Key messages

• Because refugees move for safety, they are not always able to reach destinations where their skills are in demand. Providing international protection often comes with costs for the host country, and yet it is an obligation under international law.

• Responsibility-sharing is key to managing these costs, and it requires complementing global efforts with regional action.

• Host countries’ policies can also help reduce the costs, while maintaining high protection standards. Refugee situations tend to last for years, and managing them exclusively through emergency and humanitarian programs is ineffective. Policies should be geared toward financial and social sustainability by means of internal mobility, self-reliance, and inclusion in national services (figure 7.1).

• Innovative approaches are also needed to facilitate the achievement of durable solutions by combining legal and development perspectives.

Figure 7.1 Refugee situations are best managed with a medium-term perspective, with costs shared across countries

Source: WDR 2023 team.

Note: Match refers to the degree to which a migrant’s skills and related attributes meet the demand in the destination country. Motive refers to the circumstances under which a person moves—whether in search of opportunity or because of a “well-founded fear” of persecution, armed conflict, or violence in their origin country.
Recognizing the development challenge

Under international law, international protection is required when people crossing borders are “unable or unwilling to return to their country of origin owing to a well-founded fear” for their life, physical integrity, or freedom as a result of persecution, armed conflict, or other forms of violence—that is, they are refugees. This definition was codified in the 1951 Convention Relating to the Status of Refugees, its 1967 Protocol, and subsequent international refugee law. As of 2022, more than 149 states were parties to the convention or the protocol, or both, although almost half of them have reservations about specific articles.

Central to the Refugee Convention is the binding legal norm of non-refoulement—that is, the prohibition on sending refugees back to their country of origin or other places “where [their] life or freedom would be threatened.” The convention also provides certain socioeconomic rights that are essential for refugees to reestablish themselves. Although implementation has been uneven across countries, this system has been praised for saving tens of millions of lives over the last several decades.

A growing crisis

The number of refugees has more than doubled over the last decade (figure 7.2). As of mid-2022, there were about 37.8 million refugees worldwide: 26.7 million refugees (and people in refugee-like situations) under the mandate of the United Nations High Commissioner for Refugees (UNHCR); 5.8 million Palestine refugees under the mandate of the United Nations Relief and Works Agency for Palestine Refugees.

Figure 7.2  The number of refugees has more than doubled over the last decade

Note: Refugees include all those under the mandate of the United Nations High Commissioner for Refugees (UNHCR), Palestine refugees under the mandate of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), and other people in need of international protection. Data for 2022 are as of mid-2022, when the latest figures were available.
in the Near East (UNRWA); and 5.3 million other people in need of international protection. An additional 4.9 million people have requested asylum (asylum-seekers) and are awaiting a decision on whether they will be granted refugee status. These numbers have since increased, including with the flight of over 8 million Ukrainians as of February 2023 (box 7.1).

**Box 7.1  Ukrainian refugee crisis**

The Russian Federation’s invasion of Ukraine has triggered the largest humanitarian and displacement crisis in Europe since World War II. Nearly a third of Ukraine’s prewar population was displaced by late February 2023, including over 8 million refugees registered across Europe and 5.4 million internally displaced persons within the country. Most Ukrainian refugees initially fled to neighboring countries (Poland, the Slovak Republic, Hungary, Romania, and Moldova) before moving on to higher-income countries in the European Union. In 2023, Poland and Germany are hosting the largest numbers of Ukrainian refugees (1.6 million and 1 million, respectively), whereas Czechia, Estonia, Latvia, and Lithuania are hosting the largest numbers of refugees as a percentage of their population (map B7.1.1).

**Map B7.1.1  Ukrainian refugees are hosted across the European Union and neighboring countries**

Refugee situations—traditionally seen as humanitarian emergencies—are also increasingly lasting many years (figure 7.3). Because conflicts are often protracted, and durable solutions are lacking. Of the large refugee crises since the end of the Cold War, only one—Kosovo in 1999—was resolved in a matter of weeks. In all other crises, refugees have found themselves in a lengthy, intractable state of limbo. For example, many of the Afghans who left their country following the 1979 Soviet invasion are still out of their country, and many of the current Afghan refugees are, in fact, the grandchildren of those who initially fled. At the end of 2021, there were 51 protracted refugee situations that accounted for 15.9 million refugees, or more than 40 percent of all refugees.

Refugees’ specific vulnerabilities

The plight of refugees poses challenges for development efforts aimed at eradicating extreme poverty, boosting shared prosperity, and achieving the United Nations’ Sustainable Development Goals. As extreme poverty has receded across the globe, it has become increasingly concentrated among vulnerable groups, including refugees.

Many refugees have specific vulnerabilities that distinguish them from other poor populations and require dedicated support. Many of them have also lost assets and have undergone traumatic ordeals. The challenges they face are often compounded by a status that gives them limited rights, limited access

Box 7.1 Ukrainian refugee crisis (continued)

Women and children account for 86 percent of Ukrainian refugees, and 78 percent of refugees have been separated from immediate family members, mainly because of restrictions on men leaving Ukraine. A recent survey found that 40 percent of refugees have already found employment or are self-employed, although about half still rely on social protection or cash assistance (or both).

Refugee-hosting countries swiftly established temporary protection regimes that now cover more than 4.8 million Ukrainian refugees, providing a legal basis for them to work and access services across the European Union and in Moldova. To provide refugees with protection and assistance, national and municipal authorities have generally coordinated local responses involving national and local nongovernmental organizations, civil society groups, volunteers, Ukrainian diaspora communities, and refugee-led organizations.

The Ukrainian government is supportive of these efforts—in particular, to prepare refugees for an eventual return to Ukraine. At least 80 percent of refugees plan to stay in their current host countries until hostilities subside and the situation improves in Ukraine. Although for refugees peace in Ukraine is the main condition for their return, adequate access to electricity and water, health care services, housing, and livelihoods in Ukraine also significantly influence return intentions.

Refugee situations—traditionally seen as humanitarian emergencies—are also increasingly lasting many years (figure 7.3) because conflicts are often protracted, and durable solutions are lacking. Of the large refugee crises since the end of the Cold War, only one—Kosovo in 1999—was resolved in a matter of weeks. In all other crises, refugees have found themselves in a lengthy, intractable state of limbo. For example, many of the Afghans who left their country following the 1979 Soviet invasion are still out of their country, and many of the current Afghan refugees are, in fact, the grandchildren of those who initially fled. At the end of 2021, there were 51 protracted refugee situations that accounted for 15.9 million refugees, or more than 40 percent of all refugees.

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As a result, they tend to be disproportionately affected by poverty. In Uganda, for example, in spite of progressive refugee policies, 46 percent of refugees lived in poverty in 2018, compared with 17 percent of the host population.

Some refugees also have higher protection needs (box 7.2). An example is unaccompanied minors, who accounted for about 15 percent of those who sought asylum in the European Union in 2020.

**Figure 7.3** The number of refugees in protracted situations has more than doubled over the last decade

![Graph showing the number of refugees in protracted situations from 1991 to 2022]


Note: Data for 2022 are as of mid-2022, when the latest figures were available.

to opportunities, and a short planning horizon. As a result, they tend to be disproportionately affected by poverty. In Uganda, for example, in spite of progressive refugee policies, 46 percent of refugees lived in poverty in 2018, compared with 17 percent of the host population. Some refugees also have higher protection needs (box 7.2). An example is unaccompanied minors, who accounted for about 15 percent of those who sought asylum in the European Union in 2020.

