




Syrian Refugee Return: Implications for the Jordanian Host State



West Asia-North Africa Institute, March 2019



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1. Introduction

Between the opening of the Jaber-Nassib border crossing on 15 October and 11 December 2018, according to some sources an estimated 30,000 Syrians made their way from Jordan to Syria.¹ This monthly average of 15,000 may be telling of demographic changes to come. While it is still unclear whether Syrians returning from Jordan plan to travel back and forth or remain in Syria for the long term,² the opening of the border crossing — for the first time since rebels took control over it three years ago — has meant that a major obstacle to relieving Jordan's refugee crisis has been removed.

Since the outbreak of the Syrian conflict in 2011, Jordan has hosted some 650,000 Syrian refugees.³ The protracted nature of the conflict has meant that eight years on, these refugees — nearly ten per cent of the total population — have left a deep footprint on Jordanian society. A mass return of refugees back to Syria therefore begs the question of how this demographic change would impact Jordan.

This report — the first in a series of three studies — includes some initial viewpoints on how the return of Syrian refugees would impact Jordanian labour, employment, housing rents, consumption, and government spending. Drawing primarily on the first-hand accounts of community-based organisations in Amman, Irbid, Mafraq, and Zarqa, we highlight some of the systems that have developed due to the humanitarian response as well as some of the contributions that Syrian labour has made to business services across the Kingdom.

While the second and third reports use quantitative data from the Department of Statistics to assess the impact on the labour market and the correlation between investment and employment in key sectors, it should be noted that the data utilised in this report is qualitative and anecdotal in nature. Its purpose is not to draw definitive conclusions but rather to provide some preliminary figures and a framework for understanding what Syrian refugee return may mean for Jordan in the future.

¹ AFP. 'Nearly 30,000 Syrians Return Home from Jordan After...' Daily Mail Online. December 03, 2018, <https://www.dailymail.co.uk/wires/afp/article-6455601/Nearly-30-000-Syrians-return-home-Jordan-border-reopens.html>.

² UNHCR estimated that between October and December 2018 only 3,852 Syrians returned to Syria. See *The Jordan Times*, 'Only some 4,000 Syrian refugees return since border reopening,' December 2018, <http://www.jordantimes.com/news/local/'only-some-4000-syrian-refugees-return-border-reopening'>

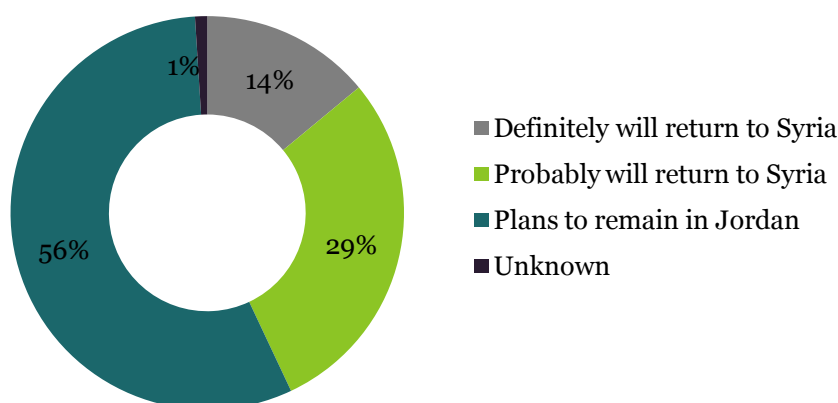
³ 671,148 is the number on record with the UNHCR as of December 9, 2018. Official Jordanian sources often place the figure around 1.3 million.

2. Syrian Refugee Return

2.1 Syrian Refugee Return

Among the main reasons why some of the 671,551 Syrians refugees in Jordan consider returning is the need for secure income as well as the general feeling of marginalisation.⁴ However, relative to other host countries, Jordan seems to have a particularly good standing with Syrians. This is in large part due to its implementation of the 2015 Jordan Compact, which facilitated Syrian employment and opened universal education to school-aged Syrian children. A November 2018 survey conducted by NAMA Strategic Intelligence Solutions in partnership with the Konrad Adenauer Stiftung suggests that only a small proportion of the population — 14 per cent — is committed to returning, while more than 50 per cent plans to remain in Jordan.⁵ Although the reopening of the border crossing marked the removal of a major physical obstacle to Syrians returning, there remain many long-term impediments to a safe and dignified return.

Figure 1: Future Plans of Jordan's Syrian Population



2.1.1 Property Rights and Return

Geography will play a key role in shaping intention to return. The vast majority of Syrian refugees in Jordan originate from the central and southern Governorates of Homs and Dar'a. Smaller numbers come from Damascus and Hama Governorates. In cities that suffered considerable infrastructure damage such as Aleppo, Deir al-Zor, and Dar'a, many Syrians will find that their living conditions are far better in Jordan.⁶ Many Syrians from anti-regime strongholds have

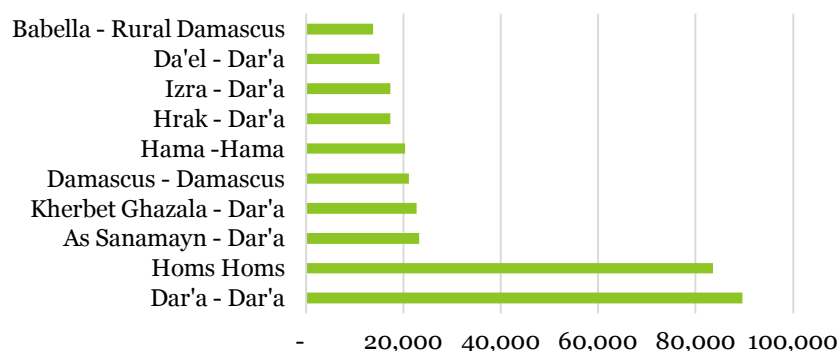
⁴ As of January 2019, there were a total of 671,551 Syrian refugees registered with UNHCR. UNHCR, <https://data2.unhcr.org/en/situations/syria/location/36>

