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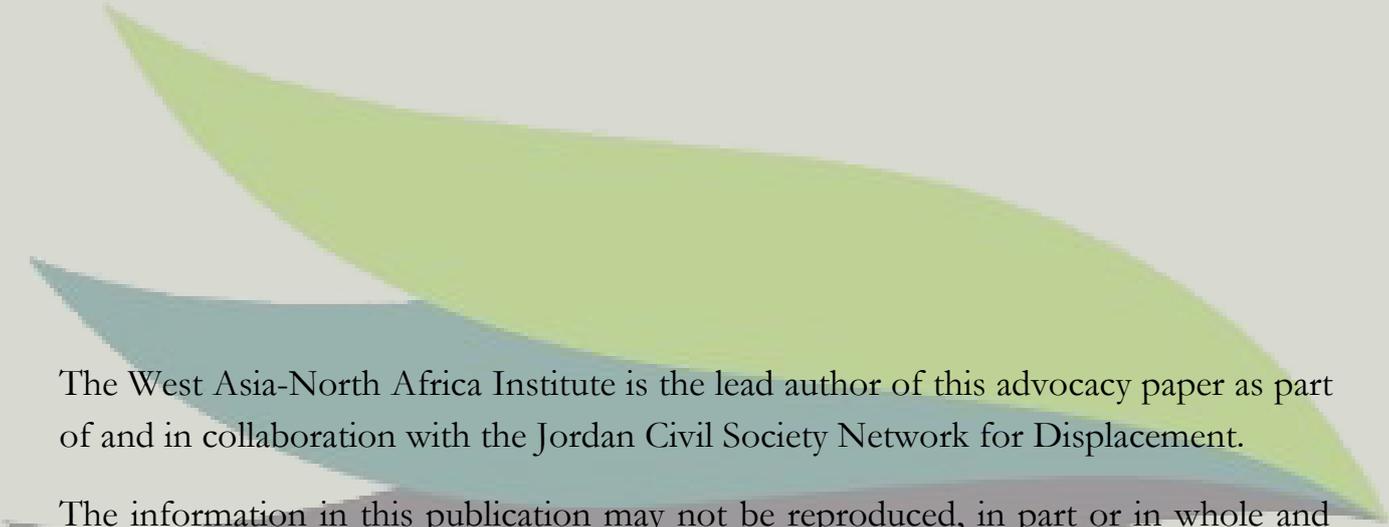


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Towards Dignified Inclusive Opportunities: Enhancing Self-Reliance and Access to the Formal Labour Market for Refugees and Host Communities



West Asia-North Africa Institute, November 2023



The West Asia-North Africa Institute is the lead author of this advocacy paper as part of and in collaboration with the Jordan Civil Society Network for Displacement.

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Table of Contents

| | |
|----------|--|
| 1 | <i>From Burden to Opportunity: Navigating Economic Inclusion for Refugees in Jordan ..1</i> |
| 2 | <i>Host Community and Refugees' Access to the Labour Market.....3</i> |
| 3 | <i>Conclusion and Recommendations.....4</i> |

The West Asia-North Africa Institute is the lead author of this advocacy paper as part of and in collaboration with the Jordan Civil Society Network for Displacement. The objective is to raise awareness of refugees' accessibility to the formal labour market in Jordan among governments and international stakeholders at the Global Refugee Forum. The paper addresses the need for reinforced coordination between different stakeholders in Jordan, and the broader international community in promoting economic inclusion that translates into inclusive self-reliance and work opportunities for refugees and asylum seekers of all nationalities.

The Jordan Civil Society Network for Displacement acknowledges that advocacy for refugees and host communities requires a collective approach, with joint coordination between local and international actors. This approach is in line with the Global Compact for Refugees' principle of international responsibility-sharing to advance the legal rights of refugees while also making it easier for them to access socio-economic opportunities.

