Key messages

- The search for better livelihood opportunities has always driven people to migrate. It can also contribute to fostering local development and growth.
- Migration is frequently perceived as a threat, which tends to result in more barriers and restrictions to mobility. These often lead to irregular migration and informality of work, where the economic gains of mobility are lost. Work in the informal economy is often characterised by low wages, exploitative work conditions, increased work hours and lack of job security.
- Asylum-seekers and refugees often find their access to jobs and sustainable livelihoods restricted by legal, social, economic and other barriers.
- Worldwide, there are many job facilitation and training initiatives aimed at providing migrants with opportunities to facilitate mutual knowledge and skills transfers and at integrating displaced populations in the local labour market. However, these initiatives need to be better utilised to maximise the development potential of mobility.
Introduction

In 2017, the number of international migrants reached 258 million, while the total number of refugees and asylum-seekers in the world reached 25.9 million (UN, 2017). The most recent global estimates indicate that more than 740 million people have migrated within their own country of birth, making internal migration one of the most prevalent and immediate modes of human mobility (IOM, 2018).

The economic dimensions of mobility, in terms of access to jobs and sustainable livelihoods, are central to the integration process of migrants and displaced populations. Yet both groups are often faced with structural, legal and other barriers. These include laws that restrict access to certain professions and restrictive sponsorship schemes that do not adhere to basic labour and human rights standards, that limit the duration of employment or do not recognise certain qualifications. Migration can be a burden on local resources and the local economy. But if turned into an opportunity, it can stimulate the local economy and enrich it with diversity in shared knowledge, experience, skills and expertise.

This briefing note looks at the economic dimensions of mobility in terms of access to jobs and sustainable livelihoods. Through a rapid scoping review of existing research by the Overseas Development Institute (ODI) over the past three years, this brief will present cases from different regional contexts: (1) those who moved, either internally or internationally, in search of better economic opportunities or livelihoods; as well as (2) those compelled to move due to reasons beyond their control including conflict and fear of persecution, but who aspire to engage in the labour market either through facilitated access to work or through sustainable livelihood opportunities.

As a rapid scoping review, this brief is limited in its scope of documents retrieved, mainly drawing on studies by ODI over the past three years, on the drivers of internal and international migration, existing legal pathways to international migration and access to jobs, and restrictions and barriers impeding mobility and access to work opportunities, especially in the case of displaced populations. It will showcase examples from different regions, particularly internal migration in Southeast Asia, the case of Syrian refugees and asylum-seekers in Jordan and Europe, and the recent initiatives undertaken by the Ethiopian government to enable refugees and asylum-seekers to access work and livelihood opportunities.

The term ‘migration’ is used to describe those who moved voluntarily either internally or across borders in search of better economic opportunities or livelihoods, and reference to the ‘displaced’, ‘refugees and asylum-seekers’ is used here to describe those who fled their countries owing to conflict, persecution or human rights abuses. The term ‘displacement’ or ‘forced displacement’ is understood as encompassing both categories of ‘refugees’ and ‘asylum-seekers’ and is used when their legal status is either unclear or when referring to the situation of displacement in general.

The economic dimension of mobility: opportunities and barriers

Migration is a defining feature of the 21st century and is significantly contributing to the economic and social development of countries across the world (Foresti and Hagen-Zanker, 2017). It has long been seen as a mode of improving livelihoods and for providing the prospect of better future economic opportunities and potential (Hagen-Zanker et al., 2017). This applies to both internal and international migration. Internal migration is considered to be the most immediate, common, low-cost and in some cases preferred form of mobility before cross-border migration. For example, one study demonstrates that where internal migration was a preferred mode for improving livelihoods and seeking potential opportunities, almost all short-range migrants were found to be able to save money. Many also developed new skills, which contributed to their ability to earn an income in cities and rural areas alike (Godfrey et al., 2001).

Internal migration occurs for a variety of reasons. In the majority of low- and middle-income countries, the search for employment and the drive to escape extreme poverty remain the primary factors of voluntary movement (Asfaw et al., 2010; Beegle et al., 2011; Tacoli et al., 2015). The evidence suggests that migration can reduce poverty and stimulate economic growth, particularly in rapid-growth economies. Rural–urban labour migration in China, for example, contributed 16% of China’s total GDP growth between 1994 and 2006 (Deshingkar, 2006). Migrants in Vietnam’s industrial cities have propelled Vietnam from being one of the world’s poorest countries in 1985 to having an average per capita income of more than $1,000 in 2010 (Taylor, 2011). Yet despite the potential for economic gains, our research suggests that the positive outcomes of rural–urban migration remain largely contextual, depending not only on countries’ economic prospects, but also on employment sectors and migrants’ own skill levels (Lucci et al., 2017).

