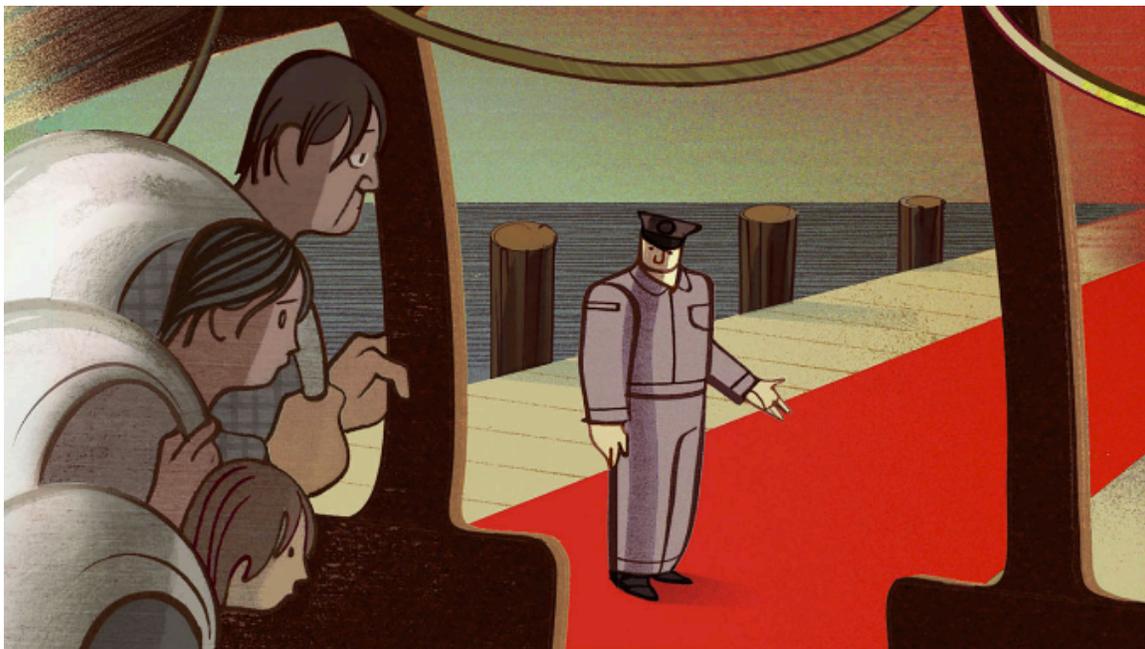


Refugees Will Revitalize The Economy—If We Let Them

Despite the rhetoric, refugees can be a huge benefit for host countries and cities.

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When he was 12 years old, Christopher Nguyen and his mother spent a year planning the family's escape from Vietnam. It was 1978, three years after the fall of Saigon; his father, who had been in the South Vietnam military, was locked in a reeducation camp by the Viet Cong.

"I remember the last meeting we had with him," he says. "My parents had this conversation: This is not going to change, and you've got to take the kids and run."

After paying smugglers who never showed up—twice—Nguyen's mother decided they'd need to plot their escape themselves. For months, they went up and down the Mekong River, pretending to operate a wood-importing business as they learned how to use a boat. His mother paid someone to turn a riverboat into something that could survive on the high seas. They lived in constant fear that they would be caught; his older sister, like

other teenagers, was forced into a Communist youth group called the Young Pioneers by local leaders and told to report on her family.

Finally, the time came to leave: a moonless night in November. "It's the height of monsoon season—you would be out of your mind to be at sea at that time," says Nguyen. "So the naval police would be less on guard as far as people trying to escape."

The family, along with 30 other refugees that Nguyen's mother had invited to cram into the tiny boat, made it down the river with surplus army blankets fashioned into makeshift sails; they didn't want to turn on the motor and risk being heard. But at the mouth of the river, guards spotted them and shouted for them to stop.

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"My mom made a fateful decision—she basically decided if we stop, we die," he says. "If we turn around, we die. So we're going to run. So that's the point when we took down the makeshift sail, turned on the engine, and ran like hell."

At sea, they ran into Thai pirates, and Nguyen and his sister saved the family's last belongings, a pair of diamonds, by hiding them under their tongues. Two days later, more by luck than design, their boat ran into the coast of Malaysia in the middle of the night. The prime

minister of Malaysia had said that any Vietnamese refugees should be turned back to sea; the villagers that discovered the boat captured them and sent them to an overcrowded camp on an island. But Nguyen's family was lucky. UN officials came to the camp, and eventually—because his father had fought on the side of the Americans—they were approved to come to the U.S. as refugees.

