The Compact Experiment: Push for Refugee Jobs Confronts Reality of Jordan and Lebanon

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In September 2015, as Europe veered between fear and compassion in response to the refugee crisis, the outline of a radical reform to refugee policy appeared in the journal Foreign Affairs. Its authors – Paul Collier, an influential development economist, and Alexander Betts, a social scientist and then-head of the Refugee Studies Centre at Oxford – proposed a pathway for Syrian refugees into Jordan’s labor market.

Their essay cast the Syrians as the workforce the Hashemite Kingdom needed to realize its dream of industrialization. Betts and Collier also denounced the existing international response to the refugee crisis as “antiquated and fueled by panic.”

The panic was obvious and largely centered on Europe. Record numbers of refugees had arrived on Greece’s Aegean islands since June of that year and beaten a path north and west through the Balkans. The influx made Europe’s leaders appear impotent.

Early that September, stark photographs of Aylan Kurdi, a Kurdish-Syrian toddler who drowned while his family tried to cross from Turkey to Greece, briefly tipped the balance of public opinion from fear of migrants to compassion for refugees. But the sympathy engendered by the boy’s death would not outweigh other concerns for long.
The “antiquated” claim rested on the continuing division between humanitarian assistance, meant to respond to short-term crises, and development assistance, meant to alleviate poverty in the longer term. Betts and Collier rejected what they saw as the prevailing logic that “donors wrote checks” and countries that received refugees agreed to house them, mostly in camps. The authors called instead for protracted refugee situations to be dealt with as development challenges.

ECONOMISTS ARRIVE AT ‘CLUB OF LAWYERS’

The U.N. refugee agency (UNHCR) had hired its first economist and was beginning to move beyond its nickname of the “club of lawyers.” Experts in development and humanitarian fields were already trying to break out of their respective silos. But as long as the vast majority of refugees remained in a handful of so-called haven countries, from Kenya and Pakistan to Lebanon and Jordan, there was little pressure for new thinking. It was only the scale of the Syrian refugee crisis and its perceived threat to Europe’s status quo that began to change this.

The crux of the Foreign Affairs article was that an “effective refugee policy should improve the lives of the refugees in the short term and the prospects of the region in the long term.” The proposal hinged on Jordan’s largest refugee camp, Zaatari, being only a short distance from one of the Kingdom’s moribund Special Economic Zones (SEZs). What if the residents of one could be instrumental in unlocking the development potential of the other? The proximity was meant, with pleasing serendipity, to have been noticed for the first time during an April 2015 field trip by the authors.

In fact, a possible link between the refugees and the SEZs had been mooted at an earlier meeting hosted by the Wana Institute, a Jordanian think-tank connected to the royal family. A mid-ranking Jordanian civil servant had presented some slides laying out a plan that linked jobs for refugees with rejuvenated SEZs.

A British diplomat present at the meeting called it the “Blue Peter moment” – a reference to the children’s television program where presenters would first prepare a meal before immediately pulling a finished version from the oven declaring, “Here’s one we made earlier.” At the time, the U.K.’s Department for International Development (DFID) was balancing Britain’s role as the leading donor on the Syria response with its government’s reluctance to resettle large numbers of refugees at home. DFID had already found an ally in the World Bank, whose senior staff were inclined to see refugees as a global public good whom the international community should share the cost of protecting. But Jordan and Lebanon, estimated to be hosting more than 2 million Syrian refugees between them, were middle-income countries and thus ineligible for concessional aid – low-interest loans that typically go to poor states.

Jordan was already heavily in debt, so borrowing money at commercial rates to help refugees was a non-starter. Lebanon was even worse off, with the third highest debt to GDP ratio in the world. The prospect of concessional loans appealed to both. Behind the scenes DFID officials saw an opportunity to clinch a groundbreaking deal that would also soothe the chief concern of their own political leadership: that refugees in Jordan and Lebanon might head en masse for Europe. Collier, whose earlier book “Exodus” had made clear his preference for helping refugees in their home region, was seen as a useful advocate who “had the ear” of David Cameron, then Britain’s prime minister.
A senior UNHCR official said there was no data to support the idea of a Syrian exodus from Jordan and Lebanon but this “wrong assumption” proved useful: “If no one had arrived in Europe that summer would there have been a deal? No.”

DEAL TOOK SHAPE AT U.N. GENERAL ASSEMBLY

The background maneuvers culminated in the president of the World Bank, Jim Yong Kim, King Abdullah of Jordan and Cameron meeting on the margins of the U.N. General Assembly in September 2015. With their backing, the outlines of a new kind of deal emerged that would see Jordan receive concessional loans from the World Bank – subsidized by international donors – in return for removing some of the barriers preventing Syrian refugees from entering the labor market.

The loans would be used to finance the development of infrastructure and SEZs, first in Jordan and later in Lebanon, to hire a blend of refugees and locals for companies whose goods would be allowed to enter the E.U. on preferential terms. The last hurdle was the European Commission, which was initially reluctant to offer a custom trade deal. It was eventually persuaded to come on board after a precedent was found in preferential terms offered to Pakistan in the wake of deadly floods in 2010.

The details were threshed out by World Bank and DFID staff, working with Jordan’s minister of planning, Imad Fakhoury, who had the tough task of navigating opposition to jobs for refugees in an economy where many Jordanians remained jobless. Delegations from DFID and the World Bank also visited Beirut but quickly realized that an equivalent deal in Lebanon was not possible. Unlike Jordan, where governments changed but power remained with the king, Lebanon was a chaotic vacuum. It was not only that Lebanon had no president – a situation that lasted from May 2014 to October 2016 – but its politicians were coalescing around a push to ensure Syrians left the country.

The decision was taken to keep Lebanon involved in the conversation but to focus the international effort on Jordan. By the time of the Syria conference in London in February 2016, where $12 billion was pledged to help displaced Syrians, the plan was known as the Jordan Compact. The terms included $1.7 billion in grants over three years to support infrastructure projects; a 10-year exemption from the E.U. rules of origin (a tariff barrier) for producers in Jordan who met an employment quota of Syrian refugees; and a commitment from the government of Jordan to create 200,000 “job opportunities” for Syrians. A Lebanon Compact, worth about $470 million in E.U. aid, was later agreed to with considerably less fanfare and much vaguer terms.

Jordan’s centralized decision-making and dire macroeconomic situation, combined with European leaders’ fears of a refugee influx, created the space for an economic experiment that few had seen coming. Barri Shorey, a livelihoods expert at the International Rescue Committee, a New York-based aid agency, summed up the surprise: “We’d gone from a place in 2013 where you couldn’t talk about refugee livelihoods in Jordan to having a compact.”
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SYRIAN REFUGEE POPULATION

5.4 million
SYRIANS REGISTERED AS REFUGEES BY THE UNHCR

6.5 million
SYRIAN INTERNALLY DISPLACED PEOPLE AS OF MID-2016

9% IN CAMPS
458,346 persons

91% OUTSIDE CAMPS
4,921,298 persons

Distribution in Region

TURKEY 3,320,814

LEBANON 1,001,051

JORDAN 655,056

Syrian Refugee Population and Asylum Claims in Europe

20% GERMANY, SWEDEN

16% HUNGARY, AUSTRIA, NETHERLANDS, GREECE, DENMARK

64% REST OF EUROPE

SYRIAN ASYLUM CLAIMS IN EUROPE BETWEEN APRIL 2011 & SEPTEMBER 2017

987,571
Every day, around 280 trucks head east from Jordan’s capital across the arid steppe, past sheep pens and electricity pylons. A trail of garbage marks their passage. Their destination is the Al Ghabawi landfill, a sprawling dump that conceals millions of tons of solid waste generated by residents of Amman and its surrounding municipalities.

Three of the landfill’s quadrants are full and the fourth cell will reach capacity in a matter of months. Managers at the site estimate the volume of garbage has grown by one-fifth every year since 2014. Part of the reason for this acceleration is the half-million Syrians who now live in and around Amman.

Ghabawi is just one sign of increasing strain on Jordan. In a small country with few natural resources and scarce water, the arrival of as many as 1.3 million Syrian refugees has compounded pressure on Jordan’s infrastructure and public services. Their arrival has also impacted a job market characterized by rising unemployment and a burgeoning youth population. A World Bank report in 2016 summed up the rising external and internal pressures facing Jordan, comparing the Kingdom to “a tightrope walker subject to gusts of winds.”

These were the pressures that Jordan’s delegation sought to relieve at the London Syria
conference in 2016. They came away with the Jordan Compact, which promised to transform the Syria crisis into a development opportunity. Pledges for $1.7 billion in grants and concessional financing were secured, including $700 million to fund the Jordan Response Plan for 2016 – a portfolio of interventions to support areas like municipal services and infrastructure.

In return, Jordan would create 200,000 jobs for Syrian refugees. Around 50,000 of these would be in sectors typically shunned by Jordanians, like agriculture and construction. The rest were to be created in Jordan’s Special Economic Zones (SEZs) and the E.U. would remove tariff barriers for goods manufactured in the zones to stimulate new investment and new jobs. The ambitious tone was underlined by King Abdullah, who on his return to Jordan promised that for every job created for a Syrian, five jobs would be created for Jordanians.

An early dividend from the compact went to the Ghabawi landfill. Financing from the European Bank of Reconstruction and Development and the U.K.’s Department for International Development was earmarked to build a fifth cell to absorb the rapidly accumulating garbage.