Like internal migration, our evidence shows that international migration can be a powerful tool for poverty reduction that offers the potential for substantially increasing the incomes of migrants and their families in countries of origin (Hagen-Zanker et al., 2017). This can be achieved through remittances, as well as knowledge, norm and in-kind transfers, which can also have a significant impact on the level of development in the country of origin (ibid.). For many households, labour migration is a central element of livelihoods that can have an immediate and direct effect on the income level of the family. In countries of origin, it can lead to increased wages and economic growth through an increase in incomes, spending and investment; in host countries, migrants can contribute to...
the labour market by filling labour gaps and contributing to services and the fiscal balance (Foresti and Hagen-Zanker, 2017).

Yet migration does not always succeed in achieving its full potential. Our research suggests that despite the existence of legal migration pathways, there are legal, social and political barriers to employment on the ground. It further reveals that restrictions on mobility as well as the high costs involved in the different stages of the migration process undermine potential payoffs and prevent those who would benefit the most from migrating from doing so in a regular and orderly manner (Hagen-Zanker et al., 2017).

Our research with Syrian refugees in Jordan shows that despite the recent initiatives of the Jordanian government to facilitate access to work permits, there are social, cultural, economic and other barriers that restrict the access of Syrian refugees, especially Syrian refugee women, to the labour market (Hunt et al., 2017). These include a lack of economic opportunities and chronic under-development, the prevalence of the informal sector restricting access to the formal economy, a lack of economic growth, and labour conditions in the informal sector (see Barbelet and Wake, 2017). Social and cultural barriers (e.g. safety and transportation) associated with traditional work also make it particularly challenging for women to access the labour market (Ritchie, 2017). Research conducted in Jordan in collaboration with the International Rescue Committee (IRC) in 2017 suggests that the gig economy in Jordan may provide Syrian refugee women with an opportunity to overcome such barriers (Hunt et al., 2017). Yet as in many other regions in the world, it remains unregulated in Jordan and is still in its infancy. Furthermore, many skilled professions are excluded from the Jordanian work permit schemes and a relatively large number of refugees who either ran home businesses or worked in the informal sector expressed their inability to access legal work or to convince their current employers to legalise their work situation (Barbelet and Wake, 2017). Work permits for refugees have been a recent policy focus of humanitarian and international development agencies, yet while our research supports the assertion that work permits are a positive step, they are not a panacea (ibid.).

On the other hand, large migration flows can also negatively impact and impose significant strains on existing resources and the local economy in host communities. This is particularly the case in low- and middle-income countries, where there is a lack of proper infrastructure and resources to accommodate a significant number of migrants quickly. Our research on the educational systems in Jordan and Lebanon during the Syrian conflict shows that the rapid increase in the number of students led to the introduction of second shifts, heavily impacted the quality of education and contributed to larger class sizes, among other effects (Nicolai et al., 2017). Even some high-income countries across the European Union (EU) are struggling to absorb and integrate the significant arrivals of forcibly displaced people in their local economies since the beginning of the Syrian conflict.

Today, the EU is host to more than 20.7 million migrants from third countries making up 4.1% of the EU’s total population. Since 2011, more than 1 million have applied for asylum in Europe. With the exception of Ireland and Lithuania, every other member of the European Economic Area (EEA) grants asylum-seekers the right to work at some point during their application process before a decision is made on their application. In fact, it is not common for any country to grant asylum-seekers the immediate right to access the labour market for fear that such a right would be a pull factor and would encourage economic migrants to embark on the asylum route. Asylum-seekers applying in Greece and Sweden are, however, granted an almost immediate right to work. Other countries grant the right to work to asylum-seekers after a waiting period from the time of application that varies from two months (as in Italy) to 12 months (as in the UK) (Migration Watch UK, n.d.; OECD, 2016).

Yet beyond the legalities around the right to work, research shows that refugees and asylum-seekers, who often lack knowledge of the local language, are frequently faced with other social, political and cultural barriers to employment.

