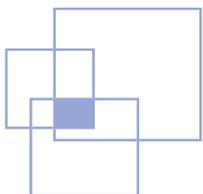


# Finding a Future

**Enhancing Sustainable Livelihoods for Syrian Refugees in Jordan:**  
Perspectives and Policies for Jordan's Resilience, Stability and  
Development



November 2015



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## Executive Summary

This paper presents an overview of policy options for Jordan of extending its protection framework and enlarging economic opportunities for Syrian refugees. It is based on consultations with experts and local stakeholders as well as a review of the literature and research that has taken place over the last three years on the impact of Syrian refugees on Jordanian society and development. The report was developed by experts from the UN's International Labour Organization (ILO), the United Nations Development Programme (UNDP) and the United Nations High Commission for Refugees (UNHCR).

Ongoing violence in Syria, Iraq, Yemen and Libya has resulted in unprecedented population movements within the region and beyond. Jordan has welcomed some 630,000 registered Syrian refugees fleeing the conflict in their homeland since 2011, with estimates putting the total number of Syrians in the Kingdom at some 1.4 million.

With the Syria crisis in its fifth year, humanitarian aid and the absorption capacity of Jordanian communities have become stretched. Many refugees, with limited access to sustainable livelihood options, have now entered a cycle of asset depletion, with savings gradually exhausted and levels of debt increasing. The most vulnerable refugees are particularly affected. Many are adopting severe coping strategies, such as reducing food consumption, withdrawing children from school or taking on informal, exploitative or dangerous employment.

The influx of Syrian refugees has likewise impacted the Jordanian labour market. There are serious pressures on job opportunities, wage levels, working conditions, and access to work for Jordanians as well as for refugees and migrant workers. This is of particular concern in the northern governorates where the share of Syrian refugees, and the pressure on the labour market, is greatest.

With no immediate end to the conflict in Syria on the horizon, with humanitarian assistance diminishing, and with livelihood options for refugees limited, thousands are choosing the dangerous path of migration to Europe. Others are even returning to insecure areas of Syria. Jordan and its partners are at a critical juncture in their response to the Syria crisis. The challenge is to sustain levels of funding needed to cover the basic needs of vulnerable refugees and, at the same time, to broaden the options for Syrian refugees - women, men, boys and girls of all ages – to pursue a dignified and productive future in the region.

This can be achieved through a variety of immediate, short term and medium term policy options and programmes, as summarised below and elaborated upon in section three. Efforts to offer economic opportunities among refugees will need to be pursued in conjunction with investments to overcome longstanding structural unemployment among Jordanians as well as with steps to mitigate any real, or perceived, negative impacts on the labour market for Jordanians.

## **1. IMMEDIATE AND SHORT TERM POLICY OPTIONS**

- ***Encourage immediate job creation***, through (i) implementing quick impact projects at the community level that employ Syrians and Jordanians on an equitable basis, and (ii) encouraging beneficiaries to set up income generating activities by offering small grants or loans;
- ***Embrace Syrian workers into the Jordanian formal labour market***, by (i) easing the procedures for Syrian to obtain work permits, (ii) issuing short-term temporary work permits for activities/sectors that are generally less attractive to Jordanians, (iii) encouraging donors and agencies to subsidise the purchase of work permits for refugees working in host communities, and (iv) encouraging the employment of Syrians in selected industries in Qualifying Industrial Zones (QIZs.)
- ***Provide alternative skills development options for vulnerable young Jordanians and Syrian refugees***
- ***Attract Syrian investments with an enabling environment for enterprise development and job growth***, by (i) offering incentives for Syrian investors in and outside QIZs, (ii) facilitating the establishment of micro and small businesses led by Syrians that have potential for employment of both Jordanians and Syrians, (iii) establishing entrepreneurial workshops in the QIZs, and (iv) encouraging joint ventures between Syrians and Jordanian, which connect high skilled refugees with potential Jordanian investors/entrepreneurs.

## **2. MEDIUM TERM POLICY OPTIONS**

- ***Support Syrian refugees' access to livelihoods as part of integrated regional development strategies***, for example through the employment of Syrian refugees in labour-intensive public employment projects that do not attract enough Jordanian workers.
- ***Implement longstanding labour reforms***, including (i) accelerating the formalization of the informal economy, (ii) revising the implementation plan of the National Employment Strategy (2011- 2020), and (iii) streamlining and managing labour market information for monitoring the impact of employment and labour market policies.
- ***Scale up and strengthen the impact and efficiency existing livelihoods programmes with a view to encouraging self-reliance among refugees and vulnerable host populations and reducing humanitarian aid costs***, by (i) enlarging programmes to include Syrian refugees as well as host communities, and (ii) scaling up and consolidating existing small-scale, segmented and overlapping livelihoods projects.

Finally, as the spillover of the regional refugee crisis increasingly affects Europe and the rest of the world, this paper acknowledges that all efforts in Jordan towards creative local socio-economic responses to the impact of the influx of Syrian refugees and the Syria crisis should be developed within a framework of burden sharing. In partnership with European and Arab Gulf States and other governments and international actors, Jordan's support for refugees should be accompanied by commensurate efforts to explore resettlement efforts in countries with the capacity to absorb refugee populations.

## Introduction

With the continuation of the crisis in Syria and few prospects for early repatriation of refugees, it is increasingly difficult to mobilise sufficient domestic and external humanitarian assistance to be able to support Syrian refugees in Jordan; nor does humanitarian assistance that barely covers a family's basic needs contribute to a dignified and hopeful future for refugee families. Host governments (including Jordan), donors and multilateral organizations are increasingly coming to the realization that a protracted refugee presence requires new and innovative ways to gradually promote self-reliance and livelihoods of refugee communities and to maximise their contribution to national and local development priorities while minimising trade-offs. Acknowledging challenges and opportunities, and based on recent research, this white paper presents some 'win-win' policy options that can support sustainable livelihood alternatives for refugees while simultaneously enhancing resilience and development for Jordanian host communities and the country in general.

These options should be envisioned as part of an 'enhanced burden sharing framework,' whereby efforts by the Jordanian government to expand sustainable livelihood opportunities for Syrian refugees should be backed-up by commensurate efforts by the international community to scale-up support for building resilience in host communities, strengthening local and national systems, and improving service delivery for all, along with greater openness to resettlement or humanitarian admission in European and other countries.

The strategic directions set out in this paper reflect the need to ensure the greatest possible benefit to Jordan and the Syrian refugees it is hosting from the available resources, while ensuring that all Syrian refugees are able to live with dignity and hope in Jordan. The ultimate objectives of the strategies set out in this paper are the protection of refugees and the reinforcement of their human dignity in ways that protect and contribute to the development path of Jordan. All recommended policies have been developed to ensure that the impact of continuing to host large numbers of Syrian refugees is leveraged to Jordan's advantage rather than compounding existing economic and development challenges.

## A. Why promoting self-reliance of Syrian refugees matters for Jordan

There is limited likelihood of a political solution to the Syrian crisis in the near future and a high probability that the crisis will be further protracted. In this context, and while politically sensitive, efforts to promote self-reliance of Syrian refugees is critical for various reasons:

1. Unless Syrian refugees are offered opportunities to preserve and sustain their livelihoods, they are likely to become an impoverished and disenfranchised underclass; especially as the considerable support offered by local communities is exhausted.

