



The Syrian Refugees in Jordan:

Turning Challenges into Opportunities



Jordan Independent Economy Watch



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Introduction

International efforts are united to achieve global peace. However, the widespread conflicts that originate due to a variety of reasons pose an obstacle in the path of achieving peace. Such conflicts also result in many community imbalances that require a need to increase efforts to mend these imbalances in the struggle to achieve global peace.

Amidst the intensifying conflicts, the most inhumanly and negatively affected category that is of refugees arises. A refugee, according to the United Nation's definition, is "someone who owing to a well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion, is outside the country of his nationality, and is unable to, or owing to such fear, is unwilling to avail himself of the protection of that country".

This United Nations definition defines a refugee as a description of his or her situation as a result of the conflict but it doesn't include the fact that this person possesses a repertoire of knowledge or skills that enables him or her to live in the host country as a productive person who can provide an added value to his self, family, or hosting community.

The United Nations Convention relating to the Status of Refugees includes a list of rights for the refugees that should be maintained in the hosting areas. These rights are intended to be equal to those of foreign nationals residing in the hosting country. Despite the fact that the convention urges international cooperation towards addressing refugees issues, the donor countries faced many challenges in the last few years such as the international financial crisis that lead to weakening the performance of the international community and its ability to offer financial contributions and support to those countries undergoing conflicts and transitional stages such as those that were witnessed in the Arabic world recently.

Among such conflicts, the Syrian crisis surfaces. The crisis has lasted for more than three years and has resulted in the displacement of enormous numbers within the Syrian Arab Republic and sent over three and half million¹ Syrians as refugees to neighboring countries. The situation is not very bright either when it comes to the circumstances that surround the countries of the region. The Arab Republic of Egypt has been witnessing a transitional stage that is equally difficult on the levels of politics, economics and security. Lebanon witnesses a state of political and security disarray. Moreover, Jordan strives to revive its economy that has witnessed a decline in growth rates that averaged below 3% in 2013 and has recorded a public debt to GDP ratio of 87.75 in 2014². The situation in Jordan lead to constant burden over the government to face the

¹ Electronic Database . Regional response to the Syrian refugees
<http://data.unhcr.org/syrianrefugees/regional.php>

² Ministry of Finance <http://www.mof.gov.jo/en-us/mainpage.aspx>



situation in which public discontent is increasing due to the taxation policies that weigh heavily on its citizens. The level of tax burden on the Jordanian citizen has reached 30% without the addition of the burden of other fees.

There is no doubt that hosting refugees stems from a humanitarian commitment that surpasses any challenges. Jordan has historically proven to be committed to this by hosting refugees from various countries such as hosting the Palestinian refugees throughout the Arab-Israeli conflict, hosting Iraqi refugees, and lately the influx of Syrian refugees since the beginning of the Syrian crisis. This is a respectful commitment from Jordan especially if we consider the situation that the Jordanian economy faces that includes lack of resources and an income that relies mostly on tax revenues that provide 71% of the total revenues in 2013.

It is well established that an influx of refugees results in population growth. This unnatural growth results in a supply-demand imbalance as well as pressure on the infrastructure of the hosting country. Being refugees, most of them has lost a major portion of what they had gained in their mother country. It is vital to view their gains that they hold such as their educational and practical experiences as opportunities for integrating them in their hosting communities without negatively affecting them or the communities. It is also important to exploit what the refugees and the hosting Jordanians have in common since many of these refugees come from bordering areas whose residents share many socio-cultural values and traditions with their neighboring Jordanians while at the same it is important to stress their differences.

A Cascade of Crises

Since 2008, the global economy entered into a state of confusion and panic as a result of the global financial crisis that overshadowed most countries including the major ones. Global economic growth was hindered when the global growth rate fell below 3.1%. The influence of the crisis varied from one country to another depending on the nature and characteristics of countries. Developing countries were the most affected because of a low demand on their products which resulted in increasing levels of unemployment and poverty.

