

PROGRAM BRIEF

Building the Economic Resilience of Refugees

Overview

The number of people forced to flee their homes, their communities, and their jobs across the world has exceeded 50 million for the first time since the Second World War. Two-third of refugees are in long-term situations that last an average of 20 years. Eighty percent are hosted by developing nations and 42 percent reside in countries whose per capita GDP is below 3,000 USD. More than 50% of refugees live in cities.

Most refugees live in poverty, sharing densely populated and poorly serviced slums with the urban poor. They frequently lack sufficient legal and social support—the right to work, health care, and community networks – to obtain gainful employment. This lack of economic opportunities leads many people to resort to harmful strategies to survive, including child labor or exploitative work.

While humanitarian assistance in the form of food, shelter and medical attention provides short-term relief, over time such funding typically decreases, leaving refugees with depleted assets and without the capacity to climb out of poverty.

In the MENA region

Lebanon and Jordan host one of the largest refugee populations per capita of any country in the world, with 1.1 million Syrians in Lebanon and over 630,000 registered Syrians in Jordan. Continued increases in the cost of food, rent, and other essential goods, make conditions harder for Jordanians and refugees alike. Lebanon and Jordan are not a signatory to the 1951 Convention relating to the Status of Refugees or the 1967 Protocol; as a result, refugees do not have the right to work.

After five to ten years of displacement, most refugees have little to no source of sustainable income and many struggle to support themselves and their families. Their savings have been depleted, pushing them into increasingly impoverished neighborhoods and increasingly risky coping strategies, incurring debt and engaging in exploitative work. Humanitarian assistance for Syrian and Iraqi refugees has declined.

In order to survive, half of refugees work informally. Most are employed in low-skill, low-paying jobs and compete with poor local communities for this work. They typically work 10-12 hours per day, six days a week, receiving wages between \$140-\$212 USD/month, below the national minimum wage. The income earned generally is not sufficient to cover basic needs.

For nearly 100 years, NEF has pioneered social and economic development solutions that improve lives of people affected by conflict. Since 2007, NEF has offered refugees and affected host communities the opportunities to earn income in a manner that preserves their dignity, autonomy, and safety.

NEF has developed close relationships with national government and local partners in poor communities – relationships built on trust earned over years of collaboration and grounded in NEF’s respect for local knowledge and culture. These experiences and relationships, combined with established in-country field staff and expertise working within local realities, uniquely position NEF to gain access where few other organizations can.

Strategy

Building the economic resilience of urban refugees (who lack the right to work) and the urban poor is about strengthening their access to safe income-generating opportunities. Income-generation is a means by which vulnerable families can escape poverty. Home-based businesses do not require a license or registration, and offer a pathway for refugees to earn income, as well as address refugee and local women’s preference to stay close to home for safety and childcare purposes. Income-generation helps refugees and the poor rebuild assets, protect against shocks, and steady food and household purchases so that they have the breathing space to graduate out of poverty.

Approaches

NEF activities draw on three proven approaches to building microenterprise opportunities for refugees and the urban poor: business and vocational skills, financial resources, and social inclusion.

Build Business and Vocational Skills. Without sound business plans, micro-entrepreneurs can quickly get into trouble—finding themselves with high debt and little income. NEF’s business training is crafted for home-based and micro-level businesses, and centered on developing robust business plans. Participants define and assess the marketability/viability of their ideas, design their own business plans, and develop practical management skills. Program activities help participants combine business skills with targeted vocational training to provide immediate and practical skills in niche market areas identified through a rigorous market assessment. Small group coaching sessions complement skills building to ensure micro-entrepreneurs can access on-going support for day-to-day challenges in running a business – improving overall business success.

Financial Resources. Micro-entrepreneurs with marketable products and product ideas typically lack financial resources to start or expand production by purchasing larger quantities of inputs, upgrading production equipment, or marketing. Existing microfinance options are inaccessible to refugees and the ultra poor due to requirements for extensive documentation, collateral, and high interest rates. NEF uses a competitive and transparent process to provide cash assistance or grants to support business start-ups and expansion.

In addition, NEF is now introducing savings and loan groups to refugee communities. Savings and loan groups include a group of 15-20 members who save together, take small loans from those savings, and repay in flexible installments. Saving and loan groups encourage savings habits to help poor families meet daily financial needs, mitigate the effect of household emergencies, and establish a sustainable mechanism to access loans for business start-up and expansion.

Social Integration. Refugees and poor hosting communities – especially women – are hidden and socially isolated, their mobility is restricted, and their relationships and interactions with other individuals are limited in both number and diversity. For this reason, NEF promotes women’s business support networks as a safe space for women to meet, to learn from their peers, and to share successes, challenges and ideas. Business networks provide women access to markets, services, and market information. Networks include refugee and local women together to foster greater social connections and reduce tensions around the “other.” To improve refugee and poor local women’s market access, NEF also runs bazaars where women sell their products, test the viability of their businesses and marketing strategies, and expand their clients.

During displacement, women and young people often become a family’s primary income earners. This change in traditional roles often exposes women to exploitation by their employers, abuse from other men while they work, and domestic violence by male family members. Our programs ensure refugee and poor local women earn safely by engaging men. Regular household visits ensure visibility of project staff and ensure family members buy-in to women’s participation in program activities. NEF conducts outreach events to facilitate conversations with participants, their family members, and the community on women’s role as earners. Outreach events and home visits create open discussions about women’s participation in small enterprises that counter traditional and cultural beliefs commonly held by the community.

Project Achievements

NEF has been promoting poor women’s entrepreneurship in Jordan and Lebanon since for 75 years.

(1) Through the *Enhancing Economic Resilience of poor Iraqis and Jordanians in Zarqa* project (2013-2015), NEF has trained 384 Iraqis and 416 Jordanians in business development or vocational skills, provided cash support to 350 Iraqis and 361 Jordanians, coached 155 women entrepreneurs, and established 12 women business networks. Over 80% of Iraqi refugees use cash assistance towards micro-enterprises, which has increased household income on average by 48%. A new component to the project, started in January 2015, is a pilot of financial literacy training and saving groups to 100 Syrian women. Attendance at weekly saving meetings is 100%. *Donor:* U.S. Department of State, Bureau for Population, Refugees, and Migration; Near East Foundation; Embassy of Taiwan.

(3) From 2008-2010, NEF worked in Damascus, Syria on *Al-Tamkeen II*, to strengthen Iraqi refugee women and girls’ business and life skills, and provide them with micro-saving to invest in business development. *Donor:* International Rescue Committee.

(2) From 2007-2009, NEF implemented the *Al-Tamkeen Project*, building the capacity of four CBO partners to reach 1,200 Iraqi households with vocational training and cash assistance to invest in business start-ups. Before project implementation, partners did not serve Iraqis. Four years after the project, all partners continue to support Iraqis. Programs include village savings and loans, income-generating activities, GBV assistance and distribution of NFIs. *Donor:* International Rescue Committee.