CITY OF REFUGEES

In downtown Amman, the immaculately groomed Samir Hijawi sits behind the counter at his restaurant, in a pressed black shirt and red tie, observing the lunchtime rush. Since opening in 1953, Cairo Restaurant has been a regular lunch spot for the generations of refugees who have made their home in Jordan.

Behind Samir hangs a portrait of King Abdullah and a soft-focus photograph of Samir’s father, who renamed his eatery in 1956 in honor of Gamal Abdel Nasser’s victory in the Suez Crisis. The oil boom of the 1970s was kind to the Cairo, which spread out to occupy three floors. It now employs 30 staff, six of whom are Syrian refugees.

Samir would employ more Jordanians, he said, but they tend to prefer government jobs: “Jordanians only work here if they’re in a really bad situation.” The rest of the staff, some who have been with him for decades, are Egyptian. “We understand each other,” he said.

Samir is a refugee himself and arrived in Jordan from Palestine when he was only a year old. He identifies as both Palestinian and Jordanian. The last half-century of refugee arrivals he sums up in a few sentences without a hint of resentment: The Palestinians built Jordan, the Iraqis bought houses and the Syrians opened shops. “It’s all from God,” he said.

The growth of Amman has been driven by regional crises. As the city has spread from the downtown valley up the slopes of its surrounding hills, it has expanded from 250,000 people in 1952 to today’s 4 million.

Jordan’s peculiar stability, given the tumultuous region it resides in, rests on a political bargain conceived by the monarchy. The Palace rewarded the loyalty of Transjordanians, the territory’s residents prior to independence, with patronage and jobs in the public sector. Meanwhile, the Kingdom’s large Palestinian population trades political obeisance for economic noninterference, said Sean Yom, an associate professor of political science at Temple University in Philadelphia who specializes in Arab monarchies.

This arrangement has been tested in recent years by rapid population growth, which has strained the monarchy’s ability to

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provide positions to an ever-growing queue of Jordanians who see government jobs as a birthright.

It is an expensive survival strategy. The Kingdom has stayed afloat on vast sums of aid from Western countries, which flowed due to Amman’s geopolitical role as a U.S. ally and peace partner to Israel. Gulf countries stepped in with cash injections in the early years of the Arab Spring, keen to shore up a fellow Arab monarchy as regimes in Egypt, Tunisia and Libya fell. But oil prices dropped in 2015 and a year later, a $5 billion grant from the Gulf Cooperation Council expired and was not renewed.

In this shifting context, the Jordan Compact presents a much-needed new source of aid. However, Yom warns that the Kingdom’s pledge to create jobs for Syrians is politically fraught: “It is actually quite risky for Jordan to posture for an international audience that it will be a model of economic integration and productivity for Syrian refugees when it’s facing, in many tribal communities, severe anti-government sentiment and severe unpopularity.”

Jobs or Permits? The Metric Matters

In the aftermath of the London conference, the vague commitment to “job opportunities” took on the more solid form of work permits. When negotiations began with the World Bank to structure the financial rewards around targets, the government of Jordan wanted progress to be framed around permits rather than jobs, according to Susan Razzaz, a former World Bank economist who was party to the discussions.

The $300 million World Bank Program for Results, signed off in September 2016, tied the release of funds to work permits issued, as well other commitments such as improving the investment climate. Jordan had until December 2019 to dole out 130,000 permits.

Not everyone was convinced the focus on permits was the right approach. Barri Shorey, an employment expert with the aid agency International Rescue Committee, said the choice of a “huntable target,” while understandable, removed some of the emphasis on creating new jobs. “The metric was slightly off,” she said. “It’s not just about work permits; it’s about incomes.”

Work permits looked like an achievable target. The Ministry of Labor estimates there were as many as 200,000 Syrians already working informally before the compact was signed. The ministry tried to ensure a strong start by removing the need for a passport from the application process, recognizing that many refugees had fled Syria without one. Permit fees, which at the time could cost more than $500, were also waived for Syrians.

However, the expected rush to be regularized failed to materialize.

For many Syrians, working informally was a better option than getting a permit. Permits are only available in certain sectors, mostly for minimum-wage jobs, and the worker is tied to a single employer under a one-year contract. In some sectors open to Syrians, like construction, they could make a better living working freelance than as a salaried employee, without the requirement to pay social security.

Syrians could not get permits if they were working in occupations closed to non-Jordanians such as doctors, lawyers, accountants, teachers, drivers, decorators or electricians. Omar, a young barber from the Syrian city of Homs, has worked since he arrived in Jordan in 2014. He cuts hair at a small
barbershop in Amman and pays the shop owner half his daily takings. Some days that amounts to 1JD, or about $1.40, other days he can make nearly $30.

Non-Jordanians are not allowed to work in hairdressing, so Omar could not get a permit, but he has no plans to change to a legal job. “At least I’m working in something I like and something I know,” he said.

Employers in some sectors faced an added complication. Jordan has strict ratios of Jordanian nationals to foreign employees. Hiring more Syrians in formal positions would require adding more Jordanians to the payroll to maintain the ratio. In many cases employers were already struggling to meet their quota for national staff in industries not traditionally attractive to Jordanians.

Facing slow progress toward its target of issuing 50,000 permits by the end of 2016, the government removed more obstacles. The labor ministry made it easier for agricultural workers to get permits. Farm laborers working seasonally typically did not have a permanent employer who could apply for their permits, so the ministry allowed refugees to apply through agricultural cooperatives, local societies of farmers. Syrians could use these permits to move between farms, working for any of the farmers in the cooperative.

Where agriculture led, construction followed. The General Federation of Jordanian Trade Unions signed an agreement with the labor ministry in June 2017 to issue 10,000 permits for the construction sector, allowing day laborers to work legally without being tied to a single employer. Initially, Syrians were required to present a Certificate of Prior Learning, but this was later scrapped. Instead of registering for social security, Syrians were required to pay roughly $70 for annual private health insurance.

In all sectors, the labor ministry removed the need to present proof of social security registration to apply for a permit and scrapped the requirement for a health certificate for those refugees who had a valid Ministry of Interior ID card.

But many Syrians were still not convinced. Prior to the compact, Syrians caught working without permits could be sent to refugee camps but the World Bank asked Jordan to stop this practice, according to Razzaz. “[This] means that Syrians don’t feel desperate for work permits because that stick is not coming after them ... There’s no carrot because neither for the worker nor for the employer is a work permit a positive thing.”

While one obstacle after another has been removed by the government, one constraint has remained untouchable. No exception will be made to allow Syrians to work in the wide range of closed occupations. The government is well aware of the tensions resulting from high levels of unemployment among local graduates and moved to reassure Jordanians after the compact
was signed that their privileges would not be affected.

Anyone testing the line is soon reminded that it is red. A young Jordanian lawyer in Amman got a taste of the potential backlash recently when he advertised for Syrian lawyers to take part in an unpaid workshop. Within hours he was contacted by Jordanian colleagues demanding that he withdraw the invitation and limit the training sessions to Jordanian nationals.

**Efforts to Hire Syrians ‘Not a Success’**

In the desert of northeastern Jordan, trucks rattle past signposts for the border with Syria and banners thanking Saudi Arabia for funding the rehabilitation of the desert highway – reminders that Jordan is in a rough neighborhood where it has been dependent on handouts.

The road leads to the Special Economic Zone of Al Dulayl, a strip of squat, dusty buildings cut through the center of the town, churning out gray smoke, Ralph Lauren blazers, Perry Ellis chinos and orders for U.S. retail giants like Macy’s, Walmart and Sears.

To the framers of the Jordan Compact, SEZs like Al Dulayl seemed like a quick win: underutilized industrial parks near refugee camps crammed with a surplus labor force. The idea had a precedent. Amman’s 1994 peace deal with Israel was sweetened by the U.S. granting preferential access to goods manufactured in Jordan in areas known as Qualified Industrial Zones. The deals sparked the growth of an apparel industry that came to employ 65,000 workers and account for 19 percent of the Kingdom’s exports, valued at over $1.6 billion.

When the E.U. was persuaded to relax its trade rules with Jordan, similar results were expected. But a new component was included – factories had to ensure at least 15 percent of their workforce were Syrian refugees. However, comparisons with the U.S. trade preferences sometimes ignore that the tariff barrier to the U.S. market was 30 percent, three times its E.U. equivalent and therefore more valuable to exporters.

Qazi Pervaiz was one of those who embraced the new prospects. Growing up in the border regions of Pakistan, he developed an affinity for refugees after befriending Afghans who arrived in his village fleeing the Soviets. He remembers seeing people who once held jobs in industry and government reduced to living in tents. “I know refugees,” he said. “It’s very difficult for them to live in the camps.”

When Pervaiz worked as the human resources manager at Apparel Concepts garment factory in Al Dulayl, he took part in a pilot project to bring 2,000 Syrians to work in the factories. The program was organized by UNHCR and the International Labour Organization (ILO)’s Better Work Jordan to improve conditions for garment workers.

The UNHCR was given the job of drumming up interest among Syrian refugees in the camps. Dina Khayyat, vice chair of the Jordan Garment Accessories & Textile Exporters Association, watched as the early enthusiasm hit a wall. Few Syrian showed up and those who did had little interest in working in factories. Ultimately, no Syrians were hired.

“It was not a success story,” Khayyat said. It was difficult to convince the Syrians to work in factories, as they were often earning better money in other sectors like construction or in...
restaurants which required less commitment and offered more freedom.

The garment sector also hires a largely female workforce. But many refugees in Jordan came from Syria’s southern governorate of Daraa, a socially conservative agricultural area in which most women did not work outside the home. Syria had a garment industry, but it had been centered on the northern city of Aleppo and most refugees from this area made their way to Turkey, not Jordan.

