



*Empowered lives.
Resilient nations.*

Jobs Make the Difference

**Expanding Economic Opportunities for Syrian
Refugees and Host Communities**

Egypt - Iraq - Jordan - Lebanon - Syria - Turkey



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The report is the work of an independent team of authors.

Foreword

We are deeply concerned about the ongoing crisis in Syria, the loss of lives and the disruption of livelihoods. More than 11 million Syrians have been displaced - with more than 5 million refugees from Syria now in Egypt, Iraq, Jordan, Lebanon and Turkey, and more than 6 million people displaced internally within Syria. Hidden behind these numbers are individuals, families, and communities—children, mothers, and fathers whose lives have been dramatically altered. Many of them are no longer able to provide for themselves and their families.

Host communities throughout the region and within Syria have been generous in their support for refugees and internally displaced people (IDPs). The vast majority of refugees and IDPs—90 percent of the 5 million refugees and nearly 75 percent of the internally displaced—have been absorbed into urban centres, facilitating access to economic opportunities and social services. Yet despite all efforts by the international community, host governments and communities to extend support to refugees and IDPs, we have seen their livelihoods deteriorating further as the crisis continues.

These concerns are the reason why the international community, alongside host governments, pushed for a paradigm shift in

the response to the Syria crisis. At the London Conference for Supporting Syria and the Region, held in February 2016, participants agreed to an ambitious goal: to create 1.1 million jobs for Syrian refugees and their host communities by 2018.

Host governments made bold commitments to open their labour markets and improve the domestic regulatory environment. Refugee and IDP entrepreneurs have been allowed, and are frequently encouraged, to start new businesses in their host communities. As the crisis enters its sixth year however, economic opportunities for most refugees and IDPs remain limited, and communities are increasingly feeling the burden of hosting them.

At the London Conference, the international community, including UNDP, WFP and ILO, committed to promoting employment-generating programmes, such as the Partnership for Prospects (P4P) initiative, as well as access to both concessional financing and external markets.

Under the umbrella of P4P, Germany supported the creation of more than 60,000 jobs in the region during 2016. Germany, UNDP and ILO successfully collaborate on different P4P projects in Lebanon, Jordan, Syria and Turkey.

These projects enable both refugees and host communities to find employment. They work together to rehabilitate roads, restore basic infrastructure and develop agricultural value chains. In the same spirit, the European Regional Development and Protection Programme, funded by the European Commission (DEVCO), the Czech Republic, Denmark, Ireland, the Netherlands, Norway, Switzerland and the United Kingdom, is supporting the present assessment and generating evidence for more inclusive labour markets.

UNDP, ILO, and WFP have come together to help realize a future for the region beyond assistance, recognizing both our responsibility to act and our complementary expertise, from vulnerability assessments to the generation of decent employment and beyond. This assessment represents our first step together in this direction.

The report provides pragmatic, empirically grounded evidence to support efforts by the three key actors—host nations, the international donor community and the private sector—in achieving the ambitious goal of creating 1.1 million new jobs by 2018. The research included herein explores the challenges faced in accessing and creating economic opportunities, and identifies approaches likely to expand economic opportunities for Syrian refugees, IDPs and their host communities, drawing on recent successes and ongoing efforts across these countries.

The report simultaneously acknowledges the responsibility partners have in taking measures now to mitigate dangerous survival strategies for the most vulnerable. WFP continues to reach an estimated 2 million people in the region every month, building vital social safety nets and injecting some US \$2.3 billion into local economies while ensuring people's basic food needs are met.

A set of recommendations on what can be done at the regional level, as well as separate recommendations for each country, emerge from this analysis. While many of these recommendations will be familiar to readers,

THE REPORT PROVIDES PRAGMATIC, EMPIRICALLY GROUNDED EVIDENCE TO SUPPORT EFFORTS BY THE THREE KEY ACTORS—HOST NATIONS, THE INTERNATIONAL DONOR COMMUNITY AND THE PRIVATE SECTOR—IN ACHIEVING THE AMBITIOUS GOAL OF CREATING 1.1 MILLION NEW JOBS BY 2018

such as ensuring integration of the private sector into the crisis response at the regional and national levels, the analysis also identifies key operational level realities of implementing them. These include domestic political dynamics that limit the types of reforms possible; anticipated or ongoing social tensions; the reality that creating economic opportunities for host nationals will require overcoming pre-existing challenges; the tension within the international community over creating short-term versus sustainable jobs; the likely importance of infrastructure- and employment-intensive approaches; persistent challenges in integrating the private sector; and the need for additional, coordinated analysis, and regional economic opportunity-focused engagements.

Progress towards creating the promised 1.1 million jobs has been very modest, despite the high aspirations of the London Conference. In a region threatened by instability, the creation of decent work can reduce fragility, support legitimate and inclusive politics, and underpin justice and security.

Achieving this ambitious goal will require reinvigorated development coordination, private sector engagement, interaction of development and humanitarian assistance efforts, and bold commitments from both host nations and international actors. We hope that this report—a tool providing critical guidance to be shared and used by all—is but one of many efforts to achieve the goal of the London Conference.



H.E. Minister Müller
Federal Minister for Economic Cooperation
and Development, Germany

A handwritten signature in black ink, appearing to read "Gert Müller".



On behalf of the donor partners for the
Regional Development and Protection
Programme for the Middle East

H.E. Ms. Ulla Tørnes
Minister for Development Cooperation
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A handwritten signature in black ink, appearing to read "Ulla Tørnes".



Ertharin Cousin
Executive Director, United Nations
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ILO Assistant Director-General and
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Helen Clark
UNDP Administrator and Chair of
the UN Development Group

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Acknowledgements

This Multi-Country Economic Opportunity Assessment (MCEOA) would not have been possible without the support of representatives from host governments, UN agencies, international organizations, donor agencies, Syrian refugee businesses, and both national and international non-governmental organizations (NGOs). Some 120 individuals working in these six countries—Egypt, Iraq, Jordan, Lebanon, Syria and Turkey—participated in an initial interview process. Approximately 80 individuals participated in expert consultative groups, either at the national or regional levels.

The research team consisted of both country-specific and international researchers. The country field research relied on an interdisciplinary team of national experts: Zheen Al Mukthar (Iraq), Murat Erdogan (Turkey), Lawen Hawezy (Iraq), Lama Kanjarawi (Syria), Rani Khoury (Jordan), Antoine Mansour (Syria), Heba Moghaieb (Egypt) and Nasser Yassin (Lebanon). The international researchers included Shelly Culbertson and Susan Razzaz, each of whom supported fieldwork in three of the target countries and led the country-specific and regional analysis for those countries, and Daniel Egel, who led the overall research effort. The team thanks two UNDP summer associates—Heba Abusitta, Doha Institute for Graduate Studies, and Moritz Poll, University of Oxford—who provided excellent research and logistical support to the project and were crucial to its success. We would also like to thank the UNDP Sub-Regional Response Facility (SRF), particularly Jason Pronyk, for carefully coordinating all stages of this regional exercise, and Gustavo Gonzalez for providing overall leadership and guidance to our research team throughout the course of this research. We also recognize the important role of WFP's and ILO's regional teams for their valuable inputs and support during the implementation of this project.

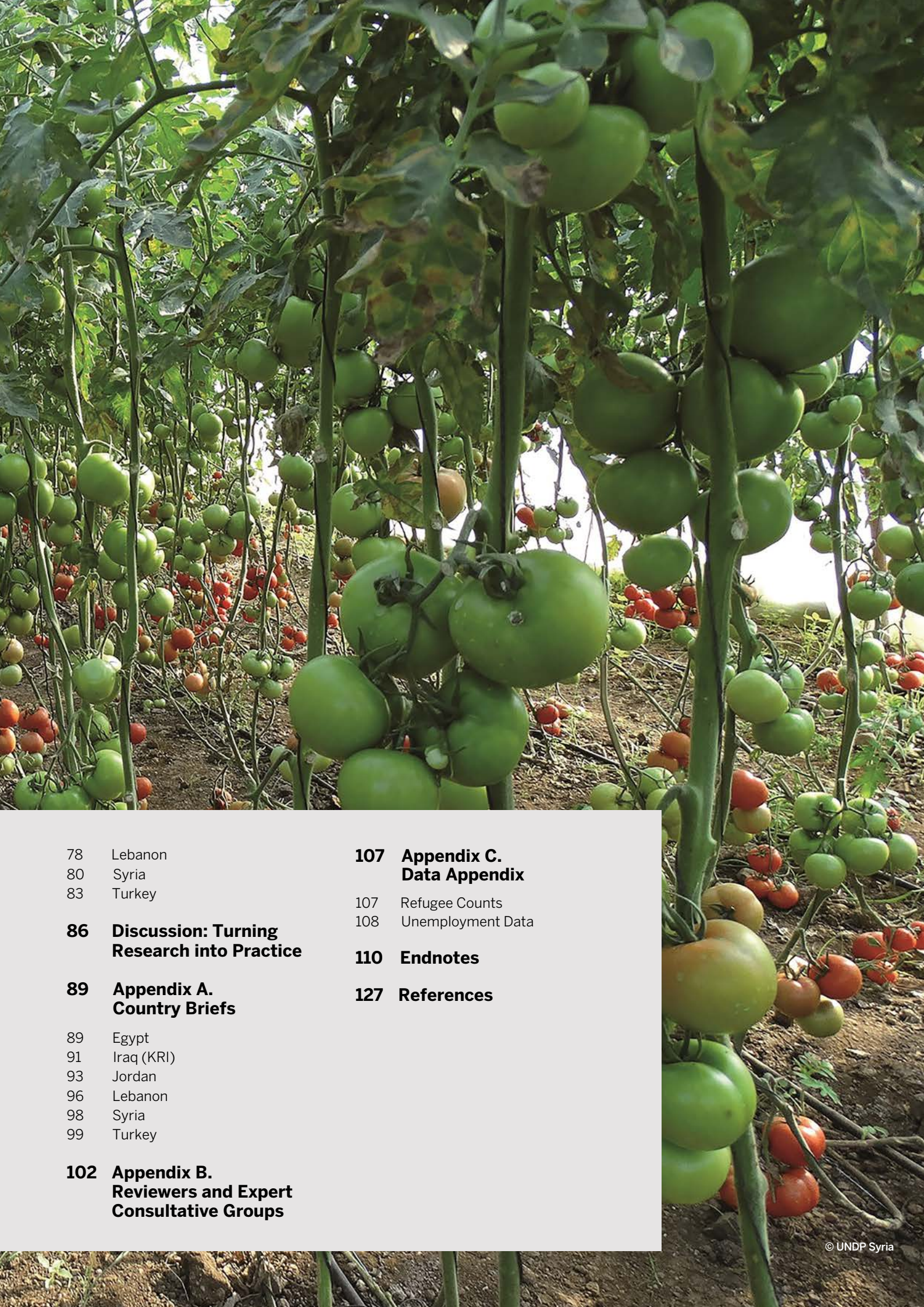






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Executive Summary

**Expanding Economic Opportunities
for Syrian Refugees and Host
Communities**

**Egypt - Iraq - Jordan - Lebanon -
Syria - Turkey**



The London Conference for Supporting Syria and the Region, held in February 2016, set an ambitious goal: create 1.1 million jobs for Syrian refugees and their host communities by 2018. Neighbouring nations hosting Syrian refugees—Egypt, Iraq, Jordan, Lebanon and Turkey—made bold commitments to open their labour markets and improve the domestic regulatory environment; the international community committed to support employment creation programmes and access to both concessional financing and external markets; and representatives from the private sector committed to providing new investments.

This assessment on Expanding Economic Opportunities for Syrian Refugees and Host Communities in Egypt, Iraq, Jordan, Lebanon, Turkey and Syria—made possible through a UNDP partnership with ILO and WFP, and with support from the Regional Development and Protection Programme—provides pragmatic, empirically grounded research to support these efforts. We explore how host governments, international actors, and private sector partners can both create new economic opportunities and expand access to existing economic opportunities. This research is primarily based on some 120 interviews with representatives from business communities, governments, NGOs, donors and international organizations across Syria and its five refugee-hosting neighbours. These data were supplemented with a review of existing studies. Expert consultative groups for each of the six countries—including representatives of governments, UN country teams and the private sector—provided feedback on this assessment through all stages of its development.



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The intent of this study is to use these qualitative data—which allow comparison of the economic opportunity-related aspects of the crisis response across the six countries—to support efforts by host nations, the international donor community and the private sector to achieve the ambitious political goal of creating 1.1 million new jobs by 2018. This study does not assess the feasibility of creating 1.1 million jobs by 2018, where jobs might be created, the relative share of new jobs that might benefit Syrian refugees vis-à-vis host communities or the number of jobs created thus far.

Our analysis focuses on challenges impeding creation of and access to economic opportunities, and the approaches for overcoming those challenges. The analysis of the creation of economic opportunities explicitly examines the challenges faced by host communities, Syrian refugees and IDPs, and entrepreneurs.

FACILITATING ACCESS TO ECONOMIC OPPORTUNITIES MUST BE A CENTRAL COMPONENT FOR A SUSTAINABLE RESPONSE TO THE CRISIS



120 INTERVIEWS

WITH REPRESENTATIVES FROM BUSINESS COMMUNITIES, GOVERNMENTS, NGOS, DONORS AND INTERNATIONAL ORGANIZATIONS ACROSS SYRIA AND ITS FIVE REFUGEE-HOSTING NEIGHBOURS

The corresponding analysis of access to economic opportunities examines the factors limiting the ability of host communities, Syrian refugees and IDPs to find appropriate opportunities. Though women, and youth to a more limited degree, from each of these communities face unique challenges in creating and accessing economic opportunities, an analysis of these unique challenges and the specific approaches for addressing them is beyond the scope of this analysis.

The economic opportunity-focused activities designed to respond to the crisis are, by and large, relatively new. Therefore, it is premature to fully gauge their effectiveness. However, this research identified several promising approaches – activities generally believed to be successful in at least one country with characteristics that make them

amenable for exportability to other contexts. Their characteristics include:

- **Support expanded access to markets in the European Union.** Described as the single biggest step made by the international community to promote investments in Jordan and support Syrian and Jordanian employment.
- **Facilitate Syrian private investment.** While foreign direct investment has fallen as a consequence of the conflict, supportive investment climates have encouraged inflows of Syrian private capital in Egypt, Jordan and Turkey.
- **Allow Syrians to start businesses; facilitate access to available industrial infrastructure.** Syrian businesses in Egypt and Turkey have boosted new sectors and hired both host nationals and Syrians.



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- **Expand and facilitate access to information for Syrian refugees.** NGO and UN-led exchanges in Jordan and Turkey support access to economic opportunities.
- **Business promotion by use of direct procurement.** Humanitarian and development agencies in Syria are increasingly encouraging production in impacted communities through use of direct procurement.
- **Concessional financing of infrastructure.** NGO-led local infrastructure programmes have been successful in Lebanon, and the Concessional Financing Facility has just issued its first infrastructure-focused concessional loan for Jordan.
- **Allow Syrians to provide services for other Syrians.** Syrian medical professionals and teachers are allowed to provide services to other Syrians in both Egypt and Turkey, as an exemption to the existing labour market restrictions.
- **Include both refugees and host nationals as explicit beneficiaries in all programming efforts.** This recognizes that host communities need assistance, in addition to the refugees.
- Host governments, development partners, and private sector partners also described a variety of challenges in effectively implementing crisis response activities.
- These lessons all meet three criteria: (1) the challenge was faced in multiple countries, (2) research provided pragmatic approaches for overcoming challenges,



and (3) addressing these implementation challenges is anticipated to substantively improve the crisis response. The challenges include:

- **Coordination of crisis-related development programming is difficult, and requires persistent efforts at the local, national and regional levels.**

Despite a variety of formal mechanisms to coordinate crisis-related activities, a lack of coordination has hampered the crisis response. Host governments, development actors and private sector partners should establish clear leadership and strategies.

- **Work permits are not enough for creating jobs.**

Access to work permits is not sufficient for expanding decent economic opportunities for Syrian refugees. Political and economic capital would be well spent in also improving other domains relevant to expanding economic opportunities.

- **Vocational training needs to be aligned with market needs and the skills that targeted populations already have.**

Vocational training programmes, while popular, are widely perceived as ineffective. Restricting vocational training programmes to those with an explicit connection to the private sector, shifting training into more pragmatic programmes, and, where possible, integrating Syrian refugees into and strengthening the formal technical and vocational education and training system, should be considered.

- **A lack of information can create misconceptions, leading to poorly targeted livelihood programming.**

Insufficient data and data sharing impede the effectiveness of crisis-related activities. Sharing available data in open forums, to support public discussion, should be advocated, while maintaining respect for the privacy of individual refugee data.

- **Design humanitarian assistance to encourage work.** Though there is not yet systematic evidence, anecdotal data suggest that refugees and IDPs fear that they will lose their humanitarian assistance if they obtain jobs, even if the jobs are not sufficient to meet their needs. Structuring humanitarian assistance to encourage work, and clearly communicating this to beneficiaries, can improve the efficacy of the overall resilience response.

In addition to identifying promising approaches, lessons, and both regional and country-specific recommendations, this research derived several operational level observations concerning programme implementation, based on previous and ongoing efforts:

1. **Economic opportunities for host nationals vs. refugees/IDPs.** Expanding economic opportunities for host communities requires overcoming the myriad of pre-existing challenges that have contributed to rising levels of unemployment as well as under employment and informality in these countries (which previous policies and strategies were largely ineffective in addressing). The crisis has, however, created a positive political momentum to accelerate some policy transformation related to the business environment and the acceptance of more inclusive labour markets.
2. **Social tensions related to economic opportunities will remain a persistent problem.** Differential access to economic opportunities, whether as a consequence of employment in the private sector or donor-funded activities, has been and will continue to be a source of potentially destabilizing social tension between host communities, Syrian refugees and IDPs.
3. **Domestic political dynamics limit the types of reforms that are possible.** Host country commitments to support the Syrian refugees will inevitably be exposed to some form of resistance from political and social actors.

**ANECDOTAL
DATA SUGGEST
THAT REFUGEES
AND IDPS FEAR
THAT THEY WILL
LOSE THEIR
HUMANITARIAN
ASSISTANCE IF
THEY OBTAIN JOBS**

4. **Short-term versus sustainable jobs.**

The rate of economic growth necessary to create 1.1 million new jobs for the six countries by 2018 is unlikely to be attained. Achieving the political goals of creating these 1.1 million jobs will require a more strategic and coordinated use of existing scattered, short-term and emergency employment initiatives, alongside the creation of sustainable economic opportunities.