There is no doubt that Jordan is more vulnerable to be affected by global crises since its economy can be described as small and open due to the consecutive economic policies that have been followed since the early 2000's which lead to strengthening its ties with the global economy. This strong tie and the vulnerability that followed is better seen when attention is paid to the fact that the economy relies on two sources to cover expenditure which are taxation revenues and the significantly decreasing foreign grants. This instability in grants lead to weakening the financial planning in the consecutive governments and their resort to internal and external debt which resulted in increasing the levels of public debt to record levels that threaten the national economy and pose more challenges in the path of achieving comprehensive and sustainable development.



The global crisis burdened the national economy and placed it under enormous pressure that led to an increase in the levels of inflation to 7.2% in 2012³. This was accompanied by a continuing energy crisis since the global increase of oil prices and the increase in its regional cost following the American invasion of Iraq which led to Jordan's loss of a low cost oil source. That led in 2004 to preparing an energy strategy that aimed at increasing the energy bill of Jordan that continues to consume 18.7% of the Gross Domestic Product until the first eight months of 2014⁴. Despite that, Jordan has continued to import 97% of its total energy with a decrease in the ratios of locally produced energy within the last decade⁵. Also, due to internal unrest in Egypt, Egyptian gas supplies disruption exacerbated the situation which forced Jordan to replace the Egyptian gas with Heavy Fuel leading to an increase in the costs of generating electricity and increased the losses of this sector which accumulated to 4.4 Billion Jordanian Dinars until the end of last September.

The results of these crises are most evident in the decrease of growth levels. After ranging from 7.5% between 2003 and 2008, being supported by an influx of Iraqi refugees and an increase in the levels of investments during that period, the growth levels in 2008 decreased to 2.8%.

By the same token, the budget deficit estimations increased in 2014 to reach 1.1 Billion Jordanian Dinars in addition to the independent institutions' budget deficit of 1.1 Billion Jordanian Dinars; totaling in 9.1% of the GDP. This deterioration of the performance of the general finances on the investment environment and economic competitiveness is reflected in the declining ranks of Jordan in international reports. The International Bank's report on "Ease of Doing Business" showed Jordan's 14 rank decline and the World Economic Forum's Global Competitiveness Report showed a decrease in the rank of the environment of the total economy which resulted in Moody's change of Jordan's rank to BA2.

The Arab Spring, as it is now commonly referred to, reached Jordan. However, it gained the nature of peaceful reforms directed at comprehensive and sustainable development that aims at equality and justice and at limiting unemployment by providing employment opportunities that contribute to enhancing the human resources that are considered the basis for a services economy and that contribute to limiting poverty that affects the Jordanian society where poverty levels has reached 14.4% according to reports by the International Bank and the Department of Statistics. Poverty levels ranged from 15% in Irbid to 27% in Ajlun which are both located within the Northern Region that is the most affected by the Syrian Refugees due to the Syrian Crisis. King Abdullah II, in the 2014 Speech from the Throne, highlighted the crisis and emphasized the pan-Arab and humanitarian role of Jordan towards the brethren Syrian refugees although the amount of international supports didn't rise to the level the crisis and the implications of hosting Syrian refugees. The gap between the available amount of the

³ *Social Security Investment Fund* <http://goo.gl/QG2OVP>

⁴ *A press article on the Energy Bill in Jordan. Alarab Alyawm Newspaper.*
<http://alarabalyawm.net/?p=399933>

⁵ *The Water and Energy Section, Economical Challenges Report, Economical Watch, Identity Center*



international support and the needed support is reflected by the UNHCR reports indicating that there is a cost deficit of 56% to the registered refugees who number to 619 thousand registered refugees. ⁶

Poverty in its broader sense does not include the ability of the individuals to access opportunities or the individual's share in making use of possible resources, especially in a country whose economy is renowned for lacking resources. This results in constant pressure on such resources and negatively affects the provided services in the hosting communities. This in turn leads to more competitiveness over resources which might lead to a struggle or tension especially if such increasing competitiveness is accredited to the increase in refugees. Such a state of affairs might negatively impact how communities accept refugees and the possible range of establishing constructive partnerships with the refugees to serve the communities. A questionnaire showed that 9%⁷ of Jordanians are not satisfied with the economic trend of Jordan because they believed that the reason for the economic problems is the number of refugees and immigrants.