Jumana, a 28-year-old from Ghouta, outside Damascus, is among the handful of Syrians who have taken garments jobs. She arrived in Jordan with her family in 2014 with not much more than $60 between them. Without friends or relatives in Jordan’s cities, they settled in the countryside.

She tried working on a farm but the work was different than it had been on their family plot and she had trouble getting paid. She was living near Al Dulayl when she learned that Syrians were allowed to work in factories from a post on UNHCR’s Facebook page. When she inquired Pervaiz hired her straight away. Jumana now works inserting fabric into the waistband of trousers to stiffen them.

A month later, she brought two of her cousins to join her but her brothers will not follow because they earn more working as handymen. “The work is good,” she said. “They treat us well. They didn’t take one dinar from my salary.”

Unlike Jumana, most Syrian refugees in Jordan live in cities and many have families to support. For Jordan’s urban refugees working in the SEZs would require a long commute for a minimum wage that probably would not cover rent or transport.

The recruiting drive has since widened to take in the estimated 140,000 Syrian refugees living in camps. Zaatari, Jordan’s biggest refugee camp, held its first jobs fair in October, a joint effort by the ILO, the E.U., UNHCR, the Norwegian Refugee Council and the Jordanian government’s Syrian Refugee Affairs Directorate. Pervaiz attended, hoping to find more Syrian women like Jumana. He left disappointed: “I didn’t see a single female.”

His struggles with Syrians in some ways echo the difficulties faced in meeting the requirement for one-quarter of the textile workforce to be Jordanian. Pervaiz hires around 50 Jordanians a month, but only two or three stay.

Khayyat, from the garment exporters’ association, was part of a delegation that attended an event in London to match Jordanian suppliers with British brands – a joint effort of DFID and the World Bank. “The buyers that we saw were very small retail shops and not the big companies that we aim to attract,” she said. No orders were placed.

A year on from the signing of the E.U. trade agreement, Pervaiz has welcomed more European delegations and foreign NGOs than he has refugees. Despite his efforts he currently employs just four Syrians. But he remains sanguine. “We are on the right track, we just need to open the gate.”
Syrian construction workers played a major role in Lebanon’s 1960s construction boom and Lebanese reconstruction after the civil war ended there in the 1990s. The highly informal construction sector remains the primary employer of Syrians in Lebanon. However, growth has slowed since the Syrian war as Gulf investors and the Lebanese diaspora, who fuel the country’s high-priced real-estate market, became nervous about political and economic instability. Some analysts are optimistic that Lebanon’s construction sector is well-positioned for another boom for two reasons.

First, Lebanon’s infrastructure has been neglected for decades. Since the London Syrian Conference in 2016, there has been more international interest in channeling aid and investment into infrastructure construction projects employing Syrians, including the World Bank’s Roads and Employment project and the International Labour Organisation’s (ILO) Employment Intensive Investment Programme (EIIP). Lebanon’s government is seeking funds for a $10 billion Capital Investment Program. Much will depend on the government’s capacity to work with international financial institutions and steer clear of corruption and political horse-trading over infrastructure projects. Another source of optimism is Lebanon’s possible role in the reconstruction of Syria once the war subsides. The country’s large private sector, historical relationship with Syria and northern port of Tripoli could position the country to play a role in the estimated $200 million reconstruction effort.

Jordan is also pinning its hopes on reconstruction efforts in Syria to develop Jordan’s own construction industry. Plans are underway to build an airport and logistics center in Mafraq, near the Syrian border, as a base for reconstruction efforts, under an agreement between the Jordan Armed Forces, the Mafraq Development Zone and the U.S. Safe Ports company.

### SECTOR BRIEF: Construction

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<th>JORDAN</th>
<th>LEBANON</th>
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<td><strong>Share of GDP</strong></td>
<td>5%(^1)</td>
<td>4.5%(^2)</td>
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<td><strong>Share of Jobs</strong></td>
<td>6.1%(^3)</td>
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<td><strong>Syrian Refugee Participation</strong></td>
<td>Up to 41%(^5) Syrian labor force(^6)</td>
<td>33%(^5) Syrian labor force(^6)</td>
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1. Jordanian Department of Statistics 2016  
2. Lebanon Central Administration of Statistics 2015  
4. Lebanon Central Administration of Statistics 2009  
5. ILO/Fafo 2015  
6. VASyr 2016

**NOTE:** Agriculture and construction are highly informal areas in Jordan and Lebanon, and official labor force figures are likely to only partially reflect participation in the sector.
Investor

ABU MUSTAFA once owned restaurants in Damascus, but when he fled to Amman in 2014 he took a job serving sandwiches. “I had to learn how life is here before I opened my business. I had to study the country.” He now has three successful fast-food shops and hires 30 people.

Abu Mustafa says Syrians have benefited the Jordanian economy. Instead of importing packaging from China, he worked with an engineer on a machine to make containers in-house. This is typical of Syrian creativity, he says. “There, they can copy everything. You can even bring a human and say ‘I want another one exactly the same’ and they will bring you one.” The machine means more money is staying in Jordan, he adds.

All his suppliers are Jordanian companies, while many Jordanian restaurants now rely on Syrian staff. Giving Syrians work permits helps everyone, Abu Mustafa says. All his Syrian staff have permits: It eases the pressure on them, he explains.

Doing business in Jordan isn’t easy, he says: “Amman is the graveyard for businesses and men.” But when the war ends, his restaurants will stay. “If the border opens, the sons of Amman will go to Syria in their cars. The first place they’ll visit is our branch in Damascus. So why will I prevent them from visiting our branch here?”

Journalist

MOHAMMAD, from Daraa, fled his studies at Damascus University when his uncle, an army officer, defected from the regime. He settled with relatives in Amman, and found work as a journalist for a Syrian opposition channel. Recently, he started studying law on the side with a scholarship from Germany.

He works without a permit because journalism is one of many professions closed to non-Jordanians under Jordanian law. The jobs Syrians can do legally, such as farm work or construction, do not appeal. “I love my field of work, I don’t want to change it. It suits me. To go back to start learning from the beginning again – no.”

Mohammad’s real hope is to go to Switzerland. He has a job lined up there at a supermarket. It is not journalism, “but the difference is that at least I’ll come back with citizenship. Here I’m staying for nothing,” he explains. Even if he could get a work permit in Jordan, he would prefer to go to Switzerland. “Our situation is really bad. Here, you’re not free, you can’t own anything. There’s no future for us here,” he says. “It’s not only about the permits.”

Factory Worker

SAMAR has not seen her husband since 2013, and their youngest son does not know him. They chat on WhatsApp every few weeks, when he has coverage. Samar fled Ghouta in 2013, and her husband stayed behind to look after their sheep. “They said at that time, let the women leave, so we left. And then they surrounded Ghouta and he couldn’t leave,” she says. Ghouta has been under siege ever since.

Samar headed first to Suwayda, in southwestern Syria. “We thought we would leave for one month and the situation would get better and we’d come back, but it didn’t and we almost died of hunger there.” With her uncles, aunts, cousins and children, she crossed the border to Jordan. They worked picking tomatoes on farms, but the farmers did not pay them. “We couldn’t do anything, we were illegal outside the camp and we didn’t have permits,” she says.

They were living near al-Dulayl, a remote area housing an industrial estate, when Samar’s cousin got a job in a garment factory. Samar soon followed and now she works marking fabrics for the cutters, and has a work permit.

She is happy with the work, but would go back to Syria tomorrow if she could, even if she had to live in a tent. “We grew everything in Ghouta, anything you can imagine. Peaches, apricots, cherries, mangoes. The regime cut down our trees to stop the militias hiding in the groves.”
Tripoli is Lebanon’s second-largest city and the coastal capital of the impoverished north. Before the Lebanese civil war broke out in 1975, the Syrian city of Homs was a short train ride away. In Tripoli’s now-crumbling brick railway station, a steam train lies disintegrating on weed-covered tracks that once led to Syria.

When Homs became a center of opposition to the Syrian regime in 2011, its residents began fleeing to Tripoli. Since then, some 1.5 million Syrian refugees have poured into Lebanon, expanding the country’s population by around one-quarter. There were no refugee camps, so most went to places where Syrians had lived and worked for decades – Beirut, Tripoli and the rural north and eastern Bekaa Valley.

Besides the capital, these are the poorest pockets of the country, where the economic impact of the Syrian war has hit the hardest. Politicians in Beirut tend to blame the country’s woes on refugees; from Tripoli, those woes appear deeper-rooted, linked to the country’s corrupt and sectarian governance. A Lebanese version of the Jordan Compact looks both a desperately needed opportunity and a political impossibility.

Lebanon’s delegation at the 2016 London Syria conference were not in a position to tackle issues of this scale. By February 2016, the country hadn’t had a president for two years,
a parliamentary election for seven years or a national budget for 11 years.


Lebanon made some broad commitments in London to streamline regulations that would ease Syrians’ access to jobs in specific sectors. The government requested funding for a number of projects, including a controversial employment program aimed at encouraging Syrians to return to Syria.

“The Jordanians put their plan from the beginning to link between the crisis and their infrastructure,” Abdel Samad said. “Instead of asking the international community to help with the crisis, we just asked them to take Syrians outside of Lebanon.”

The countries’ differing approaches reflect their political and economic realities – Jordan’s greater dependence on aid and Lebanon’s seething political divisions. “Lebanon’s rhetoric is more about managing internal conflicts rather than presenting an outward image and a good story to the international community,” said Sarah Love, DFID’s economic advisor in Lebanon.

