

Institution: University of Oxford		
Unit of Assessment: 22B Development Studies		
Title of case study: Transforming the role of refugees in host economies		
Period when the underpinning research was undertaken: 2012-31 Dec 2020		
Details of staff conducting the underpinning research from the submitting unit:		
Name(s): Alexander Betts Naohiko Omata Olivier Sterck Louise Bloom	Role(s) (e.g. job title): Professor of Forced Migration and International Affairs Associate Professor Senior Research Officer Research Officer	Period(s) employed by submitting HEI: 01/10/2011-present 01/09/2012-present 01/09/2013-present 24/08/2012-30/09/2016
Period when the claimed impact occurred: July 2014-31 Dec 2020		
Is this case study continued from a case study submitted in 2014? N		
<p>1. Summary of the impact (indicative maximum 100 words) Research by the University of Oxford's Refugee Studies Centre in Uganda, Kenya and Ethiopia to explore the determinants of refugees' welfare outcomes led to a radical reframing of assumptions held by aid agencies about the economic lives of refugees. The research finding that refugees can make a positive contribution to the host state economy led directly to a new model for refugee resettlement not only within Africa but also of Syrian refugees in Jordan, funded by the World Bank and European Commission. As a result of the Jordan Compact, work permits have been provided to over 180,000 Syrian refugees, and both major international companies such as IKEA and Walmart, as well as Syrian companies, have invested in the 18 special economic zones (SEZs) in which refugees are now employed. The World Bank subsequently established a USD2,000,000,000 fund for similar initiatives in refugee haven countries, initially 12 in Africa and two in Asia.</p>		
<p>2. Underpinning research (indicative maximum 500 words)</p> <p>The Refugee Economies Programme at the Refugee Studies Centre (a research group at the Oxford Department of International Development) led by Alexander Betts undertook participatory, mixed methods research in Uganda, Kenya and Ethiopia to explore the determinants of refugees' welfare outcomes; social cohesion with host communities; and mobility and residency choice (R1, with RSC research associate Josiah Kaplan).</p> <p>The research began with a pilot study in Uganda, the first study to systematically examine the economic contributions of refugees to a developing country (R2). The researchers focused on Uganda because, unlike most developing host countries, it allows refugees the right to work and freedom of movement. The qualitative and quantitative research, which was carried out in 2013-14, included a survey of over 1,500 refugees in both camps and urban areas. The approach was pioneering in recruiting and training refugees and host communities themselves as peer researchers and enumerators, enabling the project to have a positive benefit to the community.</p> <p>The research in Uganda challenged many assumptions widely held by aid agencies as to the essentially dependent economic lives of refugees. In contrast, it was found that (R1):</p> <ul style="list-style-type: none"> Refugees often make a positive contribution to the host state economy. For example, there is a significant volume of exchange between refugees and Ugandan nationals, and refugees also create employment opportunities for Ugandan nationals. 		

- Refugees are networked within settlements, nationally, and transnationally. Both refugee traders and Ugandan traders connect refugee settlements to wider economic systems.
- Refugees are economically diverse and there is significant inequality among them. They have a range of different livelihood activities, with some being successful entrepreneurs.
- Refugees are users of, and sometimes creators of, technology. They have higher levels of internet use than the general population, use mobile phones extensively, and frequently adapt their own appropriate technologies.
- Although many refugees receive humanitarian assistance, most are more dependent on other social relationships, aspire to receive other forms of support, and in many cases create sustainable livelihood opportunities for themselves.

This pilot study was later extended to include Kenya (**R3**, **R4**) and Ethiopia. Since 2017, with funding from the IKEA Foundation, the researchers have constructed the first ever panel data set on the economic lives of refugees, following 16,000 refugees and host community members across camps and cities in the three countries (**R3**). The additional countries were chosen to permit comparison of economic outcomes for refugees and host communities across cases with more and less inclusive policies. This enabled the team to quantify, for example, the difference that the right to work and freedom of movement makes to the welfare outcomes of Somali and Congolese refugees.

In 2017, the researchers also worked with Deloitte on a small-scale project looking at the economic lives of Syrian refugees in Europe, based on primary data collection in the UK, the Netherlands, and Austria, drawing upon methods developed through this initial research on refugee economies. The research identified the barriers to employment for refugees, which included lack of language skills and access to training, the desire to work using existing skills, and business uncertainty around legal requirements. It also noted that existing social networks and access to technology offered potential advantages (**R5**, produced with support of wider RSC team).