5. **Infrastructure can be a useful sector for employment generation, but is likely to face some resistance among development actors.**

Funding labour-intensive programming to build, rehabilitate or improve infrastructure is anticipated to be undesirable by some development partners as these programmes are generally discouraged for middle-income countries. They are, however, likely essential to meeting the promises of the London Conference. Appropriately designed infrastructure projects (e.g., including the skill upgrading of programme participants, the use of local resource-based technologies, improvement in economic infrastructure that has historically restricted economic growth, and capacity enhancements of government and the private sector) can also support the expansion of longer term economic opportunities, and spur indirect and induced job creation.



THIS REPORT WAS DESIGNED TO INITIATE A CONVERSATION ABOUT HOW HOST GOVERNMENTS, INTERNATIONAL ACTORS AND PRIVATE SECTOR PARTNERS COULD LEARN FROM EXISTING EXPERIENCES ACROSS THE REGION TO SUPPORT JOB CREATION EFFORTS

6. **Integration of the private sector into crisis response efforts.**

Although private sector involvement in crisis response is at the heart of the resilience-building narrative, there are not yet domestic or international mechanisms for effective integration of private sector partners into the crisis response.

7. **Need for additional, coordinated analysis and regional engagements focused on economic opportunity.**

This report was designed to initiate a conversation about how host governments, international actors and



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private sector partners could learn from existing experiences across the region to support job creation efforts. Subsequent and more targeted research, ideally as a collaboration of the three actors, is needed to help guide effective programming.

As the Syrian crisis enters its sixth year, it is clear that expanding access to economic opportunities for those affected by the crisis must be a priority. Employment generation and sustainable livelihoods remain the most effective way of building self-reliance and fostering dignity among refugees and host communities.

It is equally clear that the current response, despite recent successes, is unlikely to be sufficient. Achieving the London Conference's political goals will benefit from enhanced coordination among development actors, private sector engagement, and genuine integration of development and humanitarian assistance efforts at all levels. But creating 1.1 million new jobs will require strong political will to pass reforms that may risk being unpopular in both refugee-accepting nations (e.g., increased flexibility in labour market regulations) and developed nations (e.g., increased multiyear funding blending humanitarian and development resources, and rapid reductions in trade restrictions) alike.



Introduction

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At the 2016 London Conference,¹ participants committed to mobilizing the necessary financial resources and domestic political support to create “up to 1.1 [million] jobs... for refugees from Syria and host country citizens in the region by 2018.”²

Neighbouring nations hosting Syrian refugees made a “bold commitment... to open up their labor markets to refugees... and to improve regulation and the investment climate in their countries;”³ the international community committed to support “employment creation programs,” “access to concessional financing,” “access to external markets,” and “public and private sector job creation;”⁴ and representatives from the private sector actors signalled their willingness to provide new investment.⁵

The goal of this report is to provide pragmatic, empirically grounded evidence to support efforts by these three key actors—host nations, the international donor community and the private sector—to achieve this ambitious political goal of creating 1.1 million new jobs by 2018. This report does not assess the feasibility of creating this many jobs,⁶ where these jobs might be created (the London Conference proceedings themselves are agnostic on this topic),⁷ the

relative share of new jobs that might benefit Syrian refugees vis-à-vis host communities⁸ or the number of jobs created thus far.

Specifically, the intent of this report is instead to identify approaches likely to expand “economic opportunities”—which include entrepreneurship, self-employment and formal employment in firms—for Syrian refugees, IDPs and host communities. The research explores the challenges faced in both accessing and creating economic opportunities, and examines how these challenges might be overcome, drawing on existing successes across the region.

This analysis focuses on six nations in the region hosting Syrians displaced by the crisis: Egypt; Jordan; Iraq, specifically the Kurdistan Region of Iraq (KRI); Lebanon; Turkey and Syria itself. The five neighbouring nations now host more than 5 million Syrian refugees,⁹ and an estimated 6.3 million IDPs are hosted by communities throughout Syria.¹⁰ Though the London Conference did not explicitly include Syria in the aspirational 1.1 million new jobs, supporting access to jobs for Syrians inside Syria is an integral part of a comprehensive approach to fulfilling the London commitments, as expanding opportunities in Syria wherever feasible may mitigate the job creation burden in neighbouring countries.¹¹



**6.3
MILLION**
INTERNALLY DISPLACED
PERSONS (IDPS) ARE HOSTED BY
COMMUNITIES THROUGHOUT SYRIA

Overview of Syrian Refugee Crisis

The Syrian crisis has displaced more than 5 million Syrian refugees into Egypt, Iraq, Jordan, Lebanon and Turkey,¹² and there are an estimated 6.3 million additional IDPs within Syria, equivalent to 40 percent of Syria's estimated total population.¹³ Turkey has the most Syrian refugees of any single nation—some 3 million registered as “under temporary protection,”¹⁴ accounting for just over 3.5 percent of the population.¹⁵ In Lebanon, the 1 million registered Syrian refugees are equivalent to over 17 percent of the population,¹⁶ though the Government estimates that there are nearly half a million additional Syrian refugees who remain unregistered.¹⁷ The approximately 660,000 Syrian refugees in Jordan are equivalent to nearly 9 percent of its population;¹⁸ the Government of Jordan reports an additional 600,000 unregistered refugees.¹⁹ The KRI hosts nearly 1 million internally displaced Iraqis,²⁰ in addition to more than 230,000 Syrian refugees,²¹ who together are equivalent to nearly

FIGURE 1.1: REGIONAL SYRIAN REFUGEE AND IDP POPULATIONS

Note: See preceding text and Appendix C for a discussion of data sources.

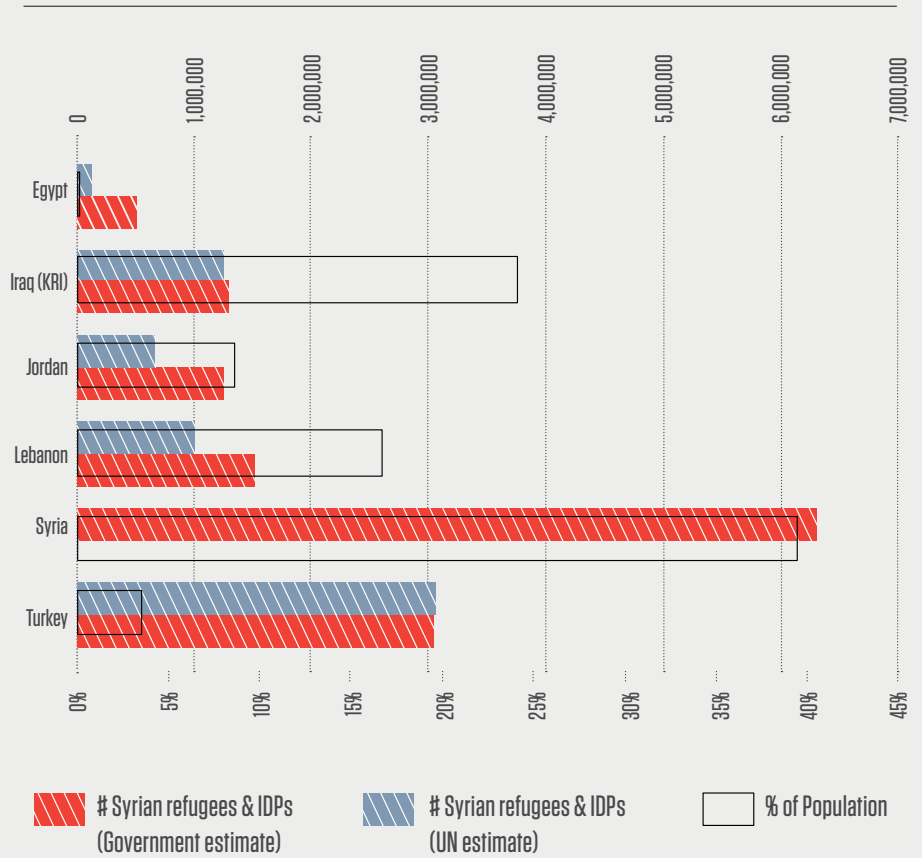
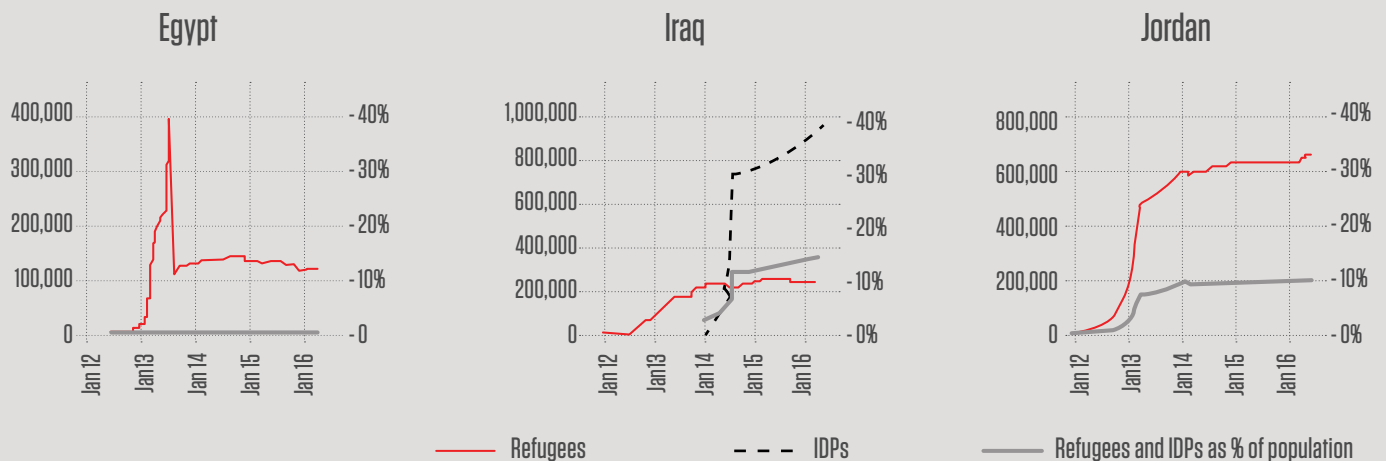


FIGURE 1.2: GROWTH IN REGIONAL SYRIAN REFUGEE AND IDP POPULATIONS



@UNDP Jordan



ONLY 10% OF THE SYRIAN REFUGEES ARE IN CAMPS

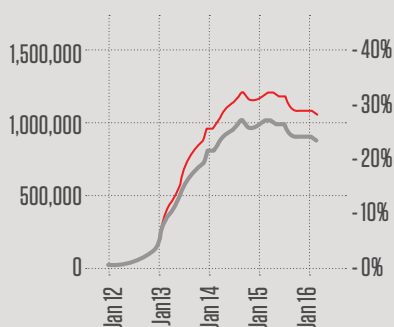
24 percent of the population of KRI.²² There are about 120,000 registered Syrian refugees in Egypt,²³ though the Government of Egypt estimates the actual number at approximately 500,000.²⁴

Figure 1.1 provides a comparison of the total number of refugees and IDPs in each country, reporting both UN and government estimates.

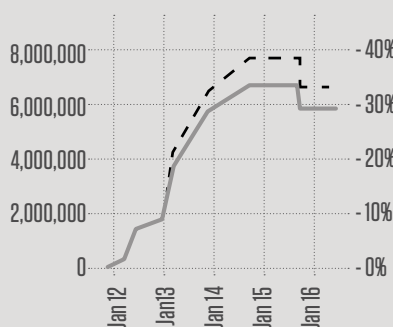
The size of the refugee and IDP populations relative to the host populations (percentage of population) is calculated based on UN estimates. Figure 1.2 describes the rapid expansion of refugee and IDP populations since the beginning of the crisis in late 2011.

Note: See Appendix B for a discussion of data sources.

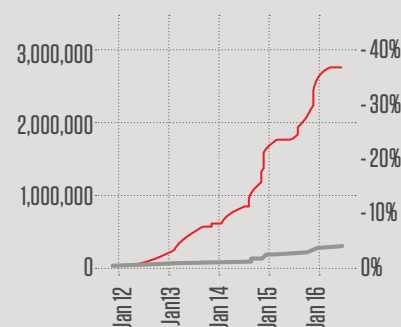
Lebanon



Syria



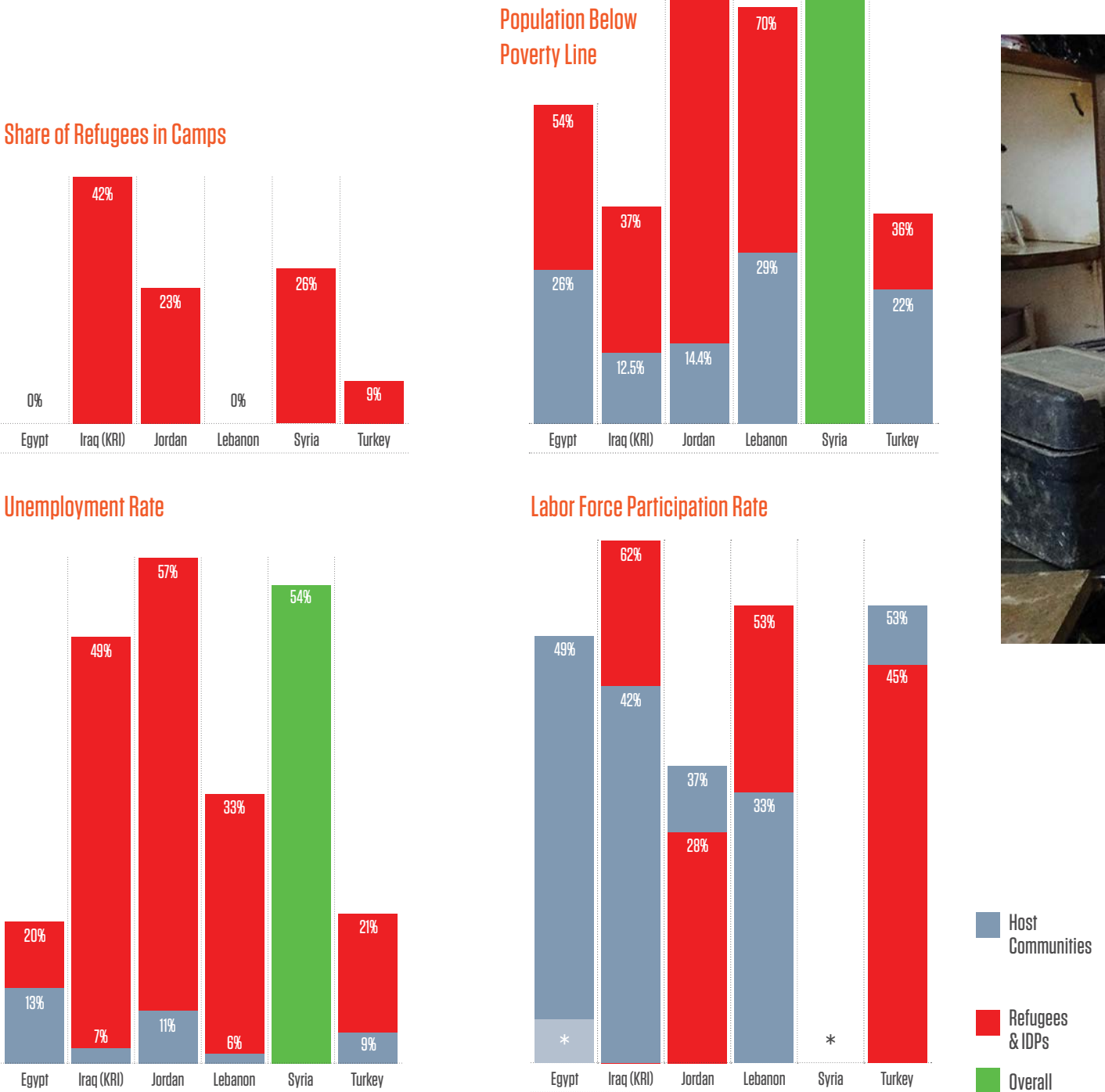
Turkey



Refugees have located primarily in urban areas, for economic, social and policy-related reasons (e.g., national governments and UN agencies have promoted urban integration).²⁵ Only a minority of Syrian refugees—some 10 percent—are in camps, and there are no Syrian refugee camps in either Egypt or Lebanon.²⁶ A significant number of Syrian IDPs are in camps, though the vast majority have found shelter elsewhere.²⁷

FIGURE 1.3: ECONOMIC CONDITIONS OF SYRIAN REFUGEES AND HOST NATIONALS

Note: * indicates that data are not available. See Appendix C for additional details.



SYRIAN WOMEN, AS A CONSEQUENCE OF THE CRISIS, ARE REPORTEDLY TAKING ON NEW ROLES AND RESPONSIBILITIES RELATED TO LIVELIHOODS



third of households in Syria are now headed by women and that one-fourth of Syrian refugee households in the region are headed by women;²⁹ more recent evidence suggests that as many as 40 percent of refugee households, at least in some of these countries, may now be headed by women.³⁰

The economic impact of this rapid influx of Syrian refugees on host nationals has been a subject of significant controversy, although there is not, as of yet, any comprehensive study on the impacts of the refugees.³¹ Much of the public discourse has focused on the negative impacts, specifically through increased competition for low-wage work, increases in food and housing prices, and greater stress on public services.³² The inflow of humanitarian assistance, however, has in some cases reportedly bolstered economies badly impacted by crisis-induced instability and uncertainty.³³ In the case of Lebanon, although the Syrian crisis has had a net negative impact on the economy,³⁴ the “inflow of refugees has arguably helped the Lebanese economy withstand the negative effect of its neighbor’s civil war” as they have become important consumers of Lebanese goods and services paid for with savings, labour income, remittances and humanitarian assistance.³⁵ The refugees are reported to have similarly benefited Turkey’s economy, driving unexpectedly rapid growth in 2015.³⁶ While the flight of Syrian refugee private capital and expertise has fuelled the growth of productive businesses in Egypt, Jordan and Turkey;³⁷ in other countries, such as Lebanon, Syrian refugee businesses are typically local service-focused enterprises (e.g., groceries or bakeries).³⁸ Citing the positive effect that Syrian refugees have had on industrial activity in Jordan and Turkey,³⁹ increased demand for domestic goods,⁴⁰ and indirect benefits from humanitarian assistance flowing to the Syrian refugees,⁴¹ some observers have concluded that there is growing evidence that “Syrian refugees contribute positively to host country economies.”⁴²

TURKEY HAS THE MOST SYRIAN REFUGEES OF ANY SINGLE NATION—SOME 3 MILLION REGISTERED AS UNDER TEMPORARY PROTECTION

Despite this geographic integration, the refugees face extremely high rates of poverty—70 percent of refugees are below the poverty line in Lebanon, 90 percent in Jordan, 54 percent in Egypt and 37 percent in the KRI. Although refugees have a similar labour force participation rate as host nationals, their unemployment rates are far higher, as illustrated in Figure 1.3.

