

Urban Refugee Economies: Addis Ababa, Ethiopia



Abstract

Over 60% of the world's refugees live in urban environments, but host governments often restrict their right to work, forcing urban refugees into precarious and often informal economy livelihoods. Through a case study of Addis Ababa, where refugees have no legal right to work, this research identifies the economic difficulties faced by urban refugees. Yet, it finds that refugee economies are highly integrated into the city's economy, making significant contributions. The research points to opportunities for humanitarian sector actors to enhance refugee economies today and in the future when Ethiopia implements its pledge to enhance access to employment for refugees.

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Acknowledgements:

Our thanks to Addis Ababa University, in particular to Professor Tegegne GebreEgziabher and his research assistants, the Administration for Refugee and Returnee Affairs and the Danish Refugee Council who facilitated this research. Thanks also to Dr Jennifer Riggan, Arcadia University, and Dr Kemisso Alebachew, Addis Ababa University, for their support.

Cover Photo: *Informal businesses in the Bole Mikael area of Addis Ababa*

Credit: Kate Dickenson



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REFUGEE
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Acronyms and Abbreviations

ARRA	Administration for Refugees and Returnee Affairs
CRRF	Comprehensive Refugee Response Framework
DFID	Department for International Development
DRC	Danish Refugee Council
EB	Ethiopian-owned Business
EOC-DICAC	<i>Ethiopian Orthodox Church Development and Inter-Church Aid Commission</i>
FDRE	Federal Democratic Republic of Ethiopia
IDP	Internally Displaced Person
IE	Informal Economy
ICESCR	International Covenant on Economic, Social and Cultural Rights
JRS	Jesuit Refugee Service
KI	Key Informant
NEF	Near East Foundation
NGO	Non-Governmental Organisation
NRC	Norwegian Refugee Council
OCP	Out of Camp Policy (OCPs are those who benefit from the policy)
OICE	<i>Opportunities Industrialization Centre, Ethiopia</i>
RB	<i>Refugee-owned Business</i>
SDG	<i>Sustainable Development Goals</i>
UNHCR	<i>United Nations High Commissioner for Refugees</i>
WRC	Women's Refugee Commission

Street traders sell grass used in traditional coffee ceremonies

Credit: Kate Dickenson



Summary

With a focus on the informal economy, this research provides new insights into urban refugee economies and their contribution to market development in Addis Ababa – a city where refugees are, at least for the time being, not legally permitted to work. Refugee economies are defined here as the **economy created by urban refugees through their livelihood activities, enterprise, need for services and consumption, and through refugee support and diaspora inputs**. While academics and humanitarian agencies have focused on the role of informal livelihoods in supporting the survival of refugee households, the coalescence of refugee livelihoods into ‘refugee economies’ – and the links with, and contributions to, host economies – has not been widely researched. This research addresses this knowledge gap.

Over 60 per cent of the world's refugees live in urban environments and while cities provide anonymity and access to urban resources, refugees often face exploitation and discrimination in urban policy. Although humanitarian agencies advocate for the right of refugees to live and work in cities, host governments often restrict their rights to work, forcing urban refugees into precarious and often informal economy livelihoods. Furthermore, current humanitarian interventions designed to support refugees in overcoming challenges to sustainable livelihoods in cities are insufficient. This undermines the resilience of refugee households, limits their prospects to claim ‘decent work’ and ignores the potential of refugees to contribute to the host city.

Through a case study of Addis Ababa, this research develops knowledge on refugee economies, identifies contributions that refugees make to the local economy despite the significant challenges they face, and investigates the potential asset of refugee economies to inform humanitarian assistance in areas where refugee rights to work are restricted. While Ethiopia has one of the largest refugee populations in sub-Saharan Africa (over 794,130 in 2016), refugees are not legally permitted to work (UNHCR 2017b). However, Ethiopia is now a pilot country for the implementation of the United Nations High Commissioner for Refugees (UNHCR) Comprehensive Refugee Response Framework (CRRF) and the Ethiopian government is re-examining refugee employment rights.

Research in Addis Ababa was undertaken in April 2017 and addressed four research questions:

- What livelihood strategies do different refugee communities in Addis Ababa adopt?
- How do refugee economies link with local economies in Addis Ababa and what are the wider market impacts and contributions?
- What humanitarian interventions would help secure refugee economies and increase the linkages with local market actors in the absence of a right to work?
- What are the key challenges and opportunities in the transition towards a right to work for urban refugees in Addis Ababa?

The research drew on 195 interviews with owners of, and workers in, Ethiopian-owned businesses (144) and refugee-owned businesses (51); focus groups with male and female refugees from Somalia, South Sudan, Eritrea, Yemen and the Great Lakes region; key informant interviews; and a workshop with stakeholders in the city. A literature review also examined the existing state of knowledge.

Key findings

Urban refugees in Addis Ababa

There are an estimated 31,000 refugees in Addis Ababa consisting of around 20,000 registered refugees, including assisted refugees and Eritrean unassisted refugees (or OCPs), and perhaps 11,000 unassisted unregistered refugees (KI interview). These refugees represent 21 nationalities and have differing levels of health, education and experience of the urban environment. They have also integrated differently into the host city with assimilation dependent on factors including knowledge of Amharic, social networks, wealth, cultural affiliation, physical traits, length of time in country of origin, inter-marriage with Ethiopians, religion and employment. This heterogeneity must be taken into account in responses to the challenges and opportunities of urban refugee economies, meaning there can be no one-size-fits-all response.

Urban refugees and their livelihood strategies

Though refugees in Addis Ababa have no right to work, informal work is generally tolerated, and the research identified four main income sources:

- **Informal employment** was widespread with Eritrean, Somali and Yemeni refugees employed in Ethiopian-owned and refugee-owned informal enterprises. Refugees were also employed informally by formal organisations, eg as nurses in private clinics or translators.
- Refugees ran **informal enterprises** in service provision, retail trade, leisure and hospitality, and construction. Some enterprises were run under the licence of an Ethiopian. Refugee-owned enterprises varied in size and productivity.
- **Humanitarian assistance** varied in form and in distributing organisations. All non-OCP registered urban refugees receive financial assistance from UNHCR (distributed monthly). Various NGOs also support urban refugees through business grants and loans, and skills and business training programmes.
- **Remittances** were highlighted as a vital income source for urban refugees. However, access varied across and within different nationalities.

Livelihood challenges

Though informal work is generally tolerated, refugees face considerable livelihood challenges:

- **Limited access to employment** is the most significant barrier to securing refugee livelihoods.
- Refugees and Ethiopians both considered that the **OCP policy should extend beyond Eritreans** to include other nationalities.
- With no labour protections, refugees face **workplace discrimination** that includes low wages or summary dismissal.
- **Lack of access to business licences** means most refugee-run businesses operate under the licence of an Ethiopian business, limiting reinvestment and growth potential.
- Many refugees identified the **lack of Ethiopian language skills** as a barrier to employment and wider assimilation.
- **Women refugees face particular challenges** in managing childcare and income earning, and need additional support.
- **Vulnerable refugees** may be forced into undesirable work such as prostitution and NGO help for these groups is imperative.
- Despite extensive government and NGO engagement, many urban refugees are isolated and **strengthening representation** is key.

Linkages, impacts and contributions of refugee economies

Impacts of refugee economies include:

- **Business agglomerations** are formed and create dynamic new markets.
- Refugees **enhance existing enterprises** by creating links with host community enterprises and creating new customer and supplies bases.
- **Reciprocal employment** was common, as both local and refugee businesses sought to reach customers in their respective communities.
- Innovation is evident in refugee businesses **creating new markets**, the most notable being the import of perfume by Somali refugees.
- Diaspora links can be key in generating new enterprise and **internationalising** the local economy.

Interventions to secure refugee economies in the absence of a right to work

The research points towards eight interventions to help secure refugee economies in Ethiopia's current context where there is no *de jure* right to work:

- Advocacy,
- Enabling self-help by creating a conducive environment for work,
- Addressing labour protection gaps,
- Strengthening representation,
- Appropriate business and skills training,
- Targeting illicit economies,
- Inclusion in local economic development (LED) policy, and
- Consumer protections.

Challenges and opportunities in the transition towards a right to work

With the transition from *de facto* to *de jure* rights to work imminent for at least some refugees in Ethiopia, the study identifies seven key challenges and opportunities associated with the transition:

- Bureaucracy related to gaining work permits,
- The need to access business licences,
- Employment protections,
- A joint stakeholder platform,
- Anticipating and managing growth,
- Maintaining a safety net, and
- Wider issues of integration.

Conclusion

Refugees in Addis Ababa face considerable economic difficulties and pose many challenges for urban and national authorities. Yet refugee economies are also highly integrated into the city's economy and make significant contributions. The research points to opportunities for humanitarian sector actors to enhance refugee economies today, and in the future when Ethiopia implements its pledge to enhance access to employment for refugees.

A photograph showing a woman from behind, carrying two large yellow plastic jerry cans on her head. She is wearing a blue patterned shirt and a light-colored shawl. In the background, another person is crouching on the ground, surrounded by more jerry cans and a large woven basket. The setting appears to be a makeshift settlement with simple green metal structures.

Somali refugees sell and consume camel's milk in Bole Mikael

Credit: Kate Dickenson

1. Introduction

1.1 The research

In 2015, forced displacement affected an estimated 65.3 million people, including 21.3 million refugees, and 40.8 million internally displaced people (IDPs) (UNHCR 2016). Over 60 per cent of the world's 19.5 million refugees and 80 per cent of 34 million IDPs live in urban environments (UNHCR 2017a). Yet while cities provide refugees anonymity and the opportunity to work, refugees in cities and towns face discrimination and exploitation and tend to be amongst the poorest urban residents (De Vriese 2006), often working in the urban informal economy (IE).

Despite the revised UNHCR policy, which cements the rights of refugees to live and work in cities (UNHCR 2009), host governments often limit the ability of refugees to gain formal employment (Section 2.4). Thus, many refugees remain in 'grey space' (Yiftachel 2009), indefinitely positioned between legality and illegality and marginalised in urban policy. Furthermore, current humanitarian interventions designed to support refugees in overcoming challenges to sustainable livelihoods in cities are insufficient (Earle 2017). This undermines the resilience of refugee households to recover legitimacy in new settings, limits their potential to claim 'decent work' with adequate working conditions and social security support, and ignores the potential of refugees to contribute to the host city.

While academics and humanitarian agencies have focused on the role of informal livelihoods in supporting the survival of refugee households where the right to work is restricted, the wider economic impact of refugee livelihoods, enterprise, consumption and support referred to in this report as 'refugee economies' has been under-researched (Section 2.5). Thus, the coalescence of refugee livelihoods into 'refugee economies' and the links with, and contribution to, host economies is largely absent in academic study.

With a focus on the informal economy, this research examines urban refugee economies and their contribution to market development in the host city. Based on fieldwork in Addis Ababa in April 2017 the research addresses four key questions:

- What livelihood strategies do different refugee communities in Addis Ababa adopt?
- How do refugee economies link with local economies in Addis Ababa and what are the wider market impacts and contributions?
- What humanitarian interventions would help secure refugee economies and increase the linkages with local market actors in the absence of a right to work?
- What are the key challenges and opportunities in the transition towards a right to work for urban refugees in Addis Ababa?

1.2 Why Addis Ababa?

Ethiopia was chosen for study because it has one of the largest refugee populations in sub-Saharan Africa (estimated at over 794,130 in 2016) and because it is a country where refugees are legally restricted in their ability to work (UNHCR 2017b). Ethiopia has an open-door policy towards refugees, but there are no specific provisions in Ethiopian law for refugee integration and there are considerable restrictions on refugee freedom of movement, with the government maintaining an encampment policy for the majority of refugees (UNHCR 2016). Addis Ababa has the largest concentration of urban refugees in the country, however, like many developing cities in sub-Saharan Africa, it has high levels of unemployment and budget and resource constraints (European Commission 2016).

The Ethiopian government is currently reassessing its refugee policy. The New York Declaration on Refugees and Migrants, adopted by the UN General Assembly in 2016, includes commitments to enhance the protection of refugees and migrants. The declaration calls upon UNHCR to develop and initiate a Comprehensive Refugee Response Framework (CRRF) in situations involving large movements of refugees, in coordination with national and local authorities (UN General Assembly 2016). Ethiopia is a pilot country for the CRRF and is currently implementing the nine pledges made in 2016 in relation to education, land rights, local integration, and access to

employment for refugees.¹ This research contributes to the pledge to extend access to employment. It adds to academic knowledge on urban refugee livelihoods and makes recommendations to enable and support refugee economies.

1.3 Structure of the report

Following this introduction, Section 2 examines refugee livelihoods in an international context. It investigates the characteristics of urban refugees and the challenges they face, and assesses different typologies of the right to work for refugees and the lessons from implementation. It then summarises the concept of urban refugee economies and their contribution before discussing humanitarian interventions on urban refugee livelihoods. Section 3 briefly discusses the three-stage methodology used in the fieldwork. Section 4 sets out the findings of the report, and looks at the heterogeneity of urban refugees in Addis Ababa, examines the economic activity of refugees in the city, and the wider links and economic contribution of these refugee economies. Section 5 sets out recommendations to support refugee economies in Addis Ababa.

¹ For a summary of Ethiopia's pledges at the Leaders' Summit on Refugees see:
https://refugeesmigrants.un.org/sites/default/files/public_summary_document_refugee_summit_final_11-11-2016.pdf

Shoe-shine businesses in Addis Ababa

Credit: Kate Dickenson





2. Refugee livelihoods in the international context

2.1 Tackling the urban problem

Recognising the urban-focused, protracted nature of refugee displacement, humanitarian assistance has realigned its focus from large-scale repatriation programmes for camp-based refugees to include long-term interventions for marginalised urban refugees. Core to this approach is the promotion of the concept of refugee ‘self-reliance’, where refugees should be enabled to pursue their own economic opportunities in host cities in order to sustain themselves and their families (Omata 2012).

The right to work has been highlighted as being central to self-reliance for refugees (Crisp *et al.* 2012). Although UNHCR has set out explicit obligations for host countries to allow refugees to live and work in cities, many host governments still possess restrictive policies on refugee work. Furthermore, humanitarian interventions to support refugees in overcoming challenges to sustainable livelihoods in cities remain insufficient (Earle 2017).

This evolving humanitarian approach has generated a proliferation of literature on urban refugee livelihoods. This work has included discussion on urban refugee characteristics, the impact of hosting refugees on states, and constraints to refugee livelihoods. This literature includes critiques of the dichotomy between international policy promoting refugee work and restrictions at local level. However, until recently, there has been little on how refugee livelihoods fit into the wider economic systems of host cities. Such ‘refugee economies’ have implications for refugees achieving self-reliance and contributing to host economies, but remain significantly under-researched. In particular, the networked aspect of refugee economies and their positive or negative impacts on host economies has not been widely explored.

This section examines the existing state of knowledge within the academic and humanitarian assistance community on urban refugee livelihoods and refugee economies in the global South, with particular focus on the informal economy. To this end, the informal economy includes both informal sector (employment and production in unincorporated, unregistered small enterprises), and informal employment (ie employment without social protection) (ILO 2013a).

From the literature, the section provides a profile of urban refugees and the livelihood challenges they face; identifies the different approaches of the right to work and the lessons learnt from its implementation; analyses urban refugee livelihoods and economies in the global South and their economic contribution; and assesses humanitarian interventions on urban refugee livelihoods. It concludes with a summary of literature on urban refugee livelihoods and humanitarian livelihood interventions in Addis Ababa.

2.2 Urban refugees

As the majority of refugees now live in towns and cities there is an increasing volume of work on urban refugees in the academic, humanitarian and development fields. Inherent in the framing of a distinctly ‘urban’ refugee population is the assumption that they differ from other displaced populations in host countries. However, the extent to which, and the ways in which, urban refugees differ from rural, camp-based refugees, urban-based internally displaced people (IDPs) and economic migrants has been debated.