Overall, international donors pledged around $1 billion in aid and concessional loans, including funds for Lebanon’s version of Jordan’s Response Plan. An E.U.-Lebanon compact worth about $470 million was signed in November 2016.

**TRIPOLI: WELCOMING BUT WEARY**

The economic experiment being tested in Jordan – international aid and investment in return for opening the labor market to refugees – faces two main challenges in Lebanon: the country’s poor record of job creation and its political and structural resistance to integrating refugees. In this economically and socially divided country, much depends on one’s vantage point.

Syrian refugees were mostly welcomed in Sunni-majority Tripoli, where many initially cheered on Syrian Sunni rebels fighting President Bashar al-Assad. People in Tripoli bore bitter memories of the Syrian occupation of their city under Assad’s father during the Lebanese civil war. The refugees joined a hardscrabble existence in a city suffering from decades of marginalization and corruption.

Ahmed is a 33-year-old plasterer who fled Homs a year into Syria’s civil war. Since then, his world has shrunk to a stretch of unpaved road between two apartment buildings on Tripoli’s outskirts. He doesn’t venture further for fear Lebanese authorities will send him back to Syria. Like most Syrians in Lebanon, he lacks a work permit or legal residency.

His 6-year-old daughter and toddler son have grown up living on construction sites. When the first apartment building was completed, Ahmed’s family moved into another building under construction a few hundred feet down the road. Ahmed’s $400 monthly salary pays for his mother, aunt and two sisters to live in the finished apartment building.

Every evening, the 11-member family gathers there for a meal cobbled together by the elder women with the $16 daily wage Ahmed’s brother earns at a hummus restaurant. After dinner, Ahmed’s young family walks back down the road to sleep in a half-built garage with a tiny window.
**“SYRIANS JUST RENT A ROOM BUT LEBANESE WANT A HOUSE. SYRIANS WILL EAT ANYTHING BUT LEBANESE – WE LIKE OUR BELLIES TOO MUCH.”**

The Syrian refugees arrived in Tripoli amid growing economic strain. North Lebanon already had the country’s largest labor force and lowest rates of workforce participation. Syria and Lebanon’s economies are deeply intertwined, and the Syrian war has hit Lebanese exports, tourism and investor confidence hard. Economic growth has shrunk from around 7 percent in the years before the Syrian war, to 1.8 percent in 2016.

Syrians have worked in Lebanon for decades – as many as 600,000 of them during Lebanon’s post-civil war reconstruction in the 1990s. But the economy today is creating fewer jobs for a rapidly expanding workforce. Rather than working seasonal jobs, Syrians are now stuck in the country with families to feed. Wages for low-skilled jobs have fallen furthest. Income inequality and geographic disparities have widened.

The historic port city is well positioned to turn a crisis into an opportunity. There are plans to make Tripoli an international hub for the postwar reconstruction of Syria, including expanding the modern port and reopening the decrepit railway. Yet Tripoli’s vicious cycle of poor infrastructure, lack of investment and political neglect remains an obstacle. Lebanon’s first Special Economic Zone (SEZ) near Tripoli’s port has been planned since 2008 but is not set to open until 2020. A mountain of garbage at a landfill that’s been overflowing for years is at risk of toppling onto the site.

Meanwhile, Lebanese in Tripoli have developed more complicated feelings about the Syrian refugees working in the city.

“There are no truck-driving jobs for Lebanese in Tripoli anymore,” said Osama Sinjir, a 32-year-old father of three who makes a four-hour daily commute to Beirut to drive trucks for a paint company. At night, he drives a taxi in Tripoli. Lebanese drivers cannot compete with Syrian wages, he said: “Syrians just rent a room but Lebanese want a house. Syrians will eat anything but Lebanese – we like our bellies too much.”

While his Syrian colleagues in Beirut save every lira of their wages by working through the lunch break, Sinjir awkwardly eats the lunch his wife packs for him each day. He is torn between resentment and empathy. “Syrians have families. They need to eat, too,” he said. “They need to work.”

**BEIRUT: THE POLITICS OF DENIAL**

Elsewhere in the country, refugees were less welcome. Lebanon’s political system is premised on a balance of power between Shia, Sunni and Christian communities. The arrival of Syria’s mostly Sunni refugees threatened to disrupt a country so afraid of demographic change it has not held a census since 1932.

The last mass arrivals of refugees to Lebanon were Palestinians in 1948 and 1967. Also mostly Sunni, they were never allowed to integrate. Some later blamed Palestinians for Lebanon’s civil war. Fearful that Syrians would also become long-term, second-class residents, Lebanese authorities refused to set up camps or even call Syrians “refugees” – amending the term on U.N. documents to “Syrian displaced.”

So while Jordan tried to formally integrate Syrian refugees into the labor market, this was always a political non-starter in Lebanon. At first, Lebanese authorities continued to turn a blind eye to the country’s large informal workforce. Then in 2014, the U.N. refugee agency announced it had registered 1 million Syrian refugees. Within a year, Lebanon told UNHCR to stop registering refugees.
“When we suddenly saw 1 million and realized the number is going to be a demographic, political and economic problem, we just decided to stop registering them,” Abdel Samad said. “This is a recurring Lebanese problem: We try to avoid acknowledging a crisis.”

Starting in 2015, Syrians entering Lebanon were required to obtain a visa. The notoriously exploitative sponsorship system for migrant laborers was applied to working Syrians, while refugees were told to sign a pledge not to work. “This introduced the idea that refugees cannot work,” said UNHCR protection officer Richard Akiki.

Newly arrived Syrians who wanted to remain in the country now had to secure a Lebanese sponsor. General Security – which oversees foreigners’ residency in Lebanon – began refusing to renew the residency of UNHCR-registered refugees if they were accused of working, forcing more people into the sponsorship system.

“If someone has the condition of a refugee, that means he is not a productive working person. Either you are in one category or the other,” said Rabbih Kabbara, an adviser to the labor minister. “It’s not fair to get the help of donors and take Lebanese jobs.”

Estimates of the proportion of Syrians with legal residency plummeted from around 60 percent in 2014, to around 20 percent in 2016. The threat of arrest made getting a job or going to school a calculated risk.

THE RETURNS AGENDA

From Ahmed’s construction-site home in Tripoli, the escalating rhetoric that Syrians must return looks threatening and reason enough to avoid the authorities at all costs.

The demand for Syrians to leave has united Lebanon’s divided political class. The Lebanese political coalition opposing the Syrian regime makes the case for voluntary repatriations by UNHCR, which says conditions are not yet safe for Syrians to return. Others, like Christian president Michel Aoun and his son-in-law, foreign minister Gebran Bassil, part of a pro-regime alliance, say they should not have to wait for a political solution in Syria and refugees must go home – voluntarily or not.

When DFID announced it would invest $21 million in the Lebanese government’s Subsidized Temporary Employment Programme (STEP), many humanitarian groups were troubled. In addition to creating jobs for Lebanese, the program would offer temporary work for Syrians – but with a catch. Syrians would receive part of the money only upon leaving Lebanon.

It was a controversial plan, with echoes of a recent Israeli policy for asylum seekers, said Newcastle University’s Mollie Gerver, who researches the ethics of refugee returns. Both schemes “may encourage unsafe repatriation,” she warns.

By the time STEP was touted at the London conference as Lebanon’s “flagship” job-creation project, DFID economists had worked with the Lebanese Ministry of Foreign Affairs to make it “more politically palatable.” Rather than withholding wages, they would deposit the equivalent of social security contributions into savings accounts accessible upon return to Syria or resettlement elsewhere.

For DFID, it was too good an opportunity to influence the political conversation in Lebanon. The hardline Lebanese foreign minister’s endorsement of any form of employment for Syrians seemed like a minor miracle and his ministry’s ongoing involvement in the program...
an opportunity for DFID to advocate over how and when Syrians return home.

“There’s a lot of fear that the international community is part of an international conspiracy to keep refugees in Lebanon,” said DFID’s Sarah Love. “We are at least wanting to talk and think about returns.”

A coalition of several dozen humanitarian organizations in Lebanon petitioned DFID to reconsider the savings accounts, warning they could encourage impoverished refugees to put their lives in danger to access the money. At a meeting earlier this year, the organizations agreed by a show of hands that none would apply to implement the program. The pilot is set to begin in early 2018.

As Lebanon’s political impasse gradually lifted over the past year, some of the reforms promised at the London conference came through, at least on paper.

Saad Hariri, leader of the Sunni Future Movement party coalition, formed a national unity government bridging the political divide over Syria in December 2016. He created a Ministry of State for Displaced Affairs to corral different Lebanese ministries – notorious for following their own agendas – into forming a national strategy on Syrian refugees. The new ministry lacked a government budget so UNHCR and UNDP funded its staff of 10.

In summer 2016, the previous government had already replaced the “pledge not to work” with a commitment to abide by Lebanese laws. This was symbolically important – refugees no longer had to sign something they knew they couldn’t abide by. “It was an easy win,” said
Bassam Khawaja of Human Rights Watch, but “kind of a sideshow.”

In February 2017, Lebanon lifted the $200 residency renewal fee for Syrians registered with UNHCR. This had potential for bigger impact: The UNHCR estimates around 320,000 registered refugees over the age of 15 are eligible to have the fee waived. But UNHCR says only 20 percent of people who tried to renew free of charge were successful. Some people were turned away and others gave up after General Security introduced daily limits on the number of renewals at their regional offices.

