



*Empowered lives.
Resilient nations.*

Executive Summary

Jobs Make the Difference

**Expanding Economic Opportunities for Syrian
Refugees and Host Communities**

Egypt - Iraq - Jordan - Lebanon - Syria - Turkey



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The report is the work of an independent team of authors.

Foreword

We are deeply concerned about the ongoing crisis in Syria, the loss of lives and the disruption of livelihoods. More than 11 million Syrians have been displaced - with more than 5 million refugees from Syrian in Egypt, Iraq, Jordan, Lebanon and Turkey, and more than 6 million people displaced internally within Syria. Hidden behind these numbers are individuals, families, and communities—children, mothers, and fathers whose lives have been dramatically altered. Many of them are no longer able to provide for themselves and their families.

Host communities throughout the region and within Syria have been generous in their support for refugees and internally displaced people (IDPs). The vast majority of refugees and IDPs—90 percent of the 5 million refugees and nearly 75 percent of the internally displaced—have been absorbed into urban centres, facilitating access to economic opportunities and social services. Yet despite all efforts by the international community, host governments and communities to extend support to refugees and IDPs, we have seen their livelihoods deteriorating further as the crisis continues.

These concerns are the reason why the international community, alongside host governments, pushed for a paradigm shift in the response to the Syria crisis. At the London

Conference for Supporting Syria and the Region, held in February 2016, participants agreed to an ambitious goal: to create 1.1 million jobs for Syrian refugees and their host communities by 2018.

Host governments made bold commitments to open their labour markets and improve the domestic regulatory environment. Refugee and IDP entrepreneurs have been allowed, and are frequently encouraged, to start new businesses in their host communities. As the crisis enters its sixth year however, economic opportunities for most refugees and IDPs remain limited, and communities are increasingly feeling the burden of hosting them.

At the London Conference, the international community, including UNDP, WFP and ILO, committed to promoting employment-generating programmes, such as the Partnership for Prospects (P4P) initiative, as well as access to both concessional financing and external markets.

Under the umbrella of P4P, Germany supported the creation of more than 60,000 jobs in the region during 2016. Germany, UNDP and ILO successfully collaborate on different P4P projects in Lebanon, Jordan, Syria and Turkey.

These projects enable both refugees and host communities to find employment. They work together to rehabilitate roads, restore basic infrastructure and develop agricultural value chains. In the same spirit, the European Regional Development and Protection Programme, funded by the European Commission (DEVCO), the Czech Republic, Denmark, Ireland, the Netherlands, Norway, Switzerland and the United Kingdom, is supporting the present assessment and generating evidence for more inclusive labour markets.

UNDP, ILO, and WFP have come together to help realize a future for the region beyond assistance, recognizing both our responsibility to act and our complementary expertise, from vulnerability assessments to the generation of decent employment and beyond. This assessment represents our first step together in this direction.

The report provides pragmatic, empirically grounded evidence to support efforts by the three key actors—host nations, the international donor community and the private sector—in achieving the ambitious goal of creating 1.1 million new jobs by 2018. The research included herein explores the challenges faced in accessing and creating economic opportunities, and identifies approaches likely to expand economic opportunities for Syrian refugees, IDPs and their host communities, drawing on recent successes and ongoing efforts across these countries.

The report simultaneously acknowledges the responsibility partners have in taking measures now to mitigate dangerous survival strategies for the most vulnerable. WFP continues to reach an estimated 2 million people in the region every month, building vital social safety nets and injecting some US \$2.3 billion into local economies while ensuring people's basic food needs are met.

A set of recommendations on what can be done at the regional level, as well as separate recommendations for each country, emerge from this analysis. While many of these recommendations will be familiar to readers, such as ensuring integration of the private sector into the crisis response at the regional and

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national levels, the analysis also identifies key operational level realities of implementing them. These include domestic political dynamics that limit the types of reforms possible; anticipated or ongoing social tensions; the reality that creating economic opportunities for host nationals will require overcoming pre-existing challenges; the tension within the international community over creating short-term versus sustainable jobs; the likely importance of infrastructure- and employment-intensive approaches; persistent challenges in integrating the private sector; and the need for additional, coordinated analysis, and regional economic opportunity-focused engagements.

Progress towards creating the promised 1.1 million jobs has been very modest, despite the high aspirations of the London Conference. In a region threatened by instability, the creation of decent work can reduce fragility, support legitimate and inclusive politics, and underpin justice and security.

Achieving this ambitious goal will require reinvigorated development coordination, private sector engagement, interaction of development and humanitarian assistance efforts, and bold commitments from both host nations and international actors. We hope that this report—a tool providing critical guidance to be shared and used by all—is but one of many efforts to achieve the goal of the London Conference.