2.2.1 Long-term exile

The majority of refugees are now in a protracted refugee situation, living in exile for at least five years and with no sign of a ‘durable solution’ (Crisp 2014; Crawford *et al.* 2015). Situations of displacement are varied and subject to continuous change and there is rarely a predictable path from displacement to return, with most refugees displaced in the host country for over 20 years (Milner and Loescher 2011). For urban refugees, the humanitarian community now places increasing emphasis on local integration in the host city instead of repatriation or third-country settlement (Dryden-Peterson and Hovil 2003). This process involves the gradual attainment of rights in the host city, creating and sustaining livelihoods, and socio-cultural adaptation that allows refugees to contribute to the social fabric of the host city without discrimination or exclusion (Fielden 2008; Crisp 2004).

2.2.2 Camp and non-camp refugees

As most refugees now live outside of identifiable camps or settlements, distinctions have been made between the characteristics of camp-based refugees and non-camp refugees, the latter often living in urban areas. Some scholars point to the greater levels of vulnerability amongst those who live in camps as they are reliant on direct assistance such as food aid and shelter (Landau 2014, Kobia and Cranfield 2009, Jacobsen 2006) whilst others emphasise the greater agency of urban refugees who are generally more mobile, resourceful, educated and socially connected (Macchiavello 2004; Crisp *et al.* 2012; Chatelard 2011).

However, there has also been criticism of the presumed dichotomy between ‘reliant’ camp-based refugees and ‘self-reliant’ urban refugees. Buscher (2013) has argued that many urban refugees arrive in cities via refugee camps, making it difficult to distinguish the groups. Dryden-Petersen and Hovil (2003) see the city as more conducive to sustainable livelihoods than closed camps or settlements where there are more limits on commercial activity. On the other hand, urban refugees may not have the option of humanitarian assistance, as the dispersal of refugees in cities makes humanitarian attempts to assist and protect them more difficult (UNHCR 2012). A further critique emphasises the difficulty in distinguishing urban refugees from migrants and members of the host community as refugees often disappear among longer-term residents who may share class, language, religious or other characteristics (Landau 2014). All of these critiques question the assumption that urban refugees have the skills and means to help themselves without support (Earle 2017; Crisp 2014; Buscher 2013).

2.2.3 Refugees, IDPs and migrants

In the UN’s 1951 Refugee Convention a refugee is defined as someone fleeing their home because of fear of persecution for reasons of race, religion, nationality, political opinion or membership of a social group. An IDP (internally displaced person) is defined as someone who has had to leave their home as a result of armed conflict, generalised violence, violations of human rights or natural disaster but who has not crossed an internationally recognised state border. A migrant is defined as a person moving across an international border or from their normal place of residence regardless of their legal status or whether the movement is voluntary or forced (IOM 2016).

Refugees, IDPs and migrants share much in common and often pursue urban living for similar reasons: better livelihood opportunities; improved service provision; and a variety of recreational and intellectual activities (De Vriese 2006; Campbell 2006; Buscher 2013). They often face comparable challenges in host cities (Section 2.3) but can have similar impacts on host markets and populations (Maystadt and Verwimp 2014). There are, however, key differences between the groups.

The forcibly displaced come from a position of loss with the forfeiture of physical assets, social networks, health, and emotional wellbeing during displacement. While they may receive humanitarian aid, such losses can leave forced migrants at an economic disadvantage in the host city when compared with economic migrants (Jacobsen 2014). Of the forcibly displaced, refugees can be more disadvantaged as ‘IDPs are citizens rather than “foreigners” and thus are not constrained by laws and policy pertaining to non-citizens’ (Jacobsen 2014) though IDPs from marginalised areas or groups or who receive no institutional recognition can also be disadvantaged.

2.2.4 Urban refugees – a mixed community

There has been criticism of grouping urban refugees together as it assumes they are a ‘distinct population with economic and social identities shaped primarily or exclusively by their displacements’ which can reinforce perceived and actual differences between refugees and their host community (Landau 2014). This, in turn, can foster resentment and initiate exclusionary policy in the urban environment.

In practice, urban refugee communities have very different socio-economic profiles, and refugees have very different vulnerabilities and economic potential within different urban contexts (Betts *et al.* 2014; Buscher 2013; Crawford *et al.* 2015; Kobia and Cranfield 2009).

Layers of new, old, or oft-displaced people... a mishmash of wildly differing needs and social and human capital amongst the displaced and their hosts; and opaque systems of support – sometimes international, more often local and informal (Crawford *et al.* 2015).

These variables affect the ability of urban refugees to create and sustain livelihoods. While most refugees have lost considerable assets through displacement, some assets – in particular social, human and financial capital – remain (Buscher 2013). These can include higher educational attainment, wider social networks or access to

finance from remittances, all of which help towards self-sufficiency (Pavanello *et al.* 2010). However, it is the ability to use these assets effectively in the host city which will influence the agency of urban refugees (De Haan and Zoomers 2005; Jacobsen 2014). This in turn, is influenced by constraints in host cities, particularly the legal and protective environment.

2.3 Challenges for urban refugees

Often escaping conflict, persecution or natural disaster, the majority of refugees now move into cities in developing regions (Milner and Loescher 2011; UNHCR 2015). While cities offer better livelihood opportunities, urban refugees often surrender direct humanitarian support (Pavanello *et al.* 2010) and find themselves trying to sustain livelihoods in places which already have challenges such as poverty, inadequate infrastructure, overburdened public services and governance weaknesses (Buscher 2013).

2.3.1 Challenges in cities

The challenges experienced by refugees are similar to those experienced by the urban poor in host cities. These include insecure housing, limited access to state and community resources, and high levels of informal employment. However, refugees may be further disadvantaged by the experience of displacement (Wyrzykowski 2010; Pantuliano *et al.* 2012; De Vries 2006). This disadvantage can be compounded by ‘the laws and policies of host governments and by the way these policies are implemented; the public and private institutions devoted to supporting and managing refugees, and the dominant public ethos towards refugees’ (Jacobsen 2006). For instance, host governments often restrict education, healthcare, legal aid and finance to non-nationals on the basis that refugees compete for public services (Campbell *et al.* 2011; Kobia and Cranfield 2009; Buscher 2013). Such attitudes can lead to discrimination, harassment and extortion within civil society (Jacobsen 2012; Bailey *et al.* 2009).

2.3.2 Challenges of refugee livelihoods

Refugee livelihoods in host cities are also heavily influenced by government policy, local institutions, civil society attitudes and socio-economic conditions (Section 2.4). While the lack of access to healthcare, education and employment denies refugees’ fundamental human rights as enshrined in the 1951 Refugee Convention, denial of the right to work has most impact on refugee self-reliance. This denial of rights mean that refugees often work in the informal economy of host cities where social protection is limited (Prost 2006; Böhme and Thiele 2012). However, participation is often reliant on local municipal authorities allowing refugees to engage in economic activity (Dryden-Peterson and Hovil 2003).

When permitted to engage in safe and lawful work, refugees can fulfil their basic needs for survival and recover aspects of their lives that have been disrupted by displacement (Jacobsen 2014). The realisation of the right to work is also ‘the means through which the individual may achieve a range of other civil, political, economic, social and cultural rights, fulfilling the human desire to feel useful, valued and productive’ (Asylum Access 2014).

2.4 Right to work: international approaches

National and local refugee policy, including laws and frameworks, are an important determinant in the extent to which refugees can achieve self-reliance in host cities (Crawford *et al.* 2015). The *UNHCR policy on refugee protection and solutions in urban areas* (2009) advocates for refugees to become self-reliant through employment or self-employment. However, local legislation on refugee work and its implementation varies significantly.

2.4.1 Right to work

The right to work, consensus dictates, provides ways for urban refugees to be self-reliant in their new environment and make a positive social, political and economic contribution (Jacobsen 2014). Globally, the right to work is protected in international refugee and human rights instruments, most notably in the UN’s 1951 Refugee Convention and 1966 International Covenant on Economic, Social and Cultural Rights (ICESCR). Regional instruments such as the European Social Charter (Article 1); the African Charter on Human and Peoples’ Rights (Article 15), and Arab Charter on Human Rights (Article 34) also defend the refugee right to work. However, only 147 countries have signed up to the UN’s 1951 Refugee Convention and only 75 of these 147 have granted rights in full – with the others declaring reservations that restrict refugee right to work (Zetter and Ruaudel 2016a). While legal provisions and policy frameworks differ at national level, local implementation on refugee work is also

uneven and signatory states do not always offer ‘best practice’ when compared to non-signatory states (Zetter and Ruaudel 2016a; Asylum Access 2014).

Hosting states have modified legislation and policy frameworks to some extent, while clinging to practices based on a competing theory: that real or perceived security threats, and real or perceived economic/labour costs, outweigh the potential benefits (reputational or economic) of more liberal policy frameworks (Crawford et al. 2015).

2.4.2. Legal typologies of refugee right to work

The following section highlights the ways in which national laws and policies on refugee work vary across countries, often falling short of international standards. This report identifies five typologies based around a *de jure* right to work and *de facto* right to work. *De jure* rights are those recognised by official laws, while *de facto* rights exist and are accepted in practice but do not have legal status. These typologies, which range from a fully functioning legal right to work, to no legal right or right to work in practice, acknowledge the nuances between legal frameworks and local practices in regard to refugee work (see Figure 2.1).

1. Right to work in action
2. Right to work in progress
3. Restricted right to work
4. No right but allowed in practice
5. No right and restricted in practice

The typologies are explained using examples from case study countries. This section draws mainly on Asylum Access (2014) and Zetter and Ruaudel (2016b).

- **Right to work in action:** Where the right to work is enforced. International standards are incorporated into a fully functioning domestic policy without reservation, and refugees' right to work is explicitly cemented in national legislation. Examples include Ecuador, South Africa, Germany (Box 2.1).
- **Right to work in progress:** Where there is a national policy permitting refugee right to work but it is not entirely enacted and legal constraints remain. Examples include Uganda, USA, Canada.
- **Restricted right to work:** Where there are severe legislative restrictions on formal refugee work that may exclude certain groups. There may or may not be a national policy on the right to work for refugees. Examples include Iran, Egypt, Jordan (Box 2.2).
- **No right but allowed in practice:** Where there is no existing national policy that respects refugees' right to work or the national policy prohibits refugees from working, but there are no punitive legal restrictions from government or local authorities on most informal work. Examples include Ethiopia.
- **No right and restricted in practice:** Where there is no existing national policy that respects refugees' right to work or the national policy prohibits refugees from working and this is heavily policed. Examples include Pakistan, Malaysia, Thailand (Box 2.3).

Figure 2.1: Typologies of refugee right to work

<i>De jure</i> right to work	<i>No de jure</i> right to work
1	
2	4
3	
	5

Box 2.1: Right to work in action, Ecuador

- Ecuador hosts the largest refugee population in Latin America (over 60,000) the majority of whom are Colombians (95 per cent) and living in urban areas (60 per cent).
- Ecuador has signed the 1951 Refugee Convention and the 1967 Protocol, without reservations. The former is incorporated into domestic policy through the Refugee Decree (No 1182).
- Refugees have freedom of movement, are living in local communities, and are permitted to move to pursue job opportunities.
- The national Constitution and Decree 1182 recognises refugees' and asylum seekers' right to work, to start and own businesses and to access the labour market, in line with nationals.
- The Immigration Law (*Ley de Extranjería*) authorises those with refugee status to engage in paid employment without any other 'requirement'. Since 2012, refugees have not been required to have work permits.
- Refugees have access to labour codes and social security protection in line with nationals – including minimum working conditions, regulated hours of work, minimum remuneration and holiday provision. Refugees also have access to the Labour Inspectorate and Ecuadorian courts.

Box 2.2: Restricted right to work, Egypt

- Egypt has about 200,000 refugees, over half of whom are Syrians.
- Despite being party to the 1951 Refugee Convention, Egypt has yet to develop national asylum procedures and institutions.
- Article 53 of the Egyptian Constitution provides that foreigners who have been granted political asylum may be eligible for work permits.
- In practice, work permits are costly, the refugee must find an employer to sponsor them and pay the fees, and can only be employed if there is no Egyptian available to fill the job.
- The Four Freedoms Agreement between Egypt and Sudan means that Sudanese refugees have special status and are not required to obtain work permits and have full right to residency and access to the job market on visa entry

Box 2.3: No right to work, Malaysia

- Malaysia has over 92,000 refugees, the majority of whom are from Myanmar, and a further 147,000 who have been highlighted by the UNHCR to be of concern.
- Malaysia is not party to the 1951 Refugee Convention and refugees are not recognised in national law or policy, though they are allowed to live in local communities once registered.
- Without legal status, refugees are denied access to safe and lawful employment and equal protection of the law and are vulnerable to arrest, detention, deportation and exploitation if found working.
- In 2013, the Malaysian government announced it would provide refugees with work permits. However, implementation has been slow. Though a pilot is underway to allow refugees to work legally, the project is only open to Rohingya refugees who are card-holders and who have undergone health and security screenings. Furthermore, employment opportunities are restrictive, with applicants placed in manufacturing or plantation industries with no choice of employment themselves.

2.4.2 Lessons from implementing the right to work

The absence of domestic law protecting refugees' right to work or to engage in wage-earning employment is highlighted by Asylum Access as the most important barrier to realising refugee work rights globally (Asylum Access 2014). However, even when there is *de jure* right to work, *de facto* barriers through procedures and practice often constrain successful implementation of the right to work.

Practical exclusions to refugee work are significant. Refugees are vulnerable to increased costs such as bribes, higher rents and extra employer 'fees' (Jacobsen 2014), are often exploited in the labour market, particularly if undocumented and fearing arrest or deportation, and may receive reduced wages for undesirable work (Zetter and Ruaudel 2014). Withheld wages and arbitrary termination of employment are also common (Asylum Access 2014). Furthermore, refugees lack access to vocational training and to financial capital which constrains refugee livelihoods and increases indebtedness (Zetter and Ruaudel 2014).

Many authors therefore recommend that governments should consider eliminating complicated local bureaucratic processes such as exorbitant fees or lengthy delays for work permits that deny refugees protection and better economic opportunities (Landau 2006; Buscher 2013; Feinstein International Centre 2012). Legal prohibition of discrimination, abuse and exploitation within the employment sector, would also help refugees gain equal access to job opportunities (Monteith 2017). Additionally, legal policies might be paired with 'programmes that are designed to provide training, vocational services and financial products and services for refugees' (Asylum Access 2014). This should be implemented in partnership with the humanitarian assistance community (Section 2.7).

Despite the uneven and largely restrictive national policies on refugees' right to work, many refugees do manage to gain a foothold in the local economy where they 'contribute to economic stimulation and growth – filling both skilled and unskilled labour shortages and bringing in new skills and talents' (Buscher 2013).

2.5 Urban refugee economies

The complex policy environments and the social, political, economic and geographic context of host cities affect the potential for refugee livelihoods and self-reliance. However, the capacity of refugees themselves and the livelihoods that refugees create also need to be acknowledged (Crawford *et al.* 2015). These livelihoods often draw on different characteristics and experiences, use different regional and transnational networks and have different levels of economic integration within host cities. These processes need to be understood before assessments can be made on how best to support them.

Urban refugees engage in a wide variety of work in manufacturing, trade or services, although economic activity is muted where there is no right to work. Male refugees may work as day labourers in construction or other industries, and women in domestic work. Urban refugees from similar origins often cluster in the same sorts of work, as friends and family help new arrivals become established.

The focus of research to date has been on refugee livelihoods and the different types of income-generating activities involved, as well as the broad economic impact of hosting refugees from the perspective of host states (Zetter and Ruaudel 2014; Betts *et al.* 2014). While an analysis of refugee livelihoods is important, the economic activities of refugees 'are not simply reducible to livelihoods but are part of a wider system involving consumption, production, exchange, and finance' (Betts *et al.* 2014). However, there is relatively little research on the confluence of economic activities undertaken by refugees and their relationship to the wider urban economy.

