

HUMANITARIAN ALTERNATIVES

When NGOs and lucrative organisations collaborate: the economic integration of refugees in Ecuador

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As the problem of refugees is not confined to the European area, the collaboration between NGOs and companies is in the process of globalisation. Lucie Laplace's article examines how the social integration of migrants in Ecuador is managed by humanitarian aid organisations within the framework of partnerships with actors from the profit-making sector. An experiment promoted by UNHCR which, according to the author, does not give the expected results. Above all, it would lead to a disempowerment of socio-political and economic actors.

Ecuador is presented as a “progressive model” with respect to reception of refugees. It seems to be at the forefront of innovation and experimentation regarding new “local integration” policies¹, especially in terms of economic integration of the beneficiaries. With 60,500 refugees – 90% of who come from Colombia –, it is Latin America's first receiving country.

About the impacts of neoliberalism in a socialist country

In Ecuador, migration and foreign nationals integration policies have always been tied to the country's development policies. Since Rafael Correa's election in 2006, this “21st century socialist country” founded its “citizen revolution” upon an effort to redefine its development model as an alternative to neoliberalism. This “citizen revolution” first emerged through the extension of human rights, written in the 2008 constitution – which was adopted by way of popular referendum. Thus, the State strengthened its administration of asylum, with the help of the Office of the United Nations High Commissioner for Refugees (UNHCR), with NGOs managing the implementation of social policies in favour of forced migrants. The debate on “alternative development” took place during Correa's second term (2009-2013), and confirmed strong divisions. The end of this term coincided with the beginning of a relative “shutdown” of refugee reception policies, in a context of economic crisis, with human rights promotion restricted by law. The refugees were then gradually economically integrated within the “local integration” framework – presented as a “sustainable solution”. Throughout Correa's third term (2013-2017), these new policies have developed, mainly among NGOs, with the support of the UNHCR.

¹ This is one of UNHCR's three “sustainable solutions”, from its 1951 original mandate. It is also the number one solution adopted by asylum seekers and refugees in Ecuador. Repatriation is very seldom considered, in view of Colombia's instability because of the ongoing peace negotiations with the guerilla groups, and the redeployment of paramilitary groups. Resettlement has only been offered to 8,500 people since 2003. This solution is affected by the crises in the Middle East and Europe, but also by Donald Trump's policy in the U.S, as well as Michel Temer's in Brazil.

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The intention behind this article is neither to judge the lucrative sector, nor its cooperation with NGOs. It is first to understand the context in which these new economic integration policies of refugee populations are implemented – which is particularly interesting since they can be seen as an enforcement of neoliberal policies in a “progressive” socialist country that overtly broke with liberal dogmas. The second part analyzes the programmes implemented – taking into account the selection criteria for the beneficiaries – in order to evaluate their variety and their similarities. The third part analyzes the variables of support to populations, or, on the contrary, the factors of failure regarding certain beneficiaries.

The integration of refugee populations in Ecuador: what’s at stake

Despite the obvious improvement of the situation for refugees – who receive free education and healthcare, and are allowed to work –, there is continuity between Ecuador’s 20th century migration policies² and today’s measures: foreigners are welcome only if they integrate themselves through work. As part of the “citizen revolution” rhetoric, there was a limited attempt to develop the sector of *popular solidarity economy*³ as an alternative to the liberal-capitalist model. While promoting business ethics in favor of the poorest, it supported workers of the formal and informal sectors, notably through the promotion of cooperatives. Forced migrants, particularly undereducated people of “African descent”⁴, encounter local integration difficulties. There are no extended solidarity networks between Colombians – accounting for the majority of the migrants – who suffer discrimination in the Ecuadorian society. Stereotypes associated with the Colombian conflict⁵ and especially the internal conflict’s logic (restricting contacts for security reasons), tend to limit bonding and solidarity among forced migrants. The few attempts to create associations have failed to integrate the most disadvantaged populations into the host communities (rural areas, small towns, neighborhoods) for lack of local social link, which is attributable to an image of “unwanted migrant”. Besides, the insecurity of their situation (illegal migrants, asylum seekers, refugees) does not facilitate their long-term integration in Ecuador: even those who have lived there for five years do not have the right to vote (contrary to economic migrants with a residence visa⁶). As for undeclared paid employment and independent street work (mainly street vending), it is harder to access social security systems with these.

NGOs’ reach regarding refugee law protection is limited by their legalistic approach⁷. Therefore, they have slowly turned to the economy in order to reduce these populations’ insecurity and foster their integration. This choice was made in a context of reduced international funding and increased discrimination because of the economic crisis. The economic integration of these populations is supported by the development of innovative programs to tackle poverty and to integrate refugees in the banking system.

² Jacques Ramírez Gallegos, *La política migratoria en el estado ecuatoriano. Rupturas, tensiones, continuidades y desafíos*, Quito, IEAN, 2013.

³ This name is the Ecuadorian equivalent of France’s *économie sociale et solidaire*.