Financial support from donors for humanitarian purposes is likely to decline in the near future: Donor humanitarian budgets are not designed to support prolonged crises and it is increasingly difficult to mobilise sufficient assistance for Syrian refugees. For example, World Food Programme food assistance to non-camp refugees has diminished considerably in the last year due to a lack of funding. An assistance regime that offers nothing beyond minimal – and shrinking – handouts will also contribute to a sense of hopelessness and disenfranchisement. Even if the international community succeeds in funding ongoing humanitarian assistance, this assistance is the bare minimum and does not contribute to sustainable livelihoods or allow refugees to live in human dignity.

Impoverishment among Syrian refugees is already high and increased destitution may threaten social and political stability, further undermining Jordan's growth and development prospects. The UNHCR-led Vulnerability Assessment Framework for urban Syrian refugees (VAF) demonstrated that 86 per cent of Syrian refugees live below the Jordanian poverty line, with 10 per cent living below the abject poverty line. All evidence suggests that the situation of refugee is further deteriorating.<sup>1</sup>

Five years into the crisis, many Syrian refugee families have already exhausted their savings and entered a cycle of asset depletion and rising debt levels. In addition to attempts to reach wealthy European countries, or equally dangerous repatriation to Syria, increased impoverishment and destitution among refugees will result in even more adverse coping measures, such as sending more children to work rather than to school<sup>2</sup>, the early marriage of girls, begging, submission to exploitation, including sexual exploitation and possibly also criminality, and extremism and radicalization. These will all have long-term impacts on the socio-economic fabric and stability of Jordan, Syria and beyond.

2. Further destitution and exacerbated vulnerability of Syrian refugees means a reduction in future capacities for a possible return to Syria, and in the ability of refugee communities to participate in Syrian reconstruction and national building efforts.

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<sup>1</sup> According to the World Food Programme (WFP) despite near universal food distributions almost half of Syrian families were vulnerable to food insecurity in 2014 and this is prior to the cutbacks in WFP assistance in August and September 2015.

<sup>2</sup> The lack of work status for Syrians may be contributing significantly to the problem of child labour: Syrian adults may fear the consequences of being caught working, and as a result will send children or youths to work, who are seen as less likely to face deportation or forced return to camps. The ILO/Fafo Survey found child labour rates among Syrians in north and central Jordan were much higher than among Jordanians: As many as 37% of Syrian boys 15-18 were working as compared to 1% among Jordanians. Opening work opportunities could reduce child labour, and forestall long-term consequences of a growing youth population lacking basic education or skills training.

3. Data indicates that refugees state a preference for returning to Syria when security conditions improve. Nonetheless, without necessary skills and assets, especially among the young generation, return to their home country and meaningful contribution to reconstruction efforts are less likely, with the ensuing risk of prolonging destabilisation and relapsing into conflict.
4. Many Syrians refugees are already working, albeit informally, and are having an impact on the labour market in Jordan, but this is not being leveraged to the advantage of the Jordanian economy while also incurring costs.

A survey conducted jointly by the ILO and the Fafo Foundation, the results of which were published in 2015 under the title *Impact of Syrian Refugees on the Jordanian Labour Market*, found that almost all Syrian refugees who are working are doing so outside the purview of Jordanian labour laws in the informal economy (only 10 per cent of those surveyed self-reported as working with valid work permits.)<sup>3</sup> Their insecure legal status and limited livelihood options force them to accept lower wages and poorer conditions, which may also undercut job opportunities for Jordanians who are competing for the same jobs. Negative consequences of this unregulated and strongly competitive informal economy are multi-fold: a) low and declining wages (and productivity) which could result in an overall decrease in Jordanian labour force participation rate;<sup>4</sup> b) deteriorating labour standards and unsustainable working conditions for the workers who are informally employed, vulnerable Jordanians and Syrians alike; c) higher strain on the Jordanian authorities in terms of their ability to enforce existing labour laws such as the minimum wage and proper working conditions.

5. Current perceptions of Syrian refugees only as an economic burden to Jordanian communities and Government can fuel social instability.

Local perceptions that Syrians are putting pressure on Jordanian infrastructure and services and taking away jobs<sup>5</sup> are challenging social cohesion and stability particularly in the poor communities where Syrian refugees are concentrated. These perceptions contribute to fueling a growing narrative on marginalization in Jordan. If well-managed and effectively communicated, efforts to open more opportunities for Syrian refugees to support themselves in compliance with Jordanian laws, especially in sectors that have tangible benefits for the broader community, could help mitigate some of the underlying causes of discontent and resentment through increasing and making more visible the contribution of the refugee presence to the Jordanian economy.

The above concerns – which are not unique to Jordan - underscore the importance of a longer term approach to the management of the refugee crisis and the need for a comprehensive strategy to address the livelihoods needs of both Syrian refugees and vulnerable Jordanians in a more sustainable manner, while protecting Jordan's stability and security.

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<sup>3</sup> See ILO/ Fafo *Impact of Syrian Refugees on the Jordanian Labour Market*, 2015

<sup>4</sup> World Bank, *Jordan Economic Monitor: Resilience amid Turmoil* (Washington, DC: World Bank, spring 2014).

<sup>5</sup> A 2015 survey found 95 per cent of Jordanian workers agreed Syrians were taking jobs from Jordanians, either “to some extent” or “to a great extent”. Furthermore, 93 per cent of Jordanians believed Syrians were suppressing Jordanian wages, and 40 per cent did not believe Syrians were contributing to the country's economy. (ILO/ Fafo *Impact of Syrian Refugees on the Jordanian Labour Market*, 2015)

Each context is different, but there are strong arguments in favour of harnessing and strengthening the skills and resources of Syrian refugees in order for them to become more productive members of the host communities and to mitigate the costs of their presence. When exploring possible 'win-win policy options' in the context of Jordan, it is important to acknowledge that a large and extended presence of refugees can also bring a number of benefits and opportunities for the Jordanian economy. This paper seeks to demonstrate how a well-managed approach can contribute to growth and diversify local economies and the national economy as a whole, while mitigating the short and long term economic and social impact of hosting refugees, as well as enhancing prospects for refugee return to Syria, when conditions allow.

## **B. Potential benefits and opportunities for the Jordanian economy**

While refugees in the global discourse are typically portrayed as a burden on host countries, multiple recent studies have pointed in the opposite direction, suggesting potential net benefits to refugee and host populations alike (and host country economies) from accommodating refugees.<sup>6</sup> In the case of Jordan, there is already evidence of such benefits, which may signal opportunities for scaled-up contributions, pending the creation of enabling environments.

1. The Syrian presence is already contributing to the domestic production of goods and services in host communities and accounts for a significant portion of the final demand for goods and services produced in Jordan with positive impacts on Jordan growth performance. The yearly 10 per cent increase in Jordan's population since 2011 has increased demand for goods and services, most of these being provided directly and indirectly by the domestic private sector. These include food, clothing, apartment rentals, private and public education, health services and transport services.<sup>7</sup> Despite the inflationary effects of this increase, the negative impacts of the Syrian crisis have to some extent been mitigated by other impacts such as:

- In 2014, Jordan's real GDP growth rate reached around 3 per cent, up 30 basis points over 2013 and reflecting higher growth for the fourth consecutive year, with forecasts that GDP growth will accelerate to 3.5 per cent in 2015 and 3.9 per cent in 2016.<sup>8</sup> Compounding increases in Jordanian consumption, the consumption of Syrian refugees contributes to GDP expansion, despite important trade borders being closed with Syria and Iraq. Linking construction and agriculture sectors (where many Syrians now work informally) to GDP growth in 2014, the International Monetary Fund (IMF) also suggests a positive impact of refugee presence on Jordan growth performance.<sup>9</sup>
- There is evidence of a significant contribution of Syrian investments to the Jordanian economy. According to some sources, new direct and portfolio investment by Syrians in Jordan amounted to hundreds of millions of dollars through 2014, boosting domestic manufacturing output, employment and income.<sup>10</sup> Many Jordanians have directly and indirectly benefited from employment opportunities in foreign and multilateral organizations addressing the refugee crisis.