Practically speaking, many asylum-seekers and refugees, who in theory do have the right to work, are unable to integrate into the local economy due to linguistic, social and cultural barriers. This is particularly the case for women refugees. For example, research on newly-arrived third-country nationals across countries in the EU suggests that cultural barriers and difficulties in balancing parental and/or domestic duties with introduction activities, training and education have acted as major barriers to migrant women’s access to education, hence impeding their integration. Linguistic and cultural barriers are strongest among migrant girls who are more dependent on their community and family (Jursenienė, 2017).

Additionally, during the transition time between applying for and being granted asylum, asylum-seekers are dependent on social assistance from the state. In many cases they cannot gain access to language classes and other educational or training courses. This can impose a further barrier to their integration in the local market.

**Modes of work: the formal versus the informal**

For many migrants drawn to urban centres, job opportunities in the formal sector are scarce, particularly in low- and middle-income countries. Instead, the informal sector dominates and provides the main means of earning an income. Migrants frequently resort to self-reliant strategies, such as self-employment, to sustain themselves economically. Among the general population, self-employment represents 70% of the informal employment in sub-Saharan Africa, 62% in North
Africa, 60% in Latin America and 59% in Asia. Home-based workers and street vendors are the two largest sub-groups, which together represent 10% to 25% of the workforce in low- and middle-income countries (Deshingkar and Grimm, 2004). Entrepreneurship in the informal sector is largely gendered, with women often working as petty traders, food vendors and hairdressers. Men often work as artisans, construction workers and motorbike drivers (Awumbila et al., 2014).

In Ethiopia, our research shows that some of the few opportunities available to Eritrean refugees and asylum-seekers in Addis Ababa involve informal work for Ethiopian business owners. However, evidence suggests that informal participation in the Ethiopian labour market is often structured on adverse, unstable and exploitative terms (Mallett et al., 2017). Our research shows that across the Middle East and North Africa (MENA) region, the majority of Syrian refugees are working in the informal sector (Hunt et al., 2017), which is a growing sector in general in the region. In Jordan, for example, the informal economy represents 44% of the total employment (MPIC, 2010; Rawashdeh, 2017). Where Syrian refugees are not automatically granted the right to work in MENA countries, our research shows that they are often forced to work illegally or in the informal economy (Barbelet et al., 2017). In Jordan and Turkey, for example, Syrian refugees expressed that they felt forced into taking up informal, low-paying jobs despite the introduction of work permit schemes in both countries.

The 2016 Jordan Compact committed the Jordanian government to create more work opportunities and issue work permits that enable formal employment, yet our analysis shows mixed views on its actual impact; although there has been a rise in the number of permits issued, this has not happened at the expected rate (ibid.). Moreover, research seems to suggest that the rise in the number of permits issued by the Jordanian government was not the result of the creation of new jobs, but rather the formalisation of existing informal work. There is little evidence of its impact at the micro-level in relation to refugees’ lives and livelihoods. Informal employment among Syrian refugees remains prevalent. A large number of refugees are only skilled to do jobs that are by law reserved for Jordanians and hence work permits will not allow these refugees to pursue work according to their skills. For example, our interviews with Syrian refugee women in Jordan demonstrated that a significant number ran home-based enterprises mostly in hair and beauty services – a profession reserved for Jordanians – or other domestic-related work, including tailoring (mainly mending clothes) or food production and delivery (Hunt et al., 2017).

Crackdowns on the informal economy in many countries result in constrained livelihoods and affect migrants’ ability to move out of poverty. The common practice of sending remittances and the lack of regulations around this regarding informal work can contribute to a loss of income that could otherwise add to sustainable livelihoods and local development (Tacoli et al., 2015). In addition to having active regulations against it, many countries in Africa and Asia lack legal support systems to address problems in the informal sector, such as exploitation. This leaves informal labourers with no legal recourse and without access to basic services.

**Figure 1** Waiting period until a work permit is granted to asylum-seekers across European Economic Area (EEA) countries

![Figure 1](image.png)

*Source: OECD, 2016*

*Note: certain employment conditions apply in some countries, e.g. labour market tests.*
Integrating displaced populations: the cases of MENA and Ethiopia

The vulnerability of forcibly displaced populations, especially since the start of the Syrian crisis in the MENA region, has increasingly prompted different international, regional and local stakeholders to adopt development approaches to improve refugee livelihoods. The Jordan Compact stands as an example of one of the most innovative and unique initiatives undertaken at the international level to address refugee livelihoods (Bablet et al., 2017). It also reflects the steps undertaken by the international community to negotiate two global compacts, on migration and on refugees, to address the different development challenges concerning sustainable livelihoods.