⁵ Al Tahat, Jassar. 'Only 14 per Cent of Syrian Refugees 'very Determined' to Return - Poll.' *Jordan Times*. December 16, 2018. <http://jordantimes.com/news/local/only-14-cent-syrian-refugees-'very-determined'-return---poll>. The survey covered a sample of 1,306 Jordanians and 600 Syrian refugees; 33 per cent of those surveyed stated that they would 'never go back;' 24 per cent would 'probably never go back;' 29 per cent would 'probably go back,' and 14 per cent are 'determined to go back.'

⁶ 'Syrian Refugee Crisis: Facts and How to Help.' World Vision Canada. October 5, 2018. Accessed 4 March, 2019. <https://www.worldvision.ca/stories/refugees/syrian-refugee-crisis-facts>.

expressed the fear that if they return, the regime may harm them.⁷ Others are fearful that, owing to depleted troop reserves in the Syrian army, they will be forcibly conscripted.⁸ As such, of the Syrians who returned to Syria to examine or recover their properties, only a fraction will remain there.⁹

Figure 2: Top ten sub-districts of origin of Syrian refugees in Jordan



Source: UNHCR

This is not only because of the destruction of property and fear of retribution but also due to some major legal developments that have taken place since the conflict broke out. Beginning in 2012, the Syrian government issued a series of government decrees concerning property ownership. Decree 66, which was introduced in 2012, granted the government the authority to ‘redevelop areas of unauthorised housing and informal settlements’ across Syria.¹⁰ The informal settlements found in and around Syria’s major cities were host to some of the strongest anti-regime activity. Many of these settlements had also been populated by rural migrants, some of the most economically insecure members of Syrian society.

Issued in April 2018, Decree 10 went a step further, authorising cities in Syria to earmark zones within their boundaries for expropriation and set up real estate development companies in partnership with private investors. This law identified potential zones for development such as Basatin al-Razi as well an area encompassing Derayya and al-Qadam — all of which had been anti-Assad strongholds. The Syrian government has argued that these steps are necessary for Syria’s post-war reconstruction. However, many of the areas were anti-Assad strongholds, and the development projects initiated there are increasingly seen as an effort to cleanse this land of government opposition.¹¹

These laws will also affect the property rights of Syrian refugees. Under Decree 10, once an area has been earmarked for development and a real estate license has been issued, property owners or

⁷ Gathered from WANA Institute interviews with Syrian refugees in Jordan, October-December, 2018.

⁸ Ibid.

⁹ Ibid.

¹⁰ ‘Decree 66: The Blueprint for Al-Assad's Reconstruction of Syria?’ IRIN. 24 April, 2017.

<https://www.irinnews.org/investigations/2017/04/20/decreed-66-blueprint-al-assad-s-reconstruction-syria>.

¹¹ Yahya, Maha. ‘The Politics of Dispossession.’ Carnegie Middle East Center. 9 May, 2018. <http://carnegie-mec.org/diwan/76290>.

tenants are then required to present proof of ownership — title deeds or lease agreements — within a period of one month. If proof of ownership is accepted, properties are then appraised based on current market prices. The price levels are a fraction of what they were prior to the war. In line with these prices, owners are then issued shares in the local public-private real estate company.¹²

The fact that the property rights of many Syrians in Jordan have been affected by this decree will lessen the possibility of a large-scale return. There have been frequent accounts of how Iranian nationals and Lebanese Shi'ites have wrongfully benefitted from these new property development schemes. In one key informant interview, a representative of a community-based organisation in Mafraq told a story of a Syrian businessman who had left behind three apartments and four commercial buses in Homs. The scout that was sent to check on this man's property reported that his apartments were inhabited by foreign nationals. These stories resonate and underscore the legal and economic challenges that may await refugees who return.

¹² Yahya, Maha. 'The Politics of Dispossession.' Carnegie Middle East Center. 9 May, 2018. <http://carnegie-mec.org/diwan/76290>.

3. Social Implications for Host Communities

3.1 Jordan's Past and Recent History of Refugee Hosting

Jordan's past and recent history is replete with the benefits and challenges associated with refugee hosting. In the nineteenth century, Circassians fleeing Russian expansionism sought refuge in what was then the area of Transjordan. This was followed by Armenians during World War I, Palestinians in 1948 and 1967, and Iraqis during and after the two Gulf Wars. Some of these refugees emigrated, and many remained in Jordan, building lives and communities over multiple generations.

What made this crisis different from preceding waves of refugees was that, rather than concentrate in refugee camps, Syrians have overwhelmingly chosen to live amongst Jordanians in established residential areas. Only some 18.9 per cent of the estimated 670,000 Syrians reside in camps, while the remainder live in Jordan's urban and rural areas, mostly in Amman and the northern governorates of Mafraq, Irbid, and Zarqa.¹³ As such, Syrians have become more integrated in Jordan's economy and society than refugees in other contexts.