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<sup>6</sup>See, for example, Zetter, R. (2014) "Reframing Displacement Crisis as Development Opportunities". Oxford: Refugee Studies Center.

<sup>7</sup>See "Syrian Refugees in Jordan: Economic risks and Opportunities," Arab Reporters for Investigative Journalism, 26 January 2014; "Syria refugees in Jordan spark tensions, but also growth," Syria: direct, 20 February 2014.

<sup>8</sup>Data on real GDP growth rates estimates and projections for 2012-2016 are given in IMF Jordan Fifth Review Under Stand-By Arrangement, Country Report No. 14/324, December 2014, p. 24. .

<sup>9</sup>Economist Intelligence Unit, 2015

<sup>10</sup>See "Business Exodus aids Syria's neighbours," Financial Times, 14 February 2013; "Data shows upsurge in investments by Syrian businessmen in Jordan," Jordan Times, 9 March 2013; "Syrian Refugees in Jordan: Economic risks and Opportunities," Arab Reporters For Investigative Journalism, 26 January 2014; "A 21 million dollar Syrian investment in Jordan," Syrian Economic Forum, 6 February 2014; "Syria refugees in Jordan spark tensions, but also growth," Syria: direct, 20 February 2014.

2. Jordan already has a considerable foreign workforce who, for the main part, send money home as remittances and do not contribute back to the Jordanian economy: it is estimated that 200,000-340,000 are Syrians likely to be looking for work, a number comparable to the current stock of legal foreign workers. Wages earned by Syrian refugees are likely to be spent in Jordan, whereas a substantial portion of migrant workers' wages are remitted overseas. Offering Syrians jobs that would otherwise go to new migrants is likely to increase economic growth in multiple sectors.
3. There are complementarities in terms of skills and occupations between Syrians and Jordanians, which could be further explored: Evidence shows a diverse occupational and sectoral distribution between Syrian and Jordanian workers. Indeed, the refugee community brings a diversity of education, wealth, skills, expertise and entrepreneurial spirit. As such, this could provide a means of growing and diversifying the Jordanian economy, and closing the skills-mismatch in sectors with high development potential, including manufacturing.
4. As the Syrian crisis continues, many Syrian investors are looking for alternative locations. Increased Syrian labour force participation could be linked to increased Syrian and other foreign investment both in and outside QIZs. The Jordanian Investment Board stated that in 2013, some US\$1 billion was invested by Syrians. These investments have also played a partial role in the country's nearly 4 per cent growth rate in 2013.<sup>11</sup> Formal employment opportunities for Syrian workers could be linked to further Syrian investments in industry by offering conducive investment conditions to Syrian and other investors. Many Syrians, besides being Arabic speakers (already an advantage over some current migrant workers) have the necessary skill sets for industrial production. Therefore, being able to use their labour may help attract new investments, and contribute to sharing expertise with Jordanians. Creating opportunities for Syrians in industrial zones throughout the country, especially in the south, could help relieve pressure on the most-heavily affected northern governorates and cities while encouraging development and improving markets in the impoverished southern regions.

The majority of QIZs are in or near Jordanian poverty pockets and were initially located in these areas to increase employment opportunities for Jordanians. However, in the last 20 years, Jordan workforce participation in QIZs has decreased and the benefits have not been transferred to the local communities. Furthermore, migrant labour is costly for employers (housing, transportation costs, recruitment costs etc.) Enlarging opportunities for Syrian employment and Jordanian employment in QIZs would not only be beneficial for Syrians, but would also benefit local economies due to the increased consumption of Syrians (as other nationalities remit their earnings,) and possibly also through the development of backward and forward linkages.<sup>12</sup>

A focus on QIZs would also present an opportunity to increase women's economic participation. Only seven per cent of Syrian women participate in the Jordanian labour market (ILO & Fafo). Furthermore, QIZs or Special Economic Zones often provide the first entry into formal-sector employment, and, as such, they offer a unique opportunity to empower women by providing economic opportunity outside of the informal sector.<sup>13</sup>

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<sup>11</sup> Omer Karasapan: Jordan's Syrian Refugees, Brookings Institution. Posted February 15 2015: <http://www.brookings.edu/blogs/future-development/posts/2015/02/25-syrian-refugees-jordan-karasapan>

<sup>13</sup> World Bank, IFC (2011): ("Fostering Women's Economic Empowerment through Special Economic Zones").

Thus, improving access to livelihoods, including formal employment opportunities for Syrian refugees, could have long-term economic benefits for Jordan, including job growth for Jordanians: Syrian refugees (and investors) can contribute to higher levels of consumption and productivity and more rapid expansion of the private sector and diversification of the Jordanian economy. In so doing, they will be generating income, employment and livelihoods for Jordanians and Syrians into the future, while augmenting the tax base and fiscal revenues of the government, and thereby supporting growth and development efforts. This would also better position Jordan to play a key role in the eventual reconstruction of Syria. Thus, a more robust private sector will be better able to supply the material, capital and skills needed to rebuild Syria. Such developments would at the same time lay the basis for the repatriation of Syrians to their homeland and help prevent the establishment of an unskilled Syrian underclass that is unable to return.

### **C. Win-Win Policy Options: Creating an enabling environment for the expansion of Syrian Livelihood and economic opportunities that supports Jordan's national development priorities and stability**

Considering the risks associated with a further impoverishment of refugee populations on the one hand, and potential benefits of a greater access of Syrian refugees to livelihood opportunities and economic participation on the other, host countries and the international community have been exploring policy and programmatic options aimed at incrementally strengthening the self-reliance and resilience of Syrian refugees (thereby also reducing the dependence on humanitarian assistance,) while maximizing benefits for impacted host communities and economies. The following are policy options that will mutually reinforce each other, which the Government of Jordan can adopt to turn Syrian refugees' access to livelihoods and employment into an opportunity for Jordan.

#### **1. IMMEDIATE AND SHORT TERM POLICY OPTIONS**

- **Encourage immediate job creation**

- a) Implement quick impact projects at the community level, employing Syrian and Jordanians on an equitable basis. A variety of projects using Jordanian and Syrian workers is possible across the country. These projects can be developed, nominated and prioritised in collaboration with governorates and municipalities to secure responsiveness to local development needs and value-addition for local communities.
- b) Offer beneficiaries the opportunity to apply for small grants to set up income generating activities that would also benefit the community – for example food processing, tailoring, home repairs and other home based businesses.<sup>14</sup>

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<sup>14</sup> Previous successful quick impact projects Jordan have included: Improving/maintaining community infrastructure (schools, playgrounds, municipal spaces); maintenance of municipal buildings; provision/ maintenance of bus stops/ pedestrian foot bridges; housing repairs for under privilege families; among others

- **Embrace Syrians worker into the Jordanian formal labour market**

- a) Ease the procedures involved in obtaining valid work permits from the Ministry of Labour. Syrians are required to follow the same work permit application procedures as other foreign workers, which include a valid national passport (which the refugees often lack,) a sponsor and high costs. Practically, work permits can be linked to Ministry of Interior identity cards to replace the need for Syrian passports, and can be delinked from a sponsor and given at a lower cost. This could also facilitate the legal work of Syrians in the QIZs where there is high demand for non-Jordanian labour.
- b) Issue fixed, short-term permits to Syrian refugees to work in activities that are generally less attractive to Jordanians. This includes sectors with labour demand such as agriculture, certain manufacturing sectors, construction, commercial and household cleaning and maintenance (similar to the policy of the Lebanese government.)
- c) Subsidise work permits for Syrian refugees working in host communities. The UNHCR and other international actors could subsidise work permits for Syrian refugees working in the host community, thereby legalizing their employment status while at the same time contributing to Jordan's fiscal returns.
- d) Encourage the employment of Syrian refugees in selected industries in QIZs. The QIZs have a variety of light and heavy industries where additional Syrian skilled and semi-skilled workers could be employed. Evidence on the skills profile of Syrian refugees suggests significant opportunities in the garment sector.<sup>15</sup> More detailed assessments of the skills and expertise of Syrian refugee men and women, along with a market analysis to identify foreign companies and factories willing to employ Syrian refugee workers, would help develop a coherent strategy.

