Forced Displacement Literature Review

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Measuring Self-Reliance of Refugees in Rwanda

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World Bank Technical Note (2025)

https://data.unhcr.org/en/documents/details/117866

Rwanda's Refugee Sustainable Graduation Strategy 2025–2030 aims to transition 50% of refugee households from aid dependency to self-reliance by 2030. Progress toward this goal cannot be tracked using existing data instruments, as refugees are excluded from the national household surveys that underpin the country's poverty analysis. This data gap, combined with the absence of a shared definition of self-reliance among government, humanitarian, and development partners, motivated the preparation of this note. Its primary objective is to build consensus on **how to define and measure refugee self-reliance in the Rwandan context, and to propose a concrete measurement framework to fill that gap**.

As of March 2025, Rwanda hosted 135,952 displaced persons, including 114,804 refugees, originating primarily from the Democratic Republic of Congo and Burundi. Over 85 percent reside in five camps (Kigeme, Kiziba, Mahama, Mugombwa, and Nyabiheke), where many services are either subsidized or provided free of charge, including housing, education, health services, and water.

The note proposes and describes the Rwanda Self-Reliance Measure (RSRM), a multidimensional self-reliance measurement tool conceptually grounded in the Self-Reliance Index (SRI) developed by RefugeePoint and the Women's Refugee Commission. The RSRM covers seven dimensions—housing, food security, education, health, labor, income, and social capital—for non-camp refugees, and six dimensions (excluding housing, which is provided free of charge in camps) for camp-based refugees. Indicators within each dimension are scored on a scale of 1 (lowest) to 5 (highest), with a minimum threshold score of 3 required for a household to be considered self-reliant on a given indicator. Weights assigned to dimensions reflect the relative importance that the government of Rwanda assigns to each dimension in the definition of self-reliance, which differs for camp-based or out-of-camp populations. For example, labor and income each receive a weight of 22.5 percent for camp-based refugees and 20 percent for non-camp refugees, reflecting the greater importance of economic independence where basic services are not aid-dependent. Composite household scores are categorized as highly self-reliant (≥70), moderately self-reliant (60–70), or low self-reliance (50–60). A key design feature of the RSRM is that it explicitly attempts to assess whether essential needs are met independently of humanitarian aid.

The RSRM is piloted using a panel survey of 2,000 refugee households conducted across the five camps and Kigali. The first survey round was conducted between January and March 2024 and the second round in April 2025. The sampling frame is drawn from the UNHCR ProGres registration database, ensuring representativeness across the surveyed locations.

Main findings:

- **Because shelter is provided free of charge to camp-based refugees by UNHCR, housing is excluded from the RSRM for this group on the grounds that it cannot serve as a measure of self-reliance from aid.** For non-camp refugees, who must independently secure their own accommodation, housing carries a weight of 15 percent in the composite index. The housing dimension includes indicators on the adequacy of housing, overcrowding, and access to improved sanitation.
- **Food security is considered an essential need in the RSRM, with nearly 60 percent of refugee households reporting that they typically eat only one meal per day**. The dimension includes indicators on: the typical number of daily meals consumed by the household in the last 7 days; the food consumption score (FCS), which measures food consumption frequency, and relative nutritional value of different food groups; and the reduced coping strategy index (rCSI) to measure the hardship faced by the household due to food shortages. The RSRM assigns food security a weight of 20–22.5 percent, reflecting its importance for self-reliance. The author notes that food security for camp-based refugees is heavily dependent on humanitarian aid, with 70 percent of households receiving aid in cash.
- **The RSRM measures education through two indicators—child school attendance and adult educational attainment.** Public primary and secondary schools in Rwanda are free and open to refugees, making access to basic schooling a relatively weak differentiator of self-reliance across the refugee population.
- **The health dimension of the RSRM focuses specifically on whether chronic illness or disability interferes with a household's ability to generate income, rather than measuring access to health services per se**. Basic health services are free or heavily subsidized for refugees in both camp and urban settings, making access a poor proxy for self-reliance in this domain.
- **The RSRM's labor dimension captures not only whether household members work but also the type of contractual arrangement, on the basis that daily contracts are associated with economic vulnerability and limited income stability.** This reflects the low quality of employment observed among refugees: while 24% reported doing paid work in the previous seven days (rising to 45% among those in Kigali), approximately 50% of employed refugees work under irregular daily labor contracts, and only 8% report running a business or engaging in farming. Overall, only 15% of refugees are employed, compared to 46% of the total Rwandan population.
- **The RSRM measures income through four indicators: estimated monthly household income, independence from transfers, ability to save, and (for out-of-camp refugees) the ability to pay rent.** A household must report monthly income of at least FRW 60,000 to meet the self-reliance threshold on the income indicator, while any receipt of transfers in the preceding six months results in the lowest possible score on the independence indicator.
- **Social capital, measured by active participation in community groups and decision-making, is included in the RSRM as a proxy for dignity, reflecting the note's definition of self-reliance as meeting essential needs with dignity and independently of aid**. High community participation is associated with higher subjective well-being among refugees.

The note recommends that the RSRM be adopted formally and that its panel survey be continued to refine the tool and track progress over time. It argues that improved measurement would enable better targeting of humanitarian resources toward the most vulnerable, while identifying households approaching readiness for graduation. The note also calls for the inclusion of refugees in national household surveys such as the EICV, which would allow for the generation of comparable socioeconomic data and more rigorous tracking of convergence between refugee and host community welfare over time.

Economic Life in Refugee Camps

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This paper analyzes the economic life of Congolese refugees within three camps in Rwanda and their interactions with surrounding local economies. The three camps were selected to represent distinct economic environments: Gihembe is situated near a major town and characterized by relatively urban, non-farm wage employment; Nyabiheke is in a predominantly agricultural area; and Kigeme falls between the two. The camps also differ in their aid delivery mechanisms, with Gihembe and Nyabiheke receiving cash transfers via mobile phones and Kigeme receiving in-kind food aid.

The study draws on original survey data collected in 2015 in collaboration with the United Nations World Food Programme (WFP). Surveys covered refugee households, host-country households, and businesses both inside the camps and within a 10-kilometer radius of each camp, capturing the primary markets where refugees transact, given poor transportation infrastructure. Random samples of 155–224 refugee households per camp were drawn from WFP registration lists, and random samples of 162–243 host-country households were drawn from household lists provided by district authorities. Household business samples were augmented with between 15–23 refugee businesses per camp and 63–100 host-country businesses per location.

The paper combines descriptive analysis of demographics and income sources with econometric measurement of welfare differences between camps receiving cash-based aid and those receiving in-kind food assistance. They use the Alkire and Foster (2011) method to estimate a multi-dimensional poverty index based on the weighted deprivations that households face.

Main findings:

- **Refugees engage in wage employment, operate small businesses, and receive remittances, such that total household income exceeds aid transfers for most households**. WFP aid represents 76–78% of refugee households' total income at the three camps. Wages add another 14–16%; non-farm business profits, 2–4%; and

remittances, 5–6%. Average monthly wage income for refugees ranges from 20,466 RWF in Kigeme, 24,386 RWF in Nyabiheke, and 24,830 RWF in Gihembe.

