

June 28, 2024



Building the future of work together

Enhancing Refugee Employment: An Imperative for Economic and Social Inclusion

by Denis Pennel

Tag: *#refugees #socialinclusion #labourmarket*

Each year, June 20th marks World Refugee Day, a United Nations initiative that reminds the world of refugees' rights, needs, and dreams. The day aims to mobilise the political will and resources needed to ensure refugees not only survive but thrive. Economic and social inclusion play a central role in helping people start anew, and a [recent report from the United Nations High Commissioner for Refugees \(UNHCR\)](#) demonstrates that access to regular employment is a key factor influencing the financial wellbeing of households.

According to [UNHCR](#), the number of displaced people globally has exceeded 110 million, having doubled over the past seven years. 66% of refugees have been in exile for at least five consecutive years. These situations present challenges as refugees struggle to find sustainable solutions and make a living beyond humanitarian assistance.

Visible and Invisible Barriers to Employment

While access to employment for refugees has improved over the years, multiple barriers still exist. Sixty-one percent of refugees live in countries that require work permits. Difficulties in opening bank accounts or registering businesses are other examples of administrative and practical obstacles hindering refugees from gaining economic independence.

Recognition of skills, diplomas, and certifications is also a significant challenge. This situation limits refugees' access to formal employment opportunities or leads them to settle for less qualified and less well-remunerated jobs than those they had in their country of origin.

Promising Initiatives by the HR Services Sector

The HR services industry has always played a key role in helping underrepresented groups, such as [refugees](#), access labour markets. The sector has also been proactive in developing solutions. For instance, several members of the World Employment Confederation created [dedicated platforms](#) at

the onset of the war in Ukraine, connecting refugees with employment opportunities in the countries where they found shelter.

In Italy, Assolavoro went a step further and put in place the “[Welcome & Work](#)” project, in collaboration with the UNHCR and trade unions. Forty-five million euros were allocated to facilitate the integration of refugees by providing them employment and financial support services such as Italian language courses, targeted skills assessments, vocational training and a range of dedicated economic and welfare aid. More than 3.000 people have benefitted from training courses, the vast majority being women (70%) and young people (58%).

Labour Mobility as a Solution to Labour Shortages

Supporting refugees in accessing employment also contributes to reducing the acute labour shortages many regions worldwide are experiencing. Analysis by the US Chamber of Commerce finds that if every unemployed person in the US found a job today, there would still be 2.4 million open vacancies. Europe’s working-age population dropped from 269 million in 2012 to 264 million in 2021, according to Business Europe, and is expected to lose an additional 35 million people by 2050.

One way for employers to redress the imbalance between labour market demand and supply is to actively expand their available pools of talent. [Our recent research](#) reveals that the third-ranked strategy for employers to find this missing workforce is to offer specialist support to refugees and asylum seekers. Yet, challenges persist in enabling the recruitment of refugees. According to our research, 80% of senior executives consider that governments must reduce legal barriers to hiring refugees or asylum seekers.

A collaborative approach involving governments, employment services providers, and employers is crucial. The UNHCR is encouraging the development of employment pathways and labour mobility programmes driven by labour market needs. A key concern is to avoid brain drain and selective acceptance of refugees based on labour market conditions. Ultimately, the inclusion of refugees can have a positive impact on the economy. [Research by the UNHCR and Deloitte](#) shows that refugees from Ukraine who remained in Poland as workers, entrepreneurs, consumers, and taxpayers had a positive impact on economic output, contributing 0.7-1.1% to the Polish GDP in 2023 and due to increase in the long run.

Access to employment is a pathway to economic inclusion for refugees, empowering them to build sustainable livelihoods and contribute to their host communities. While progress has been made in providing refugees access to labour markets, various challenges persist. Governments, businesses and individuals must work together to create an inclusive environment and labour markets that work for all, including refugees.

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