Understanding the Informal Economic Activity of Refugees in London

A research Paper by Community Links and The Refugee Council
Understanding informal economic activity of refugees in London

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Understanding informal economic activity of refugees in London

Summary

Key findings
A small proportion of the refugee population are working in the cash-in-hand or informal economy. Like non-refugee Londoners who work in the informal economy, the main reasons are poverty and barriers to accessing the formal labour market. There are refugee specific causes of informal working such as insufficient knowledge of entitlement to support and benefits, language difficulties, unfamiliarity with the way that the UK job market operates, employers not understanding refugee entitlement to work, limited recognition of skills and experience gained outside of the EU, experiences of protracted periods without work during the asylum process and delays in receiving paperwork when refugee status is granted.

To overcome these barriers, we recommend that:

- Jobcentre Plus and Work Programme providers work with specialist refugee partners to deliver tailored employment support that target refugee barriers to employment.
- Existing resources and guidance to employers and financial institutions on refugee entitlement to work are promoted through a reassurance campaign.
- Refugee status becomes a criterion for full fee remission for ESOL provision funded by the Skills Funding Agency.
- New government initiatives to simplify regulations and processes, and support for business start-ups, includes specialist support to formalise informal businesses.
- A formalisation service pilot is run that will help individuals get their previous informal work experience acknowledged, without the fear of sanctions.

Background
In December 2009, the Mayor of London, Boris Johnson, launched a three year strategy for refugee integration, London Enriched. He committed in the London Enriched Employment, Skills and Enterprise chapter to support an inquiry into London’s informal economy to identify ways for refugees to enter mainstream employment and formalise their informal activity.

The Greater London Authority (GLA) commissioned Community Links and the Refugee Council to conduct a small scoping study to examine the causes of informal economic activity within refugee communities and ascertain if there are ‘refugee-specific’ factors in relation to participation in the informal economy, or if the knowledge that exists about other groups also applies to forced migrants. This research is concerned with refugees who have permission to work in the UK, not those still in the asylum system or other types of migrants.
The research consisted of a literature review on the informal economy as it relates to refugee communities, and a survey of London based Refugee Community Organisations (RCOs) and other organisations who work with refugees in London, followed up by semi-structured interviews conducted with a sample of ten RCOs and other organisations working with refugees predominantly on employment issues.

**Definition of informal paid work**

Informal paid work involves the production and distribution of legal goods and services, where there is seldom compliance with regulations i.e. registration, tax payment, conditions of employment, claiming benefits and working (EU, 1998). Illegal or criminal activities such as drug dealing or prostitution have been excluded, as have exchanges of unpaid work.

**The size and scale of informal work in the UK**

As with the formal economy there is an array of different types of work across several sectors involved in informal paid work. It is as vastly complex as it is diverse. Evidence suggests that a considerable number of people participate:

- In the UK, the annual informal economy represents 12.3% of GDP or around £120 billion.
- About 20% of people of working age in the last year have done some sort of informal work in the areas where Community Links has conducted research.
- Informal economic activity across all OECD countries has been rising over the last decade, although the UK has one of the lowest levels in the EU.

**Findings**

Most organisations acknowledged that some refugees were working informally, but it was not felt that this was a large proportion of the refugee population. Those who were aware of informal work knew it was taking place from their contact with service users, some of whom sought advice from them about issues they were facing in the informal economy.

**Types of informal working taking place**

Jobs tended to be low skilled, with survey results revealing the most common types of informal work undertaken to be cleaning, painting/decorating, care work, retail and driving. This is similar to findings about the types of work non-refugees take in the informal economy. Whatever the sector, work was low paid and often exploitative. Work could be regular or irregular, depending on the sector in which it took place and was undertaken both within and outside of refugee communities.

**Reasons for working informally**

The research found that the main reason for refugees working informally was poverty. This mirrors other research which has examined people on low-incomes and their relationship between informal paid work and poverty. People needed to work to cover their living costs. It was felt that the high price of living in London exacerbated the problem. Both high and low skilled people from a range of different refugee communities were found to engage in informal work due to barriers to working in the formal economy and a need for income for themselves and their families. Some evidence was also found of gendered patterns of working.
Survey respondents and interviewees overwhelmingly felt that refugees had a strong desire to work in the formal economy, but faced significant barriers that prevented them from doing so. Barriers were found to include language difficulties; limited recognition amongst employers and Jobcentre Plus of skills and experience gained in their country of origin; employers not understanding refugees’ entitlements to work, and some discriminatory practices.

In addition, the asylum process itself can leave individuals with protracted gaps in their working lives, and a loss of skills due to restrictions on entitlements to work and access training. When refugee status is granted, there can be delays in receiving paperwork and the transition to different types of entitlements does not always run smoothly, leaving people without any source of income, sometimes for months. Being caught between the two systems can thus lead to some people working informally to support themselves. The situation is likely to worsen. From September 2011, UKBA will no longer fund the Refugee Integration and Employment Service which supports newly-granted refugees in this transition time.

Organisations reported that refugees did not have sufficient knowledge of entitlements to support and welfare benefits. Neither did they receive appropriate support from Jobcentre Plus to help them join the formal economy. Refugees sometime struggle the UK job market, as it operates differently to the ways they are used to. This disadvantages refugees. It was feared the situation will soon worsen due to increasing unemployment and a reduction in job vacancies following the public spending cuts.

Refugees can also lack knowledge of UK employment regulations and may be unaware that the work they are doing is informal. This is compounded by misinformation from friends and family. In addition, refugees find regulations surrounding self-employment and businesses complex and confusing, particularly in contrast to the ways they operate in their countries of origin. This can result in activities inadvertently not conforming to UK law.

Types of support needed to enable formalisation

Organisations felt that to move into the formal economy, refugees needed specialist, culturally-specific support. Organisations felt that it would be useful to have better partnerships with statutory agencies to provide more appropriate tailored support to refugees and ensure they can access accurate information on UK employment law and their entitlements to support. There were specific ideas about reducing barriers to formal work such as by tackling employer discrimination by having anonymous job applications by public bodies.

A number of announced policy changes have the potential to increase formal paid work, removing some of the barriers mentioned above. From 2013, Universal Credit aims to transform the benefit system, increasing incentives for people to move off benefits into formal work. DWP’s ‘Get Britain Working’ programme includes the New Enterprise Allowance and Enterprise Clubs (launched 28th January 2011) which might enable more people to become self-employed by increasing access to support (mentors and finance). However the initial details are limited. From September 2011 the changes to ESOL funding
policy may increase informal paid work. It remains to be seen what impact the Work Programme will have in supporting unemployed refugees back into formal work, as the details of specific Prime Contractors approaches are still being agreed with DWP. It depends if Primes and their sub-contractors are able to work in partnership to deliver specialist support for refugees.

Conclusion
The findings of this research reflect similar findings from research carried out about informal working in the population in general. Refugees appear to be doing informal work out of necessity as they are in poverty which is partly due to the fact they face difficulties accessing the formal labour market. Many of the barriers to entering the formal economy were related to them being refugees. These include employers not understanding refugees’ entitlement to work, limited recognition of skills and experience gained in people’s countries of origin, experiences of protracted periods without work during the asylum process and delays in receiving paperwork when refugee status is granted. The fact they are migrants meant that finding employment was more difficult due to some refugees having difficulties with the English language, insufficient knowledge of the benefits system and unfamiliarity with the way that the UK job market operates.

Recommendations
1. Provide tailored support programmes through Jobcentre Plus and the Work Programme
This research suggests that refugees work informally due to difficulties in accessing the formal economy. To overcome these barriers, many refugees will need tailored support programmes that are sensitive to people’s backgrounds and experiences, and unfamiliarity with formal employment in the UK. This could be done through Jobcentre Plus and the Work Programme in partnership with refugee agencies.

2. Run a reassurance campaign
Employers and financial institutions need to be aware of refugees’ entitlement to work and the types of documentation they carry. This could be achieved by a London-wide reassurance campaign promoting refugees entitlement to work, by drawing on existing resources and guidance.

3. Include refugees in the criteria for fee remission for ESOL provision
Refugees who lack sufficient English language skills find it difficult to enter the formal economy. We recommend that refugee status should be a criterion for fee remission for ESOL provision at all levels funded by the Skills Funding Agency.

4. Increase business support for refugees
This research has highlighted the confusion refugees experience when setting up businesses and becoming self-employed. BIS and expert providers should invest further in providing specific business support services for refugees. DWP’s New Enterprise Allowance needs further refinement to truly meet the business support needs of people on benefits.
5. **Establish a formalisation service**

Although they constitute a minority of refugees, those who are involved in informal paid work may compound their disadvantage as the experience they gain in this sector cannot be used to support job applications for work in the formal economy. We suggest that GLA and partners explore developing a ‘legitimisation’ or ‘formalisation’ service that will help individuals get their previous informal work experience acknowledged, without the fear of sanctions and prosecution by DWP.
Understanding informal economic activity of refugees in London

Introduction

Objective
The Greater London Authority (GLA) commissioned Community Links and the Refugee Council to conduct a small scoping study to examine the causes of informal economic activity within refugee communities. This study aims to ascertain if there are ‘refugee-specific’ factors in relation to participation in the informal economy, or if the knowledge that exists about other groups also applies to forced migrants.

Introduction
The number of refugees and asylum seekers in the UK and London is not easily estimated. However, the few studies mentioning the number of refugees (GLA, 2007; ICAR 2009) suggest that half a million of London’s inhabitants are refugees, families of refugees and asylum seekers. It is calculated that a quarter million are individuals granted refugee status. The percentage of working-age population among refugees tends to be high. A recent study commissioned by the Home Office (2010) found that 75% of those surveyed were aged 35 and under.