This type of competitiveness might take a form that is contradictory to change, whether that be economical and livelihood change or societal change. Such a defensive state might come as a result of lack of opportunities to transform this phenomenon (the influx of refugees) into a positive and productive influence that can be used to the benefit of the hosting communities and the national economy in general.

The strategies and mechanisms to fight poverty point to the ways of supporting the individuals living in poverty so as to ensure a constant income for them based on the skills and qualifications they have. For example, when discussing the limited employment opportunities for those bearing vocational and crafts skills, it is possible to make use of what the Syrian refugees has to offer in this regard since the Syrian economy is built on this type of crafts and vocations in addition to agriculture. This is different from the Jordanian economy which is dominated by small to medium sized companies and encourages more youths (totaling to 46.6% of the population⁸) to gain academic degrees so as to be employed in the market. This trend lead the youth to seek very specialized employment to match their degrees away from technical and vocational training. The low enrollment in technical and vocational training is reflected in its percentage of students which only reached 0.3% of the youth in 2013⁹.

The Companies Control Department's surveys indicate that the value of Syrial capitals in the market reached 95 million Dinars from 169710 Syrian companies that were registered since the beginning of the crisis. Most of these companies are in the

⁶ The UNHCR, Data Center on the Syrian Crisis.

<http://data.unhcr.org/syrianrefugees/country.php?id=107>

⁷ A survey on the satisfaction of Jordanians regarding the general and economic trend, The Strategic Studies Center, The University of Jordan

⁸ Data Center, IB

⁹ According to the "Employment and Education Section" of the Economical Challenges Report. Identity Center.

¹⁰ A press report on the Syrian investments in Jordan. Ro'ya News Channel



manufacturing and trade sector and are believed to enhance employment unlike real estate investments that show lower tax revenues. However, surveys show that there is an the investment in the real estate sector either by Syrians or as a result of Syrian refugees especially in the northern region where construction permits increased to 26% from their levels in 2010 and increased again in 2013 to reach 15% which resulted in more income to the public in the form of fees in addition to the employment opportunities such an increase makes.

In addition to that, 44%¹¹ of the Jordanian economy is characterized as being irregular. This makes it difficult to calculate the impact of the Syrian refugees on unemployment. Also, studies show that most of the Syrian workforce is at the sector or restaurants and tourism that used to flourish in Syria and was an important income for the Syrian economy. This affects the youth since this type of employment is flexible and offers part-time employment.

However, some media outlets address the effects of the Syrian refugees on lowering wages which is usually explained by assuming that the Syrian refugee receives refugee support which makes him in a position to accept low wages. This explanation is not supported by information derived statistically. Recently, the World Food Programme declared its intention to decrease its support to Syrians which will result in excluding 12000¹² families that have access to resources and suitable financial incomes to fulfill their food needs. This comes after a study by the programme found that 85% of the refugee Syrian families do not have enough money to provide food.

Cultural Diversity Enriches Communities

Traditionally, any changes on communities are faced with defensiveness in fear that such changes may not conform to the nature of the hosting communities. Yet, the similarities between the Syrian refugees and the hosting communities in the northern region might make it possible to achieve a positive impact from the community change.