“Not everyone was happy with the decision,” Akiki said of the fee waiver. “Some people think if they make it difficult to renew [the Syrians] will go back – they see renewal as a free of charge nationality. This idea is entrenched in society and appears in some General Security offices, too.”

Lebanese officials insist Syrians are welcome to apply for work permits in three sectors – agriculture, construction and environment. However, few have the resources or connections to do so. Last year, the labor ministry issued just 200 new work permits for Syrians.

**POPULISM OVER POLICY-MAKING**

In January, the new minister of labor, Mohammad Kabbara, issued the ministry’s regular order restricting Syrians to those three sectors of the economy. The order is usually a routine document, but this time the minister made the announcement with great fanfare. From his native Tripoli, he declared a crackdown on Syrian workers and businesses.

The ministry itself has few labor inspectors – just three for all North Lebanon – so much of the task fell to the enthusiastic hands of municipalities, business syndicates or to volunteers like Linda Boulos-Macari.

A 33-year-old American-Lebanese entrepreneur, Boulos-Macari struggled to find a job after a decade working in freight and logistics in Nigeria. From her cliffside apartment north of Beirut, beneath brightly colored cable cars shuttling tourists up to Lebanon’s most famous church, she turned her formidable energy to full-time activism.

First, she joined the Lebanese Land Movement, a volunteer group lobbying against Christians selling land to foreigners and non-Christians. When a friend who owned a pet shop told her about a Syrian competitor undercutting his prices, she started a Facebook campaign to collect information on illegal Syrian businesses. “We are a poor country and our demography is changing,” she said. “I’m not racist, I’m just telling you the facts.”

In May, Boulos-Macari started an online petition asking the U.S. and U.N. to help Lebanon send refugees back to Syria. It received 20,000 signatures in five days. Her phone began ringing with encouragements from Christian politicians and the occasional death threat. Her latest project is a crowdfunding campaign to prepare Syrians’ documentation for returns, called “help a migrant go home.” “When Lebanon starts [returning Syrians], the whole world will follow,” she said.

Boulos-Macari was not alone in petitioning the labor ministry. The barbers’ syndicate came to complain about competition from Syrian barbers, so the ministry asked it to compile a list for closure. The butchers’ syndicate did the same. So far this year the ministry has closed approximately 200 businesses.

Among them was the Taiba Shams kebab restaurant, run by 39-year-old butcher Ghanim Ghurair. After his home and restaurant in Homs were destroyed in the war, he entered Lebanon on an investor visa. He soon began pursuing his
dream to open a chain of restaurants, starting in Tripoli.

After Kabbara’s order, Ghurair arrived at work one morning to find his restaurant had been ordered to close and the lock sealed with wax. He hired Lebanese employees and reopened, but was soon shut down again. This time, he found a Lebanese business partner and put the accounts in his name. The partner took off with much of Ghurair’s money, and his restaurant was forced to close for the third time.

Ghurair was recently told the only way he can get legal residency is if he takes his family of seven back to Syria first. He suspects there may be an easier route – using connections or paying off officials – but he is determined to play it straight. “I paid so much money in this country, but I still can’t find a good way to invest here,” he said.

Municipal leaders have interpreted Kabbara’s order as permission to take matters into their own hands. In the weeks after the order, there was a wave of protests against Syrian workers across the country. Several municipalities initiated campaigns to close Syrian businesses. Some evicted refugees en masse.

In the first mass eviction in the capital, at least 1,500 Syrians living in a suburb near the labor ministry received eviction orders in late October. The mayor of al-Hadath told Lebanese TV he was only implementing labor law restrictions with the support of the ministry. “They can go and work in Syria,” he said.

A MAN WITH A PLAN

Posing with stewardesses on a Middle East Airlines jet on November 1, 2017, Lebanese prime minister Saad Hariri unveiled plans to double the capacity of Beirut airport. A few days later, Hariri abruptly departed from Lebanon and appeared on Saudi TV making a resignation speech from Riyadh.

While Hariri eventually returned to Beirut and rescinded his resignation, Lebanon’s latest political drama threatens to bring both political instability and policy paralysis. Neither bodes well for Hariri’s approximately $10 billion Capital Investment Program announced in January. The program stirred some excitement among some international donors desperate for a government interlocutor with an economic plan.

Yet international concessional loans for infrastructure moved more slowly in Lebanon than Jordan. The loans face a lengthy and contentious approvals process, as well as horse-trading between regions and sects over the location of investments.

Lebanon’s first infrastructure project from the World Bank’s Global Concessional Financing Facility – $200 million to rehabilitate 300 miles (500km) of road using Syrian and Lebanese workers – was signed this summer, but implementation was delayed after the government asked to also approve which roads will be included.

At the American University of Beirut recently, Lebanese business publisher Yasser Akkaoui dismissed Hariri adviser Nadim Munla’s portrayal of the Capital Investment Program as “a win-win solution, where we can turn the crisis to an opportunity.”

“We know this will be mismanaged because of corruption and we know that no refugee will get any of this money,” Akkaoui said. “The Lebanese government is more busy seeing how they can steal the money than seeing how they can create jobs for Lebanese or Syrians.”
### SECTOR BRIEF

**Agriculture**

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<th>JORDAN</th>
<th>LEBANON</th>
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<tr>
<td><strong>SHARED OF GDP</strong></td>
<td>4%</td>
<td>3.5%</td>
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<tr>
<td><strong>SHARE OF JOBS</strong></td>
<td>1.9%</td>
<td>6%</td>
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<td></td>
<td>Jordanian labor force&lt;sup&gt;3&lt;/sup&gt;</td>
<td>Lebanese labor force&lt;sup&gt;4&lt;/sup&gt; (20–25% full/part-time activity in the sector)</td>
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<tr>
<td><strong>SYRIAN REFUGEE PARTICIPATION</strong></td>
<td>5% Syrian labor force&lt;sup&gt;5&lt;/sup&gt;</td>
<td>22% Syrian labor force&lt;sup&gt;6&lt;/sup&gt;</td>
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1. Jordanian Department of Statistics 2016  
2. Lebanon Central Administration of Statistics 2015  
4. Lebanon Central Administration of Statistics 2009  
5. ILO/Fafo 2015  
6. VASyr 2016

**A**griculture in Jordan is focused in the highlands and the Jordan Valley. Farmers were hit hard by the closure of the Iraqi and Syrian borders in 2015, which cut off markets and trade routes to Europe. They rely on Egyptian migrant workers, and efforts to replace them with Syrians have been problematic. A ban on bringing in new workers from Egypt and an increase in permit renewal fees for non-Syrians led farmers to protest in Amman. They say shortages of Egyptian labor have resulted in lost profits and late harvests. Egyptian farm workers are usually single men, who live on the farm and work as laborers during the day and as guards at night. Syrians, who tend to work as families, do not fit easily into this mold.

It is hard to come by accurate numbers on the agricultural workforce in Jordan – estimating migrant work permits does not give a clear picture of the sector. Egyptians often bought agriculture permits on the black market, but worked in better-paid jobs in the cities. Agricultural permits are now the cheapest and easiest sort for Syrians to acquire, with many refugees using them to move freely in and out of camps, or to ease re-entry to Jordan after traveling abroad.

In Lebanon, agriculture is concentrated in two of its poorest regions, the Bekaa Valley and the northern governorate of Akkar, both of which border Syria. Syrians have always worked seasonally in large numbers on Lebanese farms, and many Syrian refugees now live in informal tented settlements in agricultural areas, often renting a tent on farmland in exchange for working for a farmer landlord. The informal agricultural sector has poor working conditions and many working children. Farming has got even harder since the Syrian war – costs have increased due to the lack of cheap Syrian agricultural products and the decreased exports to Syria and overland to Gulf countries. Miriam has 152 children, grandchildren and great-grandchildren, and several more on the way. Before the war, they were all in Daraa, but now they’re scattered across Jordan, Lebanon, Turkey, Germany and Denmark. Recently, some have returned to Syria. “I’m working here and I send them money,” she says.

Back in Daraa, when she was widowed with nine children all aged under 10, Miriam had started two shops selling womenswear and children’s clothes. “I lost both shops and everything in them. I said, ‘OK. God will compensate me.’ God compensated me here.”

Miriam opened a thriving shop in Zaatari, selling blankets and bedding, and hopes to get a work permit so she can come and go more freely from the camp.

**NOTE:** Agriculture and construction are highly informal areas in Jordan and Lebanon, and official labor force figures are likely to only partially reflect participation in the sector.
SYRIAN PERSPECTIVES

Entrepreneur

AFTER FLEEING DAMASCUS IN 2012, ISMAIL spent years getting to know everyone in the Lebanese border town where he now lives, to “find out who’s good and who’s bad.” The 31-year-old former software engineer needed a trustworthy Lebanese partner to be the legal owner of his business. Over copious cups of coffee, he found someone he could trust and bought a mini-market in 2015.

The Borders Mini-Market is several yards from the crossing into Syria and caters to travelers as they arrive in Lebanon. Ismail grew up less than an hour’s drive away, but his home in Daraya was flattened by an airstrike, which killed his father and brother inside. A video of Ismail trying to resuscitate his father was posted on YouTube. He fears he would be immediately recognized if he crossed the border himself.

Ismail says local security officials refuse to renew his residency papers while he is working, but he feels he has no other choice: “I’m not the kind of person to sit at home and take U.N. aid.” Without a formal contract with his partner, “I don’t feel it’s a real job,” he says. “At any time my partner could say I don’t need you anymore.”