Syrian women, as a consequence of the crisis, are reportedly taking on “new roles and responsibilities related to livelihoods.”²⁸ While female-headed households in Syria were rare before the crisis, estimates suggest that one-

DEVELOPMENT COMMUNITY RESPONSE TO THE CRISIS

The importance of integrating development into ongoing humanitarian assistance activities, to support individuals impacted by the Syrian crisis, is now widely recognized. By 2013, it was clear that a development crisis was emerging alongside the humanitarian crisis, and that development assistance would be needed to support both refugees and host communities throughout the region.⁴³

The integration of humanitarian and development efforts was formalized in the Regional Refugee and Resilience Plan (3RP) in 2014, though humanitarian actors had already begun programming focused on expanding economic opportunities.⁴⁴

In 2015, as part of a broader initiative to improve the resilience of communities impacted by the crisis, senior government representatives from host nations and the international community committed to “strengthen the legal and programmatic basis for – and dramatically scale up – economic opportunities for affected communities” at the Resilience Development Forum.⁴⁵ A multitude of proposals promulgated during 2015 called on foreign governments to remove restrictions on export markets; advocated for host nation governments to eliminate existing restrictions (e.g., lack of access to work permits, difficulties in establishing new businesses and minimum wages);⁴⁶ and proposed proactive private-public partnerships. One prominent proposal suggested the formation of “economic zones, offering Syrian refugees employment and autonomy, incubating businesses in preparation for the eventual end of the civil war in Syria, and aiding Jordan’s aspirations for industrial development.”⁴⁷ A key element of this discussion was a recognition that the large number of skilled professionals (e.g., construction workers, agricultural workers, teachers, doctors and managers) and proven businesspeople among the Syrian refugees could create economic opportunities for the domestic economies if effectively enabled.⁴⁸



THE REFUGEES ARE REPORTED TO HAVE SIMILARLY BENEFITED TURKEY’S ECONOMY, DRIVING UNEXPECTEDLY RAPID GROWTH IN 2015



WFP/
Roberto Masiero



WFP/
Giulio d'Adamo

The London Conference initiated a wave of activity throughout the region. This included the Jordan Compact, promulgated shortly after the London Conference, which committed Jordan to improving its business and investment climate, and expanding access to economic opportunities for Syrian refugees in response to international commitments to provide concessionary financing and expand access to export markets.⁴⁹ The award of a \$300 million concessionary loan from the World Bank in September 2016 “to support Jordan’s efforts to improve the investment climate, attract investors, reform the labor market and grant access to the Syrian labor force to contribute to economic growth” was a major success of this compact.⁵⁰ The Lebanon Statement of Intent, issued by Lebanon at the culmination of the London Conference, indicated that 300,000 to 350,000 jobs could be created through investments in municipalities, subsidized temporary employment programmes (STEPS), improved market access and infrastructure projects.⁵¹ An analogous Turkey Statement, though not drafted by the Turkish Government itself, acknowledged Turkey’s commitment to formally appoint Syrian teachers and Syrian health professionals, and led to legislation that could provide labour market access for an estimated 1 million Syrian refugees.⁵²





OUR ANALYSIS OF THE CHALLENGES IMPEDING THE CREATION OF ECONOMIC OPPORTUNITIES EXPLICITLY EXAMINES THE CHALLENGES FACED BY HOST COMMUNITIES, SYRIAN REFUGEES AND IDP BUSINESSPEOPLE AND ENTREPRENEURS

THIS REPORT: OBJECTIVES

The primary objective of this study is to provide practical guidance—to the host nations, development actors and the private sector—that can support efforts to create economic opportunities for Syrian refugees, IDPs and their host communities. To achieve this, the study examines four interrelated questions:

1. Challenges: What are the challenges facing host communities, Syrian refugees and IDPs in accessing and creating economic opportunities?
2. Crisis Response: What are the key economic opportunity-focused activities of the crisis response?
3. Promising Approaches and Lessons Identified: Which crisis response activities show promise? And what are the key deficiencies or gaps in existing activities?

4. Recommendations: Based on available empirical evidence, what kinds of actions—e.g., policy-making by host nation governments, programmes by international donors and investments by foreign governments—should be taken to expand economic opportunities?

DATA

Our analysis draws largely on qualitative data, which can be divided into two general types. The first is a series of approximately 120 qualitative interviews conducted with experts on the humanitarian and development aspects of the crisis in Egypt, Jordan, KRI, Lebanon, Syria and Turkey. In each country, 20 to 30 interviews were conducted with UN agencies, host nation government representatives, donor agencies and in-country foreign government representatives, host nation and Syrian refugee businesses, and both domestic and international NGOs. Data were collected by a team of six national experts (one for each country), in close

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Giulio d'Adamo

DESPITE A DELIBERATE EFFORT TO INCLUDE PRIVATE SECTOR ACTORS—DOMESTIC AND INTERNATIONAL—IN THE INTERVIEWS, THEY WERE SYSTEMATICALLY UNDERREPRESENTED

coordination with two regional experts to ensure comparability, using standardized semi-structured interview protocols developed during a research inception workshop.⁵³ Despite a deliberate effort to include private sector actors—domestic and international—in the interviews, they were systematically underrepresented; this issue is discussed in greater detail in Chapter 6. The interviews included in this research are delineated in Appendix A.

The second is a series of country-specific and a single regional-level structured focus group discussions – which were called expert consultative groups included a diverse range of stakeholders, among them host governments, UN agencies, donor country representatives, NGOs and private sector companies. The groups were consulted at the beginning of the fieldwork in each country, to build support for the project, to vet the list of in-country interviewees and to solicit perspectives on the four key research objectives. Consultations took place regularly in the following weeks, involving briefings on the studies intermediate results and scope for the groups to comment. Participants are listed in Appendix B.

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Qualitative data were supplemented by the broad array of recent analyses and reporting about economic opportunities in these countries, published by a variety of international organizations (e.g., the United Nations, World Bank, etc.), and research and policy institutions within these six countries. These data guided the design of the research approach are cited throughout the report.

THIS REPORT: A 'BOTTOM-UP' MULTI-COUNTRY ASSESSMENT

To meet the goal of this research—i.e., to provide pragmatic, empirically grounded evidence to support efforts to achieve the London Conference's ambitious political goal of creating 1.1 million new jobs by 2018—we rely on a 'bottom-up' assessment approach as summarized in Figure 1.4. This approach allows us to use available country-specific data, discussed immediately above, and to derive both country-specific and regional recommendations for meeting the London Conference goal.

The first component of this bottom-up approach is a delineation of the challenges in both creating and accessing economic opportunities for each of the six countries, which is the focus of Chapter 2. In addition to describing the challenges endemic to the countries as a whole, which largely predated the crisis, we examine the specific challenges of refugees and IDPs, and when possible and appropriate, separate out distinct challenges faced by the two groups. Our analysis of challenges impeding the creation of economic opportunities explicitly examines those faced by host communities, Syrian refugees, and IDP businesspeople and entrepreneurs. The corresponding analysis of access to economic opportunities examines the factors limiting the ability of host communities, Syrian refugees and IDPs to find appropriate opportunities. Though women, and youth to a more limited degree, from each of these communities face unique challenges in creating and accessing economic opportunities, an analysis of these issues is beyond the scope of this analysis.

FIGURE 1.4: OVERVIEW OF BOTTOM-UP APPROACH

Challenges:

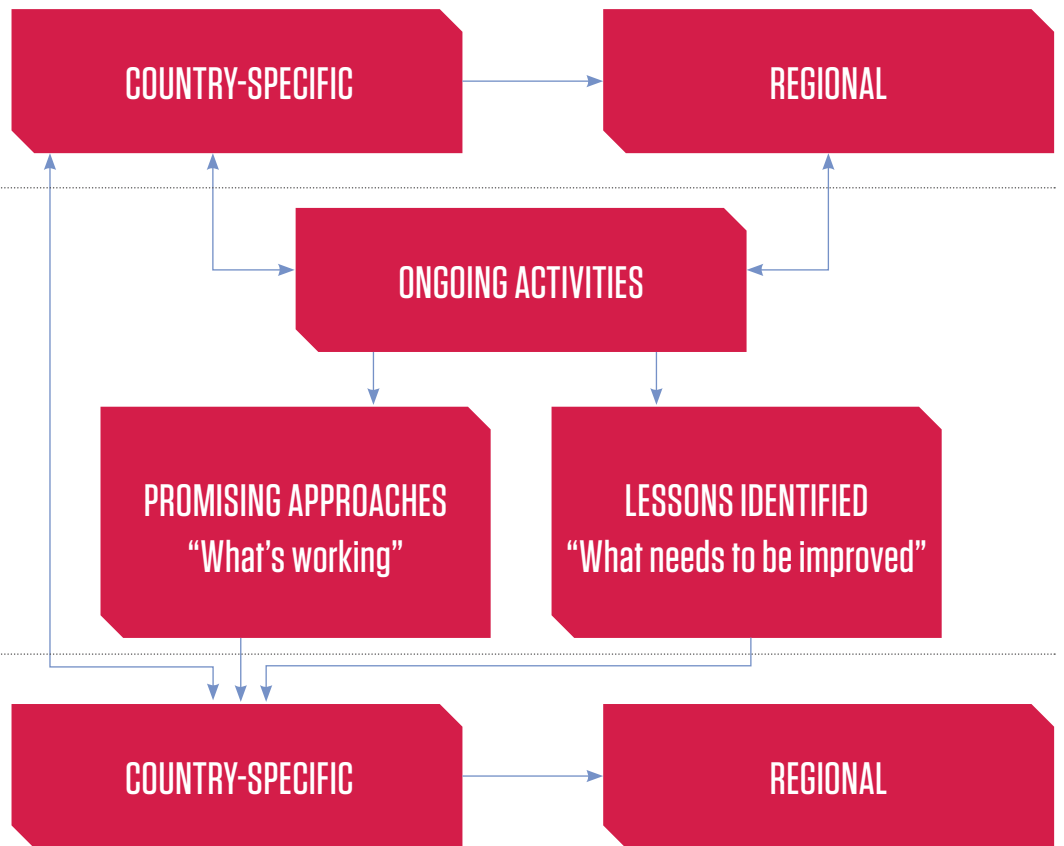
- Workers
- Entrepreneurs
- Host Governments

Activities:

- Legal Dimensions
- Labor Market
- Investment/Private Sector
- Government Plan
- Development Cooperation

Recommendations:

- Host Governments
- Development Partners
- Private Sector Partners



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Inger Marie Vennize

THE GOAL IS TO IDENTIFY APPROACHES THAT SEEM PROMISING, IN AT LEAST ONE COUNTRY, AND THOSE THAT CONSISTENTLY FACED GAPS AND LIMITATIONS



WFP/
Roberto Masiero

The second component of this approach, which is the focus of Chapters 3 and 4, is a review of ongoing crisis response activities in each country, and an identification of what seems to be working, and what did not seem to be working based on the study's qualitative data collection. The goal is to identify approaches that seem promising, in at least one country, and those that consistently faced gaps and limitations.

Chapter 5 then discusses recommendations that emerged from this study—both country-specific recommendations and those that can be generalized across the countries. The aim is to provide guidance to host governments, development actors, donor countries and

private sector partners on pragmatic steps that the six countries can take to achieve the goals of the London Conference. Rather than providing highly specific guidance on sectors to invest in or programmes to implement, these recommendations are designed to empower these three actors by identifying the general types of approaches most likely to be effective.

A final chapter, Chapter 6, concludes by describing pragmatic next steps for implementing these recommendations. Here we highlight some of the key challenges and tough decisions that these actors are likely to encounter in efforts to meet the ambitious employment goals set out in the London Conference.

Challenges

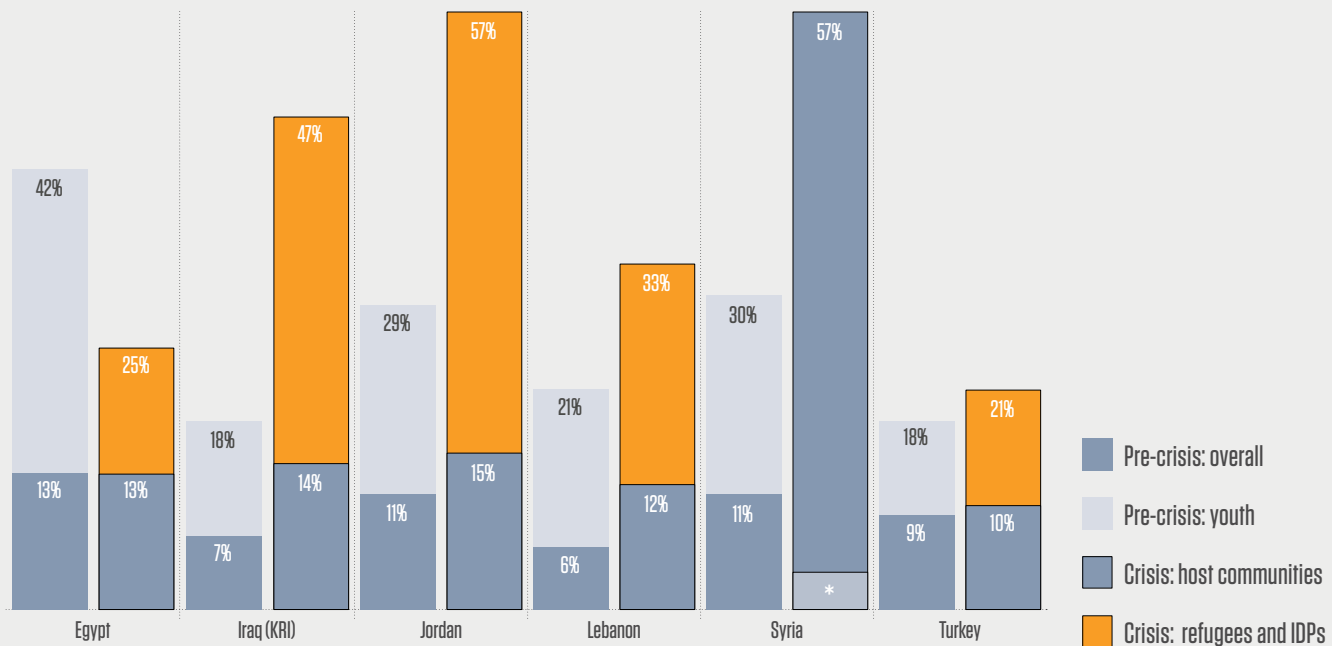
Providing sufficient economic opportunities has long been one of the most pernicious issues facing the region even before the refugee crisis. It was characterized as the “most challenging issue facing the [Arab] region” on the eve of the refugee crisis.⁵⁴ A primary consequence of this lack of economic opportunities is a large gap between the overall and youth-specific unemployment rates, reflecting the persistent difficulty that young people have faced in finding employment throughout the region.⁵⁵ As illustrated in Figure 2.1, which reports pre-crisis data on overall and youth-specific unemployment rates for host communities,⁵⁶ the unemployment rate among youth was often nearly triple that of the overall population when the crisis began. While conditions have been

somewhat better in Turkey, unemployment among Turkish youth has hovered around double the national average for decades.⁵⁷

Today, these economies face added challenges associated with absorbing large numbers of Syrian refugees and IDPs amid a crisis that has disrupted both economic trade and investment. The consequence, as illustrated in Figure 2.1, has been a substantial increase in unemployment in the countries neighbouring Syria and high unemployment rates among the refugee communities. Conditions in Syria’s war-ravaged economy are particularly severe, with unemployment estimates as high as 60 percent and presumably higher among IDPs.⁵⁸



FIGURE 2.1: UNEMPLOYMENT RATES AMONG HOST COMMUNITIES, SYRIAN REFUGEES AND IDPS



Note: Pre-crisis data on host nation unemployment rates are for 2012 for KRI (RAND Corporation 2014) and for 2014 for the remaining countries (World Bank 2016). Unemployment rates during the crisis are for various years from 2014 to 2016 as described in Appendix C. Available data on unemployment for Syria do not allow disaggregation of host communities as compared to IDPs.





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Dina El Kassaby

This chapter explores the factors impeding the ability of: (1) private sector enterprises to create economic opportunities (i.e., which factors limit businesses' demand for labour, the 'demand side' of the labour market) and (2) individuals to access economic opportunities (the 'supply side' of the labour market).⁵⁹ Efforts are already underway to address most, if not all, of these challenges in some form. Describing these efforts is the focus of the following chapter. The remaining chapters identify good practices and provide recommendations for what more could be done.

CREATING ECONOMIC OPPORTUNITIES

In this section, we outline the range of challenges facing private sector enterprises, whose vitality will be critical to creating sustainable economic opportunities in the six countries. The discussion explores the challenges facing both existing businesses and new entrepreneurs. We first examine key challenges common across the countries, exploring separately pre-existing challenges and those induced by the crisis. We then discuss country-specific challenges in financing, managing, or starting businesses.

We consider separately the general challenges facing all private sector enterprises, as well as those specific to Syrian refugee and IDP entrepreneurs. The restrictions facing potential Syrian refugee and IDP businesses vary substantially by country, as discussed below, but these entrepreneurs are legally allowed to establish enterprises across all six countries and are anticipated to be a crucial source of economic opportunities for host community populations, Syrian refugees and IDPs alike.



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This analysis does not include the challenges facing public sector employment. Although the public sector plays an oversized role as an employer in these economies, a meaningful expansion by 2018 is not feasible. The challenges facing internationally funded employment programmes, a key component of the London Conference's approach for creating economic opportunities, are captured in the discussion on accessing economic opportunities in the following section.

General Challenges in Creating Economic Opportunities

Both existing firms and new entrepreneurs have faced significant challenges in the six countries for decades. In this sub-section we discuss these challenges, which have been by and large exacerbated by the Syrian crisis, as well as specific challenges induced by the crisis.