It is recognised among academics and policymakers that employment is a fundamental route to the integration of refugees. Nevertheless, existing studies point out that among the refugee community, employment is not particularly high. Figures for refugee unemployment are almost double the rate for ethnic minority people, a group which traditionally is characterised by higher rates of unemployment than the white population (Bloch, 2002).

In December 2009, the Greater London Authority published ‘London Enriched: The Mayor’s Refugee Integration (GLA, 2009). This strategy identified seven core themes with related objectives to improve the integration of refugees in London. ‘Employment, skills and enterprise’ is one of the themes, as it is acknowledged that refugees can face barriers finding employment, and accessing appropriate advice and skills. This can put them at a disadvantage when trying to access the formal labour market.

The barriers to employment are thought to facilitate the entry of this type of migrants to the informal economy as employees, self-employed and small businesses. This is only implied, it is not well-documented, given the characteristics of informal work: low barriers of entry and exit, flexibility and easy job search (Craw, et al, 2007). As there is little documentary evidence about refugees’ participation in the informal economy, the Refugee Council and Community Links have been commissioned by the GLA conduct a study to generate evidence about informal work. This research is concerned with refugees, not those still in the asylum system or other types of migrants.

What is the informal economy?
In this report we have adopted the definition most commonly used (EU, 1998; Williams, 2005). Informal work involves the production and distribution of legal goods and services, where there is seldom compliance with regulations i.e. registration, tax payment, conditions of employment, claiming benefits and working (Becker, 2004). Illegal or criminal activities
such as drug dealing or prostitution have been excluded, as have exchanges of unpaid work.

**The size and scale of informal work in the UK**

As with the formal economy there is an array of different types of work across several sectors involved in informal paid work. It is as vastly complex as it is diverse. Evidence suggests that a considerable number of people participate:

- In the UK, the annual informal economy represents 12.3% of GDP or around £120 billion (Schneider, 2002).
- At least 2 million vulnerable workers are involved (TUC, 2008).
- About 20% of people of working age in the last year have done some sort of informal work in the areas where Community Links has conducted research (Community Links, 2006-to date)
- Informal economic activity across all OECD countries has been rising over the last decade, although the UK has one of the lowest levels in the EU.

From Community Links extensive research into the informal economy (25 reports since 2000) and its ‘Need NOT Greed’ campaign (www.neednotgreed.org.uk), we have learned that informal economic activities have a complex and interrelated impact on people’s lives. In the short term, informal work helps people deal with periods of absolute poverty such as paying for necessities, triggered by illness or loss of a formal job. In the medium term, informal work may keep individuals outside the formal labour market (i.e. no minimum wage, holiday/sick pay) and in relative poverty. Informal work can, for some, have a positive role, developing confidence and skills, and building social capital (Travers, 2000).

**The positives and negatives of working cash-in-hand**

The cornerstone of developing an understanding of cash-in-hand work is to know why people work informally. The focus has too often been on the negative aspects of informal paid work, for example, the exploitation, lack of legal protection and risk of injuries, and for customers no guarantee or recourse with substandard work or products. Community Links research has shown that informal paid work can have a positive role in peoples’ lives, providing an income, keeping them from poverty, and the development of confidence and skills, and building social capital.

People working informally often benefit socially as well as economically, maintaining a positive self-identity along with getting bills paid. It operates as a means to access paid work where this might be difficult in the formal sphere, a situation that affects diverse groups such as people with poor educational or vocational qualifications, those who have been out of work for a period of time (for example, due to ill-health or long term unemployment), and people from abroad who are disadvantaged by less well-established social networks and qualifications that are not always recognised in the UK.
Positive Consequences
The positive consequences of the informal economy are:

- Increases income
- Provides employment
- Increases self confidence
- Improves skills
- Widens work experience
- Develops the habit and routine of work
- Maintains economic activity where it is needed and otherwise would not exist
- Provides income at key life events and crises e.g. having a baby, losing a formal paid job or covering the cost of a death in the family; as well as ‘expensive’ times in the year, e.g. Christmas
- Offers greater flexibility in terms of working hours and conditions
- Has reduced barriers to entry, so provides employment for those who otherwise find it difficult to find formal paid work
- Fosters entrepreneurial spirit
- Supports the formal economy: a large percentage of earnings from informal paid work are spent in the formal economy

Negative consequences
Despite the fact that the informal economy supports the formal sector and plays a part in redistributing wealth, there are some problems associated with it, such as a flouting of workers’ rights, lack of redress for customers and a lack of training and sustainability. The informal economy can be harmful to individuals, business and society as a whole. Individuals and businesses can be disadvantaged where they do not declare work.

Employees working informally:
- lack employment rights such as the minimum wage, sickness pay, tax credits, working hours directive
- risk injury, ill health or death due to compromises around health & safety
- cannot access contributory benefits such as the state pension
- lack bargaining rights
- lose employability due to lack of evidence of employment
- cannot acquire a reference from their employer
- cannot obtain financial credit
- risk detection and prosecution

Customers employing informal labour:
- possess no legal rights if work is substandard
- hold no guarantees as to process or product with regard to health & safety, ethical concerns or quality

Businesses operating informally:
- suffer a lack of legal protection
- endure restricted access to capital and business support
- risk detection and prosecution
Societal impact:

- informal businesses create a culture whereby formalised businesses are tempted away from complying with employment law
- informal employment weakens collective bargaining, thereby worsening workers’ rights
- tax avoidance and benefit fraud results in a loss of state revenue, which in turn hinders the ability of government to pursue socially beneficial initiatives
- loss of state revenue may cause a rise in taxes which can in turn encourage an expansion of the informal economy, leading to a descending spiral
- undeclared work skews statistics (such as employment figures), meaning that public policy is premised on inaccurate information. This may make policies less effective
- some believe that the greater the number of people flouting the law, the less respect there is for the law per se.
Refugees and the informal economy in the UK

Informality and Migration
Existing studies both in developed and developing countries point out that migrants face structural barriers that may contribute to their involvement in informal economic activities. Internal migrants, from rural to urban areas, as well as international migrants tend to settle where there are early settlers. The newly migrants ‘use’ the social existing social networks and may be likely to reproduce the economic activities that were common in their countries (Raijman, 2000; Losby 2002).

Evidence shows that migrants are not more likely to work informally as their receiving communities in a given country. Migrants, legal and illegal, do face barriers hindering their access to employment. Both types of migrants may face cultural and language barriers, which render them vulnerable to informal work. However, there is no direct relationship between immigration status and informality of employment (Portes & Sassen-Koob, 1987; Freman & Berndt, 1981). The areas of work do not differ between the migrant population and the rest of the population.

Refugees, Employment and Informal Work
The term refugee in the UK refers to forced migrants, those who had fled their country of origin and have been granted asylum under the 1951 UN Convention Relating to the Status of Refugees. Those granted asylum are given refugee status.

The characteristics refugees are similar and different to those of economic migrants. On the one hand, refugees and migrants tend to be of working age with fairly good level of formal qualifications (At least A levels) and some with good work experience. Refugees and migrants might differ in the conditions they left their countries of origin. Refugees are forced migrants who have left their countries due to a well-founded fear of persecution.

It is considered that one of the routes to integration of refugees into receiving communities is employment. Nevertheless, the level of unemployment among refugees is very high. A study by the DWP in 2002 found that only 29% of the refugees surveyed were in employment (GLA, 2007). The proportion of those employed is only slightly better for highly skilled refugees (37%). It is not clear whether this percentage is calculated taking into account all refugees or only those working age. At the same time, some of the refugees who managed to work tended to experience poor employment conditions, insecure employment, mostly part-time and positions below their formal academic skills (Bloch, 2004).

Scholars argue that high levels of unemployment are due to a multiplicity of structural and interrelated barriers. In the first place, the length of time taken by the immigration authorities to resolve an asylum claim may hinder people’s access to the UK employment market. Secondly, half of those requesting asylum have low levels of English. Thirdly, refugees who come with serious health issues, physical and emotional. A recent study found that 30% of
respondents said they had physical health problems and 31% faced mental health issues (not clear how many of those are both physically and mentally ill) (Daniel, et al 2010).

A further barrier is that more than 70% of those granted asylum have formal qualifications, many of these qualifications are not automatically recognised in the UK. The equivalency of degrees can be done either by a formal process or further studies. In most cases, because of the way the refugees fled their countries and the situation in their countries, refugees cannot obtain duplicates of all their paperwork. Also, for some refugees further study may be out of the question due to family obligations, language barriers or funding.

There are no comparative studies on refugees about issues such as employment either in the rest of Europe or other industrialised countries. There are only some studies on access to welfare across European countries (Sales, 2002). It is difficult to continue identifying refugees to find out how they are doing after some period of time. They are only recognised in Census and administrative data by age, sex, ethnic group, non-UK born.

Studies on employment and unemployment do not generally mention and include informal employment. In our literature search, we found only two documents that refer to informal work, albeit briefly and in very general terms (GLA, 2007; Craw, et al,2007). In the work by Craw et al, it is mentioned that one interviewee admitted to working cash-in-hand due to the slow response from immigration authorities. The GLA report’s emphasis is on the barriers to formal employment suffered by refugees. This then creates opportunities for refugees to work in the informal economy because these are not barriers to informal employment.

There is no work attempting to quantify the proportion of informal workers among the refugee community, the types of jobs held, the income, hours worked, etc. Therefore this piece of research is timely and well placed to fill a void.