Our research thus adopts a definition of refugee economies to mean: **the economy created by urban refugees through their livelihood activities, enterprise, need for services and consumption, and through refugee support and diaspora inputs.**

Refugee economies benefit from both skilled labour and casual or low-skilled labour, often in the informal economy. Enterprises may be own account or employ others, creating new market sectors or developing international business links. The services used by refugees include access to housing, health and education. Support may include the spending and employment by international agencies and NGOs, and inputs from the diaspora community in business development and charitable work. Thus, the flows and interactions of refugee economies inevitably intersect with those of host populations and often extend beyond the host city, eg through trade and remittances.

While Betts *et al.* (2014) acknowledge refugee economies as ‘the resource allocation systems relating to a displaced population’ this definition retains a focus on refugee households rather than their enterprise. Similarly, their research used data predominantly from rural refugee settlements in Uganda, where refugees have the right to work. Such evidence cannot be used to generalise about the situation of refugees in urban areas in Uganda or elsewhere, where the right to work is more restricted (Kigozi 2015). The definition provided here is broader. The findings in this report also highlight the need for more urban-focused research on refugee livelihoods, particularly in areas with more restrictive policy frameworks.

2.5.1 Diversity of refugee economies

Urban refugees are heterogeneous and have varied levels of skills, knowledge and assets. Refugees are also economically diverse and pursue a range of different livelihood activities, which are influenced by their socio-economic status, nationality, previous work experience and social networks (Feinstein International Centre 2010). Socio-economic status can affect the livelihoods of urban refugees, and the literature distinguishes between refugees who are ‘surviving’, ‘managing’ or ‘thriving’ (Omata 2012; May *et al.* 2009). Those just surviving tend to be poorer refugees, heavily reliant on one or more irregular sources of income such as begging, informal day labour in construction, domestic work or petty trade (Krause-Vilmar 2011). On the other hand, better-off refugees manage sources of income that are safer and steadier (Buscher 2013). In his study on refugees in Kampala, Omata (2012) distinguishes between the livelihoods of different socio-economic groups:

Refugees in the ‘surviving’ group are mostly engaged in informal subsistence which generates little profit, such as small-scale trading, hawking and casual labour. Refugees in the ‘managing’ group have more established businesses compared to those at a surviving level. In general, they have their own shop, such as a barbers, tailors or grocery, of which some are formally registered. Those at a ‘thriving’ level, although the number is much smaller than surviving and managing groups, are normally successful entrepreneurs with formally registered businesses (Omata 2012).

While groupings are useful in understanding the economic activities of different groups, critics have warned about grouping a heterogeneous population with a diverse range of livelihood strategies under specific headings, particularly as terms such as ‘petty trader’ fail to account for the variety of items sold, the reasons they are sold, the markets traded in and the economic capacity of traders (Betts *et al.* 2014). Scholars generally agree that those that are ‘surviving’ are more likely to engage in ‘negative coping mechanisms’ (Buscher 2013). Women and children are more likely to employ risky strategies such as commercial sex work, eating fewer meals, selling household assets, living in exploitative relationships, transactional sex or illegally hawking goods on unsafe streets (Krause-Vilmar 2011).

Nationality can also determine livelihood strategies based on cultural or traditional heritage, or simply because urban refugees from similar origins may cluster in the same sorts of work. In Kampala, many Congolese refugees are involved in trading *bitenge* (coloured cloth) and jewellery. Rwandan refugees are often found selling second-hand clothes and Somalis tend to work in restaurants (Betts *et al.* 2014).

These livelihood strategies are both influenced by, and affect, the socio-economic status of refugees. One study in Kampala found that Congolese refugees were more likely to be ‘surviving’ by working in informal micro-enterprises while Somalis were more likely to be involved in more profitable informal business activities (Omata 2012). Another study found that Burundians in Kampala were particularly vulnerable, often sleeping rough under cardboard shelters (Buscher 2013).

Social networks are often highlighted in the literature as fundamental to urban refugees’ ability to sustain their livelihoods, but often under-estimated in aid strategies (Mosel and Jackson 2013; Buscher 2013). In the quest for refugee self-reliance, some experts place integration in social and institutional networks as more important than external policy frameworks (Duponchel *et al.* 2010).

According to De Vries (2006) refugees in urban areas are ‘economically, politically and culturally tied to the larger urban community, therefore their livelihoods are inextricably interdependent upon local relationships and processes’. While dependence can be lessened by international networks, particularly if refugees receive remittances, local social networks can better establish refugees in host cities where they benefit from shared information, food, shelter and livelihood advice (Fábos and Kibreab 2007). They also link newly arrived refugees with employment opportunities in established refugee businesses (Omata 2012). Sudanese refugees in Cairo, for instance, ‘are often employed by Egyptian-Sudanese owners who prefer hiring co-nationals at their restaurants

and coffee shops' (Grabska 2006). Similarly, a 2004 study in Kampala found that urban refugees used fraternal groups to learn English, gain market access, and set up businesses (Macchiavello 2004).

The strength of these networks can vary according to nationality and ethnicity. In Kampala, Somali refugees are generally faring better economically than Burundians or Congolese due to their social networks (Omata 2012). In urban Kenya, there is more self-sufficiency amongst the Somali and Ethiopian refugees, thought to have good social networks, than the Sudanese (Campbell 2006). Equally, Pashtun refugees in Karachi, with strong social networks, have integrated better economically than non-Pashtun refugees (Banki 2004).

While nationality can influence the strength of social networks, there is also evidence of strong economic interaction between refugee communities of different nationalities within the same geographical areas (Betts *et al.* 2014). Similarly, economic integration can also depend on the length of displacement and the adjustment in livelihoods undertaken (Zetter and Ruaudel 2014).

2.5.2 Wider contributions

While urban refugee livelihoods enable refugees to increase income at a household level in host cities, they are also part of broader economic systems. This networked aspect of refugee livelihoods runs counter to the perception that refugees are economically isolated and 'exist in a vacuum shut off from the wider economic structures of their host country' (Betts *et al.* 2014).

The positive economic (as well as social and political) contribution of refugees to host communities has been a fundamental part in the humanitarian community's advocacy for more open policy frameworks (Chatty and Mansour 2011; Milner and Loescher 2011; Werker 2007; Zetter and Ruaudel 2014). Despite this advocacy, the real economic impact of refugees on host communities is under-researched (Maystadt and Verwimp 2014). Most studies have focused on the economic impact of refugee camps or settlements such as Dadaab in Kenya (Alix-Garcia and Saah 2010; Enghoff *et al.* 2010) and the impacts on the urban sphere have been largely ignored.

Nonetheless, some economic contributions have been recorded. First, the presence of refugee businesses can transform local environments. Refugees can contribute to local revenue by paying fees, taxes and for work permits (Dryden-Peterson and Hovil 2003; Krause-Vilmar 2011), and can also reconfigure spaces. Eastleigh in Nairobi has been transformed from a residential environment to a vibrant commercial and economic centre housing a host of different refugee-owned and Kenyan-owned businesses who inter-trade and provide for a refugee and host consumer market (Pavanello *et al.* 2010). Although focusing on migrants rather than refugees per se, a study in Cape Town's district of Wynberg also demonstrated how Congolese migrant businesses had colonised and regenerated a previously run-down area (Dickenson 2016).

Second, refugees engage with and expand local markets. Refugees are active consumers in the host city, regularly purchasing daily commodities from local businesses (Betts 2009; Grabska 2006). Certain industries particularly benefit from refugee patronage. In Cairo, Sudanese refugees frequent internet cafés which enable them to maintain contact with their transnational networks, and are thus courted by local business owners (Grabska 2006). Refugees also purchase local supplies for their work, with the majority of Congolese *bitenge* and jewellery sellers in Kampala purchasing stock from local Ugandan wholesalers (Betts *et al.* 2014). Educated and skilled refugee populations can also increase local economic capacity (Zetter and Ruaudel 2014), and Congolese refugees have been found to teach vocational skills such as tailoring to Ugandan nationals in Kampala (Betts *et al.* 2014).

Third, refugees contribute to employment in growing economies, both as employees and employers. Refugees increase the human capital of the host city as productive sources of labour (Grabska 2006). In a study on Kampala, 43 per cent of refugees surveyed were given employment by Ugandans (Betts *et al.* 2014). In Cairo, Egyptian-owned restaurants and coffee shops sell Sudanese products and employ Sudanese workers so they can gain business from the refugee community (Grabska 2006). Self-employed refugees can also create jobs for other refugees or locals. In Eastleigh, almost every Somali-owned shop employs at least one Kenyan to help mediate with the authorities (Pavanello *et al.* 2010). Unskilled locals in Peshawar, Pakistan have also benefited from the increased business opportunities and expanded market following the influx of Afghan refugees to the city (Mosel and Jackson 2013).

Fourth, refugees identify new market opportunities in host communities (Betts *et al.* 2014). Liberians in Ghana have identified demands in telecommunications and developed many businesses in this area (Dick 2002). In Kampala, Betts *et al.* (2014) found that 12 per cent of urban refugees interviewed traded in towns and villages throughout Uganda, acting as important distributors for local products.

Fifth, refugees can increase the internationalisation of the local economy. Much of the research on this has focused on remittances and the import of foreign currency by refugees (Horst 2008; Lindley 2009). However, refugees also engage in cross-border trade and there have been some studies on sub-regional trading, and how, for refugees, ‘kinship and language make it easier to do business across borders’ (The Economist 2011). Somali refugees in Kampala have well-established sub-regional trade networks in East Africa and many have become involved in transport (Omata 2012) while those in Nairobi import cattle from Somalia and electronics from Dubai (Campbell 2006). Rwandan refugees in Kampala engage in global trade networks that bring second-hand clothes from North America, Europe and China, while Congolese refugees purchase jerry cans and water tanks in Kampala and export them to retailers in the Democratic Republic of Congo – these refugee brokers ‘act as catalysts, linking demand and supply across borders’ (Betts *et al.* 2014).

Different refugee livelihoods have different capacities for positive economic integration, as Ugandan research shows:

Generally speaking, larger enterprises at a thriving level are more extensively connected with the local business sector in many ways; for example, these business owners normally purchase goods from local suppliers, sell them to both locals and refugees, and very often employ Ugandans. In contrast, refugee petty traders in a surviving group have fewer connections with local business communities, sell their goods to a small number of their fellow refugees and neighbours, and hardly hire any other people (Omata 2012).

However, there are negative contributions of urban refugees which include increased competition for services and jobs which can impoverish local developing communities further (De Vriese 2006), and add to pressures on under-resourced governments attempting to manage the process of urbanisation (Tibaijuka 2010). In their 2014 study, Zetter and Ruaudel document how the Syrian refugee crisis has affected housing rental levels, created spikes in unemployment and depressed wages in cities in Lebanon and Jordan, as well as put pressure on already-strained public services.

While these negative effects have often justified restrictive host government policy on refugee work (Jacobsen 2006), most research highlights both costs and benefits, and most researchers advocate for national and local governments to liberalise restrictive policies on refugee livelihoods (Whitaker 2002).

2.5.3 Further research on refugee economies

Research on the positive contribution of refugees to local markets of host cities runs counter to common perceptions that refugees depend on assistance from the international donor community (Campbell 2006, Omata 2012). However, further research is needed on the market contribution of refugee economies, and its restrictions from lack of recognition, limited policy support and inappropriate regulation to convince ‘reluctant hosts’ to liberalise refugee policy (Dev 2003; Durieux 2009; Brown 2017).

2.6 Humanitarian aid for urban refugees

Since 89 per cent of humanitarian aid goes to countries that require humanitarian funding for three years or more, researchers and advocates have been calling for humanitarian interventions that support the self-reliance of refugees in protracted refugee situations (Global Humanitarian Assistance 2015). However, there is a ‘near-complete absence of independently evaluated reviews of self-reliance’ in the literature (Crawford *et al.* 2015).

2.6.1 Difficulties of humanitarian aid in urban areas

Increasing displacement to urban areas and the needs of urban refugees has challenged the global refugee system that has, to date, focused on implementing protection in camps where refugees are contained and assistance can be targeted and easily coordinated (Rosenberg 2011; Crisp *et al.* 2012; Earle 2017).

While humanitarian agencies have acknowledged that more data is needed that captures the complexities of the needs and challenges of urban refugees to avoid simplistic assumptions (Pantuliano *et al.* 2012; Pavanello *et al.* 2012), there are still significant challenges of researching refugees in cities (Metcalfe *et al.* 2011). Displaced people in urban areas are generally less visible (often living alongside the low-income populations), and keen to avoid registration, enumeration, or profiling which limits access for researchers and practitioners (Crisp *et al.* 2012). This makes research time-consuming, expensive and sensitive (Refstie and Brun 2011). Such constraints are compounded by local government restrictions on access to informal settlements (Pantuliano *et al.* 2012).

2.6.2 Key policies of humanitarian interventions

Over the past decade more emphasis has been placed on the need to link humanitarian action with urbanisation and sustainable development objectives, bridging the humanitarian-development divide (Ramalingam and Knox Clarke 2012).

The concentration of people, industries, resources, the existence of infrastructure and market systems, and the presence (albeit often weak) of institutions of various types presents an opportunity for humanitarian action to contribute to longer-term development of inclusive, safe, resilient and sustainable urban centres (Earle 2017).

Globally, there have been positive steps, both by United Nations agencies and multi-stakeholder partnerships. The 2030 Agenda for Sustainable Development, spearheaded by the UN, incorporates 17 Sustainable Development Goals (SDGs) that advocate for equity, universality, and the eventual realisation of sustainable development objectives. Goal 8 argues for the right to decent work (UN General Assembly 2015). However, while the ‘SDGs include migrants and refugees in the framing paragraphs, only two of the 169 targets refer to migrants, and none to refugees’ (Beardmore 2016). There is thus a need for refugees to be ‘integrated in the implementation of SDG projects, policies, funding and indicators’ (*ibid*).

UNHCR policies have an emphasis on development-led responses and have advocated for asylum states to construct national legislation and programmes that support the refugee right to work (Crawford *et al.* 2015). In 2010–2011, UNHCR’s global appeal identified self-reliance and livelihoods as one of seven global strategic priorities and many of its operations have at least one livelihood component. However, implementation and compliance on the ground is often weak (Azorbo 2011).

The *New Urban Agenda*, the agreed outcome document of the UN Conference on Housing and Sustainable Urban Settlements, Habitat III, advocates the need to support crisis-affected people in urban areas, such as refugees, in ways that meet their needs and contribute to sustainable urban development, and particularly references urban livelihoods (UN-Habitat 2016; Earle 2017).

Collaborations between different strands of urban experts and actors have also been sought to help ‘urban communities, in particular those most at risk, to prepare for, cope with and recover more quickly from the effects of humanitarian crises, including forced displacement’ and ensure policy changes at international level translate to positive interventions on the ground (Earle 2017). Such collaborations include the Inter-Agency Standing Committee; the Solutions Alliance and the Global Alliance for Urban Crises. While these policies and partnerships signify good progress, challenges with current humanitarian livelihood interventions remain.

2.6.3 Current approaches to livelihood support

Most recently, the theory of *de facto* integration has taken precedence in humanitarian responses to refugees’ right to work. This concept is based around the idea that displaced people themselves are the determining factor in the realisation of self-reliance and that short-term humanitarian investments that focus on repatriation are inappropriate (Crisp 2004; Fielden 2008; Meyer 2006). Supporters emphasise the need to further open up ‘the economic spaces that displaced people have found for themselves’ through advocacy, as well as through ‘more direct interventions for self-reliance and livelihoods’, which are ‘fully integrated within host communities’ (Crawford *et al.* 2015) and take into account wider socio-economic contexts, regional development challenges and local market forces (Metcalfe *et al.* 2011). Despite these calls, many current livelihood interventions focus on individual need and neglect broader economic forces (Earle 2017).

2.6.4 Challenges to humanitarian livelihood support

Many of the current livelihood interventions implemented by humanitarian agencies consist of vocational training and income-generating projects, supported by grants and loans. However, these interventions are often unavailable, insufficient and unreliable (Crawford *et al.* 2015). Often interventions are uncoordinated, small scale and with short-term funding (so that few people benefit) (Bailey *et al.* 2009). They may be administered by agencies with poor technical experience or knowledge of the area (Earle 2017).

