Session 2

What do we know about refugee populations?
Refugees are...?

- Refugees often defy our stereotypes and assumptions
- Let’s look at some characteristics relevant to the provision of financial services
True or False? Most refugees are highly transient

False. Fifty-six percent of all refugees are estimated to have been in protracted displacement for more than 10 years.
Introducing Basil Khotiet

True or False? The majority of refugees live in camps

**False.** Only about one third live in camps. Even in camps, refugees run businesses and economic activities. Large camps are often economic hubs.
True or False? Refugees do not have access to or know how to use technology

False. Refugees have widespread access to mobile technology. They use it to stay in touch, check commodity prices, send and receive money, and receive humanitarian aid.
True or False? Refugees are economically inactive.

**False.** Refugees consume, produce, exchange and employ, as they seek out entrepreneurial livelihoods in the formal and informal sectors of the host countries.
Businesses in Zataari Camp

3 key reasons refugees are excluded

• **Reputational Risk**: Societal fears and prejudices reflected in public policy and media which cause FSP concerns about their reputation.

• **Legal Barriers**: Legal and regulatory constraints – both external and internal to FSPs.

• **Ignorance**: Lack of information, contact, and attention, or misinformation about refugees that fuels the perception of refugees as “high risk” clients.
Group Exercise: Identify barriers

- Complete Hand-out 1 for your country/region
- Review and compare in group
- List the top-ranked demand and supply side barriers of your group on the flip chart

15 minutes
What financial services do refugees need?

- It depends – on human, social and economic capital, opportunities, acceptance by hosts, and “displacement phase”
- Four general phases of displacement:
  1. **Arrival, 1 – 3 months**
     - Focus on immediate, basic needs
  2. **Early displacement, 3-12 months**
     - Focus on housing, language, schooling, work
  3. **Protracted displacement, 1-3 years**
     - Focus on improving standard of living
  4. **Permanence > 3 years**
     - Focus on improving livelihoods, like national clients
1. Arrival (transit)

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<tr>
<th>Key Determinants for Duration of Stay</th>
<th>Key Financial Needs</th>
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<tbody>
<tr>
<td>Degree of trauma experienced before and during flight.</td>
<td>Survival cash for shelter, food, medical services, and often to repay debt incurred during escape.</td>
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## 2. Early displacement

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<th>Key Determinants for Duration of Stay</th>
<th>Key Financial Needs</th>
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<tbody>
<tr>
<td>Receptivity of host community,</td>
<td>Financial services: Savings, remittances to family in country of origin; micro-</td>
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<td>assessment of economic opportunities,</td>
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<td>human/ social capital.</td>
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<td>End goal often return or resettlement.</td>
<td>Non-Financial services: Market information and access, job placement/vocational</td>
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## 3. Stable/protracted displacement

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<tr>
<td>Success of livelihood (enterprise/job).</td>
<td>Financial services: Savings products, micro/consumer credit, mortgage/home improvement loans, business loans, transactional accounts for cross-border payments and remittances, and micro-insurance.</td>
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<tr>
<td>End goal either integration or return/resettlement.</td>
<td>Non-Financial services: job placement, vocational or business training, linkages to the market/value chains, social/business interaction with hosts.</td>
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4. Permanence

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<td>Success of livelihood (enterprise/job).</td>
<td>If integration is the goal, financial service demands becomes more sophisticated and resemble those of hosts: savings, pension plans, credit, insurance, and transnational services (e.g. line of credit, remittances, insurance for family in country of origin).</td>
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<tr>
<td>End goal either integration or return/resettlement.</td>
<td>If return/resettlement is the goal: Savings for journey, transferable credit history (certificate), transferable pension schemes, and deferred annuities.</td>
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Please welcome:

Mr. M. Md. Shah Savari

- Owner of restaurant and a construction company in Brussels
- 48 years of age
- microStart borrower since early 2016
- Arrived to Belgium in 2000 from Iran
Q & A with our guest:

Questions and comments, please
Quick Brainstorm

- Based on the characteristics discussed, how are refugees **similar** to nationals?

- How are they **different**?

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<th>Similarities</th>
<th>Differences</th>
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