**Box 7.2 Among refugees, some have higher protection needs**

Women and girls experience forced displacement differently than men and boys and often face special challenges. Displaced populations have large shares of women and children and a high prevalence of female-headed households. In some situations, it has been suggested that displacement provides space for “positive” change and empowerment, such as when gender norms are more progressive at the destination than in the place of origin, or when traditional divisions of labor are disrupted in ways that are favorable to women. But women’s access to the labor market, as well as to education and adequate health services, is not always guaranteed. For example, a recent study found that the employment rates for displaced men were at least 90 percent higher than for displaced women in Ethiopia, Nigeria, Somalia, South Sudan, and Sudan. Women and girls are also often at risk of rape, sexual abuse, and other forms of gender-based violence throughout the displacement cycle—during flight, in transit, and in exile. Early marriage, sexual exploitation, or engagement in survival sex to provide for families are common occurrences in many forced displacement situations.
Refugees need safety and security, but they also need an opportunity to rebuild their lives while in exile and in the expectation of a durable solution. This requires addressing their specific vulnerabilities so they can be back on a level playing field with other members of their community. Under the 1951 Refugee Convention and its 1967 Protocol, international refugee protection is not limited to providing a temporary legal status that prevents people from being subjected to violence and harm. It also entails granting rights that enable refugees to recover and contribute to their host society, such as the right to move freely within the host country, to work, and to access services. Indeed, once they have reached safety, many refugees, like other people in their host society, seek jobs and access to services—at least where they are allowed to do so.

A transformed environment for the development of host communities

By creating new challenges and new opportunities, the presence of refugees transforms the environment in which host communities are pursuing their own development efforts. A combination of policy measures and investments is needed to mitigate the downside of hosting refugees, while taking advantage of the benefits their presence may generate. The arrival of large numbers of refugees is often a disruptive shock for host communities. The consequences of this shock depend largely on the preexisting conditions, the number and composition of new arrivals, and the policy responses. The presence of refugees may exacerbate some preexisting challenges such as unemployment or inadequate services, or it may increase competition for natural resources. It can also disproportionately affect some groups within the host society, including those who have similar qualifications or spending patterns and find themselves in competition with the refugees.

The effects can be significant, depending on the initial conditions and on the government’s and the international community’s ability to respond at scale. For example, in Tanzania, following the arrival of half a million survivors of the Rwanda genocide in 1994, adverse health impacts were apparent in neighboring communities more than a year later, including a worsening of children’s height, weight, body mass, and other anthropometrics; an increase in the incidence of infectious diseases (by 15–20

Box 7.2 Among refugees, some have higher protection needs (continued)

Other groups—such as LGBTQ+ and indigenous people, as well as religious minorities—also often have specific protection needs. Membership in a minority can be one of the main reasons they are exposed to persecution and harm in some countries and consequently are compelled to seek international protection. For example, homosexuality is criminalized in countries such as the Islamic Republic of Iran, Kenya, Pakistan, Saudi Arabia, and Uganda, compelling some people to flee. LGBTQ+ refugees may also be subject to discrimination, either de jure or de facto, in host countries. Other groups, such as indigenous people and religious minorities, may similarly face persecution in their country of origin and discrimination in host countries. Policy making should consider the specific circumstances and protection needs of such groups.

a. UNHCR and World Bank (2019); World Bank (2018a, 2018b).
b. Fiddian-Qasmiyeh (2014); Fincham (2022); Habash and Omata (2022); Tumen (2023); World Bank (2013).
c. GIWPS and PRIO (2021).
d. Klugman (2021); Vu et al. (2014).
percentage points); and an increase in mortality for children under five (by 7 percentage points). These impacts were caused in part by the spread of vector-borne and infectious diseases, combined with the overcrowding of sanitation infrastructure and health care facilities.

And yet the presence of refugees can also benefit host communities. For example, in Tanzania the abundance of refugee labor enabled farmers in host communities to double their cultivated areas between 1993 and 1996. Some refugees use their assets to create enterprises and jobs, such as in Türkiye. An influx of external assistance in previously underserved regions can also transform the economy. In northeast Kenya, local wages around the Dadaab refugee camp are reportedly 60 percent higher than in comparable parts of the country because of the greater economic activity generated in the camp by external assistance.

**Hosting costs that need to be managed**

Because they move to seek safety, refugees do not always bring skills in demand at the destination. Most economic migrants seek a place where there is a demand for their work, but the logic of forced displacement is different: people flee to a safe place, often without regard for labor market considerations. If refugees have skills in demand in the host economy—and if they are allowed to work—their presence provides benefits that are similar to those offered by regular labor migrants, and hosting them is beneficial to the host country. But many refugees do not have such skills or simply cannot work, such as children, persons with disabilities, or those suffering from trauma. Moreover, many end up in places where job opportunities are limited, usually in economically lagging areas of low- or middle-income economies close to the border. In some cases, refugees are even compelled to flee to other conflict-affected countries, such as Somali refugees to the Republic of Yemen. Refugees are denied the right to work in a number of host countries because these countries prioritize access to the labor market for citizens or want to deter further arrivals. In these situations, the economic benefits of labor mobility cannot materialize. Host societies thus need to absorb, even temporarily, large groups of people who cannot easily contribute to their economy.

Hosting refugees therefore often has costs, even though it is an obligation under international law. The challenge for the host country is to manage such costs. It can be achieved through a combination of efforts, such as (1) sharing the costs across the international community using effective responsibility-sharing arrangements; (2) reducing the costs (while preserving high standards of protection) by adopting and implementing adequate policies that go beyond emergency responses; and (3) making progress toward durable solutions—when refugees no longer have protection needs—including by exploring innovative schemes that combine both legal status and access to opportunities.

Such actions should be complemented by international action in the countries of origin to help mitigate the drivers of fragility and address the root causes of forced displacement. International actions include supporting peace, human rights, and the rule of law, as well as supporting durable solutions such as voluntary repatriation and reintegration.

**Enhancing responsibility-sharing through regional solidarity**

The costs—and potential benefits—of hosting are both economic and fiscal. Hosting costs typically are short-term costs related to absorption of the shock caused by a large influx of people, as well as medium-term costs related to hosting refugees in more protracted situations. Economic costs emerge when large numbers of refugees are not able to engage in the host economy—for example, when a large share of the refugees are children, when refugees’ skills are not consistent with the needs of the labor market, or when refugees are not allowed to work. Fiscal costs—government expenditures that must be financed
through taxes or external aid—arise when refugees benefit from public services to which they are not contributing. Both economic and fiscal costs are closely linked to hosting policies.

These costs should not be borne by the host countries alone. The preamble of the 1951 Refugee Convention recognizes “that the grant of asylum may place unduly heavy burdens on certain countries” and that, due to the “international scope and nature” of the refugee problem, it could not be solved “without international co-operation.” It recommends “that Governments . . . act in concert in a true spirit of international co-operation in order that these refugees may find asylum and the possibility of resettlement.” This nonbinding framework does not require cooperation between states, but its objectives cannot be met without responsibility-sharing.