- **Participation in wage labor markets is lower for refugees than host-country households, but it is significant nonetheless, with the type of work strongly reflecting the host-country economy**. Wage labor participation among refugees ranges from 34 percent in Gihembe to 47 percent in Nyabiheke. In Nyabiheke, nearly one-third of refugee wage workers hold agricultural jobs, whereas in Gihembe and Kigeme, over 80 percent of wage workers hold non-farm jobs. In all three camps, the share of male wage earners (23-41 percent) exceeds the share of females (7-17 percent).
- **Between 8 and 17 percent of refugee households operate a non-farm business inside the camps, though refugee businesses are smaller and less profitable than host-country businesses**. Monthly profits for refugee businesses average approximately 18,014 RWF in Gihembe and 22,242 RWF in Nyabiheke, compared to approximately 10,813 RWF in the in-kind camp of Kigeme. Rwandan nationals are restricted from entering the camps while refugees are free to leave, creating an asymmetric market separation that shapes how camp businesses develop.
- **Goods sold inside the camps are priced above host-country market prices, reflecting the transaction costs refugees face when accessing outside markets**. Because Rwandan nationals are restricted from entering the camps, refugee-run businesses face limited direct competition, allowing camp prices to exceed host-country prices by up to the cost of travel and time required to transact outside. This “price band” is consistent with the asymmetric access rules governing camp-host interactions.
- **Monetary poverty headcount rates are higher inside the camps than in surrounding host communities, but the poverty gap is narrower within camps due to the income provided by WFP assistance**. Headcount poverty rates range from 0.725 to 0.755 inside the camps, compared to 0.531 to 0.605 in surrounding host communities. WFP assistance reduces the depth of poverty in the camps.
- **In the in-kind camp (Kigeme), approximately 80 percent of refugee households sell part of their food rations to obtain cash for other necessities, but do so at a significant loss**. Sales of in-kind aid are highest in refugee households without other sources of income. On average, refugees at Kigeme receive only about 64 percent of the retail market value of their food allotments when selling them, with maize fetching just 57.1 percent of its retail price. This exchange economy imposes a substantial welfare cost on recipients of in-kind aid.
- **In cash camps, refugees consume a more diverse diet and make a greater share of their food purchases from host-country vendors**. Refugees in cash camps consume a wider variety of food items including fresh vegetables, rice and bananas, in addition to the standard food basket, while diets in the in-kind camp are largely limited to the provided maize, beans, oil, and salt. Nearly two-thirds of refugee food purchases in Gihembe camp are made from host-country vendors within the 10-kilometer radius.
- **The multidimensional poverty index (MPI) is highest in the in-kind camp and lowest in the urban cash camp, where refugees are less deprived than the surrounding host population**. Kigeme has an adjusted MPI headcount of 0.465, compared to 0.270 in its surrounding host community. Nyabiheke’s MPI of 0.342

compares to a host MPI of 0.270, while Gihembe's MPI of 0.220 falls below that of its host community (0.249).

- **Refugees in cash camps report higher food security and subjective wellbeing than those in the in-kind camp, and consumption is more stable over the course of the month**. In the in-kind camp, food security drops from approximately 50 percent immediately after an aid delivery to below 10 percent by month's end. In cash camps, food security and reported happiness are higher overall and remain relatively stable throughout the month, indicating greater ability to smooth consumption.

The authors conclude that refugee camps are settings in which economies emerge spontaneously and are shaped by refugees' human capital and the economic structure of the surrounding host country, including the availability of agricultural versus non-farm wage employment and the rules governing movement and exchange. Interactions with host-country economies result in a divergence of household income from refugee assistance. They also find that the transition from in-kind to cash-based assistance is associated with higher welfare for refugees, including greater dietary diversity, more stable consumption, and lower multidimensional poverty, while also strengthening market linkages with host-country vendors.

Making Ends Meet in Refugee Camps: Food Distribution Cycles, Consumption and Undernutrition

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This paper **investigates whether the food consumption of refugees in protracted displacement responds to the timing of food aid distribution cycles, and whether the interval since the last distribution affects the short-term nutritional status of children under five**. The study is set in three refugee camps (Amboko, Gondjé, and Dosseye) in southern Chad, near the border with the Central African Republic (CAR). These camps were established between 2003 and 2006 and house refugees who fled violence in CAR and had been in protracted displacement for up to seven years at the time of the survey. At the time of data collection, there were about 32,000 in the three camps. Refugees received in-kind food rations (cereals, cooking oil, and salt) calibrated to approximately 1,200 calories per person per day and distributed every 1-2 months, covering roughly half of daily adult caloric requirements.

The primary data were collected in September 2010 across the three camps, funded by CARE International and UNHCR. The refugee sample comprises 969 households, randomly selected from UNHCR's camp registration list and stratified by residential block and ethnicity. An additional comparison sample of 502 households from nine neighboring Chadian villages was surveyed to support the falsification tests. Consumption data were gathered using a 24-hour dietary recall survey covering the three main meals of the day prior to the interview.

Anthropometric measurements (height, weight, and mid-upper arm circumference, MUAC) were collected for 712 children under five years old.

The authors use an econometric approach to estimate the association between the number of days elapsed since the last food distribution and both household caloric intake and children's short-term nutritional status. The main outcomes of interest are the log of adult-equivalent caloric intake the day before the interview and the short-term nutritional status of children. The identification strategy relies on exogenous variation in the timing of interviews relative to a food distribution event: households within the same residential block were randomly assigned to be interviewed either in the first or the third week of the survey, generating interview dates that ranged from 17 to 46 days after the distribution (average of 31.8 days). The main specifications include block-level fixed effects and control for household and child characteristics. Robustness checks include enumerator fixed effects, excluding the last three days of the survey (to account for survey fatigue), and a falsification test applied to the host community, who do not receive food aid and for whom the distribution cycle timing would be expected to have no effect.

Main findings:

- **Cereals dominate the refugee diet, accounting for 78 percent of total caloric intake, with 92 percent of households having consumed cereals the day before the interview**. Sorghum (locally produced) and rice (from aid rations or purchased) are the primary staples.
- **Refugee households have substantially lower caloric intake than host community households, with fewer than half meeting the minimum daily energy requirement of 2,100 kcal per capita**. Among refugees, average individual caloric intake the day before the interview was 1,542 kcal from cereals alone and 2,136 kcal overall, compared to 1,925 kcal and 2,595 kcal respectively for host households. Only 42 percent of refugee households exceeded the 2,100 kcal threshold, against 57 percent in the host community.
- **Borrowing is widespread but occurs predominantly at the end of the distribution cycle, consistent with constrained rather than strategic intertemporal smoothing**. 34 percent of refugee households reported borrowing in the two months prior to the survey compared to 27 percent in host communities. Borrowing is predominantly food-motivated: half borrow in kind, and among cash borrowers, 62 percent used funds to buy food, with most borrowing occurring toward the end of the cycle. Only 24 percent of refugee households had precautionary savings (72 percent of those kept savings at home), compared to 33 percent of host communities.
- **Most households sell part or all their food ration shortly after distribution, primarily to diversify their diet rather than as a savings strategy**. 55 percent of households reported selling part or all their most recent ration, with 87 percent of sellers doing so in the week immediately following distribution. This behavior reflects the gap between the ration composition and dietary needs rather than an intent to smooth consumption over time.
- **Stunting rates among refugee children under five are high, and short-term malnutrition indicators point to recent food insecurity.** Some 37 percent of refugee children are stunted, a rate similar to that in the host community. Refugee children have

a higher prevalence of wasting than host children (12 percent versus 7 percent), though the host community shows a higher rate of low MUAC (15 percent versus 9 percent falling below the 12.5 cm cutoff). Notably, MUAC-for-height z-scores are significantly lower for refugee children measured later in the survey period, suggesting that food consumption cycles may translate into cycles of short-term malnutrition.

- **Refugee household caloric intake declines significantly with each passing day since the last food distribution, at a rate of 1.1 to 1.5 percent per day**. This implies an estimated 15 to 20 percent reduction in cereal consumption over a two-week period. The decline is non-linear, being most pronounced between 25 and 35 days after distribution and tending to slow toward the end of the two-month cycle. As cereal consumption declines over the distribution cycle, there is no evidence of countercyclical substitution toward other food categories such as animal products or vegetables.
- **The short-term nutritional status of children under five, measured by mid-upper arm circumference (MUAC) for height z-scores, also declines with days elapsed since the last distribution, at a rate of 0.025 standard deviations per day**. Children's age is associated with slightly better nutritional status whereas having experienced a recent illness diminishes the MUAC-for-height z-score.
- **Heterogeneity analysis by wealth finds no evidence that better-off refugee households are better able to smooth consumption across the distribution cycle**. When interacting time since distribution with a household wealth index, no significant heterogeneous effect is found, suggesting that inability to smooth consumption is a common condition across the welfare distribution within the camps.
- **The consumption and nutrition cycles are specific to the food-aid-dependent refugee population and not driven by common seasonal or environmental factors**. Applying the same empirical model to the host community—assigning them the artificial time-since-distribution of the nearest camp—yields no significant association between the distribution cycle timing and either caloric intake or children's nutritional status.

