

# Learning from the Jordan Compact

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**Analysis of the implementation of the Jordan Compact offers three key lessons: governmental approval is important but not sufficient, the incorporation of critical voices is crucial, and meeting numeric targets is not the same as achieving underlying goals.**

The formal integration of Syrians into the labour markets of Syria's neighbouring countries was something of a taboo for the first five years of the Syria crisis. Middle Eastern governments steadfastly refused to contemplate it. Nor, typically, did they allow humanitarian actors to undertake livelihoods programming for Syrians. This changed in February 2016, at a donor conference in London, when Jordan, Lebanon and Turkey all publicly committed themselves to improving economic opportunities for Syrian refugees.

Jordan has gone furthest in seeking to make its general commitment a reality. The 'Jordan Compact', announced at the end of the donor conference, envisaged the provision of up to 200,000 work permits for Syrians over the coming years.<sup>1</sup> It has since become a laboratory for livelihoods programming with refugees in protracted displacement.

Just over 80,000 work permits were issued to or renewed by Syrians by January 2018, yet – almost two years in – the initial enthusiasm of humanitarian actors has given way to surprise at the challenges they face in implementing the Compact. The overall count used in official reporting is somewhat misleading – it includes not only renewals but also several thousand permits issued to the same people upon switching jobs, as well as a few hundred temporary (that is, non-annual) permits. The number of work permits valid at any one point in time is considerably lower than the overall figure (estimated at around 35,000-45,000), and there is a widespread perception among humanitarian actors that it will be extremely difficult to reach the 200,000 target by whichever metric. A number of lessons can be drawn from analysing implementation of the Compact.<sup>2</sup>

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### Lesson 1: Governmental approval is necessary – but not enough

Experiences with the Jordan Compact show that while the approval of governmental actors is crucial to shifting policy, effecting real change on the ground requires more than this. Implementing agencies have shown great sensitivity in scoping out what is politically acceptable in the given context, and have built strong cooperative relations with the Jordanian government. However, governmental positions do not necessarily reflect or fully account for the deeper dynamics shaping a state's political economy or labour market. Incorporating the rationales of other stakeholders is equally crucial for the success of any intervention.

This is illustrated by the strong initial focus on recruiting Syrians to work in the garment industry. In negotiations, government representatives emphasised employment in this sector because a) it is labour-intensive and could thus potentially absorb many Syrians, and b) the workforce is predominantly migrant labour, so 'substituting' them with Syrians would mean that Syrians were not 'competing' with Jordanians. This proposed substitution implies a disregard for the rights and circumstances of the existing migrant workforce in Jordan, and attempts to effect it have been unsuccessful to date. In spite of holding job fairs, and offering Syrians information sessions and invitations to visit factories, by the end of 2016 only 30 Syrians, out of a target of 2,000, were being employed in the garment sector.<sup>3</sup> Employers did not consider that their existing workforce, of mostly South Asian migrant workers, would be easily replaced by Syrians since the working conditions – with long hours, low wages, long commutes – and lack of childcare made working in the factories very unappealing to most Syrians. These exploitative working conditions have been imposed on migrant workers in Jordan for many years, as human rights advocates have highlighted.<sup>4</sup>

A new round of recruitment began in the summer of 2017 when work permits were also introduced for camp residents. This time,

with UNHCR, the UN Refugee Agency, and international non-governmental organisations (NGOs) organising transportation and training, and since some of the camp residents' basic living expenses are covered by humanitarian actors, this has proven somewhat more attractive to employers as well as Syrians, thereby pulling more Syrians into this exploitative labour regime. Yet some of the aforementioned factors remain unchanged, which have, to date, prevented the recruitment of Syrians on a substantial scale. This would have been clear in advance if the views and needs of Syrians had been taken into account from the beginning of the scheme, demonstrating that labour market interventions for refugees must account for the perspectives of the populations they target, even when these perspectives run contrary to the government's preferred solutions.

### Lesson 2: The critics are sometimes right

Secondly, critical voices were marginalised during the development and implementation of the Compact. Much of the deepest and most relevant knowledge regarding Jordan's economic circumstances is found among Jordanians affiliated with research centres, NGOs or working as consultants but this expertise was not often called upon, nor was it well integrated into programming. Similarly, foreign experts on Jordan and the region were largely excluded from the design process and their words of warning ignored. Instead, those drafting the Compact pursued a generalised blueprint which failed to take sufficient account of the intricate and specific dynamics of Jordan's political economy and labour market.

The consequences of this have become apparent, as for example in the plans to use Special Economic Zones (SEZs) as an incubator of change. It was expected that stakeholders would be able to encourage investment in SEZs, particularly in manufacturing, and thereby provide employment for Syrians and Jordanians alike. The centrepiece of this was renegotiated terms of trade between the European Union (EU) and Jordan, which

now allow preferential access to European markets for firms based in particular zones and employing Syrian refugees as a minimum proportion of their workforce.