3. References to the research (indicative maximum of six references)

R1 Alexander Betts, Josiah Kaplan, Louise Bloom and Naohiko Omata (2016) *Refugee economies: forced displacement and development*. Oxford: Oxford University Press [Available upon request] [output type: A]

R2 Alexander Betts, Naohiko Omata and Louise Bloom (2017) 'Thrive or survive? Explaining variation in economic outcomes for refugees', *Journal on Migration and Human Security* 5 (4): 716-43, <https://doi.org/10.1177/233150241700500401> [output type: D]

R3 Alexander Betts, Naohiko Omata and Olivier Sterck (2018) 'Refugee economies in Kenya', Refugee Studies Centre, University of Oxford, <https://www.rsc.ox.ac.uk/publications/refugee-economies-in-kenya> [output type: U]

R4 Alexander Betts, Naohiko Omata and Olivier Sterck, (2020) 'The Kalobeyei settlement: a self-reliance model for refugees?', *Journal of Refugee Studies* 33 (1): 89-223, <https://doi.org/10.1093/jrs/fez063> [output type:D]

R5 Alexander Betts, Olivier Sterck, Remco Geervliet and Claire MacPherson (2018) 'Talent displaced: The economic lives of Syrian refugees in Europe', Deloitte, <https://www.rsc.ox.ac.uk/publications/talent-displaced-the-economic-lives-of-syrian-refugees-in-europe> [output type:N]

4. Details of the impact (indicative maximum 750 words)

The results of the Uganda research (**R1**, **R2**) had enormous impact within the region and eventually across the world. Influencing policymakers by changing their perception of refugees as potentially contributing to the local economy (rather than being a burden on

taxpayers and aid agencies) had been the explicit objective of the research project, but the outcome far exceeded expectations. First, Betts built on the Uganda experience to influence policymakers in other countries through the United Nations as a forum, particularly in collaboration with the UN High Commission for Refugees (UNHCR). Second, the King of Jordan became aware of the research and called on Betts to explain his results, and with the UK government initiated the 'Jordan Compact' to integrate Syrian refugees into his country. Third, this initiative in turn had significant international influence, leading to major World Bank funding for the implementation of the model, and Betts' involvement in similar initiatives in Ethiopia, Colombia and Kenya.

Building on the Uganda experience to transform policymaking and capacity building in the region

Betts presented the Uganda findings (**R1**, **R2**) at the UN General Assembly in September 2016 on a panel that included the Ugandan Minister for Refugees and the UN Secretary-General [**C1**]. The Ugandan government also presented this research at the World Humanitarian Summit in May 2016. In response to the research, the Ugandan government worked with the UN High Commission for Refugees and the World Bank to develop a new multi-year livelihood strategy for refugees, including a focus on the market-based opportunities highlighted by the research, which will benefit over 100,000 refugees. This led to the UNHCR and the World Bank jointly publishing a 2016 report, titled *An Assessment of Uganda's Progressive Approach to Refugee Management*, in which one of the conclusions is that "[a] shift in the philosophy of refugee assistance is also crucial: refugees should be viewed as economic actors in charge of their destiny" [**C2**, pxii] and the ten-page literature survey cites Betts and Omata 43 times.

The value of the research has been recognised by the Office of the Prime Minister (OPM) of Uganda, noting that it has elevated their policymaking by providing a previously unavailable evidence base: "The research conducted by Oxford [on] the refugees' economic activities has made a significant contribution to the development of the OPM and joint self-reliance programme [the multi-year livelihood strategy for refugees] in Uganda...The analysis and data provided by Oxford have become a significant underpinning of our policy making in the area of refugees' self-reliance and have also enabled us to conduct evidence-based policy-making" [**C3**].

In a statement from 2016, the effect of the research was also recognised and valued by the UNHCR, with the then-Deputy High Commissioner stating that the work has been transformative for the way in which policymakers understand the contribution refugees can make: "The Refugee Studies Centre's work [on refugee economies in Uganda] has fundamentally altered the debate on the impact of refugees in countries of asylum, demonstrating the capacity of refugees for self-reliance and their ability to contribute to hosting societies" [**C4**].

