

Thinking Long-term about Syrian Refugees in Jordan, Lebanon and Turkey

Assessing the Economic Impact of Syrian Refugees and Planning for the Future

WORLD REFUGEE & MIGRATION COUNCIL
RESEARCH SUMMARY REPORT

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Acknowledgements

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In 2019, the World Refugee & Migration Council (WRMC) released a [*Call to Action: Transforming the Global Refugee System*](#), suggesting concrete ways to transform the increasingly-dysfunctional international refugee system.¹ In particular, the report recognized the inadequacy of current responsibility-sharing measures and urged the mobilization of non-traditional support for countries hosting large numbers of refugees, including through trade and international financial institutions. Since then, of course, the COVID-19 pandemic has caused unprecedented economic hardship for the hosting countries, as detailed in [research](#) carried out in 2020 on the impact of COVID-19 on Syrian refugees in Jordan.

With the support of Canada's International Development Research Centre (IDRC), the WRMC commissioned research in Jordan, Lebanon and Turkey to assess alternative solutions for Syrian refugees in the medium to long-term and the three governments hosting the largest numbers of Syrian refugees. The central research questions for the study were:

- ▶ How can the governments of Jordan, Lebanon and Turkey be supported to continue hosting Syrian refugees? What additional means – beyond humanitarian support – can be mobilized in light of growing economic and social pressures on host governments?
- ▶ How will the effects of COVID-19 – on refugees, host governments and communities, and conditions in Syria – shape long-term prospects for Syrian refugees in the region?
- ▶ What are the realistic alternatives for Syrian refugees and the governments that host them in the medium- to long-term?

These three refugee-hosting countries, all considered upper middle-income countries by the World Bank, each have their own particular political and economic context and, like all countries in the world, have suffered economically as a result of COVID-19 and the measures implemented to contain its spread. The pandemic has revealed growing governance problems in Turkey, reflected in an increasingly deteriorating economy, that are complicating the incorporation of Syrian refugees into the Turkish economy and society. While politically, Jordan is a kingdom with a functioning democracy that has also suffered economically as a result of COVID-19, Lebanon's instability and high levels of corruption make it particularly fragile, resulting in the nation's increasing characterization as a failed state. As a result, Lebanon has been the hardest hit of the three: reeling from compounded crises of economic freefall with a drop in per capita GDP of 40 percent over the course of a year, devaluation of its currency, political instability, and a devastating explosion in August 2020. Turkey, too, has experienced economic decline, with its per capita GDP plummeting from a peak of almost

¹ The World Refugee & Migration Council was known as the World Refugee Council (WRC) prior to 2020.

US\$13,000 in 2013 to a little above US\$8,600 in 2019 and inflation rates soaring to over 15 percent in 2021.

All three governments began receiving Syrian refugees shortly after the insurrection began in March 2011 and, in all three countries, initial policies of welcome and hospitality gave way to closed borders (with occasional exceptions for urgent medical cases and others). While Jordan and Turkey were quick to open camps for arriving Syrian refugees, Lebanon implemented a 'no-camp policy' from the beginning. Presently the vast majority of the refugees in all three countries live outside of camps, most often on the margins of large urban areas.

Although Turkey has ratified the 1951 Refugee Convention, it maintains the geographical restriction and does not consider Syrians to be refugees; rather it has offered them temporary protection. Neither Jordan nor Lebanon has ratified the 1951 Refugee Convention and both countries consider the refugees to be temporary 'guests.' In fact, in Lebanon, only 20 percent of Syrian refugees have legal status. In all three countries, there is a significant gap between the number of registered refugees and the total number of Syrians in the country. Turkey estimates that in addition to the 3.7 million registered Syrian refugees in the country, there are an additional 320,000 non-Syrian refugees and over one million irregular migrants. In both Jordan and Lebanon, the number of registered refugees is about half the estimated total number of refugees in the country.

In all three countries, only a small minority of Syrian refugees have been able to obtain work permits enabling employment in the formal sector. The vast majority of refugees work in the informal sector, with the precarity and vulnerability associated with informal work. In all three countries, certain occupations are off-limits to Syrian refugees and in Lebanon and Jordan, in particular, refugees largely survive on international assistance. In Turkey, all registered Syrian and other refugees enjoy full access to health and educational services. All three countries have received substantial international assistance: in Lebanon and Jordan primarily through UN consolidated appeals, in Turkey primarily through the European Union, as a result of the 2016 EU-Turkey Statement.