- **Provide alternative skills development options for vulnerable young Jordanians and Syrian refugees**

- a) Address skills for out of school youth as well as adults (both Jordanian and Syrian, female and male) through informal apprenticeships initiatives, running parallel to improvements for the productivity of informal workshops and businesses: These schemes are a cost-effective means to build social capital, gain new skills and improve employment opportunities. Formal apprenticeships, while certified, have a propensity to be more resource demanding and require established and well-functioning social dialogue mechanisms. The government of Jordan should allow such training for Syrian refugee men and women and agree on a certification process from a designated educational authority. This kind of vocational training can be linked to the skills development of refugee youth; that could be used when they are able to return to Syria.

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<sup>15</sup> Brief analysis of Syrian Refugee Garment Sector experience: From UNHCR registration data there are at least 2,159 Syrian (1,896 male and 263 female) with direct garment related experience. That includes sewers, embroiderers, handicraft workers in textile, leather, hand-launderers and pressers, sewing- and spinning-machine operators, tailors, dressmakers, weavers, knitters and weaving and knitting machine operators. That is just the head of refugee families - there are actually many more Syrian women in the refugee population with sewing machine experience.

- **Attract Syrian investments through facilitating an enabling environment for enterprise development and employment creation for Syrians and Jordanians**
  - a) Provide incentives for Syrian investors in and outside QIZs, which can create new jobs and support the development of new industries: Syrian and other investments can be encouraged through preferential treatment such as reducing the complexity and cost of establishing new industries. Because of comparatively cheap and locally available skilled Syrian labour, as opposed to the cost of foreign migrant skilled labour, easing the process of securing work permits for Syrian refugees in these industries could also serve as an incentive to attract new investments and contribute to the growth of existing ones. The creation of enabling environments for Syrian and other foreign investment projects could go along with the establishment of quotas and size of investment for Syrian and Jordanian workers.
  - b) Facilitate the establishment of micro and small businesses led by Syrians that have potential for employment of both Jordanians and Syrians: In 2014, the president of the Irbid Chamber of Industry highlighted the need to take advantage of the opportunities presented by the presence of Syrian refugees in Jordan, through promoting micro and small enterprises. According to the Chamber, 12 factories specialising in food manufacturing have been established in Irbid since the beginning of 2014. These factories use local farmers' products, hence bringing added value for the local communities.<sup>16</sup> Any project that promotes private investment and growth in the agricultural and other sectoral value chains will directly benefit Jordanian farmers in addition to other actors in the value chain such as Syrian micro, small and medium enterprises. This is an area with the potential to particularly benefit Syrian and Jordanian youth and women.
  - c) Establish workshops in the QIZs: Such workshops could focus on skilled production not usually available in Jordan, in particular artisanal or high skilled production (food/furniture/wood/metal work etc). One added value of setting up such workshops would be the skills transfer from Syrian skilled craftspersons to Jordanians workers, including youth.
  - d) Encourage joint venture initiatives between Syrians and Jordanian by connecting high skilled refugees who have limited business opportunities, with potential Jordanian entrepreneurs: A variety of business opportunities exist, including local-productive enterprises such as a joint venture between refugee tailors and similar skilled host community members. Another example is a plumbing or electrical repair company employing small teams of Jordanian and Syrian workers. IT services companies and car repair and maintenance workshops are other examples. This model may also be suitable for encouraging female employment, as female-only small enterprises may address cultural norms limiting women's access to employment outside the home. For example, a female-only team would be able to offer a variety of home improvement services and enter homes where men are not present in a way that firms would not.

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<sup>16</sup> ARIJ (2014) "Syrian Refugees in Jordan: Economic Risks and Opportunities"

## 2. MEDIUM TERM POLICY OPTIONS

- **Supporting Syrian refugees' access to Livelihoods as part of integrated regional development strategies**

a) Facilitate the work of Syrian refugees in labour-intensive sectors that are not currently occupied by Jordanians, including through labour intensive public employment projects: The goal will be to support existing sectoral and regional development strategies and/or programmes, with the aim of building or upgrading public infrastructure while using an optimum amount of labour (whether Jordanian, Syrian or other migrant workers). This approach will typically have a medium to long-term duration with the following benefits:

- Direct livelihood opportunities and skills development for refugees, and mid- to long-term jobs for Jordanians;
- Increasing Jordanian public asset value by establishing, rehabilitating and maintaining public infrastructure, thereby also pushing back large periodic maintenance investments;
- Strong benefits to the existing Jordanian private sector through increased capital investment. Jordanian companies will be contracted to execute the infrastructure work, while utilizing labour rather than machinery where possible and economically and technically viable;
- Capacity development of institutions and national systems combined with direct capital investments, demonstrating an optimum labour-intensive approach as an economic alternative to using machinery;
- Spin-off effects such as improved access to agricultural and industrial production sites and/or tourism sites. Furthermore, this approach can turn environmental risks into opportunities by improving water management (drains, slope protection), reducing the negative impact of water on infrastructure.
- Possible areas include agricultural infrastructure such as water catchment, land terracing and agricultural feeder roads, roads to improve access to touristic sites, national parks, urban infrastructure and rehabilitation, and rehabilitation or establishment of infrastructure for industrial zones.

- **Implement longstanding and labour market reforms, the need for which has been exacerbated by the Syrian refugee crisis**

a) Operationalise the various labour market and employment instruments including law policies and action plans:

1. Accelerate the formalization of the informal economy while ensuring the preservation and improvement of existing livelihoods during the transition. This is a medium term action that will reverse the deterioration in working conditions, enhance decent work, and expand the government's fiscal revenue base. The National Framework on the Formalization of the Informal Economy led by the Ministry of Labour and validated in partnership with other national stakeholders during May 2015 is the right mechanism for this. The National Framework adopts an integrated strategy that brings informal workers and entrepreneurs into formal channels through providing protection and support while preserving the existing dynamic economic potential.

2. Revise the implementation Plan on the implementation of the National Employment Strategy (2011- 2020). The Strategy was adopted to tackle Jordan employment challenges, specifically (a) job-poor growth, (b) high structural unemployment and especially high youth unemployment, (c) low labor force participation of women, (d) lack of policy coherence. All these issues persist and have been exacerbated in some cases by the refugee crisis. As such it is necessary to revise the implementation plan as well as strengthen the implementation capacity in light of the Labour market impact of the Syrian crisis while continuing to address the previous challenges.
3. Streamline and manage labour market information for monitoring the impact of employment and labour market policies. One of the main challenges in addressing the impact of the crisis has been the issue of data and statistics. Moreover, the management of labour market information is a preexisting problem in Jordan. As such, it is critical to address this issue in a comprehensive manner. This all means that national surveys should include non-Jordanians and information should be publically accessible.