H.E. Minister Müller
Federal Minister for Economic Cooperation
and Development, Germany

A handwritten signature in black ink, appearing to read "Gert Müller".



On behalf of the donor partners for the
Regional Development and Protection
Programme for the Middle East

H.E. Ms. Ulla Tørnes
Minister for Development Cooperation
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A handwritten signature in black ink, appearing to read "Ulla Tørnes".



Ertharin Cousin
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Ruba Jaradat
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A handwritten signature in blue ink, appearing to read "Ruba Jaradat".



Helen Clark
UNDP Administrator and Chair of
the UN Development Group

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Acknowledgements

This Multi-Country Economic Opportunity Assessment (MCEOA) would not have been possible without the support of representatives from host governments, UN agencies, international organizations, donor agencies, Syrian refugee businesses, and both national and international non-governmental organizations (NGOs). Some 120 individuals working in these six countries—Egypt, Iraq, Jordan, Lebanon, Syria and Turkey—participated in an initial interview process. Approximately 80 individuals participated in expert consultative groups, either at the national or regional levels.

The research team consisted of both country-specific and international researchers. The country field research relied on an interdisciplinary team of national experts: Zheen Al Mukthar (Iraq), Murat Erdoğan (Turkey), Lawen Hawezzy (Iraq), Lama Kanjarawi (Syria), Rani Khoury (Jordan), Antoine Mansour (Syria), Heba Moghaieb (Egypt) and Nasser Yassin (Lebanon). The international researchers included Shelly Culbertson and Susan Razzaz, each of whom supported fieldwork in three of the target countries and led the country-specific and regional analysis for those countries, and Daniel Egel, who led the overall research effort. The team thanks two UNDP summer associates—Heba Abusitta, Doha Institute for Graduate Studies, and Moritz Poll, University of Oxford—who provided excellent research and logistical support to the project and were crucial to its success. We would also like to thank the UNDP Sub-Regional Response Facility (SRF), particularly Jason Pronyk, for carefully coordinating all stages of this regional exercise, and Gustavo Gonzalez for providing overall leadership and guidance to our research team throughout the course of this research. We also recognize the important role of WFP's and ILO's regional teams for their valuable inputs and support during the implementation of this project.







Executive Summary

**Expanding Economic Opportunities
for Syrian Refugees and Host
Communities**

**Egypt - Iraq - Jordan - Lebanon -
Syria - Turkey**



The London Conference for Supporting Syria and the Region, held in February 2016, set an ambitious goal: create 1.1 million jobs for Syrian refugees and their host communities by 2018. Neighbouring nations hosting Syrian refugees—Egypt, Iraq, Jordan, Lebanon and Turkey—made bold commitments to open their labour markets and improve the domestic regulatory environment; the international community committed to support employment creation programmes and access to both concessional financing and external markets; and representatives from the private sector committed to providing new investments.

This assessment on Expanding Economic Opportunities for Syrian Refugees and Host Communities in Egypt, Iraq, Jordan, Lebanon, Turkey and Syria—made possible through a UNDP partnership with ILO and WFP, and with support from the Regional Development and Protection Programme—provides pragmatic, empirically grounded research to support these efforts. We explore how host governments, international actors, and private sector partners can both create new economic opportunities and expand access to existing economic opportunities. This research is primarily based on some 120 interviews with representatives from business communities, governments, NGOs, donors and international organizations across Syria and its five refugee-hosting neighbours. These data were supplemented with a review of existing studies. Expert consultative groups for each of the six countries—including representatives of governments, UN country teams and the private sector—provided feedback on this assessment through all stages of its development.



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The intent of this study is to use these qualitative data—which allow comparison of the economic opportunity-related aspects of the crisis response across the six countries—to support efforts by host nations, the international donor community and the private sector to achieve the ambitious political goal of creating 1.1 million new jobs by 2018. This study does not assess the feasibility of creating 1.1 million jobs by 2018, where jobs might be created, the relative share of new jobs that might benefit Syrian refugees vis-à-vis host communities or the number of jobs created thus far.

Our analysis focuses on challenges impeding creation of and access to economic opportunities, and the approaches for overcoming those challenges. The analysis of the creation of economic opportunities explicitly examines the challenges faced by host communities, Syrian refugees and IDPs, and entrepreneurs.