Syrian refugees have been in these three countries for ten years, with the majority arriving before 2015. In all three countries, initial public reactions of sympathy and hospitality have eroded, with growing numbers of nationals expressing resentment at the continued presence of refugees. The refugees have been scapegoated and blamed for rising unemployment and other national economic problems in each country. However, the three studies in this report

all found that in none of the countries have refugees had a major negative effect on the national economies, whether measured by unemployment, wages or economic growth.

In all three countries, host governments have insisted from the outset that the presence of Syrian refugees is a temporary phenomenon and that, sooner or later, they will return home. And yet, the steady consolidation of power by the Assad regime in Syria, the internal displacement of almost 7 million Syrians within the country, and continued policies of terror and coercion, make it unlikely that most of the Syrian refugees will return in the foreseeable future – in spite of increasing pressures from the refugee-hosting countries. Nor is it likely that many Syrian refugees will be resettled to third countries. The reality is that the vast majority of Syrian refugees are likely to remain where they are now. While politically it may be difficult for the host governments to acknowledge this, they would be better served by developing policies that enable the refugees to integrate into national life, including the labor force.

All three research papers commissioned for this project suggest ways that this can be accomplished: ways the Syrian refugees can be more effectively integrated into national economic life and that the international community can increase its support for refugee-hosting governments, including through use of trade and debt policy. But the primary need is for a change in the narrative – to move from seeing refugees as a burden to host countries to seeing them as human capital to be used in meeting the development priorities of the host countries.

Over half of Syria's pre-war population has been displaced: almost 7 million within the country and 6.7 million living as refugees in neighboring countries. None of the refugee-hosting countries are responsible for the conflict in Syria and yet, by reason of geography, they have been expected by the international community to assume the responsibility to protect and assist the millions who have sought safety within their borders – now, for over ten years. The international refugee system was created 70 years ago on the understanding that responding to refugees was a shared responsibility. It is way past time for the international community to consider additional measures to support front-line governments hosting refugees – particularly in light of the reality that their presence is not a temporary phenomenon.

The full reports for Jordan, Lebanon and Turkey, along with translations of this document in Arabic and Turkish, are available at wormcouncil.org/SyrianRefugees. The short summaries of the research papers which follow are intended to spark your interest in learning more.

► **Jordan**

[*In Moving beyond Humanitarian Assistance: Supporting Jordan as a Refugee-hosting Country*](#), economists Rasha Istaiteyeh, Belal Fallah and Yusuf Mansur analyze the impact of Syrian refugees on Jordan's economy and suggest ways that the international community could provide more support for the Jordanian government beyond traditional humanitarian assistance. Jordan now hosts an estimated 1.3 million Syrian refugees, most of whom are not formally registered and only about 125,000 of whom live in camps. The refugees, mostly coming from rural areas in Syria, work primarily in the informal sector. While there are possibilities for Syrian refugees to obtain work permits, including under the provisions of the Jordan Compact, relatively few Syrian refugees (170,000 in 2019) have done so, due to high bureaucratic costs. Syrian women refugees have found it particularly difficult to obtain work permits, with only 8,000 issued as of January 2020. The unemployment rate for Syrian refugees is 32%, with refugee women experiencing 45% unemployment. Before COVID-19, overall unemployment rates in Jordan were around 18.5 percent.

Syrian refugees tend to be poorer than their Jordanian counterparts; in 2019, the poverty rate of Syrian refugees was 78 percent; 90 percent depend on institutional transfers (aid), and two-thirds of refugees were in debt. While 125,000 Syrian refugees were enrolled in Jordanian schools, 40,000 were not and drop-out rates are high (26 percent for those aged 5-17 years). As Jordan is not a signatory to the 1951 Refugee Convention, Syrians are not legally recognized as refugees although they can register with UNHCR and obtain a Ministry of Interior identity card that serves as a residency permit and enables them access to health care.

Refugees have been blamed for poor economic performance in the country, but this research shows that the refugees were not the root cause of the problems. While Jordan has experienced rising unemployment, this trend began before the arrival of Syrian refugees and the researchers found no negative effects of Syrian refugees on the labor market in terms of wages, hours worked, or unemployment rates. At the same time, the Jordanian government has incurred substantial costs in providing services to Syrian refugees – costs that have been at least partially offset by substantial aid from the international community. Indeed, 47 percent of the international aid from 2012–2019 was for the refugees. In the three years before the arrival of refugees, international assistance accounted for only 13 percent of government expenditures; in the 2013–2019 period, it constituted 30 percent. If international aid were to end, the government would face substantial financial hardship.