1 From Burden to Opportunity: Navigating Economic Inclusion for Refugees in Jordan

Jordan has a rich history of offering refuge, and despite the challenges of a large influx, it has provided shelter, health and primary education to refugees during various eras of displacement in the region. As of May 2023, Jordan is home to 741,450 registered refugees and asylum seekers with the United Nations High Commissioner for Refugees (UNHCR), with 89.1 percent Syrian refugees and 10.9 percent Iraqi, Yemeni, Sudanese, Somalians and other refugees fleeing conflict and warfare.¹ UNHCR adheres to the “one-refugee approach”, which equates between all refugees regardless of nationality.² However, policy barriers in Jordan still hinder non-Syrian refugees' access to formal education and employment opportunities.³ This has dire consequences for many, leaving them no choice but to work in informal and unregulated sectors.⁴

The Jordan Compact, signed in 2016, was an innovative agreement between the Government of Jordan and the international community. The Compact provided a mechanism to promote the economic inclusion of Syrian refugees, particularly youth, into the labour market in Special Economic Zones (SEZs), Qualified Industrial Zones (QIZs), refugee camps, and certain sectors

¹ UNHCR, “Registered People of Concern Refugees and Asylum Seekers in Jordan (as of 31 March 2023) - Jordan,” *ReliefWeb*, 6 April 2023, <https://reliefweb.int/report/jordan/registered-people-concern-refugees-and-asylum-seekers-jordan-31-march-2023>.

² UNHCR, “Fact Sheet: Jordan 2020,” *United Nations High Commissioner for Refugees*, 15 September 2020, 3, https://reporting.unhcr.org/sites/default/files/UNHCR%20Jordan%20Fact%20Sheet%20-%20September%202020_1.pdf.

³ The Jordan INGO Forum, “Walk the Talk - Beyond Compact,” *The Jordan INGO Forum*, 10 January 2023, <https://reliefweb.int/report/jordan/walk-talk-beyond-compact>.

⁴ *Ibid*

(e.g., agriculture and construction).^{5 6} It recognised that the influx of Syrian refugees into Jordan had put an additional strain on the country and required additional support from the host communities and the country's economy, infrastructure, resources, and environment. Consequently, the Compact stipulated the issuance of 200,000 work permits to Syrian refugees in the areas mentioned above, allowing them to contribute to the Jordanian economy.⁷ This step constituted a starting point to change the narrative from a burden to an opportunity.

Building on these efforts, the Ministry of Labour updated the list of open occupations available for all non-Jordanian workers, exempted Syrian refugees from paying fees when applying for work permits, and waived sector-specific certification requirements; however, high-skill jobs remain inaccessible for refugees in Jordan in the majority of sectors.^{8 9} This treatment has not yet been extended to other refugees in Jordan, who still must pay the full work permit fee to formally join the labour market.

In November 2018, Jordan enabled Syrian refugees to register their home-based businesses in food processing, handicrafts, and tailoring.¹⁰ This step aligned with the affirmation of the international community in the Global Compact on Refugees during the United Nations General Assembly, which recognised countries' shared responsibility in addressing the global refugee crisis, focusing on building resilience and promoting self-reliance among refugees.¹¹

Shared responsibility towards refugees' economic inclusion will continue to contribute to the growth and development of the Jordanian economy and build a diverse and robust work culture in Jordan. However, this goal can only be accomplished if the international community continues

⁵ EU-Lex, "Joint Proposal for a COUNCIL DECISION on the Union position within the Association Council set up by the Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, of the one part, and the Hashemite Kingdom of Jordan, of the other part, with regard to the adoption of EU-Jordan Partnership Priorities and annexed Compact," *Access to European Union Law*, 2016, <https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX%3A52016JC0041>.

⁶ The definition of Special Economic Zones and Qualified Industrial Zones used in this paper is based on the following sources: (1) EU-Lex, "Joint Proposal for a COUNCIL DECISION on the Union position within the Association Council set up by the Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, of the one part, and the Hashemite Kingdom of Jordan, of the other part, with regard to the adoption of EU-Jordan Partnership Priorities and annexed Compact," *Access to European Union Law*, 2016, <https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX%3A52016JC0041>; and (2) de Bel-Air, Françoise, Dajani Consulting, and SEO Amsterdam Economics. "Jordan: Education, Labour Market, Migration - Seo." Commissioned by the Dutch Ministry of Foreign Affairs, April 9, 2019. https://www.seo.nl/wp-content/uploads/2019/01/Annex_B_Jordan.pdf.