In light of the evidence on informal work in industrialised countries, we could hypothesise that, given the existence of low barriers to entry; it is very likely that refugees are over-represented in this type of economic activities.
Research Methodology

The research consisted of two stages:

1. A literature review of what has been written about the informal economy that relates to refugee communities. This was used to inform the questions asked in stage 2. The literature review is available on request.

2. Data collection from Refugee Community Organisations (RCOs) and other organisations who work with refugees in London.

This consisted of:
- a survey distributed to organisations across London
- semi-structured interviews conducted with a sample of RCOs and other organisations working with refugees predominantly on employment issues.

This approach was adopted due to the challenges of surveying refugees working informally, due to the fact it seemed unlikely to come forward and give information, and the timescales and budget of the project. Informal work is, by its very nature, hidden and this would have presented methodological challenges, as well as leaving individual’s feeling vulnerable about their potential exposure to the authorities.

The organisations that participated in the research were able to provide an overview of the experiences of their service-users, both in relation to involvement in informal economic activity, as well as the support needs refugees may have to enable them to join the formal economy.

This is a small, scoping project, aimed at exploring what issues relating to informal economic activity among refugees, and is not intended to give any findings that are representative of refugees in London as a whole. The findings from the primary data collection are compared to other previous research about refugee communities where appropriate.

The response rate for the questionnaire yielded 12 responses. The survey was launched in August, and was publicised through a variety of channels, including specific e-mails sent to all London-based RCOs on the Refugee Council’s database (230 organisation), articles in RCO e-news (which is distributed to 289 individuals working in London-based RCOs), promotion by Refugee Council staff working directly with RCO, inclusion in the delegate packs at a London seminar for RCOs, and through Community Links’ online networks (10,000 people and organisations connect with our websites, blogs, social networking sites), and repeated reminding through these channels. There was an incentive of entry to a prize draw for organisations that completed the questionnaire to encourage responses. The survey data is discussed alongside the information obtained through the qualitative interviews.
Ten organisations spread across London, working with different communities were interviewed about the experiences of their clients. These interviews allowed a deeper exploration of some of the pertinent issues that the questionnaire would allow.

Profile of participants
The organisations that took part in the interviews targeted a broad variety of service users. Seven of them were RCOs, one was a forum of RCOs, and two were organisations that work with refugees on employment issues. Some were specifically focused upon refugees and asylum seekers from specific regions such as East Africa, or individual countries, as well as those who had a shared language. Others had a broader remit of refugees in general, or vulnerable migrants.

The organisations varied in size and in the types of services they offered their clients, and the refugee forum serves as an umbrella group for over 60 community organisations. Many of these organisations have embarked on specific activities or projects that are focused upon supporting refugees into employment, whether this is their main function or one of the many services they run.

Organisations that took part in the interview were located in the London Boroughs of Brent, Ealing (two), Hackney (two), Hillingdon, Islington, Lambeth, Tower Hamlets and Islington, although some of their reach was wider than service-users from those areas. The organisations that responded to the survey were based in Ealing, Hackney, Haringey, Islington, Lambeth, Tower Hamlets and Westminster.

Across the sample, these organisations saw clients from Angola, Belarus, Burundi, China, Congo-Brazzaville, Democratic Republic of Congo, Eritrea, Ethiopia, Iran, Iraq, Ivory Coast, Lebanon, Nigeria, Rwanda, Senegal, Sierra Leone, Somalia, Sri Lanka, Sudan, Turkey, Uganda, Vietnam and Zimbabwe.

To ensure anonymity of the interviewees and their organisations we have coded their names, e.g. Org 1, Org 2 etc.

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1 RCOs are organisations that are run by, and for, refugees. They offer a range of services to refugees and asylum seekers to support individuals through the asylum process and with their integration in the UK.
Findings

1. Refugees’ involvement in the informal economy

Those who participate in informal working risk prosecution and fines if they are caught, so it is very difficult to gather any data on the extent to which this takes place. In the survey, we asked organisations to estimate the proportion of their service users who worked informally.

For the most part, organisations felt that the proportion doing informal work was low (less than 30%), or they did not know what it would be. Both survey respondents and interviewees did not feel that this type of working was the norm. Three of the survey respondents stated that they were not aware of people working informally.

“There isn’t a lot of people but there are some people who are not coming out openly, they are doing it but they are not coming out openly because they might think that you might go and report them, so they are hiding it.” Org 2

It is not necessarily the case that people would be talking openly about the informal work they are doing, and organisations stated that they had become aware of this activity in a variety of ways. The survey responses highlighted that they know of this through their interactions with service-users through their usual activities. This includes people disclosing when they are seeking advice from organisations in their drop-in sessions and other one-to-one work, through a befriending project and by hearing from other community members of the work that others are doing. These sources on information were echoed by some of the interview participants, but they also pointed out that individuals sometimes come to them when they are experiencing particular difficulties in the informal work, and they are seeking advice on how to deal with the problems.

“They are some that come to ask us for advice. They say they are working somewhere and the Government is not aware of it and I am getting paid by cash. Will the Government find out? Will they come after me? So basically they know they are not doing something legal so they know that something could happen later on so they want to get advice…but sometimes when things get out of control at work, maybe they are not being paid properly, they are not being treated well, that’s when they come out for help”. Org 2

“Sometimes they will come to us with a problem that has been caused by that. So we had one person who was taken to court by the benefits agency for working while claiming benefits.” Org 3

“I used to work as an employment rights advisor and we were contacting them and they were coming to us with their cases. Harassment and long hours, and they came to learn more about their rights, but if you are working illegally you haven’t got rights…beating up pregnant women, and sexual harassment and those type of problems.” Org 8
These responses highlight the vulnerability of those who are working in the informal economy. Individuals are not given the protection of employment law, and they are subject to prosecution.

2a. The types of informal work being undertaken
The survey and interviews revealed that the work being undertaken tends to low skilled, and predominantly in the service sector. The survey showed:

**Types of informal work**

![Bar chart showing the distribution of informal work types]

The survey findings identify the same types of activities mentioned by interviewees. Restaurants featured heavily, as well as care work (both childcare and looking after older people), retail and taxis/minicabs. The care work was a mix of looking after people within extended families and communities, as well as that done in care homes.

“I know there’s some informal care work and I know it’s also sometimes done by those who have had links [to a specific country] in the past who are trying to extend a sort of helpline. There’s a fair bit of that that I have run into.” Org 4

It was noted by several people that it had become a lot more difficult to do informal taxi work through formal companies more recently due to changes in regulations, so this was not done as much as it has been in the past. Service users sometimes did other types of driving, such as deliveries.

Participation in building and construction work was also identified as being something that was done informally. Two interviewees talked about building companies taking advantage of
refugees, along with other migrants who would not have permission to work. They described people being employed on a day-by-basis.

“I think some refugees with those skills [building] will be taken advantage by some companies. If you come to this area in the morning you will have a lot of people sanding in the roads, illegal immigrants and refugees, waiting to be picked up to go and work on a building site. Doing anything. Any manual work.” Org 2

As well as working on building sites, interviewees also gave examples of people doing work within private homes such as plumbing, decorating and gardening.

Six of the eight survey respondents who knew of their clients working informally said that in general people were working in jobs that were at a lower skill level than the work they did in their countries of origin (one assessed it as the same level and one at a higher level). This is consistent with the experiences of refugees in the formal economy.

2b. Regularity

There was no agreement among interviewees about the regularity of the informal work that their service-users participated in. There were those who described the work as an on-going arrangement where the jobs followed similar patterns that would be seen in the formal sector, but there were also examples of occasional work that provided a little bit of supplementary income. To a certain extent, this seemed to relate to the type of work that was taking place.

“It’s actually regular. Some of the restaurants are very busy and they employ 6/7 people and they have women in the kitchen doing the cooking. You have men serving food in the front. It’s like a regular job.” Org 2

“Most of it I think is fairly infrequent work. I don’t think most of them do it on a regular basis. It does tend to be things like helping out a friend so they’ll know someone with their own business so they’ll go and help them out a couple of times. A bit of cleaning work which might be more regular. Construction work, bit on and off kind of stuff so occasional and not substantial work. One thing that I hear about quite frequently from some of the female clients is stuff like helping with wedding preparations and make up and hair which they get a small amount for and they don’t do it regularly, but it’s a little sideline that they’ll have.” Org 3

It was also noted that this type of work was not something that would necessarily go on for a long period of time. One organisation suggested that people would move from the informal economy when they realise they are being exploited and feel that they can enter the formal workforce.

“Not for a long time. Some people, they know they are being used and once they know they are not being treated well and once they feel there is other opportunities somewhere else or they get advice from someone, then they might change the job
and do it legally. But some people they do it out of desperation, out of a need and out of a lack of education and lack of opportunity and support.” Org 2

Survey respondents were asked if they thought that refugees who worked informally were continuing work that they had started when going through the asylum process. As most asylum seekers are not granted permission to work, they may have engaged with the informal economy at that point. Three respondents thought that this was the case, but none of the interviewees had seen evidence of this.

2c. Pay

No participants in this research identified informal working as being particularly well-paid. The survey respondents stated it paid about the same as, or lower than, the minimum wage. It was also highlighted that as people were not subject to employment regulations, individuals were vulnerable to exploitation in terms of pay, as there would not necessarily be an agreed fixed hourly or daily rate.