The Syrian refugee influx has had a profound impact on the social and economic fabric of host cities and governorates. Since 2011, Jordan has received numerous grants and concessionary loans from international donors, all for the purpose of alleviating the burden associated with the increased population. These funds have been spent on improving the infrastructure where there are large concentrations of refugees.¹⁴

As a result, cities like Mafraq and Irbid are today significantly larger than they were before Syrian refugees arrived. Prior to 2011, Mafraq housed just 55,000 residents. But with the influx of 170,000 refugees, it has become a booming city. Once known for shutting down in the late afternoon, it is now, according to inhabitants, bustling until midnight. Services businesses — especially restaurants — have multiplied. Alongside the upswing in activity, the population growth in the centre and surrounding areas has brought congestion and put pressure on existing infrastructure. Therefore, the city needed a steep upgrade in infrastructure — especially roads — which the municipality was fortunately able to provide through its increased budget.¹⁵

At the beginning of the crisis, Jordanians welcomed Syrians. Observers assert that prior to the scale-up of international NGO operations and the establishment of Za'tari camp in 2012, many Jordanian families hosted Syrians — especially in the cities of Ramtha and Mafraq.¹⁶ Some Syrians

¹³ 29.3 per cent of Syrians who are registered with UNHCR reside in Amman, 24.4 per cent in Mafraq, 21 per cent in Irbid, and 14.4 per cent in Zarqa. 'Operational Portal.' Situation Syria Regional Refugee Response. 9 December, 2018. Accessed 29 December, 2018. <https://data2.unhcr.org/en/situations/syria/location/36>.

¹⁴ 'New Support for Refugees and Host Communities in Jordan and Lebanon Brings Total Concessional Financing to US\$1Billion.' World Bank. 21 April, 2017. Accessed 4 March, 2019. <http://www.worldbank.org/en/news/press-release/2017/04/21/new-support-for-refugees-and-host-communities-in-jordan-and-lebanon-brings-total-concessional-financing-to-us-1-billion>.

¹⁵ Gathered from WANA interviews with Syrian refugees in Jordan, October-December, 2018.

¹⁶ Ibid.

found family members — especially in border areas like Jaber — that had established themselves in the country before the conflict.

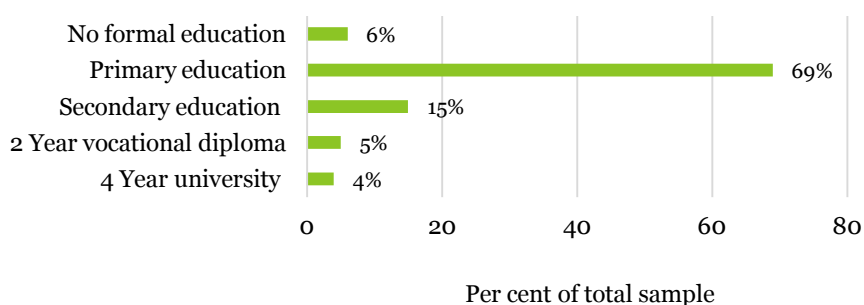
At the onset of the crisis, Jordanian civil society developed various creative initiatives. In Mafraq — a city whose first mayor was Syrian — mosques opened their doors and allowed Syrians to sleep there; the Balqa community established special groups headed by retired men to assist incoming refugees. A survey carried out in 2018, found that the majority of Syrians felt welcomed (with two-thirds reporting to have been welcomed to a great extent, and 31 per cent to a medium extent).¹⁷

Years into the crisis, however, a perception has developed amongst Jordanians that the presence of Syrian refugees has had a negative impact on key aspects of society. Large proportions of the host population therefore believe that the refugees’ return will be good for Jordan’s labour market, infrastructure, health and education system, and general culture.¹⁸

3.1.1 Social Cohesion

In interviews with the WANA Institute, community-based organisation representatives continued to note differences between the Jordanian hosts and the Syrian refugee population that has sought refuge in Jordan. The latter is, by all accounts, a rural population that is characterised by low levels of education. An August 2017 survey conducted by the market research firm IPSOS, in conjunction with the WANA Institute, found that only 24 per cent of surveyed Syrians had completed secondary, or post-secondary education.¹⁹

Figure 3: Syrian refugee educational background August 2017



Among the complaints made about the Syrian population, stakeholders frequently highlight late-night rowdiness, lax attitudes towards child-rearing, and a lack of awareness of the need to conserve water — a resource that is more scarce in Jordan than in Syria. Some Jordanians also note perceived differences in family values. Syrian brides tend to ask for lower dowries than their Jordanian counterparts, which according to some sources, has contributed to the rise of polygamous marriage in Jordan. Others suggest that intermarriage between Jordanians and Syrians

¹⁷ Braizat, Fares. "Syrian Refugees: Returning?" *The Jordan Times*, December 8, 2018. Accessed 29 December, 2018. <http://jordantimes.com/opinion/fares-braizat/syrian-refugees-returning>.

¹⁸ Ibid.

¹⁹ The WANA Institute, 'Statistics Brief: Syrian Refugee Employment Trends in Jordan,' December 2017, <http://wanainstitute.org/en/publication/statistics-brief-syrian-refugee-employment-trends-jordan>

has caused the reproductive age to drop. Despite these characterisations, stakeholders maintain that the Syrian refugee crisis is only a temporary situation. By this account, when the highpoint of the crisis recedes, the Syrians who choose to remain in Jordan will fully adapt to and adopt the local culture. The influx of Syrian refugees into local communities will not bring permanent changes to Jordanian culture.