FACILITATING ACCESS TO ECONOMIC OPPORTUNITIES MUST BE A CENTRAL COMPONENT FOR A SUSTAINABLE RESPONSE TO THE CRISIS



120 INTERVIEWS

WITH REPRESENTATIVES FROM BUSINESS COMMUNITIES, GOVERNMENTS, NGOS, DONORS AND INTERNATIONAL ORGANIZATIONS ACROSS SYRIA AND ITS FIVE REFUGEE-HOSTING NEIGHBOURS

The corresponding analysis of access to economic opportunities examines the factors limiting the ability of host communities, Syrian refugees and IDPs to find appropriate opportunities. Though women, and youth to a more limited degree, from each of these communities face unique challenges in creating and accessing economic opportunities, an analysis of these unique challenges and the specific approaches for addressing them is beyond the scope of this analysis.

The economic opportunity-focused activities designed to respond to the crisis are, by and large, relatively new. Therefore, it is premature to fully gauge their effectiveness. However, this research identified several promising approaches – activities generally believed to be successful in at least one country with characteristics that make them

amenable for exportability to other contexts. Their characteristics include:

- **Support expanded access to markets in the European Union.** Described as the single biggest step made by the international community to promote investments in Jordan and support Syrian and Jordanian employment.
- **Facilitate Syrian private investment.** While foreign direct investment has fallen as a consequence of the conflict, supportive investment climates have encouraged inflows of Syrian private capital in Egypt, Jordan and Turkey.
- **Allow Syrians to start businesses; facilitate access to available industrial infrastructure.** Syrian businesses in Egypt and Turkey have boosted new sectors and hired both host nationals and Syrians.



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- **Expand and facilitate access to information for Syrian refugees.** NGO and UN-led exchanges in Jordan and Turkey support access to economic opportunities.
- **Business promotion by use of direct procurement.** Humanitarian and development agencies in Syria are increasingly encouraging production in impacted communities through use of direct procurement.
- **Concessional financing of infrastructure.** NGO-led local infrastructure programmes have been successful in Lebanon, and the Concessional Financing Facility has just issued its first infrastructure-focused concessional loan for Jordan.
- **Allow Syrians to provide services for other Syrians.** Syrian medical professionals and teachers are allowed to provide services to other Syrians in both Egypt and Turkey, as an exemption to the existing labour market restrictions.
- **Include both refugees and host nationals as explicit beneficiaries in all programming efforts.** This recognizes that host communities need assistance, in addition to the refugees.
- Host governments, development partners, and private sector partners also described a variety of challenges in effectively implementing crisis response activities.
- These lessons all meet three criteria: (1) the challenge was faced in multiple countries, (2) research provided pragmatic approaches for overcoming challenges,



and (3) addressing these implementation challenges is anticipated to substantively improve the crisis response. The challenges include:

- **Coordination of crisis-related development programming is difficult, and requires persistent efforts at the local, national and regional levels.**

Despite a variety of formal mechanisms to coordinate crisis-related activities, a lack of coordination has hampered the crisis response. Host governments, development actors and private sector partners should establish clear leadership and strategies.

- **Work permits are not enough for creating jobs.**

Access to work permits is not sufficient for expanding decent economic opportunities for Syrian refugees. Political and economic capital would be well spent in also improving other domains relevant to expanding economic opportunities.

- **Vocational training needs to be aligned with market needs and the skills that targeted populations already have.**

Vocational training programmes, while popular, are widely perceived as ineffective. Restricting vocational training programmes to those with an explicit connection to the private sector, shifting training into more pragmatic programmes, and, where possible, integrating Syrian refugees into and strengthening the formal technical and vocational education and training system, should be considered.

- **A lack of information can create misconceptions, leading to poorly targeted livelihood programming.**

Insufficient data and data sharing impede the effectiveness of crisis-related activities. Sharing available data in open forums, to support public discussion, should be advocated, while maintaining respect for the privacy of individual refugee data.

- **Design humanitarian assistance to encourage work.** Though there is not yet systematic evidence, anecdotal data suggest that refugees and IDPs fear that they will lose their humanitarian assistance if they obtain jobs, even if the jobs are not sufficient to meet their needs. Structuring humanitarian assistance to encourage work, and clearly communicating this to beneficiaries, can improve the efficacy of the overall resilience response.

