



SYRIAN REFUGEE LABOUR INCLUSION POLICY IN JORDAN: Emerging Trends Two Years In



West Asia-North Africa Institute, August 2018



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Summary

April 2018 marked two years of Jordan's landmark decision to allow limited working rights to Syrian refugees. As of May 2018, a total of **102,137 work permits had been issued**, although a study by the Jordanian NGO Tamkeen Fields for Aid that was conducted in early 2018, suggested that in March 2018 only **40,000 work permits were thought to be active**.¹

Since the inception of the policy in April 2016, a number of steps have been taken by a combination of actors — including the Ministry of Labour, the International Labour Organisation, UNHCR, and various NGOs — to streamline the process for obtaining a work permit and raise awareness around the benefits of formalisation. These efforts have often coincided with multi-faceted efforts to provide job placement services and legal rights training to current and potential Syrian workers.

Two years into the policy, a wide range of challenges remains. A report published by the International Rescue Committee (IRC) in April 2017 highlighted an array of challenges, including refugee fears of deportation or withdrawal of access to cash assistance, refugee exposure to abuse or exploitation, and lack of information on job opportunities and the process for obtaining a work permit.²

Data on the financial returns to worker formalisation remains limited. A survey commissioned by the ILO in conjunction with the IFC found that many workers associate work permits with lower wages. The previously mentioned report by the IRC describes the **wage expectations of a small sample of Syrian workers**, most of which hover in the area of **JOD325**.³ While several organisations have carried out surveys on Syrian refugee employment, few have sought to collect figures on remuneration of informal and formal workers. The WANA Institute's preliminary analysis of data from UNHCR's Vulnerability Assessment Framework (VAF) disproves the view that informal Syrian workers enjoy higher wages and instead suggests that Syrian workers who have obtained work permits enjoy a marginal wage advantage of JOD50 per month compared to Syrian workers who report not having obtained a work permit.⁴ However, these conclusions are tentative and have not been corroborated by other sources. Moreover, the median monthly wage derived from this analysis is well below the necessary JOD325 cited by Syrians surveyed in the IRC report.

This short report provides an overview of the progress that has been made, the challenges that remain and the strategies that have been put in place to speed up the pace of Syrian refugee worker inclusion in Jordan. Broad recommendations for future interventions are discussed in the

¹ Ibanez-Prieto, Ana; '108,000 work permits issued for Syrian refugees since the onset of the crisis,' *The Jordan Times*, August 13, 2018, <http://www.jordantimes.com/news/local/108000-work-permits-issued-syrian-refugees-onset-crisis>

² IRC, 'Solving the Refugee Employment Problem in Jordan: A Survey of Syrian Refugees,' April 2017, <https://www.rescue.org/report/solving-refugee-employment-problem-jordan-survey-syrian-refugees>

³ Ibid.

⁴ In July 2018, the WANA Institute conducted analysis of livelihoods data from UNHCR's 2017 Vulnerability Assessment Framework (VAF). The sample size of this data set consisted of 17,518 households (34,214 individuals). The median monthly income from work across the sub-sample of households reporting one employed family member was 150 JOD. The median monthly income from work for households with no work permit was 150 JOD. The same figure for households with one work permit was 200 JOD.

final section. They draw largely upon the field research of organisations such as the International Rescue Committee (IRC), the Danish Refugee Council (DRC), and International Labour Organisation (ILO), and centre around leveraging community networks, internalising the preferences of potential workers, and providing support for employers.

1. Work Permit Allocation

As of May 2008, a total of 102,137 work permits had been issued. Estimates of the number of Syrian refugees actively participating in the workforces vary. Based on a survey of 500 Syrian refugees across Amman, Irbid, Mafraq and Zarqa that was carried out in August 2017,⁵ the WANA Institute estimates that approximately 54 per cent of working age Syrians — 163,000⁶ individuals in April 2018 — may be active in the workforce; others have estimated the number of as low as 85,000 workers, while others have suggested that as many as 330,000 Syrian may be working or in search of work.⁷ If the WANA Institute's 163,000 figure and Tamkeen's estimate that only 40,000 work permits remained valid in March 2018 are correct, then we might conclude that the Ministry of Labour's work permit programme has reached only 25 per cent of the Syrian refugee workforce. This is in line with the results of the WANA Institute's August 2017 survey that suggested that only 23 per cent of Syrian workers had obtained work permits.⁸

