

# REFUGEES' RIGHT TO WORK AND ACCESS TO LABOR MARKETS

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*A complex set of laws, policies, and other factors influences refugees' right to work and access to labor markets. Host countries need to assess the economic impacts of granting refugees the right to work and identify which factors are hampering their labor market integration. Support from the international community for refugee host countries is key.*

## **Importance of the right to work for refugees and their host communities**

For refugees, the right to work and access to labor markets are key for becoming self-reliant, rebuilding their lives and securing dignity, and allowing them to contribute to their host communities. This is especially important, as two-thirds of the refugees worldwide were in protracted refugee situations at the end of 2016, which have lasted at least five years. Integrating refugees into the labor market will help bridge the divide between short-term humanitarian assistance and longer-term development strategies.

However, many host countries are reluctant to allow refugees the right to work, as they are concerned, among other factors, about negative impacts on the employment and wages of nationals. But studies show that the overall impacts on the economy are positive. Reducing the dependency of refugees and allowing them to become productive members of society will decrease the burden refugees place on the host country. In the short run, however, workers who are close substitutes to refugees might be negatively affected and those with complementary skills might benefit.

## **The legal right to work**

Article 17 of the 1951 Convention relating to the Status of Refugees accords refugees "the most favorable treatment accorded to nationals of a foreign country in the same circumstances, as regards the right to engage in wage-earning employment," and exempts refugees from the restrictive measures imposed on foreigners if they have completed three years of residence in the country or have a spouse or child possessing the nationality of the country. The Convention requires state parties to give "sympathetic consideration" to granting the right to engage in wage-earning employment on the same basis as nationals. Articles 18-19 provide for opportunities for self-employment and employment in liberal professions.

Of the 145 state parties to the 1951 Refugee Convention only 75 formally grant refugees the right to work through accession to Articles 17-19 or through domestic employment laws. Almost half of the signatory countries declare reservations, often in full, and those that grant the right may impose conditions or reservations to this right. The same limitations apply to many of the 48 states that are not parties to the Convention. Some countries completely legally bar refugees from work, be it as an employee or starting a business. Many

countries that in principle allow refugees to work place restrictions on their right to work, limiting for example the sectors in which refugees can work, the geographical areas where they can seek work, or the number of refugees who can be employed by a certain firm. Among the countries that restrict or prohibit refugees' access to labor markets are those that host the majority of the world's refugees. There is no significant distinction between signatory and non-signatory countries. Signatory states do not necessarily offer "best practice" or "better practice" than non-signatory states.

## **Other laws, policies, and factors facilitating or constraining the right to work**

Aside from the right to work per se, other related laws and policies as well as other facilitating or constraining factors play a very important role in the actual exercise of the right to work. How, when, and if refugees can access protection is a key factor determining their subsequent ability to obtain the right to work. In some countries, the number of undocumented refugees is much higher than the number of registered refugees, and the nonregistered refugees are thus excluded from formal employment. In other countries, asylum seekers may have to wait for prescribed periods before they can work, if at all, while their asylum claim is being processed. In some cases, their legal status is not stable, even after they have obtained protection, which might deter employers from hiring them.

Restrictions on the freedom of movement often prevent refugees from moving to where the economic opportunities are. This includes encampment policies or other geographical restrictions on the place of residence, which are also de facto created if access to services and assistance is restricted to a certain place of residence. If there are restrictions on travel, or if police and military checks deter refugees from moving, refugees might not be able to travel to work. Refugees are often unable to leave the country on work-related travel and return. Restrictions on the place of residence and travel also limit contacts with networks that could facilitate access to employment.

In many countries, refugees are faced with restrictions on their ability to own property, open a business or a bank account, and access other financial services like insurance and loans. These restrictions affect their ability to work or start their own business. Processes to obtain work permits and register a business are often confusing and costs can be

exorbitantly high. If work permits are only temporary and employers need to prove there is no local, equally qualified person for the job, they might be less inclined to hire refugees. Refugees also struggle with recognition of their skills and diplomas.

In collaboration with nongovernmental organizations, donors, and international organizations, some governments facilitate refugees' access to labor markets through programs that promote refugee employment (like wage subsidies or free work permits), or provide start-up training and finance or grant a plot of land for farming. They grant access to vocational training, education, and language training, as well as public employment services. They also inform employers about refugees' right to work, as many employers are not aware that they are allowed to employ refugees. Informing refugees about their legal entitlements, granting them access to legal advice and justice, and implementing an anti-discrimination law can also have positive impacts.

### Mediating factors and outcomes

Even if refugees have the legal right to work and governments promote it, there are several mediating factors that facilitate or hamper refugees' integration into the labor market. Refugees often do not have the social networks needed to find a job and often face discrimination. Compared with economic migrants, they have less choice over their destination, which means that they more often lack the skills needed in the labor market and may not speak the language of the host country. A considerable percentage of refugees are traumatized or face physical health issues, which make employment difficult. Many host countries already face high unemployment and underemployment of their national population. If the informal sector plays an important role in the economy and if there is a significant influx of refugees within a short period of time, employment options for refugees in the formal sector will be even more limited.

Given all these factors, the overwhelming majority of refugees (regardless of status and right to work) are thus employed in the informal sector. The conditions under which they work are often less satisfactory and more exploitative compared with nationals, with women and children especially at risk. In Organisation for Economic Co-operation and Development (OECD) countries, where refugees have the right to work once they are recognized, they are behind other immigrants and nationals in terms of employment rate, and require time to close this gap.

### What can governments do to increase refugees' access to labor markets?

Host countries need to assess the impacts of opening their labor markets to refugees, understand who would be affected and how, compare this with the current situation, and develop ways to buffer potential negative effects. Host country governments also need to assess which laws, regulations, bureaucratic hurdles, and other factors would need to be changed to actually allow refugees to access the (formal) labor market, or enhance the speed and scale of access to decent work. In addition to granting the right to work, governments need to align law and practice in relation to employment. Active labor market policies can facilitate the labor market integration of refugees. For all these activities, host countries need support from the international community, as hosting refugees is a global public good.

### Key references

OECD (Organisation for Economic Co-operation and Development). 2016. "[Making Integration Work: Refugees and Others in Need of Protection](#)." OECD, Paris.

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