TABLE 2.1: GENERAL CHALLENGES IN CREATING ECONOMIC OPPORTUNITIES

Pre-existing	Crisis-related
<ul style="list-style-type: none"> • Investment and access to financing • Weak or damaged infrastructure • Business regulations • Underperformance of MSMEs 	<ul style="list-style-type: none"> • Instability • Export disruption

Investment and access to financing.

Insufficient investment impedes the development of the private sector.⁶⁰ One component of this is that the existing domestic financial systems tend to favour well-established firms,⁶¹ with investment concentrated among only a small number of firms, or small and microenterprises that have proven ineffective in driving job creation.⁶² As an example, of the more than 50,000 international firms operating in Turkey, only 95 have more than \$500,000 in total capitalization.⁶³ The second component is that macroeconomic conditions—e.g., high volatility and weak fiscal policies—have historically discouraged private investment.⁶⁴ Though the role of private investment has expanded dramatically,⁶⁵ firms operating throughout the region, and in particular smaller firms, report that a lack of investment impedes their ability to expand.⁶⁶

Though this challenge has vexed host nation efforts to create economic opportunities for years, if not decades, access to credit was highlighted in our research as one of the key cross-cutting challenges facing refugee and IDP efforts to establish new businesses.

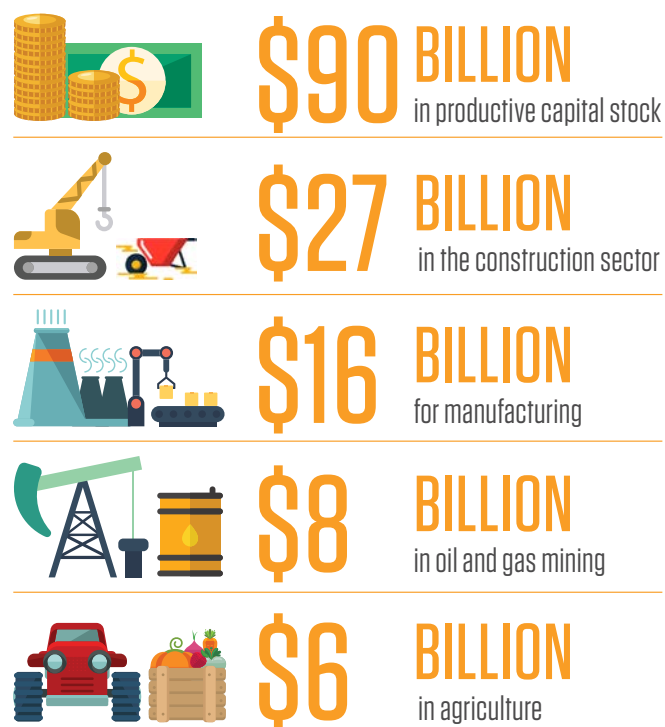
This is particularly the case for small-scale entrepreneurs, as microfinance organizations will often only lend to their own country's citizens.⁶⁷ In the KRI, this challenge is a consequence of Syrians' inability to collateralize loans (e.g., land and property). Refugees who typically migrate with very little are stuck in low-skilled informal sector jobs and cannot easily accumulate wealth.⁶⁸ In Egypt, interviewees repeatedly mentioned lack of access to credit and banking as a key impediment to further expanding Syrian businesses that have transferred to Egypt. In Syria, since the start of the conflict in 2011, formal lending has become very rare; IDPs have been particularly negatively impacted, as they are unable to collateralize their lending as a result of lost property and fixed assets.

Public infrastructure. A lack of sufficient public infrastructure likely also slows private sector development.⁶⁹ Specifically, the low quality of public electricity, telecommunications and roads resulting from insufficient public investment has been demonstrated to be a significant impediment to private investment in productive enterprises.⁷⁰

OF MORE THAN 50,000 INTERNATIONAL FIRMS OPERATING IN TURKEY, ONLY 95 HAVE MORE THAN \$500,000 IN TOTAL CAPITALIZATION

The already insufficient public infrastructure has been stressed by the crisis, with existing infrastructure absorbing a massive influx of refugees. The situation in Syria is particularly egregious, where damage to physical infrastructure has had a pronounced negative impact on business activity. This has impacted agricultural equipment and irrigation systems,⁷¹ manufacturing and industrial facilities,⁷² and oil and gas mining facilities, which were largely destroyed by the conflict.⁷³ Cumulative destruction from 2011 to 2015 amounts to an estimated \$90 billion in productive capital stock, including an estimated \$27 billion in the construction sector, \$16 billion for manufacturing, \$8 billion in oil and gas mining and \$6 billion in agriculture.⁷⁴ A similar situation is observed in the KRI, where the violence of the 1990s and 2000s either damaged key economic infrastructure (e.g., agriculture and logistics) or meant that repairs and expansions did not happen (e.g. schools, public water and sewage, and electricity). In Lebanon, public water and sanitation systems in particular have been placed under pressure with the sudden increase in population; Lebanon also has delayed maintenance and investment in roads, ports and water infrastructure.

CUMULATIVE DESTRUCTION IN SYRIA FROM 2011-2015



Business regulations. Business regulations are widely believed to be a major constraint facing the private sector. This includes unusually onerous restrictions on exports,⁷⁵ which impact smaller and newer firms more than established and politically connected larger firms, but also high taxes on firms and high entry costs.⁷⁶ Regulatory constraints contribute to 80 percent or more of micro- and small enterprises having some degree of informality.⁷⁷ This has negative consequences for job creation within these economies, as workers in the informal sector in these countries tend to be less productive than those in the formal sector.⁷⁸

A major related challenge is “policy uncertainty and an uneven playing field that favours some incumbent firms at the expense of new entrants and competitors.”⁷⁹ Thus, it is not only the quality of the existing regulatory framework, but also the implementation of these policies. This inequity in implementation tends to benefit large, inefficient, and politically connected firms by protecting them from competition.⁸⁰ As an example, the red tape facing businesses in Lebanon is not a major challenge for big businesses but mainly for smaller businesses, as investments by larger businesses are facilitated by the Government.⁸¹

In addition to regulations that restrict the vitality

WFP/
Hussam Al Saleh



of the private sector, the complexity of business rules also makes it hard to do business. This is reportedly the case in Egypt, where regulation of economic sectors can involve as many as 15 or more different government organizations with no formal structure to coordinate among them.⁸² Jordan, rather than having the participation of a multitude of agencies, has a system designed to incentivize business activity that involves an intricate array of overlapping schemes, including major differences among geographical locations, special free and development zones, and sectors.⁸³ Inefficient bureaucracy, unpredictable regulations that can change very often, complex administrative procedures and inconsistent enforcement of regulations exacerbate these challenges.

Underperformance of MSMEs. Micro-, small and medium enterprises (MSMEs) are a critical component of the private sector across the six countries, accounting for some 70 percent or more of employment.⁸⁴ Microenterprises, firms with 1 to 4 employees, account for nearly 60 percent of private sector employment in Egypt, 54 percent in Lebanon, 39 percent in Jordan and 34 percent in Turkey.⁸⁵ Small- and medium-sized enterprises (SMEs), those with fewer than 100 employees, employ 40 percent of private sector employees in Turkey, 35 percent in Lebanon, 33 percent in Jordan and 20 percent in Egypt.⁸⁶ Comparable data are not available for Iraq,⁸⁷ though there are reportedly millions of MSMEs.⁸⁸

Despite their undersized role in the economy, large private sector firms—i.e., firms with 100 or more employees—were the primary creators of new economic opportunities across the six countries in the years before the Syrian crisis. These large private sector firms are reported to have created the vast majority of new jobs in Egypt, Lebanon and Syria from 2007 to 2011, though medium-sized firms (20 to 99 employees) also contributed significantly to job creation in Egypt and Lebanon.⁸⁹ In Jordan and Turkey, medium and large firms similarly dominated job creation between 2005 and 2010.⁹⁰ Importantly, although MSMEs were the largest source of job creation, they were also the largest source of job destruction (e.g., in Lebanon).⁹¹

Instability. Conflict-related instability has been a major challenge facing these economies for decades, with conflicts in Lebanon and Iraq from the 1970s to the 2000s attenuating growth and weakening the financial systems of countries throughout the region.⁹² The Syrian crisis has similarly impacted its neighbours through increased political instability. Lebanon offers an important example, where foreign direct investment has fallen by more than 50 percent since the beginning of the crisis.⁹³ Economic growth also slowed in Egypt in 2011 and 2013, with the changes in Egypt's Governments, although growth is starting to rebound.

Export disruption. One direct impact of the crisis has been the loss of trade opportunities. This has dramatically impacted agricultural exports from Lebanon, which account for nearly 15 percent of exports. Lebanon relies on ground transport through Syria to access markets in Jordan and the Gulf that account for some 60 percent of these exports.⁹⁴ Agricultural exports from Jordan have been similarly impacted, with one estimate indicating that exports had fallen by as much as three-fourths.⁹⁵ Syria was a significant importer of Turkish goods and a major trade conduit for Turkey; however, while that trade was negatively impacted by the crisis initially, Turkish trade to and through Syria may have recovered by 2015, a growth attributed to Syrian entrepreneurs.⁹⁶ In the KRI, trade routes through Syria and other parts of Iraq have been closed off. The private sector in Syria has lost its export market and is incurring enormous losses because of economic sanctions. The sanctions also affect imports of raw materials and other inputs needed for Syrian enterprises to function well.

Country-Specific Challenges in Creating Economic Opportunities

In addition to the common challenges discussed above, a variety of country-specific challenges have impeded the ability of the six countries to create economic opportunities. As summarized in Table 2.2, the challenges vary widely across countries, as do those specific to Syrian refugees and IDPs by country.



70 PERCENT

OF THE POPULATION ACROSS SIX COUNTRIES ARE EMPLOYED BY MICRO-, SMALL, AND MEDIUM ENTERPRISES

TURKISH TRADE TO AND THROUGH SYRIA MAY HAVE RECOVERED BY 2015, A GROWTH THAT HAS BEEN ATTRIBUTED TO SYRIAN ENTREPRENEURS

TABLE 2.2: COUNTRY-SPECIFIC CHALLENGES IN CREATING ECONOMIC OPPORTUNITIES

	Egypt	Jordan	Iraq (KRI)	Lebanon	Syria	Turkey
Common	<ul style="list-style-type: none"> • Exchange rate • Free trade zones for big companies 	<ul style="list-style-type: none"> • Small market • Trade costs • Legislative/regulatory instability 	<ul style="list-style-type: none"> • Credit access • Investment slowdown • Ongoing fighting • Stalled reforms • Credit access • Quotas 	<ul style="list-style-type: none"> • Small market • High production costs • Limited export access • Political instability 	<ul style="list-style-type: none"> • Physical destruction • Exchange rate uncertainty • Capital flight • Loss of human resources • Mobility • Trade costs • Scarcity of production inputs • Sanctions • Fragmented markets 	
Refugees and IDPs	<ul style="list-style-type: none"> • Local partner • Travel restrictions • Work permits 	<ul style="list-style-type: none"> • Local partners • Minimum investment • Arbitrary rules and regulation 	<ul style="list-style-type: none"> • Residency card • Travel restrictions 	<ul style="list-style-type: none"> • Residency permits 	<ul style="list-style-type: none"> • Loss of assets by entrepreneurs 	<ul style="list-style-type: none"> • Language • Purchasing property • Temporariness

Egypt. The recent devaluation of the Egyptian pound, though potentially increasing the competitiveness of Egyptian exports, is reportedly stifling all types of businesses as a result of the increased cost of intermediate goods.⁹⁷ Access to information—on “decent suppliers, legal procedures and licensing”—is a second challenge facing Egyptian and Syrian businesses alike.⁹⁸ A third, which is less a challenge than a missed opportunity, is that Egypt’s free trade zones exclude small and medium firms, as they are tailored to large multinational firms.⁹⁹

A challenge specific to Syrian refugees in Egypt is that Syrian businesses—which are reportedly already invigorating the Egyptian private sector through the injection of financing, including some \$800 million in new investment, new technical expertise and robust business experience—are facing a range of challenges in establishing new enterprises. These include a lack of information about how to navigate Egypt’s business environment, a lack of access to credit and banking (e.g., all foreigners face restrictions on their ability to open bank accounts), an inability to bring skilled Syrian staff to Egypt (e.g., skilled textile workers),¹⁰⁰ an inability to travel abroad for business on their refugee visas, difficulties in properly registering their firms (e.g., Syrian

refugees typically either register businesses under Egyptian names or do not register them), and quotas on the number of Egyptians who must be hired (i.e., businesses with foreign investment hire Egyptians as half of their employees).¹⁰¹ Syrian businesspeople often establish business partnerships with Egyptians to mitigate these challenges; however, requiring Egyptian partnerships for the sake of legal status creates risk in a community where Syrians lack knowledge of laws and regulations, amid concerns for fraud.

Jordan. While credit access is an endemic problem facing refugee and IDP entrepreneurs across the six countries, as discussed above, this is a more widespread problem in Jordan and impacts all types of business.¹⁰² In addition, the ‘smallness’ of Jordan’s market—with only some 9.5 million people—is a major challenge facing firm growth¹⁰³ that has been compounded in recent years as a consequence of rapidly increasing trade costs and closed borders with Iraq and Syria.¹⁰⁴ Quotas for foreign labour, which impact the ability of Jordanian and refugee firms to employ skilled economic migrants,¹⁰⁵ and legislative and regulatory instability—namely, the frequent changes to the income, tax and investment laws, and the enforcement of each—are further challenges.¹⁰⁶

There are now three major refugee-specific challenges. The first, which is the least onerous, is the requirement to have a Jordanian partner. Second, the Jordanian Government has added a minimum capital requirement on new Syrian businesses, requiring up to 250,000 JOD (around \$350,000) as a minimum bank investment.¹⁰⁷ And third, the Jordanian Minister of Interior can, and has, denied business registration applications for Syrian entrepreneurs based on non-transparent rules.¹⁰⁸

Iraq (KRI). As in Jordan, access to credit is a challenge facing all types of businesses, as the banks themselves lack liquidity as a result of the crisis in the region and ongoing war with the so-called Islamic State of Iraq and Syria (ISIS). Another challenge is the overall dramatic slowdown in investment, which has impacted construction, agriculture and the industrial sector, with more than 3,000 private investments terminated.¹⁰⁹ The \$22 billion of infrastructure investment underway in the decade prior to 2014—with new airports, schools, electricity infrastructure, shopping malls, housing developments and hotels being built to satiate new needs and rebuild what had been destroyed¹¹⁰—stalled that year. This was a result of an economic crisis caused by the fall in the price of oil, the fall in tax income, a budget-sharing dispute with Baghdad, and at least three major economic consequences resulting from the war with ISIS—i.e., low investor confidence, the cutting off of traditional trade routes and military expenditures.¹¹¹ In terms of challenges specific to refugees, travel restrictions put on all refugees impact businesses, as refugees cannot travel externally, and in some cases face obstacles in travelling internally.¹¹² Difficulties in obtaining residency cards have also impacted Syrian entrepreneurs.¹¹³

Lebanon. With a population of less than 5 million, Lebanon's small market has been highlighted as a key constraint facing economic development;¹¹⁴ the relevance of size is likely enhanced by the crisis, given the challenges that Lebanon faces in exporting using its traditional overland routes (as discussed above). The two key challenges facing all firms are high costs of production, resulting from high costs for electricity, land and labour, and political instability. In terms of refugee-specific challenges, difficulty accessing

legal residency was highlighted as a key impediment to Syrians establishing businesses and investment.¹¹⁵ This has also meant that many high-skilled Syrians find ways to leave Lebanon, resulting in what interviewees termed the 'deskilling' of the Syrian population in Lebanon.

Syria. In Syria, the ongoing conflict has impacted small and large Syrian businesses alike, with annual gross domestic product (GDP) falling by an estimated two-thirds since the beginning of the crisis.¹¹⁶ The impact of this economic collapse has reportedly been more severely felt by small entrepreneurs, those with typically less than 12 employees, which reportedly comprise some 95 percent of Syrian business. They saw their businesses "destroyed because their markets, supply chain, houses and labor sources have been destroyed, and they have no cash in hand to sit through it."¹¹⁷ As a result, these small enterprises reportedly either engage in black market activity, collapse, leave or shift into the war economy.¹¹⁸ In recent years, large enterprises were also severely affected with the escalation of the armed conflict in Aleppo, in particular. Aleppo, considered the economic and industrial capital of Syria, witnessed the destruction of its industrial zone and most large industrial enterprises.

Disruption of transportation and trade networks, also a consequence of the ongoing instability, is a second major impediment facing Syrian firms and entrepreneurs. This impacts both access to needed inputs (e.g., seeds and fertilizers for agriculture, and fuel for manufacturing), with firms facing either surging prices or access disrupted altogether,¹¹⁹ and hampers transportation of goods to markets.¹²⁰

Capital flight has, according to one report, "caused the closure of thousands of establishments and factories in Syria."¹²¹ The flight of financial capital started very early in the crisis, with estimates suggesting that at least \$5 billion had fled the country during just the first five months of the conflict,¹²² equivalent to nearly 20 percent of pre-conflict deposits in Syrian banks.¹²³ The total physical cost of capital flight, destruction and looting has been estimated at \$203 billion.¹²⁴



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IN IRAQ (KRI), THE \$22 BILLION OF INFRASTRUCTURE INVESTMENT UNDERWAY IN THE DECADE PRIOR TO 2014 WAS STALLED IN 2014 AS A RESULT OF AN ECONOMIC CRISIS AND THE WAR WITH ISIS



Degradation of human capital, through displacement (internal or external) or physical injury, is the final challenge facing these firms. This has reportedly impacted manufacturing, with “large-scale flight and migration by the qualified labor force.”¹²⁵

Turkey. Syrians that have been received a residency permit - some 50,000 by March 2017 - can own property through a registered firm, though not in border cities*. However, Syrians under temporary protection cannot purchase property - the vast majority of Syrians in Turkey - cannot purchase property, which discourages Syrian private investment in Turkey. The key challenge that constrains Syrians from establishing businesses and investing in Turkey, however, is the feeling of ‘temporariness’, with

* In 2012, the Turkish government relaxed the Land Registry Law to allow foreigners with residency permits to buy property.

investors hoping to continue west, return to Syria or to travel to other Arab countries to set up businesses.¹²⁶ Despite this, there were some 5,900 registered Syrian firms in Turkey by 2017, and thousands more operating in the informal economy.