⁷ Ibid.

⁸ In response to the ties work permits placed on a worker to a single employer, Syrian workers were given the option to obtain a non-employer specific (flexible) work permit in the agricultural sector for 13 JOD; Svein Erik Stave, Tewodros, Aragie Kebede and Maha Kattaa, "Impact of work permits on decent work for Syrians in Jordan," International Labour Organisation, September 2021, 22, https://www.ilo.org/wcmsp5/groups/public/---arabstates/---ro-beirut/documents/publication/wcms_820822.pdf.

⁹ Ministry of Labour, "Watheeqa tajmee'yah mu'adela lil qarar raqam (2020/58) wa al qararat-al laheqa thawat al-arqam (2021/19), (2021/20), (2021/21), (2021/22) (2021/26, (2021/35), (2021/55), (2021/6), (2021/68), (2021/84)" [A consolidated document incorporating amendments to Decision No. (2020/58) and subsequent decisions numbered (2021/19), (2021/20), (2021/21), (2021/22), (2021/26), (2021/35), (2021/55), (2021/63), (2021/68), (2021/84)], Ministry of Labour, https://mol.gov.jo/EBV4.0/Root_Storage/AR/EB_Info_Page/القرارات_اللاحقة_58_وثيقة_تجميعية_لقرار_58.pdf.

¹⁰ Government of Jordan, "A Cabinet Decision was issued to allow Syrians to register and operate Home-Based Businesses", *Ministry of Planning and International Cooperation*, <https://reliefweb.int/report/jordan/cabinet-decision-was-issued-allow-syrians-register-and-operate-home-based-businesses>.

¹¹ UN News, "UN Affirms 'Historic' Global Compact to Support World's Refugees | UN News," *United Nations*, 1 December 2018, <https://news.un.org/en/story/2018/12/1028791>.

to support Jordan to enhance the economic livelihood of vulnerable host communities, include refugees of all nationalities, and capitalise on the wealth of skills, expertise and knowledge they offer in all sectors.

2 Host Community and Refugees' Access to the Labour Market

Jordan's economy, infrastructure, and resources were profoundly impacted by the Syrian crisis in 2011, which coincided with the country's existing economic downturn that began in 2010,¹² followed by the devastating effects of the COVID-19 pandemic, which further impacted the Jordanian economy.^{13 14} The unemployment rate rose from 19 percent to 23.9 percent from the fourth quarter of 2019 to the third quarter of 2020 respectively.^{15 16} These factors, along with legal constraints, have contributed to the limited inclusion of Syrian refugees into Jordan's formal labour market effectively.

To exacerbate the plight of refugees within a competitive job market, highly skilled Syrian refugees face significant barriers to accessing the labour market due to the restrictive policies to work in high-skilled jobs, further restricting their livelihood to low-skilled jobs.¹⁷ The case for non-Syrian refugees is more complicated, and they face additional bureaucratic hurdles in accessing work opportunities.^{18 19}

This reality creates a complex and devastating labour landscape for Jordanians and refugees and necessitates action to address the needs of all affected communities. According to UNHCR and the European Civil Protection and Humanitarian Aid Operations (ECHO), humanitarian aid accounts for at least 45 percent of the total income of Syrian refugees living in host communities, and 83 percent live below the poverty line as of May 2022.^{20 21} To foster economic growth, the job

¹² Ragui Assaad, "How has Jordan been affected by the Syrian Refugee Influx,"

¹³ Dr Salem Ajlouni and Dorsey Lockhart, "The Syrian Refugee Crisis and Its Impact on the Jordanian Labour Market," The WANA Institute, 31 March 2019,

https://wanainstitute.org/sites/default/files/publications/Publication_SyrianRefugeeCrisisImpactJordanianEconomy_English.pdf.