The authors conclude that **refugee households in these protracted camp settings do not smooth their food consumption between distributions, resulting in recurrent and predictable periods of food shortage toward the end of each distribution cycle, with attendant declines in child nutritional status**. The authors warn that these recurrent food shortage cycles may have lasting consequences for children's long-term nutritional status and health. The authors suggest a number of reasons why refugees do not smooth their consumption between food distributions including: (1) the ration covers only half of caloric needs with limited alternative income sources and uncertainty about distribution dates makes planning difficult; (2) uncertainties about duration in the camp may inhibit investments in livelihoods activities; (3) food aid is perishable and subject to theft and social pressure to share, creating incentives to consume early.

The paper identifies several implications for aid design, including: (1) increasing the frequency of food distributions to reduce the severity of end-of-cycle shortages, and ensuring greater predictability in aid delivery dates; (2) transitioning to cash or voucher-based transfers to enable households to purchase food according to their own consumption needs, provided local markets are functional; (3) supporting self-sufficiency and livelihoods strategies in the medium to long term by promoting integration in the economic network of

host communities and sustainable agricultural practices; and (4) policies that strengthen financial inclusion and credit access in camp settings. The authors also flag a methodological implication for nutritional monitoring: because MUAC-for-height measurements reflect the cyclical phase of the distribution calendar, surveys conducted near the end of a distribution cycle may systematically understate average nutritional status.

Measuring Self-Reliance Among Refugee and Internally Displaced Households: The Development of an Index in Humanitarian Settings

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This paper **describes the development and validation of the Self-Reliance Index (SRI)**, a standardized measurement tool designed to assess the multi-dimensional self-reliance of refugee and internally displaced person (IDP) households in humanitarian settings. The tool was developed between March 2017 and March 2020 through a community of practice led by RefugePoint and the Women's Refugee Commission, drawing on a literature review, expert consultation, and input from displaced persons themselves.

The SRI was designed to be administered through a semi-structured conversation rather than a questionnaire. It covers 12 domains of self-reliance: housing adequacy and rent, food security, education, healthcare access, health status, safety, employment, financial resources, assistance reliance, debt, savings, and social capital. Each domain is scored on a scale of 1 to 5, and a composite SRI score is calculated as an average across domains. Three domains—food security, health status, and assistance reliance—were designated as "bare minimum" conditions and incorporated into an adjusted scoring formula to prevent households that are food insecure or fully aid-dependent from receiving artificially high composite scores.

The SRI was piloted with refugee households in Nairobi, Kenya (with data collected by RefugePoint) and Palenque, Mexico (with data collected by Asylum Access). Baseline interviews were conducted with 57 households in Kenya and 59 in Mexico (116 total); follow-up interviews were conducted approximately three months later with 34 households in Kenya and 33 in Mexico (67 total).

Main findings:

- **Initial SRI scores exhibited an upward skew that was inconsistent with practitioner knowledge of household vulnerability**. In Kenya, the baseline median score was 3.92 and in Mexico it was 3.40, on a scale of 1 to 5. Staff at both implementing organizations

assessed that these scores were higher than expected given what was known about the households, indicating that the initial scoring rubric required refinement.

- **The SRI demonstrated acceptable internal consistency at both pilot sites, meeting the pre-specified reliability threshold**. This suggests that each of the 12 domains seems to capture some dimension of self-reliance across sites. In addition, the extent to which each domain was correlated with the pre-adjusted SRI score was analyzed. Health status was the only domain not initially correlated with the overall SRI score, necessitating a recoding of its response options and scoring protocol.
- **Testing of logical statements revealed that the initial scoring rubric failed to adequately capture households at the lowest levels of self-reliance**. Four logical statements were tested in the data to assess the extent to which the basic scoring rubric provided a valid representation of a household's overall self-reliance. Two were not met under the basic rubric: in Kenya none of the 17 households that had not eaten a full meal in the prior day scored at or below 2.5, while only two of 12 households in Mexico met this same condition; and in Kenya none of the 15 households fully reliant on assistance for food, housing, or healthcare scored at or below 2.5, while only two of 16 households in Mexico met this same condition. This indicated that the composite score was insufficiently sensitive to critical deprivations in core domains.
- **An adjusted scoring rubric, with three "bare minimum" domains, improved the validity of SRI scores**. Following the logical statement analysis, food security (Domain 2), health status (Domain 5), and assistance reliance (Domain 9) were identified as threshold conditions. The revised formula calculates a score based on the average of the remaining nine domains, from which deductions are applied based on performance in the three bare minimum domains. Under the revised rubric, all four logical conditions were met at both sites.
- **Sensitivity analyses using data from Syria and Lebanon confirmed the reliability and applicability of the revised rubric across diverse contexts**. The SRI demonstrated acceptable internal consistency in both Lebanon and Syria, all four logical conditions were met in Lebanon and three of four were met in Syria. These results supported the cross-contextual applicability of the SRI, while reinforcing the need for localized contextualization.
- **Households in Kenya scored higher on self-reliance than those in Mexico, a pattern consistent with the known characteristics of the two samples**. Kenyan respondents had resided in the country longer and had more established social networks, whereas Mexican respondents were more recent arrivals with fewer community ties.

The authors conclude that the **SRI is a feasible, reliable, and valid tool for measuring household self-reliance in humanitarian settings**. They highlight the tool's value providing NGO staff with a more holistic picture of the household's situation than was normally gleaned from day-to-day encounters with clients. They note that the SRI can serve multiple programmatic functions simultaneously: screening and targeting clients for assistance, informing referral protocols, guiding decisions about when to responsibly graduate households from aid, and supporting trend analysis over time. They emphasize that while the SRI is designed as a universal tool, effective deployment requires contextualization—including adapting definitions of adequate housing and school-age

thresholds to local conditions—and that failure to contextualize risks undermining the validity of scores. Third, the authors highlight the integration of the SRI and its scoring rubric into widely used humanitarian data platforms (Kobo and CommCare) as a means of facilitating adoption within existing organizational monitoring systems.

Expanding Development Approaches to Refugees and Their Hosts in Ethiopia

Christina Wieser, Wondimagegn Mesfin Tesfaye, Fikirte Girmachew, Jeremey Aaron Lebow, and Manex Bule Yonis

Poverty and Equity Global Practice, World Bank (2024)

http://documents.worldbank.org/curated/en/099051324131020459

This report **examines the socioeconomic conditions of refugees and host communities in Ethiopia, with the aim of generating high-quality evidence to inform policy and guide development interventions toward greater self-reliance and economic integration**. Ethiopia hosts more than 922,000 registered refugees and asylum seekers as of end-2023, primarily from South Sudan (420,000), Somalia (280,000), Eritrea (170,000), and Sudan (49,000). Most refugees (92 percent) live in roughly 30 camps located in mostly rural, remote border regions, including Afar, Amhara, Benishangul-Gumuz, Gambella, Somali, and Tigray, while some 70,000 live in Addis Ababa under an Out-of-Camp Policy (OCP). The displacement situation is overwhelmingly protracted: refugees have been in Ethiopia for an average of about 14 years.

While Ethiopia has adopted progressive refugee policies, including the Comprehensive Refugee Response Framework (CRRF), challenges persist in translating these policies into tangible socioeconomic outcomes for refugees. The country's new Refugee Proclamation grants refugees the right to basic services, work, and freedom of movement, but implementation delays hinder their realization.