There is often a disconnect between the policies of aid agencies and their potential beneficiaries, and lack of consultation with refugees can undermine attempts to introduce external livelihood interventions and increase the risk of establishing unsuitable programmes (Brown and Mansfield 2009; Cohen 2008). Furthermore, refugees

do not always know their legal rights to employment or obligations leaving them with irregular status and ineligible for humanitarian assistance (Zetter and Ruaudel 2016a; Feinstein International Centre 2010).

Unsuitable interventions can also reinforce distinctions between refugees and host communities and can increase resentment and xenophobia if poor urban neighbours see refugees receiving material assistance that they do not (Landau 2014). Such approaches can also generate dependency if they fail to view refugees as people with assets, skills and capabilities who engage with, expand and diversify economic markets (Buscher 2013; Earle 2017; Jacobsen 2006). Crucially, there is often a lack of understanding of how the schemes integrate into the wider urban economy (Azorbo 2011; Buscher 2013; Robinson and Alpar 2009). Thus, there has been a:

[F]ailure to consider the market viability of either the skill being taught or the product being produced; failure to consider the competing needs of participants as well as the educational, social and psychological barriers they are facing; and lack of expertise within the agencies or NGOs providing lending or grants schemes with more complete financial services that might allow them to grow or achieve sustainability (Crawford *et al.* 2015).

These challenges are compounded by an absence of hard data on the effectiveness and impact of self-reliance and refugee livelihood interventions undertaken by major agencies (Levine 2014).

2.6.5 Improving livelihood interventions

Challenges create opportunities and a number of best-practice principles for livelihood programming have been identified going forward.

Policy level: Humanitarian agencies have an important role in lobbying and advocating for legislative change to ensure that domestic laws and policies enshrine refugees' right to work. They can provide support to national governments to understand their international obligations to respect, protect and fulfil refugees' work rights (Asylum Access 2014) and ensure that refugees have information and assistance regarding legal processes for obtaining permission to work and employment rights (Asylum Access 2014).

Technical level: At the technical level, multi-dimensional livelihood interventions can integrate broader support services, including income-generation and employment opportunities, vocational and skills programmes, language training, and information on access to finance and other social services (Crawford *et al.* 2015). For example in Jordan, a Near East Foundation (NEF) and Women's Refugee Commission (WRC) programme in the city of Zarqa has been successful in providing training, mentoring, networking spaces and finance to support the establishment of home-based enterprises amongst Iraqi refugees and vulnerable women in the host population (NEF and WRC 2014).

Links with longer-term, reliable funding and development processes can enable sustainable livelihood interventions (Bailey *et al.* 2009). Interventions should also involve and empower both refugees and their hosts, both to decrease possible resentments and to increase networking opportunities and social capital for refugees within the host society (Feinstein Center 2010; Landau 2014). One of the key commitments of the Global Alliance for Urban Crises is to ensure that cities affected by displacement balance the needs of both refugees and the host population (with a focus on livelihoods). The European Commissions' Global Approach to Migration and Mobility has also committed to the development of livelihood programmes for both refugees and host populations (Crawford *et al.* 2015).

Interventions should take into account the market environment for livelihoods and build on the existing assets of refugees. The Transitional Solutions Initiative 'aims to nest its activities within the broader public and private sector economic development activities' and the NEF project in Zarqa (see above) was built on 'extensive market analysis' (Crawford *et al.* 2015). Possible interventions include subsidising work permits (Chatty and Mansour 2011), increasing technology outputs so that refugees can better connect with networks and markets (Betts *et al.* 2014) and cash transfers. Such initiatives provide refugees with money so they can purchase goods and pay rent, support livelihoods by enabling investment and market creation through increasing demand for goods and services, while also supporting incomes of local producers (ODI 2015).

Partnership level: Partnerships between international, national and local actors across the development and humanitarian communities can help deliver integrated approaches. Many authors see the involvement of municipal authorities in the conception and implementation of livelihood interventions as key, as they are often best positioned to 'understand and prioritise community needs [...] and know how to best operate project implementation within sensitive political, social, and economic dynamics' (Mercy Corps 2014; Metcalfe *et al.*

2011). Engagement of local authorities is a central principle of the Global Alliance for Urban Crises' charter, and Mercy Corps recently collaborated with local municipal authorities in response to the Syrian refugee crisis in Lebanon. However, while a geographical focus of humanitarian interventions can ensure greater cooperation and implementation by local actors (Earle 2017), the capacity of different local governments (Haysom 2013; Metcalfe *et al.* 2011) and the difficulty in coordinating multiple relationships and multiple levels in the urban environment (Crisp *et al.* 2012) must be taken into account.

Ultimately, humanitarian programmes must acknowledge the complexity of livelihood opportunities and constraints that 'impinge on the ability of people in protracted displacement to seek self-reliance' (Crawford *et al.* 2015). These include the legal framework and protection environment; access to markets and the private sector; capacities, resources and assets of the displaced; and the environment for external interventions. All should be considered by the humanitarian community when identifying livelihood programming opportunities.

Development actors that acknowledge displacement as a fixture within the community – and that show greater speed and agility in designing new interventions or adapting ongoing programmes – could help displaced people find their paths to livelihoods more quickly and with less pain (Crawford *et al.* 2015).

2.7 Urban refugees in Addis Ababa

Ethiopia was chosen for this study because it has one of the largest refugee populations in sub-Saharan Africa (over 794,130 in 2016) and because it is a country where refugees are restricted in accessing work (UNHCR 2017b). The government agency responsible for refugee affairs is the Administration for Refugees and Returnee Affairs (ARRA), which has a role in monitoring refugees and the asylum programme and provides services to refugees, including social services, education and protection.

Ethiopia has an open-door policy towards refugees, but there are no provisions in Ethiopian law for local integration and there are considerable restrictions on refugee freedom of movement, with the government maintaining an encampment policy for the majority of refugees (UNHCR 2016). As such, there is a dearth of literature on urban refugees in the country, recently acknowledged in the UK Department for International Development's (DFID's) call for further research as part of their Migration and Refugee-Livelihoods Research in Ethiopia programme (DFID 2017). What scant literature there is highlights a relationship between the restrictive legal frameworks towards refugee work and the capacity for self-reliance for urban refugees in Ethiopia. This poses new challenges for humanitarian assistance which has, until recently, focused on refugee camps.

2.7.1 Legal framework

The Constitution of the Federal Democratic Republic of Ethiopia (FDRE) states that "international agreements ratified by Ethiopia", such as international refugee treaties and conventions, "are an integral part of the laws of the country" (FDRE, 1994).

International conventions ratified by Ethiopia include the 1951 Refugee Convention which defines the term 'refugee' and outlines the rights of the displaced, and the legal obligations of States to protect them, and the 1969 OAU Convention Governing the Specific Aspects of Refugee Problems in Africa, which set the standard for treatment of refugees in host countries in the region.

Internally, the 2004 Refugee Proclamation "enacts national legislation for the effective implementation of international legal instruments" and outlines Ethiopia's legal framework for refugees and key protection principles. The Ethiopian government is currently reassessing its refugee policy. The New York Declaration on Refugees and Migrants, adopted in 2016, calls upon UNHCR to develop and initiate a CRRF in situations involving large movements of refugees, in coordination with national and local authorities. Ethiopia is a pilot country for the CRRF, and is currently implementing the nine pledges made in 2016 in relation to education, land rights, local integration and employment for refugees (section 1.2).

2.7.2 Displacement in Ethiopia and Addis Ababa

The Horn of Africa is a 'major source of complex displacement defined by a mix of interrelated conflict and resource-induced displacement and migration both within and beyond the region' (DRC and DDG 2015). Ethiopia receives refugees from the surrounding countries of Sudan, South Sudan, Somalia, Eritrea and Yemen, with many experiencing protracted displacement (DFID 2017). There is also a small community of Great Lakes refugees. These refugees have different characteristics and histories and most 'are marked by ethnical, linguistic and familial ties with the host communities of Ethiopia's border regions' (European Commission 2016).

While most refugees are hosted in camps, some refugees are permitted to live in Addis Ababa including: those 'with specialist medical needs; those with serious protection concerns; refugees from non-neighbouring countries without designated camps (eg Yemen, Syria and Afghanistan) and Eritrean refugees granted Out of Camp Policy status (known as OCPs). OCPs must have lived in camps for three months, have no criminal record, and must demonstrate they can support themselves usually through relatives or remittances (Samuel Hall Consulting and NRC 2014). Continuing restrictions on refugee movement means that Ethiopia is a central location in the trafficking and smuggling of refugees to the Gulf States, the Arab Peninsula, Southern Africa and Europe (UNHCR 2014).

As of May 2017, a total of 20,176 registered refugees were recorded in Addis Ababa, including 15,435 Eritrean OCPs (UNHCR 2017b). There is no formal policy for granting urban refugees access to services such as education, water or healthcare and refugees are not incorporated in urban development plans at federal or local levels. Furthermore, there are limited protection mechanisms in the city for urban refugees (European Commission 2016).

2.7.3 Right to work in Ethiopia and Addis Ababa

In Section 2.4.2, this paper highlighted the ways in which national laws and policies on refugee work vary across countries and identified five typologies based around *de jure* and *de facto* rights to work. Ethiopia adopts Typology 4, where there is no legal right to work but where informal work is permitted in practice. Although Ethiopia signed the 1951 Refugee Convention it maintains reservations on Article 17 regarding access to wage-earning employment (UNHCR 2017b). Similarly, while the 2004 national Refugee Proclamation entitles recognised refugees the same rights and obligations as non-citizens in Ethiopia, refugees are denied access to work permits and the formal labour market (European Commission 2016). That said, with some restrictions, the Ethiopian government does tolerate urban refugees working in the informal sector (UNHCR 2017b) (Section 2.4.2, Typology 4).

In 2015 the Ethiopian government, together with UNHCR, drafted an Urban Livelihoods Strategy with the aim of implementing a comprehensive livelihoods programme to improve self-reliance amongst refugees in Ethiopia's cities. During the process they undertook a socio-economic assessment of refugee and host populations, as well as an assessment of the political environment and other processes that enable and inhibit access to work in urban Ethiopia. A market assessment was also conducted to provide an evidence base to 'enable the design of livelihood interventions tailored to household livelihood assets and aspirations as well as market demand' (UNHCR 2017b). However, at the time of this research the draft was awaiting endorsement from ARRA and was yet to be published (UNHCR 2017b).

2.7.4 Refugee livelihoods in Addis Ababa

There have been few studies completed on the economic lives of refugees in Addis Ababa. However, research does indicate that refugee livelihoods in Addis Ababa differ according to nationality and breadth of social networks. One of the most in-depth pieces of research has been a recent study by Samuel Hall Consulting in partnership with the Norwegian Refugee Council (NRC), which examined alternatives to the encampment policy for Eritrean refugees in Ethiopia. Part of the study investigated the modalities and success of the OCP and included a survey of 50 small and micro-enterprises in Mai Tsebri and Addis Ababa.

The study found that there are restrictions on the informal job opportunities for Eritrean refugees because of the absence of work permits, difficulties in finding a guarantor, poor language skills, lack of practical experience and lack of market information. Furthermore, there is a gender dimension. For men, woodwork, metalwork and construction are popular although generally only accessible to skilled refugees. For women, hairdressing and domestic work is prevalent (Samuel Hall Consulting and NRC 2014). In contrast, a study on Sudanese workers revealed their tendency to engage in low-level petty trade rather than skilled work (Shandy 2006). Somali refugees, on the other hand, have set up larger enterprises selling traditional food, tea and *qat* (a narcotic leaf chewed or drunk as an infusion), while some refugees from the Democratic Republic of Congo engage in tailoring.

As will be discussed in Section 4.2, social networks can be vital in the acquisition of livelihoods in the host city and Eritreans seem to benefit from relationships with Ethiopians to gain employment as mechanics.

A lot of the garages in the city used to be owned by Eritreans before the war between the two countries. Businesses have often been passed along to Ethiopian relatives and the Eritrean community keeps privileged ties with this economic sector (Samuel Hall Consulting and NRC 2014).

2.7.5 Refugee economies in Addis Ababa

Research on refugee livelihoods in Addis Ababa has found that refugee economies transform localities, provide sources of labour, create new markets and internationalise the economy. There are informal reports of Somali refugee economies transforming areas in Addis Ababa.

Businesses like the Somali-named Merkama Café and Restaurant, Hormuud Business Centre, and Cammud shop are flourishing. The qat and shai (tea) joints are dotted throughout the neighbourhood, noticeable by the throng gathered outside, while there are many boutiques selling colourful dresses. There are also places for hawala, the transfer of money, such as Dahabshiil, Amal and Khah. It is a paradox of chaos and peace, where the men escape the rigors by quietly sipping tea on the streets (Addis Ababa Online 2014).

Refugees create new markets and in her study on Addis Ababa, Shandy (2006) found that most Sudanese refugees set up informal trade networks with nearby refugee camps, selling firewood and camp rations collected in the camp areas to urban dwellers.

Refugees are providers of human capital and refugees in Addis Ababa are productive sources of labour. That said, refugees also suffer from poor conditions of employment and are often exploited by Ethiopian employers. Indeed, Eritrean OCP beneficiaries are often paid less of the equivalent wage for Ethiopian workers, with some not getting paid at all for casual labouring (Samuel Hall Consulting and NRC 2014). In her study on remittance networks between the United States and Ethiopia, Shandy (2006) found that Sudanese refugees in Addis Ababa could be receiving up to US\$100 per month from relatives in America, though this was an optimal estimate and not an option for many in the city.

2.7.6 Humanitarian aid and livelihoods in Addis

There are about 40 humanitarian assistance organisations working with refugees in Ethiopia. Most have been involved in refugee camps² but only six work in urban areas: UNHCR, NRC, EOC-DICAC (*Ethiopian Orthodox Church Development and Inter-church Aid Commission*), JRS (Jesuit Refugee Service), and OICE (Opportunities Industrialization Center Ethiopia). UNHCR and ARRA are involved in monitoring. NRC's urban programme works mainly with vulnerable Eritrean refugees. EOC-DICAC works with registered refugees. JRS and OICE run training programmes and provide services to urban refugees.

Much of the work of UNHCR has been around advocacy with government to increase refugee access to wage-earning employment opportunities, to prevent exploitative practices and to secure work permits for eligible refugees (UNHCR 2017b). UNHCR has been working with local NGOs to provide business facilitation services, including guidance on market opportunities for those refugees interested in self-employment, and vocational training and technical skills programmes (UNHCR 2017b).

The UNHCR Refugee Outreach Volunteer programme is being established in urban areas to use the capabilities among refugees toward protection of their own community (UNHCR 2017b). Similarly, the urban livelihoods strategy for UNHCR Addis Ababa will be implemented and include 'concrete interventions such as micro-loans, cash grants [...] ensuring refugee self-reliance and access to sustainable livelihoods activities' (UNHCR 2017b).

There is clearly a need for more research on urban refugee livelihoods in Ethiopia, as well as more in-depth analysis on current and future humanitarian interventions in its cities. The European Union Emergency Trust Fund for stability and addressing the root causes of irregular migration and displaced persons in Africa highlighted this need well in their action fiche for the Horn of Africa:

Better possibilities for refugees to participate in the Ethiopian labour market could provide them with a better perspective on sustainable livelihood in the longer term, thereby reducing push factors and enabling them to contribute to the Ethiopian economy. In addition, increased capacity of the government to provide integrated services to refugees and host communities may provide better and more (financially and environmentally) durable solutions for refugees and their host communities (European Commission 2016).

² For literature on humanitarian interventions in refugee camps in Ethiopia, see: UNHCR and WFP (2012).

**Deprived of the right to work
refugees are generally employed in
the informal economy**

Credit: Kate Dickenson





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3. Methods

3.1 Introduction to methods

This section summarises the key methods used for this research. The aim of the fieldwork was to capture experiences of both refugees and Ethiopians in the informal economy in order to understand contributions and linkages. In this study, informal economies include both informal sector businesses (employment and production in unincorporated, unregistered small enterprises) and informal employment (ie employment without social protection).