“I think most of them, because of lack of skills, maybe they haven’t found jobs for a long time and they don’t even earn minimum wage. Most of them they don’t pay per hour, they pay per day. It depends on the business. So how much they get paid on one day, you’ll have the owner saying this is how much we got today [and divide it accordingly]. It is fluctuating. It might be up or down… The owner can say we don’t have an income and there’s no customers and they can lie and do whatever they want.” Org 2

“One of them stopped me on the street and he said ‘I am working 6 days a week, 65 hours and get £130, only one day off. I’ve got 4 children paying rent on 2 rooms. It’s impossible. What can I do?’. I said you can take your boss to the court because he is paying less than minimum wage. Who is going to help him? They are many people like that working long hours and low wages and they have to do second jobs because they are refugees and they don’t know their entitlements. They cannot speak English so they are vulnerable to being exploited so they start working illegally…” Org 8

Challenging low wages is impossible if you are not in formal employment. One respondent gave several examples of employers’ deliberate exploitation of workers, and avoidance of responsibilities for increased profit. The threat of losing this income enables companies to get away with these kinds of practices as refugees feel too vulnerable to report their employers due to the reliance on this source of income.

“Companies forcing them to work 10 hours a day but showing 2 hours not to pay tax for them…they want to fiddle the tax office and don’t want to pay tax for these people and National Insurance and they show people working less than their hours. I’ve met with these kinds of things many times…I used to work in a textile factory and they don’t show people on the paper. Only 5 or 6 people showing, the rest 35 people working illegally otherwise there is no job. Door is over there.” Org 8
When refugees participate in informal working, they are not going to be paying Income Tax and National Insurance. This means that those working for wages approximating the minimum wage in the formal economy will be better off financially than if their work was in the formal sector. This can sometimes make it more difficult for organisations working with refugees to encourage service users to leave that kind of work.

“This is the point we try to put across - for a while it might look like a lucrative thing to do, but not in the long term. First of all you’re breaking the law, second it doesn’t go on your record. When you want to apply for a proper job you have nothing to show for it…and that person is not going to give you a reference. All this on top of the obstacles you already have so it’s putting more barriers in front of you.” Org 5

2d. Both within and outside refugee communities (although sometimes in migrant communities)
Participants stated that the informal work they knew being carried out by refugees occurred both within and outside of their own communities. This partly depended upon the types of activities that were taking place. For example, catering and beauty activities were identified as taking place in refugee or wider migrant communities. Cleaning and construction work on the other hand took place outside of refugee communities.

“Largely [within refugee communities]. Not so much the cleaning work and the construction work, although it can be, That tends to be outside the community, but a lot of the stuff is in businesses within the community or within private homes in the community.” Org 3

“Many people travelling people travelling to the West End and the City working for restaurants, supermarkets, anything, government buildings via companies.” Org 8

“There may be some people that work in the community like the catering services, the individuals who organise this may use some individuals to help him but this is not regular. It's when there is a function somewhere and the caterer has some people he works with and then he can call them and when you come you work for that event and when you finish he gives you £50 each and you just finish.” Org 9

2e. Alongside benefits
Most of the interviewees stated that their clients participated in informal work at the same time as claiming benefits. This was more commonly cited than people working formally and informally at the same time. One organisation gave examples of people studying and working informally, but were not aware of mixing it with benefits or formal working. There was a feeling that people received benefits and worked informally because benefit levels were felt to be insufficient to live on and also because the irregular nature of some of the informal work outweighed the disruption of signing off and on benefits again, and doing complicated Housing Benefit calculations.

“If you say to the benefits agency, that I worked 10 hours this week helping out a friend but I’m not going to be going to be doing it next week, you’ve got to fill in other forms and your housing benefit is going to go haywire and it just causes too
much hassle. So I think anyone who has ever had any experience of the benefits agency just thinks I'm not going to tell them because it's just not worth the hassle.” Org 3

“...the benefits aren't really enough and also it's a problem for them to get paid and a good job, they don't really have the experience or the skills." Org 6

“One of the things [leading to informal work] is that they don't want to leave the benefits because there is a fear that if you stop claiming you're going to lose everything. The house, everything is going to become too expensive to afford. To save money they have to work informally and claim at the same time.” Org 2

Several organisations were keen to point out that popular assumptions about refugees living off benefits or coming to the UK to claim benefits, need to be challenged. Their interactions with refugee communities have displayed a reluctance on the part of many refugees to claim benefits in the UK.

“Some people [work informally] to supplement benefits and some never sign for the benefits. There is a myth that all refugees are all there to just get benefits and enjoy the beauty of life. That's wrong. We are dealing with people who used to be heads of their own clinics, people who had highly paid positions and respect in their communities who had international respect, and why would they aim for a life on income support or something. If you would speak to our clients, refugee professionals, you would see how much desire there is to move on. One of the big issues there is managing expectations." Org 5

“I have found a reluctance for people to take the benefits they are entitled to.” Org 7

Org 7 explained that a lot of people refuse to apply for benefits when they first get their status as they think the will get a job in a few weeks. After some time has elapsed, they then realise that finding work is more difficult than they first realised and also find that doors are closed to them in terms of fee remission for courses as you need to be claiming a benefit to get them. This leads to them eventually applying for support.

3. The reasons for engagement in informal rather than formal work

There were many reasons given as to why refugees enter the informal economy. Some of these will be similar to those that apply to people from all communities, but there are some factors that would apply particularly to refugees that were highlighted by respondents.

“IT's the barriers stopping them. What happens is when most of the refugees come to this country, they don't know how, it's the language and the second thing is the responsibilities. It's difficult for them to go training, to go to college or university, so they really have to support and that responsibility. So it's difficult for them to find a proper job or attempt to go to college, so that's why most of the refugees will have to [work informally].” Org 6
This section will discuss the main reasons identified by survey respondents and interviewees. These were concerning poverty and financial responsibilities, barriers to gaining formal work, understanding entitlements and employment law, issues relating to the asylum process, and the UK job market.

3b. Poverty
Refugees experience high levels of financial exclusion and poverty (Scottish Poverty Information Unit, 2010). Although documents issued by the Home Office to refugees are recommended in the Joint Money Laundering Steering Groups’ (2007) guidance to the financial sector, agencies consistently report banks refusing to accept them. Refugees are unlikely to be on the electoral roll and will probably have had a number of addresses in the UK. This will affect their credit rating. In addition, the introduction of limited leave to remain for refugees in 2005 further restricts their access to financial services. For example, the Professional and Career Development Loan requires an applicant to have Indefinite Leave to Remain in the UK. This exclusion from the high street financial sector increases the likelihood of refugees being exposed to loan sharks.

Most of the interviewees reported that refugees participate in the informal economy because they are in poverty and therefore need the money to survive. It was felt that the level of support given by the state were not sufficient to cover what they require to live. A briefing published in October 2010 has highlighted that after factoring in inflation, the current levels of payment for Job Seeker’s Allowance and Income Support (£65.45 a week) are worth the same as they were in 1997, and this amount represents only 41% of what has been calculated as the ‘Minimum Income Standard’ for a single working adult (Kenway et. al, 2010: 1). Recent announcements by the Government indicate the level of support is likely to be decreasing further shortly. Recent research about refugee poverty in Scotland has identified that refugees may be at a greater risk of poverty than the general population (Scottish Poverty Information Unit, 2010). They identified problems paying household utility bills and faced difficulties accessing employment. Two interviewees also emphasised that living in London was a factor that contributed to increased poverty, because the cost of living is so high.

“In terms of my personal experience of why people chose to work informally, is that one, they are in poverty. This is the first and foremost and simplest answer. They are in poverty and they don’t have as much money as everybody else has and everybody else needs to survive in London. And if they are on benefits or they are lucky enough to get something, it’s too meagre enough to survive.” Org 1

“London is a very, very expensive town and people cannot afford if they work in formal work. When you declare your work you have to support yourself and if you look at the wage you cannot afford.” Org 9

4. Barriers to gaining formal employment
Seven of the eight survey respondents who knew of service users working informally thought that their clients want to work in the formal economy (the eighth said they did not
know). Interviewees also overwhelmingly felt that people wanted to have formal jobs, but barriers to accessing the labour market forced them into the informal economy. They identified several factors that particularly impacted on their refugee clients, and these are discussed below.

“And we can talk about barriers it get employment in the formal economy. That would included language, lack of references, lack of UK experience, not being familiar with the recruitment system, for some CVs are completely alien concept, going for a job interview, applying for jobs, these are huge barriers that people have to go through.” Org 5

4b. Language

Many refugees arrive in the UK without fluency in English (Daniel et al, 2010). Accessing mainstream employment is likely to be very difficult unless refugees have enough English language skills to be able to understand instructions and converse with colleagues/customers, unless they are working for businesses that are run by and/or serve their own communities. With the pressure on English for Speakers of Other Languages (ESOL) provision, it can be very difficult for people to access classes to improve their language skills. An Ofsted report in 2008 found that refugees and asylum constituted the smallest group of ESOL learners in post-compulsory sector behind EU nationals and members of other settled communities, indicating that they are not receiving the support they may need (Ofsted, 2008) Without proficiency in English, writing application forms and CVs, or applying for benefits is a very difficult task.

“First, language problem. They cannot understand the forms and they don’t have people to help them fill the forms in, for example, if they are going to apply for benefits. “ Org 8

“English language a major problem. People have this language barriers which will prevent the from not doing an office job. That’s a very, very important issue.” Org 9

Refugees are a diverse group who have a range of skills and experiences. Research has highlighted that refugees can be under-employed, where the jobs they get in the UK do not reflect the levels they were working at before they were forced to flee their home countries (see for example Doyle, 2009 and Bloch, 2002). This can be for a variety of reasons, and the interviewee below highlights how struggling to grasp the English language will have a significant impact on the type of work somebody can access, irrespective of how highly qualified or senior they were in their countries of origin.