Today, after working his way through a doctorate at Stanford, becoming a professor, and working as a director at Google, Nguyen is running his third successful startup in Silicon Valley, Arimo, which builds software that makes big data searchable by non-data scientists.

It's arguable that his early experiences helped him succeed. "I've found what I call a struggling muscle," he says. "I tell my kids these stories, and I say, what most people think of as a massive struggle, to me is a walk in the park. ... It's almost like I live for the struggle. I think a lot of that need for that kind of challenge probably came from those years."

ANTI-REFUGEE SENTIMENT IS NOTHING NEW

At the time Nguyen left Vietnam, hundreds of thousands of people were fleeing the region, many hoping to eventually make it to the U.S. Most Americans didn't want them to come; [in a 1979 poll](#), 62% disapproved of President Carter's decision to double the number of refugees who could come, to 14,000 a month.

It was an echo of past attitudes. In 1938, [most Americans](#) wanted to keep out political refugees—many of them Jewish—from Germany. And, of course, it's a similar story now. In a poll in November 2015, 64% of Americans said that they either didn't want the country to accept any Syrian refugees at all, or only Christian refugees from the country.

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Since 2012, the U.S. has only accepted a little over 2,000 people out of Syria's 4.6 million refugees (another 6.6 million are internally displaced in Syria). In Europe, where more than a million asylum-seekers and migrants arrived in 2015, opposition is often even stronger. In Germany, 40% of people now want Angela Merkel to resign because of her friendly refugee policy.

Opponents argue that a large influx of refugees changes a country. They're partially right. There's a lot of evidence that shows that refugees do change a country—for the better.

REFUGEES RESHAPE THE RUST BELT

Take the example of Detroit, which has resettled more Iraqi refugees over the last decade than anywhere else in the U.S., and which still plans to take in more Syrian refugees, despite some backpedaling after the Paris terrorist attacks in November.

"Six years ago, it was right at the height of our economic decline—kind of the lost decade in the city of Detroit," says Steve Tobocman, a former Michigan state legislator and director of Global Detroit, a nonprofit founded in the wake of the financial crisis. As foundations in the area tried to figure out how to help the economy recover, "somebody had the foresight to look at immigration as a driver."

After a 15-month long study examining how immigrants affect the region's economy, the foundations realized that encouraging more immigration—including refugee resettlement—could be an important strategy in saving the city.

In Michigan, the study found, immigrants are almost twice as likely as the U.S.-born population to have a four-year college degree. They're also more likely to be educated in STEM fields—often at U.S. universities. While international students make up around 5% of all students at American colleges, they represent 40% of all grad students in STEM. About a quarter of high-tech firms in the country have an immigrant founder—in Silicon Valley the number is closer to 50%, and in Michigan, it's around a third.

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"Immigrants are more likely to be self-employed, and some people use that as a metric for entrepreneurship," says Tobocman. They're also more likely to be younger, more likely to be married and less likely to divorce, and—crucially—they're willing and even eager to move to cities, like Detroit, where the cost of living is low and others are leaving.

Global Detroit launched to figure out how to help more people come to the area, more quickly. By laying out the economic case, the organization helped set the stage for the governor and other leaders to say they wanted to accept more refugees from Syria.

Even now—as more anti-refugee rhetoric builds in the wake of Paris and San Bernardino—the city plans to accept 50 Syrian families a year for the next three years.

Tobocman now helps lead a network of 18 Rust Belt cities that all are trying to encourage more immigration, including refugee resettlement. In the area around Columbus, Ohio, where nearly 17,000 refugees have been resettled in the last few decades, a local nonprofit estimates that refugees workers (and the business of resettlement itself) contributes around \$1.6 billion to the local economy each year.

In Cleveland, where waves of refugees have come from places like Somalia and Iraq, [a study](#) found that although resettlement brings short-term costs like providing emergency food and shelter, there's no evidence that immigrants pose a long-term burden to the community, or that they take jobs from the people who were living there before. The economy has improved.