Overall, female workers appear to lag behind male workers in terms of worker formalisation, with only four per cent of the total number of work permits having been allocated to women. This may reflect the fact that far fewer Syrian women are active in the labour force than Syrian men; the aforementioned WANA Institute survey of Syrian refugees found that only 30 per cent of surveyed women reported being employed or in search of work compared to 85 per cent of men.⁹

Upon the two-year anniversary of the worker inclusion policy, the agriculture, construction, and manufacturing sectors accounted for the largest share of issued work permits. The share of work permits issued to construction workers grew steadily from 2016 to 2018, while the same figure for agriculture workers dropped significantly. This may be due to a system put in place early on to facilitate the allocation of work permits to agriculture workers, which initially resulted in this sector accounting for a disproportionate share of the total number of issued permits. As workers in other sectors — including the construction sector, in which a similar programme was put in place in August 2017 — gained improved access to work permits, the share of total work permits held by each sector fell more in line with the relative size of the given sector.

⁵ The WANA Institute, 'Syrian Refugee Employment Trends in Jordan and Future Perspectives, April 2018, <http://wanainstitute.org/en/publication/syrian-refugee-employment-trends-jordan-and-future-perspectives>

⁶ This figure was derived by multiplying the number of Syrians registered with UNHCR in April 2018 — 661,859 — by the proportion of those individuals thought to be working age (45.6 per cent) by the proportion of individuals thought to be active in the labour force (54 per cent).

⁷ ILO, World Bank, UNHCR; 'Periodic Analysis of Syrian Workers in Jordan,' October 2017, <https://data2.unhcr.org/en/documents/download/60393>

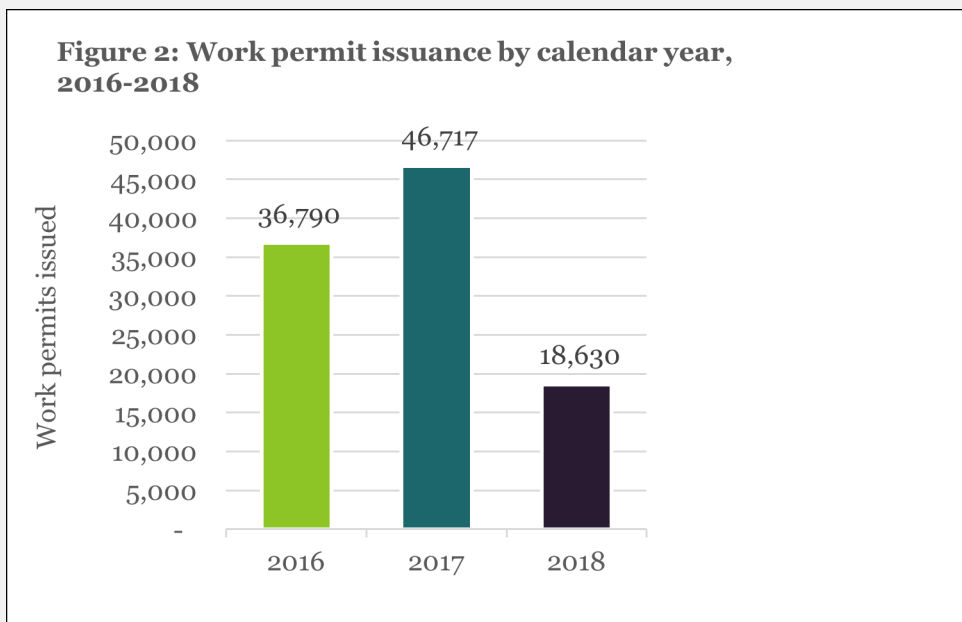
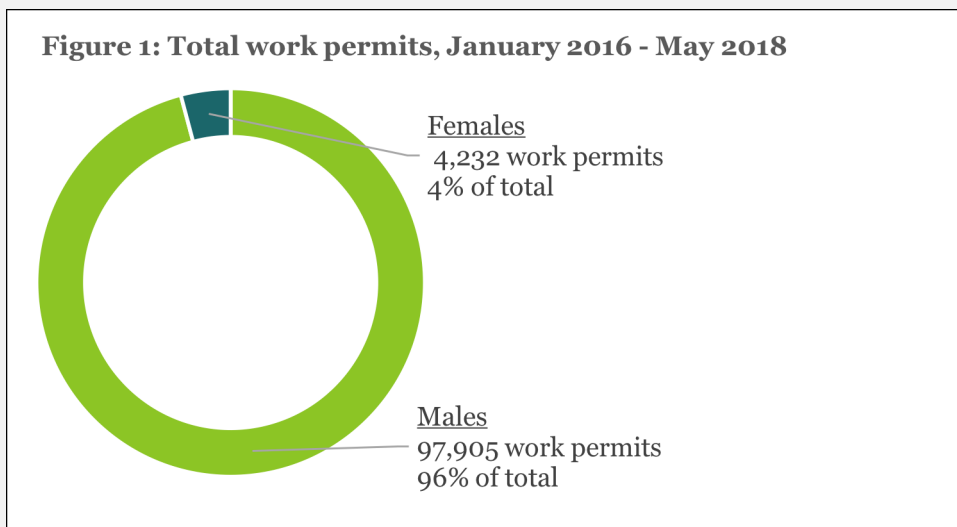
⁸ Ibid.