ACCESSING ECONOMIC OPPORTUNITIES

This section outlines the range of challenges facing host communities, Syrian refugees and IDPs in accessing employment opportunities. We first examine challenges impacting all three groups across all six countries, as summarized in the first column of Table 2.3. The second subsection discusses challenges specific to refugee and IDP populations, as summarized in the second column of Table 2.3 and in Table 2.4.

TABLE 2.3: CHALLENGES IN ACCESSING ECONOMIC OPPORTUNITIES

Common	IDP and refugee-specific
<ul style="list-style-type: none"> • Weak economic growth • Stressed public finances • Underfinancing of relevant programming • Informality • Labor market mismatch 	<ul style="list-style-type: none"> • Lack of access to skilled jobs • Difficulty with credentials

The six economies have faced difficulties in creating sufficient economic opportunities for their own populations for decades. This difficulty has been compounded by the Syria crisis, and the resulting instability throughout the region, which has slowed already weak economic growth.

Weak economic growth. The primary underlying challenge facing host national, refugee and IDP workers in accessing economic opportunities across the six countries is slow, or negative, economic growth.¹²⁷ Though growth was more rapid during the 2000s, average economic growth from 2010 to 2014 in per capita terms was below 1 percent in Jordan and Lebanon, and negative in Egypt, with these countries unable to create sufficient jobs for even their own populations.¹²⁸ Though growth in these countries has reportedly improved slightly since 2014, it is still sluggish.¹²⁹ The KRI, which had a decade of rapid growth from 2004 to 2014, and had \$22 billion in new infrastructure investment underway, was devastated in 2014 by the war with ISIS and a fall in oil prices, among other factors. In comparison, the Turkish economy continues to grow, albeit at a much lower rate than the halcyon days of 2002 to 2007—which saw average growth rates of nearly 7 percent—and reportedly much below its potential.¹³⁰ Most dramatically, the economy of Syria has been devastated by the ongoing conflict, losing an estimated two-thirds of GDP.¹³¹

Stressed public finances. Already challenged by weak economic growth, the governments of these countries are finding their public finances increasingly stressed as a result of the rapid influx of refugees. In Jordan and the KRI, this has taxed both public infrastructure (e.g., roads, health and water) and private infrastructure (e.g., housing), with the governments facing significant pressure to maintain the quality of services and infrastructure without large price increases.¹³² As a consequence, Jordanian public debt has doubled since the beginning of the crisis, with debt-to-GDP rising to a potentially destabilizing 90 percent.¹³³ The Kurdistan Regional Government (KRG) saw a “12 percent GDP jump in debt in less than a year.”¹³⁴ In Lebanon, it is estimated that the country has incurred losses of \$13.1 billion since the beginning of the crisis, and \$5.6 billion in 2015 alone (equivalent to some 11 percent

of GDP),¹³⁵ with Lebanon “drowning in debt” as debt-to-GDP surged past 150 percent.¹³⁶ Turkey reports that it has already spent some \$25 billion on the refugees—with just over \$500 million in support from the international community.¹³⁷ In Syria, official gross foreign assets declined from an estimated \$20.7 billion in 2010 to \$1 billion in 2015.¹³⁸ Public finance strains related to the refugee crisis are perhaps the lowest in Egypt, because of the relatively smaller number of Syrian refugees there.

Underfinancing of relevant programming. In 2014, the Regional Refugee and Resilience Plan (3RP) was developed to coordinate the crisis response plans of Egypt, Iraq, Jordan, Lebanon and Turkey. Involving some 200 humanitarian and development partners—governments, UN agencies, national NGOs and international NGOs—the 3RP was designed to be “a coordinated initiative aimed at bringing about a scaling up of resilience and stabilization-based development and humanitarian assistance to cope with the crisis.”¹³⁹

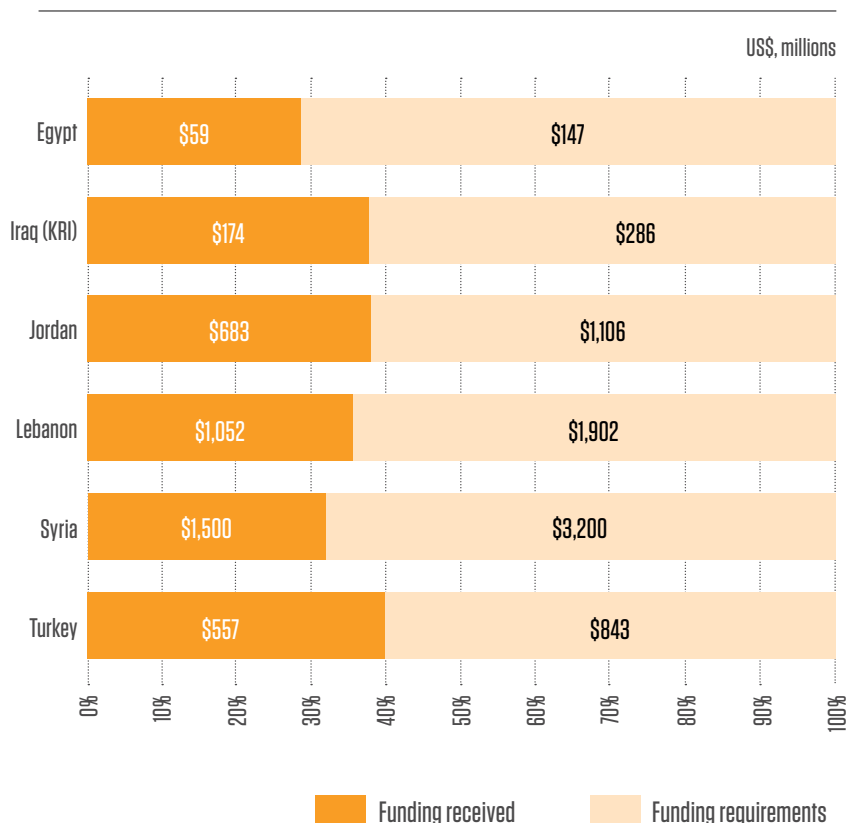
Despite widespread recognition of its importance, financing focused on increasing access to economic opportunities has been very limited. Though funding has been systematically below requirements across both humanitarian and development needs, as illustrated in Figure 2.2, support for “livelihoods and social cohesion” (the primary source of funding focused on expanding access to economic opportunities) received only 21 percent of required funding in 2015. This area of support is currently estimated to be similarly underfunded for 2016 despite the considerable pledges made in London. In the case of Syria, the early recovery and livelihoods sector of the 2016 Humanitarian Response Plan has only received 36.5 percent of the \$148.5 million requested. Further, the effectiveness of this financing has been limited by the one-year funding cycles, particularly in Syria, where the conflict slows the implementation of livelihood activities.

THE KRI, WHICH HAD A DECADE OF RAPID GROWTH FROM 2004 TO 2014, WAS DEVASTATED IN 2014 BY THE WAR WITH ISIS AND A FALL IN OIL PRICES, AMONG OTHER FACTORS



TURKEY REPORTS THAT IT HAS ALREADY SPENT \$25 BILLION ON THE REFUGEES – WITH JUST OVER \$500 MILLION IN SUPPORT FROM THE INTERNATIONAL COMMUNITY

FIGURE 2.2: UNDERFINANCING OF CRISIS-RELATED REQUIREMENTS



Source: The financial details are as of 31 December 2016, extracted from the Regional Refugee and Resilience Plan (3RP) Strategic Overview 2017-2018. The data for Syria are from the UN Office for the Coordination of Humanitarian Affairs (UNOCHA) Financial Tracking System.

LIVELIHOODS AND SOCIAL COHESION (THE PRIMARY SOURCE OF FUNDING FOCUSED ON EXPANDING ACCESS TO ECONOMIC OPPORTUNITIES) RECEIVED ONLY 21 PERCENT OF REQUIRED FUNDING IN 2015, AND IS CURRENTLY ON TRACK TO BE SIMILARLY UNDERFUNDED FOR 2016 DESPITE THE CONSIDERABLE PLEDGES MADE IN LONDON

In spite of limited funding, several interviewees reported inefficiencies and wasted resources as a consequence of ineffective coordination.¹⁴⁰ An important example involves vocational training courses in Turkey, which have become attractive for municipalities, chambers of commerce, existing training centres, NGOs and even consulting firms. These courses should be more clearly designed to meet market needs so as to provide the types of skills and accreditation needed to access the Turkish labour market.¹⁴¹

Informality. An important characteristic of these economies is high levels of informality in the labour market.¹⁴² As examples from before the crisis, the informal economy accounted for 69 percent of new jobs in Syria from 2001 to 2007 and 75 percent of new labour market entrants in Egypt between 2000 and 2005.¹⁴³

Informal employment is characterized by the lack of employment contracts and social protection, as well as an exemption from the benefits of labour legislation.¹⁴⁴ While still a job, employment in the informal economy is typically characterized by instability, insecurity, bad work conditions and lower wages than jobs in the formal sector.¹⁴⁵ For many, the decision to work in the informal sector is deliberate, however, as it provides skills and experience necessary for a subsequent transition into better, and formal, economic opportunities.¹⁴⁶ Nearly all employed Syrian refugees are in the informal economy, even in the KRI, where Syrian refugees had effectively unlimited labour market access.¹⁴⁷

Labour market mismatch. A disconnect between the training and experience of labour market entrants and the needs of the labour market—so-called labour market mismatch—is another long-standing challenge.¹⁴⁸ For host nationals, the educational systems are graduating youth without the types of skills demanded by the labour market, and in particular the types of practical skills (e.g., language, problem solving) needed by businesses. Additionally, youth entering the labour market often have expectations that do not align with labour market realities;¹⁴⁹ this is particularly true for positions that require manual labour, so labour is typically imported for these roles. These nations often lack the types of active labour market programmes—training, public works programmes, wage subsidies and employment services—needed to support the transition to employment.¹⁵⁰ Though many of the Syrian refugees come with significant work experience, in at least Jordan and Lebanon, a “mismatch between the skills/occupations of Syrian refugees and the demand for labour in the Lebanese/Jordanian economies” is reportedly an important driver of unemployment.¹⁵¹

Refugee and IDP-Specific Challenges in Accessing Economic Opportunities

This sub-section discusses the variety of specific challenges facing refugee and IDP workers. These include challenges that are endemic to many countries (e.g., lack of access to high-skilled jobs and difficulty with credentials), several countries (e.g., permits needed for work) and found in only a single country (e.g., a language barrier). These challenges are summarized in Table 2.5 and discussed thematically in this section, rather than by country.

Lack of access to skilled jobs. Syrian refugees, regardless of their own skill and experience, typically only have access to select sectors of the economy (e.g., construction or agriculture). This is explicitly the case in Jordan and Lebanon,¹⁵² and common elsewhere. A consequence is that high-skilled workers (e.g., doctors, engineers, etc.) are frequently compelled to work in low-skilled positions. Those who do find positions appropriate for their skill and level of experience often accept a low wage for the opportunity to work. There is some evidence that medium-skilled workers (e.g., tailors, hairdressers, etc.) may experience a similar phenomenon.¹⁵³

Difficulty with credentials. Difficulty with credentials—i.e., Syrian refugees verifying their identities, training and experience—is another major challenge facing the refugees. This is an additional driver of informality in Jordan where refugees must pass a background security check to secure a Ministry of Interior card as a prerequisite for obtaining work permits.¹⁵⁴ This can be difficult, in large part as a consequence of lost documentation,¹⁵⁵ and many refugees are not permitted to renew their Ministry of Interior cards under current regulations.¹⁵⁶ In other countries, such as Lebanon, where Syrian refugees face complex and unclear requirements around renewing their residency papers, refugees are reportedly fearful of travelling in search of economic opportunities.¹⁵⁷ In Turkey, a lack of systematic information about the skills and education of the refugees makes it difficult for the Government to develop appropriate responses. In the KRI, recognition of certification can take 6



to 18 months. While Egypt has a legal framework in place to recognize credentials from other countries, the process of navigating this is unclear for many Syrians.

Syria: destruction and emergence of a war economy. Unique challenges are faced in Syria, where the ongoing conflict continues to deleteriously impact economic opportunities in a diversity of ways. This includes the estimated destruction of 2.3 million job opportunities as a result of the massive contraction in GDP (discussed earlier).¹⁵⁸ Accompanying this has been a drastic shift into informality,¹⁵⁹ a disruption of education threatening future employment opportunities,¹⁶⁰ and an increasing number of workers being forced into military service, whether for the Syrian Government, an opposition group or ISIS.¹⁶¹

TABLE 2.4: COUNTRY-SPECIFIC CHALLENGES FACING REFUGEES AND IDPS IN ACCESSING ECONOMIC OPPORTUNITIES

Egypt	Iraq (KRI)	Jordan	Lebanon	Syria	Turkey
<ul style="list-style-type: none"> • Residency permits 	<ul style="list-style-type: none"> • Residency card • Mobility • Government capacity • Security • Access to credit 	<ul style="list-style-type: none"> • Legal uncertainty • Mobility • Closed job and quotas • Perceptions and resentment 	<ul style="list-style-type: none"> • Residency permits • Mobility • Closed jobs and quotas • Perceptions and resentment 	<ul style="list-style-type: none"> • Destruction • Brain drain • Perceptions and resentment • Sanctions • Implementing partners 	<ul style="list-style-type: none"> • Language • Perceptions and resentment • Different work culture • Mobility



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32,000 work permits were available in Jordan

0.5% of working-age refugees have their work permit applications submitted by employers in Lebanon

Language. Language is reportedly the key challenge that Syrian refugees must overcome to access economic opportunities in Turkey.¹⁶² Although the Turkish Government has generously opened its systems to Syrian refugees, these opportunities remain inaccessible in many cases simply due to language gaps.

Residency and work permits. Acquiring work permits is among the most discussed challenge specific to the Syrian refugees, and a challenge central to the London Conference discussions. More initiatives will be needed to further increase this number, as the total working-age population is nearly 350,000.¹⁶³ Though work permits were notionally available to Syrian refugees in Egypt, few permits had been obtained as a consequence of a process that is reportedly complicated and expensive.¹⁶⁴ For Lebanon, where employers and not workers apply for the work permits, applications have been submitted for only 0.5 percent of the working-age population.¹⁶⁵

However, in Egypt, the primary challenge is accessing residency permits.¹⁶⁶ These residency permits, which require a security clearance and must be renewed every six months, have renewal procedures that are reportedly very costly and complicated for Syrian refugees, and take typically three months to renew. A consequence of the residency permit process is that employers are reticent to hire employees with unstable legal standing, and who have frequent need to take time off for residency permit Processing, with the potential for non-renewal.¹⁶⁷

In Lebanon, residency permits are similarly a key limiting factor.¹⁶⁸ Without one, refugees face the risk of intimidation and security checks

that impede their ability to access economic opportunities.¹⁶⁹ Few Syrian refugees—some 20 percent—have residency permits, however, which has been attributed to confusion about requirements, cost, inability to provide required documentation, and the fact that it has not been possible for Syrian refugees to register with the UN High Commissioner for Refugees (UNCHR) since May 2015.¹⁷⁰ An additional challenge is that Syrian refugees were initially asked to sign a pledge “not to work” as part of their residency permit process. Although that requirement was waived in June 2016 following the London Conference, the revised procedures have reportedly been inconsistently applied.¹⁷¹

The situation is similar in the KRI, where the residency card is the primary limiting factor, as all refugees with a residency card are freely allowed to work. Refugees frequently have trouble obtaining the residency cards, however, as the KRG cannot process residency applications and security clearances fast enough. Syrian refugees often wait between three to six months to get residency cards, and, in some cases, it can take up to a year to receive a security clearance from the Ministry of Interior.¹⁷² A lack of a residency permit causes problems accessing economic opportunities with both private sector employers and international agencies, hinders passage through checkpoints on the way to work, and limits access to credit and banking. Iraqi IDPs in the KRI generally do not need a work permit, but instead need permission from the security services of the Ministry of Interior.¹⁷³

SYRIAN REFUGEES, REGARDLESS OF THEIR OWN SKILL AND EXPERIENCE, TYPICALLY ONLY HAVE ACCESS TO SELECT SECTORS OF THE ECONOMY (E.G., CONSTRUCTION AND AGRICULTURE)

Initially, some research in Jordan suggested that a lack of access to work permits was the greatest source of Syrian refugee unemployment.¹⁷⁴ That reportedly shifted in the wake of the London Conference,¹⁷⁵ when large firms began to hire refugees.¹⁷⁶ Further, our research indicated that the legal uncertainty of Syrian refugee workers in Jordan—e.g., limited legal status, residency, registration, ongoing changes in labour regulations and enforcement of these regulations—is a greater challenge to Syrian refugee employment than the permits.¹⁷⁷

Closed jobs and quotas. Closed jobs and quotas on sectors, rather than permits, are central challenges for employment in Jordan and Lebanon. In Lebanon, Syrians are permitted to work only in three sectors—agriculture, construction and environmental services (i.e., cleaning and sanitation)—though the permits are so difficult and costly to obtain that the process is reportedly negatively impacting Lebanese employers, who relied heavily on Syrian labour before the refugee crisis. In Jordan, a wide range of occupations is closed to all migrant workers, including Syrians, and there are quotas on the number of non-Jordanians allowed in the sectors that are open; a full summary of these restrictions is provided in Appendix C. These quotas are already full in most firms, which has been a key challenge facing Syrian refugees in accessing employment opportunities.¹⁷⁸

Perceptions and resentment. Social tension resulting from host national perceptions about and resentment towards Syrian refugees is another challenge to economic inclusion. The perception that Syrian refugees are taking jobs away, crowding out public services, and disproportionately benefiting from humanitarian assistance—which has been documented in several instances¹⁷⁹—is creating substantial resentment against the refugees in Jordan, Lebanon and Turkey.¹⁸⁰ Within Syria itself, there is reportedly a similar perception that IDPs are benefiting from humanitarian assistance, while the communities hosting them are not.¹⁸¹ One additional consequence of this—fear of harassment—was reported as a concern in several countries (e.g., Lebanon).¹⁸²

For Syrian refugees and IDPs, there is sometimes a perception that humanitarian assistance beneficiaries are not allowed to work, with anecdotal data suggesting that refugees and IDPs fear that they will lose their humanitarian assistance if they obtain jobs, even if the jobs are not sufficient to meet their needs. In Jordan, a fear of losing humanitarian assistance reportedly discourages Syrian refugees from seeking jobs in the formal sector and the informal economy to a lesser degree.¹⁸³ IDPs within Syria reportedly face a similar challenge.