“We see quite a broad range of people so a lot of people come from a background where they haven’t done so much formal work anyway and they may not have much literacy so that’s fairly alright in terms of what that are expecting to do, but you do see people who might be quite highly qualified but may struggle with some aspects. So for example, they might never quite get the hang of written and spoken English so no matter how highly qualified they were, they’re never going to get a highly qualified job here and that can be quite frustrating for people.” Org 3
4c. Skills
Many refugees come to the UK with well-developed skills and a good employment history. Recent Home Office research showed 45% of refugees having a qualification before they arrived and 40% were employed or self-employed (Daniel, 2010:5-7). These figures do however indicate that the majority in their sample did not have qualifications or work experience in the period prior to departure. Some of the countries that refugees flee from may have been experiencing unrest and a breakdown of economic and civic structures for many years, which will have resulted in limited job opportunities. Those who have lived in rural areas may have additional disadvantages, and it should also be noted that entitlements to universal free education for children is not available all over the world.

“Most of them don’t have any skills nor language. They have not worked before and have not been in education. The first time they have been out of the country. Everything is alien to them. So if someone offers them £50 a day they’ll do it, 12, 15 hours they work, they’ll do it.” Org 2

“When we say refugees we can’t lump them all in one group. We have people who are illiterate in their own language who never held a pen in their hand and you have people who lived in rural areas and never worked, never travelled. So there are so many new things to be absorbed to reach the point when they can start applying for jobs.” Org 5

Not possessing particular skills can make it difficult for people to enter the job market, and a lack of experience in a formal working environment can also put some refugees at a disadvantage when applying for work.

4d. Recognition of qualifications and experience
There are refugees that come to the UK in possession of qualifications and significant work experience. These qualifications will have been issued by examinations boards and universities that UK employers are not familiar with. Individuals can obtain an assessment of the equivalence of their qualifications in relation to UK through the National Recognition Information Centre for the UK (UKNARIC). However, this process costs individuals at least £47, and there have been some criticisms that UKNARIC’s information is often not sufficiently detailed. This can lead to cautious or out of date comparisons which come in at a lower than then may be expected (Refugee Assessment and Guidance Unit, 2007). If the qualification is assessed at a lower level than is needed to enter their profession in the UK, there will be a requirement to achieve that level if they wish to continue a career similar to that done before.

“On the other hand we have highly-professional, highly-skilled refugees with years of experience, doctors, teachers, engineers, nurses who also face barriers. First they need an assessment of the qualifications they have in comparison to the UK system. In many cases it comes as lower than a UK degree so there is a gap that needed to be bridged and to bridge that gap a reasonable command of English is needed. Then, passing all the exams that are costly and time consuming again…to pay all the fees, they cannot do it on the benefits and if they don’t have support
they’ll have to get that money somehow. So we know there are people who go out to do [informal] work to be able to fund their exams and tuition fees.” Org 5

“Recognition of their occupation. It takes time, it takes investment and how can they survive while they are re-training? Their life needs practical solutions…survival problems are forcing them to work illegally.” Org 8

As requalification costs money, it may be the case that refugees see informal work as the only way to be able to pay for them to study and keep up with their other financial responsibilities. Access to student support to cover fees can also be limited if a refugee has studied previously in higher education, even where their overseas qualification is assessed at a lower UK equivalent level (Refugee Council, 2010). One organisation explained that some of their clients did not re-qualify in the UK because they did not wish to get a loan which they were afraid they would be unable to pay back.

“One of the things that is scaring them about Higher Education is about the loan business because they are aware that if you have to go to University you have to get a loan which you have to give back…that is one of things that is discouraging people who do not understand there is also a great benefit of going to University and having a qualification.” Org 10

4e. Employers

In addition to the issue highlighted above relating to the assessment of refugees’ overseas qualifications, one interviewee also pointed out that employers can be very confused about people’s eligibility to work. Given the high profile campaigns that have been run by the Home Office about employers’ responsibilities to ensure their employees have permission to work, it would not be surprising that employers may be over-cautious in their hiring practices.

“I think some employers aren’t clear because it is so complicated, who is allowed to work and who is not allowed to work. I think employers edge away from people they are not sure about. Because there is a threat of fines and everything, I think they are confused.” Org 4

As refugees are unlikely to be carrying the types of documentation that employers are used to checking to verify eligibility to work, there may be a reluctance to act in a way that appears risky. A guide on this subject has been produced by the Refugee Council and the Equality and Human Rights Commission (2010), but many employers will not be aware of this and act in ways that they see as protecting their businesses and themselves.

Four survey respondents and one interviewee felt that some employers discriminated against refugees and this created a barrier to joining the formal economy.
5. Asylum determination process

People can be in the asylum process for protracted periods of time before they have a decision about their status. During this time, most asylum seekers are not granted permission to work, although they are able to apply for asylum support from the Home Office to cover their subsistence costs. When an asylum seeker is recognised as a refugee, it brings to an end a period of uncertainty and will come as a great relief. However, obtaining refugee status also presents a new set of challenges. In terms of employment, skills and expertise that were obtained before departure may no longer be up to date, meaning that some people are forced to take steps backwards in terms of their careers (Doyle, 2009). One interviewee felt quite strongly that this experience can lead to problems with integration, even after refugee status is granted.

“How can you speak of integration of asylum seekers when the Government doesn’t give the right to asylum seekers to work?...The fact that you don’t give the right to work to asylum seekers means that you push asylum seekers to work illegally and you push them towards poverty and you push them towards segregation form the other part of society.” Org 1

Pre-flight experiences and the sometimes long drawn-out and stressful nature of the asylum process can also have a negative effect on people’s mental health, which can in turn lead to the inability to engage with the formal labour market. This was an issue that was particularly stressed by one of the organisations that specialised in supporting refugees into employment, as well as the organisation below.

“Most of them have got themselves in quite a state sitting milling over their problems [in the asylum process] so mentally it really undermines people and it sets them back rather than actually prepares them for anything.” Org 3

5b. Delays in receiving correct paperwork

Once a person has been granted refugee status, there is not necessarily a quick transition between the different entitlements that the different statuses provide. If their accommodation is being provided by UKBA, people are told to vacate their property within 28 days and their asylum support payment will cease. New refugees have to quickly find new housing and financial support (be that through mainstream benefits or employment). UKBA currently funds a Refugee Integration and Employment Service (RIES) which is delivered by various organisations across the country (including Refugee Council) to help some refugees through this transition process. The eligibility criteria for the programmes has been narrowed by UKBA since it commenced in 2008, and the period of support provided to individuals has been reduced from it’s initial 12 months to 6 months. Those with

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2 The speed of the determination process has increased recently, but in many cases it still falls short of the six months target that the Home Office aims for. The Independent Chief Inspector of the UK Border Agency has reported that between July and November 2009, nearly 30,000 cases in the New Asylum Model (NAM) had not been concluded within six months (Independent Chief Inspector of the UK Border Agency, 2010)
limited language skills who are not in receipt of advice and guidance may find this period very difficult.

Compounding the problems above is the fact that many service providers report delays in the correct paperwork being issued by UKBA when somebody is granted status. This can lead to some refugees being left with no means of support and no proof of their entitlement to work.

“The other issue is the documentation that may be lost within the Home Office. So although you have been granted, you have nothing to prove what profession you were doing. There’s a lot for one to be formalised so when you are talking about someone who has not been working for 5 years and you’re talking about another training again for 2 years, they won’t wait for that. They have to just go straight into informal jobs…And they have to survive in any way…I know somebody who got his status in April and he started to get his benefits from the Jobcentre last week [end of September]. That’s one of those things that pushes people to do certain things in order to survive.” Org 4

“People do informal work when there’s no other choice. They are left in limbo as they are not eligible for one system and not eligible for another to access some kind of subsistence.” Org 7

One common problem is a prolonged delay in receiving a National Insurance number (NINO) which is needed to start work. Employers need to have evidence of a permanent National Insurance Number as part of the document checks they make when employing individuals. Although a permanent NINO is not necessary for starting a claim for benefits, this is not always understood by Jobcentre Plus advisers. Not having a permanent NINO means that refugees have been unable to prove their eligibility to get work or benefits.

The cost of housing is the largest weekly outgoing of an individual or family, covered for many by housing benefit. However any change in circumstance has be reported to the local authority housing department (who administer housing benefit) and Jobcentre Plus (who administer other benefits e.g. Jobseekers Allowance). The fear of losing Housing Benefit is the main concern for people when considering whether to move into work. This has to be addressed by ensuring a smooth and quick transition between benefits into paid work. The new Universal Credit system will go some way to improving this, but the detail of how it will be administered has yet to be seen.