Addressing the challenge of responsibility-sharing is at the core of the 2018 Global Compact on Refugees (GCR). The GCR aims to “provide a basis for predictable and equitable burden- and responsibility-sharing” among states and other stakeholders. Yet the lack of explicit legally binding rules defining the way in which states should fulfill the obligation to share responsibilities for hosting refugees creates uncertainty about how this global public good can be adequately provided. This problem is at the core of the international refugee protection system.

### The current limitations of responsibility-sharing

The responsibility-sharing challenge is acute because most refugees are hosted in a small number of countries—typically low- and middle-income countries bordering the countries of origin. As of mid-2022, about 52 percent of the world’s refugees and other people in need of international protection were hosted in middle-income countries and 22 percent in low-income countries (figure 7.4). Because of the protracted nature of forced displacement crises, many of the largest host countries have been hosting refugees for extended periods of time—for some, such as the Islamic Republic of Iran and Pakistan, more than four decades.

Over the years, an elaborate system of external assistance has been developed for high-income countries to support refugee-hosting low- and middle-income countries. As the numbers of refugees increase, however, this system has been challenged on multiple fronts:

- **Resource availability.** International financing in support of refugees and host communities has been estimated at 12.3 percent of all bilateral official development assistance (ODA) and 3.2 percent of multilateral development bank financing, for a total of US$46.7 billion over 2018 and 2019. In light of the competing demands on external financing needs—on issues such as climate change, food security, and other development needs—these amounts are unlikely to be increased dramatically.

- **Narrow donor base.** External assistance rests on a small number of donors—with three (European Union institutions, Germany, and the United States) accounting for almost two-thirds of the total (figure 7.5).

- **Effectiveness.** For the international community, the cost of supporting refugee-hosting in low- and middle-income countries is, on average, about US$585 per refugee per year—in addition to what these countries are spending directly. This is a substantial amount in view of the average

### Figure 7.4

More than half of the world’s refugees are hosted in middle-income countries

**Share of refugees hosted, by country income group**

- Low-income, 22%
- Middle-income, 52%
- High-income, 26%

Source: UNHCR 2022b.
annual income per capita in 2019 of US$743 in low-income countries and US$5,499 in middle-income countries.\textsuperscript{35}

- **Cross-country allocations.** External aid has also been unevenly distributed across refugee situations.\textsuperscript{36} In 2018–19, about 43 percent of these resources was used for hosting refugees in high-income donor countries. Nearly all of the remaining amount was earmarked for specific countries or regions, of which almost half was directed to the Middle East. Some other host countries, such as Colombia, the Islamic Republic of Iran, Pakistan, and Sudan, were facing a “responsibility-sharing gap.”

- **Emergency focus.** About 71 percent of external financing was provided through humanitarian financing in 2019, typically as a short-term response to urgent demands and often through a cycle of annual budgets.\textsuperscript{37} This approach creates a mismatch between the needs—which are medium term and require predictable streams of resources—and the available funding. The reallocation of resources in 2022 to accommodate Ukrainian refugees following the Russian invasion is an example of the volatility of programming that leaves many host countries ambivalent about making medium-term commitments to improving refugee situations.

Resettlement, the other traditional form of responsibility-sharing, remains marginal in terms of numbers, even though it is politically important.\textsuperscript{38} Refugees are “resettled” when they are offered a chance to move from a low- or middle-income host country to a high-income country where they will be integrated.\textsuperscript{39} These programs have undeniably resulted in positive outcomes for refugees, but very few countries are involved in resettling refugees. In fact, almost three-quarters of all resettlement activity occurs in just four countries: Canada, Germany, Sweden, and the United States (figure 7.6).\textsuperscript{40} Only 57,500 refugees were resettled in 2021, whereas more than 1.4 million refugees needed to be, according to UNHCR.\textsuperscript{41} The low 2021 numbers partially reflected border and travel restrictions in response to the COVID-19 pandemic, but also a downward trend in resettlement options offered by states.

**Figure 7.5** Three donors contribute almost two-thirds of all bilateral ODA to refugees

<table>
<thead>
<tr>
<th>United States, Germany, EU institutions</th>
<th>All other countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>63%</td>
<td>37%</td>
</tr>
</tbody>
</table>

**Figure 7.6** Four countries receive almost three-quarters of resettled refugees

<table>
<thead>
<tr>
<th>Rest of the world</th>
<th>United States</th>
<th>Canada</th>
</tr>
</thead>
<tbody>
<tr>
<td>71%</td>
<td>29%</td>
<td>15%</td>
</tr>
<tr>
<td>Germany</td>
<td>14%</td>
<td></td>
</tr>
<tr>
<td>Sweden</td>
<td>13%</td>
<td></td>
</tr>
</tbody>
</table>

*Source: OECD 2021.*

*Note: EU = European Union; ODA = official development assistance.*
Beyond global approaches

Looking ahead, the priority is to strengthen aid effectiveness because the share of ODA available for refugee-related programs is unlikely to increase dramatically. This effort will require developing instruments that can provide medium-term resources in line with the protracted nature of many forced displacement situations (box 7.3). It can build on ongoing efforts to track financing, such as through the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD), thereby taking stock of spending and facilitating an informed allocation of funds across countries over time. This effort should support hosting policies that provide adequate international protection but also aim to lower the medium-term costs of doing so.

Meanwhile, the base of support for refugees and host communities must be broadened. Under the Global Compact on Refugees framework, responsibility-sharing can be implemented in various ways. They include addressing the underlying causes of displacement, enabling the resettlement of refugees, creating paths for the self-sufficiency of refugees and asylum-seekers, financing assistance and international protection programs, investing in technical assistance and capacity-building in host countries, hosting refugees and asylum-seekers, and improving internal and regional migratory policies. The GCR also aims to broaden the range of partners involved, including development organizations, local authorities, the private sector, and civil society.

For example, leveraging new resources for support in refugee-hosting areas in the form of targeted private sector interventions can complement ODA. It is too early to assess how successful such arrangements will be, especially in view of the disruptions

Box 7.3 An example of development financing: IDA’s Window for Host Communities and Refugees

Since 2017, the World Bank’s financing arm for low-income countries, the International Development Association (IDA), has been providing low-income refugee-hosting countries with development resources over and above their country allocations. These resources, totaling about US$6 billion, help refugee-hosting countries (1) mitigate the shocks stemming from refugee inflows and create social and economic development opportunities for refugees and host communities; (2) facilitate sustainable solutions to protracted refugee situations, including through the sustainable socioeconomic inclusion of refugees in the host country or their return to the origin country; and (3) strengthen country preparedness for increased or new refugee flows. The resources have been deployed in over 17 low-income refugee-hosting countries across a variety of sectors, such as community development, education, health, and social protection.

The IDA Window for Host Communities and Refugees (WHR) provides predictable resources over a multiyear horizon, with a focus on supporting sound hosting policies. The WHR is closely linked to the international protection agenda. To be eligible for these resources, a refugee-hosting country must maintain an adequate protection framework, which is assessed in partnership with the United Nations High Commissioner for Refugees. The WHR also seeks to support and create incentives for government leadership by requiring authorities to develop a strategy for addressing refugee situations. In several countries, the WHR has been instrumental in expanding the policy dialogue to a range of sectoral ministries, such as health or education, beyond dedicated refugee agencies. It has also introduced the Refugee Policy Review Framework (RPRF), which takes stock of key refugee-related policies and provides a basis for coordination on policy reforms.