On the regional level, host countries across the MENA region, such as Jordan, have also signed a number of mobility partnership agreements with the EU to support refugees and vulnerable communities via the Macro Financial Assistance Instrument, the European Neighbourhood Instrument, the Instrument contributing to Peace and Stability, the EU Trust Fund and the EU’s humanitarian budget (Immenkamp, 2017). A common objective of these different instruments is to provide incentives to governments across the region to uphold basic principles around democracy and human rights, as well as fostering stabilisation, security and prosperity, while providing financial assistance and humanitarian support to vulnerable communities hosted in the region.

On the local level, countries across the region are undertaking various initiatives to sustain and support Syrian refugees: for example, while Lebanon is currently negotiating its own Compact, Jordan has created special economic zones in order to attract new investments and improve access to the EU market with the aim of attracting Jordanian and Syrian workers. Employers in these special economic zones are required to ensure that Syrians comprise at least 15% of the workforce in any business for the first two years and 25% thereafter, which will contribute to the planned creation of 200,000 jobs (Barbelet et al., 2017). This is currently financed by a US$300 million loan from the World Bank Group (World Bank, 2016; Apolitical, 2017). Yet the prospects for the success of this initiative remain unclear. Similar initiatives in Asia have been criticised for eroding labour rights, with reports of low wages, increased working hours and exploitative working conditions – contributing to them being labelled ‘special exploitation zones’ (Crawley, 2017). Moreover, these types of zones are particularly unattractive for Syrians, especially women, given the long working hours and being located far away from the towns and camps where refugees live.

Yet Ethiopia, which is host to the second largest population of refugees in Africa (UNHCR, 2017), is currently constructing US$500 million worth of industrial parks supported by funding from the EU, the UK and others with the aim of creating 100,000 jobs, of which 30% will be made available to refugees (Abebe, 2018). This comes as part of Ethiopia’s recently announced policy goal to close all 27 refugee camps on its territory over the next 10 years and to integrate the residents of these into local communities, as well as its efforts to address youth unemployment (Frew, 2017; ibid.). In fact, until very recently refugees were required to live in camps near their respective borders. However, this requirement has been relaxed since 2010, when the government introduced an out-of-camp policy for Eritrean refugees provided that they have no criminal record, can sustain themselves financially or are supported or live with friends or relatives in Ethiopia. The aim of the policy is to improve Eritrean refugee access to services, especially health, education and skills training opportunities, and to form stronger ties with the community (WFP, 2011).

At the same time, in the follow-up to the adoption of the New York Declaration on Refugees and Migrants and its first annex on the ‘Comprehensive Refugee Response Framework’ (CRRF) in 2016, the Prime Minister of Ethiopia vowed to develop mechanisms to implement the pledges made at the summit, particularly those that would allow refugees to gradually live outside camps, seek work opportunities, cultivate land, access education and health services and even be provided with formal legal integration for those who have lived for 20 years or more in Ethiopia (Corbet et al., 2017). According to the Ethiopian government, the pledges made by the Prime Minister should help facilitate the implementation of the CRRF and the promotion of refugee self-reliance strategies through an improved and sustainable response. Over the next 10 years, this should also gradually put an end to the encampment policy and progressively advance out-of-camp and local integration options for displaced populations (UNHCR, 2017).

In this regard, and with the leadership of the Ethiopian Investment Commission, the Ethiopian government has embarked on an industrialisation agenda aimed at creating jobs for Ethiopians and refugees alike as part of fulfilling its commitment to the CRRF. Along the same lines, the Ethiopian government, supported by the UK, the EU and the World Bank, has undertaken another major initiative worth £410 million (US$529 million) building two major industrial parks to create 100,000 new jobs for both refugees and Ethiopians. One third of these jobs are guaranteed to go to refugees (Mallett et al., 2017). Alongside such initiatives, Mallett et al. (2017) note that there are also other smaller-scale livelihood programmes in Ethiopia that are typically managed by humanitarian and development agencies in areas hosting vulnerable communities.