¹⁴ "The World Bank in Jordan", World Bank, <https://www.worldbank.org/en/country/jordan/overview>

¹⁵ 19.0% the unemployment rate during the fourth quarter of 2019 - DOS. Department of Statistics. (2020, March 9).

http://dos.gov.jo/dos_home_e/main/archive/Unemp/2020/Emp_Q4_2019.pdf.

¹⁶ "23.9% Unemployment Rate during the Third Quarter of 2020." Department of Statistics, December 2, 2020.

http://dos.gov.jo/dos_home_e/main/archive/Unemp/2020/EU-Q3.pdf.

¹⁷ Durable Solutions Platform and Program on Forced Migration and Health, Columbia University Mailman School of Public Health, "In My Own Hands": A Medium-Term Approach towards Self-Reliance and Resilience of Syrian refugees and Host Communities in Jordan, January 2020, <https://reliefweb.int/report/jordan/my-own-hands-medium-term-approach-towards-self-reliance-and-resilience-syrian-refugees>.

¹⁸ UNHCR, "UNHCR Jordan Statement, UNHCR, 31 March 2021, <https://www.unhcr.org/jo/14729-بيان-صادر-عن-المفوضية-14729-بيان-صادر-عن-المفوضية-14729.html>.

¹⁹ It is important to that, despite their lack of official registration with the UNHCR, unregistered or previously registered refugees are still refugees in every sense of the word. They have fled their homes due to conflict, persecution or other forms of violence and they continue to face significant barriers to accessing social protection. The fact that they are not recognised as refugees by the government only adds to the complexity and urgency of the situation.

²⁰ European Civil Protection and Humanitarian Aid Operations, "ECHO Factsheet - Jordan (10/05/2022)", *Reliefweb*, 10 May 2021, <https://reliefweb.int/report/jordan/echo-factsheet-jordan-10052022>.

²¹ UNHCR, "UNHCR Socio-economic situation of refugees in Jordan Q4 2022," *UNHCR*, 26 February 2023, <https://data.unhcr.org/en/documents/download/99133>.

market needs to be diversified, particularly within the private sector. This can be achieved by capitalising on the transferable unique talents and skills of refugees. Encouraging Foreign Direct Investment (FDI) in the private sector can be an effective strategy to achieve this goal. It creates more opportunities that enable refugees and Jordanians to participate in the workforce, potentially leading to mutually beneficial outcomes for all stakeholders involved and improving Jordan's Gross Domestic Product (GDP).²²

3 Conclusion and Recommendations

There is a crucial need to strengthen refugees' access to socio-economic opportunities to become more self-reliant. Access to the formal labour market promotes dignity and stability for refugees and the host community and promotes social cohesion.²³ When Syrian refugees are allowed to support themselves in compliance with Jordanian labour laws, the established alternative outcomes of increased impoverishment, social and political instability, and resulting adverse coping mechanisms (i.e. increased child labour, early child marriage, begging, exploitation, criminality, extremism, and radicalisation) are mitigated.²⁴ The host community further benefits from their expertise, contribution to the domestic production of goods and services, and investment into and diversification of the Jordanian economy.²⁵

What is necessary now is the active facilitation of access to a broader range of decent job opportunities within the formal labour market. Such an approach can create a pathway for refugees to acquire skills through training and employment, which could contribute to economic growth in Jordan. Additionally, these skills could be instrumental in supporting refugees and their countries of origin when voluntary, safe, and dignified repatriation occurs or could lead to complementary employment pathways in third countries.^{26 27}

Achieving local cohesion and strengthening refugees' and host communities' access to the labour market requires taking significant measures from the Government of Jordan, international donors, and civil society organisations.

1. **Facilitate job opportunities for skilled refugees by partnering with private sector organisations and academic institutions on implementing projects that can help achieve economic growth.** The government of Jordan is encouraged to streamline the process for issuing work permits, eliminating any associated fines, and facilitating

²² Jordan INGO Forum, "Jordan INGO Forum Briefing: How to ensure the inclusion of Women, Youth and Refugees?", Jordan, <https://data2.unhcr.org/en/documents/details/68038>.