Apprentice

HUDA BADIH MERHI left school to get married at the age of 13. Five years later, war broke out and she fled Damascus for Lebanon’s Bekaa Valley. Her marriage was not happy. When her parents came to Lebanon after her brother was killed, Huda divorced her husband and brought her three children to live on the farm where her father works.

Now 24 years old, Huda is a shop assistant at an electrical and lighting store, having completed a paid apprenticeship program run by the NGO consortium LEADERS. She was used to hearing Lebanese people speak badly about Syrians, but she now has professional relationships with Lebanese clients. “When a person respects herself, then people will respect you,” she says.

She’s reluctantly leaving her job because her 17-year-old sister is marrying a cousin in Egypt and there’s no one else to look after her children. “My situation will get worse, and not only for financial reasons,” she says. “I feel scared. Syrian women are vulnerable and might get raped. If my father can’t work then we could be evicted at any time.” Huda’s ultimate dream is to be an accountant. “But the first thing I wish is to get a home,” she says.

Laborer

HUSSAIN has been working on potato farms since his family fled Aleppo four years ago. They first settled in the Bekaa Valley, where he and his brothers worked for a frozen french fries company for three years. But the Syrian “shawish,” a middleman who connects Lebanese landlord-employers and Syrian tenant-workers, refused to hand over their wages for months.

They then moved to a rural area of north Lebanon to start over. Relatives found them a tent vacated by a family that had resettled in Italy. On a visit to the nearby city of Tripoli, Hussain’s parents spotted a woman from their village in Syria on the corniche. They soon arranged for her to marry Hussain and the couple had a son.

The potato season is shorter in the north, so after a few months of work Hussain started looking for casual daily work. He broke his arm as a child and it never healed properly, so he can’t do strenuous tasks such as construction. His options are also limited because, like most refugees, he doesn’t have legal residency in Lebanon. “Most of my friends have been arrested two or three times because they don’t have residency,” he says. “I just don’t leave the area.”
The office of employment in the Zaatari refugee camp is not much to look at. An unassuming, two-tone blue container with a wooden step, it is not even the biggest attraction in this little patch of Jordanian desert. There is a longer queue at the cabin where refugees get permits to leave the camp, which at its peak hosted 160,000 refugees.

The two-room employment office, which opened in August 2017, nonetheless carries a huge weight of expectation. It is meant to connect some of the 13 percent of refugees in Jordan who still live in camps to the drive to get more Syrians into the workforce.

As the Jordan Compact approaches the second anniversary of its signing, the job center is one of a host of current experiments – from job matching to childcare, to the rewriting of national regulations – meant to unlock the development potential of the refugee labor force.

On a bright afternoon in the fall, there were more staff than refugees in the Zaatari job center. Around 50 job seekers a day come to apply for agriculture or construction permits, to look for job opportunities or get advice about a resume.

Across the makeshift square of government and aid agency offices, a long line of women clutched their ID papers and waited their turn to persuade government officials that they should be granted a pass. Refugees in camps must get permission to leave, even temporarily, and give a reason for doing so.
Miriam, a stocky Syrian matriarch, is a regular in the queue and knows the routine well. Before fleeing Syria she ran two clothes shops. A widow with nine children, she has put her commercial nous to work since arriving in Zaatari. She began by hawking blankets out of her tent before staking a claim to a patch of land on the Champs Elysee, a parade of informal stalls that are Zaatari’s answer to main street.

Business has been good and Miriam invested $560 of her earnings to get five containers, which have been corralled together to make a more comfortable home. Taking a break in her well-upholstered guest room, Miriam said she has become the biggest supplier of blankets in Zaatari.

She has no reason or desire to seek work outside the camp but is exhausted by the endless queuing for leave permits that are only valid for two weeks. The office staff are usually kind – some even call her “mother” – but she felt humiliated after a recent altercation with a camp official who said he was tired of seeing her face everywhere he turned. The row made her feel like an “ant,” she said.

The job center might present a solution to Miriam. With a work permit you can come and go freely for up to a year. Holders have to check in just once a month, a regulation meant to enable workers to bring their salaries to their families. Miriam has her eye on an agriculture permit but she wants it so she can meet with suppliers, not to work on a farm.

“Everyone got them to leave, they don’t have jobs,” she said. So far, nearly nine out of 10 permits issued in Zaatari have been for the agriculture sector. They are the easiest and cheapest to get, do not require a work contract, a fixed employer or social security registration.

Far from cheating, said Laura Buffoni, senior livelihoods officer at UNHCR, the permits are the biggest breakthrough. “It is a leave permit that allows you to go work in agriculture, with much more serenity and dignity,” she said.

**Work permits equal freedom to move**

Migrant workers have long used permits meant for farm labor to be able to move freely in Jordan. The government estimates that more than two-thirds of holders work in other sectors. Egyptian migrants used them to enter Jordan and then go to work for more money on construction sites or in restaurants. On the black market, farmers could sell the permits for $1,400 a piece.

The compact disrupted Jordan’s agricultural market when the government announced a 16-month freeze on new migrant worker permits to try and encourage farms to hire Syrians. Swapping Syrians for Egyptians is easier in principle than it is in practice. Ibrahim al-Sharif, who has run his family’s farm in the Jordan Valley for 20 years, said he has lost money and that harvests have been late. “The Egyptians have skills that the Syrians don’t have,” he said. “We could replace the Jordanians but not the Egyptians.”

Syrian farm workers usually come as a family and farmers are expected to pay every member, while Egyptian workers are individual men often working during the day before guarding the farm at night. Ibrahim currently has around 16 Syrians working on his farm, “but that includes children, old women, old men.”

The Jordan Farmers Union says the disruption left one-third of the Jordan Valley
uncultivated this year. The freeze on Egyptian permits ended in October 2017 but it is now more expensive to hire them. Farmers must deposit up to $21,000 as a bank guarantee to hire non-Syrian migrant workers, and permit renewals for Egyptians and other non-refugees have been hiked to up to $705.

UNDERSTANDING JORDAN’S JOB PERMIT FIGURES

Jordan’s progress toward creating 200,000 jobs for refugees has started slowly, minister of planning Imad Fakhoury conceded, but its success will be determined by attracting investments. Fakhoury said the ministry of labor has provided “close to 73,000 legal work permits to Syrian refugees,” around one-third of them for new jobs.

While defenders of the compact regularly cite 70,000-plus work permits, this does not give the complete picture. The government’s figure includes expired permits and renewals. In the first 10 months of this year, some 39,000 permits were issued of which just over half were new permits. The total includes Syrians renewing their permits or changing their workplace.

The World Bank targets under the Program for Results deal are geared only to current permits. Diplomats familiar with the latest developments said Jordan is not on course to meet its end-of-year target of 55,000 valid work permits and the next disbursement of funds will reflect this shortfall. The government can recover the money by hitting future targets, but they rise to 130,000 by December 2019.

“When we say 70,000 [permits], we have to be very careful,” UNHCR’s Buffoni said. “It’s unfortunate that the ministry of planning and ministry of labor stick to the figure in terms of reporting.”

There is no comprehensive data on Syrian household income in Jordan. The government’s department of statistics and a Norwegian research institute are studying household income and expenditure of Syrians but results are not expected until late 2018.

A partial picture of refugees’ finances is visible in UNHCR’s vulnerability assessments, but the findings are skewed toward the most vulnerable. The data comes from home visits to families who may qualify for cash assistance or where there are protection concerns and would therefore exclude better-off households. The assessments suggest that the working Syrian’s average monthly income rose from $170 in 2016 to $245 a year later.

Research by the aid agency CARE International provides another snapshot of the welfare of some urban refugees. The latest figures show average monthly incomes have dropped to $248 from $295 in the last two years.

Some Jordanians perceive that Syrians have income and support advantages over them. According to CARE International’s research, Jordanians take home nearly $30 more than urban Syrian refugees. But Jordanians have a much bigger shortfall between their income and spending than Syrians, and while Jordanians rely on borrowing to close the gap, around 47 percent of Syrians depend on humanitarian assistance to make up the difference.

LEBANON: FEW JOBS, FEWER PERMITS

In Lebanon, the government’s statement at the London conference that it would create as many
as 350,000 jobs in five years, 60 percent of them for Syrians, was regarded as encouragingly aspirational but not grounded in reality. The World Bank estimates that Lebanon created 3,400 jobs a year between 2004 and 2007.

There are few official figures, but the U.N. and NGOs compile some jobs data. About 2,000 jobs for Lebanese and Syrians were supported by economic aid projects this year to date, a fourfold increase on 2016, but only around 20 percent are new rather than existing jobs.

Few Syrians work officially. The Labor Ministry issued 200 new work permits for Syrians and renewed 1,300 others in 2016 and says this year’s figures will be similar. According to the limited data available, Syrian refugees’ incomes appear largely static. The U.N.’s vulnerability assessment shows working Syrian men’s monthly incomes declining from $215 in 2016 to $206 in 2017, while Syrian female workers’ increased from $115 to $158.

Since the London conference, more donor money has started to flow into Lebanon’s underfunded economic development (also called livelihoods) aid projects, around $42 million in the first eight months of 2017. That enabled humanitarian groups to significantly step up vocational training this year, but only one in 10 of the 23,000 trainees went on to find work.

“You can create a skilled workforce, but if the economy doesn’t grow ... there’s nowhere for them to go,” said the Danish Refugee Council’s Gita Modgil, who oversees the E.U.-funded LEADERS consortium of six NGOs working on jobs programs in Jordan and Lebanon.