5c. Insufficient support from Jobcentre Plus

Many of the organisations that were interviewed as part of this research spoke of a lack of appropriate support their clients received from statutory services such as Jobcentre Plus (JCP). There appeared to be different expectations around what services JCP would offer people in order to help them into employment. For the most part, JCP was not viewed as an enabler for refugees.
“And I think we have to do, Jobcentre Plus who are supposed to help people find jobs. People go there to find jobs, they just hand over some paper and some telephone numbers and they are telling them to give the numbers a call and they are not helpful at all. Jobcentre in the UK has to be reorganised I think, they have not to scare people, they have to create a very friendly environment. They have to help not pretend to help.” Org 1

“A lot of people see JCP as a necessary evil. Somewhere they have to go and they have to sit through the process once in a while to make sure their benefits carry on, but I don’t think many of them see JCP as a helping organisation. They see if more as an enforcement place.” Org 3

“These people are not helpful at the Jobcentre. Instead they are giving them trouble. For instance, when they ask you to show the proof you are looking for jobs, sometimes there are some people who don’t know what to do with these things. They say you have to do during the fortnight; you have to say you did this and that and put down in writing. So people find this a bit complicated and too demanding. They have the problem that they do want to work but there is no job for them.” Org 9

“They think they don’t help them enough. They think it’s wasting time when they are looking for a job they go there and they don’t get a job. And also then they get follow-up – what have you been doing – but it’s like you’re supposed to give us a job, you are the centre.” Org 6

The last interviewee quoted above went on to state that JCP does not understand the needs of refugees and the kind of support they require that may differ from others. For example, they do not provide interpreters which makes communication very difficult for many clients. Others mentioned that JCP sometimes did not recognise, or even ask about, people’s skills and qualifications from before their home countries, leaving individuals to feel that this did not count.

Concerns about lack of support and the inflexibility of the UK’s benefits system were also highlighted by interviewees. Refugees are also frequently unaware of the support they could receive, which may mean that they feel forced into the informal economy. When claiming asylum, people are not eligible for mainstream support from the State and it should also be noted that many will have come from countries where there is no welfare state, and therefore there would not be the assumption that they can receive money from the government (Crawley, 2010).

“We have businesses who come to ask for support with being compliant with the business rates and registering as a company and following all the rules. We try to show them the benefit [of being compliant]…There’s [HM Revenue and Customs] who can provide advice and tell them how much they can save if they are working through in-work benefits. They can see the calculation, how much they can earn if they do it legally… sometimes you find people are only saving £20 by doing it
illegally, so we show them that for this £20 you can save a lot of headaches later in court and paying fines, so it is better to do it legally.” Org 2

“They don’t know about their entitlements for benefits as well, which type of benefits.” Org 8

The interviewee above proceeded to give two examples of times when not knowing about entitlements had led to people joining the informal economy to support themselves. One man had a wife who was experiencing health problems. As he did not know about money he could claim to contribute to the costs of her care, he employed somebody to look after her, and then found informal work to pay for that care. He also highlighted the case below.

“For example, one of the workers learnt that he could work to a certain amount and still get housing benefit. As soon as he heard about this he started working legally, he’s OK. He didn’t know this.” Org 8

Negative experiences of authorities in refugees’ countries of origins can also impact upon people’s willingness to engage with statutory services, and if there are problems with services in the UK, it may lead to disengagement.

“Refugees’ past experiences, they are scared to approach authorities. Service providers are part of authorities according to them. Most of the front desk people in this service providing, they are so rude. Not patient enough. And if they are a little bit patient they can understand the problem with the little bit of broken or little English, but they always say go and bring interpreter with you...And nowadays you’ve got to talk by phone before getting an appointment. I once tried to help someone and the person on the phone said are you the person applying for the benefit. I said no. Can I talk to her? She cannot talk. She only can say I give permission. No, that’s not enough, finished. So, what’s she going to do. She starts looking for domestic cleaning work, start works cleaning people’s houses, ten hours a day getting about £60, £50 a day. And she is not well at the moment.” Org 8

5d. Knowledge of UK employment law

Many refugees come from countries where employment regulations are much less formalised than in the UK. Their experiences of working in their countries of origin may involve many activities that would not be permitted here where all earnings need to be declared. Given this context, interviewees were asked if those who were working informally were aware that these activities were not permitted. Some organisations felt that this would definitely be the case for a portion of their service users.

“There are women who do cooking, most of them, they don’t know the rules. They don’t know they have to pay tax because their job may be just a family one and they just go and cook there for a customer and get a little money. They don’t know they even have to pay, they don’t know that.” Org 2

Interviewer: “Are there some people who don’t understand the system?
Yes, undoubtedly. How rigidly we classify work and additional income. It was only 50 quid - they just can’t see how it’s relevant.” Org 3

“When you think about the kind of work that people have done, some people have never worked formally. It’s just how your life has been. You mend this, you swap that…there’s always a lot of changes in policies so frequently, so whatever was working a few years ago will not be applied now. Every time you need to update yourself so there is a lot that you need to be taught.” Org 4

“People need to put themselves in others’ shoes and think if they would realise what is legal and what isn’t if they were new to a country.” Org 7

There was a feeling that people who did not seek advice from organisations or public services were being told incorrect information by their friends, relatives and other members of their community.

“There are people who have been misled and misinformed by friends, relatives or somebody they me who might say well…so yeah, information and advice is the core of this. The more people that are informed, the more educated.” Org 1

“Some of them when they come to the country they get the wrong information and they just follow. Because they don’t speak the language and they don’t know the system, they just follow what their friend do, and then after some time they realise what the other option is, the other opportunities.” Org 6

Previous research has acknowledged that government departments have contributed to mistrust in their own systems. Tax credits have been seen as an example of how this mistrust can develop as people have been overpaid and then invoices have subsequently been sent out by HMRC asking for repayment. People therefore decide not apply for tax credits support and seek alternative income (Community Links et al, 2007).

There were other interviewees that stated that their service users were very aware of the fact that not declaring the work they were doing was forbidden. One organisation felt that the irregularity and infrequency of some of the work meant that although people knew that they were not supposed to be doing such activities, they either did not consider it a ‘real’ job, or they had intentions to declare at some future point when the work became more reliable.

“I think people are always kind of hoping that this time it will be more that a few weeks and once it’s gone on for a bit longer than I will feel safe enough to declare myself as a self-employed person. So they think I won’t do it they’ll do it just yet because they think they’ll have problems paying the rent or whatever, so they think if it goes on a bit longer, and then it never does…Some of them they see it as something they do infrequently, they get a little of money cash in hand, they don’t really see it as a job...” Org 3
Even though many refugees are aware of the risks of doing informal work, they continue to participate in those activities in order to earn money. One organisation highlighted that economic necessity drives people to take part in such risky behaviour, and the experience of working informally is not an enjoyable one.

“There is an economic reason behind most of the activities. Nobody wants to get into risk. And they’re frightened, not enjoying. Nobody wants to live in this country or anywhere like a parasite and there’s prejudice of people thinking like that.” Org 8

6. Self employment and businesses
If regulations surrounding employment are confusing to some refugees, the expectations placed upon those who are self-employed may appear even more complex and demanding. Interviewees were asked if service users would declare themselves as self-employed to companies to obtain work, but were not actually registered as such. Three organisations reported being aware of this taking place, and this was in the construction business, and two of these said that this practice was not necessarily that common among refugees, rather other types of migrants, particularly those who had recently arrived form Eastern Europe.

“I think the construction companies would rather not worry about what people are doing so they say it’s your business, we pay you the money, as far as we’re concerned you’re self-employed, you do what you want. Not so much with refugees, but with the Eastern Europeans we’re getting that reported so I suspect it is the same thing.” Org 3

“[It happens] especially the construction business. There are some people who are choosing refugees deliberately because if they make contract with a proper company they are going to pay £20,000, but if they do it with a refugee and he is going to employ people like himself, they can do £12,000. At some places at 6 or 7 in the morning, there are still people standing there for day work. Some of them are newly-arrived immigrants, some of them refugees, some of them ordinary people doing one day work.” Org 8

The discussion with organisations also revealed that regulations relating to being self-employed, or running a larger business that employs its own staff, were not always adhered to, and people are surprised at the contrasting experiences in their countries of origin and in the UK.

“I discovered the difference in perceptions of self-employment for quite a number of African, to be specific, Somalis. Setting up a business meant buying something cheaper and making some profit… When I was talking about registration, business plan, health and safety, food hygiene, paying taxes. It was no, I don’t want to do that. People were surprised and they found it daunting.” Org 5

“There are companies, refugee-run businesses who are not compliant with the tax and business rates. Some of them think that council tax is business rates and
things like that. They are not aware if the rules and regulations. Also rights of staff as well. They don’t know the rights, you have to give them regular breaks. A lot of issues they aren’t aware of.” Org 2

“I think a lot of people don’t understand the complicated system.” Org 7

The issues restricting access to personal finance outlined above are also relevant to business start up credit. Community development finance has developed over the past few years to provide credit to those excluded from the high street. However, Community Development Finance Institutions usually require applicants to have Indefinite Leave to Remain in the UK. For refugees with limited leave, which includes all asylum seekers granted refugee status from September 2005, this means a double financial exclusion.

7. UK Job market

Many participants in this research identified that refugees’ lack of knowledge about how the UK job market functions can be perplexing to refugees who have come from cultures where employment practices are less formalised. People may be unaware of where to look for jobs, have never completed an application form, written a CV or attended a job interview. These were issues that were identified by organisations, and the ways in which they support service users to engage with the job market are outlined later in this report. One organisation suggested that when people do gain employment, they are sometimes surprised at the expectations placed upon them compared to their experiences at home.

A significant issue for some, and an increasing matter of concern, was that refugees were reporting that there were no jobs for them to apply for. This was either in terms of a lack of jobs that they would be qualified to apply for, or a lack of opportunities in general.

“Sometimes the jobs are not there for them and also when they are there they do face discrimination as well.” Org 1

“People also say there are no jobs they can apply for.” Org 5

“And that’s another problem because people with skills cannot find a job here. Those people take informal job to try to support themselves.” Org 9

The last interviewee quoted above stated that the situation had become much worse recently and the catering, cleaning and security jobs that were usually available in better economic times but unpopular with receiving communities were no longer there. A service user had visited the day of the research interview showing another certificate relating to being a security guard, but he had not be able to find work for several years. Given that there are predicted to be 490,000 job losses in the public sector alone by 2014/15 (HM Treasury, 2010: 38) and the knock-on effect in the private sector, it appears that this situation shows no sign of improvement.