The analysis draws on the Socio-Economic Survey of Refugees in Ethiopia (SESRE), conducted between November 2022 and January 2023 through a collaborative effort among the World Bank, the Ethiopian Statistical Service (ESS), the Refugees and Returnees Service (RRS), and UNHCR. The survey employed a stratified, two-stage cluster sample design covering three distinct population groups: in-camp refugees (stratified by nationality: Eritrean, South Sudanese, and Somali), out-of-camp refugees in Addis Ababa (stratified by arrival time), and host community members defined as non-displaced Ethiopian households living within approximately 5 kilometers of refugee camps. A total of 3,452 households were sampled.

Main findings:

- **Refugee households are larger, more likely to be female-headed, and have markedly lower educational attainment than host households**. Average household size among in-camp refugees is 6.2 members, compared to 5.2 for hosts. Female-

headed households account for 73 percent of in-camp refugee households overall and reach 84 percent among South Sudanese refugees. Educational attainment is low among both hosts and refugees: 73 percent of in-camp adult refugees and 59 percent of host adults have either no education or did not complete primary school. While primary school enrollment rates are broadly similar between refugees and hosts, secondary enrollment for refugees stands at 23 percent compared to 41 percent for hosts.

- **Child malnutrition rates among in-camp refugees are high, while refugees in camps have better access to health institutions for child delivery than hosts**. Child stunting is a major child health problem for both hosts and refugees, but stunting rates are highest for refugee children: stunting affects 52 percent of Eritrean refugee children and 47 percent of Somali refugee children. At the same time, 87 percent of refugee mothers in camps deliver in health institutions, a higher share than among host mothers (75 percent), reflecting the concentration of primary health services within camps. A significant share of both in-camp refugees and hosts have no birth registration for their children.

- **In-camp refugees live in significantly worse housing conditions, though they often have better access to safe drinking water than host communities**. Both in camps and in Addis Ababa, refugee households live in more overcrowded conditions compared to hosts. Most in-camp refugees and their respective host households live in homes with low-quality walls, with only 2 percent of in-camp refugee households living in dwellings with an improved wall. Refugees have better access to drinking water and similar access to improved sanitation facilities compared to hosts. Both refugee and host households have low access to electricity, except for hosts of Eritrean refugees.

- **Labor force participation among in-camp refugees is substantially lower than among hosts, and those who work earn significantly less per hour**. In-camp refugee labor force participation stands at 31 percent, compared to 52 percent for hosts, and only 25 percent of in-camp refugees performed paid work in the week before the survey, compared to 48 percent for hosts. Camp-based refugees who do work earn approximately 57 percent less per hour than their host counterparts, a gap that is not explained by differences in education, demographic characteristics, occupation or sector. Among OCP refugees in Addis Ababa, only 17 percent are employed, with many relying on remittances; those who do work frequently experience occupational downgrading, taking on jobs below their skill level. Refugee inactivity and unemployment are high among youth (aged 15-24) in Addis Ababa.

- **A substantial share of refugees holds aspirations of resettlement to Western countries that are inconsistent with actual resettlement rates**. Approximately one-third of refugees reports expecting to be resettled to a Western country within three years, despite global resettlement rates of less than 2 percent. Refugee aspirations and expectations for resettlement may be important determinants of how much they will invest in their skills and socio-economic integration.

- **In-camp refugees experience deep monetary and multidimensional poverty, while OCP refugees in Addis Ababa have lower monetary poverty rates but face distinct vulnerabilities**. The poverty headcount among in-camp refugees is 84 percent, compared to 32 percent for adjacent host communities; across all refugee groups, 75 percent live below the international poverty line, compared to 25 percent among hosts. OCP refugees in Addis Ababa have a monetary poverty rate of 7 percent—lower than their hosts at 18 percent. Fifty percent of refugees are multidimensionally poor, with

deprivation driven primarily by low living standards (cooking fuel, housing quality, and assets) and low educational attainment. In-camp refugees also face severe food insecurity, scoring 8.1 out of 10 on the food insecurity scale compared to 4.0 for hosts, and only 49 percent of in-camp refugees have acceptable food consumption status compared to 74 percent of hosts.

- **Among in-camp refugees, employment, household size, and proximity to market hubs are among the strongest correlates of welfare, while returns to education are substantially muted compared to host households**. Consumption per capita falls sharply as household size and dependency ratios increase, with the poorest households having sizes more than double those of the wealthiest. The share of employed household members is one of the most significant predictors of higher expenditure, and proximity to a woreda capital matters as well—a 1 percent increase in distance to the nearest woreda capital is associated with a 0.09 percent reduction in consumption per capita, and living in a high-market-accessibility area is associated with a 0.24 percent increase compared to low-accessibility areas. Although education is positively associated with welfare, the consumption returns to additional schooling are considerably smaller for in-camp refugees than for OCP refugees or host community members, a pattern the report attributes to the constrained opportunities to apply skills within camp settings.
- **Most refugees depend on humanitarian transfers as their primary source of support**. While 83 percent of the in-camp refugees depend on transfers and gifts to cover their food consumption needs, more than two-thirds of the host community households depend on market purchases for their food consumption. Similarly, most refugees depend on transfers or gifts for non-food consumption, while their hosts depend on market purchases.
- **Proximity to urban centers and local market connectivity are the dominant local determinants of refugee employment, with distance to the nearest zone capital sharply reducing the probability of finding work.** Refugees living within 10 kilometers of a zone capital have a 59 percent employment probability (male) and 47 percent (female), compared to 34 percent and 23 percent respectively at 100 kilometers. Poor market accessibility compounds this effect: employment probability falls below 25 percent in woredas more than 1.5 standard deviations below average market access. As remoteness increases, refugees shift toward agricultural work, while those near urban hubs concentrate in trade and services. High local unemployment among hosts further reduces refugee employment prospects, while areas with greater host labor force participation are associated with better outcomes for refugees.
- **Host community members display broadly positive attitudes toward refugees, though actual social integration between the two groups remains limited**. Sixty-five percent of host community respondents agree that refugees are “good people,” and most report low levels of perceived conflict. However, few refugees report having Ethiopian friends, suggesting that formal tolerance has not translated into meaningful social interaction or integration.

The report concludes that the current camp-based humanitarian model limits refugee self-reliance and generates substantial long-term costs for both the humanitarian system and Ethiopia’s development trajectory. The authors highlight what they term an “economic-inclusion dividend”: transitioning from a model of full aid dependency to one of full economic

inclusion could reduce the annual cost of meeting basic needs per refugee from US$378 to US$78.

The report highlights several policy implications. First, enabling refugee mobility and easing work permit restrictions—including through automation of permit issuance—are identified as critical steps toward improving labor market access, given that the wage gap between refugees and hosts is not explained by observable human capital differences. Second, the report calls for integrating refugees into national systems for education, health (including the Community-Based Health Insurance scheme), and social protection, rather than maintaining parallel humanitarian service delivery. Third, the report recommends place-based investment in refugee-hosting woredas to benefit both refugees and host communities simultaneously, reducing resource competition and addressing the spatial disparities in opportunity documented in the analysis. Finally, the report highlights the need to redesign the Out-of-Camp Policy so that mobility is guided by economic opportunity rather than individual sponsorship arrangements, and to harmonize national and sub-national laws to support full implementation of Ethiopia's 2019 Refugee Proclamation.

From Policy to Practice: Lessons from the Implementation of the Refugee Work Rights Policy in Ethiopia

Ana Maria Perez and Sandra V. Rozo

World Bank Policy Research Working Paper 11254 (November 2025)

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This paper **examines the early implementation of Ethiopia's refugee work rights policy**. Ethiopia is Africa's third-largest refugee-hosting country, with over one million refugees drawn primarily from South Sudan (41 percent), Somalia (33 percent), and Eritrea (17 percent). Most live in protracted situations, with families often remaining for five years or more. Most refugees (75 percent) live in 27 camps concentrated in remote border regions including Gambela, Somali, Benishangul-Gumuz, and Afar, while only 8 percent live in urban areas such as Addis Ababa.