In July 2018, Betts co-organised a visit of World Economic Forum (WEF) Young Global Leaders (YGLs) to the Kakuma refugee camp in Kenya. The group included government ministers, company CEOs, and journalists. The visit culminated in the creation of a new WEF initiative to support public-private partnership for refugees, launched in Davos at the WEF Annual Meeting, at which Betts presented his work. In July 2019, this in turn led to Betts co-organising the first ever Executive Leadership course in a refugee camp, in Kakuma, in collaboration with the WEF and UNHCR for 30 refugee entrepreneurs, who subsequently embarked on a virtual mentorship programme pairing them with YGLs from around the world [**C5**].

The "Jordan Compact"

Aware of the Uganda research, the Jordanian royal family invited Betts and Professor Paul Collier (Blavatnik School of Government, Oxford; and at that time adviser to the Cabinet Office on fragile states) to explore ways to include Syrian refugees in Jordanian labour markets. Based on the Uganda research, Betts and Collier proposed allowing Syrians to

work in Jordan's existing Special Economic Zones (SEZs); previously they had not been permitted to take any employment. They presented the model to the Jordanian royal family, senior cabinet ministers, and relevant UN agencies in Amman in April 2015 and subsequently drafted a white paper for the Jordanian government (later published as an article in *Foreign Affairs*) [C6].

In September 2015, King Abdullah presented the ideas in the white paper to then-UK Prime Minister David Cameron, and the model was adopted and developed by DFID, forming the basis of the so-called "Jordan Compact", an agreement between the Jordanian government, the World Bank, and the European Union, reached in February 2016. The compact states that it "allow[s] Syrian refugees to apply for work permits both inside and outside of the zones... Syrian refugees will be allowed by the summer to formalise their existing businesses and to set up new, tax-generating businesses, including access to investor residencies, in accordance with the existing laws and regulations" [C7].

The proposal by Betts and Collier, based on Bett's original research [R1 and R2], is widely recognised in the NGO community as being a key "trigger" [C8.1 p.2] for the compact, and also in the specialist media: an article from *The New Humanitarian* in July 2016 states that: "The use of [the King Hussein Bin Talal Development Area, one of the key zones under the compact], and SEZs more broadly, follows on from an influential proposal made last October by two Oxford University professors, Paul Collier and Alexander Betts. In it they pointed out that 60 percent of the world's displaced were concentrated in just 10 haven countries, including Jordan. While granting citizenship to such large numbers was not currently feasible, the targeted use of SEZs might offer the right to work and transform them from a burden to an asset" [C8.2]. In 2016, the European Commission agreed to grant Jordan market access to encourage firms to produce there, as recommended in the white paper [C6] – its first ever refugee-related trade concession.

The Jordan Compact led to work permits being provided to over 180,000 Syrian refugees. IKEA and Walmart as well as Syrian companies have invested in the 18 special economic zones in which refugees are now employed. In just one example, in the Sahab Economic Zone, the Al Fayhaa Plastics Company employs 82 refugees among its 313 staff, with 40% of its sales being exports to the EU under the Jordan Compact.

Expanding international policy support for refugee economies

Jordan was the first case ever of the World Bank funding a middle-income country to host refugees. Soon afterwards, in 2016 the "Jordan model" was adopted by Ethiopia [C9]. In fact, British backing for the "Ethiopian Jobs Compact" was Theresa May's first foreign policy announcement as UK prime minister [C10].

Betts' research (R1, R2, and work-in-progress research in Kenya later published as R3, R4) was presented to the World Bank by Collier, as he had formerly been the Bank's Director of Research. The Bank subsequently created a new USD2,000,000,000 fund to support other refugee haven countries, initially 12 in Africa and two in Asia. Priority areas for the funding included to "promote refugee's welfare and inclusion in the host country's socio-economic structures" and support "formal labor force participation" [C11]. The original RSC research in Uganda and the Jordan Compact formed the basis of a book for a general readership, *Refuge*, by Betts and Collier [C12], which led to further invitations to work directly with governments around the world, including Denmark, Austria, Norway, and Colombia. The book sold over 10,000 copies; was named by the *Economist* as among the best books of 2017; was widely reviewed, including by the *Times Literary Supplement*, the *Wall Street Journal*, the *Sunday Times* and the *Financial Times*; and was shortlisted for the Estoril Global Issues Distinguished Book Prize 2019.