As Jordan grapples with opening its labor market to refugees, organizations in Lebanon have experimented with ways to navigate the restrictive environment in an effort to stop more refugees from falling into poverty. Organizations have found different workarounds. The LEADERS program places Syrians in two- to three-month apprenticeships, which do not require a work permit but, around one-third of the time, leads to people being hired. Mercy Corps has required training providers to place a proportion of trainees – including Syrians, Lebanese and Palestinians – in jobs before they get paid for the training.

Another approach is to boost the productivity of sectors, like agriculture, where Syrians already work. The ILO, for example, tried to get Lebanese potatoes into E.U. markets via a Dutch importer. But with no laboratory to certify quality standards at Tripoli’s export terminal, as well as prohibitively high shipping costs, the E.U. quota of $50,000 worth of Lebanese potatoes has never been met.

**WORKING TO SURVIVE**

While Syrians remain excluded from formal jobs in Lebanon, work “is a survival issue” for them, said Joumana Karame of the ILO in Beirut. An estimated 40–50 percent of Syrians in Lebanon work, although irregular and informal jobs are hard to reliably estimate.

“If you don’t work you don’t eat,” said Manal Shaqra, a Palestinian refugee who lived in Damascus’ Yarmouk camp until her husband disappeared into the Syrian regime’s prison system last year. She fled to Lebanon’s rural Bekaa Valley, where she lives in a tent with her two children, taking business classes run by a local NGO and trying to not to dwell on whether her husband is alive.

Her business class is run by Lebanese NGO Basmeh & Zeitooneh, which helps Syrians work
without breaking the rules by offering training and small grants for tiny businesses like tailoring and fruit-selling operated out of tents and homes. On a recent morning, financial instructors fielded questions from a mostly female class about how to factor food aid cuts or electricity breakdowns into a business budget.

Shaqra had contemplated going to Turkey instead but she was afraid of the sea crossing to Europe. “Every day I wish I had made a different decision,” she said, her voice cracking. “In the sea you die just once, but here you die every day.”

**FORMALIZING THE HOME-BASED ECONOMY?**

Nisreen hails from a long line of pickle makers in northern Syria. Their fame was such that several generations ago their surname became Mokhlalati, “the pickles guy.” When she fled to Jordan in the early days of the uprising, she stuck to what she knew best and started pickling stuffed eggplants. She sent her children to school with samples, and they returned with orders from their teachers. Word spread and soon Nisreen had a business in her new home.

A large array of actors from small NGOs to intergovernmental agencies and national ministries are working under the umbrella of the Jordan Compact to create jobs and connect refugees with livelihoods. Some have touted the gig economy – the use of digital sharing platforms to allocate small jobs – as a potential solution. Given Jordan’s low digital literacy and nonexistent digital payment structure, this looks premature. One recent study found just 22 jobs had been completed in the entire country on one of the world’s most successful gig economy platforms, Upwork. The ride-sharing
app Uber is present in Jordan but Syrians are not permitted to work as drivers.

For now, home-based businesses like Nisreen’s remain the focus of current efforts to bring women into the formal economy. After six years, Nisreen’s mother, sister and husband are working with her. They sold around 800lb (350kg) of jalapeño chutney this fall.

The World Bank’s Program For Results set a target of formalizing 950 home-based businesses, including 100 with Syrian owners, by the end of 2019. Jordan has eased some regulations by removing the requirement to pay social security. But early results are discouraging and some technocratic reforms like removing vocational licenses may be asking for swifter change than the local bureaucracy can manage.

Nisreen currently works without a permit or license. She said that as a Syrian she would not be able to get a bank loan, and does not make enough profit to pay government fees. Nonetheless, she is not wedded to the black economy. “If there are no fees, it would be good for us,” she said. “It could make a name for us.”

**ATTRACTION LARGE-SCALE INVESTMENT**

The ultimate success of the Jordan Compact in delivering jobs would always depend on luring large investors. So far the promise of preferential access to the European market has not been sufficient in itself. Tariff barriers lowered in an earlier garment sector deal with the U.S. were 30 percent, whereas E.U. tariffs are only 10 percent. Labor costs and transport infrastructure are inferior to Southeast Asian competitors like Bangladesh. Jordan is a “tricky business case,” as one World Bank official put it.

A business leader who has led delegations to Jordan said the country faces an uphill struggle to persuade risk-averse investors that it is the stable exception in its tumultuous region.

“Most companies have no idea what sort of opportunities are there and they assume that this is going to be an almost impossible country to do business,” he said. “But the opposite is the case. If you can get companies to go there and see the opportunities with their own eyes they will have a different perspective.”

Improving the investment climate was one of Jordan’s commitments under the compact. Jordan climbed 15 places in the World Bank’s annual 2017 Ease of Doing Business report, which ranks the business climate of 190 countries. It reached 103rd place on the back of reforms to simplify regulations, make exporting and importing easier and reduce the red tape around starting a business.

Pointing to this progress, Fakhoury, the planning minister, said the country is “moving in the right direction.” The anticipated economic growth in the Special Economic Zones has been slower than expected to materialize but Europe is a tough market to crack. “These things start very slowly, and it starts to scale up,” he said.

**CONQUERING ‘MISSION IMPOSSIBLE’**

Every day at 6 a.m., Fatima waits outside the main gates of Zaatari for a bus that takes her and 25 other women to work in a factory an hour’s drive away. It is the first job the 37-year-old mother of five from Damascus has ever had.

Fatima has been mute since birth but uses an improvised sign language to explain that her husband is lazy and spends his days smoking in their container home. She would rather go out to work at Jerash Garments & Fashions Manufacturing Company, a cheerful modern factory in the Al-Tajamouat industrial estate.
Workers like Fatima do not come for free. The bus costs the factory $210 per employee per month, but executive manager Oryana Awaisheh said it is worth it for the chance they bring with them to export to the European market.

Awaisheh set out to hire refugees as soon as the E.U. trade concessions were passed as part of the Jordan Compact. The factory has 2,800 employees, mostly from Bangladesh, so meeting the 15 percent Syrian worker quota looked difficult.

“From where will I bring 500 Syrians? They were not accepting to work here,” she said.

In June 2017, new rules brought a fresh opportunity. The ILO informed Awaisheh that the factory could qualify to export tariff-free by meeting the quota on a single production line, rather than the whole factory. At the same time, new rules allowed Syrians in camps to leave for work.

Awaisheh, a teacher who switched to administrative work 13 years ago and rose to the top of the company, tried again. She spent two months visiting Zaatari refugee camp, meeting with women and attending job fairs; she invited refugees to tour the factory, set up a daycare center and arranged transport. By November, she had an all-female production line of 85 workers, including 19 women from Zaatari, and the factory qualified to export to Europe.

“It was like mission impossible,” she said. “It was difficult but, thank God, we got it.” She has yet to conquer what may be the bigger challenge, which is finding buyers in the E.U. for the factory’s output.

Whether the success of a born striver like Awaisheh can be replicated at scale remains to be seen. The low salaries in the garment sector do not cover the needs of urban refugees with bills to pay. And a UNHCR survey found that more than two-thirds of refugee women in Zaatari do not want to leave the camp to work.

Jerash Factory was the ninth factory to qualify to export tariff-free to the E.U. Most of the other factories are smaller Syrian-owned operations manufacturing goods like plastics and cables. In the first year of the deal, only two factories found buyers in Europe, exporting just $600,000 (500,000 euros) worth of goods.
The garment sector was an obvious and logical choice for the framers of the Jordan Compact. Trade deals have traditionally driven the sector globally, and the growth of Jordan’s garment industry was powered by the lowering of U.S. tariff barriers back in 1996. However, three main issues have emerged.

First, Syrian refugees in camps such as Za’atari are not well suited to act as a labor pool for nearby factories in the special economic zones (SEZs). Syria did have a thriving garment industry of its own, but it was centered on the city of Aleppo in northern Syria. Anecdotal evidence suggests the largest number of refugees from the wider Aleppo area fled to Turkey, not Jordan — where they have boosted garment factories. Many of the refugees in Za’atari come from Daraa, a traditional agricultural area where few women worked outside the home or had factory experience.

Secondly, the garment sector in Jordan — as acknowledged in the compact — is based out of SEZs and industrial parks. For those refugees not in camps, minimum-wage factory jobs in faraway industrial parks do not, in most cases, pay well enough to meet the transport costs, rent and bills.

Thirdly, the tariff barriers lowered under previous U.S. deals were much higher than those now lowered under the revised E.U. rules of origin deal. For investors, this means less of an advantage in terms of access to European markets. An additional complication is that the U.S. deals primarily led to factories run on South Asian migrant labor. Quotas for Jordanian and Syrian labor specified under the E.U. deal run on South Asian migrant labor. Consequently, foreign investors have yet to show much appetite.

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## Syrian Perspectives

### Small-Business Owner

Miriam never wanted to leave Daraa. “I came to bring my daughter-in-law here, to take her to the camp. I was supposed to go back there, but she didn’t let me.” That was in 2014, and she has been in Zaatari refugee camp ever since.

Miriam has 152 children, grandchildren and great-grandchildren, and several more on the way. Before the war, they were all in Daraa, but now they’re scattered across Jordan, Lebanon, Turkey, Germany and Denmark. Recently, some have returned to Syria. “I’m working here and I send them money,” she says.

Back in Daraa, when she was widowed with nine children all aged under 10, Miriam had started two shops selling womenswear and children’s clothes. “I lost both shops and everything in them. I said, ‘OK. God will compensate me.’ God compensated me here.”

A year later, Arwa left for Jordan. “I left without any goal or purpose, but I hated everything there. I was angry and upset,” she says. It was a fraught journey. “The planes were bombing us. The car behind us was hit and they died. I don’t know how God let us survive,” she says. “I don’t forget that day. I said my last words.”