- **Organisational recommendations for improving impact of livelihood projects**

- a) Allow Syrian refugees to benefit from livelihood projects targeted at host communities by enabling aid organizations to expand livelihood activities for Syrian refugees and Jordanians alike. More details are as follows:
  1. Livelihoods project should be scaled up as currently there are many small-scale livelihood projects that are segmented and overlapping, resulting in limited impact. In order to have an impact for both host communities and Syrian refugees, it is imperative to move to large-scale income-generating projects that are longer in duration for higher impact.
  2. The projects should be better coordinated by implementing agencies under the leadership of the Government to avoid overlap and wasting resources, and ensuring that the needs of host communities as well as refugees are addressed through comprehensive programmes that can maximise the developmental potential.
  3. Scaling up of livelihoods programmes would contribute to mitigating the impacts of the decline in humanitarian assistance. While facing a shortfall in income, aid organizations are currently required to prioritise the most urgent needs and therefore have to focus on providing humanitarian relief to the most vulnerable Syrian refugee households. This leaves a large group without assistance but who are still classified as vulnerable, with all the implications for adoption of increasingly severe coping mechanisms as explained above.

These recommendations should be implemented by adjusting prospective interventions under the **Jordan Response Plan 2016-2018** with a view to productively incorporating Syrian refugees at the host community level in ways that would benefit refugees and host communities. Rather than simply calling for humanitarian assistance for refugees, broadening their livelihood options would enhance the resilience and developmental impact of the Plan.

## Annex One Statistical Review

**1. Counting Syrian Refugees in Jordan:** The number of Syrian refugees in Jordan has been a matter of some debate. The Jordanian government's position is that all Syrians—including migrants who have resided in the country for many years—should be included in the count. By the government's accounting, there are as many as 1.4 million Syrians resident in the country.<sup>17</sup>

On the other hand, the United Nations High Commissioner for Refugees (UNHCR) has the mandate to register all Syrian refugees arriving in Jordan after the start of hostilities in March 2011. In addition to these, there are Syrian refugees who have avoided registration with UNHCR and, probably, Syrian migrants who were resident in Jordan prior to the conflict who have registered with UNHCR.

As of 23 August 2015, and based on its mandate, the UNHCR had registered 629,266 Syrian refugees in Jordan. Of these, some 80,200 were housed in the Za'atari Camp and another 22,526 in the Azraq Camp, both in the Mafraq governorate. Thus, some 526,517 registered Syrian refugees were living in Jordanian host communities with 73.3 per cent of these living in the Amman, Irbid, Zarqa and Mafraq governorates.<sup>18</sup>

In addition to officially-registered refugees, a large household survey conducted by the World Food Programme (WFP) in December 2013 and January 2014 suggests a sizeable unregistered Syrian refugee population.<sup>19</sup> Survey results indicate that while there is significant variation on a governorate basis, on average, the number of unregistered Syrian refugees was about 15 per cent of the number of registered ones.<sup>20</sup> Combining UNHCR registration data and CFSME figures for the unregistered, it is estimated that there were a total of about 727,600 Syrian refugees residing in Jordan in August 2015. This suggests a Syrian refugee density of about 9.8 per cent for Jordan as a whole with the highest density in the Mafraq governorate (excluding the refugee camps)—at 20.2 per cent.<sup>21</sup> Excluding the Za'atari and Azraq refugee camps, whose residents' movement outside the camp are restricted, the number of registered and unregistered Syrian refugees living in Jordanian host communities is estimated at about 624,870 in August 2015 (see Table 1).

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<sup>17</sup> These include UNHCR registered refugees, non-registered refugees and pre-existing Syrian migrants previously resident in Jordan. Meeting with Omar Nuseir, Senior Coordinator for Humanitarian Affairs, Ministry of Planning and International Cooperation, 20 November 2014.

<sup>18</sup> UNHCR data is taken from <http://data.unhcr.org/syrianrefugees/country>.

<sup>19</sup> WFP and REACH Comprehensive Food Security Monitoring Exercise; Syrian Refugees in Jordan, July 2014. This large and important survey, conducted in December 2013 and January 2014, covered a representative sample of some 7,100 Syrian refugee households. The total number of individuals assessed across all households surveyed was 35,780. The survey is referred to hereafter as the CFSME.

<sup>20</sup> WFP confirmed that unregistered household members in their survey were almost exclusively Syrian refugees, November 2014.

<sup>21</sup> Refugee density is calculated as the ratio: total refugees/(Jordanians + total refugees).

**Table (1):** Estimates of the Syrian Refugee Population in Jordan, August 2015 <sup>22</sup>

Refugee Count	
<b>Registered Refugees (UNHCR)</b>	629,245
<b>males</b>	310,155
<b>females</b>	319,090
<b>of which in Za'ateri and Azraq Camps</b>	102,728
<b>males</b>	51,343
<b>females</b>	51,385
<b>Registered Refugees in Host Communities</b>	526,517
<b>males</b>	259,520
<b>females</b>	266,997
<b>Unregistered Refugees (WFP/REACH estimate)</b>	98,353
<b>males</b>	48,478
<b>females</b>	49,875
<b>Estimated Total Refugees in Jordan</b>	727,598
<b>males</b>	358,633
<b>females</b>	368,965
<b>Estimated Total Refugees in Host Communities</b>	624,870
<b>males</b>	307,999
<b>females</b>	316,872

**2. Educational Attainment:** Syrian refugee educational attainment is well below that of the Jordanian host community as suggested by the data in Table 5.A and 5.B. One-fifth of all non-camp Syrian refugees had not attended school in 2014 with 11 per cent of those 15 years of age and above never having attended school. This compares to only 11 per cent and 7 per cent, respectively, for Jordanians. At the upper end of the spectrum, only 6 per cent of Syrians had completed a university education as compared to 22 per cent for Jordanians.

<sup>22</sup> Registered Syrian refugee data are from UNHCR Jordan at <http://data.unhcr.org/syrianrefugees/country>. As movement outside of the Za'ateri and Azraq refugee camps is restricted, the refugee camp population is excluded from the labour market analysis presented below.

**Table 2.A:** Estimates of Jordanian and Syrian Refugee Labour Educational Attainment, All Household Members, 2014 <sup>23</sup>

Educational Attainment of All Household Members	Female Non-Camp Syrian Refugees Share	Male Non-Camp Syrian Refugees Share	Female Jordanians Share	Male Jordanians Share
<b>Never attended school</b>	22.0%	19.0%	13.0%	9.0%
<b>No level completed/elementary</b>	54.0%	57.0%	37.0%	39.0%
<b>Basic/intermediate</b>	15.0%	14.0%	20.0%	25.0%
<b>Secondary/Vocational</b>	7.0%	6.0%	14.0%	13.0%
<b>College/University</b>	3.0%	4.0%	16.0%	14.0%
<b>Total</b>	100.0%	100.0%	100.0%	100.0%

About half of non-camp Syrians age 15 and above had attained only various amounts of elementary education with only 10 per cent having completed secondary or vocational schools. By contrast, less than one-fifth had attained only elementary levels of education with one-fifth having completed a secondary or vocational school. More than three-quarters of all non-camp Syrian refugees had completed 9 years of schooling or less in 2014. Only 16 per cent had obtained a secondary or a university education as compared to 42 per cent of the Jordanians.