Given Betts' expertise on migration in Africa and the Middle East and his pioneering work on refugee integration, he was invited to Colombia by the presidency in 2019 for advice on what lessons could be drawn from elsewhere in the world to help the country cope with the

presence of hundreds of thousands of Venezuelans who had fled their own country. Betts gave presentations relating the Uganda, Syria and East Africa research to the Venezuelan/Colombian context [drawing on **R1**, **R2**, **R3**, **R4** and **R5**] at the Presidential Palace to UN and donor agencies, as well as interviews and opinion pieces for the press. In particular Betts' suggestion that the country convene a multi-stakeholder "solidarity summit" was taken up [**C13**].

In October 2019, the European Commission convened an International Solidarity Summit on the Venezuelan Refugee and Migrant Crisis in Brussels, in collaboration with UNHCR and the International Organisation for Migration (IOM). The event was attended by 120 delegations, including EU institutions and member states, the most affected Latin American and Caribbean countries, donor countries, UN agencies, the private sector, NGOs, civil society organisations and development actors. It focused on principles of solidarity such as access to asylum, combatting xenophobia, and the need for responsibility-sharing. Explicitly not a pledging conference, it nevertheless led to EUR120,000,000 of additional contributions from EU member states, plus EUR50,000,000 of additional EU funding [**C14**].

5. Sources to corroborate the impact (indicative maximum of 10 references)

C1. Concept note, 'Supporting Greater Dignity and Protection: Enhancing Self-Reliance in Food Security and Nutrition in Protracted Refugee Situations':

<https://www.un.org/webcast/pdfs/160919pm-wfp.pdf>

C2. Working Paper, World Bank Group (2016) 'An Assessment of Uganda's Progressive Approach to Refugee Management'. World Bank, Washington, DC.

<https://openknowledge.worldbank.org/handle/10986/24736>

C3. Testimonial from Permanent Secretary, Office of the Prime Minister, Government of Uganda

C4. Testimonial from then-Deputy High Commissioner for Refugees, UNHCR

C5. World Economic Forum web article 'Fostering Entrepreneurship Connects Refugees With Global Economy' <https://www.weforum.org/our-impact/fostering-entrepreneurship-connects-refugees-with-global-economy>

C6. Article, Alexander Betts and Paul Collier (2015) 'Help Refugees Help Themselves: Let Syrian Refugees Join the Labour Market', *Foreign Affairs*, November/December

<https://www.foreignaffairs.com/articles/levant/2015-10-20/help-refugees-help-themselves>.

[Public version of the white paper prepared for the Jordanian government].

C7. Official statement by Government of Jordan re: Jordan Compact (republished in English on United Nations Office for the Coordination of Humanitarian Affairs (OCHA) website).

<https://reliefweb.int/report/jordan/jordan-compact-new-holistic-approach-between-hashemite-kingdom-jordan-and>

C8. Betts and Collier given credit for the Jordan Compact in, for example,

8.1 Overseas Development Institute Policy Briefing, Feb 2018

<https://www.odi.org/sites/odi.org.uk/files/resource-documents/12058.pdf>

8.2 Article, The New Humanitarian online, 25 July 2016

C9. Development Tracker, UK Foreign, Commonwealth and Development Office

<https://devtracker.fcdo.gov.uk/projects/GB-GOV-1-300393>

C10. UK Government Press release, 'Prime Minister pledges new UK support to help tackle migration crisis, 21 September 2016.

C11. Details of the World Bank IDA 18 fund: <http://ida.worldbank.org/replenishments/ida-18replenishments/ida18-regional-sub-window-for-refugees-host-communities>.

C12. Alexander Betts and Paul Collier (2017) *Refuge: Transforming a Broken Refugee System*, Penguin Allen Lane/OUP

C13. Corroboration available from Colombia's Presidential Advisor on Migrant Crisis

C14. Coverage of the summit, eg,

14.1 UNHCR Press release, Oct 2019 and

14.2 Relief Web – press release via European Commission Oct 2019.