Source: IDA 2022.
produced by the COVID-19 pandemic. However, the first GCR “Indicator Report,” issued in late 2021, noted that progress has been slow, and it may be further aggravated by the current fractures in the international community.44

Complementary forms of cooperation at the regional level are more promising. Most Latin American countries have worked together (including in the context of the Quito Process45) to develop a region-wide approach that can provide consistency across national responses in the face of the Venezuelan crisis. This approach has helped to lessen pressures on first-line countries, especially Colombia. A similar approach has been adopted by the European Union for refugees from Ukraine, helping to reduce the load on countries such as Moldova, Poland, and Romania.46 Regional efforts are not limited to middle- or high-income contexts. In Africa, the Intergovernmental Authority on Development (IGAD) has helped develop a regional peer-to-peer process to gradually improve the management of refugee situations in the broader Horn of Africa.47

Responsibility-sharing can also be advanced through broader bilateral or multilateral negotiations, such as on trade access.48 In Jordan, the government agreed to provide more than 200,000 Syrian refugees with access to job opportunities in the form of work permits and grant them the right to access public education. As part of a responsibility-sharing scheme—the Jordan Compact—the European Union provided the country with grants, loans, and preferential trade and investment agreements for certain products from Jordanian businesses in which at least 15 percent of workers were Syrian refugees. However, the actual amount of new investments and the actual number of work permits delivered were somewhat below expectations, in part because of the need to ramp up administrative delivery mechanisms (for example, Syrians were working even without work permits) and in part because refugees were limited to formally working only in designated low-skilled sectors.49 The Jordan Compact was followed by a similar scheme in Ethiopia in which the country received significant external financing to develop new industrial zones as part of an effort to create jobs also accessible to refugees.50 Such initiatives can help improve the social and political environment for refugee protection.

Going beyond emergency responses

Because refugee situations almost always last for years, “hosting policies” should be financially and socially sustainable. Decisions made at the onset of a refugee crisis—such as where to accommodate refugees and what status to give them—often set a dependency path that can have long-term implications for both the refugees and the host communities. Tanzania is an extreme case. In the initial rush to accommodate large numbers of Burundi refugees in the 1970s, Tanzania established camps miles away from water sources. As a result, water had to be trucked to the camps for almost 40 years at a considerable cost.51 There is no evidence that hosting policies that take a medium-term planning horizon create incentives for refugees to extend their stay. In fact, they provide a way to minimize costs if the situation becomes protracted.

Successful responses to an influx of refugees enable them to find jobs and obtain services. Examples of responses that reduced the host country’s medium-term needs for financial support as well as major social tensions include Türkiye’s hosting of Syrian refugees,52 the welcoming of large numbers of Venezuelans by Colombia and other countries in Latin America,53 and the efforts of the European Union to respond to the flight of millions of Ukrainians.54

These responses have three main elements (figure 7.7): (1) permitting internal mobility for refugees to lessen pressures on host regions and foster self-reliance (the more refugees are dispersed, the smaller their impact on communities in areas of first arrival); (2) supporting self-reliance and access to the labor market to reduce the financial and social costs of “enforced idleness” (the more refugees can work, the
Figure 7.7  In responding to refugee inflows, host countries should aim for medium-term sustainability—financial and social

Most refugee situations become protracted

Need for sustainable responses:
- Financially (domestic resources/external aid)
- Socially (lessen burden on hosts; ensure fairness between refugees and nationals)

Medium-term financing

Institutional mainstreaming

Internal mobility (versus movement restrictions)

Self-reliance (versus aid dependency)

Inclusion in national systems (versus parallel structures)

Source: WDR 2023 team.

less they need assistance and the lower the costs); and (3) delivering services through national systems (such as health and education) to ensure refugees’ welfare and fair treatment between refugees and nationals while minimizing costs (parallel structures are typically costlier than national ones).

Why are such medium-term approaches not being used more often? The problem may be a lack of incentives and a bias toward the short term. Most international assistance is delivered in the form of humanitarian aid, which has short-term horizons for planning and delivery. But a medium-term approach often requires medium-term financial commitments from donors and host communities to, notably, include refugees in national health and education systems. Financing instruments that can provide predictable resources over a long horizon are thus critical.

Institutional arrangements matter as well. For example, autonomous “refugee agencies” set up at the request of international partners and attached to a country’s security apparatus may have a vested
interest in adopting a short-term perspective centered on legal and security considerations.\textsuperscript{57} By contrast, some countries have established light coordination structures to promote a comprehensive socio-economic approach implemented across sectoral ministries. That is, for example, the approach used by the Border Management Office, Gerencia de la Frontera, in Colombia, which works with sectoral ministries to provide refugees with services within the scope of their sectors, such as education or health care. Institutional arrangements have to be adapted to each context, including in view of the host country’s overall administrative capacity. In some contexts, institutional arrangements can also include a preparedness element (box 7.4).

**Box 7.4** **Preparedness is critical when refugee situations are predictable or chronic**

Refugee movements are not always unpredictable crises. In some countries, refugee inflows have, unfortunately, become regular events. For example, in 23 of the last 30 years Chad has received new refugee inflows from its neighbors. Ethiopia and Uganda are similarly experiencing frequent episodes of large-scale arrivals. And Pakistan and the Islamic Republic of Iran have seen a succession of partial returns and new arrivals of Afghan refugees since 1979. In other countries such as República Bolivariana de Venezuela, the crises that generate displacements build slowly, and so do their effects.

In such situations, medium-term planning can help countries better prepare for possible refugee movements by putting in place institutional and financial arrangements to better absorb the shocks. For example, countries can make contingency plans to deploy civil servants and medical staff to affected areas should a refugee crisis arise. They can identify possible locations and solutions to accommodate large numbers of people in ways that would minimize the long-term financial and social impacts should the refugee situation last. They can also consider prearranged mechanisms that can be activated in crises to transfer additional resources to affected municipalities.

Experience with the management of other crises has shown that preparedness—planning, institutional arrangements, and prepositioned resources—can yield disproportionate benefits. Examples are Japan’s and Mexico’s programs to mitigate the impacts of earthquakes\textsuperscript{a} and Ethiopia’s scalable safety net to respond to drought.\textsuperscript{b} The preparedness agenda has remained relatively less developed in the context of refugee movements, but some countries, such as Uganda, have begun to consider the steps they could take to better plan and respond to possible movements.

\textsuperscript{a} Takemoto, Shibuya, and Sakoda (2021).

**Internal mobility**

Despite provisions for freedom of movement in the 1951 Refugee Convention, one-third of refugees cannot move freely in their host country.\textsuperscript{58} Some 22 percent live in camps, where they are often subject to significant restrictions on their movements, such as being barred from leaving the camp or having to submit an administrative request to do so.\textsuperscript{59} Even when refugees live outside of camps, their movements can be restricted—for example, if they live in remote regions.

Such mobility restrictions hurt refugees and host communities alike. For refugees, being able to move to locations where there are opportunities is critical to finding a job. Denmark, Sweden, and other European countries learned that placing refugees or asylum-seekers in areas with fewer economic

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\textsuperscript{57} See also Box 7.4: Preparedness is critical when refugee situations are predictable or chronic.
\textsuperscript{58} See also Box 7.4: Preparedness is critical when refugee situations are predictable or chronic.
\textsuperscript{59} See also Box 7.4: Preparedness is critical when refugee situations are predictable or chronic.
opportunities and restricting their ability to relocate to other areas curtailed employment outcomes. A lack of economic opportunities where refugees reside makes self-reliance an elusive goal, and they remain largely dependent on external assistance at a high cost for the host government and the donor community.