In recent years, Ethiopia has shifted from a purely humanitarian, camp-based model toward a development-focused approach that grants refugees rights to work, own businesses, and access services. The 2019 Refugee Proclamation No. 1110 marked a turning point by broadening refugees' legal rights to include access to work under specified conditions, education and health services, a driver's license, banking and financial services, and the acquisition and transfer of property on the most favorable terms accorded to foreign nationals. To implement these rights, Directive No. 02 outlined three economic opportunity pathways for refugees: (1) wage-earning employment requiring a work permit; (2) self-employment requiring a business license; and (3) joint projects requiring a residence permit. The 2024 Directive No. 1019 replaced the 2019 Directive No. 02 and introduced more detailed operational guidance to address early implementation challenges.

The paper employs a mixed-methods approach, combining analysis of legal texts and technical documents with quantitative and qualitative data collection. The legal review covers the 2019 Refugee Proclamation and the 2024 Directive No. 1019, situating the permit system within the broader evolution of Ethiopia's refugee policy framework. The qualitative component draws on 12 semi-structured interviews conducted in mid-2025 with key stakeholders from the World Bank, academic institutions, the Refugees and Returnees Service (RRS), and UNHCR. The quantitative analysis draws on administrative data from the RRS covering permit issuance records from 2019 through April 2025. These records document the number and type of permits issued disaggregated by region and year, and are used to assess take-up rates relative to the working-age refugee population.

Main findings:

- **As of April 2025, 28,842 permits had been issued since 2019, with issuance accelerating markedly following the 2024 Directive**. Over 12,000 permits were issued in 2024 alone, representing 43 percent of the cumulative total issued across the entire period since the policy was introduced.
- **Residence permits dominate the permit landscape, while work permits remain rare**. Of all permits issued, 73 percent are residence permits, 23 percent are business licenses, and only 4 percent are work permits, indicating that entrepreneurship and formal wage employment are still limited.
- **Permit issuance is geographically concentrated, with nearly 68 percent of all permits issued in the Gambela and Somali regions**. This distribution broadly mirrors existing refugee settlement patterns rather than reflecting differential economic demand across regions.
- **Despite recent acceleration, overall take-up of permits remains very low, with only 5.2 percent of the working-age refugee population holding any permit**. This gap between the legal entitlement and actual uptake reflects persistent barriers to accessing the permit system.
- **Take-up rates vary considerably across regions, ranging from 10.6 percent in Benishangul-Gumuz to 2.6 percent in Addis Ababa and 3.2 percent in Afar**. These differences suggest that demand for permits is influenced not only by refugee population size but also by the local economic conditions, availability of formal employment, and the perceived costs and benefits of formalization.
- **On the supply side, institutional fragmentation and subnational capacity gaps constrain implementation**. The paper documents: (a) limited inter-agency coordination between the RRS, the Ministry of Labor and Skills (MoLS), the Ethiopian Investment Commission, the Ministry of Trade and Regional Integration (MoTRI), and the Ministry of Revenue (MoR); (b) operational capacity gaps at the sub-national level including lack of tools, staffing, and training required to process permit applications reliably; (c) limited procedural clarity and low awareness of the 2024 directive among key actors, including employers; and (d) permit requirements that may unintentionally limit access.
- **On the demand side, high labor market informality reduces refugees' perceived value of formal permits**. The paper documents: (1) high levels of informality—over 80 percent of workers in Ethiopia are employed in the informal sector—reducing the perceived value of formal permits; (2) fear of losing humanitarian assistance deters many

refugees from seeking permits—approximately 78 percent of in-camp refugees rely on humanitarian aid—and many perceive obtaining a permit as a signal of self-reliance that could jeopardize their access to that support; (3) administrative requirements—including multiple documents and the need for a job offer prior to obtaining a work permit—discourage permit applications; and (4) low awareness of legal rights and steps to apply for permits.

The paper concludes that while Ethiopia has established a landmark legal framework for refugee work rights, its practical impact has been constrained by institutional fragmentation, operational capacity shortfalls, and weak demand-side incentives, compounded by broader structural factors, including a predominantly informal economy and entrenched humanitarian governance models. The authors argue that in the context of shrinking humanitarian aid, closing the gap between de jure rights and de facto labor market inclusion will require adaptive, cost-effective, and context-appropriate solutions.

The authors identify four policy options. **Livelihood and area-based economic development programs should be expanded and better tailored to labor market realities**, prioritizing self-employment and informal-to-formal transitions over narrowly wage-focused interventions, and allowing refugees to retain some humanitarian assistance for a transitional period after obtaining permits to reduce the deterrent effect of potential aid loss. **Performance-based incentives should be introduced for subnational governments**, with regions that meet permit issuance targets or demonstrate service delivery innovation receiving technical or financial support. **Refugee mobility to economic zones should be enabled** by gradually transitioning toward a more flexible legal and administrative regime that allows refugees to move to economic centers, better aligning their locations with labor market opportunities while addressing low permit take-up and concentrated settlement patterns. Finally, l**ocal community leaders should be engaged as trusted messengers** to increase awareness of legal rights, address misinformation, and build confidence in formal processes among both refugee and host communities.

Formal Micro-Credit for Refugees: New Evidence and Thoughts on an Elusive Path to Self-Reliance

Swati M. Dhawan, Kim Wilson, and Hans-Martin Zademach

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This paper **examines whether formal micro-credit can meaningfully support self-reliance and financial health among refugees in protracted displacement.** The study is set in Jordan, where refugees face legal restrictions or practical barriers that impede their right to work, move freely, own property, and establish businesses. The refugee population in Jordan is largely below the poverty line (86 percent at the time of the study).

The authors define “financial health” if individuals can meet basic needs, manage debt, recover from financial shocks, access lump sums for investment, and extend their planning

horizons. Three rounds of in-depth interviews were conducted with the same refugee participants between March 2019 and December 2020, spanning the onset of the COVID-19 pandemic and allowing for observation of how participants' financial lives evolved over time. Key informant interviews with community representatives and institutional actors were also conducted to complement participant narratives.

The initial sample comprised 89 refugee participants, of which 68 completed all three rounds of interviews; attrition was largely attributable to the pandemic. The sample was almost evenly divided between Syrians and non-Syrians (refugees from Yemen, Iraq, Sudan and Somalia), and between female and male participants. The large majority (72 out of 89) were of working age (18–45 years), 70 had been in Jordan for between three and eight years, and 25 were from female-headed households.

Main findings:

- **Most refugees rely on humanitarian assistance and irregular work, which is frequently insufficient to meet basic needs**. Most (57 percent) received monthly multi-purpose cash assistance from UNHCR, food support from the World Food Program, or both. Most also had at least one household member engaged in an income-generating activity, predominantly of an irregular or seasonal nature. Less than half of the 44 Syrians and only four of the 45 non-Syrians had income from regular employment.
- **Few refugees operate businesses and most are informal**. Only 3 refugees had set up formal businesses and only 11 had set up informal, home-based businesses, the latter providing only minor and irregular income.
- **Refugees regularly resorted to borrowing for day-to-day consumption smoothing.** Borrowing was driven by the need to cover rent, food, medicine, and utilities, rather than by a desire to invest in their livelihoods. Nearly one-third of the participants had accumulated unmanageable debts of more than US$ 700, and one in five had more than US$ 1400 (equivalent to around four to five months of their household income); most struggled to repay debts and a common strategy was to use cash assistance to repay loans.
- **Borrowing from family and friends was strongly preferred due to flexible and negotiable repayment terms, the absence of interest charges, and the avoidance of bureaucratic processes**. Among Sudanese, Somali, and Yemeni communities in particular, intra-community solidarity represents a meaningful, if fragile, form of mutual insurance.
- **Informal credit mechanisms function as the primary financial lifeline for refugees in Jordan.** Approximately a quarter of participants regularly relied on neighborhood grocery stores and pharmacies for revolving, trust-based credit to purchase food and household essentials. These arrangements were characterized by flexibility, an absence of documentation requirements, and a willingness by shopkeepers to defer repayment during periods of hardship. Refugees prioritized clearing these balances, often using humanitarian transfers, to preserve continued access to this essential credit line. At the end of the third round of interviews, the average outstanding debt to corner shops across all participants was US$ 340.