The study adopted a mixed-methods approach. Refugees were engaged in two primary ways: through focus group discussions and semi-structured interviews. Ethiopian informal-sector businesses were also contacted through semi-structured interviews. Both refugee-owned and Ethiopian-owned businesses were sampled from areas with high concentrations of refugee residents. Moreover, given the apparent importance of nationality in determining economic activities and social networks, the sample areas contained concentrations of refugees from a range of different nationalities (discussed below). Key informant interviews were also used to triangulate data.

The methods do not aim to be statistically representative, but rather aim to give detailed insights into refugee economic activities and linkages. Where possible the findings from Addis Ababa have been linked to relevant points in the literature to show the extent to which the findings here reflect, or differ from, findings elsewhere.

At the conclusion of the research, research partners the Danish Refugee Council (DRC) hosted a workshop to contribute ideas towards the Ethiopian government's objective of increasing refugees' access to employment.

3.2 Semi-structured interviews with informal sector businesses

In order to gain in-depth comparative information of individual experiences, extended semi-structured interviews were conducted with two groups. The first group were owners of, or workers in, Ethiopian-owned informal sector businesses operating in areas with concentrations of refugees, referred to as EB in this report. The second group were owners of, or workers in, refugee-owned informal sector businesses, referred to as RB in this report. Refugee business owners came from Somalia, Eritrea, Yemen and Syria.

Semi-structured interviews were conducted with 195 businesses: 144 EB and 51 RB. The interviews were designed to elicit people's experience of business in Addis Ababa and the links and contributions of refugee businesses to the local economy. Questions fell under the following broad categories: business operation; impact of refugee communities and businesses on the local economy; and the wider impacts of refugee communities in the city.

Factors such as time restraints of the fieldwork, and the unwillingness of some refugees and informal economy workers to participate, means that an equal mix of participants within these groupings was not possible. Furthermore, restricted access to certain groups meant that some activities such as home-based work and prostitution were not included in the sample. Similarly, the research focused on small and informal enterprises and thus excluded refugees working in formal organisations. These are acknowledged as limitations within the data collection and methodology. However, the sample included a range of different types of workers from entrepreneurs to wage labourers. For instance, within trading, some workers operated from the street, while others had kiosks or permanent shop fronts. A brief profile of the 195 businesses is given below.

3.2.1 Business district

Interviews were conducted in different areas to capture the perspectives of different refugee nationalities (see Figure 3.1). Most businesses interviewed were found in Bole Mikael (33 per cent), Gofa Mebrat Hayil (32 per cent) and Bela (19 per cent). The remaining interviews (16 per cent) were conducted in dispersed locations across Addis Ababa, including Hayat.

These areas were chosen because they have high refugee populations. As shown in Figure 3.1, the areas with high numbers of refugees are on the outskirts of the city, away from the central and downtown districts of Chirkos, Lideta, Arada and Addis Ketema which host banks, embassies, government buildings and Addis Ababa University. Bole Mikael is an area popular with Ethiopian-Somalis and Somali migrants and has accommodated Somali

refugees for a number of decades. Gofa Mebrat Hayil hosts many Eritrean refugees while Bela is popular with Sudanese refugees.

Unlike the Sudanese, Eritreans and Somalis, refugees from the Great Lakes do not live in ‘visible and concentrated ways in certain areas’ (Charpentier 2012). While they may ‘gather in certain places’ such as Hayat 1 and 2, their ‘urban residence remains dispersed and discreet’ and as such this group of refugees was harder to access (Charpentier 2012). As Yemenis are relatively recent arrivals to the city, they are also living in dispersed areas and were more difficult to access.

3.2.2 Business premises

The majority of businesses interviewed operated from a permanent building (29 per cent) though a significant number operated from a kiosk (25 per cent) or temporary structure (17 per cent). Businesses were also run from the street (8 per cent) or another location such as a car (4 per cent).

3.2.3 Type of business

The majority of the 195 businesses interviewed were involved in trading (58 per cent), selling goods such as food, clothes, *qat*, groceries and electronics (Table 3.1). Services, including hairdressing, laundry, translation and mechanics made up 22 per cent of those interviewed. Leisure and hospitality businesses accounted for 14 per cent and included pool-houses, bars, restaurants, hotels and internet cafés. The remaining businesses (4 per cent) were made up of construction-related businesses such as welding or tram-track maintenance or ‘other’ activities (1 per cent) that included a driver and healthcare worker.

Figure 3.1: Map of Addis Ababa

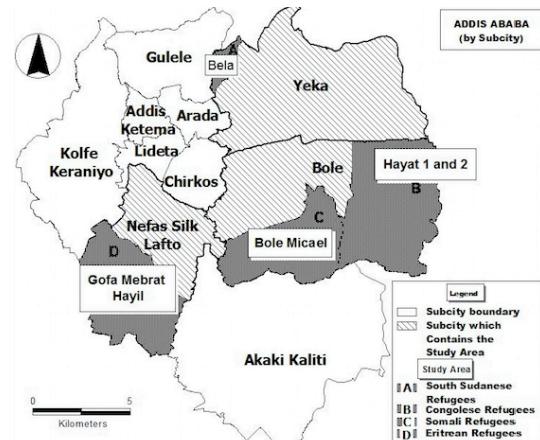


Table 3.1: Type of business

Type of business	Number	Percentage
Trading	114	58
Services	42	22
Leisure & Hospitality	28	14
Construction	9	5
Other	2	1
Total	195	100

3.2.4 Gender

Of the 195 business workers interviewed, 70 per cent were male and 30 per cent were female, reflecting the low number of women refugees found working at the research locations.

3.2.5 Licences

Approximately 85 per cent of the 195 businesses interviewed claimed they had a business licence. All businesses in Ethiopia, including small informal-sector businesses, are required to be licensed and to pay tax and, as our study has found, there is a very high compliance rate. Such high rates of business registration and taxation within the informal economy are incredibly rare in the developing world, which reflects the centrally controlled political economy of Ethiopia. While licensing is a common step towards formalisation, businesses in this study were defined as informal on the basis that they remained outside wider legal and regulatory frameworks (eg relating to health and safety or secure access to public space) or employment conditions were insecure (eg lack of employment contracts or lack of social protection).

3.3 Focus groups

Five focus groups were conducted with urban refugees. Participants were selected to reflect different members of the refugee community, and selection was based on a mix of nationalities, religions, genders and ages. The refugees who participated in the focus groups had not been included in the survey sample and included both assisted and unassisted refugees, and working and non-working refugees.

The focus groups aimed to map the experience of refugees in Addis Ababa: their journeys to the city; the challenges they face in the urban environment; their relationship with members of the local community; and the economic activity that refugees engage in within the host community. A total of 48 refugees participated in five focus groups and six different refugee nationalities were included (Table 3.2).

The participants in Focus Group 1 were Eritrean men. Focus Group 2 (Somali) and Focus Group 3 (South Sudanese) were attended by both genders. Focus Group 4 was mixed nationality and mixed gender, attended by refugees from Yemen and the Great Lakes, including Rwanda and the Democratic Republic of Congo. The participants in Focus Group 5 were all women of different nationalities including Eritrean, Somali, South Sudanese and Congolese. Focus groups were organised with the support of local partners, and thus the mix of nationalities and gender depended on their networks.

Table 3.2: Focus group participants

Focus Group	Nationality	Participants
Focus Group 1	Eritrean	11
Focus Group 2	Somali	13
Focus Group 3	South Sudanese	9
Focus Group 4	Yemen & Great Lakes	4
Focus Group 5	Mixed	11
Total		48

3.4 Key informant interviews

Key informant (KI) interviews were conducted with stakeholders, including central government ministers, UN agencies, local NGOs, consultants and research assistants. A total of 15 interviews took place with 21 key informants involved. The interviews focused on the governance structures in Addis Ababa; attitudes and policies of central and local government in regard to urban refugee work; and potential opportunities within this.

3.5 Workshop

The workshop hosted by the Danish Refugee Council (DRC) was attended by representatives from ARRA, UNHCR, UN-Habitat, government agencies, donors, NGOs, academia and the refugee community. Discussion focused on two broad questions:

- How can humanitarian and development actors programme for informal urban refugee livelihoods in Addis Ababa?
- What are the next steps in extending access to employment for refugees?

The workshop discussion informed the recommendations in this report.

**A temporary structure
selling clothes**

Credit: Kate Dickenson



4. Findings

4.1 Introduction to findings

This section describes refugee enterprise in Addis Ababa by examining the diversity of urban refugees, refugee economic activity and the wider links and economic contribution that refugee economies make. The section draws on information from the 195 interviews with EB and RB businesses, five focus groups, and 21 key informant (KI) interviews, as well as secondary data where relevant.

4.2 Urban refugees in Addis Ababa

Urban refugees are heterogeneous with different countries of origin, cultures, characteristics and experiences. Within Ethiopia, urban refugees are also categorised differently within government policy. As livelihoods are often reliant on refugee characteristics and prior experiences, use different regional networks and have differing levels of economic integration in host cities, these differences need to be understood.

4.2.1 Categories of urban refugees

Although still small, Addis Ababa's refugee population is the largest refugee population in Ethiopia. As of May 2017, there were 20,176 registered urban refugees in Addis Ababa, including 15,435 Eritrean OCPs and 4,741 assisted refugees who receive financial assistance from UNHCR each month under the Urban Refugee Assistance Programme. In addition to registered refugees, there are also unregistered urban refugees. They do not receive official assistance and are difficult to quantify. It is estimated that there are around 11,000 unassisted and unregistered refugees in Addis Ababa, though it is likely that this population is much greater (KI1, central government official).

4.2.2 Nationalities of urban refugees

Nationality can be a basis on which livelihood strategies differ (Section 4.3) because of culture, education, the ability to identify new market opportunities in host communities (Betts *et al.* 2014) or affinity with the host community.

There are 21 nationalities represented in the 4,500 assisted refugees in Addis Ababa including Somalis, Yemenis, Eritreans, the South Sudanese, Rwandans, Congolese, Burundians, Afghanis, Syrians and Nigerians (KI1). The interview sample and focus groups included in this research captured experiences from seven nationalities (Syrian, Yemeni, Eritrean, Somali, South Sudanese, Rwandan and Congolese). As noted, unassisted refugees are difficult to quantify but KIs suggested that the majority are made up of Eritreans, Somalis and Yemenis (KI1; KI12).

There are about 11,000 non-permit holders in Addis Ababa – most of them are Eritrean. There are many unregistered Somalis in Ethiopia and most of these are in Addis. We call them 'de-facto OCP' because they are practically permitted (KI1, central government official).

Although OCP status is only for Eritreans, there had been recent lobbying to open this up to other nationalities. Regardless of their status or nationality the majority of urban refugees had moved to Addis Ababa through the refugee camps of rural Ethiopia. Of the 48 refugee participants of the focus groups, only six had not been encamped in Ethiopia at some point over their journey from country of origin to Addis Ababa.

4.2.3 Characteristics of urban refugees

As well as differing nationalities, urban refugees had differing levels of health, education and experience in the urban environment. Around 85 per cent of the 4,500 assisted refugees who are in Addis Ababa had been transferred from camps on health or protection grounds (KI5). Ill health severely affects the ability of these refugees and their carers to work and their agency is very different to that of OCPs and unassisted refugees who are presumed to have the ability be self-sufficient in the city (KI10).

Educational attainment also differentiates urban refugees depending on the experience in the country of origin and the camp environment. Within the focus groups, some participants had graduate degrees, others had been born and educated within refugee camps, while others had their education disrupted by displacement. Again, educational attainment and skill sets impact on refugee agency in the city.

Refugees also differed in their familiarity with the urban environment, and while some had migrated from cities, others were pastoralists in origin. Differentiation occurred between and amongst different refugee nationalities.

The South Sudanese [...] they are mainly pastoralists so they struggle in the city [...] There is a regional split amongst the Eritreans. Those from central Eritrea, who were more educated and cosmopolitan with a strong Italian connection fled first as they were more political and their human rights were in danger. Then there are the refugees from the South who are more likely to be farmers or teachers and who left because their livelihoods were destroyed or they had sustenance problems [...] The Yemeni refugees are different [again] because Yemen was doing very well [until the war started]. It was globalised and had a stable government and there were many benefits in the urban environment there (K18, NGO worker).

4.2.4 Levels of assimilation

The different categories, characteristics, experiences and nationalities of urban refugees all influence the levels of assimilation they achieve in the host city. Interviews with EB and RB identified several variables that aided assimilation including: knowledge of Amharic, strong social networks, wealth, cultural affiliation, physical traits, length of time in country, inter-marriage with Ethiopians, and religion.

The differences in the different refugee communities are highlighted in their levels of assimilation. According to KIs, Eritreans integrate relatively easily, especially with those who speak Tigrinya (K16). Somali refugees are quite closely integrated with the large community from Ethiopia's Somali Region, with strong social networks and shared religious practices (K18). Smaller communities from South Sudan and the Great Lakes find integration more difficult because of language barriers and lack of affinity to culture (though some were integrated through shared religious practices or through their children attending school with local Ethiopian children). South Sudanese integrated better in the rural western area of Ethiopia where there was cultural affinity with the host population (K18) while refugees from the Great Lakes suffered especially in Addis Ababa because of fewer strong social networks (K16). The Yemeni community are relatively new arrivals: some are not registered as refugees, and 'look different though they have a similar language to Ethiopians' (K16). Inter-marriage was also highlighted as a mechanism of assimilation, but only prevalent amongst Eritreans and Somalis (K15).

All interviewees also highlighted work and business connections as key mechanisms of integration and assimilation within local communities in Addis Ababa. It follows that lack of work and employment opportunities, along with other variables, inhibit refugee integration.

Eritreans who have created business with locals via partnership are assimilated (RB, bar).

The Somali refugee community have been living for long in the Bole Mikael area. Through time they are assimilated economically by running [their] own businesses (EB, travel agent).

Lack of assimilation was evident in the way in which refugee communities clustered together in the host city. This was most prevalent amongst refugees from the Great Lakes, South Sudan or Yemen compared with Eritrean and Somali refugees who were well integrated with locals in the Gofa and Bole Mikael areas of the city (Focus Group 4).

For people like us from the Great Lakes it is very hard to live in the city. [People from] South Sudan too...We are always going to our own communities...We try to live with Kenyans – we feel closer to them, and others from the Great Lakes [area], whether they are refugee or not. Where I live now Ugandans, Kenyans, and the Congolese are my neighbours. I came just to see them every day even though I was living far away and then I moved to be closer (Focus Group 4, Male Congolese refugee).



Gofa Mebrat Hayil condominiums, home to many Eritrean refugees © Kate Dickenson

4.2.5 Secondary Migration

Ethiopia is one of the key secondary migration points in the Horn of Africa and the government struggles to control the trafficking and smuggling of refugees to Gulf States, the Arab Peninsula, Southern Africa and Europe (UNHCR 2014). Lack of assimilation was highlighted in the focus groups as a key factor in the decision to undertake risky secondary migration.

If you can't be integrated easily in the community, the difficulties remain. I have been here 11 years but I always feel strange in the country [...] Most people [from the Great Lakes] want to move on but they don't know how to do it (Focus Group 4, female Rwandan refugee).

However, the absence of employment opportunities, itself a mechanism of integration, was repeatedly emphasised in the focus groups as significant in the decision to migrate further, even where assimilation and standard of living were deemed to be comparatively high.

This is the main reason for the outmigration to Europe – there is no legal employment here. We are not choosing, we are forced because we have no rights, we can't establish businesses or have permits so even if our family can give some money in remittances and we can live in peace you can't invest so you will lose all your money (Focus Group 1, male Eritrean refugee).

My main problem is that my sons are willing to take the risky journey through Sudan and into Libya and across the sea. I tell them, please don't leave. But they say 'What can we do?' Their assistance has been cut and there is no work (Focus Group 2, female Somali refugee).

4.3 Urban refugees and their livelihood strategies

Though there is no refugee right to formal work in Ethiopia, informal work is generally tolerated. As a result, urban refugees engage in informal entrepreneurship and employment to supplement income from humanitarian assistance or remittances.

4.3.1 Restrictions on refugee rights to work

In Ethiopia, refugees are legally unable to hold business licences or work in the formal sector. However, authorities are broadly tolerant of refugees working in the informal economy (see Section 2.4, Typology 4 – no right to work but allowed in practice).