Host communities are negatively affected as well. Mobility restrictions concentrate refugees in relatively small areas, where they typically make up a large share of the population. Such arrangements amplify the impacts on host communities, and they significantly increase the need for government and external assistance. For example, the Rohingya in Bangladesh (referred to as Forcibly Displaced Myanmar Nationals) account for less than 0.6 percent of the country’s population but about a third of the total population in the Cox’s Bazar district where they are hosted.

In the face of such realities, some countries have, with promising results, introduced a “hosting model” that permits internal mobility. For example, Ethiopia recently adopted “out of camp” policies intended to permit and facilitate movements by refugees in protracted situations. Many of the recent large inflows are managed along similar lines. In Türkiye, Syrian refugees have been granted the right to move freely across large parts of the country, and they have moved to economically stronger regions where they can sustain themselves with minimal assistance and contribute to the economy (map 7.1). In some cases, mobility has also been allowed across entire regions, such as for Venezuelans across Latin American countries and more recently for Ukrainians within the European Union.

Internal mobility has the potential to dramatically change the way refugee crises are managed. It reduces the mismatches between the skills that refugees bring and the demands of the labor market by allowing refugees to access more opportunities. And it allows them to make larger contributions to

**Map 7.1** By allowing refugees to move within Türkiye, the government reduced the impact on communities in areas of first arrival along the border with Syria

*Ratio of refugees to nationals, by region*

the local economy. Meanwhile, it dramatically reduces the adverse impacts on the communities in areas of first arrival—in terms of jobs, prices, services, infrastructure, and social cohesion—by reducing the share of refugees in their population.

Internal mobility also has implications for the way international support is provided. External financing continues to be needed, but often in the form of policy support rather than investment projects as refugees are dispersed across a larger area. At times, the very definition of host community needs to be reconsidered—from a typically rural area where refugees account for a large share of the community to an urban neighborhood where they represent only a fraction of the population. Providing legal protection to refugees when they are living across the host country’s entire territory may also require strengthening capacity in the executive and judiciary as the ability of national institutions to implement legal protection provisions becomes crucial.

**Self-reliance and access to the labor market**

Refugees’ self-reliance and access to the labor market are critical elements of sustainability—both financially and socially. When refugees remain dependent on aid programs, there are high costs in terms of aid, social tensions, and dignity, whether the aid is financed by host governments or foreign donors. Some host countries have thus encouraged refugees to become self-sustaining. For example, in Uganda refugee households with a farming background are given a plot of land to cultivate, although the size of such plots has become smaller as refugee numbers have grown over time.

Medium-term economic outcomes for refugees depend on how quickly they receive a legal status after arrival. Many host countries have processes to deal with new asylum claims and to determine who should be granted refugee status, while others do not. In some contexts, refugee status is immediately granted *prima facie*—that is, to all persons coming from a specific country of origin regardless of their individual circumstances. But in many other contexts asylum-seekers must go through a years-long process to be recognized as refugees—or not. The wait has adverse development consequences. Indeed, extended periods of forced unemployment impede refugees’ longer-term integration into the labor market. In Switzerland, for example, between 1994 and 2004 one additional year of waiting reduced refugees’ subsequent employment rate by 16–23 percent, compared with the average. Enabling refugees’ labor market participation from a very early stage—even while they are applying for asylum—can yield positive long-term results.

For those who receive refugee status, the duration of the status is important. Secure, predictable terms of stay accelerate refugees’ path to self-reliance. They provide a degree of stability that facilitates their getting a job and incentivizes them to make investments—such as in learning a new language or opening a business—that benefit host communities as well. In Colombia, for example, in 2018 a large amnesty program granted legal status, including access to an employment permit, to approximately half a million undocumented Venezuelans. The program increased their income by 31 percent, consumption by 60 percent, and labor formalization rates by 10 percentage points, with minimal effects on the formal employment of Colombian workers (also see box 7.6 later in this chapter). By contrast, in Pakistan Afghan refugees must renew their Proof of Registration Card (their certification of refugee status) every year, which creates significant uncertainty.

The right to work is necessary—but often not sufficient. Although the 1951 Refugee Convention upholds the importance of giving refugees the legal right to work on the same basis as other foreign nationals, only 75 of the 145 signatories grant this right without reservations. Even then, refugees can face administrative or practical barriers in many countries such as the need for work permits, caps on the percentage of foreign workers, exclusion from some sectors, wait periods, and limited access to financial services. As a result, more than 55 percent of refugees live in a country that restricts their right to work, and many can only access informal jobs.
Those countries that grant refugees the right to work typically also grant them rights at work, including minimum standards and conditions. Yet because refugees often have an insecure legal status and lack knowledge of local regulations and language skills, they may still be subject to exploitation, harassment, abuse, or underpayment in the workplace. Complementary measures will, then, be needed for refugees to access economic opportunities. Among other things, being able to access personal identification documents, to open a bank account, to have a driver’s license, or to purchase cellular phone service are critical to labor market participation. Some countries have also put in place programs dedicated to supporting refugees’ economic inclusion, such as direct job matching, counseling by public employment services, language instruction, acquisition of soft skills, or technical training.

Yet even where refugees are allowed to work, it takes them years to close the employment or wage gaps with nationals, as well as with economic migrants. Refugees often start behind economic migrants in employment outcomes and wages. Because they move primarily for safety reasons, many are hosted in areas where their skills and attributes poorly match the labor needs. Some refugees must also overcome trauma experienced in their country of origin and during their journey, which affects their ability to thrive in the labor market. They therefore tend to have more precarious working conditions and to rely more on unearned income in the form of public transfers or remittances in host countries such as Ethiopia, Jordan, and Uganda (figure 7.8).

Figure 7.8 Refugees depend more on transfers and work under more precarious conditions than their hosts

Comparison of primary income sources for refugees and their hosts

Sources: von der Goltz and Schuettler 2022; World Bank 2023.
Note: The figure compares the primary income sources of refugees and their hosts. The findings for Colombia are for those displaced from República Bolivariana de Venezuela, and the findings for Jordan are for Syrian refugees.
The private sector has the potential to create jobs and other income-generating activities for refugees and host communities. Various private actors, however, have distinct incentives, capacities, and limitations in refugee-hosting situations. For example, large multinational firms can command sizable investments, but they also require infrastructure and a sound business climate. National companies, which may also be able to invest large resources, typically concentrate on regions where they are already present or that have a demonstrated potential to grow. By contrast, small and medium enterprises are often more nimble and able to adapt in refugee-hosting environments, but they also often find it more difficult to access financing. Support of the private sector’s engagement in refugee settings thus needs to be tailored to the specifics of each situation.