- **The small number of refugees who access formal loans do so primarily to finance emergency personal expenses, often resulting in unsustainable debt burdens**. Only five participants (out of a sample of 44 Syrian refugees) had taken a formal micro-loan from a microfinance institution (MFI). Borrowers with formal micro-loans cited urgent medical procedures requiring sums of $700 or more as the primary motivation, particularly when informal networks were exhausted.
- **The pervasive use of informal debt among refugees does not constitute latent demand for formal micro-credit**. High levels of indebtedness reflect weak livelihoods and insufficient social protection rather than an unmet appetite for formal financial products. Refugees who borrowed informally at scale were doing so to survive, not to invest, and most were unwilling to incur the costs and risks associated with formal MFI products.
- **Legal barriers to livelihoods, not lack of credit, are the binding constraint on refugee economic activity**. Participants with entrepreneurial aspirations reported that restrictions on work permits, sectoral exclusions (particularly for non-Syrian refugees), requirements to register businesses under a Jordanian partner's name, and the absence of a secure or predictable residence status severely limited their ability to invest, grow, or plan. Credit in this environment was described as unable to unlock self-reliance when foundational economic rights remained absent.
- **Expanding formal micro-credit in constrained legal environments carries significant risks, particularly for women**. Women in Jordan who default on formal loans face the risk of imprisonment for up to 90 days. This legal vulnerability, combined with the inherent income volatility of informal livelihoods, means that formal credit products can increase rather than reduce economic precarity for some of the most vulnerable refugee households.
- **COVID-19 substantially worsened refugee financial health and placed existing informal credit networks under acute stress**. The simultaneous hardship across entire communities undermined the capacity of social solidarity networks to absorb individual shocks.

The authors conclude that the prevailing humanitarian and development narrative—that formal micro-credit offers a meaningful path to refugee self-reliance—is not supported by the evidence. The authors caution that extending formal credit to economically excluded populations without addressing underlying barriers risks being "damaging", shifting the welfare burden from states and humanitarian actors onto refugees themselves and increasing the risk of over-indebtedness. The paper urges humanitarian actors to push the micro-credit agenda with extreme caution, and only toward "credit-ready" refugees with stable incomes and genuine investment opportunities. For the majority who do not meet that profile, the authors call for prioritizing access to decent jobs and robust social protection. The paper also recommends that practitioners seek to understand and support existing informal solidarity mechanisms, such as corner store credit and community-based mutual aid, rather than replacing them with formal products, and that savings-oriented approaches be explored as more appropriate instruments for building financial resilience.

A Triple Win: Fiscal and Welfare Benefits of Economic Participation by Syrian Refugees in Jordan

Johannes Hoogeveen and Chinedu Obi (eds.)

International Development in Focus, World Bank Group (2024)

https://openknowledge.worldbank.org/entities/publication/fa814b2b-ae31-4930-b1eb-10e55c747fb7

This book **examines the welfare of Syrian refugees in Jordan and quantifies the fiscal implications of their economic participation**. Its central aim is to shift the international discourse on refugee "burden sharing" from abstract principles to concrete numbers by demonstrating the existence of a "triple win": increased financial autonomy of refugees; less aid needed to support refugees; and more aid available for the development of the host economy.

As of 2023, approximately 660,000 Syrian refugees were registered with UNHCR in Jordan, although the 2015 census indicates a much larger Syrian population of around 1.27 million. The overwhelming majority (80 percent) live in host communities rather than refugee camps, concentrated primarily in Amman, Irbid, Mafraq, and Zarqa. The population is extremely young, with a median age of 13 in camps and 15 in host communities (compared to 26 for Jordanian nationals). Like the Jordanian population, the refugee population has a notable deficit of men in the 25–35 age group, possibly reflecting higher mortality due to conflict and migration choices.

The analysis is based on the 2021 Vulnerability Assessment Framework (VAF), the fifth round of a UNHCR–World Bank survey of Syrian refugees in Jordan. For the first time, the VAF incorporated a full consumption module mirroring Jordan's national Household Income and Expenditure Survey, enabling direct monetary poverty estimation. VAF data were merged with the Refugee Assistance Information System (RAIS) to assess the poverty impact of cash transfers. Refugee labor market outcomes were benchmarked against the 2019 Jordan Labor Force Survey (LFS), which covers both Jordanian nationals and other foreign workers.

The book applies several analytical methods. Monetary poverty is estimated using a cost-of-basic-needs approach, while multidimensional poverty is measured using the World Bank's Multidimensional Poverty Measure, which adds education and access to basic infrastructure to the monetary dimension. A Freedom Index, constructed from the 2022 Quality of Life Survey, captures non-monetary welfare across dimensions (life satisfaction, optimism for self and children, not being discriminated against, mental health, freedom to make life decisions, and sense of security), and is used to help explain why refugees choose to live outside camps despite facing higher monetary poverty there. Regression models are used to identify determinants of camp location choice, school enrollment, and labor market participation. Finally, fiscal incidence is estimated using the Commitment to Equity (CEQ) methodology, which maps refugees into income deciles to compare their contributions to public revenues against their use of public services. Scenario-based modeling—contrasting no-income, current-participation, and full-participation outcomes—quantifies the savings to the international donor community from refugee economic activity, with the full-participation

scenario constructed using nearest-neighbor matching to project counterfactual earnings by pairing Syrian refugees with comparable Jordanian or immigrant workers.

Main empirical findings:

- **Monetary poverty among Syrian refugees is pervasive at 58 percent overall, and is paradoxically higher outside camps (62 percent) than inside (45 percent)**. The higher poverty rate in host communities reflects the cost of rent and utilities—expenses that camp residents do not incur—as well as lower levels of humanitarian assistance relative to those provided in camps. The poverty gap (the average distance from the poverty line) is also larger for out-of-camp refugees (19 percent) than for camp residents (9 percent).
- **Multidimensional poverty, which captures education and access to basic infrastructure alongside consumption, affects 67 percent of refugees outside camps and 57 percent inside camps**. The broader measure reveals that even refugees who are not monetarily poor face significant deprivation in access to education and services. Camp residents benefit from the provision of public utilities and services that host-community refugees must procure independently.
- **Despite facing higher poverty, more than 80 percent of Syrian refugees choose to live in host communities, suggesting a preference for autonomy and economic agency**. Although time of arrival, as well as government policy toward refugees, plays a role in whether Syrians live in or outside of the camps, evidence suggests that refugee households make this decision themselves, which leads to self-selection in regard to certain characteristics. Regression results confirm that the probability of living outside a camp is positively associated with the age of the household head, having a chronic illness (likely reflecting proximity to health services), and employment in sectors such as construction and manufacturing. Larger households with higher dependency ratios are more likely to remain in camps.
- **A Freedom Index constructed from the 2022 Quality of Life Survey shows that refugees living outside camps score better overall on non-monetary dimensions of welfare, particularly on perceived freedom from discrimination and ability to make life decisions**. Among camp residents, 56 percent experience an absence of freedom as defined by the index, compared to 53 percent of those outside camps. Camp residents are more optimistic about the future, but refugees living outside camps report higher rates of mental health difficulties.
- **School enrollment among Syrian refugee children (ages 6–17) increased from 78 percent in 2015–16 to 85 percent in 2021, with higher rates in camps (91 percent) than in host communities (83 percent)**. Regression results identify the household head's level of education as the strongest positive predictor of enrollment (+10.7 to +18.8 percentage points depending on attainment level), while having a male household head (−5.8 percentage points), being a male child (−3.1 percentage points), and living in rural areas outside camps (−3.5 percentage points) are associated with lower enrollment rates. Consumption levels, receipt of assistance, and duration of stay in Jordan were not statistically significant determinants.
- **Humanitarian cash assistance reduces monetary poverty among Syrian refugees by 20 percentage points, from 78 percent before assistance to 58 percent after**. In camps, cash and in-kind assistance reduces the pre-transfer poverty rate from 91

percent to 45 percent; in host communities, cash assistance reduces the pre-transfer poverty rate from 75 percent to 62 percent. The report estimates that $899 million annually would be required to close the poverty gap entirely; at current targeting efficiency levels, the shortfall is approximately $244 million per year.