The establishment of almost twelve factories in the Irbid governorate lead to creating more employment opportunities. Trade has flourished in the Al-Marfaq governorate as a result of opening 160 shops owned by the Syrians. In addition to that, the Syrian workforce might be employed in professions to which Jordanians have little interest in. For example, Jordanians in Aqaba refrain from working in sanitation worker jobs even though the wages for such roles may reach 1000 Jordanian Dinar. Such a hypothesis might emphasize the possibility to create a community that is both diverse and homogenous and can exchange benefit¹³.

Even though it is difficult to research the impact of the Syrian refugees on communities, looking at some societal indicators can help draw a picture. Marriage percentages, for

¹¹ *The Impact of the Syrian Refugee Crisis on the Labour Market in Jordan: A Preliminary Analysis*, International Labor Organization 2014

¹² According to the statement of the Emergency Coordinator in Jordan for the World Food Programme.

¹³ A press article on the effect of the Syrian refugees. Areej Network
<http://governance.arj.net/blog/%D8%AA%D8%AD%D9%82%D9%8A%D9%82%D8%A7%D8%AA/161>



example, show an increase to 36.75% in 2013 of Jordanian men being married to Syrian women and an increase in 11.97%¹⁴ of Jordanian women being married to Syrian men. This requires a more comprehensive view to these community changes in order to avoid any future community imbalances.

Also, international institutions working in the field of refugee support has increased to 50 institutions. This increase can help in developing the local communities and in creating employment opportunities for the locals. Moreover, the increasing number of foreign workers in the many different parts of the kingdom offers opportunities for cultural awareness as well as creating a rather indirect positive impact on both the tourism and development sectors.

A category of the Syrian refugees that is part of the artistic and cultural scene of Syria has settled in Jordan and started interacting with their Jordanian peers. It is well known that this category, that flourished in TV productions and other arts, assumed Amman as its base and both influenced and is influenced by the general cultural arena of Jordan. This can be seen from the increase in the number of the cultural and artistic events in Jordan. ¹⁵

With the increase in the number of Syrian refugees to reach 1.3 million, and their lack of income to support them for their basic needs, a phenomenon of many homemade productions has been gaining popularity. Such homemade crafts, which the Syrians are renowned to master, can be in the form of embroidered cloth or food stuff led to the start of a new trend in the community. This might encourage Jordanian women to employ their skills and work with other economically active individuals.

Conclusions

Despite of what is reported of the existence of negative impact for the Syrian refugees on Jordan, which might be partially true, it is possible to view this challenge as an opportunity to enhance the Jordanian economy and enrich the community and cultural diversity in the country. This can be achieved via making use of what the Syrian refugees have to offer of their knowledge, cultural and professional skills and employing that to achieve benefit to all parties.

Continuing to deal with the Syrian refugees merely as numbers and a burden on the Jordanian government and society will not yield any positive results to the hosting community or the refugees themselves. To the opposite of that, dealing with the issue of the Syrian refugees in Jordan from a humanitarian point of view at first and within the common and mutual interests will lead this issue from being controversial into an enhancing opportunity that can benefit in a variety of ways.

Though we emphasize the existence of negative effects such as increasing unemployment in some sectors or an increase in the prices of some goods, services, or

¹⁴ If percentages are calculated according the 2013 annual report of the Supreme Judge Department
<http://www.sjd.gov.jo/StudiesAndStatistics.aspx>

¹⁵ (in Arabic) Syrian artists and writers create their way while in refuge in Jordan, 7iber website
<http://q99.it/BkWdTVo>



real estate, we can see the positive side in enhancing some economic sectors in which the Syrians are highly skilled at including crafts and vocational professions. This can help in such profession in which the Jordanians show little interest in with lesser costs. Moreover, the positive side includes the increase in the Syrian investments in Jordan which will create more employment opportunities and enhance the economy which will result in enhancing the public revenues through taxations. This can help the government to use such revenues to push the development process in the country forward.

Socially and culturally, the refugees can enrich the cultural and societal diversity which will make an added value that can positively affect social relations if the possible negative effects are wisely addressed.