⁹ Alhajamad & Lockhart, 'Statistics Brief: Syrian Refugee Employment Trends in Jordan,' The WANA Institute, December 2017, <http://wanainstitute.org/en/publication/statistics-brief-syrian-refugee-employment-trends-jordan>

Box 1: Work Permits

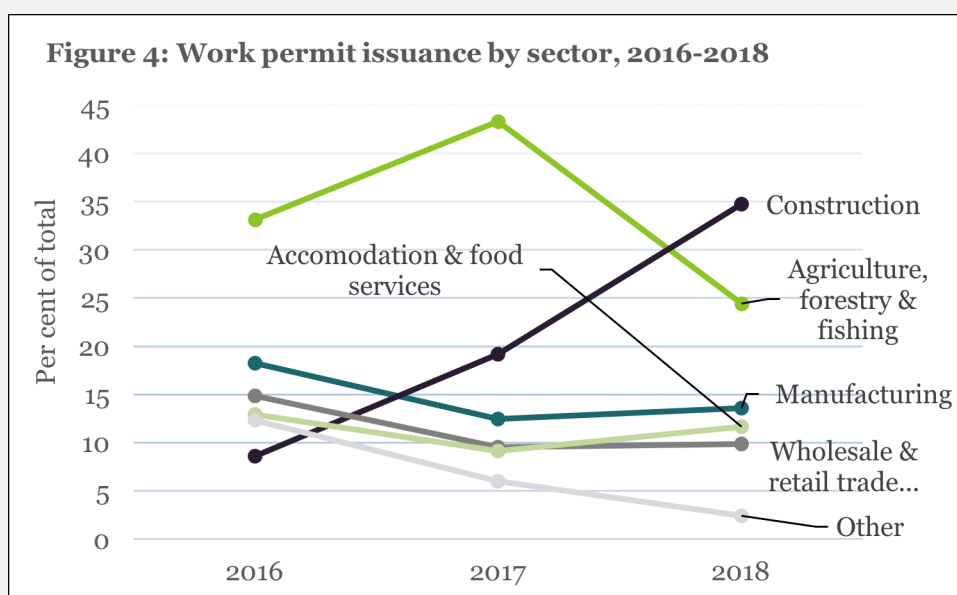
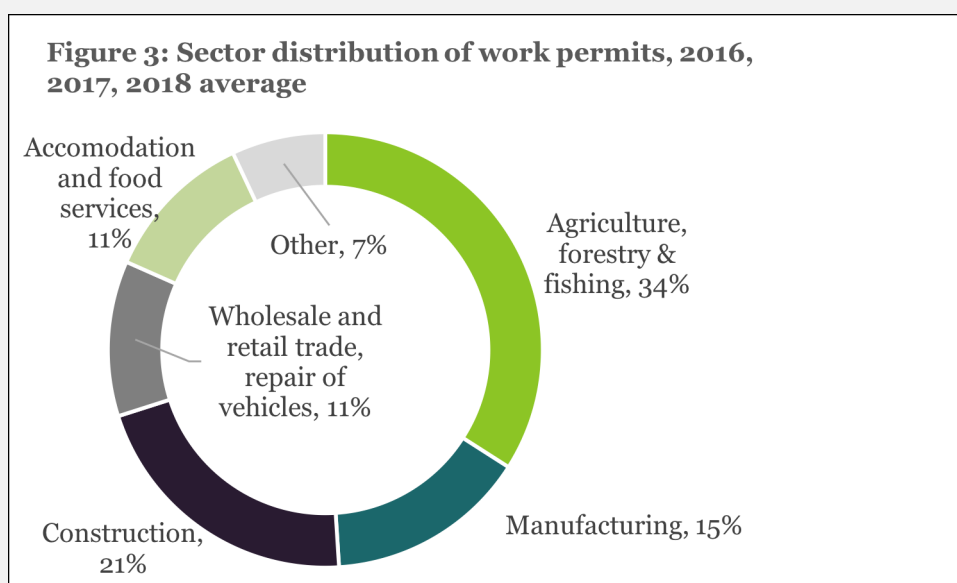
Between January 2016 and May 2018 a total of 102,137 work permits had been issued. This includes original applications, renewals, and short-term work permits. Female workers account for an exceedingly small fraction — four per cent — of documents issued, while male workers account for the overwhelming majority (Figure 1).