8. The types of people that engage in informal activities

As discussed previously in this report, most of the participants did not feel that there were a large proportion of refugees engaging in informal activities. When asked if there was a
particular type of person who was more likely to participate in informal work, interviewees did not necessarily think that there were any hard and fast rules. One organisation stressed that “Most of these they are just newly-granted refugees, they are the ones who are mostly doing the informal work.” (Org 4). There was also an opinion shared by many that those with the lowest levels of skills who would face the most difficulties getting formal work were often the people organisations were aware of taking informal jobs. However, this work was not only restricted to unskilled people.

“We do know people who are highly skilled who are doing informal work too…Sometimes you see big waste of skills. People who are very, very qualified doing rubbish jobs. It breaks your heart.” Org 1

One organisation felt that the type of work carried out by people in their countries of origin may also affect whether they were more likely to work informally.

“I personally think it might be people who are used to street trading and things like that. That's very much how they live and the idea of filling in a whole pile of forms before you can do anything...I mean people who have permission to work, people have a real skill. I was watching one of the ladies selling scarves the other day and it was a master class in sales techniques – she was fabulous. And when you think that quite a lot of the population in [a particular country] survived by cross-border trading. Just vending, selling anything. Packet of sweets divided into single ones. It's all trade...I think people who have had a background of that, it's more familiar.” Org 4

Some organisations highlighted the gendered patterns of working in particular jobs, such as the support with wedding preparations previously discussed that is carried out by women, and the examples below.

“With the cooking in the restaurants, mainly women but in the waiter, they are men, serving food and construction is mainly men, taxi driver mainly men. The majority is men.” Org 2

9. The types of support required to enable formalisation

All of the organisations interviews for this research provided some services that support their service users in their attempts to join the formal economy. These services ranged from providing ad hoc one-to-one help with the completion of application forms through to the main purpose of the work being focused on enabling refugees to join the job market. When interviewees described their activities, it was clear that they had developed services around the specific needs of refugees, and aimed to break down some of the barriers to formal employment that have been described earlier in this report.

This section will outline the support interviewees felt was important in moving refugees out of the informal economy, and some of these will be illustrated by the work delivered by their organisations.
9b. Specialist, culturally-specific support

Given that interviewees had highlighted refugees sometimes face difficulties understanding the UK job market, have problems with the English language and may be wary of dealing with anybody perceived as being the ‘authorities’ due to their pre-flight experiences, it is unsurprising that they felt their organisation would be ideally placed to support people. Several organisations emphasised the need for services to be culturally-specific and sensitive to the experiences that refugees will have had in their countries of origin.

“These are examples of 3 or 4 training sessions we have provided for people…if you give people culturally-sensitive support and advice and explain to them about how to find a job, for example, how to improve their CV, how to conduct interviews… they need a lot of culturally-specific support, hand-holding and even when we were organising these courses.” Org 1

By providing the type of help that displays an understanding of people’s backgrounds, those providing support can help to explain differences in practices between the way the job market works in the UK, and how it worked at home. Individuals with experience in their countries of origin can also be encouraged to draw on this to demonstrate their suitability for particular positions.

“The interviews in so many cultures where refugees come from, it’s a big no to brag about yourself being capable of this and having done that…It’s considered rude to some extent…With refugees there is a perception that the work they did before doesn’t count much. Refugees, if guided, will be able to bring up points that are very important, their skills and experience that they gained in their previous jobs, but they assume that since it was back home that it’s not something you should be talking about.” Org 5

Several organisations highlighted how their clients trusted them, so it was easier for them to get people engaged in work-related programmes than it may be for mainstream providers. Being able to speak in community languages is also a factor that service users were thought to appreciate.

“They often come to people like us as it is a matter of trust. They are more happy to come to [country-specific] centre rather than [a generic provider] because the [a generic provider] for them means nothing. Here they have their own language, their own people, it’s a question of trust and I think the community organisations are very, very important.” Org 1

It was suggested that mainstream and statutory providers may be in a better position to help refugees if they had knowledge of the specific issues they may face and if they could encourage disclosure of refugee status from clients, in a way that did not feel inappropriate.

“I think you should probably have some more specialised staff within the statutory sector, people who understand migrant backgrounds and the difficulties of getting into jobs when you’re from a completely different culture and be better at working around people like that.” Org 3
“The problem is that a Job Centre Plus advisor would not ask are you a refugee and a person would not say I am a refugee.” Org 5

9c. Practical skills, accreditation and information

All of the organisations interviewed support their service users with their employability in some way, whether that be intermittent advice to individuals of full-blown training programmes. As highlighted by the quotation below, these services tended to be developed to help their communities overcome the difficulties many faced.

“We started this project because refugees are in a clearly disadvantaged position in the employment arena, I say arena because people are fighting to get the jobs. To fill the gap we are trying to help people...trying to find suitable training and tell about entitlement, improve their job searching skills and refer them to the NVQ certificates which are useful to find work. This is the support you need if you want refugees to become regular workers.” Org 8

A summary of the types of services offered by the organisations interviewed in this research is listed below:

**Education and training (both accredited and non-accredited)**

- ESOL (included work-focused provision and programmes for parents to fit around childcare responsibilities)
- ICT
- Skills for Life
- Customer service
- Rights at work
- Security guard
- Identifying appropriate training
- CV writing
- Supporting professional to re-qualify to allow them to enter their profession in the UK
- How to write online applications
- Confidence building workshops

**Information, Advice and Guidance**

- Making referrals to other organisations
- Information on entitlements in relation to benefits, education and other types of support

**Access to facilities**

- Support for continued job searching after courses are finished through access to computers, printers and telephones.

**Support into volunteering**

- Providing volunteering opportunities within the organisation
- Brokering volunteering opportunities outside the organisation.

Participants on courses came to the organisations through a variety of routes, including referral and advertising at local Jobcentre Plus offices, referrals form other statutory or voluntary sector organisations, word of mouth and through the persistent outreach.
conducted by staff. To build peoples confidence and mark their achievements, one organisation held award ceremonies at the end of courses.

9d. Support to attend training
Getting people to attend courses, training and workshops aimed at improving their employability can sometimes prove difficult. As many of the refugees who could benefit from this type of support are not working, then they may not have the resources to travel to the venue. Several organisations highlighted that to enable the target group to attend they would reimburse travel costs, give people lunch, and provide childcare. In terms of providing childcare, one organisation gave an example of the difference it can make to the involvement of women.

“When I organise job search skills improvement training for women, if I can arrange childcare, 25 women come, if I cannot, less than 10.” Org 8

Judging the appropriate length of course can also be an important consideration. One organisation had witnessed different levels of drop out between their short and longer courses

“A lot of them have got a lot of trauma, and for them it is very difficult to stick with something. We find that is we run a long course. That is why a lot of our courses are very short, 2 weeks or 2 day course, very intensive short course because long courses we find that people don’t stick to them. They stay maybe the first few weeks and then they’ll disappear and look for other [informal] work.” Org 2

Knowledge of the specific needs of their communities had led to the development of provision that was the most likely to engage clients. This did not guarantee full take-up, but putting these measures in place at removed some significant barriers that will have made participation not possible.

9e. Working in partnerships
Several of the organisations interviewed reported having good links with organisations both in the statutory and the private sector that helped them to provide tailored support for refugees within broader provision of employment programmes. Two were part of partnerships with private sector companies who lead the provision of programmes that receive statutory funding. The refugee organisations’ role was to get service users to the point where they were work ready, and then the partners would do the intensive job search with them. In the current climate of decreased public spending and pending reform of the welfare system, there was a fear that these types of programmes may not continue and those who are the furthest away from being work ready will be neglected in favour of people who companies are more likely to be able to get into sustainable employment more quickly.

Although not formal partnerships, two organisations did note some success in working with Jobcentre Plus to support refugees. One had previously been placed in the Job Centre once a week (voluntarily) to support refugees with their job searching and form-filling. The other had developed contacts with individuals in particular office, and some of the courses
run by the organisation were advertised on their system and had previously also done outreach similar to that described above.

9f. More flexible approach to benefits
The fear of losing all benefits once entering formal employment was mentioned regularly in the interviews with organisations. This was seen as a major disincentive to finding work and leaving the informal economy. There was a (self-confessedly optimistic) suggestion by one interviewee that a small change in the way the transition period from benefits to work is handled could help to encourage more people to make the step.

“At the moment it seems that the moment you start working, everything is cut off and that is a scary experience. If your Housing Benefit is cut, if your Council Tax is cut, if you have to pay for your children’s lunch and uniform...We need to work on how to overcome the fear of losing all benefits. If there could be some grace period where people would not have to face immediately all the responsibilities to its full extent. If there could be a reduction in council tax or something, for a while. It may sound too optimistic, too naïve but you never know, there may be some space for manoeuvre...Helping people to find their own feet once they start.” Org 5

9g. Tackling discrimination
Although tackling discrimination against refugees in the formal labour market is a huge task, an interviewee gave an example of a practice that had been adopted by the Mayor of Berlin to tackle racism in the recruitment process.

“The biggest employer in Berlin is the council itself, when they apply for a job with them, they close the names part. This helps because there is institutional racism.”
Org 8

A small change in practice could help to level the playing field for those from minority ethnic groups, and by extension, benefit refugees.