²³ International Labour Organization, "Employment and decent work in refugee and other forced displacement contexts: Compendium of ILO's lessons learned, emerging good practices and policy guidance," *ILO*, 2020, https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---migrant/documents/publication/wcms_763174.pdf.

²⁶ "Finding a Future - Enhancing Sustainable Livelihoods for Syrian Refugees in Jordan: Perspectives and Policies for Jordan's Resilience, Stability and Development." International Labour Organization, May 13, 2016. https://www.ilo.org/beirut/areasofwork/employment-policy/syrian-refugee-crisis/jordan/WCMS_480915/lang--en/index.htm.

²⁵ Ibid.

²⁶ Ibid.

²⁷ UNHCR, "Complementary Pathways for Admission to Third Countries," <https://www.unhcr.org/what-we-do/build-better-futures/long-term-solutions/complementary-pathways-admission-third-1>.

professional accreditation to make it easier for skilled experts to find work considering the current legal atmosphere. This will help improve the economy by increasing Jordan's tax revenue, social security contributions and disposable income. For example, this could include creating a quota to recruit refugee professors. The professionalism and expertise refugees could bring to the labour market can enhance knowledge production, and the value of the working culture should be recognised.²⁸ This was evident during post-COVID-19 when refugee doctors were able to support the Jordanian Ministry of Health to fill in shortages of medical staff through UN Volunteers in 2021.²⁹ International donors can invest in strategies that plan to boost Jordan's economic growth and, therefore, facilitate access to additional job opportunities, including investment in transportation and infrastructure.³⁰

2. **Recognise the Ministry of Interior Identification Card³¹ as sufficient identification for opening bank accounts in Jordan and expanding the access of mobile wallets to other refugees.** Currently, only registered Syrian refugees can access mobile wallets, and opening bank accounts is limited to those who can provide their passports.³² Allowing refugees to open bank accounts would aid in achieving financial inclusion for refugees, enabling them to apply for loans and facilitate investment and business creation, which could lead to more jobs for Jordanian and Syrian youth.

3. **Develop policies that encourage the creation of a positive competitive market with meaningful input from refugees** by providing support and incentives for establishing Small and Medium Enterprises (SMEs), particularly those led by refugees. SMEs constitute around 98 percent of businesses and more than 60 percent of employment in Jordan.³³ This can be done by:
 - a. **Allowing and simplifying the legal registration process in compliance with the necessary legal amendments for business and non-profit organisations led by refugees.** By doing so, refugees can transfer their artisanal skills, such as soap-making, woodwork, or any other craft or trade, to Jordanian youth by fostering a more inclusive and collaborative economic environment across

²⁸ For further reading on the transformation of negative refugee constructs and the valuable contribution of refugee academics to host institutions and society with support and opportunities, see Tejendra Pherali, "My life as a second-class human being': Experiences of a refugee academic," *Education and Conflict Review*, 2020, 3, 87–96, https://discovery.ucl.ac.uk/id/eprint/10108656/1/Article11_Pherali.pdf.

²⁹ UN Volunteers, "Refugee UN Volunteer Medics join Jordanian COVID-19 Response", *UN Volunteers*, 17 September 2021, <https://www.unv.org/news/refugee-un-volunteer-medics-join-jordanian-covid-19-response>.

³⁰ Durable Solutions Platform and Program on Forced Migration and Health, Columbia University Mailman School of Public Health, "In My Own Hands": A Medium-Term Approach towards Self-Reliance and Resilience of Syrian refugees and Host Communities in Jordan, January 2020, <https://reliefweb.int/report/jordan/my-own-hands-medium-term-approach-towards-self-reliance-and-resilience-syrian-refugees>.

³¹ Also referred to as MOI Service Card

³² Clara Decamps and Shea McClanahan, "Legislative and Policy Coherence on the Extension of Social Security Coverage in Jordan", *International Labour Organisation*, 27 November 2022, <https://reliefweb.int/report/jordan/legislative-and-policy-coherence-extension-social-security-coverage-jordan>.