Of the 102,137 work permits issued between January 2016 and May 2018, approximately 36 per cent were issued during calendar year 2016, 46 per cent were issued during 2017, and 18 per cent during 2018 (Figure 2).



On average, the agriculture sector appears to account for the largest proportion of work permits (34 per cent), followed by construction (21 per cent), manufacturing (15 per cent), wholesale and retail trade and repair of vehicles (11 per cent), and accommodation and food services (11 per cent) (Figure 3).

Work permit issuance by sector varied significantly across the two plus years in which documents have been issued, with agriculture accounting for the largest proportion of total work permits issued in 2016 and 2017. Work permits for the construction sector as a share of the total have grown substantially, reaching 35 per cent in 2018, up from 9 per cent in 2016. Work permits for the manufacturing, wholesale and retail trade, and accommodation and food services remained steady over the course of the two plus year period. Work permits for other sectors decreased as a proportion of the total from 3 per cent in 2016 to 3 per cent in 2018 (Figure 4).



2. Timeline of Decision Points

Over the course of the second year of the Syrian refugee labour inclusion policy, a number of initiatives have been undertaken to jumpstart the process of worker formalisation. The grace period under which employers are exempted from paying fees for work permit arrangements was extended in April 2017 and then later again in December 2017. In an effort to increase the number of Syrian refugees employed in the manufacturing sector, the Ministry of Labour expanded the list of occupations open to Syrians in June 2017. Under this adjustment, production supervisor, quality supervisor, laboratory analyst, and various other occupations were opened to Syrian refugees.¹⁰