Legally they will not get a business licence. But if they work, no one follows them [...] It is highly relaxed. In fact, there are very few job opportunities, but if they have skills, they work (KI1, central government official).

That said, in practice experience is mixed. While government officials claimed that informal work is tolerated, evidence from UN-Habitat (2017) and interviewees suggests that stiff tax rules and enforcement measures inhibit informal employment in Addis Ababa. Refugees from the focus groups had experienced particular difficulties with the authorities when working, particularly if operating from public spaces.

I tried to buy some stuff in order to do henna on the street but I had a difficult time. I had difficulties with the authorities. They found me and said, 'Who allowed you to work as a Somali? Have you got a licence to work? Go to the UNHCR'. As long as you are a refugee you cannot make it. I try to move around. I try to find areas where no one knows me (Focus Group 5, female Somali refugee).

Even if you do shoe polishing [...] the Ethiopian people will call the police and tell them you are not legal here. They will come and say 'Why are you doing work like that?' (Focus Group 4, female Rwandan refugee).

Nonetheless, the evidence from this research highlighted that refugees were engaging in work despite stringent restrictions on refugee work in policy and at street level.

4.3.2 Urban refugee livelihoods

This research found that, in the absence of formal work, refugees had four main income sources in Addis Ababa: informal employment, informal enterprise, humanitarian assistance and remittances.

Informal employment

Informal employment was widespread, with people working in skilled work, unskilled work, or casual and day-labour work. Just under a quarter (23 per cent) of the 195 businesses interviewed provided employment for refugees. Of the 144 EB interviewed, 10 per cent employed refugees while 59 per cent of the RB interviewed employed fellow refugees (Figure 4.1).

There was a difference between the nationality of refugees employed and the business type, though the sample was small and purposive and cannot be taken as representative. Eritreans were more likely to be employed than other nationalities. Conversely, no South Sudanese or refugees from the Great Lakes were employed in the 195 businesses interviewed (Table 4.1)

Eritreans were employed in Ethiopian-owned and refugee-owned leisure and hospitality businesses (such as pool houses, hotels, restaurants, bars and internet cafés) and in service provision as beauticians, hairdressers, electricians, welders, plumbers and mechanics (KI5). Somalis tended to be employed in refugee-owned or Ethiopian-owned retail shops selling mobile phone accessories and Muslim dress or in restaurants. Yemenis were employed in Yemeni- or Syrian-owned construction-based businesses.

Key informant interviews and focus groups also revealed that some professionally skilled refugees were employed informally – in private schools as teachers, in private clinics as nurses, and in formal organisations as interpreters and translators.

The Eritreans who have the language work in Ethiopian hotels. Some of the Congolese play music from their own culture and play their own instruments in nightclubs to earn money, though this is a very small percentage. Some refugees also teach English and work as interpreters (KI12, NGO worker).

I am working here [...] I earn about 500 Birr per month as an interpreter in a hospital for the South Sudanese (Focus Group 3, female South Sudanese refugee).

Skills and networks were highlighted as being crucial to refugee employment opportunities, but not all urban refugees are skilled.

Refugees can find jobs in the private sector but it is a stereotype that Eritreans are all educated and from urban areas. There are also a lot of less-educated Eritreans as they were pulled from school during the conflict (KI6, consultant).

Furthermore, not all skilled refugees find employment in a city with large numbers of unemployed Ethiopians and discrimination in the labour market (Section 4.4.3).

Informal enterprise

Of the 195 businesses, 51 were RB. Of those 51 RB businesses, the majority (35 per cent) were in service provision such as hairdressing, laundry, translation services, rental brokers, plumbers and mechanics; 27 per cent traded in items including food, clothes or grocery products; 20 per cent provided leisure and hospitality in the form of bars, restaurants, pool houses and hotels; and 18 per cent were linked to the construction industry as self-employed skilled labourers or workers (Table 4.2).

Figure 4.1: Businesses that employ refugees

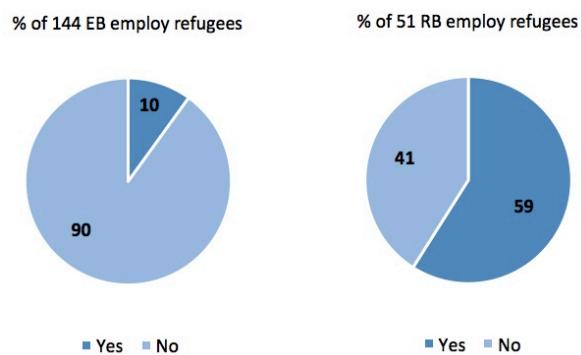


Table 4.1: Type of businesses employing refugees

Type of business	% employing Eritreans n = 37	% employing Somalis n = 4	% employing Yemenis n = 3
Retail	16	50	0
Services	62	0	0
Leisure & Hospitality	19	50	0
Construction	3	0	100
Total	100	100	100

Table 4.2: Type of refugee-owned business

Type of business	Number	Percentage
Retail	14	27
Services	18	35
Leisure & Hospitality	10	20
Construction	9	18
Total	51	100

Licensing is complex, as many refugee businesses operate under an Ethiopian licensee, with various types of partnerships, but the data gives a broad indication of this complexity. Business licences were owned by both EB (94 per cent) and RB (60 per cent) businesses. Evidence from the interviews, focus groups and KI interviews suggests that some RB were operating under the licence of Ethiopians. Types of RB operating with a licence included those in leisure and hospitality such as bars, restaurants and pool houses, and service businesses such as car garages and hair salons. A few construction businesses also operated with a licence. Some refugees had business partnerships with Ethiopians who provided the licence, while others operated through an agreement with a licence holder that they would share profits (KI6).

Business activities are often run through the licence of Ethiopians. There are lots of businesses being run by Somalis via Ethiopian licences or Ethiopian-Somali licences even though this practice is illegal [...] Eritreans own lots of businesses such as restaurants, bars, pool houses, grocery shops, beauty parlours and garages all under the licence of Ethiopians (KI15, research assistants).

I am an Eritrean refugee running a barber shop under an Ethiopian licence on an agreement to share the sales revenue (RB, hair salon).

While partnerships between Ethiopians and refugees in some businesses were reported, there were also differences in the type of business owned by Ethiopians compared to refugees. Out of 195 businesses, more Ethiopians were involved in retail (69 per cent of 144 EB businesses) than refugees (27 per cent of 51 RB businesses). Comparatively more refugees were involved in services (35 per cent of 51 RB businesses) than Ethiopians (17 per cent of 144 EB businesses).

There is a difference in the type of RB that employs male and female staff, though the sample is small and cannot be seen as representative. While in urban Ethiopia generally, more women than men are involved in the informal sector (UN-Habitat 2017), in this study, more male refugees than female refugees were found to be working in RB, and the work was quite gendered (Table 4.3). Women were more likely than men to be involved in retail (selling food and clothes) or leisure and hospitality businesses (such as hotels and restaurants). Conversely, men were more likely than women to be involved in services (though a few women were employed in salons or laundry businesses), and construction.

There were also differences between refugee nationality and the types of businesses run, though the sample size is very small and thus not representative (Table 4.4). Across the 51 RB, Somalis were more likely to be involved in retail (selling food, *qat* and clothes) though some were involved in leisure and hospitality running hotels. Eritreans were more likely to be found running enterprises in services (such as salons or car garages) or in leisure and hospitality (running pool houses or bars). The majority of Yemenis were involved in skilled construction as self-employed workers though some were involved in services as translators. There was one Syrian refugee-owned construction business included. The research did not find any businesses owned by South-Sudanese refugees or those from the Great Lakes region, although these were explicitly sought.

Key informant interviews added insight into the type of business activities run by other nationalities. According to an NGO worker, South Sudanese are more likely to be involved in running manufacturing enterprises such as bamboo craft or tailoring (KI6). KIs also revealed some of the riskier or illegal livelihoods of urban refugees.

There is quite a lot of prostitution but I do not know the nationalities [...] there is a problem of HIV prevention. Congolese are known for prostitution, but the ones I have seen look mainly Eritrean (KI8, UN agency).

I have seen five or six women [from the Great Lakes] outside nightclubs doing that job [prostitution]. They don't get any support apart from UNHCR. I myself get paid 2,400 Birr a month from UNHCR but my house is 2,800 Birr. I have to add 400 Birr more without food or transport. Imagine if someone has two children. So how can she survive? She has to do things like prostitution in order to save her children. So, I have seen

Table 4.3: Gender of employees in refugee-owned business

Type of business	% Male n=40	% Female n=11
Retail	22	46
Services	38	27
Leisure & Hospitality	17	27
Construction	23	0
Total	100	100

Table 4.4: Refugee nationality by business type

Type of business	% Eritrean owned n = 38	% Somali owned n = 8	% Yemeni owned n = 4
Retail	18	87	0
Services	45	0	25
Leisure & Hospitality	24	13	0
Construction	13	0	75
Total	100	100	100

them try because of the tough life. Sometimes they are beaten up, there is no protection (Focus Group 5, female Rwandan refugee).

According to the literature, those that are merely ‘surviving’ as opposed to ‘thriving’ in the host city are more likely to engage in negative coping strategies such as prostitution. Within this data, there were significant differences in the size and productivity of refugee businesses. Of the 51 RB interviewed, 63 per cent operated from a permanent building or from premises such as a garage or construction site while 29 per cent operated from a kiosk or other temporary structures and 8 per cent operated from the street. These businesses also differed in levels of capital and turnover. For example, while refugees with car garages or restaurants had established businesses operating at a fairly high level, there were also refugee businesses selling chips from the roadside (Focus Group 5), or washing or ironing clothes for neighbours on an ad hoc basis (Focus Group 2).

I wash clothes for a small amount of money. It is not every day but some Somali families can pay for it. It is maybe 200–300 Birr per month so it is not enough – but it is something. It is only some Saturdays and some Sundays. My daughter is very sick and needs to have diapers. So, it pays for her diapers that need changing all the time (Focus Group 2, female Somali refugee).

This research found that social networks and access to capital were important factors in being able to open and maintain business enterprises and, in turn, affected the size and productivity of RB (KI6; KI2; KI15).

Humanitarian assistance

This can vary in form and in distributing organisations. All non-OCP, registered urban refugees receive financial assistance from the UNHCR, distributed monthly. Assistance for refugee livelihoods is also available from various NGOs, in the form of business grants and loans, and skills and business training programmes (KI1; KI11; KI12).

As the majority of assisted refugees have been moved to Addis Ababa because of health or protection issues, a significant proportion depends on monthly assistance from UNHCR (KI5). This research found that refugees from South Sudan and the Great Lakes were more likely to depend on assistance than those from Eritrea, the majority of whom have OCP status and do not qualify for assistance, or those from Somalia or Yemen who make up a large proportion of Addis Ababa’s unassisted refugees, many of whom have strong social networks (KI15).

While direct monetary assistance from UNHCR is available to all registered and non-OCP refugees in Addis Ababa, evidence from Focus Groups 2, 3, 4 and 5 suggested that the monthly assistance was not enough for refugees to meet rent and living costs in an expensive urban environment, a view supported by local NGOs.

The problem is that we stay in Addis Ababa and we do not have a job. The rent of the house is very expensive. It can be 2,000 Birr for a house but maybe you are only getting 2,000–3,000 Birr [in assistance each month] so where do we get the rest of the money to live? (Focus Group 3, female South Sudanese refugee).

The main problem is money. They cannot afford the house rent, school fees, medical costs, food and clothes. They are often chased out of the house because the landlord does not get paid the full amount or get paid on time. The assistance they receive from UNHCR is very small and often does not cover the house rent (KI12, NGO worker).

In addition to UNHCR assistance, various support schemes are provided by several NGOs including EOC-DICAC, NRC, JRS and OICE. Some schemes involve providing grants or loans for start-up capital or business improvement. Others provide skills or business training and access to internships in various professions including hairdressing, computing, mechanics, tailoring and construction (KI11; KI12).

However, there are difficulties with implementing support schemes, drop-out rates for skills and business training courses can be high (KI11) and – as in many microfinance programmes – it was found that business grants and loans were not always used for the intended purpose (KI2).

The young [...] often have ideas to work, or have started a very small business but they do not have the means to start or strengthen their business. If they came to us with a work plan for business start-up or business improvement we gave them 2,000 Birr [...] When we did our assessment [...] we found that some people used the money for business. However, some also used it for other reasons such as their rent, phones, school fees [...] they had other priorities than opening a business. It allowed us to find out the needs of the refugees. And we found that opening or improving a business wasn't a priority if they couldn't feed their children (KI2, NGO worker).

Remittances

Remittances were highlighted as a vital income source for urban refugees in Addis Ababa. However, access was variable across and within different refugee groups, and not all urban refugees received remittances.

I worked for 16 years in the military service as an auto mechanic [in Eritrea]. Here, my sister from Israel helps me out with remittances (Focus Group 1, male Eritrean refugee).

Those who get remittances are very few in number. The others, we survive by doing small things to get an income (Focus Group 4, female Eritrean refugee).

In the absence of adequate humanitarian assistance or remittances, this research found that both registered and unregistered, and assisted and unassisted refugees were engaging in ad hoc, permanent or voluntary informal work in order to create or supplement their income in Addis Ababa.

4.4 Linkages, impacts and contributions of refugee economies

Only two of 195 businesses interviewed stated that refugees made no positive contribution to the host community (Table 4.5). Refugees were said to contribute as consumers (90 per cent), a source of labour (35 per cent), providers of international links (10 per cent), providers of particular skills and products (23 per cent), and a source of remittances (54 per cent). They also contributed by renting Ethiopian-owned homes and providing employment to Ethiopians.

When analysed alongside data from the focus groups and KIs, the interviews revealed more in-depth information about the wider links and economic contribution of refugee economies in Addis Ababa. These contributions included enabling business agglomerations, enhancing existing enterprise, engaging in reciprocal employment, creating new markets, and increasing internationalisation. These will be discussed in more detail below.

4.4.1 Business agglomerations

In urban economics, economies of agglomeration are the benefits that firms obtain by locating near each other. In certain areas in Addis Ababa, such as Bole Mikael (traditionally an Ethiopian-Somali and Somali area) and Gofa (traditionally an Ethiopian and Tigrayan area), the clustering of refugees and their businesses provided a critical mass that largely enhanced local business in the area.

Refugees encourage local communities to open different business. In Gofa, due to the existence of Eritrean refugees, Ethiopians have opened a number of cafés, restaurants, pool houses and groceries (RB, bar).

Bole Mikael is congested with Ethiopians and Somalis. There is formal and informal work and huge diversity of businesses. Somalis have good transport links in and out. They run hotels, restaurants, clothes businesses and perfume businesses [...] Ethiopians are the main buyers (KI15, research assistants).

The critical mass created by refugee communities clustering together in specific neighbourhoods enhances existing enterprises through increased consumption and in the provision of new skills and business practices, though it can also create competition (Section 4.4.2). Labour supply and employment rises as refugee businesses employ Ethiopians and Ethiopian businesses employ refugees (Section 4.4.3). The presence of refugees and their businesses also creates new markets for both local and diaspora consumers (Section 4.4.4) and increases the internationalisation of the economy (Section 4.4.5).

Type of contribution	Percentage of 195 businesses
Consumer	90
Labour source	35
International links	10
Skills and products	23
Remittances	54
Other	4



Ethiopian-owned and refugee-owned businesses in Bole Mikael
© Kate Dickenson

4.4.2 Enhancing existing enterprise

Refugees provide value-chain links with the host community, as consumers and as providers of new skills and business practices, both of which enhance existing enterprises. In Addis Ababa, the urban refugee community consumes local products and services, spending their earnings, remittances and assistance money locally.

The South Sudanese refugees who have lived for more than three years in the Bela area are my customers whenever it is pay time. They are mainly women and children (EB, grocery store).

Of 195 interviews, a significant majority of the EB (85 per cent) and all of the RB (100 per cent) claimed that refugees were major consumers of local products and services. Interviews also highlighted the importance of house rentals by refugees to the Ethiopian market.