3.2 Humanitarian Response, 2012-Present

While the influx of more than 670,000 Syrian refugees has brought considerable economic, resource and social cohesion challenges to the Jordanian society, the humanitarian response effort has brought its share of technological innovation, employment and consumption benefits for the host population. The following section draws on stakeholder accounts collected in 14 key informant interviews that were conducted across Amman, Irbid, Mafraq, and Zarqa. These accounts capture common perceptions on the positive and the negative impact that the humanitarian response effort has had in host communities. Where possible, these viewpoints are presented alongside concrete figures related to assistance flows provided by international organisations and NGOs.

3.2.1 Positive Developments

The Syrian crisis has necessitated the entry and scale-up of a large number of NGO and international organisation operations. The interventions have had a profound impact on both Syrian refugees and Jordanians alike. Syrians have been the primary benefactors of cash assistance, food vouchers, medical relief, and shelter, while the Jordanian host population has benefitted from increased employment and the integration of technology across the humanitarian response sector.

The food assistance that has been injected into the Jordanian economy has boosted wholesale and retail trade and broader consumption. The UN World Food Programme (WFP) estimates that “for every dollar spent by a voucher beneficiary, participating stores spend 85 cents on wholesale food purchases.” WFP also estimates that their operation has led to some USD2.5 million in investment in physical infrastructure by participating retailers and created more than 350 jobs in the food retail sector. The modelling of their data produced a predictive multiplier of between 1.019 and 1.234. If this figure is accurate, then for every USD250 million in food vouchers distributed, between USD255 and 308 million in indirect benefits would be generated for the Jordanian economy, primarily within the agriculture, manufacturing, and food product sectors.²⁰

In addition to food voucher programmes, large amounts of cash assistance have been provided. Between 2012 and 2018, nearly USD340 million in cash was distributed to Syrian refugees, representing approximately 85 per cent of the total cash assistance distributed across Jordan over the same period. Cash assistance funds are, in most cases, used to cover rent, utilities, food, and other essential expenses. They automatically boost domestic consumption and represent a direct injection of capital into the Jordanian economy.

²⁰ World Food Programme, *Economic Impact Study: Direct and Indirect Impact of the WFP Food Voucher Programme in Jordan*, April 2014.

Cash Assistance (USD)	2013	2014	2015	2016	2017	2018
	30,739,367	44,497,165	53,190,530	84,835,028	63,504,336	59,291,849

The sheer number of refugees has forced organisations to upgrade capacity, ramping up inventory, logistics, and distribution operations. International organisations and NGOs have integrated new technologies into key processes. Iris eye-scans are now used to identify adult and child refugees and store their information in databases. UNHCR has partnered with the Cairo-Amman Bank to provide refugees with cards that allow them to access relief funds discreetly through ATM machines, reducing the time and exposure associated with field office handouts. The World Food Programme has run a similar programme in refugee camp grocery stores. These technologies have played a significant role in preventing fraud and duplication.

Jordanians have benefited from the expanded international organisation-NGO presence with many becoming employed in various capacities. NGO operations such as shipping and transportation have required the services of Jordanians with valid driver's permits. Other services required by foreign NGOs such as translation and interpreting have seen a boost, providing increased employment opportunities for recent graduates. A professor at the Yarmouk University-based Centre for Refugee, Immigrant, and Forced Migration Studies reported that 90 per cent of her students who studied social work had found employment with NGOs. Another CBO representative noted that some local residents have found employment with NGOs that offer higher salaries than local organisations and businesses.²⁴ The withdrawal of these organisations if refugees return to Syria and the international community shifts its focus will negatively impact all of those persons whose living standards have been shaped by the presence of foreign and international organisations.

²¹ UNHCR Jordan Cash Assistance Dashboard 2016, <https://data2.unhcr.org/en/documents/download/59809>

²² UNHCR Jordan Cash Assistance Dashboard 2017, <https://data2.unhcr.org/en/documents/details/61718>

²³ UNHCR Jordan Cash Assistance Dashboard 2018, <https://reliefweb.int/report/jordan/cash-assistance-dashboard-unhcr-jordan-december-2018>

²⁴ The CBO added that international NGOs pay four to five times more than their local counterparts. If those persons hired took out mortgages and car loans against these salaries, they may struggle to pay off debts if international organisations and NGOs drawdown their operations.

Box 1: Jobs created by Syrian refugee response^{25/26}

International organisations and NGOs that have set up operations to respond to the Syrian refugee crisis have led to the creation of thousands of jobs for Jordanians. As of February 2019, **551 Jordanian nationals were employed by the Norwegian Refugee Council**, an international NGO. As of October 2018, **480 Jordanian nationals were employed by UNHCR**. These figures represent only a fraction of the total number of Jordanian nationals who have gained employment in international organisations and NGOs as a result of the ongoing response to the Syrian refugee crisis.

Job training programmes implemented by international organisations and NGOs — some lasting between six months and one year — have benefitted Syrians and Jordanians alike. NGOs are required by law to set aside a certain amount of funding for Jordanian beneficiaries.²⁷ As a result, Jordanians have been able to benefit from jobs and job training programmes. A representative of a Mafraq-based community organisation reported that such trainings were previously out of reach for most of the host population, but with the Syrian refugee crisis, some Jordanians have been able to participate and developed their communications and interpersonal skills.