As discussed in a previous WRMC [report](#), COVID-19 and measures taken to control the spread of the virus have had a significant negative effect on Jordan's economy. GDP has declined, overall unemployment has increased (from 18.5 percent in 2019 to 24.7 percent at the end of 2020), and poverty rates have increased. However, the authors note that the poverty rates of Jordanians increased even more than for Syrian refugees, reflecting the fact that refugees continued to receive international assistance.

The researchers considered alternative long-term scenarios for the Syrian refugees in Jordan, concluding that it is unlikely that most refugees will return to Syria in the foreseeable future, given the ongoing conflict in parts of the country and the repressive regime, as well as forced conscription and widespread extortion. Resettlement to third countries, even if the US begins again to resettle large numbers of refugees, is unlikely to provide a solution for very many of the refugees. The reality is that most Syrian refugees will remain in Jordan for the medium- and long-term. Although public opinion polls show sympathy for the refugees, substantial majorities think that there are too many refugees in the country.

There are possible ways to improve the current situation. For example, refugee camps could be turned into Special Economic Zones, refugees could be supported to develop more microenterprises, and measures could be taken to improve the lengthy process of certifying educational achievements of Syrian refugees.

The researchers supported the WRMC's call upon the World Trade Organization (WTO) Ministerial Conference to waive Jordan's obligations under Article IX of the Enabling Clause for developing countries to allow trade concessions for refugee/migrant host countries. Furthermore, the Jordanian government should also support the WRMC's call on individual WTO members to seek relief on duties, within the scope of the existing Generalized System of Preferences, including appropriate qualifying criteria, to support refugee-hosting countries. This would be similar to the treatment regarding the rules of origin qualification that Jordan received from the European Union in the Jordan Compact and would open global markets to Jordanian exports. Finally, given the current debt level of the country, Jordan should support the WRMC's recommendation to call on the IMF to develop a facility that provides longer-term loans with highly concessional terms for countries hosting large numbers of refugees. Jordanian Ministries of Finance and Planning and International Cooperation, together with the Jordan Central Bank (the three principal negotiators with the IMF), could then negotiate long-term loans with the IMF to receive the required relief at preferential rates.

► Lebanon

In [*The Economic Impact of the Syrian Refugee Crisis in Lebanon: What It Means for Current Policies*](#), authors Catherine Brun, Ali Fakih, Maha Shayb, and Mohammad Hammoud, from the Centre for Lebanese Studies, provide an overview of the impact of the refugee crisis and policies on Lebanon's economic situation and propose alternative solutions that could support refugees and host communities in the context of an acute governance crisis. Combining a macroeconomic analysis, illustrating the chronological impact of hosting the world's highest number of refugees per capita on various aspects of the Lebanese economy, a policy analysis on the political discourse surrounding this topic, and consultations with key experts and policy influencers, the authors illustrate the state of the post-civil war Lebanese economy, followed by the impact of the arrival of Syrian refugees on an already economically- and politically-contested country reeling from the continued effects of a global pandemic.

Host to an estimated 1.5 million Syrian refugees, Lebanon has adopted several exclusionary policies in the last decade in resistance to fully integrating Syrian arrivals, including lack of access to quality education, housing, formal employment, or legal status. With recent reports demonstrating sharp increases in extreme poverty among both Lebanese and refugee populations, the authors argue that these policies have had negative economic outcomes for both communities. They argue that blaming refugees for Lebanon's chronic economic crisis has done more harm than good – straining relationships between the Syrian and Lebanese communities at the local level, placing refugee populations in Lebanon at increased risk and in need of protection, and resulting in an overreliance on support from international aid groups to the Lebanese economy.

By providing an overview of the economic indicators between 1990–2010, the authors demonstrate that the Lebanese economy was in a poor state even before the arrival of Syrian refugees to Lebanon, and that corruption and mismanagement of public resources in many sectors, such as electricity, were the primary reason for the failures of the economic system in Lebanon. Through a comprehensive macroeconomic analysis, the authors conclude that the arrival of Syrian refugees did not add pressure on the Lebanese economy, raise unemployment rates, or reduce labour market opportunities, as claimed by policymakers in Lebanon. Rather, these populations have contributed to economic growth throughout the country, particularly due to continued funding from international aid groups, which helped delay an impending economic collapse in Lebanon.