**Table 2.B:** Estimates of Jordanian and Syrian Refugee Labour Educational Attainment, Household Members Age 15 Years and Above, 2014 <sup>24</sup>

Educational Attainment for Household Members Age 15+	Non-Camp Syrian Refugees Share	Jordanians Share
<b>Never attended school</b>	11.0%	7.0%
<b>No level completed/elementary</b>	49.0%	19.0%
<b>Basic/intermediate</b>	23.0%	33.0%
<b>Secondary/Vocational</b>	10.0%	20.0%
<b>College/University</b>	6.0%	22.0%
<b>Total</b>	100.0%	100.0%

<sup>23</sup> ILO and Fafo Impact of Syrian Refugees on the Jordanian Labour Market, 2015, statistical appendices for Jordanian host communities and non-camp Syrian refugees, Table 1.13.

<sup>24</sup> ILO and Fafo Impact of Syrian Refugees on the Jordanian Labour Market, 2015, p. 38.

Moreover, the school enrollment of non-camp Syrian refugee children in Jordan is well below that of Jordanians. Of Syrian children aged 6-17, only 65 per cent of the girls and 59 per cent of the boys were enrolled in early 2014 as compared to 95 and 94 per cent of Jordanian girls and boys respectively.<sup>25</sup> Given this pattern, the educational gap between the two communities is likely to persist.

This wide disparity in education is significant for the labour market in several respects. First, the relatively low level of education of Syrians suggests that their potential to displace professional and relatively well-paid Jordanians is relatively limited. In addition, about one-third of employed Jordanians work in the public sector, one that is not likely to employ Syrians under any conditions. Secondly, Syrian educational levels are consistent with employment in economic activities and occupations where Jordanians already struggle to generate a livelihood. Thirdly, the low levels of education, limited levels of school enrollment among Syrian children and increasing levels of poverty among refugees, portend high levels of child labour.

The prevalence of economic activity among children and child employment is higher among boys in the Syrian refugee community than among boys in the Jordanian host community, and substantially higher for boys aged 15 to 17 than for boys aged 9 to 14 in all communities.

When looking at economic activity among children, employment is more prevalent among boys than among girls in all communities.

Very few children - less than 0.5 per cent in both communities - are employed and enrolled in school at the same time. The share of children aged 9–17 who are in school is substantially lower among Syrian refugee children than among Jordanian children, while the share of Syrian children who are neither in school nor in employment is substantially higher.

Most Syrian refugee children in employment are employed in the construction, wholesale and retail, trade and repairs, accommodation and food services or manufacturing industries. The majority of Jordanian children in employment work in manufacturing. In terms of occupation, one in two employed children, both in the refugee and host communities, are employed as craft and related trades workers. The rest are primarily in service and sales, or elementary occupations.

**3. Estimating Syrian Refugee Labour Market Participation in Jordan:** Estimates of the extent of informal <sup>26</sup> Syrian refugee participation in the Jordanian labour market are provisional for several reasons. First, there is uncertainty regarding the actual number of refugees living in host communities. Second, the informal labour markets in which they work typically operate without documentation or record-keeping. Thirdly, Syrians engaged in informal work seek to avoid detection and possible

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<sup>25</sup> ILO and Fafo Impact of Syrian Refugees on the Jordanian Labour Market, 2015, p. 40.

<sup>26</sup> "...[The] refugee status of Syrians does not include the right to work in Jordan. Consequently, only about 10 per cent of employed Syrians have obtained formal work permits, and practically all Syrian refugees working outside camps do not have work permits and are as such employed in the informal economy and outside the bounds of Jordanian labour law." [emphasis added] See ILO and Fafo Impact of Syrian Refugees on the Jordanian Labour Market, 2015, p. 6.

penalties which include removal to a refugee camp where movement is restricted. Finally, the design and method of the official Department of Statistics labour force surveys results in significant under coverage of all foreign workers in the country.<sup>27</sup> In the absence of official labour force survey data, an alternative method can be used to estimate Syrian refugee labour market participation.

**Population:** First, the total Syrian non-camp refugee population base is as estimated in Table 1 above -624,870 persons in August 2015 reflecting registered refugees (from UNHCR administrative data) and unregistered refugees (estimated from CFSME survey data).

**Working Age Population:** Second, to capture the full extent of potential non-camp labour force participation, the working age population among Syrian refugees is assumed to consist of all those 12 years of age and above, regardless of whether or not they are attending school. Using such a low threshold for working age population (12 years of age as compared to 15 years of age in Jordanian official labour force surveys) is justified by two factors: a) school attendance by Syrian children drops off dramatically for boys after age 12 and for girls after age 10. This expands the pool of potential household members who might search for, or take up, employment and;<sup>28</sup> b) evidence of child labour from numerous surveys among Syrian refugees in Jordan.<sup>29</sup>

Table 3.A applies the age distribution of registered refugees from the UNHCR to registered and unregistered refugees alike. The result is an estimated 385,545 non-camp Syrian refugees of 12 years or greater. These are regarded as the Syrian refugee working-age population.

**Table 3.A:** Estimates of Non-Camp Registered and Unregistered Syrian Refugees by Sex and Age Group in Jordan, August 2015<sup>30</sup>

Age Group	Male	Female	Total	Share of Total
0 – 4	53,739	51,239	104,978	16.8%
5 – 11	69,361	65,611	134,972	21.6%
12 – 17	43,116	40,617	83,733	13.4%
18 – 59	132,472	146,845	279,317	44.7%
60 +	9,373	13,122	22,495	3.6%
<b>Total</b>	<b>307,999</b>	<b>316,872</b>	<b>624,870</b>	<b>100.0%</b>

<sup>27</sup> The Department of Statistics (DOS) Employment and Unemployment Surveys, a household survey, largely excludes non-registered foreign workers in the country as DOS surveyors routinely avoid residential concentrations of such workers in their field work. As such, the data reflect the conditions of Jordanian nationals almost exclusively. The result is that a significant portion of informal employment in the country is not captured in that survey.

<sup>28</sup> See ILO and Fafo Impact of Syrian Refugees on the Jordanian Labour Market, 2015, p. 40. The WFP and REACH found that 47.5 per cent of 5-18 year olds were not enrolled in schools in Jordan. See WFP and REACH Comprehensive Food Security Monitoring Exercise; Syrian Refugees in Jordan, July 2014 (referred to hereafter as CFSME).

<sup>29</sup> See IFRC Assessment Report–Syrian Refugees in the Community, Jordan September 2012; CARE Jordan assessments in 2012 and 2013; ILO Regional Office for the Arab States Mission Report, June 1-6, 2013; ILO Report of the Rapid Assessment on Child Labour in the Urban Informal Sector in Three Governorates of Jordan (Amman, Mafrq and Irbid), 2014. These surveys note that male children in particular are encouraged to work to support household incomes, oftentimes due to the perception that Jordanian authorities will not in general fine or punish such work if detected. Assuming all children—male and female—ages 12 and above have the potential to work no doubt overestimates the phenomenon of child labour. The CFSME survey, the largest of its kind to date, yielded a 2.3 per cent rate of employment among children 5-18 years of age (3.7 per cent boys and 0.8 per cent among girls). The resulting estimates for the Syrian refugee labour force and employment should therefore be treated as upper bounds.

<sup>30</sup> Registered Syrian refugee data are from UNHCR Jordan at <http://data.unhcr.org/syrianrefugees/country>. Unregistered refugees are the share of total respondents indicating non-registration in the CFSME household survey of January 2014 multiplied by the UNHCR registered population.

Employment: Third, to estimate total employment for Syrian refugees, we apply the ILO and Fafo survey finding that about 10.9 per cent of refugees aged 15 years and above were employed. Assuming the early 2014 employment rate indicated in that study has not changed substantially, this would yield an estimate of about 42,000 Syrians working outside of home for any amount of time in August 2015.<sup>31</sup> This implies that Syrian refugees accounted for about 2.8 per cent of total employment in Jordan (see Table 3 below).