3.2.2 Negative Viewpoints

Due to the common perception that Syrian refugees have benefitted disproportionately from the humanitarian response effort, donors, international organisations, and NGOs have taken careful measures to avoid displaying logos while operating in mixed Syrian-Jordanian residential areas. Where organisations have operated with less discretion, their efforts to provide assistance to refugees have heightened the risk of community violence against that population.²⁸

Stakeholders continue to highlight common complaints that have circulated since the onset of the crisis. These include the continued assistance to Syrian refugees over and above vulnerable Jordanian populations, the short-term nature of humanitarian response, the lack of long-term investment in the community, and the lack of coordination between NGOs. The focus on training as opposed to job creation also continues to surface. One CBO representative complained that funds had been disproportionately invested in trainings as opposed to in longer-term investments such as textile or automobile factories.

The focus on refugee relief as opposed to community development is also a resounding theme. One CBO representative called for a community-based approach that sets local development objectives as opposed to exclusively providing relief to refugees in a given area. Competition and lack of coordination between the multitude of NGOs is seen as a symptom of this approach. The

²⁵ Norwegian Refugee Council, <https://www.nrc.no/countries/middle-east/jordan/>

²⁶ UNHCR Jordan Fact Sheet, <https://reliefweb.int/report/jordan/unhcr-jordan-factsheet-october-2018>

²⁷ According to interviews conducted by the WANA Institute, NGOs are required by law to set aside 30 per cent of funds for Jordanian beneficiaries.

²⁸ One CBO representative told the story of an NGO that in order to facilitate the delivery humanitarian assistance had left marks on the homes of Syrian refugees. When a Jordanian citizen was murdered by a Syrian, locals were easily able to identify Syrian homes.

lack of implementation or failure of mechanisms to prevent fraud and duplication of relief efforts further the grievances of the host community.²⁹

²⁹ One interviewed CBO representative told the story of a Syrian refugee who collected dozens of high quality blankets from relief organisations and went on to sell them for a profit.

4. Broader Economic Implications

4.1 Housing Rents

Since the onset of the crisis, reports of rising housing rents have been abundant. In an August 2015 study, the Jordan Independent Economy Watch claimed that rent prices in Jordan had risen six per cent in 2014.³⁰ Accounts of rental price increases in regions close to the border have been even greater.

The most rigorous piece of research on how housing prices and conditions have responded to the Syrian refugee crisis is that of the Egypt-based Economic Research Forum (ERF). Through analysis of Jordan Labour Market Panel Survey (JLMP) and Jordan Household Expenditure and Income Survey (HEIS) data, researchers concluded that the Syrian refugee crisis had a slightly negative impact on the housing conditions for Jordanians. According to these findings, rent prices increased in relation to increases in the share of Syrian refugees, but only in regions close to the Syrian border, such as Irbid, Ajloun, Jerash, and Mafraq.³¹

The research also suggests that the influx of refugees across northern and central regions has disproportionately affected home ownership of the poorest sections of Jordanian society. According to these findings, in 2010, the bottom income quintile of households had a higher rate of homeownership than the next three quintiles; whereas, in 2016, this section of the population had the lowest rate of homeownership.³²

Home rental constitutes the largest monthly expenditure category for Syrian refugee households residing outside of the camps.³³ As a result, several NGOs have been involved in the effort to distribute cash assistance for rent and to expand the availability of housing. Through financial incentives and technical support, the Norwegian Refugee Council (NRC) has sought to encourage property developers to build new units and finish partially-completed units.³⁴ These and other programmes have contributed to the joint-phenomena of increased rental income for property owners and rising rental prices for the general public.

Anecdotal accounts of Mafraq- and Irbid-based CBOs affirm these conclusions. Stakeholders continually link rising rental prices to the financial support provided by NGOs, suggesting that

³⁰ Jordan Independent Economy Watch, 'The Socio-Economic Impact of Syrian Refugees on Jordan: Turning Challenges into Opportunities,' August 2015, <http://identity-center.org/sites/default/files/The%20Socio-Economic%20impact%20of%20Syrian%20Refugees%20-%20Turning%20Challenges%20into%20Opportunities%20.pdf>

³¹ In regions close to the Syrian border, for every one per cent increase in the share of Syrian refugees, housing prices were found to increase by 0.011 per cent.

Alhwarin, Assaad, Elsayed; 'Migration Shocks and Housing: Evidence from the Syrian Refugee Crisis in Jordan,' Economic Research Forum (ERF), June 2018, <http://erf.org.eg/publications/migration-shocks-and-housing-evidence-from-the-syrian-refugee-crisis-in-jordan/>

³² Assaad, Ragui, 'The Impact of the Syrian Refugee Influx on the Education and Housing Outcomes of Jordanians: ERF Policy Brief No. 33,' May 2018, <http://erf.org.eg/publications/the-impact-of-the-syrian-refugee-influx-on-the-education-and-housing-outcomes-of-jordanians/>

³³ The WANA Institute's analysis of UNHCR 2017 VAF data found that, on average, housing rent accounted for approximately 45 per cent of monthly expenditures.

³⁴ Norwegian Refugee Council, 'In Search of a Home: Access to Adequate Housing in Jordan,' June 2015, <https://www.nrc.no/globalassets/pdf/reports/in-search-of-a-home.pdf>

Syrian families are less inclined to negotiate as a result of such support. A CBO representative in Mafraq claimed that rental prices for houses and apartments there had risen by more than 200 per cent, while an Irbid-based stakeholder suggested that rental prices in that city had risen by 160 per cent. Although these accounts are speculative and not based on rigorous research, they underscore the impact that the Syrian refugee crisis has had on local housing markets in northern governorates. The return of refugees in any significant number will have immediate implications for property owners and real estate developers.