Overall, in many countries the private sector’s engagement is still at a nascent stage. Large private investments in lagging refugee-hosting areas have yet to materialize at scale. Often these areas have little infrastructure, access to energy, or markets. The potential of the private sector is higher in countries where the business environment is strong and where refugees can move and have unhindered access to jobs, such as in Colombia and Poland. Targeted interventions, such as those to attract Kenyan banks to the Kakuma refugee camp and neighboring towns or to enroll refugees in microfinance programs of “graduation,” have yet to be scaled up. To attract additional resources, support may be needed, possibly in the form of blended finance for risk-sharing facilities, performance-based incentives, or other de-risking instruments to make investment in refugee-hosting areas profitable.

Inclusion in national services

The COVID-19 pandemic demonstrated the importance of refugees’ access to social services. It especially highlighted the public health benefits of ensuring that refugees can access adequate health services for prevention and care. The spread of infectious diseases in overcrowded refugee settlements can indeed impair the health of the host population as well.

The pandemic also revealed the impacts that interruptions in schooling can have on learning, particularly for vulnerable groups—long a reality for many refugee children. Indeed, although children make up almost half of all refugees, only 77 percent are enrolled in primary schools and only 31 percent in secondary school, which is well below global averages. Consequently, the literacy and learning outcomes for refugee children tend to be low. The risk is that many children will become part of a “lost generation,” with possible destabilizing effects on their countries of origin or destination.

Overall, many refugees are extremely vulnerable and need social assistance over longer periods. For example, one in four Syrian refugees in Sultanbeyli, Türkiye, has a disability, and 60 percent of households include at least one person with a disability. Even with access to the labor market, these refugees are unlikely to become fully self-reliant in the short to medium term. Financial resources and dedicated institutional structures are needed to support them and other highly vulnerable groups, such as unaccompanied and separated children, victims of trafficking, and survivors of gender-based violence.

Support needs to be provided in financially sustainable ways, but also with a view toward ensuring that the treatment of refugees and nationals with similar vulnerabilities does not differ unfairly.

The modalities of service delivery for refugees vary significantly across host countries, whether national systems, parallel structures, or a combination. In some countries such as the Islamic Republic of Iran, South Africa, Sweden, and Uganda, refugees can access national health systems and services under the same conditions as nationals. In other countries, refugees obtain basic health care services through parallel health care systems funded and run by external actors such as charities, nongovernmental organizations (NGOs), and international organizations such as UNHCR and the International Organization for Migration. Similarly, country models that deliver services in the education sector or social support to the most vulnerable refugees also differ. These services are often provided through externally financed systems that are not part of national structures—typically through NGOs.
Integrating refugees into functioning national systems—for education, health, and social protection—can improve financial sustainability and fairness with nationals in access and quality. In some countries, typically lower-income, the externally financed services offered to refugees may be superior to those that can be accessed by nationals, although at a high cost. In other countries, refugees have access only to inferior systems. Such differences result in unequal outcomes, and they may create tensions between refugees and their hosts. Dependence on external financing has also raised concerns about the sustainability of such approaches. External financing is typically provided through emergency assistance with a one-year time horizon and can be withdrawn as new emergencies arise. A more sustainable approach entails including refugees in national service delivery systems, as well as strengthening these systems and establishing dedicated programs where needed such as for trauma recovery or language acquisition. This approach is being implemented in Colombia and Türkiye, as well as in the European Union.

Inclusion in national systems implies medium-term commitments for the host country. It has two key requirements: predictable financing and mainstreamed institutional arrangements. Governments need to have access to financing arrangements that provide a degree of predictability and confidence that resources will be available beyond the short term. Sizable amounts of external financing may be needed to scale up and maintain national systems in refugee-hosting regions, especially in countries where services are already strained for nationals. But these amounts may not be out of reach, especially when compared with the potential social and economic benefits. For example, a recent report estimated the global cost of including refugee children in national education systems at US$4.9 billion a year. In addition, institutional arrangements are needed to allow engagement of the relevant technical ministries—education, health, and social protection—in support of refugees. However, such arrangements are often not easy to put in place, especially when they entail transferring to sectoral ministries responsibilities and competencies that belong to specialized agencies connected to the national security apparatus.

Making progress toward durable solutions by combining legal status and access to opportunities

The ultimate objective of international support is to help refugees find durable solutions that will end their need for international protection. Many refugee-hosting countries are willing to provide international protection, but with the understanding that the protection will be time-limited. For that reason, political leaders in refugee-hosting countries often emphasize the need for durable solutions at scale, and any discussion of durable solutions to forced displacement ought to incorporate the concerns of host countries.

A dearth of durable solutions

A durable solution—the point at which refugees no longer need international protection—is often defined from a legal viewpoint. Put simply, refugees are entitled to international protection because they cannot rely on the protection of their country of citizenship, typically because of conflict or persecution. They are refugees until they can regain guarantees of sustainable, long-term protection by a state. This state can be (1) the state of origin (return or voluntary repatriation and reintegration); (2) the state of asylum (local integration and, in some cases, naturalization); or (3) a third state (resettlement). To conform to international law, each of these solutions, including return, needs to be achieved on a voluntary basis in line with human rights norms.
The share of refugees who have attained a durable solution in recent years is extremely low. From 2012 to 2022, it averaged 2 percent and never exceeded 4 percent of the total number of refugees. In 2021, in part because of COVID-19 restrictions, the average share fell to 1 percent (figure 7.9). As UNHCR has noted, “durable solutions have . . . become an option for fewer and fewer refugees.”

In fact, the number of new refugees has outpaced solutions every year since 2010 (figure 7.10).

The dearth of durable solutions is a reason behind the steady increase in the number of refugees and in the number of years people spend in exile with little hope of reestablishing themselves. It has also resulted in some refugees engaging in high-risk irregular movements. In 2017, for example, 21 percent of asylum-seekers entering Italy and 25 percent of those entering Greece were onward movers—people who moved because of the lack of prospects for a resolution of their situation and the lack of opportunity in their initial host country.

The complexity of decision-making

The conceptual simplicity of the durable solutions framework does not fully account for the complexity of refugees’ lives and decision-making. Any change in their situation, especially if associated with a new movement, can be risky for refugees. With their memories of past trials and their limited resources, they are unlikely to take such risks readily or easily.

The simple notion of return or voluntary repatriation (box 7.5) or of local integration does not align neatly with some patterns of forced displacement. For example, in some cases large numbers of refugees...
**Box 7.5 Return: Homecoming or new movement?**

Return is often regarded as the most natural solution for forced displacement. Refugees are viewed as “out of place,” and so return to their origin country is thought to be a way of restoring the natural order of things. Meanwhile, it is often assumed that refugees want to repatriate.\(^a\) Return is discussed in terms of a return “home,” even after a generation in exile and although descendants of the original refugees may never have seen their “homeland.” For example, about three-quarters of Afghan refugees in Pakistan were born there.\(^b\)

The decision to repatriate is more complex than just contemplating a homecoming or a return to a pre-existing order.\(^c\) The place of origin has often undergone wrenching social, economic, and political changes since a refugee’s departure. Refugees may have changed as well. Women may have acquired more rights; children born in exile may not be literate in the language of the country of origin; and youth may have adopted new norms and values. For some refugees, memories of the conflict that prompted their exile and of a time in which the government, neighbors, and friends became their most feared enemies remain overwhelming. Under such circumstances, the “reconnecting” is often complex, and return may be experienced as a new movement rather than as going back to the status quo ante. Some returns resemble more a new movement than a homecoming.

