Ukraine are women and children, with a large proportion of female caregivers acting as primary breadwinners as a result of military service requirements in Ukraine and the subsequent high levels of family separation. Many have completed tertiary studies and were economically active before they fled.

Temporary protection arrangements throughout Europe grant refugees from Ukraine the right to work, but a range of legal and de facto impediments hinder access to labour markets and decent work. Moreover, States within the EU have interpreted or applied the TPD differently, impacting the options available to refugees – such as the right to own a business, which for instance is not yet granted for beneficiaries of temporary protection in Slovakia. The duration of the temporary protection or residence status in host countries also creates uncertainties for the private sector, often adversely impacting their interest in investing in hiring, upskilling and offering financial services to refugees.<sup>5</sup>

While over a third of refugees from Ukraine interviewed for UNHCR's fourth intentions survey are currently working, the majority – and more so for women than men – are employed at a lower level than they were in Ukraine; many are working in low-skilled jobs and a small but considerable percentage (8%) are working in the informal sector. Around one fifth of refugees are unemployed and actively looking for work. Although childcare and difficulties in enrolling children in schools have been identified as barriers for accessing employment, limited knowledge of the local language, skills mismatches, difficulties in skills recognition and lack of decent work opportunities are more prevalent obstacles. Remote work in Ukraine plays a much more important role in Romania and Moldova than

in the rest of the region with around 25% of Ukrainian refugees in these countries engaged in remote work. While 11% of all the refugees surveyed had a business back in Ukraine, only 2% are currently self-employed.

Although the primary income source for almost half the refugee households is a salary, social assistance by host countries also supports around half, and over three quarters of older people receive a pension from Ukraine. Other income sources include humanitarian assistance, remittances and savings. However, the majority of Ukrainian refugees still struggle to meet basic needs. A range of access barriers identified by UNHCR during the COVID-19 pandemic remain;<sup>6</sup> in addition, the sheer scale of the new arrivals has strained systems to breaking point and has forced host governments to make difficult decisions regarding the quality of services and pace of including new arrivals in mainstream social protection schemes.

Finally, the level of inclusion varies considerably depending on household composition. The most vulnerable group consists of households with one or more older persons. They are much less likely to be able to afford rental accommodation and to meet their basic needs. Likewise, one fifth of surveyed households have at least one person with care needs due to long-term illness or disability, which hinders prospects for socio-economic inclusion and achieving self-reliance.

### Emerging good practice

Generating an evidence base through regular monitoring, gathering socio-economic data and mapping relevant stakeholders and their roles, responsibilities and interests at the local, national and regional level would provide a sound basis for enhancing inclusion across sectors. Far more effort should be invested in bringing together key actors, raising awareness, building capacity and establishing coordination mechanisms to promote inclusion and harness the potential of refugees to contribute to the economies of host countries.

Financial inclusion is a necessary first step, particularly for refugee entrepreneurs and potential small business owners. Like everyone, refugees require bank accounts and access

to credit and other services. Authorities, NGOs, financial and business development service providers, regulatory bodies and refugees all have a role to play in developing sequenced, joined-up approaches to ensure such access.

Further work needs to be done to connect companies interested in hiring refugees with public employment offices, integration services and refugees, as the experience of the past year suggests significant potential in this area. Various job-matching platforms have been set up by the private sector and NGOs in several host countries and the lessons are instructive. Platforms that included robust information for refugees, legal orientation and guidance for companies, vetting mechanisms and coordination with socio-economic inclusion stakeholders achieved promising results. Platforms with no such additional services or information tended to achieve more limited results. In several countries, promising platforms are currently being further developed in coordination with UNHCR to establish business models that can support employment of refugees of all nationalities.<sup>7</sup>

Despite the high digital literacy of Ukrainian refugees, in-person information provision and assistance have remained important gateways to inclusion. Multiple national and local governments have set up one-stop shops to enable refugees from Ukraine to receive legal orientation, apply for temporary protection, register for social assistance and socio-economic inclusion services, open a bank account and obtain accommodation. The concept of 'one-stop shops' providing a range of services could be adapted to different contexts to address the remaining barriers in accessing services.

## Conclusion

The arrival of millions of Ukrainian refugees in a matter of weeks was a shock to national protection systems and host economies across Europe. Over time, the benefits of inclusion have become increasingly apparent but more work is required. Further strengthening the evidence base through systematic data collection and monitoring of socio-economic inclusion will enable targeted approaches to tackle the inclusion barriers faced by more vulnerable groups, and strengthen efforts to

advocate effectively on behalf of refugees. A review of existing data suggests that further investments are also needed in offering relevant language courses, addressing skills mismatches, supporting refugee entrepreneurs, expanding access to childcare, and facilitating coordination among stakeholders.

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1. The term refugee is used inclusively in this article, referring to all displaced persons from Ukraine in need of international protection independent of their legal status.
2. Involving interviews with 3,850 refugee households across Europe and 4,000 IDP households in Ukraine, undertaken between April and May 2023, plus findings from focus group discussions. UNHCR (2023) *Lives on Hold #4: Intentions and Perspectives of Refugees and IDPs from Ukraine* [data.unhcr.org/en/documents/details/101747](https://data.unhcr.org/en/documents/details/101747)
3. UNHCR (2023) *Ukraine Situation: Regional Refugee Response Plan – January-December 2023* [bit.ly/ukraine-response-plan-2023](https://bit.ly/ukraine-response-plan-2023)
4. FMR published an issue on socio-economic integration in January 2023 [www.fmreview.org/issue71](https://www.fmreview.org/issue71)
5. For more information on the importance of legal certainty, please refer to the joint publication of OECD and UNHCR (2018) *Engaging with employers in the hiring of refugees - A 10-point multi-stakeholder action plan for employers, refugees, governments and civil society*. [bit.ly/engaging-employers-hiring-refugees](https://bit.ly/engaging-employers-hiring-refugees)
6. UNHCR (2021) UNHCR Social Protection Policy Brief. *Leave no one behind: promoting effective access of refugees in social protection systems in post-pandemic Europe*. [bit.ly/unhcr-social-protection](https://bit.ly/unhcr-social-protection)
7. UNHCR's *Refugee Employment Platform Manual* provides more information on the concept, required functionalities for effective job matching platforms and existing pilots. [www.unhcr.org/media/refugee-employment-platform-manual](https://www.unhcr.org/media/refugee-employment-platform-manual)