³³ Jordan Economic Forum, "Up and Running," *Jordan Economic Forum*, <https://www.jordaneconomicforum.com/up-and-running/>.

Jordan.³⁴ ³⁵ ³⁶ To achieve this, The Government of Jordan is encouraged to streamline the registration process, making it easier for refugees to establish themselves and contribute to society. This will create an environment that promotes economic growth and stability while providing much-needed employment opportunities for refugees and the host community. International donors should support the Government of Jordan by investing in and improving access to legal support services.³⁷

- b. **Amend the Instructions for issuing Investment Cards (category B) for Syrian refugees.**³⁸ This could be achieved by reducing the capital registration requirement currently set at JD 50,000 for Syrian refugees per shareholder aged 30 or below to a suggested JD 5000 and reducing the number of required work vacancies for Jordanians from eight to a reasonable percentage of the entity's workforce to enhance investment among the young refugee population. This would protect refugees from entering into "joint ventures" with a Jordanian sponsor without legal or financial protection and enhance their access to more inclusive self-reliance opportunities.³⁹
- c. **Provide formal access to financing for SMEs led by refugees.** The Government of Jordan and the international donors can work together to establish and sustain dedicated funds that provide grants and financial support to their enterprises or establish partnerships with banks to offer financial solutions that do not risk debt.
- d. **Offer vocational training and paid mentorship programmes to help Jordanians and refugees acquire the skills and knowledge to establish and operate successful SMEs.** Civil society organisations and international donors can establish and support programmes tailored to the needs and interests of refugees and the host community. They may include instruction on business planning, marketing, financial management, entrepreneurship, digital skills, e-commerce training, and conducting feasibility studies.⁴⁰ The Government of

³⁴ Rawa'a Moumar, "The Story of A Soap," *The WANA Institute*, 4 July 2021, http://wanainstitute.org/sites/default/files/publications/Policy%20brief%20Refugee%20Entrepreneur%20-%20WANA_0.pdf.

³⁵ Dorsey Lockhart, "Executive Summary: The Syrian Refugee Crisis in Jordan and Its Impact on the Jordanian Economy," *The WANA Institute*, 31 March 2019, 6, http://wanainstitute.org/sites/default/files/publications/Publication_Executive%20Summary_English.pdf.

³⁶ Haya Al Dajani et al. "Policy Brief: Syrian Refugees Artisans and Cultural Entrepreneurship in Jordan," *Information and Research Center - King Hussein Foundation (IRCKHF) and University of Plymouth*, 2018, https://haqqi.info/check_1.php?t=research_paper&f=Artisans_Policypaper_English.

³⁷ Durable Solutions Platform and Program on Forced Migration and Health, Columbia University Mailman School of Public Health, "In My Own Hands": A Medium-Term Approach towards Self-Reliance and Resilience of Syrian refugees and Host Communities in Jordan, January 2020, <https://reliefweb.int/report/jordan/my-own-hands-medium-term-approach-towards-self-reliance-and-resilience-syrian-refugees>.

³⁷ Also referred to as MOI Service Card

³⁸ Instructions Number (4) of 2023: "The Instructions for Granting the Investor's Card for All Categories (A, B, C)."

³⁹ Marah Jamous, From Refugee to Restaurateur: A Syrian Entrepreneur's Route to Success in Jordan," *FEMISE*, 26 August 2021, http://wanainstitute.org/sites/default/files/publications/Policy-Brief-N2_refugee2entrepreneur_final.pdf.

⁴⁰ The article shares the story of Mona Al Shbeeb's story of how UNHCR's cash assistance and training sessions on using mobile wallets and starting small businesses helped her create a successful food-selling business, highlighting the impact of such assistance on vulnerable refugee families in Jordan and their potential to become self-reliant and contribute to their

Jordan, international donors and humanitarian actors can support Local Community Centres to offer learning and paid training services that match the context and nuances of local communities' needs.

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