In addition to identifying promising approaches, lessons, and both regional and country-specific recommendations, this research derived several operational level observations concerning programme implementation, based on previous and ongoing efforts:

1. **Economic opportunities for host nationals vs. refugees/IDPs.** Expanding economic opportunities for host communities requires overcoming the myriad of pre-existing challenges that have contributed to rising levels of unemployment as well as under employment and informality in these countries (which previous policies and strategies were largely ineffective in addressing). The crisis has, however, created a positive political momentum to accelerate some policy transformation related to the business environment and the acceptance of more inclusive labour markets.
2. **Social tensions related to economic opportunities will remain a persistent problem.** Differential access to economic opportunities, whether as a consequence of employment in the private sector or donor-funded activities, has been and will continue to be a source of potentially destabilizing social tension between host communities, Syrian refugees and IDPs.
3. **Domestic political dynamics limit the types of reforms that are possible.** Host country commitments to support the Syrian refugees will inevitably be exposed to some form of resistance from political and social actors.

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4. **Short-term versus sustainable jobs.**

The rate of economic growth necessary to create 1.1 million new jobs for the six countries by 2018 is unlikely to be attained. Achieving the political goals of creating these 1.1 million jobs will require a more strategic and coordinated use of existing scattered, short-term and emergency employment initiatives, alongside the creation of sustainable economic opportunities.

5. **Infrastructure can be a useful sector for employment generation, but is likely to face some resistance among development actors.**

Funding labour-intensive programming to build, rehabilitate or improve infrastructure is anticipated to be undesirable by some development partners as these programmes are generally discouraged for middle-income countries. They are, however, likely essential to meeting the promises of the London Conference. Appropriately designed infrastructure projects (e.g., including the skill upgrading of programme participants, the use of local resource-based technologies, improvement in economic infrastructure that has historically restricted economic growth, and capacity enhancements of government and the private sector) can also support the expansion of longer term economic opportunities, and spur indirect and induced job creation.



THIS REPORT WAS DESIGNED TO INITIATE A CONVERSATION ABOUT HOW HOST GOVERNMENTS, INTERNATIONAL ACTORS AND PRIVATE SECTOR PARTNERS COULD LEARN FROM EXISTING EXPERIENCES ACROSS THE REGION TO SUPPORT JOB CREATION EFFORTS

6. **Integration of the private sector into crisis response efforts.**

Although private sector involvement in crisis response is at the heart of the resilience-building narrative, there are not yet domestic or international mechanisms for effective integration of private sector partners into the crisis response.

7. **Need for additional, coordinated analysis and regional engagements focused on economic opportunity.**

This report was designed to initiate a conversation about how host governments, international actors and



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private sector partners could learn from existing experiences across the region to support job creation efforts. Subsequent and more targeted research, ideally as a collaboration of the three actors, is needed to help guide effective programming.

As the Syrian crisis enters its sixth year, it is clear that expanding access to economic opportunities for those affected by the crisis must be a priority. Employment generation and sustainable livelihoods remain the most effective way of building self-reliance and fostering dignity among refugees and host communities.

It is equally clear that the current response, despite recent successes, is unlikely to be sufficient. Achieving the London Conference's political goals will benefit from enhanced coordination among development actors, private sector engagement, and genuine integration of development and humanitarian assistance efforts at all levels. But creating 1.1 million new jobs will require strong political will to pass reforms that may risk being unpopular in both refugee-accepting nations (e.g., increased flexibility in labour market regulations) and developed nations (e.g., increased multiyear funding blending humanitarian and development resources, and rapid reductions in trade restrictions) alike.

The significance of the present assessment is that it demonstrates the way the different contexts and realities within the Syrian refugee situation interface with core humanitarian and development interventions endeavouring to tackle the world's most severe and protracted refugee crisis. This time requires resilience-building responses. It needs a concerted and sustained approach from all the partners involved, which is capable of responding to both immediate and long-term needs as they emerge.

Her Royal Highness Princess Basma bint Talal

Chairperson, Jordanian Hashemite Fund for Human Development and Honorary Human Development Ambassador for UNDP

The assessment is a very useful contribution, as it provides a comparison between what is happening across different countries. It should be required reading for those seeking to get a sense of the facts and key issues.

Stefan Dercon

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We would like to commend UNDP, ILO and WFP for leading the analytical work on the Multi-Country Economic Opportunity Assessment, which provides an innovative approach on how countries can better respond to the Syria crisis and while at the same time meet the jobs challenge set at the London Conference. The report presents an important approach to look at economic, development and humanitarian perspectives in a challenging situation with the same lenses.

Andreas Schaal

Director of the Global Relations Secretariat, OECD

Syrian refugees account for 30 percent of Lebanon's population, the highest concentration per capita of refugees in the world. Seventy percent live below the poverty line compared to 40 percent of the Lebanese population. This assessment informs, comprehensively and innovatively, the response to the world's largest and most severe protracted crisis. It draws on lessons learned, lays bare the facts and sets out approaches to alleviate the plight of Syrian people.

Dr Tarek Mitri

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