- **Current targeting of cash assistance shows meaningful inefficiencies, with an estimated $120 million in annual leakage to non-poor households and a 63 percent targeting efficiency rate**. Within camps, the most destitute households sometimes receive less assistance than those above the poverty line. An updated 2021 Proxy Means Test model—using 20 variables covering more diverse aspects that correlate with refugee welfare—reduces inclusion errors from 22 percent to 13 percent and correctly classifies 80 percent of households, compared to 77 percent under the 2014 model. However, exclusion errors rise from 3 percent under the 2014 model to 13 percent under the 2021 model, meaning more poor households are incorrectly screened out.
- **Only 24 percent of working-age Syrian refugees are employed, compared to 30 percent of Jordanians and 68 percent of other foreign nationals, and the employment rate among Syrian women is just 3 percent**. Gender is the strongest predictor of labor market inactivity among Syrians in Jordan: Syrian women are 44 percentage points less likely to be active in the labor market than men and 39 percentage points less likely to be employed. Among Syrians aged 15–29, 58 percent are not in employment, education, or training (NEET), well above the 38 percent rate for Jordanians and 23 percent for other foreigners.
- **Even after controlling for personal characteristics, employed Syrians are 17.2 percentage points more likely than Jordanians to earn low wages**. Only 6.3 percent of refugees outside camps and 12.4 percent of refugees inside camps hold an active work permit. High permit costs are cited by 85 percent of camp residents as the primary reason for non-renewal, whereas for out-of-camp refugees the main reasons were cost (43 percent), sector restrictions (18 percent), and unemployment (14 percent). Sector restrictions confine refugees largely to construction (25 percent of employed Syrians), manufacturing (18 percent), and wholesale/retail (16 percent). Most Syrians in Jordan are employed informally: 92 percent of employed Syrians lack a written open-ended contract and only 1 percent contribute to social security.
- **Refugee economic participation already reduces the annual cost of hosting by approximately $860 million compared to a counterfactual in which refugees earn no income, with the bulk of savings ($821 million) coming from reduced subsistence assistance needs**. Under a full-participation scenario—modeled by matching refugees with comparable workers to project their earnings if labor market restrictions were removed—annual savings could increase by a further $400 million, reducing total per-refugee hosting costs from $1,148 to $543 per year.

The report concludes that **the cost of hosting Syrian refugees in Jordan is not fixed but is a direct function of policy choices regarding economic participation**. Cash assistance, while vital—reducing monetary poverty by 20 percentage points—is insufficient to eliminate poverty on its own, and funding shortfalls and declining donor engagement make increased reliance on humanitarian transfers an unlikely path forward. Syrian refugees face persistent earnings gaps and high informality that cannot be fully explained by their demographic characteristics, pointing instead to regulatory constraints—sector restrictions, costly work permits, and unequal treatment—as the binding barriers. Refugees themselves

are already signaling a preference for economic agency: the majority voluntarily accept higher monetary poverty in host communities in exchange for freedom of movement and employment opportunities. **The largest gains for refugee welfare lie outside the humanitarian system and economic participation already generates approximately $860 million in annual savings relative to a no-income baseline—savings that could increase by a further $400 million if labor market restrictions were removed**. These figures provide an empirical basis for a renewed bargain between Jordan and the international community: one in which Jordan's contribution to a global public good is formally recognized, donor savings from refugee self-reliance are redirected toward host-community development, and policy reforms are supported by stronger evidence, greater transparency, and sustained high-level dialogue.

Advancing the Jobs Agenda: Toward Self-Reliance in Refugee Situations

Zara Sarzin

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This paper **synthesizes recent evidence on refugee self-reliance in low- and middle-income countries (LMICs)**. In these settings, traditional models of hosting and humanitarian assistance are ill-suited to protracted displacement: legal or practical restrictions on freedom of movement and work leave many refugees unable to meet basic needs independently, creating sustained dependence on aid. With humanitarian budgets shrinking and funding gaps widening, host countries are under growing pressure to consider responses that lower the costs of hosting while maximizing the impact of limited humanitarian and development financing.

The paper first clarifies the concept of self-reliance, reviews the main measurement approaches, and examines what their application reveals about levels and drivers of self-reliance across contexts. It then synthesizes empirical evidence—drawn from randomized controlled trials, quasi-experimental studies, and other sources—on the policies and programs that can support refugees' economic participation and self-reliance, before turning to evidence gaps and implications for policy makers.

Main findings:

- **The concept of refugee self-reliance has evolved from a narrow focus on subsistence to a broader agenda linking humanitarian responses with development policy and financing.** Refugee self-reliance is defined as the sustained capacity of refugee households to meet essential needs independently of external assistance, drawing primarily on their own income. Global agreements, including the 2018 Global Compact on Refugees, have elevated self-reliance to a core objective, positioning it as an organizing principle for coordinated policy and financing across humanitarian and development actors.

- **Two primary measurement approaches are in use, each suited to different purposes**. The poverty-line approach—which defines self-reliance as the ability to generate income at or above a specified poverty threshold independent of aid—is simple and scalable for cross-country comparisons and fiscal impact analysis, but captures only monetary dimensions of self-reliance. Multidimensional tools such as the Self-Reliance Index (SRI) and Rwanda's Refugee Self-Reliance Measure (RSRM) score households across both monetary and non-monetary dimensions and are well suited to case management, but are resource-intensive and difficult to scale.
- **Self-reliance rates vary substantially across settings, with the lowest rates consistently recorded in camp-based populations**. Countrywide refugee self-reliance rates vary dramatically across host countries ranging from 14-15 percent in Uganda and Ethiopia to 73 percent in Costa Rica, but in all cases, refugee self-reliance rates are lower than those of host communities. In Chad, Ethiopia, Uganda, Kenya, and Jordan, refugee self-reliance is far higher in the capital cities than in refugee camps and settlements.
- **In high-informality settings, regularization alone is unlikely to substantially shift labor force participation, overall employment, or formalization in the short term, even though labor income can rise with legal status**. In Colombia, regular status nonetheless delivered large welfare gains—higher consumption, increased labor income, improved health, and greater resilience to shocks—primarily through expanded access to social protection, health care, and financial services. Regularization can also spur entrepreneurship and can be fiscally beneficial in the short run, as higher tax revenues and more efficient use of services reduce net public costs.
- **Work permits can support economic participation but are not a complete solution.** In certain settings, work permits can raise income and spending, reduce poverty and negative coping strategies, and improve job quality through greater formalization, more stable employment, and better access to benefits, with particularly large gains for vulnerable groups. However, evaluations of work permit programs capture the effects of easing legal restrictions, not the outcomes that would arise with full, unrestricted work rights.
- **Freedom of movement is associated with refugees' economic participation**. Cross-country analysis finds a strong association between fewer mobility restrictions and higher refugee employment, stronger even than the association with the right to work. Evidence from Jordan, Uganda and Kenya suggests that out-of-camp residence can be associated with higher income, asset ownership, and improved subjective wellbeing.
- **Land allocations in rural, land-abundant settings are associated with substantial gains in self-reliance.** In Uganda, refugees with access to land have higher incomes, better food consumption, better dwelling quality, and greater asset growth. Access to at least 0.05 hectares per household member is associated with self-reliance rates approximately double the average.
- **Active labor market programs, including vocational training and job-matching services, tend to yield modest, short-term employment gains at high cost per beneficiary.** In Jordan, even small unconditional cash transfers were associated with a 3.6 percentage point increase in employment and a 65 percent increase in earnings, suggesting that liquidity, rather than skills or information, may be a binding constraint for some refugee populations. Credential conversion and measures that align refugees with jobs matching their existing skills may amplify these returns.