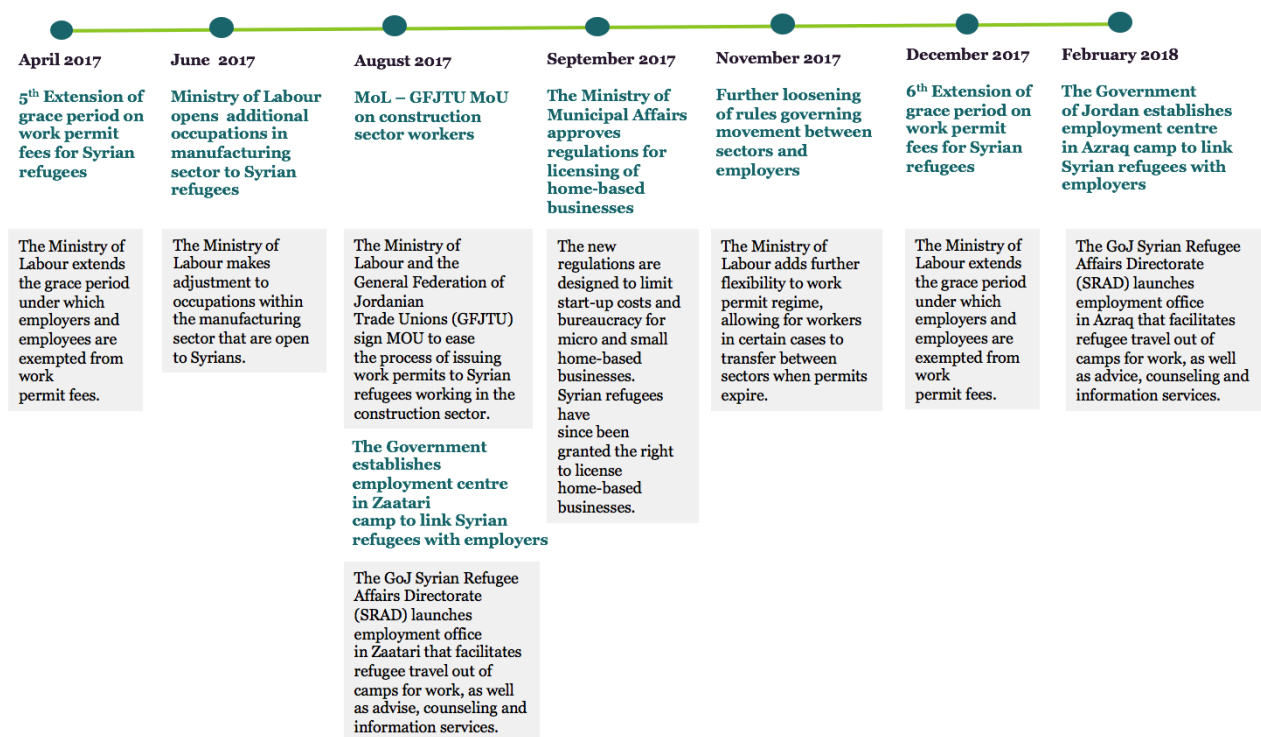
In August 2017, the Ministry of Labour and the General Federation of Jordanian Trade Unions (GFJTU) signed an agreement to ease the process of work permit issuance for construction sector workers. Under this agreement, work permits could be issued through the GFJTU and construction sector workers were no longer bound to one employer. During the same month, an employment centre was opened in Zaatari to provide employment services for camp-based Syrian refugees. In September 2017, the Ministry of Municipal Affairs approved regulations for the licensing of home-based businesses, and Syrian refugees have since been granted the right to license a home-based business.¹¹

In November 2017, the Ministry of Labour approved rules further loosening movement between sectors when work permits expire. Under the new set of rules, agriculture, support service, and bakery workers would be allowed to work in other sectors upon the expiration of their work permit. In addition, there would be no requirement for clearance for the transfer of one employer to another when the work permit has expired, and construction workers would not be required to present a recognition of prior learning certificate in order to obtain a work permit. In February 2018, an employment office was launched in Azraq camp to provide services and facilitate access to formalised employment for Syrians residing there.

¹⁰ Ministry of Labour, 'Resolution No. 5/2017: Sub-sector categorization of manufacturing industries sector and titles of permitted jobs,' https://data2.unhcr.org/en/search?sv_id=4&geo_id=36&type%5B0%5D=document§or_json=%7B%220%22%3A+%220%22%7D§or=0

¹¹ There are conflicting reports within the literature on Syrians' right to open home-based businesses. Nevertheless, in interviews conducted in September 2018, Ministry of Planning and International Cooperation (MOPIC) officials confirmed that Syrians are allowed to license home-based businesses.

Figure 5: Timeline of Key Decision Points



3. Pioneering Approaches

The process of worker formalisation has been fraught with challenges, not the least of which stemming from the fact that the informal market in Jordan is large — with as much as 44 per cent of economic activity taking place outside the formal market, according to research conducted by UNDP.¹² In the midst of this, a broad range of approaches, remedies, and priorities have emerged in the effort to increase Syrian refugees’ access to formal employment.