4.2 Syrian Labour and Business Creation

Since 2012, Syrian refugees have made significant inroads into the Jordanian labour market. Refugee households' need to bring in income to cover basic needs has been bolstered by trainings, job placement services, and small-scale microenterprise finance. The combined effort of the Jordanian Ministry of Labour, UNHCR, and various NGOs to formalise workers in designated sectors and occupations has also changed the context in which livelihoods are discussed and considered. Data on key sectors of employment and the wage growth of formalised Jordanian and expatriate workers will be discussed in the second report in this series. This section will provide an anecdotal account of the impact that Syrian workers have had on the labour market and business services across Jordan.

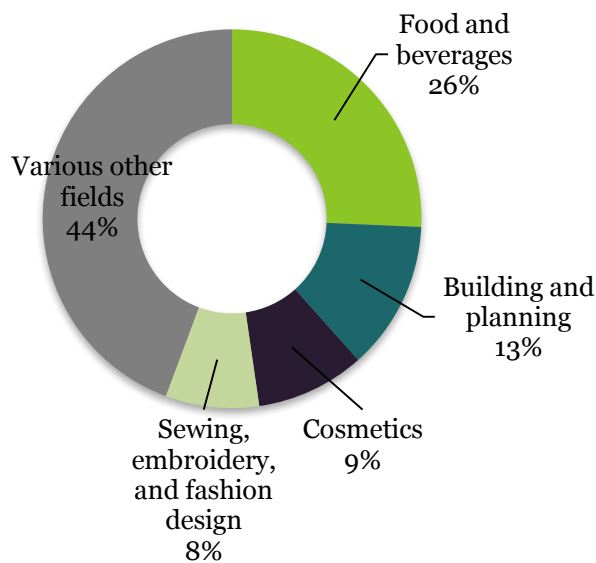
Syrians' vocational skills, business service acumen, and willingness to work for lower wages are recurrent themes in interviews with community-based organisations. In line with the figures presented in the second report in this series, stakeholders identify agriculture, construction and services as the primary sectors of employment for Syrian men, adding that Syrian women find employment as seamstresses and caterers.³⁵

CBO representatives argue that Syrian labour has also contributed to the diversification of Jordan's commercial life. Many refugees came with vocational skills that have been passed from generation to generation. These skills are novel to Jordan. In Amman alone, official estimates place the proportion of the Syrian workforce with specialised skills at 40 per cent. Of those skills, 25.7 per cent are related to food and beverages; 12.7 per cent to building and planning; 9.3 per cent to cosmetics; 8 per cent to sewing, embroidery and fashion design; and the remainder to various other fields.³⁶ In large part due to Syria's two-tier secondary educational system, in which students can opt for vocational training in one of four specialisations — commercial, industrial, agricultural, or handicraft — many Syrians found work in sectors with little representation in Jordan.

³⁵ Population Characteristics for Syrians Living in Jordan: Opportunities to Counter the Challenges of Syrian Refugee in Jordan in Terms of the Jordanian Labor Market. Issue brief. Higher Population Council of Jordan. Jordan: Amman, 2018. Arabic summary version.

³⁶ Ibid.

Figure 4: Types of specialised skills



In contrast to Jordanian work attitudes, which tend to place more value on higher-education degrees than hands-on experience, Syrian labour has led to an increase in small-scale local production in welding, carpentry, food production, and food services. Official estimates place the number of Syrian businesses in 2017 at 132 (up from 6 in 2011). Seventy of these businesses reportedly relate to manufacturing.³⁷

Stakeholders also argue that due to their rich mercantile tradition, Syrians have also helped boost the overall standards of Jordanian business culture. Notably, Syrians with marketing skills have lifted the customer service profiles of many clothing stores and restaurants. Owing to Jordanian business partnership requirements, this is usually done through a combination of Syrian skill and expertise and Jordanian capital. Investments, particularly in restaurants, have provided working opportunities for many Syrians and Jordanians, and in some cases have brought together the talents of Syrian and Jordanian women.

Stakeholders also assert that despite popular rhetoric Syrians have not displaced Jordanian workers. One interview highlighted Jordan’s ‘capacity to absorb foreign labour,’ citing the 3:7 ratio of foreign to Jordanian workers in the labour force. According to this assertion, the Jordanian labour market has accommodated Syrians without drastically disrupting Jordanian employment. Many Jordanians are unaware of this technicality and therefore exaggerate the Jordanian loss to Syrian labour. However, stakeholders also suggest that assistance from international organisations and NGOs enables Syrians to work for lower wages, adding that Syrian wages are one third to one quarter of the market rate for Jordanian workers. All of this suggests that while the withdrawal of Syrian labour, in the event of a large-scale return, might be good for foreign and informal labour, it will have significant repercussions for business services within specific industries.

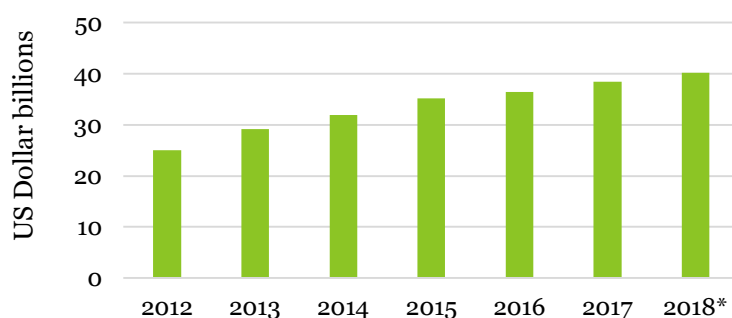
³⁷ Ibid.

