



Responding to the Global Refugee Crisis:

How market assessments can enhance the impact of livelihood interventions for refugees

- An intervention model for joint efforts of UNHCR and ILO to integrate refugees into the labour market of host countries –

The Challenge

Refugees, when arriving in their host country, are in dire need of humanitarian assistance to ensure survival. They are thus dependent on food aid as well as cash transfers and in-kind donations to cope. In the long run however, humanitarian assistance should gradually be phased out to be replaced by interventions to support the former refugees to engage in income-generating activities in order to become economically independent, particularly in cases where refugees have been living in host communities for many years or even decades.

In light of recent hostilities and tensions between refugees and local host communities in different countries, these interventions should be beneficial also for host communities so as to avoid the impression that refugees are taking away from “entitlements” of host communities that are in many cases themselves suffering from unemployment and poverty.

Market-based livelihood interventions for refugees

Traditional approaches to improve livelihoods for refugees usually focus on strengthening the supply side of the labour market, i.e. employability, skillsets and know-how of refugees. The idea is that entrepreneurship training, financial education and vocational training will enable refugees to start micro-enterprises or small income-generating activities that will improve their livelihoods and lead to self-reliance. While these approaches usually succeed in promoting small livelihood opportunities for refugees, they can run into significant problems in the long run, and particularly when implementing these skills development interventions on a large scale. For instance, organising entrepreneurship and vocational training programmes for refugees on a large scale may result in several people starting the same “traditional” income-generating activity, such as selling vegetables or hairdressing, although market demand for these products and services is already satisfied.

What is more, these interventions might have negative spill-over effects on members of the local host community that are already operating in these traditional sectors. This in turn might further fuel already existing tensions and conflicts between refugees and the host communities, as locals perceive refugees to “steal” employment opportunities and resources that they feel should go to the local population first.

It is thus important to have a closer look at market trends and demand, and more specifically at sub-sectors and value chains with potential for growth, in order to a) better target skills development interventions to ensure that skills taught match those needed on the labour market, and b) identify possible constraints and bottlenecks in these sub-sectors and design targeted interventions to create additional employment. Projects aimed at integrating refugees into the labour market will therefore continue to work on increasing employability and skillsets of refugees but in parallel concentrate also on demand-side interventions that would benefit both refugees and host communities.

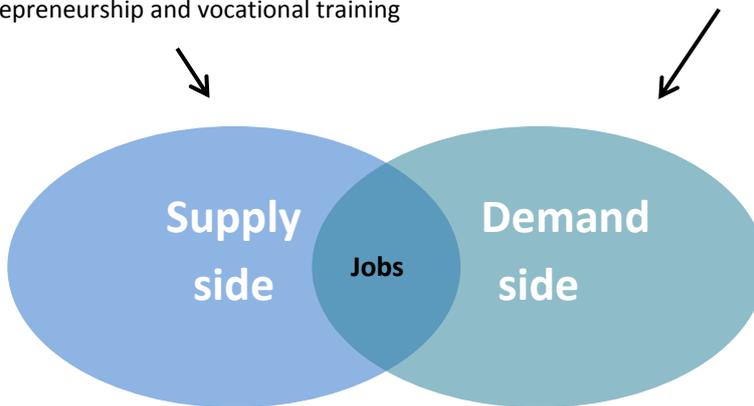
Figure 1: How the impact of livelihood interventions can be enhanced when taking into account market developments

Traditional approach:

Focus on skills development through entrepreneurship and vocational training

The added value of market assessments and value chain analyses:

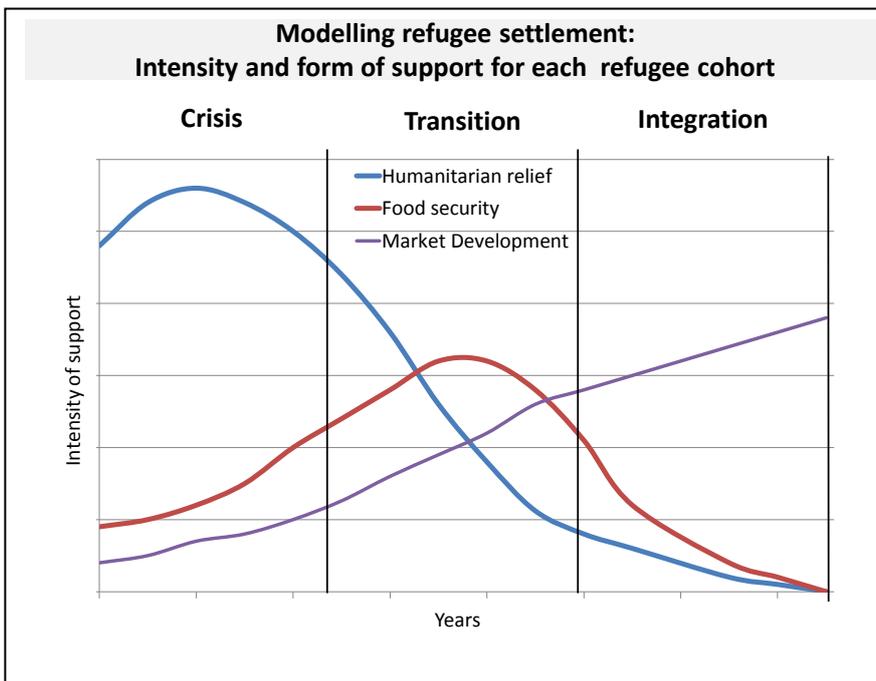
- Information about market trends and sub-sectors with potential will ensure that skills development interventions are targeted and skills taught match those needed on the market
- Value chain analyses uncover existing bottlenecks in sub-sectors that can be tackled through targeted interventions to create employment opportunities



A joint UNHCR-ILO intervention model

The objective of a joint UNHCR-ILO approach for economic integration of refugees is to combine the specialized knowledge and expertise of both agencies to ensure an effective transition for refugees from dependence on humanitarian assistance to economic self-reliance and integration into the labour market of the host community. The joint intervention model will thereby combine UNHCR’s know-how and experience in protection and livelihoods interventions for refugees with ILO’s expertise in market systems development and employment creation.

Figure 2: Forms of support for refugees during the different phases from Crisis to Integration



For more information please contact:

Merten Sievers, sievers@ilo.org
or Nadja Nutz, nutz@ilo.org