Arwa searched for a job but could not find work. She survived on assistance from UNHCR but that was cut in May 2017. She does not know why.

Arwa says she has nothing in Syria to return to. Her youngest son remembers nothing of Damascus, but his brother says the living room of their house was bigger than their whole apartment in Amman, and they were surrounded by trees. It fell under the control of the Free Syrian Army and only the walls are left now. “They stole everything,” Arwa says. “They even stole the windows and doors. We’re not going anywhere, we’re staying here in Jordan. There’s no way to go back.”

### Unemployed

Arwa is only 32 but she is already a grandmother and a widow. Her husband disappeared at a checkpoint in Damascus in 2013 when their youngest son was only 40 days old, and she assumes he is dead. “How much we searched, we didn’t find out anything about him.”

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### Barber

Omar fled Homs with his parents and brother when he was 17, escaping rockets and barrel bombs. “We were caught in the middle. We lived near a checkpoint and they kept shooting at our house. We couldn’t handle it anymore,” he says.

The family paid smugglers to take them on a terrifying journey to Jordan, crammed in a truck with 20 other people. The Jordanian army met them at the border and took them to Azraq refugee camp, but the family left after two weeks. “In the was no electricity and only occasionally water. It was in the middle of the desert,” Omar explains.

In Amman, Omar first found work in construction and dry cleaning, but he is now a barber, a trade he learned in Syria. He doesn’t have a work permit because they are not available for barbers.

Omar hopes to go back to Syria if the situation improves. He doesn’t know if he will ever return to his childhood home. Bullets from snipers caused an electrical fire and the house burned down. Refugees from Aleppo live there now, even though only the shell remains.
The clearest and most immediate legacy of the Jordan Compact came seven months after the London Syria conference when Ethiopia agreed to a similar deal. In an announcement on the sidelines of the U.N. general assembly in New York in September 2016, an alliance of mostly the same donors and multilateral institutions agreed to invest in industrial zones in Ethiopia on the condition that refugees received jobs and work permits.

The headline of the Ethiopia jobs compact was 30,000 work permits inside two industrial zones that would create 100,000 jobs to be developed with a blend of World Bank and European Investment Bank concessional loans, as well as European-funded grants worth a total of $500 million. In return, Ethiopia agreed to expand its “out of camp” policy of relaxing travel restrictions to cover 75,000 refugees; to open 10,000 hectares of arable land for refugee families to farm; and to enroll more refugee children in primary school.

While discussions over the Ethiopia compact predated the London Syria conference, officials in Addis Ababa referenced the “Jordan model” and the momentum it created. Per Heggenes, CEO of the IKEA Foundation, the charitable wing of the furniture-makers, observed a sea
change in the attitude of host governments in the space of two years.

“Smart governments like Jordan and Ethiopia have seen the opportunities refugees can represent and are starting to view them as assets rather than just beneficiaries,” Heggenes said.

“They see that with the refugee situations come international resources. If those resources can be deployed for the benefit of both the host community and the refugees, then it’s good for the country and you will see economic development. And that is a good story to tell to people domestically as well.”

The win-win rhetoric and logic of the compacts continues to attract support, and versions of the accords are under discussion in Niger, Afghanistan and Malaysia. Despite the high-level momentum, success on the ground in the original pilot of Jordan is contested.

Alexander Betts, whose research on the economic integration of refugees in Uganda and advocacy on a Jordan deal has been influential in the spread of the idea, said it has a “mixed record.”

“I think the achievements in Jordan are positive albeit that they haven’t yet reached the initial targets,” he said. “And I think it’s an extraordinary pilot from which there will be many lessons about how to engage business, about how to create jobs for refugees and it’s having an impact on policymaking around the world.”

Betts is among those advocating for an international actor to take on the role of broker for compact countries, helping them make the business case to foreign investors. While the compacts have attracted the attention of policymakers, most potential foreign investors are unaware of the improving business investment climate.

International businesses such as IKEA and Walmart that have looked at Jordan have not yet made substantial investments. In the garment sector, where quick wins were anticipated, labor costs in the Kingdom are higher than some Asian counterparts, such as Bangladesh, which enjoys similar preferential terms of trade with the E.U.

The same sector has also exposed the weakness in assumptions that refugee workers could substitute migrant labor at any meaningful scale. The exporters in Jordan’s industrial zones profiting from previous trade deals turned a profit with a largely Asian workforce willing to tolerate conditions – such as living on site and working long shifts – that most Syrian refugees, with families nearby, could not accommodate.

In the World Bank’s Program for Results, the clearest benchmark for progress under the Jordan Compact, targets will be missed, if not by much. End of year results are expected to fall short on at least two of the six criteria, including permit numbers, meaning the next payments to the government of Jordan will not be made in full.

John Speakman from the World Bank said missteps were made in the first year because of the newness of the compact model. He identified the mistaken assumption that making permits available would lead to instant take-up by Syrian refugees. As the compact approaches the end of its second year, more sophisticated systems for matching refugees to job opportunities are now a priority for all stakeholders.

Speakman said the message to Jordan and other interested host countries is now: “Hey

“SMART GOVERNMENTS LIKE JORDAN AND ETHIOPIA HAVE SEEN THE OPPORTUNITIES REFUGEES CAN REPRESENT AND ARE STARTING TO VIEW THEM AS ASSETS RATHER THAN JUST BENEFICIARIES.”
guys, this isn’t going to happen unless you really get into all the nitty gritty details and really invest in trying to make it happen.”

Some of the fine-tuning being proposed includes uncoupling work permits from specific employers – as has been done with agricultural permits – allowing refugees to apply directly to the ministry of labor for a permit, which would then be used to seek work. Experts say this would shift the responsibility to the employer to ensure they only hired workers with permits and free up government officials to better police working conditions for migrants, refugees and Jordanians.

Another proposal, floated by the ILO, is to expand programs that provide training, certification of prior skills and job matching for Syrians. Privately, more radical options have been floated, including capping the number of migrant workers in certain sectors, thereby removing the incentive for a race to the bottom on wages and forcing employers to invest in recruiting and training refugees.

The common sense notion that results should improve after a bumpy start may not correspond with the reality. The early focus on work permits rather than jobs was due in part to the assumption that it would be an easier target to reach. While no reliable figures exist for the numbers of Syrians in work, all parties agree that net job creation has not happened.

Some observers, including Susan Razzaz, an expert on the labor market in Jordan, foresee a tougher 2018 in terms of achieving targets as the government runs out of black economy jobs to formalize. She said the real challenge will lie in attracting new investment as “the truth of the matter is that there has been no job creation.”

The continuing appeal of the compact model, however, lies not so much in its early results as in its capacity to forge a policy consensus between progressives and conservatives in donor countries. While advocates of reform in the refugee system had long argued that the welfare of refugees was a global public good the cost of which should be shared by the global community, this remained an academic point until the summer of 2015.

The specter of further mass arrivals in Europe forged new alliances across ideological lines, freed up resources and created the political will.

A statement from the European Investment Bank that accompanied the Ethiopia jobs compact makes this clear. It warns that the country is hosting 730,000 refugees and “many of these, in particular young men from Eritrea, use Ethiopia as a stopping point before heading to destinations in Europe.”

The bank’s president, Werner Hoyer, homed in on the point that compacts can be a tool for dissuading refugees from onward travel. “Initiatives and projects like this provide people with a choice to stay closer to home and an opportunity for economic growth as well,” he said.

The opportunity that Hoyer saw has yet to be realized in Jordan. Somewhat ironically, hopes for a turnaround in the Kingdom’s economy and therefore the job market for Jordanians, migrant workers and refugees are now pinned on the reconstruction of Syria, while Lebanon has similar aspirations.

The same unstable region that has repeatedly buffeted Jordan’s economy and forced its society to adjust to generations of refugees, is now talked of as its competitive advantage.■
REFUGEES DEEPLY

Refugees Deeply is an independent digital media project dedicated to covering the Refugee crisis. Our team, a mix of journalists and technologists, aims to provide readers and experts with the kind of in-depth information that no other media outlet is able to offer. We hope this, in turn, will lead to deeper understanding, greater clarity and more sustained public engagement on this critical – and quintessentially human – issue.

Refugees Deeply is a part of News Deeply, a media startup and social enterprise based in New York. We are registered as a B Corp, or Benefit Corporation, with the stated mission of advancing foreign policy literacy through public service journalism. We receive no government funding, instead earning our revenues through a mix of foundation grants and digital-design services. Our client partners include the World Economic Forum, Columbia University’s Graduate School of Journalism and the Baker Institute at Rice University.

We want anyone who visits Refugees Deeply to come away better informed and more engaged in this global issue. We welcome your feedback and story ideas through info@newsdeeply.org.

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In September 2015, as Europe veered between fear and compassion in response to the refugee crisis, the outline of a radical reform to refugee policy appeared in the journal *Foreign Affairs*. Its authors – Paul Collier, an influential development economist, and Alexander Betts, a social scientist and then-head of the Refugee Studies Centre at Oxford – proposed a pathway for Syrian refugees into Jordan’s labor market.

Their essay cast the Syrians as the workforce the Hashemite Kingdom needed to realize its dream of industrialization. Betts and Collier also denounced the existing international response to the refugee crisis as “antiquated and fueled by panic.”

The panic was obvious and largely centered on Europe. Record numbers of refugees had arrived on Greece’s Aegean islands since June of that year and beaten a path north and west through the Balkans. The influx made Europe’s leaders appear impotent.