Yet as activists, NGOs and labour market experts have long argued, employers in these zones favour workers whom they see as more productive, and whom they can exploit more easily. Migrant workers living on site, who are separated from their families who live outside Jordan, can be compelled to work longer hours than city-based Syrians with families waiting at home. This has prevented large-scale recruitment of both Jordanian and Syrian workers throughout the manufacturing sector.

Similarly, academics and practitioners have pointed out that SEZs, in Jordan and elsewhere, regularly fail to attract the desired investment or to positively affect the broader economy. Regarding Jordan specifically, country experts have highlighted that SEZs remain unattractive investments for many firms because of relatively high production and transportation costs compared with competitors. They have also stressed that manufacturers working within SEZs are largely oriented towards markets within the region, especially Iraq and Syria. As a result, they have little experience with the import standards required by the EU single market and often lack the ability to meet those standards.

The EU-Jordan trade renegotiations,<sup>5</sup> pushed through in a hurry to demonstrate successful follow-through, did little to tackle such factors. Had the critical expertise on such dynamics been appreciated differently and incorporated from the start, the Jordan Compact might have set off on a very different path.

### **Lesson 3: Do not lose sight of underlying goals**

Thirdly, in the process of implementing the Compact, much of its progressive potential has been lost. Many stakeholders initially envisioned the Compact as a tool for improving the working rights and conditions of Syrians, while also benefiting Jordanian workers. Faced with the long-standing and deeply-ingrained dynamics of the Jordanian

labour market, however, implementing agencies have abandoned such goals. Rather, meeting formal targets set by donors and implementing agencies themselves has turned into a goal in and of itself.

This is clearly demonstrated by attempts to formalise the labour of Syrians who were already working in Jordan informally. These attempts have been confronted with the reality that huge swathes of the Jordanian economy have operated informally or semi-formally for decades, and many of the actors involved have strong incentives to keep it that way. In sectors such as agriculture and construction, for example, jobs are often obtained with the assistance of brokers. Egyptian migrants have long dominated these sectors – both as workers and brokers – and to re-populate them with registered Syrians runs strongly against their interests. Similarly, employers in various sectors benefit financially from informality, for example by not having to pay social security contributions or work permit fees for (any of) their employees. Employees, in turn, may prefer the flexibility that informal work affords them, compared with the one-year commitment to a specific employer that most work permits in Jordan entail. Each of these practices makes informal labour difficult to formalise.

Faced with such challenges, implementing agencies have focused more and more on ways to increase the number of work permits issued, this being the most important condition for obtaining more funding from the World Bank and donor governments. They have done this, for example, by using cooperatives and unions as proxy employers, enabling Syrians to get work permits in sectors where labour is seasonal and employees move between individual employers. Any concerted attempt to tackle the conditions that push Syrians into poor and precarious working conditions and keep them there, however, has been lost along the way. As a result, Syrians now holding work permits typically report that while they feel less exposed to the risk of deportation, they have seen no substantial improvements in their working conditions and they shoulder most of the costs associated

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UNHCR/ivor Prickett

This Syrian refugee now works for a Jordanian farmer, having obtained (with help from his employer) a work permit from the government.

with formalisation, such as paying fees that are legally supposed to be borne by employers. Furthermore, other populations that are not covered by the work permits target, including Jordanian workers, migrant workers and non-Syrian refugees, do not stand to gain much from its implementation. In effect, a lot of the progressive potential of the formalisation drive has been lost.

### Conclusion

Labour market access can be crucial for refugees seeking to build dignified lives in exile. Facilitating that access can therefore have the potential to significantly improve refugees' material and psychosocial circumstances. That does not make success a foregone conclusion, however. As this article has outlined, recent experiences in Jordan offer at least three key lessons for humanitarian actors attempting livelihoods interventions.

First, governmental approval is necessary for livelihoods interventions to take place but a government's position may not accurately reflect the reality of complex labour market challenges, nor the perspectives of other stakeholders who will be crucial to an intervention's success. Second, humanitarian agencies and NGOs should seek to utilise existing expertise and knowledge, particularly from individuals and

organisations from the host country itself, even when they voice concerns rather than enthusiastically embrace proposed strategies; fully understanding the challenges, which are often both structural and long-standing, must be the starting point for humanitarian livelihoods interventions. Third, formal targets and indicators should reflect the underlying goals of a scheme, otherwise the potential for progress may never be realised. Only by learning and acting on these lessons – and, additionally, by incorporating refugees' voices and perspectives into livelihoods interventions from the start – will it be possible to develop strategies that can actually offer dignified, decent and sustainable work opportunities for refugees.

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3. <http://bit.ly/BetterWorkJordan2017>
4. Tamkeen Fields for Aid (2017) *Walled in by Alienation: Working and Living Conditions of Migrant Workers in Jordan* [www.tamkeen-jo.org](http://www.tamkeen-jo.org)
5. <http://bit.ly/EU-Jordan-trade>