The South Sudanese are benefiting the local people by renting houses for dwelling (EB, vegetable kiosk).

Despite the importance of refugees as consumers, KIs and focus groups demonstrated that refugees were exploited in the consumer market, often paying higher prices than Ethiopians for goods and services. Exploitation was particularly prevalent in housing rental, with assisted refugees in the focus groups complaining of frequent rent increases and lack of housing security.

You need to think about how to pay a rent. You cannot live unless you know where you are going to sleep so at first, I think about my house and son. We need to move from place to place all the time because they keep increasing the rent. If they don't increase the price we can live in the same place (Focus Group 5, female Congolese refugee).

Refugees also enhanced existing enterprises by providing skills or by introducing new business practices. Refugees often possess business knowledge and experience from their country of origin or from refugee camps, which they bring to the local business environment. The 195 interviews revealed sharing of business knowledge between Ethiopians and refugees.

Eritrean refugees provide me with some advice on how to develop my business (EB, pool house).

As a refugee I have diversified knowledge and can make contribution to economic development of the local area by sharing my knowledge and working as a businessman (RB, construction).

As discussed in Section 4.3, skilled refugees were employed in local schools, hospitals, nightclubs and formal organisations. However, the lack of a legal right to work means that some skilled refugees are forced into low-skilled work, inhibiting their potential economic contribution.

I am a carpenter by profession but I am unable to set up my own business because of restriction and hence I engage in this activity for survival even if I have no interest in it (RB, bar).

I am skilled, I was an aero-mechanic in Eritrea, but I am not working in my profession. There is no process for me to do that. Now I work in a bar, but the bar is under the licence of an Ethiopian (Focus Group 1, male Eritrean refugee).

The presence of refugees and refugee businesses can also create competition within the local economy.

Eritrean refugees who own pool houses take my customers as their business has a location advantage near to the centre of the condo house [housing refugees] (EB, pool house).

However, only 7 per cent of 144 EB viewed RB in their area as a threat. Conversely, 16 per cent of RB reported the negative effects of competition with EB.

We have competition but local businesses have a stronger financial position compared with mine [...]They provide different items and better services which helps them to have much higher sales volume compared with mine (RB, bar).

4.4.3 Reciprocal employment

Refugees are linked to the wider local community through employment. As a result, refugees contribute to the local economy as a source of labour, and their businesses provide a labour-absorbing mechanism in Addis Ababa.

The interviews highlighted the often-reciprocal nature of employment in Addis Ababa and refugees are also a vital labour source for Ethiopian businesses. While 14 per cent of 144 EB hired refugees, 64 per cent of RB knew of refugees who were employed in Ethiopian businesses.

The interviews also revealed that refugee businesses provided employment for Ethiopians in a city with high unemployment rates. Of the 51 RB, 48 per cent employed Ethiopians (Figure 4.2) and 38 per cent of 144 EB knew of Ethiopians who work for refugees.

Ethiopians were employed in these 51 RB as waiters, hairdressers, retail workers, guards and mechanics. The employment of Ethiopian workers allowed these businesses to attract local customers while Ethiopian women were also employed as domestic workers.

Somali refugees own businesses like hotels and restaurants. Ethiopians, mainly Oromo, Amhara and Gurage ethnic groups, are employed as waiters, chefs, guards and janitors (EB, fruit and vegetables).

If an Eritrean has a billiard house, he employs an Ethiopian. The Ethiopians can communicate with the locals so they get more business (K13, Eritrean refugee).

The South Sudanese refugee community hire locals as housemaids to prepare food and manage the house by helping their communication with the locals (EB, grocery store).

As discussed in Section 4.3.2, urban refugees were employed in EB as mechanics, waiters, interpreters, and bar staff. Skilled refugees were employed to fill a skills shortage, while refugees were also employed by Ethiopians to attract a diaspora market, increasing business revenue.

I employ Eritrean professionals as it helps me to establish and maintain connections with Eritrean refugees who are living and working in Gofa and the surrounding areas (EB, photography).

While the employment of refugees in Addis Ababa was widespread, refugees also struggled to find employment because of legal constraints, physical traits, lack of Amharic and lack of cultural affiliation. These restrictions affected some refugees more than others.

I would employ all capable individuals as long as there are no restrictions on the part of the refugees in getting employment (EB, bar).

Here, I have a tailoring certificate but no job. We have problems getting jobs because of our colour. Ethiopians are not giving us a chance to work, because we are black and our hairstyles are different (Focus Group 3, female South Sudanese refugee).

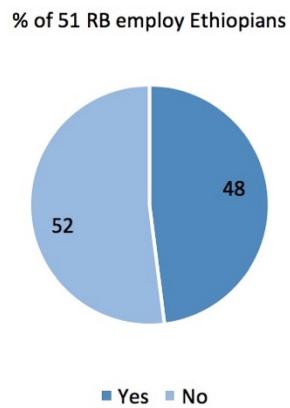
Eritreans look like them, sound like them. My friend is a refugee and a nurse in a private clinic and no one questions him. He has spent two years working in a private hospital (Focus Group 4, male Yemeni refugee).

When refugees were employed, there was evidence of exploitation in the labour market. Refugees reported receiving lower wages than Ethiopians for similar roles (particularly in car garages and in construction work), or receiving 'incentive money' instead of wages.

I worked for sixteen years in the military service [in Eritrea] as an auto mechanic. When I came first I worked in a garage as a mechanic, but I was paid lower than the other workers. The locals were paid 7,000 Birr per month, I was only given 4,500 Birr (Focus Group 1, male Eritrean refugee).

When I first came I started a job as a tailor but my wage was lower than the Ethiopian workers [...] there is lower payment for refugees doing the same job as local people. There is no permit so no rights, and I am suffering here. We are exploited. I moved place and started working with another tailor as an employee. Before, my employer did not know I was Eritrean but when my employer found out, another worker told him, he fired me from the job (Focus Group 1, male Eritrean refugee).

Figure 4.2: Refugee businesses employing Ethiopians



I am working as a translator as a volunteer because there are no limitations, whereas I am not allowed to work properly (Focus Group 4, male Congolese refugee).

As well as lower pay, refugees have little job security and limited workers' rights.

Refugees from the Great Lakes work informally and it is risky with no contract. If you are caught teaching you may be taken to the court but some schools just ignore this sort of policing, like private schools. They take advantage of you being without papers because they can pay small. Some guys, they have spent four months in prison but that was just a warning. If they get caught they will get more time in prison (KI4, female Rwandan refugee).

Due to the restrictions we have no legal right to negotiate our salary. Our job security and amount of salary is at the will of the employer. Before, I was employed in a car garage owned by an Ethiopian. After I had worked for 18 days I got sick and was absent for three days. The owner of the business automatically fired me without giving me the 18 days' salary. As I am not allowed to work I didn't take my case to court (RB, car garage).

Though the business environment for refugees is restrictive at present, evidence from the interviews with EB suggested that attitudes towards extending refugee work in Addis Ababa were generally favourable. While only 14 per cent of the 144 EB currently employed refugees, this doubled when asked if they **would** employ refugees were it legal (Figure 4.3). Still more were open to the idea of extending employment generally even if they could not directly employ refugees. Respondents of the 195 interviews justified extending refugee access to employment on humanitarian grounds and because of the potential contribution that refugees can make to the local economy.

As human, I suggest to the Ethiopian government to lift the restrictions imposed on refugees, so they can be allowed to have a business licence, own property and have rights the same as Ethiopians (EB, restaurant).

It is better to allow refugees to work as they share some knowledge with us and can create job opportunities as well as being able to generate their own means of living (EB, food trader).

Conversely, there were also interview respondents, including refugees, who were hesitant about extending access to employment based on high unemployment levels and the potential of increased competition in the market, particularly as most inner-city residents in Addis Ababa are reliant on the informal economy (UN-Habitat 2017).

As a Yemeni refugee I know that there are also many Ethiopians who are not employed in formal jobs [...] It might not be logical to ask the government to lift the restrictions and make it open to refugees to access jobs at once (RB, translation).

In my opinion, the local government offices have to keep some restrictions because the business competition is very intense and it is very challenging to survive anyway (EB, grocery).

Key informant interviews mirrored these contrasting opinions on extending refugee access to work. While one central government official suggested the formal, private sector would embrace refugees, an NGO worker highlighted the possibility of local EB resistance to progressive legislation.

Businesses don't care, they employ anyone [...] the impact would be employment in the formal structure so people would have better skills [...] businesses are only after profits and don't care about migration policy (KI14, central government official).

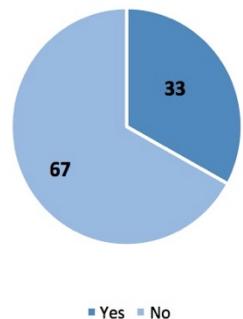
There are lots of young Ethiopians out of work. If they [the government] say, 'We'll employ refugees', people will think 'You need to provide for your home before feeding your neighbours'. If the policy is there but the people are not willing to employ – what can you do? (KI2, NGO worker).

4.4.4 Creation of new markets

Refugees create new markets in the host city by providing a consumer base for niche products aimed towards a minority or diasporic market, and by introducing new products. Amongst the 195 businesses interviewed, some

Figure 4.3: Ethiopians that would employ refugees if it were legal

% 144 EB that would employ refugees if legal



■ Yes ■ No

were clearly catering for a diasporic market, with restaurants selling culturally specific food and drinks, retail stores selling traditional dresses and hair salons advertising culturally defined styles.

The competition is between Eritreans and Ethiopians. We have unique style of hair cutting we brought from our country (RB, hair salon).

I sell to local Somali refugees and the Somali community. The Somali refugees buy the camel's milk (RB, camel milk).

The presence of refugees also made viable different service-orientated businesses, such as translation services. In Gofa, where there are large numbers of Eritrean refugees, Ethiopian-owned and refugee-owned rental and employment brokers were set up in order to find accommodation, jobs or employees for refugees in the host city.

I am an Eritrean who has been living in Addis Ababa for two years and eight months. I am linked with other Eritrean refugees because I serve them as a broker in facilitating house rent (RB, rental broker).

I find my Ethiopian employees via a broker but Eritreans are hired through friendship ties (RB, car garage).

Refugees can also introduce new products to the local market. In Addis Ababa, it seems to be Somali refugees in particular who are able to import commodities through Somalia via extensive social networks.

The Somalis usually bring different types of women's clothing and perfumes of various qualities and then sell to Ethiopian businessmen and businesswomen (EB, clothes).

Products such as incense, henna, perfume, clothing and cosmetics were all reported as being products sold by Somali refugees. Often, these goods were imported from abroad, brought as contraband through Somalia and sold in Addis Ababa.

Somalis are good at getting incense and perfume from Somalia. Actually, Ethiopians are the main buyers and they will pay a high price because the items are contraband. They come from Saudi Arabia and Dubai and Ethiopians aren't doing it because they don't have the networks (KI15, research assistants).

In Ethiopia shampoo, sanitary products and other goods are considered luxury items and are very expensive [...] They are cheaper on the other side and clothes are also cheaper so they bring them and sell them (KI8, NGO worker).

The government has tightened border restrictions to limit the smuggling of contraband goods, but the creation of new markets is generally positive for the Ethiopian consumer. Although a minority (16 per cent) of the 144 EB reported buying from refugees, a significant majority (82 per cent) of the 51 RB sold to local Ethiopians (Figure 4.4).

That said, the focus groups revealed a hesitancy amongst some Ethiopians to purchase from refugees. Generally, refugees reported a reluctance of Ethiopians to buy from them because of a difference in nationality, religion or language.

Even if you provide the food, they will go and eat from the Ethiopians, not from us, because of the language (Focus Group 5, female Congolese refugee).

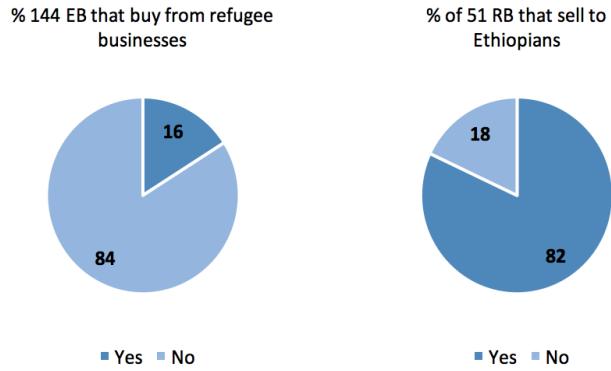
If you are Muslim and open a shop you will get only Muslim people. If you are Muslim and a foreigner you don't get any customers. If you are Christian, only Christian. If you are Christian and a foreigner you cannot get any customers (Focus Group 4, male Yemeni refugee).

4.4.5 Internationalisation

As well as linking to the local economy, refugees and their businesses are part of broader economic systems. These networks function at national and international levels and include cross-border value chains.

As discussed in Section 4.4.4, Somali refugees import contraband products from the Gulf States, America and Europe through Somalia and into Ethiopia's Somali Region, where kinship and language has made it easy to do business.

Figure 4.4: Ethiopians who buy from refugee businesses



There is refugee trade in Jijiga. Clothes are shipped from Europe and America and sold at the porous border between Ethiopia and the Somali regions. They are smuggling clothes illegally and selling them informally in the city (KI5, NGO worker).

Refugees cross to Somalia with Ethiopian goods and vice versa and you can just walk across, buy things, and walk out. You can use any currency and there is no tax. There has been recent tightening on this but it is still common (KI8, NGO worker).

There are other businesses that link into these sub-regional trade networks at national level such as transport enterprises which link demand and supply.

Addis has been flooded with Somali people. They doubled the size of Merkato with their goods. They have small business. Three buses come from Somalia to Addis every day. The inflow is more than the outflow but people return (KI1, government official).

I transport Somali and Sudanese refugees and Ethiopian-Somalis from Addis Ababa to Jijiga (EB, transport).

I came from the Somali region of Ethiopia but I have lived for a long time here in Addis and am running a travel agency business. I have a strong link with the Somali refugee community as they are the main customers of tickets sold (EB, travel agency).

Mobile phones also contribute to internationalisation of local business and refugees often use the latest technology in order to communicate and import remittances from other parts of the world.

Every Eritrean has a smart phone. They communicate through Viber, Facebook Messenger, and texts. They also receive money through mobile phones from Europe and America (KI3, Eritrean refugee).

The dollars and other currency brought in by refugees, who then spend the remittances in the local economy, strengthen international links.

The Congolese people in Ayat areas that are residing and other refugees in the city can establish international links. They may receive dollars from abroad – America, London, Germany, Sweden and Italy – and then they are my customers (EB, coffee kiosk).

While the potential for cross-border value chains and foreign currency that urban refugees provide has a positive effect on local business, current legislation that restricts freedom of movement for refugees as well as their right to own business licences or property inhibits it. KIs and focus groups revealed the enhanced contribution of refugees in terms of the internationalisation of the local economy if business was relaxed.

More funding could potentially come from the refugee diaspora. Eritreans living abroad do not want to put their money back into Eritrea as it perpetuates the regime, but if their family is in Ethiopia they cannot work or grow (KI8, NGO worker).

If the law changes, we can do everything. If we could get a travel document we could go to the border of Kenya and buy clothes and other items and bring them here for selling (Focus Group 3, female South Sudanese refugee).

I would bring in okra from South Sudan. They are available in the market there, the dried ones and the fresh ones (Focus Group 3, female South Sudanese refugee).

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OUR AGENCY



An Ethiopian Somali-owned travel agency catering to Somali refugees in Bole Mikael

Credit: Kate Dickenson



A shop selling cosmetics
in Bole Mikael

Credit: Kate Dickenson

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5. Conclusions

5.1 Introduction

With a focus on the informal economy, this research provides new insights into urban refugee economies and their contribution to market development in Addis Ababa – a city where refugees, at least for the time being, are not legally permitted to work. Refugee economies are defined here as the economy created by urban refugees through their livelihood activities, enterprise, need for services and consumption, and through refugee support and diaspora inputs. While academics and humanitarian agencies have focused on the role of informal livelihoods in supporting the survival of refugee households, the coalescence of refugee livelihoods into ‘refugee economies’ and the links with, and contributions to, host economies have not been widely researched. This research addresses this gap.