The seemingly low employment rate is accounted for by the fact that it averages out a relatively high male rate (22 per cent) with a very low female rate (1 per cent), as reported in the ILO and Fafo study. This does not take into account home-based enterprises—disproportionately that of women.<sup>32</sup> It must also be noted that, given the sensitivity of the question and fear of negative consequences, refugees probably underreported employment in the survey. Thus, the level of employment estimated here should be treated as a lower bound.

Unemployment: Fourth, the ILO and Fafo study found that about 57 per cent of male non-camp Syrian refugees and 88 per cent of female non camp Syrian refugee age 15 years and above were unemployed, i.e. seeking employment, in early 2014.<sup>33</sup>

These very high unemployment rates should be seen in light of higher Syrian activity rates driven by the need to earn an income, combined with increasing obstacles to finding informal labour outside the home.<sup>34</sup> This has raised the share of those searching for work relative to those working, resulting in higher estimated unemployment rates. The recent reduction in WFP food distributions will no doubt increase the refugee search for jobs.

Labour Force: Fifth, For Syrian refugees outside camp, labour force participation is highest in Amman governorate, standing at 67 per cent among men and 10 per cent among women, compared to 47 and 4 per cent in Irbid, and 41 and 5 per cent in Mafraq, respectively. The non-camp Syrian labour force is, therefore, estimated at about 107,200 persons and the resulting labour force participation rate at 52.0 per cent for men and 6.05 for women with total of 27.8 per cent. As such, the Syrian refugee labour force amounts to about 6 per cent of the total labour force in the country. At the same time, the participation rate is significantly below that of Jordanians.

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<sup>31</sup> See ILO and Fafo Impact of Syrian Refugees on the Jordanian Labour Market, 2015, statistical appendix on Syrian refugees outside of camps, p. 108. The CFSME, based on a much larger sample, found non-camp Syrian refugees 5 years and above had an employment rate of 9.2 per cent, not significantly different than that estimated in the ILO and Fafo study. CARE Jordan Syrian Refugees in Urban Jordan: Baseline Assessment, April 2013 for example found only one woman from a total of 160 Syrian refugees working outside of the home—only about one-half of one per cent of the total (0.005). Another CARE study in 2014 found that 6 per cent of adult refugees were working in total: 11 per cent of adult males and 1 per cent of adult females but only a very few women were working outside of the home. The implication is that the vast majority of working women were engaged in home-based income generation activities. See CARE International Jordan, Lives Unseen: Urban Syrian Refugees and Jordanian Host Communities Three Years into the Syria Crisis, Amman, April 2014.

<sup>32</sup> An ACTED assessment in 2013 implied that about 15 per cent of Syrian women were engaged in some sort of home production for income-generating purposes. See ACTED Food Security and Livelihood Intervention Opportunities for Syrian Refugees and Host Communities in Northern Jordan; An Assessment, August 2013, p. 16. Another study of refugee families in Amman found about 1.5 per cent of adult males were engaged in home based income generating activities. See CARE Jordan Baseline Assessment of Community Identified Vulnerabilities, October 2012, p. 22.

<sup>33</sup> See ILO and Fafo Impact of Syrian Refugees on the Jordanian Labour Market, 2015, p. 49.

<sup>34</sup> The relative differences in household vulnerability and need of Syrians as compared to Jordanian host communities can be assessed by reference to dependency ratios for the two groups. The dependency ratio is defined as the ratio of children plus elderly to the working-age population and is a measure of the degree of the burden faced by those of working age within the household. The CFSME report suggested a strong link between dependency ratios and food insecurity (p. 69). The dependency ratio for Jordanians in 2014 is estimated at 66.2 per cent. The corresponding ratio for Syrian refugees, as indicated by the CFSME, is 113 per cent, considerably higher than that of Jordanians. In both cases, to the degree children below age 15 and/or adults above age 60 work, the dependency ratios are reduced.

The labour market indicators from the ILO and Fafo study, combined with the population data from the UNHCR (supplemented with CFSME estimates of unregistered refugees), yield the aggregates provided in Table 3.B below.

**Table 3.B:** Estimates of Jordanian and Syrian Refugee Labour Market Aggregates, Summer 2015 <sup>35</sup>

Labour Market Aggregates	Jordanians	Syrian Refugees	Syrians as % total
<b>Total Population</b>	6,706,028	624,870	8.5%
<b>males</b>	3,422,997	307,999	8.3%
<b>females</b>	3,283,030	316,872	8.8%
<b>Working-Age Population</b>	4,401,489	385,545	8.1%
<b>males</b>	2,221,825	184,962	7.7%
<b>females</b>	2,179,664	200,583	8.4%
<b>Activity Rates (LFPR)</b>	37.6%	27.8%	--
<b>males</b>	61.30%	52.2%	--
<b>females</b>	13.70%	5.9%	--
<b>Labour Force</b>	1,654,960	107,181	6.1%
<b>males</b>	1,361,979	96,550	6.6%
<b>females</b>	298,614	11,834	3.8%
<b>Employment</b>	1,456,893	42,024	2.8%
<b>males</b>	1,224,226	41,246	3.3%
<b>females</b>	232,667	778	0.3%
<b>Unemployment</b>	198,067	65,157	24.8%
<b>males</b>	137,753	55,304	28.6%
<b>females</b>	60,314	9,854	14.0%
<b>Unemployment Rates</b>	12.0%	60.8%	--
<b>males</b>	10.1%	57.3%	--
<b>females</b>	20.2%	83.3%	--

<sup>35</sup> Data on Jordanians are derived from the Department of Statistics labour force survey, second round 2015. Syrian refugee data are derived primarily from the UNHCR and the ILO and Fafo study as noted above.

Given that approximately 83.3 per cent of the non-camp Syrian refugee population is located in the four northern governorates of Mafraq, Irbid, Zarqa and Amman, the labour force impact is somewhat more concentrated there. Thus, non-camp refugees account for almost 12 per cent of the total population of these governorates combined; for 9.5 per cent of the working age population; 7.2 per cent of the estimated labour force; 3.2 per cent of total estimated employment and; 38.2 per cent of total unemployment in the four governorates (refer to Table 3.C).

**Table 3.C:** Estimates of Jordanian and Syrian Refugee Labour Market Aggregates in the Four Northern Governorates, Summer 2015 <sup>36</sup>

Labour Market Aggregates	Mafraq	Irbid	Zarqa	Amman	Syrians Refugees in the Four Northern Governorates	Syrians as a Share of Four Northern Governorates
<b>Total Population</b>	334,553	1,263,397	968,604	2,544,135	606,703	11.87%
<b>Working-Age Population</b>	206,944	831,781	624,729	1,704,886	321,484	9.54%
<b>Activity Rates (LFPR)</b>	39.90%	36.80%	33.90%	37.70%	27.80%	--
<b>Labour Force</b>	82,571	306,095	211,783	642,742	89,373	7.19%
<b>Employment</b>	69,771	271,173	194,671	565,547	35,041	3.18%
<b>Unemployment</b>	12,800	34,923	17,112	77,194	54,331	38.25%
<b>Unemployment Rates</b>	15.50%	11.41%	8.08%	12.01%	60.79%	--

<sup>31</sup> Data on Jordanians are derived from the Department of Statistics labour force survey, second round 2015. Syrian refugee data are derived primarily from the UNHCR and the ILO and Fafo study as noted above.