Ethiopia has also embarked on a number of international agreements that aim to provide support as well as endorse its plans to implement the CRRF, such as the joint declaration for a Common Agenda on Migration and Mobility (CAMM) with the EU. This joint collaboration focuses on issues related to the international protection of refugees and on supporting refugee needs, among others, including combating
the trafficking and smuggling of vulnerable refugee populations (European Commission, 2015).

Despite these pledges, the fieldwork by Mallett et al. in Ethiopia demonstrates a harsh reality of ‘journeys on hold’ and a life spent ‘in waiting’ with limited economic and livelihood opportunities (Mallett et al., 2017). The research, in different refugee camps in Ethiopia, such as Adi Harush, shows how difficult life is in a refugee camp located in a poor rural community lacking economic opportunities, even in the informal sector. In-country livelihood support includes measures allowing refugees to live outside camps, as explained earlier, as well as training, loans and tolerating some limited form of informal work. However, these initiatives are helping people to meet basic survival needs only and their potential impacts are being undermined by the fact that in Ethiopia, as in other low- and middle-income refugee hosting countries, refugees are denied the right to work (ibid.). This doesn’t enable them to put acquired skills, capital and resources into use and forces vulnerable displaced populations into accepting precarious and possibly insecure and illegal working arrangements (ibid.). Even with the right to work, as explained earlier, other practical measures still need to be taken to guarantee that refugees realise their full potential.

**Conclusion**

This briefing note explores the economic dimensions of mobility in relation to accessing jobs and livelihood opportunities, based on a rapid scoping review of ODI’s work on this issue for the past three years. The emerging findings of this work demonstrate both challenges and opportunities. Understanding these can help both to improve policy and highlight the importance of the economic dimensions of mobility, including by providing and facilitating legal pathways to employment and livelihood opportunities for both migrants and displaced populations.

The search for better livelihood opportunities has always driven people to migrate. It can also contribute to fostering local development and growth. Yet migration is frequently seen as a threat, which results in more barriers and restrictions to mobility. These often lead to irregular migration, trafficking and the informality of work, where the economic gains of mobility are lost.

Despite the toxic debates around migration, evidence suggests that regular pathways for migration and legal pathways for the integration of displaced populations do exist and that there is a potential for reform (Fanjul and Mansour-Ille, 2018). A recent study conducted by ODI and the London School of Economics explored existing public and private sector initiatives worldwide aimed at providing migrants and the forcibly displaced with legal pathways to improve their livelihood outcomes. It found that worldwide there are many job facilitation and training initiatives aimed at providing migrants and displaced populations with opportunities to maximise the development potential of mobility (ibid.).

Creating legal and safe pathways to migration as well as legal pathways for the local integration of displaced populations can potentially turn mobility into an opportunity. This is through mutual knowledge and skills transfer and through providing educational and work opportunities to migrants and the forcibly displaced that would allow them to easily integrate into the local labour market. Yet this is not necessarily the case on the ground.

Many migrants and the forcibly displaced often find their access to jobs and sustainable livelihoods restricted by legal, social, economic and other barriers. In countries where economic opportunities are scarce or restricted, and the informal economy is prevalent, migrants and the forcibly displaced often resort to the informal sector for work. Research suggests that the informal economy, especially in low- and middle-income countries, may provide migrants and the forcibly displaced with opportunities not available in the formal sector and may allow them to overcome restrictions and barriers to gainful employment. Despite its potential, however, informal work does not offer workers guarantees that would protect their labour rights in terms of pay, working hours, abuse and exploitation.

While granting the formal right to work to migrants and the forcibly displaced would theoretically improve their access to formal work opportunities and sustainable livelihoods, research demonstrates that it may not be enough to overcome other barriers. At the local level, important steps, such as the plan to abandon encampment policies, or to ease restrictions around them, have already been taken by some low- and middle-income countries hosting refugees, such as Ethiopia. Yet countries need to fully commit to such approaches and adopt other practical complementary measures that would help to achieve the full potential of refugees. Additionally, vulnerable displaced populations have been the subject of new so-called ‘development approaches’ by different international, regional and local stakeholders that aim to improve their access to jobs and sustainable livelihoods. As with the Jordan Compact, it is not yet clear, however, to what extent facilitating the access to formal work permits or guaranteeing employment quotas in special industrial zones improves in practice the situation of refugees in low- and middle-income countries. Yet it is important to recognise and learn from the ‘compact approach’ and from other developmental approaches employed in Jordan and elsewhere while accounting for their limitations.
References


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