⁴ Descendants from African slaves brought to Latin America as part of the European settlers’ triangular trade from the 15th to the 19th century.

⁵ According to stereotypes conveyed in many Latin American countries, Colombian men are presented as guerrilla members, drug traffickers or hired assassins, while Colombian women are frequently regarded as prostitutes.

⁶ Article 63, paragraph 2 of the 2008 Constitution of the Republic of Ecuador.

⁷ In Latin America, defenders of increased rights protection deal with a progressive legislation, but struggle for a better effectiveness in a situation of strong institutional hurdles.

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Against assistantship: support, education and partnerships with the banking sector and cooperatives

Gradually, different policies were set up to attract existing funds, implement big-scale programs with reduced funding, and increase their impact through partnerships with the private sector (banks, savings and loans mutual funds...). The implementation of such programmes corresponds to the development of a new generation of refugee aid policies, according to a liberal-individualist approach, coupled with the emergence of new markets for these private sector institutions. These types of policies are an example of the appropriation of anti-poverty policies developed in the 1990s after the vulgarization of Mohamed Yunus and Amartya Sen's work. In Ecuador, this alliance makes it possible for refugees to open a bank account.

There are two main economic integration policies, implemented by two NGOs (the Scalabriniana Mission⁸ and the Hebrew Immigrant Aid Society [HIAS]⁹), each one having different recipient populations. For the Scalabriniana Mission, the credit access programme is implemented through the support of individual productive programmes. In street food vending for instance, refugees can use it to buy a cooler, a stove or a cart. The NGO also created a community savings program with local groups. These groups of about 15 people aim to foster savings by strengthening trust between members, allowing them to support their projects. This programme was launched in 2011 in Ecuador, by one of the NGO's workers. It is financially supported by the American NGO Catholic Relief Services.

The UNHCR's programme, named the "Graduation Approach", aims to tackle severe poverty at the family level, through self-employment. It has been tested in Ecuador since 2015, and is implemented by the HIAS on a global scale¹⁰. It entails money transfers and the training of beneficiaries. An initial money transfer is made upon adhering to the programme. A four-member family receives about \$450 annually; a seven-member family receives a maximum of \$950. Besides money transfers, people are gradually accompanied throughout their project: financial education, business planning, training workshops based on their needs (labor law, gastronomy, handicraft, quality label...). The partnership with *Banco Pichincha* entails the provision of a financial education expert as part of the refugee training programme. Refugees are also encouraged to open a bank account or a savings account.

These two policies imply a careful selection of the beneficiaries. They need to meet specific criteria in order to join the economic integration programme of the Scalabriniana Mission: obviously, they should be migrants¹¹, have a local guarantor (generally Ecuadorian nationals, in a stable situation and with regular income) and a credible business plan. The programme is monitored in order to support the participants and advise them regarding the credit's evolution. Indeed, its amount increases gradually from 300 to 3,000 dollars – when the situation improves to the point that people can quickly repay their credit. As for the community savings programme, the participants are co-opted, which allows reinforcing trusting relationships. At the HIAS, selection of beneficiaries is carried out directly upon adhering to the programme: they must be asylum seekers or refugees. Social workers then assess their profile and their family's, based on a questionnaire that is translated into an index¹². This selection tool is then used throughout the

⁸ Interviews with Wilfrido Acuña, head of the Scalabriniana Mission, in December 2016, and Michela Bugiolacchio, manager of the microcredit programme, in July 2017.

⁹ Interviews with Margarita Ron, manager of the livelihood project at HIAS, in November 2016, and Sabrina Lustgarten, head of the NGO, in June 2017.

¹⁰ This UNHCR pilot programme is currently tested in four other countries: Egypt, Costa Rica, Burkina Faso and Zambia.

¹¹ The Mission's policy is particularly open to individuals with different migratory statuses: asylum seekers, refugees, migrants with a MERCOSUR visa and migrants with a *visa de amparo* (through a family member with Ecuadorian citizenship).

¹² Interview with Santiago Cordova, task officer for the UNHCR Ecuador data, in November 2016.

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whole process to evaluate the improvement of the family's situation after the various money transfers (cash transfer programme). People in the most precarious situations – who have specific protection needs according to the categories defined by the UNHCR (single parents, torture survivors, people with severe health problems, victims of sexual abuse and more generally the LGBT community) – are selected in priority.

Within partnerships, NGOs endeavor to make these services and their modalities known (opening of a bank account, loan possibilities, various savings plans...). They select the beneficiaries, offer them training and support throughout the creation of their professional project. In Ecuador, NGOs claim to have adopted an “integral approach”, meaning complementary aid programmes: psychosocial support, training (in human rights, but also nutritional and professional skills...), professional integration counseling. The social part is therefore performed by NGOs, and financial institutions in turn adapt their offer to a public with limited resources. No financial risk is taken, neither by the NGO nor the institution.