Mobility. Despite the prevalence of the ‘non-camp’ approach, with refugees integrated into urban areas, mobility is still reportedly a concern. In Jordan, Syrian refugees are not allowed to drive non-rental cars, thus limiting the ability of refugees, in both camps and urban areas, to travel to access economic opportunities.¹⁸⁴ In the KRI, refugees cannot travel internally if they do not have a residency permit, as there are internal checkpoints between major cities that require a residency permit to pass.¹⁸⁵ In Lebanon, the residency permits make mobility difficult for Syrian refugees, who are reportedly fearful of being arrested.¹⁸⁶ In Turkey, existing regulations do not allow Syrian refugees without a residency permit to travel out of the province where they are registered; in practice, this is not enforced and refugees are able to move relatively freely.

FOR SYRIAN REFUGEES AND IDPS, THERE IS SOMETIMES A PERCEPTION THAT HUMANITARIAN ASSISTANCE BENEFICIARIES ARE NOT ALLOWED TO WORK EVEN IF THE JOBS ARE NOT SUFFICIENT TO MEET THEIR NEEDS





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Giulio d'Adamo

Enhancing Economic Opportunities: Response Overview

A variety of economic opportunity-focused interventions—implemented by host governments, development actors and private sector partners—have been central to the crisis response. This chapter summarizes different kinds of interventions designed to either create new or improve access to existing economic opportunities. While discussing every specific intervention is beyond the scope of this effort, this chapter is intended to be comprehensive in describing general types that are ongoing or planned in each of the countries.

The interventions are, broadly speaking, too new to assess their effectiveness in supporting job creation for either Syrian refugees or host communities. In discussing these activities, however, interviewees frequently described their preliminary views on the progress thus far and the likelihood that these efforts would meet the intended goals. In the subsequent chapter, we draw on these different perspectives to identify promising approaches and lessons learned for responding to the crisis. In addition, we summarize existing evidence for programmes where evidence of efficacy is emerging—e.g., for labour-intensive work and other quick impact projects.

Interventions across these six countries can be aggregated into seven general categories, as summarized in Table 3.1, though many interventions cut across several of these categories. These include regulatory improvements to work permits for refugees activities involving direct employment or





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creatively working within existing labour market regulations (alternative employment, infrastructure and labour-intensive), active labour market programmes designed to improve access to the existing labour market through information or skill upgrading (access to information and skill development), and programmes designed to improve the overall business climate or the climate specifically face by would-be refugee entrepreneurs (economic zones and trade, and enabling businesses). As illustrated in Table 3.1, the types of activities that are appropriate or feasible vary significantly by country context—e.g., while development actors in Syria have demonstrated that it is possible to conduct job creation-focused programming analogous to that in other countries,¹⁸⁷ the ongoing violence and complex political situation have hamstrung efforts to shift more resources towards development-focused programming.¹⁸⁸



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IN THE KRI, PROGRAMMING IMPLEMENTED BY BOTH THE MINISTRY OF LABOUR AND SOCIAL AFFAIRS AND NGOS TYPICALLY IS DESIGNED TO INCLUDED HOST, REFUGEE AND DISPLACED POPULATIONS

An important theme across all these interventions has been a focus on ensuring equality of access to the benefits—i.e., for host communities, Syrian refugees and IDPs alike. As an example, this aim has been a key characteristic of job creation programming implemented by development actors, which typically explicitly include both host nationals and refugees as beneficiaries. In Egypt, the primary organization supporting SMEs—the Social Fund for Development—has been emphatic in ensuring that both financial and non-financial services are available to Egyptians and Syrian refugees alike. In the KRI, programming implemented by both the Ministry of Labour and Social Affairs and NGOs typically is designed to included host, refugee and displaced populations.¹⁸⁹ In Lebanon, enhancing stability and alleviating social tensions between refugees and host communities is an explicit goal of the Lebanon Crisis Response Plan, which is focused on coordinating the protection and social stability aspects of the humanitarian response. In Turkey, where economic inclusion is seen as a model for ensuring effective social inclusion, a variety of programmes have emerged to ensure that Syrians and Turks work together in the same workplaces.

TABLE 3.1: ONGOING AND PLANNED CRISIS-RELATED ECONOMIC INTERVENTIONS

	Egypt	Jordan	KRI
Work permit improvements		Expanded access to permits	
Alternative employment		'Virtual Jordanians', flexible permits, cash-for-work, volunteering	
Infrastructure and labour-intensive work	Youth-focused, emergency employment in community infrastructure	Roads, energy, health, water systems	Refugee camps
Access to information	Syrian big businesses	SMS, town hall, chambers of commerce	Chambers of commerce
Skill development	Vocational training	Skill exchange, vocational training	Vocational training
Enabling businesses		Reform investment climate	Walk-in centres
Economic zones and trade	Industrial zones available	Rules of origin	

In Jordan, while many important job creation-related programmes (e.g., infrastructure) have explicitly excluded Syrian refugees in the past, there is now a deliberate shift in the wake of the London Conference towards making these programmes inclusive. In Syria, UNDP has adopted a conflict-sensitive area-based approach to planning and implementing recovery projects, which allows for wider participation and engagement of both IDPs and host communities.

The host governments have made efforts, in some cases, to ensure equality of access. In Egypt, the success of this approach has relied on the pre-existing Syrian community, which has supported the inclusion of the refugees. In the KRI, allowing refugees unlimited access to the labour market, particularly given the shared Kurdish heritage of these refugees, has facilitated inclusion. In Turkey, there has been a deliberate effort to prevent any policies that exclude refugees from accessing economic opportunities.

WORK PERMIT REGULATIONS

Both Jordan and Turkey have proactively worked to reform work permit regulations to support Syrian refugees. Turkey was the first to establish a formal process for Syrian refugees to access work permits, with the issuing of the Regulation on Work Permits of Refugees Under Temporary Protection in January 2016.¹⁹⁰ This regulation also allowed Syrians access to the government employment agency, ISKUR, which provides job matching and other services. Though just over 13,000 Syrians had received work permits by the fall of 2016, only a small number of Syrian refugees under temporary protection—approximately 3,000 in total—had sought work permits through this process, with the vast majority of permits being issued to Syrians with residency permits.¹⁹¹ Syrian refugees under temporary protection are currently excluded from a programme designed to attract high-skilled foreigners, the “Turquoise Card,” though that exclusion is anticipated to be temporary.¹⁹²

Lebanon	Syria	Turkey
		Established Syrian refugee-specific policy
		Work permits, service provision to Syrians
Canal maintenance, sanitation	Water networks, sanitation	Homes for refugees, industrial zone
	Community centres matching service	Community centres, job matching service
Vocational training	Vocational training, automotive	Vocational training
SME development, agriculture value chain	Financial support to impacted small businesses	Support entrepreneur
Planning economic zones	IDPs can benefit in case of availability	Economic zones, European Union -Turkey deal

In Jordan, three types of reforms to the existing work permit system have been a central component of the Government's effort to meet its London commitments, with early evidence suggesting that these reforms were having significant benefits—as some 32,000 Syrian refugees had received work permits by the fall of 2016 as compared to just over 5,000 in 2015. The first set of reforms has focused on relaxing the requirements for Syrian refugees to access a work permit. Following these reforms, all Syrians residing in Jordan—including those who

were unregistered—were able to access a work permit, with applicants only required to submit a Ministry of Interior-issued identification card (instead of a passport, which had been the case previously). Syrians were exempted from work permit fees for a three-month grace period beginning in April 2016, which was then extended through October. The Minister of Labour issued directives to expedite the process of approving work permit applications for Syrians.

The second set of reforms focused on expanding the types of positions that refugees could access. These reforms included granting authority to field directors to approve work permit applications, taking into consideration closed occupations and quotas in place for other sectors, and establishing agreements expanding access to employment within already approved sectors.¹⁹³

THE HOST GOVERNMENTS HAVE MADE EFFORTS, IN SOME CASES, TO ENSURE EQUALITY OF ACCESS

Third, the Ministry of Labour planned on rejecting any new work permit applications from non-Syrians, with the exception of work permits in the domestic work sector (e.g., housekeepers and nannies) or in the Qualified Industrial Zones. This reform reportedly proved difficult to implement, however, as many exceptions were made.¹⁹⁴

ALTERNATIVE EMPLOYMENT STRATEGIES

Egypt, Jordan and Turkey have all made proactive efforts to include Syrian refugees in the labour market without reforming existing regulation. Indeed, the Turkish Government has taken a pro-active approach to employing skilled professionals among the refugees—e.g., doctors, dentists, nurses and teachers—to provide social services to their own refugee communities. This new programme allows medical services workers to apply for a special work permit with the University of Gaziantep and teachers to apply for an equivalent permit from the Ministry of National Education. Already, more than 11,000 Syrian teachers and 300 Syrian medical professionals have received these special work permits to provide services to Syrian refugees.¹⁹⁵ Similarly, the Government of Egypt has permitted 2,000 Syrians to work in Syrian community-run schools.¹⁹⁶

In Jordan, some employers are also reportedly using a variety of approaches for circumventing quotas and sectoral restrictions placed on Syrian refugees.¹⁹⁷ These approaches include registering the worker in a different occupation than their actual job (e.g., hiring an individual as a maintenance worker even though they might work as a computer engineer), hiring “virtual Jordanians” that then allow firms to hire Syrian refugees, or using cash-for-work programmes that allow the hiring of Syrian refugees without permits and often in higher-skilled tasks that may be in closed professions. Analogous to the approach used in Turkey, Syrian teachers are allowed to work in schools as ‘volunteer’ teacher assistants for which they receive a stipend.¹⁹⁸

Across all of these countries, large numbers of refugees are employed in the informal sector, predominantly in low-skilled work, thus bypassing the need to have formal work permits. In addition



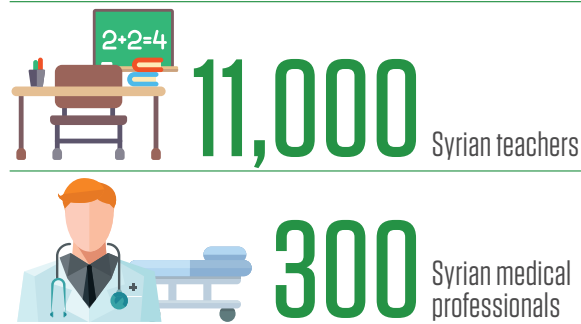
to providing de facto support for this employment approach (i.e., by not actively penalizing employers hiring refugees in this way), a variety of alternative employment strategies have been used to employ both low-skilled and high-skilled refugees.

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INFRASTRUCTURE AND LABOUR-INTENSIVE WORK

Interventions combining infrastructure construction or rehabilitation and labour-intensive work have been prominent across the

EMPLOYING SKILLED PROFESSIONALS AMONG THE REFUGEES





IN LEBANON, PROGRAMMES AND PROJECTS HAVE BEEN IMPLEMENTED BY NGOS COLLABORATING WITH LOCAL MUNICIPALITIES TO PROVIDE LABOUR-INTENSIVE WORK FOR SYRIAN REFUGEES TO UPGRADE BASIC INFRASTRUCTURE

six countries. While improving chronically weak infrastructure, which is stressed by the large influx of refugees in some countries and damaged by years of violence in others, these interventions provide large numbers of short-term low-, semi- and high-skilled employment opportunities, and are frequently not bound by labour market regulations on employing either host nationals or refugees (as discussed above for Jordan). These projects often include a 'learning by doing' skill transfer component.

In Jordan, a number of donors have supported infrastructure projects as part of the crisis response,¹⁹⁹ with projects focused on improving roads, energy, local development, health and water systems.²⁰⁰ An explicit goal of Gulf Cooperation Council support to infrastructure projects—\$5 billion over a five-year period—was to “help reduce the level of unemployment through creating new job opportunities.”²⁰¹ Both the World Bank’s Emergency Services and Social Resilience programme and the German-funded Employment Intensive Investment Programmes are designed to work directly with local municipalities in

supporting employment creation while also improving local infrastructure.²⁰²

In addition, the Government of Jordan is trying to promote investment in ‘megaprojects’ (e.g., a national railway network and electrical interconnectivity with Saudi Arabia) through the enactment of the new Jordan National Investment Fund Law.²⁰³

In the KRI, creating short-term employment opportunities is one of the key goals of the construction of 11 new IDP camps; some are currently under construction and others are pending. These are intended to absorb the 700,000 anticipated additional IDPs from Mosul.²⁰⁴ A variety of donors have funded localized public infrastructure projects (e.g., rehabilitating community public infrastructure) to provide economic opportunities to vulnerable, conflict-affected households.²⁰⁵

In Lebanon, programs and projects have been implemented by NGOs collaborating with local municipalities to provide labour-intensive work for Syrian refugees to upgrade basic infrastructure, such as clearing canals and solid local waste management projects;²⁰⁶ UN humanitarian and development agencies have implemented similar programmes. Although labour-intensive infrastructure programmes are reportedly a critical component of planned efforts to meet the London commitments, they have been controversial. Despite plans for development actors to fund a €22 million project to improve water, roads and agricultural land,²⁰⁷ and the Lebanese Government’s proposed five-year, multibillion-dollar infrastructure improvement plan,²⁰⁸ however, there is no large-scale programming is currently underway.²⁰⁹

Rehabilitating water networks and solid waste management have also been a focus of labour-intensive programming in Syria, with infrastructure programs in waste removal and water management creating nearly 35,000 months of temporary employment for IDPs and host communities.²¹⁰ In addition to this programming, development actors have supported rehabilitation of both health centres and power generation systems.

IN THE KRI, CREATING SHORT-TERM EMPLOYMENT OPPORTUNITIES IS ONE OF THE KEY GOALS OF THE CONSTRUCTION OF 11 NEW REFUGEE CAMPS

The analogous programming in Egypt is unusual in that it is youth-focused, and includes construction of both community infrastructure and social service elements. It will target host communities negatively impacted by the influx of refugees.²¹¹

For Turkey, infrastructure improvement is a key component of the crisis response by the Turkish Government, local municipalities, local chambers of commerce and international NGOs, but only rarely explicitly includes labour-intensive elements. As examples, while there are current plans to construct 50,000 new homes for poor Turks and Syrian refugees in Gaziantep, and the Gaziantep Chamber of Industry intends to develop an industrial zone that can support 150,000 workers, these do not explicitly have labour-intensive elements.

ACCESS TO INFORMATION

Improving access to information for Syrian refugees has been a key goal of both host governments and development actors in several countries. In Turkey, where language is a key challenge facing refugees, more than 50 community centres throughout areas with high concentrations of refugees function as one-stop-shops for a wide variety of services for Syrians. These services include information about labour market opportunities, housing and

health care; courses, including on the Turkish language; and resources familiarizing Syrians with their rights under Turkish law, with Turkish culture and with workplace expectations of Turkish companies. These centres are led by a mixture of Turkish and international agencies—e.g., Turkish Red Crescent, local municipalities, international NGOs such as Mercy Corps, etc.—and are robustly supported by local chambers of commerce and municipalities as well as a variety of international organizations (e.g., International Organization for Migration or IOM and UNHCR). The Turkish Government also plans to provide a matching service for Syrian refugees through the Turkish employment agency, ISKUR, which is a programme analogous to that offered to Turkish citizens.²¹²

Community centres have been an important component of the crisis response in Syria, where 30 were opened across nine governorates in 2015. These report more than 1,000 beneficiaries per month. They provide support in accessing economic opportunities (e.g., through educational, livelihood and vocational training activities) and a variety of other forms of conflict-related assistance (e.g., counselling and psychosocial support). Donors have supported a job-matching initiative, which surveys the technical skills of IDPs in shelters and matches them to labour needs in local workshops.



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FOR LARGER SYRIAN ENTREPRENEURS, THE PRE-EXISTING SYRIAN BUSINESS ASSOCIATION IN EGYPT HAS BEEN A KEY ENABLER, PROVIDING GUIDANCE AND COUNSELLING TO POTENTIAL NEW SYRIAN BUSINESS VENTURES

In the wake of the London Conference, UNHCR has employed a variety of mechanisms to raise awareness among Syrian refugees in Jordan about employment opportunities and the evolving legal environment. These have included sending text messages via mobile phone to heads of households, holding town hall meetings in key refugee communities to discuss ongoing issues, and developing and disseminating written information (e.g., frequently asked questions, briefs, etc.) about work permit procedures for Syrians.²¹³ Jordanian chambers of industry have been proactively helping Syrian investors and businesses, working with them to navigate the business environment in Jordan, providing advice about starting businesses, and sometimes advocating for them with the Jordanian Government.²¹⁴

In the KRI, Job Seeker Support Centres provide refugees, IDPs and Iraqis with access to information about economic opportunities, and support them throughout the application process. Online platforms allow job seekers to interact with potential employers, specifically by accessing the US Agency for International

Development (USAID)-developed Foras system.²¹⁵ The centres work with job seekers in developing their resumes and preparing for interviews. In addition, the centres offer targeted training to bolster employability.²¹⁶

In Egypt, Syrians have been helped other Syrians through Syrian-managed organizations. For larger-scale Syrian entrepreneurs, the pre-existing Syrian Business Association in Egypt has been a key enabler, providing guidance and counselling to potential new Syrian business ventures.²¹⁷ This includes information related to business rules and regulations, available industrial assets and market trends. The association also reportedly has used connections with senior government officials in advocacy for new firms. Syrian-managed NGOs help Syrians with other social and service needs as they adapt to life in Egypt.

SKILL DEVELOPMENT

Skill development programmes are frequently viewed as a cost-effective means to enhance the employment outcomes of host nationals and refugees alike. A particularly prominent type of refugee-focused skill development is vocational training, with development actors implementing programmes directly or through NGOs or local government agencies. Though Turkey's ISKUR provides vocational training in cooperation with Turkish industry, there are now more than 5,000 unique vocational centres operating across the country. In Egypt, these programmes have been popular among international NGOs as a way to support labour market participation among both disadvantaged Egyptians and refugees. In Lebanon, vocational and skill training is widely available for both refugees and vulnerable host communities with the aim of economically empowering trainees and linking them to MSMEs. In Jordan, vocational training programmes have been one of the key employment-focused initiatives targeted towards refugee and host communities.²¹⁸ And in Syria, several vocational centres and automotive-focused training centres have been established.²¹⁹ The strengths and limitations of vocational training programmes are discussed in greater detail in the subsequent chapter, as part of the lessons identified discussion.