Facilitating Skills Development

A number of organisations, including UNHCR, have undertaken efforts to equip Syrian refugees with improved skillsets. As of March 2018, approximately 1,370 individuals had participated in inclusive vocational training and skills development programmes. A programme by the ILO that was launched in 2016 provides floor layering, painting, plastering, plumbing, and interior decoration skills to construction workers. A UNESCO programme provides business and vocational skills to Syrian refugee women and vulnerable Jordanian women. The Jordan National Red Crescent Society has developed programmes that train Syrian women to be hairdressers and beauticians.

Promoting Entrepreneurship

Despite the fact that Syrian refugees are required to have a local partner if they are to license their own business,¹³ a number of organisations consider entrepreneurship a key livelihood and have developed programming that aims to promote entrepreneurship amongst Syrian refugees. The UNICEF X One Humanitarian Changemakers Lab partnership aims to provide vulnerable youth with the skills needed to develop solutions to everyday problems and launch businesses around these ideas. An initiative organised by the World Food Programme (WFP) provides training in business and IT skills to a selective group of highly-educated Syrians. The IRC’s small start-up grants programme has provided capital to entrepreneurs that allows for business launch. According to UNHCR, by September 2017 approximately 859 Syrian entrepreneurs had accessed start-up and acceleration loans.¹⁴

Bolstering Networks

Supporting Entry into New Sectors

Considerable efforts have been made to raise awareness and create linkages between employers and potential employees. The Ministry of Labour and the ILO — along with other organisations such as the IRC, USAID, GIZ, the DRC, and several others — have set up employment centres

¹² UNDP, Economic and Social Council, and Spanish Agency for International Cooperation, ‘The Informal Sector in the Jordanian Economy,’ 2013, www.undp.org/content/dam/jordan/docs/Publications/Gov/The%20Informal%20Sector%20in%20the%20Jordanian%20Economy-jo.pdf

¹³ UNHCR, ‘Economic Inclusion of Syrian Refugees Jordan, July 2018, <https://data2.unhcr.org/en/documents/details/63917>

¹⁴ UNHCR, ‘Livelihoods Sector Quarterly Report,’ September 2017, https://data2.unhcr.org/en/search?sv_id=4&geo_id=36&type%5B0%5D=document§or_json=%7B%220%22%3A+%220%22%7D§or=0

within refugee camps as well as in urban areas throughout Jordan. These centres collect information on job seekers' needs and preferences and make referrals to potential employers. In addition, the ILO has launched an e-learning programme for Syrian refugees that provides information on their rights and responsibilities under Jordanian labour law. These programmes increase refugees' knowledge of processes and opportunities, and bolster nascent networks and systems of information sharing.

A broad range of actors has explored ways of supporting Syrian refugee employment in new sectors. As of May 2018, approximately 15,000 work permits — both original applications and renewals — had been issued for jobs in the manufacturing sector. Work permits for this sector constituted 14 per cent of total work permits issued during the first semester of 2018. This points to a significant occupational shift, given the relatively small proportion of Syrian workers who had previously worked in the manufacturing sector prior to displacement.¹⁵ Such a shift has been made possible by the coordinated efforts of the ILO, the Government of Jordan, and other organisations. These efforts include the launch of employment centres that operate out of Ministry of Labour directorates in Sahab, Karak, Irbid, Mafraq, Zarqa, Dulile, Madaba, and Jarash, providing job placement services to Syrians considering work in the manufacturing sector.¹⁶

Other observers have proposed the development of initiatives to facilitate the employment of Syrian refugee women in the gig economy. A September 2017 report published by the Overseas Development Institute in collaboration with the International Rescue Committee (IRC) highlights the gig economy as a potential vehicle for Syrian refugee women who are already economically active but whose access to opportunities may be limited by household responsibilities and transportation constraints.¹⁷ By connecting these women to a grid of short-term opportunities for 'on-demand' home-based work, the gig economy could provide opportunities for gainful employment that is compatible with family obligations. These programmes and proposals contribute to the institutional frameworks that have and will continue to facilitate the entry of productive workers into new sectors.