These two experiences question partnerships with the private sector (Banco Pichincha and a credit union). They involve an agreed amount of profit and also, through the integration of marginalized populations into the savings and credit industry, the development of new markets. These structures put their technical skills to use for this integration objective. They create inclusion tools and “educate” these populations, allowing them to assimilate financial “good practices”.

Contributions and limits of these programmes

The support from each of these NGOs' workers, their attentiveness *vis-à-vis* the beneficiaries but also their flexibility, guarantee a certain amount of adaptiveness in these economic integration policies. This support allows the beneficiaries to better know their rights and improve their self-confidence. The financial and psychosocial support helps them to develop a “life project”. This generally means self-employment and living off the informal economy or, for about 20% of the beneficiaries, working in the formal economy. There is little information on the social links developed with the host community, but, judging from our observations in the field, they are very limited.

We were not given access to data pertaining to the programmes' economic performance. However, the graduation approach implemented by HIAS is somewhat criticized: allegedly, it cannot assure the beneficiaries a way out of extreme poverty. Indeed, there exists a significant risk of them sliding back into poverty¹³. Thus, eight months after the beginning of the programme, only 35% of the beneficiaries had income above the national poverty line¹⁴. Indeed, money transfers, even within social programmes, cannot be regarded as a social protection mechanism. As for access to credit, the beneficiaries of the Scalabriniana Mission seem to have more positive results, probably because they use credit for productive projects – sometimes already launched – but are not in situation of extreme poverty. However, if encouraging these populations to save money is presented as an economic measure, it is above all a way for the main actors to appear as if they were fulfilling their sociopolitical responsibilities. The financial organisations play the same role as in their traditional services, in that there are no additional financial risks in lending to populations considered less stable or more “at risk”. In short, they do

¹³ See International Policy Center for Inclusive Growth, “Debating Graduation”, Policy in Focus, vol. 14, n° 2, July 2017, p. 8-9.

¹⁴ Helene Kuhle, Alexi Taylor-Grosman and Andrew Mitchell, “Leaving no one behind: graduation for refugees”, in International Policy Center for Inclusive Growth, “Debating Graduation...”, art. cit., p. 62-73.

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not claim to exercise any kind of “social responsibility” by helping the beneficiaries. On the contrary, the responsibility of their situation falls on the beneficiaries and their capabilities – or lack thereof. They are asked to adapt to the uncertainties of an economic environment which they are compelled to integrate in a sedentary fashion¹⁵. Indeed, sedentariness is an unquestioned norm, imposed by programmes that do not take into account the intrinsic dynamics of forced migration. In the end, no collective responsibility dynamics are created.

Besides, faced with poor populations – often traumatized and in situation of daily economic survival –, these programmes have mixed impacts. They seem disconnected from these populations’ daily needs and they prove hardly favorable to the gradual construction of their life project (in this case, gaining economic weight through credit and savings). The importance to access to economic stability for these populations is closely tied to their local integration.

Here, the assistance duty toward the most insecure populations is replaced by a “struggle against assistantship”, where the responsibility to succeed lies with the individuals, who must develop their capacities. Moreover, the steering of a refugee’s “life project” is mainly entrusted to the economic integration programmes’ social workers within the NGO. These social workers mostly rely on the arguments and knowledge – often limited – that refugees have of the sector in which they wish to work. Hence, it is puzzling that they encourage Colombian street food vending in a market which is saturated (according to the refugees themselves).

These two policies are obviously resulting from a new way of managing refugees in their host countries, but also within the framework of a variety of actors (the UNHCR, NGOs, banks, cooperatives...). As for the Ecuadorian State, reduced to its simplest role, it deals with regulating certain population flows in situation of forced migration. The UNHCR and other international cooperation donors provide the means for a “social” management of refugees. With reduced perspectives, NGOs have been directing their actions toward the economic integration of refugees over the past few years. These “livelihood” policies target certain populations: people in situation of extreme poverty, or poor populations with some level of integration. They are implemented through partnerships with banking, savings or credit institutions. This offers new market opportunities for these institutions, with limited risks due to the fact that the NGOs select and support the beneficiaries. Contracts mentioning the beneficiaries’ rights and duties are signed, and so it is clear that officially the responsibility to succeed in their “life project” lies with individuals and families, and not with society. Among the refugees, the “lucky ones” who will be selected are those to be integrated into the rules of the game of capitalist neoliberal society by seeking the support of private sector profit making actors.

Translated from the French by Benjamin Richardier

Biography • Lucie Laplace

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¹⁵ In that sense, the specificity of these migrants (whose situation is assumed to be temporary) and the uncertainties related to the difficulty of local integration, are never mentioned by NGOs’ programmes’ coordinators.

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political model shapes the migratory governance regarding refugees, given the evolution of humanitarian aid and development assistance policies, and more specifically the effects of economic integration policies for Colombian refugee women in the city of Quito.

On our website <http://alternatives-humanitaires.org>, section “Forum”:

See also, from Lucie Laplace,

“Venezuelan migrations in Latin America in a context of humanitarian crisis: stakes and challenges in aid for migrants”.

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