- **Bundled economic inclusion and graduation programs are associated with larger and more sustained welfare improvements than stand-alone interventions.** In Uganda, multi-component programs combining asset transfers, training, coaching, and consumption support were associated with productive asset gains of 40–88 percent, household income increases of 32–45 percent, and per capita consumption gains of 18–25 percent. A large-scale cash transfer and employment support program in Mozambique was similarly associated with gains in financial security driven by higher take-home pay, greater savings, higher household income, and improved ability to cover unanticipated expenses.
- **Entrepreneurship support can deliver short-run gains in livelihoods and financial resilience**. Evidence from Niger's PARCA program produced meaningful short-run gains in income, food spending, utility spending, non-farm profits, livestock ownership, and size of rented farmland, with positive spillovers to non-participants. Generalized trust also improved, but host–displaced tensions rose over land and water access.

The paper concludes that enabling policies—secure legal status, freedom of movement, and the right to work—are the foundational conditions for refugee self-reliance, and programmatic interventions are most effective when these rights are already in place. Host governments should ease legal barriers to movement and work, regularize status, and provide documentation that unlocks access to services, finance, and formal employment. Investments in national social protection systems can expand coverage to refugees alongside poor hosts and create pathways from vulnerability to self-reliance. Policies should be adapted to context: in urban areas, the evidence points to language training, credential recognition, and job intermediation in sectors with labor demand; in rural, land-abundant settings, to land allocation paired with agricultural inputs, extension services, and market connectivity. The paper also calls for embedding rigorous evaluation in government-led programs to identify the most cost-effective combinations for different labor markets and to generate the longer-term evidence needed to inform scaling.

Economic Participation and the Global Cost of International Assistance in Support of Refugee Subsistence Needs

Johannes Hoogeveen and Karishma Silva

Joint Report, World Bank and UNHCR (2024)

https://www.unhcr.org/sites/default/files/2024-11/UNHCR-WB-2024-economic-participation-and-global-cost-of-assistance-for%20refugees-subsistence-needs.pdf

This report **develops a methodology to estimate the global cost of providing international assistance to meet refugee subsistence needs in low- and middle-income countries (LMICs), the host country's contribution arising from allowing refugees to participate in the local economy, and the complementary assistance required from the international community to bridge the remaining gap**. It does so in response to a UN General Assembly omnibus resolution (A/RES/73/151) calling for analysis of the costs and burden-sharing arrangements associated with hosting refugees. The analysis focuses on 28.5 million refugees (as of end-2022) residing in 72 LMICs, which collectively host approximately 95 percent of refugees in these country groups. Roughly 46

percent of this population is hosted in upper-middle-income countries, one-third in lower-middle-income countries, and the remainder in low-income countries. Over 90 percent of refugees living in camp settings are in IDA or IDA-blend countries.

The analysis uses World Bank global poverty lines as the benchmark for subsistence needs: PPP$ 2.15 per person per day in low-income countries, PPP$ 3.65 in lower-middle-income countries, and PPP$ 6.85 in upper-middle-income countries. The annual benchmark cost for each country is derived by multiplying the refugee population by the applicable daily poverty line. Complementary assistance, the amount required to bring refugee incomes up to the poverty line—is estimated inclusive of an 8 percent administrative cost markup. The host country contribution, termed "participation savings," is the difference between the benchmark cost and the complementary assistance required, representing the reduction in international aid needs attributable to refugees' economic activity. The report also models four scenarios—a baseline (zero refugee income), a current participation scenario, a strengthened participation scenario (refugee incomes increasing by 15 to 25 percent), and a full participation scenario (refugees earning at the same level as host nationals)—to illustrate how economic participation policies affect the financing gap. Robustness checks include an adjusted benchmark that accounts for host population poverty levels, to avoid scenarios in which refugees would be made better off than their hosts.

Refugee income and poverty gap estimates draw on microdata from 11 household surveys across 9 countries: Bangladesh (Cox's Bazar Panel Survey, 2023), Chad (4th National Harmonized Survey, 2018), Colombia (GEIH, 2021; Encuesta Pulso de la Migracion, 2021), Costa Rica (ENAHO, 2021), Ethiopia (SESRE, 2023), Jordan (Vulnerability Assessment Framework, 2018), Kenya (three surveys, 2016–2021), Niger (EHCVM, 2018), and Uganda (Refugee and Host Communities Household Survey, 2018). For countries without microdata, the report extrapolates using a regional approach that groups refugees by geographic region and crisis type, assigning poverty gap estimates based on comparable de facto access-to-work conditions. Refugee population counts and camp/non-camp settlement shares are sourced from the UNHCR Global Trends database, host country poverty data from the World Bank Poverty and Inequality Platform (PIP), and access-to-work categorizations from the UNHCR Global Survey on Livelihoods and Economic Inclusion.

Main findings:

- **The annual benchmark cost of meeting refugee subsistence needs across LMICs is estimated at between US$56 billion and US$62 billion**. Less than 10 percent of this total corresponds to low-income countries, approximately 25 percent to lower-middle-income countries, and 65 percent to upper-middle-income countries; this reflects not only the higher share of refugees hosted in MICs, but also the relatively higher minimum welfare standard in MICs compared to LICs. The top 15 hosting countries account for 79 percent (US$48.3 billion) of the total benchmark cost, with Türkiye, Lebanon, and Jordan alone accounting for US$15.5 billion.
- **Refugees already cover approximately two-thirds of their own subsistence needs through economic activity, generating an estimated US$41 billion per year in "participation savings".** This figure represents the reduction in international assistance costs attributable to host countries permitting refugees to participate in local economies.

The report identifies this as the primary and most substantial form of host country contribution to global burden-sharing.

- **The complementary assistance required from the international community to close the gap between refugee earnings and the poverty line is estimated at US$22 billion annually, including administrative costs**. This figure is nearly double the total volume of Official Development Assistance directed to refugee situations in LMICs, which stood at US$12.7 billion in 2021.
- **Encampment and restrictions on movement are associated with substantially higher income poverty gaps among refugees**. In Ethiopia, the poverty gap for refugees in camps is 73 percent, compared to 2 percent for refugees in Addis Ababa. Similarly, in Uganda, the gap is approximately 60 percent for refugees in camp settings compared to 3 percent for those in Kampala. Among the most constrained populations, Rohingya refugees in Bangladesh face a poverty gap of approximately 85 percent due to severe restrictions on economic participation.
- **If refugee incomes were to increase by 25 percent through strengthened economic participation, the required complementary assistance would fall by approximately half, from US$22 billion to US$11 billion per year**. Under a full participation scenario, which refugees earn at the same level as host nationals, the required complementary assistance would decline further to US$5.7 billion annually, a reduction of approximately 75 percent from current levels.

The report concludes that the current framework for international refugee financing is both insufficient and structurally misaligned: current ODA flows cover less than half of the estimated complementary assistance required, while host countries—principally through permitting economic participation—already bear most of the global cost. The authors argue that the dialogue on burden-sharing should shift from abstract principles to an evidence-based discussion grounded in measurable financial contributions. For host countries, the report recommends progressively easing encampment and labor market restrictions and incorporating refugees into national social protection systems. For the international community, it recommends moving toward multi-year, predictable development financing and channeling a portion of participation savings back to host governments to offset negative spillovers—such as labor market competition and increased demand for housing—so that host populations also benefit from refugee inclusion. The authors also note that improved data collection on refugee incomes, particularly in countries relying on regional extrapolation, would strengthen the accuracy of future estimates.

Related literature previously covered in JDC Literature Reviews

Conceptualizing and measuring refugee self-reliance

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