¹⁵ A survey conducted by the WANA Institute in August 2017 found that only four per cent of surveyed Syrian refugees reported having been employed in the manufacturing sector prior to displacement. See, The WANA Institute, 'Syrian Refugee Employment Trends in Jordan and Future Perspectives,' April 2018.

¹⁶ Wage subsidy programmes that support the employment of Jordanian women in satellite factories have been developed, however these programmes have not been extended to Syrian refugees. Source: Lenner & Turner, 'Making Refugees Work? The Politics of Integrating Syrian Refugees Into the Labour Market in Jordan,' *Middle East Critique*, 2018, <https://www.tandfonline.com/doi/full/10.1080/19436149.2018.1462601> Business Development Center, 'Labour Market Assessment: Work Opportunities for Jordanian and Syrian Refugee Women in Jordan,' November 2017, <http://bdc.org.jo/Photos/Files/9e8852b9-f1b9-4b18-ba96-f422338f3f0a.pdf>

¹⁷ ODI & IRC, 'Syrian women refugees in Jordan: Opportunity in the gig economy?' September 2017, <https://www.rescue.org/report/syrian-women-refugees-jordan-opportunity-gig-economy>

4. Common Challenges

Low Women's Participation

Despite coordinated efforts on the part of many stakeholders, a wide range of challenges persist. Women account for a stubbornly low proportion of formalised workers: only four per cent of the work permits allocated between January 2016 and May 2018 were issued to women. This reflects the low participation of women in the Jordanian labour force as a whole.

Preference for Informal Sector

Many observers note the barriers resulting from the low wages paid to Syrians employed in the formal sector. Research commissioned by the International Labour Organisation in conjunction with the International Finance Corporation highlights that the minimum wage for Jordanians and migrant workers is JOD220 per month; the minimum wage for migrant workers is JOD125 in cash in addition to JOD95 in in-kind benefits. Despite this arrangement, one company in the garment sector admitted paying JOD190 per month to Jordanians and Syrian refugees. Surveyed Syrian refugee men have indicated a minimum wage threshold of JOD400 per month, while surveyed women have indicated that they would require JOD250 per month for a shortened (six hour) work day.¹⁸ The IRC, CARE, and JGATE have suggested that Syrian refugees prefer employment in the informal sector due to the potential for higher wages.¹⁹

Employer Reluctance to Formalise Workers

Lack of Understanding of Work Permit Regulations

Household Responsibilities & Transportation Costs

In addition, many employers appear unwilling to hire Syrian refugees or undergo the formalisation process once Syrian workers have been hired. According to interviews with Jordan Chamber of Industry representatives as well as individual business owners, many firms fear that hiring Syrian workers will expose them to increased scrutiny and inspections by the Ministry of Labour.^{20/21} In addition, many Syrian refugees who are employed in the informal sector refrain from asking their employers to formalise their status based on the belief that the employer would be reluctant to undergo the process. An October 2017 report published by the ILO, the World Bank, and UNHCR

indicated that only 26 per cent of surveyed Syrian refugee workers believed that their employer would be willing to sponsor their work permit.²²

¹⁸ ILO & IFC, 'Examining Barriers to Workforce Inclusion of Syrian Refugees in Jordan,' July 2017, <https://betterwork.org/blog/portfolio/discussion-paper-25-examining-barriers-to-workforce-inclusion-of-syrian-refugees-in-jordan/>

¹⁹ Ibid.

²⁰ Ibid.

²¹ WANA Institute interviews conducted in August and September of 2017 revealed that many firm managers associate hiring Syrian refugees with increased inspections by the Ministry of Labour.