4.3 Public Debt, Government Spending and Municipal Services

The support of the international community has been an instrumental part of Jordan’s ability to bear the burden of the refugee crisis. Under the 2017-2018 Regional Refugee & Resilience Plan (3RP) the UN sought approximately USD1,190 million in funding for the Jordan response, of which USD680 million had been received by the end of 2017. These funds were used to support protection, food security, education, health and nutrition, basic needs, shelter; water, sanitation and hygiene; and livelihoods and social cohesion programmes.³⁸

Despite this prodigious effort, continued refugee hosting brings significant costs for Jordan. According to Jordan’s Ministry of Planning and International Cooperation (MOPIIC), government expenditures between 2010 and 2017 rose by 38 per cent.³⁹ In parallel with this rapid increase, public debt increased by 48 per cent.^{40/41} Even with the stabilisation of the refugee population since 2015, the budget deficit amounted to USD613 million at the end of May of 2018, compared to a deficit of USD459.6 million for the same period in 2017.⁴²

Figure 5: Jordan government debt, 2012-2018



*estimate

Since the onset of the crisis, there have been several efforts to measure the impact that the crisis has had on Jordan’s government spending. A 2014 study carried out by the consulting firm Development Alternatives Inc. used a methodology that considered expenses related to subsidies, liquid petroleum gas, electricity, education, health, water, public-works, and security. This study

³⁸ UNHCR, ‘3RP: Regional, Refugee, Resilience Plan 2017-2018: 2017 Annual Report,’ <https://data2.unhcr.org/en/documents/download/63530>

³⁹ The Hashemite Kingdom of Jordan. Ministry of Planning and International Cooperation. 2017: 14, [https://reliefweb.int/sites/reliefweb.int/files/resources/JRP16_18_Document-final draft.pdf](https://reliefweb.int/sites/reliefweb.int/files/resources/JRP16_18_Document-final%20draft.pdf).

⁴⁰ Jordan’s public debt rose from USD18.9 billion in 2011 to USD39.1 billion in July 2018. About one-fourth of this figure was attributable to the debt service of the National Electricity Power Company (NEPCO) and the Water Authority, both of whom are guaranteed by the central government. Luck, Taylor. ‘Jordan’s Syrian Refugee Economic Gamble.’ Middle East Institute. 24 May, 2016. Accessed 29 December, 2018. <https://www.mei.edu/publications/jordans-syrian-refugee-economic-gamble>. However, this is still at a moderate rate relative to the 40 per cent increase from the years 2007 to 2010 (see https://reliefweb.int/sites/reliefweb.int/files/resources/JRP16_18_Document-final+draft.pdf)

⁴¹ ‘Public Debt Drops to 95.8 of GDP as Budget Deficit Rises to JD435.1 Million.’ *Jordan Times*. 5 July, 2018. <http://www.jordantimes.com/news/local/public-debt-drops-958-gdp-budget-deficit-rises-jd4351-million>.

⁴² ‘Public Debt Drops to 95.8 of GDP as Budget Deficit Rises to JD435.1 Million.’ *Jordan Times*. 5 July, 2018. <http://www.jordantimes.com/news/local/public-debt-drops-958-gdp-budget-deficit-rises-jd4351-million>.

estimated that expenses associated with the Syrian refugee crisis totalled JOD442 million in 2013 and JOD617 million in 2014.⁴³ If these figures grew in line with the rising number of registered refugees, then the fiscal cost of refugee hosting would have been in the area of JOD668 million in 2015 and JOD725 million in 2016⁴⁴ — equivalent to 17 per cent of government spending for both years.

Table 2: Estimated Cost of Syria Refugee Crisis for Jordan⁴⁵

	2013	2014	2015	2016
Government Spending (JOD)	3,560,000,000	3,800,000,000	3,934,948,461	4,254,915,419
Estimated Cost of Syria Refugee Crisis for Jordan (JOD)	442,000,000	617,000,000	668,317,000*	725,980,000*
Refugee Hosting Per Cent of Government Spending	12%	16%	17%	17%

*estimates

As is implicit in the above-referenced fiscal cost of hosting framework, the Syria refugee crisis has brought significant costs to Jordan in terms of energy, water, and sanitation services. The Government of Jordan has developed some indices to assess the degree to which municipal services have been strained by Syrian refugees. According to official sources, with the current ratio of working waste compressors to total volume of waste per day, Jordan needs an additional 32 compressors to deal with solid waste, to operate mainly in Balqa and Zarqa. In another index, the gap tonnage between the landfill capacity (7,238) and the total volume of waste produced (8,936) was found to be 1,698 tons per day — 812 and 886 tons per day in the northern and middle regions, respectively (i.e. 19 per cent of solid waste surpasses landfill capacity).⁴⁶ While Jordan’s public service infrastructure may have been in need of repair prior to the Syria Crisis, the fact that these needs fall mainly in the country’s northern governorates suggests a strong relationship between the refugee crisis and the municipal government’s waning ability to service the population. The return of Syrians to Syria will, in turn, serve to defray these costs.

4.4 Trade

Although only tangential to the refugee crisis, Jordan’s trade balance was negatively affected by the closure of the Jabir-Nassib border crossing. As such, its reopening may lead to improvements

⁴³ Nasser and Symansky, ‘The Fiscal Impact of the Syrian Refugee Crisis in Jordan,’ Development Alternatives Inc., January 2014, <https://jordankmportal.com/resources/the-fiscal-impact-of-the-syrian-refugee-crisis-on-jordan-2014>

⁴⁴ The WANA Institute calculated that the fiscal cost of hosting per refugee was JOD1,063 in 2015 and JOD1,117 in 2016 arrive at these figures. The values multiplied by the average number of Syrian refugees present in Jordan during 2016 and 2017, 628,430, and 650,143 respectively.