Not all returns have a happy ending. Many returning refugees continue to struggle for a long time after their return. Women and girls often face particular challenges on return, especially when they have fewer opportunities, fewer resources, lower status, and less power and influence than men in their country of origin.\(^d\) For example in Afghanistan large numbers of returnees have become internally displaced persons (IDPs)—that is, not only did they not return to their place of origin, but their new situation is so insecure that they need continued assistance and protection. Between 2000 and 2015, 46 percent of large-scale returns were matched by a sizable increase in the number of IDPs.\(^e\) Returnees may even have to flee again, as refugees or irregular migrants, after returning to their country of origin. Multiple instances of repeated back-and-forth movements have been observed in and from, for example, Afghanistan, Myanmar, Somalia, and South Sudan.\(^f\) Of the 15 largest instances of return since 1991, about one-third were followed within a couple of years by a new round of conflict.\(^g\)

Policy makers should therefore focus not just on migrants’ return, but on their **successful** or **sustainable** return—that is, ensuring that people can reestablish themselves in a stable manner that precludes the need for further movement. Such an approach is in the interest of refugee-hosting countries as well. Although the prevailing security, legal, and economic conditions in areas of return are an important factor,\(^h\) individual circumstances also matter greatly. Refugees are more likely to repatriate successfully where they have portable assets (such as capital to rebuild their homes and to provide a cushion in case of adverse developments) and marketable skills.\(^i\) The extent to which life in exile provides space to build assets and skills can therefore be critical to a successful return.

**Source:** Adapted from World Bank (2017).

\(^a\) Lomax (2018).

\(^b\) Bakewell (2000); Hammond (1999, 2014).

\(^c\) Black and Koser (1999); Monsutti (2008); Omata (2013).

\(^d\) Bascom (2005); Harild, Christensen, and Zetter (2015).


\(^f\) World Bank (2017).

\(^g\) This estimate is based on UNHCR return data as of the end of 2014. Examples of return followed by renewed bouts of conflict include Afghanistan (returns in 2001–05); Burundi (returns in 1996–97); Democratic Republic of Congo (returns in 1997–98); Iraq (returns in 2003–05); and Somalia (returns in 1993–95). See Refugee Data Finder (dashboard), United Nations High Commissioner for Refugees, Geneva, [https://popstats.unhcr.org/refugee-statistics/download/](https://popstats.unhcr.org/refugee-statistics/download/).

\(^h\) Alrababah et al. (2023); Beaman, Onder, and Onder (2022).

\(^i\) Omata (2013); Stepputat (2004).
were temporary migrants in the host country before the conflict broke out in their country of origin, such as some Syrian workers in Lebanon. What changed with the conflict was not their location, but their ability to return to their country of origin safely and the arrival of their families. Some refugee movements are also part of complex family strategies or iterative processes, including split families or cyclical return, with some household members moving back and forth between their place of origin and a place of exile. This practice is, for example, adopted by some Somali refugees.

Trade-offs and tensions

In looking for a durable solution, many refugees may behave in part like economic migrants. Refugees have distinct needs for international protection and specific vulnerabilities, but they share migrants’ desire and economic need for a better life. Accessing economic opportunities—jobs and services—is critical to reconstituting lost assets, overcoming trauma, and restoring a planning horizon, which are essential to people’s recovery. Thus for many refugees, accessing a durable solution means securing two essentials—a durable legal status and effective access to economic opportunities. The difficulty in combining these two elements may be at the root of the difficulties encountered in resolving many forced displacement situations (figure 7.11).

For many refugees, it can be hard to both acquire a durable (nonrefugee) legal status and access economic opportunities in the same country. In the absence of naturalization or resettlement at scale, the only way to obtain a durable legal status is often to return to the country of origin. But where conflicts or political crises are protracted, return may not be possible. Even when the security situation has settled, there are often few economic opportunities for returning refugees. On the other hand, staying in their host country or moving on (even irregularly) may provide refugees with economic opportunities, but not necessarily a longer-term formal legal status.

In some situations, then, refugees may have to choose between achieving a durable solution from a legal perspective and accessing economic opportunities. At least in some cases, some refugees may prioritize access to economic opportunities over legal status, in the same way that many irregular migrants do.

Figure 7.11  The tension between legal status and economic opportunities lies at the root of the difficulties in resolving refugee situations

State protection
For most refugees, this can be regained only in country of origin

Refugees are looking for both protection and opportunities

Socioeconomic opportunities
These are often not available at scale in country of origin

Source: WDR 2023 team.
Innovative approaches

Policy makers could ease this tension by emphasizing more intermediate solutions that fall short of permanent state protection (citizenship with formal political membership and associated rights) but provide long-term residency (economic and social inclusion) in places with economic opportunities. In other words, citizenship in one country is combined with residency in another to form an intermediate solution. This arrangement could alleviate some of the host countries’ concerns about national identity and the political implications of a long-term stay.108

Several approaches offer some innovative ways of moving forward, including for some of the ongoing protracted situations, although responses must ensure access to protection and rights and be tailored to each set of circumstances and support provided where needed:

- **Regional freedom of movement.** In West Africa, the Economic Community of West African States (ECOWAS) adopted a protocol in 1979 that granted citizens of ECOWAS countries the right to enter and live in any of the member states under some conditions.109 Although implementation has lagged because of a host of institutional, political, economic, and legal challenges, the arrangement is an alternative for some of those who flee conflict and violence, and it allows them to secure residence without naturalization and for as long as they deem it necessary.110

- **Shift to labor migration status.** Offering the option to access a labor migration status that falls short of naturalization but provides socioeconomic rights in a predictable manner may allow progress in some situations. For Afghans, for example, the only option for residing legally in Pakistan is refugee status, even for those whose motivations are mainly economic. Before the Taliban takeover of Afghanistan in 2021, the government of Pakistan was on its way to adopting a reform to enable Afghan nationals to access labor migration status instead of having to request refugee status.111 External monitoring would be needed to ensure that such arrangements do not undermine the provision of international protection for those who need it.

- **Complementary pathways.** These legal channels allow refugees to obtain regular entry to and residency in third countries as complementary channels to the refugee resettlement process.112 This option may involve education or labor mobility programs (such as for Syrian students in Portugal under the Global Platform for Syrian Students), as well as private sector or community sponsorship. For example, for over 40 years Canada has allowed private groups (composed of Canadian citizens or residents or community sponsors such as associations or corporations) to identify and sponsor refugees for their settlement in Canada. Sponsors provide refugees with settlement and financial support, in partnership with local service providers, for at least 12 months. The process of identifying complementary pathways could be accelerated by helping refugees build skills that can be transferred globally so they can better match the labor needs of destination economies, possibly through Global Skills Partnerships.113

- **Long-term nonrefugee status.** The government of Colombia recently adopted a host of measures aimed at providing Venezuelan nationals with a 10-year horizon during which they can enjoy extensive socioeconomic rights. They could then achieve a degree of recovery and contribute to the economy of the host community, even in the absence of a long-term durable solution (box 7.6).
Box 7.6 Creating better outcomes through integration: Lessons from Colombia

Over the last few years, Colombia has become the primary destination for Venezuelans fleeing their country. As of August 2022, an estimated 2.8 million Venezuelans (51 percent of whom were women) were living in Colombia. They accounted for about one-third of all Venezuelans hosted across Latin America. In the face of a large-scale influx, the Colombian government gradually implemented a range of measures to manage the situation.