²² ILO, World Bank, UNHCR, 'Periodic Analysis of Syrian Workers in Jordan,' October 2017, <https://data2.unhcr.org/en/documents/download/60393>

Overall, many refugees appear to be unaware of the processes and regulations surrounding formalisation. The research commissioned by the ILO and IFC published in July 2017 cites several misconceptions around work permits. Some Syrian refugees express fear that formalised employment will make them ineligible for resettlement programmes in Europe or North America; others fear that reporting poor working conditions may result in their being forcibly returned to refugee camps, while others appear unaware of the requirement that employers cover the mandatory 14.5 per cent of their social security contribution.²³

Finally, a lack of access to affordable transportation and household responsibilities continue to pose barriers to Syrian refugee employment. A report published by the Danish Refugee Council in June 2017 highlighted the fact that many Syrian refugees express willingness to travel long distances to work, but are unable to access efficient and affordable transportation networks. Several surveyed Syrians described circuitous routes through central bus terminals that add time and distance to daily commuting. The expense of such transport often undercuts the financial benefits of employment.²⁴ According to the same research, family commitments also limit the distance a worker is willing to travel for work and the amount of time that he or she is willing to spend outside of the home.²⁵

²³ The required social security contribution is 21.75 per cent of a worker's salary. The employer is responsible for paying 14.5 per cent, and the worker is responsible for paying the remaining 7.5 per cent. ILO & IFC, 'Examining Barriers to Workforce Inclusion of Syrian Refugees in Jordan,' July 2017, <https://betterwork.org/blog/portfolio/discussion-paper-25-examining-barriers-to-workforce-inclusion-of-syrian-refugees-in-jordan/>

²⁴ DRC, 'Area Based Livelihoods Assessment: East Amman,' June 2017, <https://data2.unhcr.org/en/documents/details/59572>

²⁵ Ibid.

5. Future Interventions

While rigorous surveys on Syrian refugee employment have been limited — the last large-scale survey on Syrian refugee employment trends was conducted in 2015²⁶ — the existing literature on Syrian refugee labour inclusion is rich and continues to build. We highlight two broad categories of recommendations for future interventions supporting the Syrian refugee labour formalisation efforts. These recommendations draw largely on suggestions made by major NGOs in previous studies.

Community-Level Placement Referrals

Refined Targeting

Increased Support to Employers

A number of organisations has stressed the need for a community-based approach to job-matching. A study conducted by the IRC in April 2017 found that the overwhelming majority of surveyed Syrians prefer to search for work through community members and friends as opposed to the internet, door-to-door consultations, or NGOs. This finding highlights a latent distrust for standard job search approaches and suggests that information services that operate through trusted, community-based networks might be more effective. Similarly, given the challenges associated with transportation, ensuring that potential workers are made aware of opportunities within close geographic proximity to their home should be prioritised.

As the IRC's April 2017 study 'Solving the Refugee Employment Problem in Jordan: A Survey of Syrian Refugees' points out, the needs and priorities of Syrian workers vary significantly across households, cities, and governorates. Some Syrian workers have specific requirements with regard to wages, while others are more flexible. Some are available to travel long distances, while others are limited to employment within the close vicinity of their residence. Job placement services linking job seekers with employers might have more long-term success if they could capture and segment worker preferences early in the process.²⁷

Finally, as many interviewed employers have noted, formalising Syrian workers' status requires time and commitment. While some firms have ample capacity to manage the administrative process and provide support to employees — sometimes in the form of additional training, or a transportation allowance²⁸ — others could benefit from additional assistance and incentives structures. International organisations, NGOs, and large private firms might assist small firms through partnerships that support training programmes, transportation assistance, pooling resources to provide child and elderly care support, and management of administrative aspects of the formalisation process.

²⁶ A survey conducted by the ILO in conjunction with the Norwegian think tank FAFO in 2015 targeted 3,800 households. Hillesund & Stave; 'Impact of Syrian refugees on the Jordanian labour market,' 2015, https://www.ilo.org/wcmsp5/groups/public/---arabstates/---ro-beirut/documents/publication/wcms_364162.pdf

²⁷ IRC, 'Solving the Refugee Employment Problem in Jordan: A Survey of Syrian Refugees,' April 2017, <https://www.rescue.org/report/solving-refugee-employment-problem-jordan-survey-syrian-refugees>

²⁸ ILO & IFC, 'Examining Barriers to Workforce Inclusion of Syrian Refugees in Jordan,' July 2017, <https://betterwork.org/blog/portfolio/discussion-paper-25-examining-barriers-to-workforce-inclusion-of-syrian-refugees-in-jordan/>



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