This Ethiopian case study is timely as the legal framework governing refugees in Ethiopia is under review, including a re-examination of access to employment. Ethiopia is now a pilot country for the implementation of the UNHCR’s Comprehensive Refugee Response Framework (CRRF) being developed following the UN’s New York Declaration for Refugees and Migrants, agreed in 2016. In Ethiopia, an amendment to Refugee Proclamation No. 409/2004 may extend access to employment to all ‘recognised refugees’. In this shifting political context our concluding section returns to the project’s four research questions:

- I. What livelihood strategies do different refugee communities in Addis Ababa adopt?
- II. How do refugee economies link with local economies in Addis Ababa and what are the wider market impacts and contributions?
- III. What humanitarian interventions would help secure refugee economies and increase the linkages with local market actors in the absence of a right to work?
- IV. What are the key challenges and opportunities in the transition towards a right to work for urban refugees in Addis Ababa?

5.2 Urban refugees in Addis Ababa

Before this concluding section responds to the project’s research questions it is important to reflect on the significant heterogeneity that exists amongst the urban refugee population in Addis Ababa. Although still small, Addis Ababa’s refugee population is the largest urban refugee population in Ethiopia. There are an estimated 31,000 refugees in Addis Ababa consisting of around 20,000 registered refugees (assisted refugees and Eritrean unassisted refugees or OCPs); and perhaps 11,000 unassisted unregistered refugees (KI interview, senior government official). These refugees represent 21 nationalities, including Eritreans, Somalis, Yemenis, South Sudanese, and refugees from the Great Lakes regions. These refugees have differing levels of health, education and experience of the urban environment. They have also integrated differently into the host environment with assimilation dependent on a variety of factors including knowledge of Amharic, the strength of social networks, wealth, cultural affiliation, physical traits, length of time in country of origin, inter-marriage with Ethiopians, religion and employment. In any response to the challenges and opportunities relating to urban refugee economies, this heterogeneity must be taken into account, meaning there can be no one-size-fits-all response.

5.3 Urban refugees and their livelihood strategies

In the examination of refugee livelihood strategies (research question I), this paper has explored the types of economic activities being pursued and the everyday challenges these pose.

5.3.1 Urban refugee livelihoods

This study identified five typologies of refugee rights to work. Ethiopia broadly conforms to the fourth approach: ‘no right but allowed in practice’. Though refugees have no *de jure* right to work in Ethiopia, a *de facto* right exists whereby informal work is in-part tolerated, although experiences differed. Refugees in Addis Ababa were found to have four main income sources:

Informal employment was widespread, with Eritrean, Somali and Yemeni refugees employed in Ethiopian-owned and refugee-owned informal enterprises as skilled, unskilled and casual workers. Eritreans tended to be employed in leisure and hospitality businesses or in services as hairdressers or doing laundry work. A significant number

were also skilled electricians, mechanics or welders. Somalis tended to be employed in Somali-owned or Somali-Ethiopian-owned retail shops while Yemenis and Syrians were employed as casual day labourers in construction. Refugees were also employed informally in formal organisations as nurses in private clinics, teachers in private schools and translators in hospitals and other organisations.

Refugees ran **informal enterprises** involved in service provision (such as hairdressing, laundry, translation services, rental brokers, plumbers and mechanics), retail trade, leisure and hospitality businesses (like bars, restaurants, pool houses and hotels), and construction (self-employed skilled labourers or casual workers). Some of these enterprises were run under the licence of an Ethiopian. Somalis were more likely to be involved in trade, while Eritreans were more likely to be found running enterprises in services or in leisure and hospitality. Yemenis were reported to be involved in skilled construction as self-employed workers. Refugee-owned enterprises varied in size and productivity: some ‘surviving’, some ‘managing’ and some ‘thriving’.

Humanitarian assistance varied in form and in distributing organisations. All non-OCP, registered urban refugees received financial assistance from the UNHCR, distributed monthly. Assistance for refugee livelihoods is also available from various NGOs in the form of business grants and loans, and skills and business training programmes. This research found that refugees from South Sudan and the Great Lakes were more likely to depend on assistance than those from Eritrea, the majority of whom have OCP status and do not qualify for assistance, or those from Somalia or Yemen who make up a large proportion of unassisted refugees in Addis Ababa and who may have strong social networks.

Remittances were highlighted as a vital income source for urban refugees in Addis Ababa. However, access was variable across and within different refugee groups, and not all urban refugees accessed remittances.

5.3.2 Livelihood challenges for urban refugees

Though informal work is generally tolerated, refugees face considerable economic challenges associated with their refugee status. This report identifies eight key challenges.

Limited access to employment: Refugees interviewed for this study considered the lack of national legislation protecting their right to work the most significant barrier to securing livelihoods, leaving them open to discrimination, abuse and exploitation in employment. Providing an affordable and accessible work permit system for refugees would facilitate self-help within the refugee community, albeit on its own, a right to work is unlikely to be sufficient to ensure widespread access to secure livelihoods.

Limited application of the OCP policy: Out of Camp Policy status currently applies only to Eritrean refugees, and is usually limited to those who passed through refugee camps. OCP status enables refugees who can demonstrate independent means of support to leave the camps and live in urban areas. Extending this to other nationalities would provide opportunities for other refugees to choose where they live, although it would be most effective if implemented alongside employment rights.

Discrimination in employment: Refugees face exploitation in the labour market as they do not have work permits. They often receive much lower wages than Ethiopians for similar work, wages are withheld, or are paid with ‘incentive money’ rather than regular wages, or employment is ended arbitrarily.

Lack of access to business licences: Many refugee entrepreneurs interviewed in this study who were running a business operate under the licence of an Ethiopian partner, with an agreement to share profits. For refugee enterprises, this limits the potential for reinvestment in the enterprise and business growth.

Language and assimilation: Not speaking an Ethiopian language, particularly Amharic, is a core problem for many refugees in accessing livelihoods, although those who speak another Ethiopian language, eg Tigrinya or Somali, find getting employment easier. Language training for refugees would be an extremely valuable support.

Challenges for women refugees: Women refugees face particular challenges in childcare and accessing livelihoods. Facilitating women’s support groups can help in arranging collective childcare, and livelihood support.

Problems for vulnerable groups: Vulnerable refugees without alternative income sources may be forced into negative coping strategies such as prostitution. Ensuring that they have recourse to NGO support should be an imperative.

Weak representation: Several NGOs work closely with different groups of refugees, and government agencies have established links to the main refugee communities. However, the scattered urban refugee population makes

support difficult – particularly for unregistered refugees. Strengthening representation and links would help isolated communities.

5.4 Linkages, impacts and contributions of refugee economies

The impacts of refugee economies (research question II) stretch far beyond the survival of refugee households. Refugees create links and contribute to the local economy as consumers, sources of labour, providers of international links, providers of skills and products, sources of remittances and employers. This report identifies five broad impacts of refugee economies.

Refugees in Addis Ababa had **created business agglomerations** and the clustering of refugees and their businesses create dynamic new markets for both local and refugee communities. This was particularly visible amongst Eritrean refugees in Gofa and Somali refugees in Bole Mikael. Eritreans often worked in leisure and hospitality businesses (such as pool houses, hotels, restaurants, bars and internet cafés) and in service provision as beauticians, hairdressers, electricians, welders, plumbers and mechanics (K15). Somalis tended to be employed in shops, selling mobile phone accessories and Muslim dress or in restaurants. Yemenis were employed in Yemeni- or Syrian-owned construction-based businesses.

Refugees **enhanced existing enterprises** by creating value-chain links with the host community enterprises, creating new a customer and supplies base. In Addis Ababa, the urban refugee community spends earnings, remittances and assistance money locally and skilled refugees are employed in local schools, hospitals, nightclubs and formal organisations. However, refugees are exploited in the consumer markets, particularly the rental accommodation sector, often paying higher prices for goods and services than Ethiopians. Furthermore, the lack of a legal right to work means that some skilled refugees are forced into low-skilled work, inhibiting their potential contribution to the host community. Refugee businesses can also generate competition for those enterprises owned by members of the host community.

Refugees were linked to the wider local community through **reciprocal employment** and refugees contribute to the local economy as a source of labour, and their businesses provide a labour-absorbing mechanism in Addis Ababa. Some 10 per cent of the 144 Ethiopian-owned businesses interviewed employ refugees although 67 per cent of these said they would hire refugees if it were legal. Some 52 per cent of the 51 refugee-owned businesses employed Ethiopians – as waiters, hairdressers, retail workers, guards and mechanics – which allowed them to attract local customers. Ethiopian women were also employed by refugees as domestic workers, which aided assimilation for refugee employers. However, refugees sometimes struggled to find employment because of legal constraints, physical traits, lack of Amharic and lack of cultural affiliation. Refugees were often exploited when they did get work, and reported receiving lower wages than Ethiopians (particularly in car garages and in construction work), or receiving ‘incentive money’ instead of wages. They also had little job security and limited workers’ rights.

Refugees **created new markets** in the host city by providing a consumer base for niche products aimed towards a minority or diasporic market, and by introducing new products. Both Ethiopian-owned and refugee-owned businesses were catering for a diasporic market, with restaurants selling culturally specific food and drinks, retail stores selling traditional dresses, hair salons advertising culturally defined styles. The presence of refugees also made viable different service-orientated businesses, such as translation services and rental and employment brokers. Innovation is evident and refugees introduced new products to the local market with Somali refugees importing commodities from their country of origin. Products such as incense, henna, perfume, clothing and cosmetics were imported from abroad, brought as contraband through Somalia and sold in Addis Ababa. While the creation of these new markets is largely positive for Ethiopian consumers, refugees reported a hesitancy amongst some Ethiopians to purchase from them because of a difference in nationality, religion or language.

Internationalisation: Refugees and their businesses are part of broader economic systems and diaspora links can be key in generating new enterprises. These networks function at national and international levels and include cross-border value chains. Refugees engage with transnational and sub-regional trade networks, use the latest technology to communicate with relatives abroad, and import foreign currency through remittances. While cross-border value chains and foreign currency import has a positive effect on local business, current legislation that restricts freedom of movement for refugees as well as their right to own businesses licences or property inhibits it.

5.5 Interventions to secure refugee economies in the absence of a right to work

The study identifies eight key interventions to secure refugee economies in the current Ethiopian context where there is no *de jure* right to work for refugees (research question III).

Advocacy: The Ethiopia case study demonstrates the importance of advocating for a right to work, given the achievements to date of organisations such as the UNHCR and the international refugee councils in progressing refugee rights. Ethiopia has operated an enlightened open-door policy to refugees and makes extensive efforts to support their welfare. Understanding these experiences in Ethiopia may inform efforts to advocate for change in other countries.

Enabling self-help by creating a conducive environment for work: The concept of self-help, or self-reliance, is prominent in humanitarian sector discourse and focuses on the capabilities of individuals and communities to resolve challenges themselves. Given the success of self-help economic responses amongst many urban refugees in Addis Ababa, the challenge for the humanitarian sector is how their engagement can support self-help economic solutions by creating a conducive environment for work. This might include steps such as licensing, securing workspaces, access to key infrastructure and ensuring access to training and micro-finance.

Addressing labour protection gaps: This study has documented how refugees face multiple forms of exploitation within the labour market. The challenge is how to avoid exploitation when their work is not legal. The same dilemma exists in other policy spheres where humanitarian organisations intervene to support those taking part in illegal activities (eg prostitution). Lessons can be drawn from these initiatives.

Strengthening representation: Urban refugees are diverse and dispersed, difficult to reach in an urban setting, with different needs and skills. Enabling groups to meet to identify their needs as a basis for discussion with humanitarian assistance communities is important.

Training and skills: There is often a poor fit between the training offered to refugees and their existing skill sets and market opportunities. Training should be developed based on a solid understanding of both the market and the individual, for example through creating and enhancing new markets based on the skills of refugees. It is incredibly challenging to develop routes into employment, given the legal context, but stronger links might be made with informal economic actors.

Targeting illicit economies: This study, like others, has documented the movement of some refugees into illicit economies, sometimes due to the dearth of alternative survival options (eg prostitution) but also for economic gain (eg the import of contraband through Somalia). Humanitarian agencies face the challenge of developing specific interventions that provide alternative economic options alongside support for individuals forced into illicit economies. National government must then respond to the burgeoning contraband economy, embracing its positive impacts on the availability of goods and employment generation, while also ensuring effective regulation and tax collection.

Inclusion in local economic development policy: As refugee businesses are not legal they are not recognised and planned for in local economic development (LED) policy, despite their many positive contributions. The concept of 'refugee economies' including the livelihood activities, enterprises, consumption and support for refugees, and their potential to promote neighbourhood regeneration, should be an explicit focus for support in LED policies.

Consumer rights and protections: Refugees are often exploited as consumers, despite their weak economic position – in essence they are doubly disadvantaged as consumers. There is an opportunity for humanitarian actors to improve the protections in place to protect consumer rights of refugees.

5.6 Challenges and opportunities in the transition towards a right to work

With the transition from *de facto* to *de jure* rights to work imminent for at least some refugees in Ethiopia, it is important to consider how the findings of this study might inform the transition. Despite the differences in communities' integration and capabilities, a strong theme expressed by KIs was that nationality should not determine different treatment of refugees. Seven key challenges and opportunities are identified (research question IV).

Permission to work: There is a long-standing literature which describes the importance of reducing bureaucratic barriers to realising a formal right to work. Governments must ensure work permit costs for refugees are affordable and accessible.

Business licences: In addition to work permits for individuals, enterprises need business licences. Many are happy to pay taxes in exchange for legitimacy. Refugee businesses should be able to register under the name of refugee owners. Many refugees rely on self-employment, for whom access to a legal licence is critical. Together with work permits, enabling refugee businesses to apply for licences should form a key element of widening access to employment. Reassurances about potential reprisals will need to be given to the many existing refugee businesses that are currently ‘illegally’ registered under an Ethiopian citizen. Without reassurances businesses will be less likely to transition to refugee ownership following any change in law.

Employment protections: Refugees have been exploited in the labour market. Therefore, the right to work will need to be accompanied by access to labour tribunals or similar, to reduce unfair treatment within the labour market.

Joint stakeholder platform: Once the legislation is changed, a joint platform with all key stakeholders (government, UNHCR, NGOs and refugees) should meet regularly to recommend practical solutions to implementation issues as they arise.

Anticipating and managing growth: Introducing a right to work will lead to growth in the number of refugees playing an active role in the economy. Perhaps the greatest challenge is how this growth can be successfully accommodated in ways that do not create tensions with host populations. This study found that competition between refugees and Ethiopians is limited and there is widespread support for the extension of the right to work for refugees. However, a media campaign highlighting success stories of local and refugee business collaboration may help lessen any tensions that may arise.

Maintaining a safety net: Not all refugees will be able to work. Many refugees currently in Addis Ababa are permitted to live there on health or protection grounds. Consequently, a safety net must be retained and this safety net must provide sufficient support to enable a decent standard of living in urban settings.

Wider issues of integration: Even if access to employment for refugees is increased, many of the issues facing refugees will persist, for example language barriers and access to housing. The government and humanitarian actors will continue to have a role in this complex landscape.

5.7 Summary of conclusions

The core conclusion of this study is that refugees in Addis Ababa face considerable economic difficulties and pose many challenges for urban and national authorities. Yet refugee economies are diverse and highly integrated into the city’s economy, providing jobs and contributing to economic growth. The more that refugees are able to work, the more their communities can achieve, and the less they will depend on national and international assistance. Refugees with a right to work will also see Ethiopia as a place of welcome in which they can invest and remain.

The Ethiopian case study has revealed a great deal about the opportunities and challenges for humanitarian sector actors as they seek to intervene in and enhance refugee economies in contexts where rights to work are restricted or absent. The research has also drawn out some of the specific challenges likely to emerge as a result of the planned transition towards a right to work for registered refugees in Ethiopia. It is hoped that these lessons will inform emerging developments in Ethiopia, while also offering insights for other country contexts where no *de jure* right to work yet exists.

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