30
COMMUNITY CENTRES WERE OPENED ACROSS NINE GOVERNORATES IN SYRIA IN 2015

In the KRI, in addition to the standard types of vocational training offered elsewhere, a particular focus has been on helping refugees develop the language skills that they need—basic English, Kurdish and Arabic—to enter the labour market in Erbil. Training centres provide basic language skills classes over a two-week period.²²⁰

A related initiative is a skills-exchange project in Jordan, where skilled Syrians are employed to teach vulnerable Jordanians “to create sustainable livelihoods opportunities with entrepreneurship skills and microbusiness development.”²²¹ The Syrians are provided with limited training on how to train – with the program therefore relying on a train-the-trainer approach. The approach is similar to vocational training, in that the Syrians are providing practical skill training, but activities take advantage of skills specifically offered by Syrians.

ENABLING BUSINESSES

Host governments and domestic private sectors have taken a variety of measures to help support the expansion of existing businesses and formation of new business ventures. In Jordan, national reforms to improve the investment climate include the elimination of capital requirements for foreign investors, except for Syrians (see Chapter 2); simplifying the process for all entrepreneurs to start a business; and speeding up the customs process.²²² A new investment law was enacted in 2014, and Jordan has continued efforts to improve the institutional frameworks governing investment.²²³

In order to support the goals of the London Conference, the Ministry of Planning and International Cooperation is taking steps to enhance the business environment, drawing on an existing plan developed by the Jordan Investment Commission. A Programme Management Unit is currently developing plans to enhance investment coordination and is looking to ease the conditions for Syrian investors to either invest or set up their own businesses.²²⁴ Several ongoing efforts aim to

THESE ACTORS HAVE FUNDED INCOME-GENERATING PROJECTS IN AGRICULTURAL FARMS, FOOD PROCESSING, SEWING AND FOOTWEAR, CREATING MORE THAN 4,000 NEW JOBS

facilitate the formalization of the many informal Syrian and Jordanian home businesses (e.g., coding, sewing and cooking).²²⁵ At the same time, however, the Government is working on an amendment of the FDI by-law. It will add new barriers to the entry of FDI in some sectors, and is considered a protectionist measure to safeguard some Jordanian industries. That different ministries are working at cross-purposes is reflective of the complicated political economy surrounding efforts to support Syrians.

For Lebanon, technical support to Lebanese businesses, especially SMEs, has been a key part of crisis-related activities, accounting for approximately 20 percent of ongoing and planned projects.²²⁶ Unlike in Jordan, however, these efforts have been more locally focused, and directed towards strengthening Lebanese SMEs and cooperatives. Activities have received funding from the donor community (e.g., the UK Department for International Development or DfID, USAID and the Italian Government), and have included training for cooperative members, and direct support to enterprises and start-ups in the creative industry with the goal



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of increasing competitiveness and productivity. Further, the Lebanese Government has included \$6 million to improve and support SME competitiveness in proposed projects for concessional funding. Agricultural value chain development has been another important sector targeted for support.²²⁷

In Turkey, which already has a vibrant private economy, the Government's policy is reportedly "to accept reality and let them work."²²⁸ Some municipalities (e.g., Gaziantep) are taking steps to encourage Syrian investments, but the general policy of the Government is to allow Syrians to establish new enterprises unless Turkish firms file formal complaints.²²⁹



3,000
REGISTERED
SYRIAN FIRMS
IN TURKEY

By late 2015, there were nearly 3,000 registered Syrian firms in Turkey, 800 in Gaziantep and an additional 750 in Mersin, and a total of nearly 10,000 including those owned and a total of 5,900

formally registered Syrian-owned companies nationwide, and thousands more operating informally.²³⁰ These firms have benefited from the concentration of Syrians in specific areas, as they provide services tailored to the refugees and have been able to benefit from humanitarian assistance provided to the refugees. Additionally, the inclusion of Syrians into the Turkish labour market has reportedly benefited skilled Turkish labour by allowing them to move into higher paying formal sector jobs.²³¹

For Syria, business support has focused on providing direct support to small and micro-businesses negatively impacted by the conflict, through either disruption or destruction of property. In particular, development actors have provided both equipment and financing to support several struggling small businesses. These actors have also funded income-generating projects in farming, food processing,

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THE ONLY CONDITION FOR FIRMS TO BENEFIT FROM THIS DEAL IS TO EMPLOY 15% SYRIANS, RISING TO 25 PERCENT AFTER TWO YEARS



sewing and footwear, creating more than 4,000 new jobs.²³²

ECONOMIC ZONES AND TRADE

The European Union's relaxation of the 'rules of origin' requirements for imports from Jordan—benefiting some 52 economic products in 18 designated development zones—has been heralded as the single biggest step made by the international community to promote investment in Jordan and support both Syrian and Jordanian employment. The only condition for firms to benefit from this deal is to employ 15% Syrians, rising to 25 percent after two years. Integrating refugees into Jordan's development zones in this way has been suggested as an effective refugee policy that will "improve the lives of the refugees in the short term and the prospects of the region in the long term, and serve the economic and security interests of the host states."²³³ But others have argued that this restriction "could end up creating very little employment for both Jordanians and Syrian refugees;" these economic zones have historically relied on inexpensive single female migrant workers who live in worker compounds and have very limited in-country expenses, which is not likely to be compatible with the needs of Syrian refugees





IN TURKEY, THE CHAMBERS OF COMMERCE AND THE GAZIANTEP METROPOLITAN MUNICIPALITY ARE PLANNING TO CONSTRUCT AN INDUSTRIAL ZONE THAT COULD EMPLOY AS MANY AS 150,000 TURKS AND SYRIAN REFUGEES

WFP/
Berna Cetin

who must support families.²³⁴ And the travel restrictions faced by Syrian refugees suggests that they are likely to have difficulty accessing these facilities. Further, the privileged access is scheduled to expire after 10 years, which may discourage FDI targeted towards taking advantage of this new deal, particularly as new manufacturing operations are expected to take as long as three years to reach full production capacity.²³⁵

The response within Jordan to this policy shift has been tepid, though this policy change is still relatively new. Most stakeholders state that the deal is a positive step but more is needed in terms of improving the investment climate and acquainting exporters with the European Union market as well as promoting the deal to international investors. Indeed, the main barrier to exporting to the European Union is not always related to the rules of origin, but in many instances arises from the quality of products and quality certifications.²³⁶ A similar challenge is faced in Lebanon, where product quality is one of the key impediments to exports.²³⁷

In Egypt, though there was no direct involvement from either the Government or development actors, many Syrian businesses are reportedly flourishing, transferring capital, skills and their former trade networks to Egypt. Syrian-owned businesses have taken advantage of unused space in existing industrial parks, and are hiring local Egyptian workers in addition to supporting themselves.²³⁸

Similar efforts to integrate Syrian refugee entrepreneurs into either existing or planned economic zones are ongoing in several countries.²³⁹ In Gaziantep in Turkey, the Chamber of Industry and the Gaziantep Metropolitan Municipality are planning to construct an industrial zone that could employ as many as 150,000 Turks and Syrian refugees. In Lebanon, the Ministry of Industry plans similar industrial zones with the support of the UN Industrial Development Organization (UNIDO), in addition to zones being created by the private sector, such as around the port of Tripoli.²⁴⁰ In Syria, UNDP established a technical workshop to support the industrial zone of Homs by providing blacksmith services and a lathe machine²⁴¹ to produce tools and spare parts for industrial enterprises and car repairs.

Promising Approaches and Lessons Identified



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The economic opportunity-focused activities that are designed to respond to the crisis are, by and large, relatively new. Therefore, it is premature to fully gauge their effectiveness. In discussing these activities, however, interviewees frequently described their preliminary views on the progress thus far and the likelihood that these efforts would meet the intended goals.

In this chapter, we draw out perspectives on activities that seem to be working in at least one country. We describe a subset of these activities, called promising approaches, that are potentially adaptable to other countries.

The second goal of this chapter is to describe implementation challenges in these activities, with a particular focus on the types of implementation challenges that have been experienced across multiple countries. The intent of this discussion is to derive lessons, by drawing on diverse experiences across the six countries that suggest how Such implementation challenges might be overcome.

PROMISING APPROACHES

The two key criteria for qualifying as a promising approach are that: (1) an activity was generally believed to be successful in at least one country and (2) it has characteristics that make it amenable for exporting to other contexts. This section reviews each highlighted activity briefly, presents the evidence for why it is promising, and then discusses



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how a given approach might be applied in other countries.

Concessional financing of infrastructure-related activities (Jordan, Lebanon). The Concessional Financing Facility provided \$340 million in concessional loans to Jordan to support the rehabilitation of water infrastructure in communities hosting refugees.²⁴² Infrastructure-related financing has also been a focus of activities in Lebanon.²⁴³ Financing of infrastructure is anticipated to be a crucial component of the crisis response as it creates short-term economic opportunities for both host nationals and Syrian refugees, and rehabilitates infrastructure that is stressed by large refugee populations. Appropriately designed infrastructure projects (e.g., including skill upgrading of participants and improvements to economic infrastructure that has historically restricted economic growth) can also support expansion of longer-term economic opportunities.

- **Applicability to other country contexts:** Concessional financing of infrastructure-related activities—including concessional grants, which might be considered in the context of the future reconstruction of Syria—will likely be crucial to meeting the promises of the London Conference. These activities can generate short-term and emergency employment, and bolster long-term development.

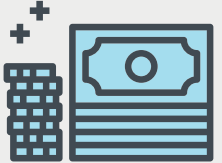
SUMMARY

Promising approaches

- Allow unlimited work access to refugees
- Allow Syrians to provide services for other Syrians
- Include both refugees and host nationals as explicit beneficiaries
- Support expanded access to European Union markets
- Coordinate access to information for Syrian refugees
- Facilitate Syrian refugee networks
- Contract with communities impacted by crisis when possible
- Support Syrian large businesses and SMEs

Lessons identified

- Coordination challenges
- Work permits insufficient
- Vocational training programmes need to be better aligned with market needs
- Build the capacity of private sector companies to appreciate and value skills
- Design humanitarian assistance to encourage work
- Facilitate Syrian private investment

\$340 MILLION 
in concessional loans has been provided by the Concessional Financing Facility to Jordan to support the rehabilitation of water infrastructure in communities hosting refugees



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Allow Syrians to provide services for other Syrians (Egypt, Turkey).

Syrian medical professionals (e.g., doctors, dentists, nurses and midwives) and teachers are allowed to provide services to other Syrians in Egypt, Jordan and Turkey, as an exception to the existing labour market restrictions. The Egyptian Ministry of Education allows Syrian refugee teachers to teach in Syrian community schools. Approximately 2,000 Syrians are currently employed as teachers, with potentially more in the future.²⁴⁴ In Jordan, Syrian teachers are employed as volunteer 'teacher assistants' and paid a stipend rather than a salary.²⁴⁵ In Turkey, medical professionals simply need to take a certification programme in Gaziantep University,²⁴⁶ and teachers can work if they receive a permit from the Ministry of National Education in Temporary Education Centres (with their salaries paid directly by the UN Children's Fund or UNICEF at rates below Turkey's minimum wage).²⁴⁷

• **Applicability to other country contexts:**

Allowing highly skilled Syrian workers to provide services to other Syrians helps them to support their families, efficiently provides access to services for Syrians and retains the skilled

labour necessary for the recovery process.

This approach could be easily applied in all other host nations, with or without funding from development actors. Indeed, where the development community funds the salaries of Syrian personnel, the cost to governments of providing services to refugees is dramatically reduced.

Include both refugees and host nationals as explicit beneficiaries in all programming efforts (Lebanon, Turkey).

Programmes run by the Turkish Government and NGOs—vocational training centres, preventive medicine, food cards for the poor, community centres and labour-intensive programmes, among others—offer the same services to both Syrian refugees and Turks in host communities. Though Syrians often benefit from these services less than Turks, as a result of language gaps and a lack of knowledge about the availability of services, this has reportedly been an essential part of inclusion policy and has been identified as key for reducing social tensions. Every project implemented in Lebanon under the Lebanon Crisis Response Plan (e.g., labour-intensive programmes, vocational training, etc.) is inclusive in the same way.

SYRIAN MEDICAL PROFESSIONALS AND TEACHERS ARE ALLOWED TO PROVIDE SERVICES TO OTHER SYRIANS IN EGYPT, JORDAN AND TURKEY

- **Applicability to other country contexts:**

Including both refugees and their host communities in donor programming recognizes that host communities need assistance, in addition to the refugees.

Helping both communities together builds social cohesion and makes such programming politically sustainable. To address the needs of refugees, many development partners are establishing new programmes that parallel existing programmes for host nationals. Expanding and adapting existing programmes to accommodate Syrians has several advantages: It is less expensive (due to economies of scale), it avoids problems related to inconsistency across programmes (a concern for technical training as well as perceptions of excessive support being given to Syrians), and it provides an opportunity for Syrians and host nationals to become familiar with each other in a facilitated setting.

- **Support expanded access to European Union markets (Jordan).**

The recently signed rules of origin deal signed between Jordan and the European Union has been described as the single biggest step made by the international community to promote investments in Jordan and support Syrian and Jordanian employment.²⁴⁸ Though many of the benefits could accrue outside the London Conference's 2018 timeline, the deal is anticipated to create a limited number of economic opportunities by then, despite a tepid initial response, as discussed in Chapter 3.

- **Applicability to other country contexts:**

Trading partners (including the European Union, the United States and others) can stimulate job-creating investment in host countries by expanding market access. This is particularly important for host countries that have suffered a loss of export markets as a result of the Syrian crisis—either related to Syria as an importer of products or Syria as a transit route. Expanding market access to host countries will need to be done on a case-by-case basis, to ensure that that the terms and conditions of privileged trade are appropriate for the country, and should be accompanied by efforts to improve both the business environment and the quality of products produced for export. This approach

WHERE THE DEVELOPMENT COMMUNITY FUNDS THE SALARIES OF SYRIAN PERSONNEL, THE COST TO GOVERNMENTS OF PROVIDING SERVICES TO REFUGEES IS DRAMATICALLY REDUCED

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2,000

Syrians teachers currently employed by the Egyptian Ministry of Education in Syrian community schools



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may be less beneficial in countries that already have good market access (e.g., Turkey) or countries that have consistently struggled to meet European Union standards for key export goods (e.g., Lebanon).

Expand and facilitate access to information for Syrian refugees (Jordan, Turkey).

In Jordan, UNCHR-supported efforts to disseminate information have been highlighted by both employers and refugees as a key tool for supporting job creation. UNHCR sent SMSs to more than 146,000 refugees with information on the steps required for obtaining a work permit, distributed flyers on the topic, and organized town hall meetings in which Ministry of Labour officials answered refugee questions on the work permit issue. An ILO awareness campaign with UNHCR contributed to a more than tripling of permits in the agriculture sector—from 2,000 to 7,000. Community centres functioning as a one-stop-shop for services for Syrians have been heralded as central to creating a welcoming environment while directly helping Syrians orient themselves to life in Turkey.²⁴⁹ These community centres play a particularly important role in Turkey because of the language barrier.

AN ILO AWARENESS CAMPAIGN WITH UNHCR CONTRIBUTED TO MORE THAN TRIPLING PERMITS IN THE AGRICULTURE SECTOR—FROM 2,000 TO 7,000

• Applicability to other country contexts:

Syrian refugees in many countries do not know what job opportunities are open to them, what their labour rights are or what is required to obtain a work permit. Community centres in convenient locations ease the challenge by providing a one-stop-shop for receiving services (e.g., job training with job placement, and legal advice) as well as referrals to other providers (e.g., appropriate government offices) where needed.²⁵⁰

Facilitate Syrian refugee networks and NGOs (Egypt, Turkey).

There is a robust Syrian NGO network in Turkey.²⁵¹ In Egypt, there is the Syrian Business Association and a strong Syrian-managed NGO network.²⁵² These associations enable Syrians to support each other with employment opportunities, vocational training, employment offices, information networks and self-advocacy.²⁵³

• Applicability to other country contexts: Few Syrian refugee associations or NGOs exist in the other host countries. Such associations enable the Syrian community to help itself with employment support. These are areas that donors can fund and support.



Contract with refugees, IDPs and host communities for needed services (Syria).

Humanitarian and development agencies can encourage local businesses through use of direct procurement.²⁵⁴ As an example, when local markets are not functioning (e.g., transportation networks are not getting food to markets) but local production capacity remains, WFP procures from local producers and provides beneficiaries with assistance in kind. UNICEF and the UN Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) procure all their needs from the local market, and other UN agencies (e.g., UNHCR) procure part of their needs locally. This is a promising approach for all agencies—humanitarian and development—focused on providing emergency or temporary employment. Local procurement contributes to the revival and recovery of enterprises, as humanitarian agencies have a substantial demand for goods and services.²⁵⁵ Working closely with representatives of targeted communities, in addition to the leadership of those communities, is essential to ensuring that the entire community benefits from these types of approaches.²⁵⁶

- **Applicability to other country contexts:** Humanitarian agencies supporting refugees should be encouraged to procure goods and services from local businesses in host communities of neighbouring countries, provided these businesses employ refugees as

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146,000

refugees received SMSs sent by UNHCR with information on the steps required for obtaining a work permit

a percentage of their labour force. This would constitute opportunities for job creation among refugees, while at the same time supporting businesses in host communities. This may not support Syrian refugees in many countries, however, given restrictions in some sectors on refugees working. It is recommended to support sectors where employment of refugees does not compete with host communities (e.g., agricultural and construction projects in Lebanon).

Allow Syrians to start both large businesses and SMEs, and facilitate access to available industrial infrastructure (Egypt, Turkey).

In spite of a diversity of challenges, Syrian businesses have demonstrated that they can succeed and contribute to their host nations' economies if given the opportunity. A dramatic example of this is the approximately 500 Syrian workshops and small factories operating informally in El Obour Industrial City, where they have rented ready-to-operate spaces in an industrial park. Syrian entrepreneurs have similarly established enterprises in a variety of other cities (e.g., New Damietta and 6th of October).

HUMANITARIAN AND DEVELOPMENT AGENCIES CAN ENCOURAGE LOCAL BUSINESSES THROUGH USE OF DIRECT PROCUREMENT

• **Applicability to other country contexts:**

Syrians can invest capital, provide technical expertise, boost new sectors, and hire Syrians as well as host nationals. Few countries have made concerted attempts to attract, retain and support Syrians who would like to relocate their businesses. Helping Syrian businesses could be a boon to all host countries.