WHAT REFUGEES DO TO THE ECONOMY

Even in places with much larger waves of refugees, like Turkey and Lebanon, the influx of people isn't dragging the economy down. Since 2012, Turkey has taken in over 2 million refugees. Last year, the economy there grew 3%; this year, it's predicted to grow 4%. While their economy is shaped by a complicated mix of factors—from disrupted trade flows to the global economic environment—just having more people there, by itself, makes local trade grow.

"It's very difficult to untangle all the different effects," says Jean-Christophe Dumont, head of the International Migration Division for the OECD. "But what is sure is that now 2.6 million people are coming from Syria and currently living in Turkey. These people need to eat, and they need to live, simply. That has created a demand effect. They're going to consume largely local goods."

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Because the population has grown as well, the economy may not necessarily be growing on a per capita basis. But it's clear it's not collapsing, as some may have feared.

Some Syrian entrepreneurs have moved businesses across the border from Syria to Turkey, while others often take jobs that Turks don't want. Patterns are similar in Lebanon and Jordan, where the economy is also growing.

In Germany, humanitarian support for refugees is likely to also boost the economy in the short term, as more Germans are hired to do everything from process asylum application to teaching language classes in schools. Still, other impacts, like the reintroduction of European border controls or fears about terrorism, may have the opposite effect.

In the longer term, Germany needs more young workers; like most of Europe, its native-born population is aging and shrinking. Before the refugee crisis, if there hadn't been immigrants from other parts of Europe, the working-age population in Germany would have declined 1.5 million by 2020. The country was also struggling to get young

Germans interested in its national apprenticeship program, which feeds workers into the small- and medium-sized businesses that are an important part of the national economy.

Refugees, like other immigrants to Germany, can help fill some of the gaps in the labor force. It may take a while in some cases—most refugees don't yet speak German, and don't have the right qualifications for German jobs. But some industries may move more quickly to embrace the new human capital.

"There are currently 43,000 open IT jobs in Germany, desperately looking to recruit talent," says Anne Kjær Riechert, who founded the Berlin-based [Refugees on Rails](#) in response—an organization that trains new arrivals to code, and then connects them with German tech startups.

Eventually, refugees may innovate in their adopted countries in ways that may not have occurred to those who were there first. That's part of the premise of Startup Refugees, a Finnish organization that [helps refugees launch new businesses](#).

In the short term, the organization wants to help connect skilled workers with work. But ultimately, the goal is to help grow the Finnish economy and harness innovative ideas. "They might have ideas, information and knowledge of cultures and the world—within areas where Finnish people don't," Tunna Milonoff, one of the organization's founders, told a Finnish news channel.

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A COUNTRY OF REFUGEES

Though the scale of the current refugee migration is enormous, it isn't completely unprecedented. World War II displaced an estimated 60 million Europeans—at the time, a much greater percentage of the total world population than the 60 million people who are displaced around the entire world today.

As people fled Nazi persecution, they were often turned back by neighboring countries, sometimes to their death; after the war, governments realized that things needed to change. Members of the newly formed United Nations signed the Universal Declaration of Human Rights and the 1951 Refugee Convention, promising to accept anyone with a "well founded fear of persecution" who ends up inside their borders; 145 countries are currently signatories.

Alexander Betts, director of the Refugee Studies Center at Oxford University, calls the number of refugees today—19.5 million official refugees, in a world of 7 billion—a "[manageable problem](#)." The key, though, is whether the world works together to accept the flow of people needing refuge.

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Sweden, which has accepted wave after wave of refugees in the past, expects to take in 190,000 now, or 2% of its population. The country is struggling to keep up with the pace of new arrivals, but that's arguably because most other countries have been so reluctant to take in their share. If the U.S. welcomed the equivalent number that

Sweden has, it would take 6 million refugees. President Obama is struggling to get support for 10,000.

Large-scale migration poses challenges, obviously, and perhaps now more than at some points in the past. "There was no possibility of a Vietnamese refugee becoming a suicide bomber," Nguyen says. But he also believes, in classic Silicon Valley style, that any challenges, like how to screen people effectively, can be surmounted.

"I think the net of it has to be that we have to see the difference between that risk and what we stand for as a country," he says. "In other words, what I like to do at work—very practical, when I have a larger goal, is set that goal, and then solve all the other problems that the goal leads to. Rather than losing sight of the larger goal and let the problems drive your decision. I think there are ways we can deal with it. America has always been a country of refugees."