10. Support that organisations want to help their clients
The previous section has illustrated the wide range of support the organisations provide service users to help them gain formal employment. Interviewees were asked if there was support they could benefit from to better support their clients. Their responses fell into three categories: funding; better partnerships; and access to information and training.

10b. Funding
It is often the case that funding is one of the first things that small organisations mention when asked about support that is needed. These organisations often deliver a lot of services for very little money and could benefit from an increase in financial resources to expand what they can offer. What was notable about the comments here was that there appeared to be a genuine fear about the future of some of the participating organisations. Interviewees had witnessed similar organisations fold recently and some were only certain of their continued operation for a few months.
“The support we would wish is to keep this office going because even if there are no jobs at the moment, we don’t know about the future so we will need to carry on what we are doing, providing information, providing training so people are there and available to start work. That’s the help we want, keep this office.” Org 9

“The funding to voluntary organisations has been very bad, and we know locally that dozens of organisations have already shut down. They don’t provide anything now. The government or funders need to support more organisations as we are the reliable people where this community can receive something. If we need help them, we need to work together. If it carries on like this, if you came back in 3 or 4 years, maybe us, we would be closed down.” Org 10

One of the organisations that participated in a partnership with a private company to work on employability issues only received the funding for six months at a time. The interviewee felt this limited their impact.

“We don’t get enough funding. Every year we don’t know if we’re going to open for the next year. Six months not good enough…we could reach out to more refugees and deliver more employment workshops, and conferences and train young people up. We could hire more staff…” Org 6

The organisation felt that their reach was limited because of the level of resources they received and felt they could do more and therefore assist many more people. Another organisation felt that more funding would allow them to expand into areas they do not currently work in.

“Getting funding to help people with support when they get into work because that would make a big difference to how able we felt to support people through that transitional period. I think that would be quite useful. Again, we could get money to help people get ready for work before they get their status. We would quite happily do that?” Org 3

10c. Better partnerships
The previous section outlined some of the successful partnerships that organisations had formed to deliver employability projects. However, there were several examples given of when statutory sector organisation, Job Centre Plus in particular, were not seen as being particularly helpful or cooperative.

“When we started this project we wanted to get more people to be involved and we contacted Job Centre Plus and told them we are running this project and we need as many people to benefit…we even sent posters to the Job Centre and we wanted them to be involved. But no, too much bureaucracy there. They tell you that this is the person who deals with it and you contact this person and he is not there. At the end of the day we’ve just given up.” Org 10
One RCO had developed a good relationship with the Pensions Service and felt that this type of co-operation could be replicated by others in the statutory sector to help refugees into employment.

“They could work much more closely with us. They could recognise our role in helping these people as we are trying to help these people to find work, to settle, to integrate, to improve their quality of life. I’ll give you a simple example, the Pensions Service now run surgeries here once a month even those it’s a huge struggle and cost, they don’t pay us a penny, they use our premises. We use the telephones to make the appointments, we e-mail them, the referrals in advance, we provide free interpretation and support while that takes place, but are least there is an effort to go out into the community and do something.” Org 1

There was a suggestion of another way that the statutory sector could work to help support refugees into the UK workplace, which would provide refugees with valuable experience and could used as an example in other sectors.

“But maybe councils or other Government or local government, if they would be more pro-active in say providing internships or work placements for refugees then they would set an example for others. We encourage volunteering and work placements. I think [one specific Borough] had a good scheme where they were providing shadowing and observation for refugees, but as this recession started, things kind of cooled down.” Org 5

10d. Access to information and training
Given the rapidly changing environment in relation to benefits, entitlements, support available, courses on offer and legislation, some interviewees pointed out that it was sometimes difficult to keep up with new developments, or understand the information that is produced as it is often written in complex ways. Participants requested clear, comprehensive information so they are better equipped to answer their service users’ queries. This could be delivered through affordable training, or in a written form that they could also share with clients. For the latter, it would also be useful for key information to be translated into community languages so refugees who have limited English skills are clear about their rights and entitlements. There was a suggestion that a hub of information was developed, so a visit to only one website was required, not time-consuming searches of many.

One organisation suggested that Boroughs should provide a reception/induction for refugees to welcome them, as well as being able to take the opportunity to pass on useful information. This would help to counter the misinformation that many hear from friends and relatives.
Conclusion
This scoping study has highlighted some of types of informal economic activity being undertaken by refugees and London, and the reasons why they participate in such work.

The findings of this research reflect similar findings from research carried out about informal working in the population in general. In the short term, informal work helps people deal with periods of absolute poverty such as paying for necessities, triggered by illness or loss of a formal job. In the medium term, informal work may keep individuals outside the formal labour market (i.e. no minimum wage, holiday/sick pay) and in relative poverty. Informal work can, for some, have a positive role, developing confidence and skills, and building social capital (Travers, 2000).

Refugees appear to be doing informal work out of necessity as they are in poverty which is partly due to the fact they face difficulties accessing the formal labour market. Some of the barriers in the way of entering the formal economy were related to the fact that they were refugees. These include employers not understanding refugees’ entitlement to work, limited recognition of skills and experience gained in people’s countries of origin, experiences of protracted periods without work during the asylum process and delays in receiving paperwork when refugee status is granted. The fact that they are migrants also meant that finding employment was more difficult due to some refugees having difficulties with the English language, insufficient knowledge of the benefits system and unfamiliarity with the way that the UK job market operates.

Organisations identified the types of support that refugees could benefit from in order to facilitate a move from the informal economy into formal work, and this included specialist programmes that are sensitive to the needs and experiences of refugees. Many reported that refugees did not receive the types of assistance they needed from statutory organisations, and that some services may be best delivered by organisations that communities trust.

Recommendations
1. Provide tailored support programmes through Jobcentre Plus and the Work Programme
This research suggests that refugees work informally due to difficulties in accessing the formal economy. To overcome these barriers, many refugees will need tailored support programmes that are sensitive to people’s backgrounds and experiences, and unfamiliarity with formal employment in the UK. This could be done through Jobcentre Plus and the Work Programme in partnership with refugee agencies.

2. Run a reassurance campaign
Employers and financial institutions need to be aware of refugees’ entitlement to work and the types of documentation they carry. This could be achieved by a London-wide reassurance campaign promoting refugees entitlement to work, by drawing on existing resources and guidance.
3. Include refugees in the criteria for fee remission for ESOL provision
Refugees who lack sufficient English language skills find it difficult to enter the formal economy. We recommend that refugee status should be a criterion for fee remission for ESOL provision at all levels funded by the Skills Funding Agency.

4. Increase business support for refugees
This research has highlighted the confusion refugees experience when setting up businesses and becoming self-employed. BIS and expert providers should invest further in providing specific business support services for refugees. DWP’s New Enterprise Allowance needs further refinement to truly meet the business support needs of people on benefits.

5. Establish a formalisation service
Although they constitute a minority of refugees, those who are involved in informal paid work may compound their disadvantage as the experience they gain in this sector cannot be used to support job applications for work in the formal economy. We suggest that GLA and partners explore developing a ‘legitimisation’ or ‘formalisation’ service that will help individuals get their previous informal work experience acknowledged, without the fear of sanctions and prosecution by DWP.
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Appendix

Community Links is an innovative east London charity, running a wide range of community services and projects for all ages. Founded in 1977, we now work with 30,000 local people each year supporting children, young people, adults and families, in 60 different projects. We share the learning nationally with government, other practitioners and the media to generate social change. Visit: www.community-links.org

The national team of Community Links, shares the learning by providing practitioner-led consultancy and training, research, policy and campaigns and a communications / events programme; and over the last ten years has:
- Published over 54 books and reports based on our research
- Provided consultancy and training support to over 50 organisations from across the UK
- Succeeded in securing 12 national policy change
- Influenced government strategy and policy about the cash-in-hand / informal economy
- Led the Need NOT Greed campaign (members including TUC and Oxfam)
- Worked with over 10,000 local people using our innovative ‘Everyday Innovators’ approach

The Refugee Council is the largest charity working with asylum seekers and refugees in the UK. We not only give direct help and support, but also work with asylum seekers and refugees to ensure their needs and concerns are addressed. We achieve this mission by:
- supporting refugees and working with them as they build a new life
- speaking up for refugees and ensuring that refugees themselves have a strong voice in all areas of UK life
- building links with people from across our society to increase mutual understanding of refugees
- making the case for a fair and just asylum system
- taking a leading role in helping to build up a vibrant, sustainable and successful refugee sector in the UK and internationally

The Refugee Council works closely with Refugee Community Organisations and uses evidence gathered through research to identify the needs of refugees and advocate for policy change. For further information on our policy and research work, please visit: www.refugeecouncil.org.uk/policy
Understanding the Informal Economic Activity of Refugees in London

“We know people who are highly skilled who are doing informal work too…Sometimes you see a big waste of skills. People who are very, very qualified doing rubbish jobs. It breaks your heart.”

The Greater London Authority commissioned Community Links and the Refugee Council to conduct a small scoping study to examine the causes of informal economic activity within refugee communities. This study aims to ascertain if there are ‘refugee-specific’ factors in relation to participation in the informal economy.

This report concludes that in the main refugees appear to be doing informal work out of necessity as they are living in poverty. Many face difficulties accessing the formal labour market and barriers to entering the formal economy which were related to them being refugees.

The report identifies several challenges including: employers not understanding refugees’ entitlement to work, limited recognition of skills and experience gained in people’s countries of origin, experiences of protracted periods without work during the asylum process and delays in receiving paperwork when refugee status is granted. A series of recommendations suggest practical solutions to the issues uncovered by the research.