How did the government respond?
After the expulsion and return of 22,000 Colombians from República Bolivariana de Venezuela in 2015, the government provided humanitarian support, such as shelters, emergency health care, pediatrics, and vaccination services. In parallel, it developed institutional arrangements to ensure the coherence of local and national interventions.

From 2017 on, as increasing numbers of Venezuelans crossed the border, the government introduced several regulatory schemes. The Tarjeta de Movilidad Fronteriza (TMF), Border Mobility Card, was established to give access to border areas for up to seven days. It has been used by Venezuelans who cross the border in search of food or consumption goods not available at home. Five humanitarian assistance routes (Ruta del Caminante) were established for those who sought to transit through Colombia to more distant destinations. A special regularization scheme was launched to grant a temporary permit of stay and access to social services to Venezuelans residing in Colombia.

The 2018 Strategy for the Response to Migration from Venezuela (CONPES 3950) confirmed the government’s commitment to improving institutional mobilization and coordination across the relevant ministries and agencies. The Border Management Office (Gerencia de Frontera) was established within the presidency to coordinate efforts. Roundtables were set up with local authorities. In parallel, children born in Colombia to Venezuelan parents were granted Colombian citizenship so they would not be stateless (an estimated 78,000 minors had benefited as of May 2022). The government also granted Venezuelans access to the national health and education systems irrespective of their migration status, and it extended services provided by the Colombian Institute for Family Welfare (ICBF) to Venezuelan households.

The July 2022 Strategy for the Integration of the Venezuelan Population (CONPES 4100) goes one step further by aiming to support the social and economic integration of Venezuelans and to harness their contribution to Colombia’s development and prosperity over the next 10 years. For example, the government began to grant temporary protected status to Venezuelans. Estatuto Temporal de Protección para Migrantes Venezolanos (ETPV) is a process for the accelerated registration and regularization of migrants. Venezuelans possessing ETPV status are eligible for national subsidies and services under the same conditions as Colombians, such as access to health care and social security services. More than 814,000 Venezuelans were registered to receive such services as of July 2022. This process has helped to equalize opportunities for medium- and long-term integration.

Although many challenges remain to fully implementing these policies, they have already had positive effects. Consumption per capita among regularized Venezuelans is between 31 and 60 percent higher than among those who are irregular. Once regularized, Venezuelans’ employment in the formal sector increased by 10 percent and incomes by up to 31 percent. Meanwhile, mass regularization has had only negligible effects on the formal employment of national workers.

(Box continues next page)
Box 7.6 Creating better outcomes through integration: Lessons from Colombia (continued)

What has worked?
Many lessons have emerged from Colombia’s experience:

- *Multitier approach*. The parallel execution of measures that follow different time frames and objectives—short term to provide humanitarian aid; medium term to provide access to basic social services; and long term to support regularization and socioeconomic integration—has allowed the government to respond to the needs of displaced persons within its limited capacity and resources.

- *Status and inclusion*. Granting regular migratory status using clear terms and procedures—whether through refugee status, regular migration pathways, or extraordinary regularization schemes—has proved critical and beneficial to both Venezuelans and Colombia. Similarly, the integration of Venezuelans in the regular labor force and in national systems for service delivery has been positive.

- *Institutional arrangements*. The establishment of institutional, legal, and policy frameworks that enable systematic and integrated responses has allowed rapid progress.

- *Proactive support of social cohesion*. Promoting social cohesion and addressing xenophobia and discrimination though a communications strategy have yielded positive results.

- *Responsibility-sharing*. Responsibility-sharing—in particular, across Latin America—has proved key, including through regional approaches.

a. Alvarez et al. (2022).
c. DNP (2022).

Notes
1. UNHCR (2010, 3).
2. UNHCR (2011).
4. UNHCR (2021e).
9. UNHCR Master Glossary of Terms (dashboard), United Nations High Commissioner for Refugees, Geneva, https://www.unhcr.org/glossary/. Protracted refugee situations are defined as those in which 25,000 or more refugees from the same country of origin have been in exile for at least five consecutive years.
10. UNHCR (2022b).
14. For physical health, see Cuadrado, Libuy, and Moreno-Serra (2023); Giuntella et al. (2018); Verme et al. (2016); WHO (2022). For mental health, see Blackmore et al. (2020); Fazel, Wheeler, and Danesh (2005); Lindert et al. (2009); Porter and Haslam (2005).
15. Becker and Ferrara (2019); Brell, Dustmann, and Preston (2020); Schuettler and Caron (2020).
18. 1951 Convention: Chapter III (right to work), Chapter IV (access to public services), Article 26 (freedom of movement). See United Nations (1952).
21. Akşu, Erzan, and Kirdar (2022); Becker and Ferrara (2019); Olivieri et al. (2022); Verme and Schuettler (2021).
32. UNHCR (2022b).
33. OECD (2021). The data used in OECD (2021) are the most comprehensive publicly available and include 28 Development Assistance Committee (DAC) countries, four non-DAC members, and four multilateral development banks.
34. OECD (2021).
40. UNHCR (2021h, 2022b).
41. UNHCR (2022b).
44. UNHCR (2021d).
45. The International Technical Meeting on Human Mobility of Venezuelan Citizens in the Region (Quito Process) was launched in 2018 to promote communication and coordination among countries in Latin America and the Caribbean receiving Venezuelan refugees and migrants. One of the main objectives is to exchange information and good practices and articulate regional coordination to respond to the influx of Venezuelan refugees and migrants in the region. For more information, see Proceso de Quito (dashboard), https://www.procesodequito.org/en.
47. UNHCR (2021d).
48. Barbelet, Hagen-Zanker, and Mansour-Ille (2018); Ginn et al. (2022); Gray Meral (2020).
50. EU (2023).
51. UNHCR (2017).
52. Tumen (2023).
53. Rossiasco et al. (2023).
55. Hussam et al. (2022).
56. Clarke and Dercon (2016).
58. UNHCR (2022a).
59. UNHCR (2021f).
60. Azlor, Damm, and Schultz-Nielsen (2020); Eckert, Hejlesen, and Walsh (2022); Edin, Fredriksson, and Åslund (2004); Fasani, Frattini, and Minale (2022).
61. According to the Bangladesh Bureau of Statistics (BBS 2022, 27), the population of the Cox’s Bazar district is 2,823,265, and the government and UNHCR estimate that 954,707 Rohingya refugees were hosted in Kutupalong and Nayapara refugee camps as of the end of January 2023 (Government of Bangladesh and UNHCR 2023).
64. Access to safe, affordable, and reliable energy is essential, but it has posed challenges for destination countries and has strained local resources and capacity. It also presents considerable political challenges for host countries. See World Bank and ESMAP (2022).
65. See chapter 6 for further details.
66. World Bank (2022b).
69. Fasani, Frattini, and Minale (2021); Marbach, Hainmueller, and Hangartner (2018); Slotwinski, Stutzer, and Uhlig (2019).
70. Cortes (2004); Dustmann et al. (2017).
71. Ibáñez et al., "Life Out of the Shadows" (2022); World Bank (2023).
75. Ginn et al. (2022); Zetter and Ruaudel (2016a, 2016b).
76. Ginn et al. (2022).
78. Ginn et al. (2022); UNHCR (2021g).
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