The authors provide a series of recommendations, including advising the international community, and particularly aid groups, in setting conditions on aid for those most vulnerable

in order to shift the lens and discourse regarding refugees from a deficit to an asset. They emphasize to Lebanese policymakers the importance of acknowledging the role of Syrian refugees in the Lebanese economy, as well as targeting local-level initiatives when integrating refugees into various work sectors, including agricultural and industrial sectors in rural parts of the country. They also encourage the inclusion and participation of both host communities and Syrian refugees in order to improve social cohesion and create new avenues for development. Lastly, the authors emphasize the need to apply a human-centered, sustainable development approach, including strengthening economic prospects both for refugees in Lebanon as well as for the Lebanese population, and moving away from more securitized or exclusionary policies and rhetoric employed by the Lebanese government and the media. In the current context of an economic crisis in Lebanon, the authors demonstrate the imperative to change existing policies to address and mitigate poverty among both Syrian refugees and members of the Lebanese host community.

► **Turkey**

In [*Improving Syrian Refugee Inclusion in the Turkish Economy: How can the International Community Help?*](#), authors Murat Erdoğan, Kemal Kirişçi and Gokce Uysal of the Research Centre on Asylum and Migration (IGAM Academy) provide a comprehensive overview of the economic impact of the arrival of over 3.7 million Syrian refugees – which led to Turkey’s unprecedented role as the host to the largest refugee population in the world – on the local economy. Using primary and secondary data sources, including recent data from Turkish institutions and interviews with government officials and representatives of civil society, the reports starts with a brief overview of the current state of Syrian refugees in Turkey and the macroeconomic environment of the Turkish economy in which they find themselves. The second section surveys government policies towards refugees with respect to their legal status, access to public services and the labor market, and then discusses the evolution of public opinion toward refugees and the impact that refugees have had on the Turkish economy. The third section analyzes the impact of international assistance programs on the Turkish government’s ability and willingness to support refugees with particular attention to expanding their social and economic inclusion. The final section assesses the long-term prospects for Syrian refugees in Turkey and offers policy recommendations for Turkey to improve the integration of refugees as well as the international community for continued support of Turkey’s role in hosting the refugees.

Within the last decade, Turkey has hosted more than 5 million Syrians as well as other refugee and irregular migrant populations – more than 5 percent of Turkey’s total population. The authors noted that the refugee population that came to Turkey over a very short time is very high (proportionally higher than the number of migrants arriving in Europe in 2015-16) and placed significant strain on the provision of public services and on local labor markets. Since 2013, Turkey has experienced a significant drop in per capita GDP – from almost US\$13,000 to a little above US\$8,600 in 2019. Unemployment rates reached a high of 13.7 percent in 2019. Macroeconomic imbalances have widened, leading to reoccurring credit expansions and a rise in inflation rates within the last decade.

While the volatile nature of Turkey’s highly informal economy has been longstanding, the COVID-19 pandemic created additional barriers for both refugees and the local population in accessing the formal job market and has further intensified the gap between the formal and informal workforce. As such, the authors suggest the implementation of new policies using an economic development approach to address the underlying conditions that give rise to informality and explore ways in which labor markets can be restructured to minimize informal employment for refugees and host communities alike. They also advocate for improving the

access to sustainable livelihoods for refugees by emphasizing a possible role for the international community in helping to create demand for refugee labor in Turkey. This could benefit the host community as well, while also mitigating potential pushback from the Turkish public regarding the long-term integration of Syrian refugees.

Turkey's reactive shift from temporary protection offered to Syrians following the onset of the Syrian conflict in 2011, to the open-door policy implemented in 2012, ultimately led to the unprecedented arrival of Syrian refugees into Turkey without a specific plan of how to distribute new arrivals or the systems required to enable refugees to access livelihoods. In 2016, a policy was put in place to allow Syrians under temporary protection access work in the formal economy conditional on employee sponsorship. Acknowledging the self-sufficiency and self-reliance of the Syrian population, and their quick ability to integrate into the Turkish system, the authors recognize and highlight the need to shift from humanitarian to more development-focused assistance. The authors also recommend the establishment of a qualified industrial zone near the Syrian border with access to EU markets, as well as the creation of sustainable formal employment opportunities for Syrians in the field of agriculture. They also use report findings to substantiate the lowering of taxes on labor in order to facilitate transition to formal jobs for all workers, including both refugees and host community members, with support from the international community. Lastly, recommendations targeting the Turkish government range from policies that could help improve the mobility of refugee employees and entrepreneurs to developing a path for local integration through a pathway toward citizenship. These recommendations are based on the reality that the likelihood of refugees returning to their former homes in Syria, after a decade-long displacement, is dim.

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The World Refugee & Migration Council offers bold thinking on how the international community can respond to refugees through cooperation and responsibility sharing.

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