Syrian refugees who have found employment outside of camps are mostly employed as craft and trades workers (53 per cent) as indicated in Table 3.D.<sup>37</sup> In the main, these are construction workers. By contrast, less than 15 per cent of Jordanians were employed in this group of occupations. Next in importance for Syrian refugees is service and sales workers,<sup>38</sup> who accounted for about one-quarter of employment. While this includes a wide range of occupations, evidence from the surveys indicates that Syrians are concentrated in wholesale and retail trade. The third major area of Syrian participation is in elementary occupations,<sup>39</sup> a range of task-dominated work in agriculture and odd jobs in commercial enterprises.

**Table 3.D:** Estimates of Jordanian and Syrian Refugee Occupational Distribution in Jordan, January 2014<sup>40</sup>

Occupation in Main Job	Jordanians Share	Non-Camp Syrian Refugees Share
Manager	0.6%	0.0%
Professional	23.0%	4.0%
Technical and Associate Professional	7.6%	1.0%
Clerical Support Workers	4.8%	2.0%
Service and Sales Workers	30.5%	24.0%
Skilled agricultural workers	1.6%	1.0%
Craft and Related Trades Workers	14.9%	53.0%
Plant and Machine Operators	11.6%	4.0%
Elementary Occupations	5.3%	12.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

<sup>37</sup> “Craft and related trades workers apply specific technical and practical knowledge and skills to construct and maintain buildings; form metal; erect metal structures; set machine tools or fit, maintain and repair machinery, equipment or tools; carry out printing work; and produce or process foodstuffs, textiles and wooden, metal and other articles, including handicraft goods.” International Labour Office, International Standard Classification of Occupations; Structure, group definitions and correspondence tables, Volume I, (Geneva, 2012), p. 277.

<sup>38</sup> “Tasks performed by services and sales workers usually include: organizing and providing services during travel; housekeeping; preparing and serving food and beverages; caring for children’ providing personal and basic health care at homes or in institutions, as well as hairdressing, beauty treatment and companionship; telling fortunes’ embalming and arranging funerals’ providing security services and protecting individuals and property against fire and unlawful acts; enforcing of law and order; posing as models for advertising, artistic creation and display of goods; selling goods in wholesale and retail establishments, as well as at stalls and on markets; and demonstrating goods to potential customers. Supervision of other workers may be included.” International Labour Office, International Standard Classification of Occupations; Structure, group definitions and correspondence tables, Volume I, (Geneva, 2012), p. 235.

<sup>39</sup> “Tasks performed by workers in elementary occupations usually include: cleaning, restocking supplies and performing basic maintenance in apartments, houses, kitchens, hotels, office and other buildings; washing cars and windows; helping in kitchens and performing simple tasks in food preparation; delivering messages or goods; carrying luggage and handling baggage and freight; stocking vending-machines or reading and emptying meters; collecting and sorting refuse; sweeping streets and similar places; performing various simple farming, fishing, hunting or trapping tasks; performing simple tasks connected to mining, construction and manufacturing including product-sorting; packing and unpacking produce by hand, and filling shelves; providing various street services; pedaling or hand-guiding vehicles to transport passengers and goods; driving animal-drawn vehicles or machinery. Supervision of other workers may be included.” International Labour Office, International Standard Classification of Occupations; Structure, group definitions and correspondence tables, Volume I, (Geneva, 2012), p. 337.

<sup>40</sup> Data for Syrian refugees are from ILO and Fafo Impact of Syrian Refugees on the Jordanian Labour Market, 2015, statistical appendix, Table 5.14. Data for Jordanians are from the Department of Statistics Survey of Employment and Unemployment, Round 1, 2014, Table 5.7.

The ILO and Fafo study suggests that Syrian workers have to some extent displaced lower skilled and lower paid Jordanians in construction and in wholesale and retail trade in particular. The larger problem, over time, is the reduction in humanitarian assistance, which will push increasing numbers of Syrian refugees into the informal labour market where they will come into even more competition with low-skilled Jordanians.

**4. Comparing Syrian Refugee and Jordanian Working Conditions and Wages:** For the limited number of Syrians refugees employed in Jordan, evidence suggests they face significantly worse working conditions when compared to Jordanian hosts. Social protections on the job for Syrian refugees—whether explicitly written into a contract or orally agreed—were found to be well below that of Jordanian workers. As indicated in Table 4.A, the share of working Jordanians covered by written or oral agreements for specific protections was at least 50 per cent greater than that for Syrian refugees. The wide disparity in social protection extends to additional benefits such overtime pay, paid leave and non-pay benefits.<sup>41</sup>

**Table 4.A:** Estimates of Jordanian and Non-Camp Syrian Refugee Employees with Specified Social Protections on the Job, January 2014 <sup>42</sup>

Social Protection on the Job	Share of Jordanians Workers	Share of Non-Camp Syrian Refugees Workers
Maximum Hours of Work Regulated	63.0%	42.0%
Minimum Wage Regulated	74.0%	47.0%
Work Tasks and Procedures Regulated	77.0%	49.0%
Termination Rules Regulated	53.0%	5.0%
Insurance Against Work Injuries	40.0%	4.0%
Insurance Against Old Age, Disability, Death	19.0%	1.0%
Insurance Against Unemployment	5.0%	1.0%

The result of the overwhelmingly informal nature of Syrian refugee employment, in addition to the relative absence of written or oral social protections, are higher than average working hours and/or lower than average wage incomes. Thus, as indicated in Table 4.B, only one third of employed non-camp Syrian refugees reported working 40-59 hours per week during the ILO and Fafo survey in January 2014 as compared to 55 per cent of Jordanian workers. On the other hand, more than 4 in 10 employed Syrian refugees were working more than 60 hours per week as compared to only 14 per cent of employed Jordanians.

<sup>41</sup> See ILO and Fafo Impact of Syrian Refugees on the Jordanian Labour Market, 2015, pp. 81-84.

<sup>42</sup> See ILO and Fafo Impact of Syrian Refugees on the Jordanian Labour Market, 2015, pp. 78, 80.

**Table 4.B:** Estimates of Jordanian and Non-Camp Syrian Refugee Employees' Working Hours per Week, January 2014 <sup>43</sup>

Number of Hours Worked in Past Week in Main Job (15+ Years)	Share of Jordanians Workers	Share of Non-Camp Syrian Refugees Workers
Temporary absence	7.0%	2.0%
1-19	5.0%	10.0%
20-39	19.0%	15.0%
40-59	55.0%	33.0%
60+	14.0%	41.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

Syrian refugee wage incomes were likewise well below that of Jordanian counterparts. Thus, only 25 per cent of Jordanian working households (where there may be more than one income earner) reported receiving less than JD 300 per month from their work as compared to 40 per cent of working Syrian refugee households. Almost half of Jordanian working households report receiving JD 400 per month or more relative to only 17 per cent of Syrian working families. Table 4.C provides the details.

**Table 4.C:** Estimates of Jordanian and Non-Camp Syrian Refugee Household Wage Incomes, December 2013 <sup>44</sup>

Household Total Wage Income Last Month (JD)	Jordanians Share	Non-Camp Syrian Refugees Share
0	1.0%	2.0%
1-99	1.0%	10.0%
100-199	6.0%	28.0%
200-299	17.0%	28.0%
300-399	28.0%	15.0%
400-499	13.0%	7.0%
500-999	25.0%	8.0%
1,000+	10.0%	2.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

<sup>43</sup> See ILO and Fafo Impact of Syrian Refugees on the Jordanian Labour Market, 2015, statistical appendix, Table 5.26.

<sup>44</sup> See ILO and Fafo Impact of Syrian Refugees on the Jordanian Labour Market, 2015, statistical appendix, Table 3.9.