⁴⁵ Government spending figures are provided by SESRIC, see <https://tradingeconomics.com/jordan/government-spending> Values for 2013 and 2014 are rounded to the nearest 10 million and 100 million respectively.

⁴⁶ The Hashemite Kingdom of Jordan. Ministry of Planning and International Cooperation. Jordan Response Plan for the Syria Crisis: 2016-2018. 2017, 18-19. https://reliefweb.int/sites/reliefweb.int/files/resources/JRP16_18_Document-final-draft.pdf

in external trade. In late February 2019 — just prior to the publication of this report — *The Jordan Times* reported that national exports grew by 3.6 per cent in 2018 compared to 2017.⁴⁷

During the period between 2011 and 2017, external trade deteriorated significantly, with the deficit suffering a six-fold increase.⁴⁸ The Jaber-Nassib border crossing connects Jordan not only to Syria but also to Turkish, Lebanese, and European markets. Jordan imports about 98 per cent of its consumable items from abroad and before 2015, 70 per cent of Jordan’s imported food crossed through this border.⁴⁹ Over the three years in which it was closed, Jordan was forced to use alternative routes that took longer and were subject to less favourable tariff and customs arrangements. As of 31 October 2018, Jordan had still not begun exporting to Syria, although exports were expected to pick up in the near future because imports had resumed.⁵⁰ Prior to the war, Jordan’s imports from Syria tended to exceed exports to Syria, and both accounted for a relatively small share of overall trade. In 2010, exports to Syria represented just four per cent of overall exports, while imports from Syria represented just two per cent of total imports.

Figure 6: Jordan-Syria trade, 2010-2016



What the opening of the Jaber-Nassib border will mean for Jordanian commerce remains to be seen. As has been the case with the Iraqi Karameh border, reopening may not immediately bring an upswing in exports.⁵¹ Likewise, the effect that a large-scale Syrian refugee return will have on trade — imports and exports — is also unclear. Between 2010 and 2016, Jordan’s food imports

⁴⁷ *The Jordan Times*, ‘National exports record 3.6 per cent growth in 2018,’ 25 February 2019, <http://jordantimes.com/news/local/national-exports-record-36-growth-2018>

⁴⁸ The Hashemite Kingdom of Jordan. Ministry of Planning and International Cooperation. Jordan Response Plan for the Syria Crisis: 2016-2018. 2017, 14. Accessed 29 December, 2018.

[https://reliefweb.int/sites/reliefweb.int/files/resources/JRP16_18_Document-final draft.pdf](https://reliefweb.int/sites/reliefweb.int/files/resources/JRP16_18_Document-final%20draft.pdf)

⁴⁹ ‘Jordan - Agricultural Sectors.’ Jordan Country Commercial Guide. 17 December, 2018.

<https://www.export.gov/article?id=Jordan-Agricultural-Sectors>.

⁵⁰ Namrouqa, Hana. ‘Agriculture Exporters Not Benefitting from Opening Syria Border - Sector Leader.’ *Jordan Times*. October 31, 2018. Accessed 29 December, 2018. <http://jordantimes.com/news/local/agriculture-exporters-not-benefitting-opening-syria-border---sector-leader>.

⁵¹ Kayed, Maram, ‘Produce exports marked by ‘tense trade atmosphere’ since border openings with Syria, Iraq— Association,’ *The Jordan Times*, 24 February, 2019, <http://www.jordantimes.com/news/local/produce-exports-marked-tense-trade-atmosphere-border-openings-syria-iraq---association>

increased by 45 per cent.⁵² The extent to which this figure has been driven by the refugee crisis remains unexplored.

⁵² This figure is based on data from the World Bank's World Integrated Trade Solution, https://wits.worldbank.org/CountryProfile/en/Country/JOR/Year/2010/TradeFlow/Import/Partner/all/Product/16-24_FoodProd

5. Summary

The Syria Crisis in 2011 has had a massive impact on Jordan, testing the resilience of its host-culture and the adaptability of its economy. In some cases, the arrival of refugees has stimulated the Jordanian economy through new businesses and NGO activities that have impacted the broader society. Syrian labour has certainly helped to raise the quality and standards of many Jordanian-owned/Syrian-operated business establishments. In other cases, the influx of Syrian refugees has presented challenges for the host community, such as the rise in property rental prices.

Although the Syrian conflict is winding down and the Jaber-Nassib crossing has opened the path for Syrians to return home, it is possible that many Syrians may remain in Jordan for the long-term. Consequently, NGOs will continue to cater to them but at a reduced capacity. If food coupons and cash assistance are reduced for all but the most vulnerable, Syrian refugees may demand higher wages. However, more long-term issues such as property values and housing rents will likely only see significant changes when the conditions for a safe return develop in Syria.

6. Annex

Table 3: Key Informant Interviews, November-December 2018	
Higher population council	Amman
Economic and Social council	Amman
Center for Refugee and Economic Studies	Irbid
Ordon al ata'a	Irbid
Eksab Charity	Irbid
Tomorrow Center	Irbid
Zain Al Sharaf Association	Mafrq
Horizons of Development and Leadership	Mafrq
Al-Asayel for creativity and arts	Mafrq
Equality	Mafrq
Rafd Alma'arefa	Mafrq
Al-Yosr Charity Association	Mafrq
Shishaneyeye Charity	Zarqa
Athar association for development and training	Zarqa



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