Facilitate Syrian private investment (Egypt, Jordan, Turkey). While other sources of FDI have fallen as a consequence of the conflict, supportive investment climates have encouraged inflows of Syrian private capital. Syrian capital accounted for nearly 15 percent of all new foreign capital in Jordan in both 2013 and 2014²⁵⁷ as a result of proactive efforts by the Jordanian Government to attract this capital. Syrian refugees have invested some \$800 million in Egypt and \$1 to \$1.5 billion in Turkey.²⁵⁸

• **Applicability to other country contexts:** Syrian businesspeople and individuals are prepared to invest significant private capital in their host nations, creating opportunities for both host nationals and Syrian refugees, if the conditions are appropriate.

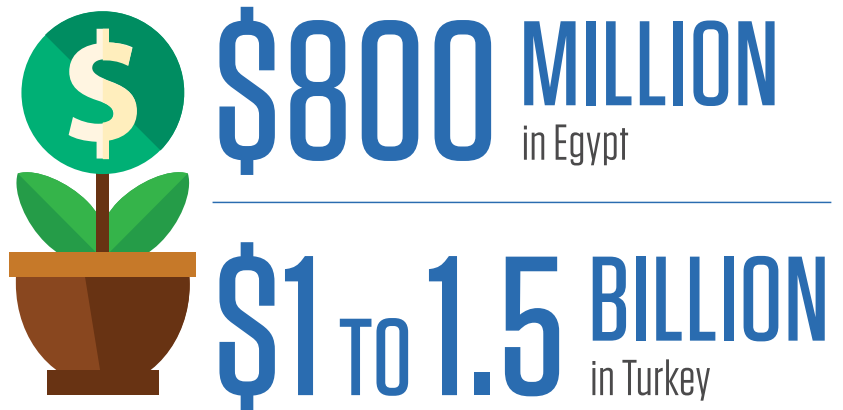


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LESSONS IDENTIFIED

Host governments, development partners and private sector partners encountered a variety of challenges in effectively implementing crisis-response activities. These challenges reduced programme effectiveness, wasted scarce financial resources and short windows of opportunity, and, in at least one case, aggravated existing refugee-related social tensions. In hopes of guiding future crisis response activities, this section derives key lessons from these previous implementation challenges. The three key criteria for qualifying as lessons were that (1) the implementation challenge was encountered in multiple countries, so that we have some confidence that this challenge is not situation dependent;²⁵⁹ (2) our research provided pragmatic approaches for overcoming these challenges; and (3) addressing these implementation challenges is anticipated to bring substantive improvements in the crisis response. For each lesson, we describe the implementation challenge and where it has been

SYRIAN REFUGEES INVESTMENTS





COORDINATION IS AND WILL REMAIN A CHALLENGE FACING EFFECTIVE CRISIS-RELATED ACTIVITIES. HOST GOVERNMENTS, DEVELOPMENT ACTORS, AND PRIVATE SECTOR PARTNERS SHOULD ENSURE OVERARCHING STRATEGIES, WITH LEADERSHIP TO COORDINATE ONGOING PROGRAMMING

experienced, discuss how it might be overcome, and then describe its implications for future crisis response activities.

Coordination of crisis-related development programming is difficult, and requires persistent effort at the local, national and regional levels. A variety of formal mechanisms to coordinate crisis-related activities, at the country and regional levels, have been established in past few years. As examples, the UN's Resilience- Based Development Response to the Syria Crisis was launched in 2013 to integrate humanitarian and development interventions at the regional level. In this context, Jordan formulated its first National Resilience Plan in 2014. Subsequently, Lebanon

developed the Lebanon Crisis Response Plan to coordinate and harmonize the humanitarian response to the needs of all vulnerable populations.²⁶⁰

Despite these efforts, and while certainly not unique to the Syrian refugee crisis, a lack of coordination within governments, within the development community, and between governments and development actors has limited the effectiveness of the development response. On the host government side, Egypt has no entity assigned to coordinate Syrian refugee-related development activities (although the Ministry of Foreign Affairs is the point of contact for refugee-related issues),²⁶¹ and the Turkish government faces difficulty in coordinating its policies and programs related to Syrians despite the existence of a single ministerial level body -- Turkey's "Disaster and Emergency Management Authority" -- tasked with coordination of the efforts of line ministries. In the KRI, respondents frequently described the suite of livelihood activities being implemented by development actors as haphazard. Insufficient coordination of host government and development actor activities was stressed in interviews across all countries (for an example, see the vocational training example immediately below).

Recent efforts to address coordination gaps have faced significant limitations. The Jordanian Programme Management Unit was created to ensure that the Government and donors are meeting commitments made at the London conference and to coordinate donor efforts.²⁶² The link between the Unit, which had the lead for economic opportunities as part of the Jordan Compact, and the Jordan Response Plan, the pre-existing coordination element for livelihood interventions, was still unclear two months after the Unit became operational, however. Although the Lebanon Crisis Response Plan has proven an effective forum for coordinating humanitarian and stabilization activities—allowing nearly 100 partners from the Government, United Nations and NGO community to meet regularly related to programming—there is not an organization in Lebanon that is focused on economic opportunities and has comparable capabilities.²⁶³

- **Implications:** Coordination is and will remain a challenge to effective crisis-related activities. Host governments, development actors and private sector partners should ensure overarching strategies, with leadership to coordinate ongoing programming, manage challenges faced, pursue promising approaches and build on lessons learned.

Work permits are not enough for creating jobs. Expanding the number of permits available to Syrian refugees has frequently dominated negotiations between development actors and host nations. Issuing permits was a key commitment of the Jordan Compact and Lebanon Statement of Intent,²⁶⁴ and a central discussion point in the 2016 London Conference and recent World Bank negotiations with the Jordanian Government.

Access to permits, however, is not sufficient for expanding decent economic opportunities for Syrian refugees. In Jordan, the persistence of closed occupations and sector quotas will continue to restrict meaningful employment, despite significant progress in expanding the number of permits available. In Egypt, the KRI and Lebanon, the number of permits is largely overshadowed by the importance of residency permits, which can impose limitations on freedom of movement for refugees, and hinder the ability to work and access basic services. In Turkey, where permits are reportedly for high-skilled refugees only, the Government has allowed flexibility in its regulatory framework to get teachers and medical professionals working to provide services for their own communities.

In pursuing the formalization of employment, there is an assumption that providing work permits will prevent exploitation in the workplace. Indeed, where work permits are tied to a particular sponsor, as in Lebanon, they can magnify the risk of exploitation.

- **Implications:** Political and economic capital would be well spent in improving the multiple domains relevant to expanding economic opportunities, rather than focusing strongly on increasing the number of work permits. As an example, it is paramount that initiatives to expand economic opportunities and create

PRIVATE SECTOR DEVELOPMENT INTERVENTIONS ON THE DEMAND SIDE OF THE LABOUR MARKET ARE REQUIRED TO ENSURE THAT SKILLS FORMATION EFFORTS DO NOT GO TO WASTE

jobs are accompanied by actions to improve working conditions across the economies of these countries, including in the informal economy. Furthermore, policies and targeted activities need to advance the formalization of the economy. Such initiatives can be stand-alone projects or integrated into the design of other programmes.

Vocational training needs to be aligned with market needs, the skills that targeted populations already have and other educational initiatives. Vocational training programmes have been a popular livelihood component of the crisis response, particularly among development actors (e.g., international NGOs). Refugee-targeted vocational training programmes have largely emerged alongside existing national public or private vocational training programmes.

Though some programming (e.g., Turkish language) has been viewed as effective, vocational training targeted at Syrian refugees is widely perceived as ineffective, for three primary reasons. The first is that the training typically has little relevance to market needs, as it is not guided by needs assessments (Egypt, Iraq, Jordan, Lebanon and Turkey). The second is that training is typically poorly aligned with the experiences and skills of the targeted refugee populations (Egypt). And third, unlike many pre-existing vocational training programmes, new programmes typically have few or no connections with firms, educational pathways or other employment opportunities (Egypt, Turkey).

It is not clear that NGOs are better suited to providing vocational training in terms of quality, labour market alignment and cost than existing vocational training centres. Rather than offering a transition to employment, these programmes simply offer coursework that hopefully provides useful skills. Furthermore, since they are typically outside established technical and vocational education and training systems, they offer trainees little chance of acquiring recognized skills.

- **Implications:** Practical vocational skills are useful, but training as currently designed for the refugees is unlikely to lead to substantive improvements in access to economic opportunities. Restricting vocational training programmes to those with an explicit connection with the private sector, shifting others into more pragmatic programmes, and where possible integrating Syrian refugees into and strengthening the formal technical and vocational education and training system are all measures to consider. Efforts should also be made to align these vocational training programmes with other educational initiatives (e.g., higher education).

Building the skills of refugees is important; building the capacity of private sector companies to appreciate and value these skills is also crucial. The vast majority of companies in the targeted countries have limited human resources capacity. Business owners do not have a clear view of the set of competencies they need to fulfil their business strategies, or of how to recruit and retain the needed workforce. Private sector development interventions on the demand side of the labour market could ensure that skills formation efforts do not go to waste. Innovative approaches include jointly tackling bottlenecks to improved productivity and work conditions, towards improved skills utilization.

- **Implications:** There is scope for models piloted in the region (in Jordan, in particular) to be replicated as part of the refugee response, emphasizing direct interventions with business owners and their representatives.



15%
THE SHARE OF
SYRIAN PRIVATE
CAPITAL IN ALL
NEW FOREIGN
CAPITAL IN
JORDAN IN 2013
AND 2014

A lack of information can create misconceptions, leading to poorly targeted livelihood programming. Data are a key component of development programming, both baseline surveys to guide programme design, and monitoring and evaluation to track programme success. Despite myriad data-sharing arrangements, disaggregated data are infrequently shared within or across organizations, perpetuating gaps in knowledge.

Insufficient data impede the effectiveness of crisis-related activities in at least two ways. The first is that livelihood programming is frequently not aligned with local market needs or the skills and experiences

of Syrian refugees. NGOs in Egypt frequently highlighted the lack of detailed profiling of Syrian refugees as a key impediment to programme planning. Ineffectively targeted programming as a result of insufficiently disaggregated data was highlighted in interviews in Iraq, Jordan and Lebanon. This can exacerbate social tensions, and has deepened mistrust and antipathy toward the refugees.

- **Implications:** Sharing of available data in open forums to support public discussion should be advocated, while maintaining respect for the privacy of individual refugee data. Compartmentalization of data has real consequences for the overall effectiveness of the crisis response, particularly in terms of developing effective economic policies and programmes.

Designing humanitarian assistance to encourage work and clearly communicating this intent to beneficiaries can improve the efficacy of the overall resilience response.

Humanitarian assistance is absolutely necessary to respond to the short-term and persistent medium-term challenges facing refugees, IDPs and the communities that support them. Assistance is not sustainable over the longer term, however. Facing a crisis with no clear end, deliberate efforts must be made to transition from short-term humanitarian assistance towards longer term development assistance, where feasible.

Though there is not yet systematic evidence, anecdotal data suggest that refugees and IDPs fear that they will lose their humanitarian assistance if they obtain jobs, even if the jobs are not sufficient to meet their needs. Structuring humanitarian assistance to encourage work, and clearly communicating this to beneficiaries, can improve the efficacy of the overall resilience response.

- **Implications:** Providers of development and humanitarian assistance should coordinate to ensure effective links among programmes. Encouraging humanitarian assistance beneficiaries to seek economic opportunities will support the efforts of both development and humanitarian assistance actors.

Recommendations

Providing recommendations—both regional and country-specific—for host governments and development actors is the central outcome of this assessment. In this final chapter, we draw on the promising approaches and lessons identified discussed in the previous chapter, and other recommendations from our fieldwork.

Our intent is to provide empirically derived recommendations. Each should meet three general conditions:

1. **Evidence-based:** A factual evidence base, whether from a given country or from other countries where an approach had previously been effective (i.e., a promising approach);
2. **Relevant:** Directly or indirectly related to increasing the number of employment opportunities or access to employment opportunities, and within the purview of one of the three target groups; and
3. **Politically feasible:** Feasible at either a regional or country level, recognizing that some recommendations may require that the international community provide incentives to make them politically feasible (e.g., the World Bank concessional loan made the expansion of work permits politically feasible in Jordan, as discussed in Chapter 4).

The following sections first provide regional and then country-specific recommendations. For each, we begin with a short description of the recommendation and define to whom the recommendations are directed. The discussion then delineates the challenges being addressed, with specific references to those discussed in Chapter 2; the body of evidence supporting this claim, with references to interviews and published documents;

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an explanation of how this recommendation is anticipated to support job creation; and a discussion of potential implementation challenges.

REGIONAL

Integrate the private sector into discussions about meeting the London Conference goals at the regional and country level. Although the London Conference is typically couched as a triad—host governments, development actors and the private sector—the domestic and international private sectors are poorly represented in programming (e.g., vocational training, etc.), research, and discussions of creative ways of how to employ more Syrians and host community members. Given the mandate of job creation, designing programmes that encourage the private sector—in particular the large firms that have been the engine of job growth in these economies—is necessary. This can only be done by ensuring that the private sector has a voice in the types of activities that are designed.

- **Challenges addressed:** Investment and access to financing, weak or damaged infrastructure, business rules and regulations, instability, export disruption.
- **How this will create or expand access to economic opportunities:** Strengthening the existing national private sectors—and in particular the medium and large firms that have been the primary source of job creation—is likely to be the quickest path to creating sustainable economic opportunities. Efforts that encourage these firms to expand, whether as a result of new investment or new markets, will have direct benefits. Furthermore, a number of large international companies have expressed interest in contributing to helping with the refugee crisis, but there are not clear avenues for them to engage.



**SOME RECOMMENDATIONS
MAY REQUIRE THAT
THE INTERNATIONAL
COMMUNITY PROVIDE
INCENTIVES TO MAKE THEM
POLITICALLY FEASIBLE**

- **Potential implementation challenges:** Mistrust between the private sector and governments predates the conflict. Development actors are biased towards SMEs and new entrepreneurship, and will find it difficult to sponsor larger firms. Development actors want to maintain control of projects and are unlikely to directly fund expansion of existing businesses.

- **How to overcome implementation challenges:** Formalize a consultative relationship between the private sectors (both national and international) and 3RP and other processes, allowing the private sector to bring proposals about what they might do with humanitarian and development resources to expand job creation. Moreover, in addition to consultation with the private sector, represented by employers' organisations, an inclusive social dialogue process should also incorporate formal consultations with trade unions. In this context, the new UNDP regional initiative to support governments and the private sector to develop policy options for more inclusive labour markets, with support from the European Regional Development and Protection Programme, constitutes a critical tool for public-private consultations.

Host governments should expand their leadership role in the coordination of the crisis response. National coordination bodies have improved the efficacy of livelihood activities in Jordan and Lebanon. An effective crisis response is necessarily cross-cutting, however, including elements of public-private partnerships, trade, finance, labour, information dissemination, environment and social welfare, among others. Establishing domestic authorities with the capability to integrate these typically disparate functionalities is essential to an effective crisis response.

- **Challenges addressed:** Underfinancing of relevant programming.

- **How this will expand economic opportunities:** A single governmental coordination element will help maximize the benefits of livelihood activities, ease decision-making for funding and approvals, improve negotiations with donors and attract additional funds.

- **Potential implementation challenges:** Coordinating across multiple government entities may prove challenging.

- **How to overcome implementation challenges:** Creating a national strategy with clear duties and responsibilities for each partner organization and key performance indicators can help coordinate multiple entities.

Expand programmes that involve aspects of emergency employment assistance (e.g., labour-intensive employment in infrastructure) and explicitly incorporate skill development into these programmes. Given the pressing timeline of the London Conference, large-scale emergency employment programmes are likely needed to meet ambitious employment goals. These programmes can help reach short-term employment goals and, if appropriately designed, can support longer term sustainable employment by creating transferable skill sets.

- **Challenges addressed:** Weak economic growth, stressed public finances, underfinancing of relevant programming, weak or damaged infrastructure.

- **How this will create or expand access to economic opportunities:** Labour-intensive programme activities (e.g., infrastructure) have proven effective at creating jobs for host nationals, refugees and IDPs alike. This will help development actors and host governments meet their short-term obligation to create 1.1 million new jobs, and can support sustainable economic opportunities beyond the time period of the programme if skill development is an explicit component. These programmes are ideally designed to influence the macro-, meso-, and micro-levels, taking into account increasing indirect and induced job creation as well as development impacts.

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NATIONAL COORDINATION BODIES HAVE IMPROVED THE EFFICACY OF LIVELIHOOD ACTIVITY IN JORDAN AND LEBANON

THOUGH THE INTEGRATED CRISIS RESPONSE IS NOW SIX YEARS OLD, THE COLLECTION AND SHARING OF DATA RELEVANT TO ECONOMIC OPPORTUNITIES IS NOT SYSTEMATIC

- **Potential implementation challenges:** Labour-intensive programming is problematic for some donors and host governments as it becomes an approach for bypassing national labour market regulations.
- **How to overcome implementation challenges:** Develop a communication strategy focused on how existing infrastructure, which is often ageing or insufficient, negatively impacts economies, and how these programmes can become a win-win in terms of meeting London Conference short-term employment goals and longer term national development goals.

Support efforts to expand the evidence base.

Though the integrated crisis response is now six years old, the collection and sharing of data relevant to economic opportunities (e.g., on the skills and experience of Syrian refugees and IDPs, the labour market needs of communities

hosting the Syrian refugees and IDPs, the types of activities that are effective and should be considered for scaling up) are not systematic. Coordinating host government, international, and potentially private sector data collection and analysis is necessary for maximizing the efficacy of limited financing.

- **Challenges addressed:** Underfinancing of relevant programming, labour market mismatch, business rules and regulations.
- **How this will expand economic opportunities:** Evidenced-based programming can lead to more efficient allocation of limited financing, expanding economic opportunities for host communities, IDPs and refugees.
- **Potential implementation challenges:** Target populations are dynamic, as is the crisis. Data collection could be seen as sensitive in conflict-affected areas.
- **How to overcome implementation challenges:** Consider non-standard, rapid data collection tools (e.g., mobile phone data collection platforms) to allow the rapid collection and dissemination of relevant data. Rely on community-based organizations to collect the data in conflict areas.



THE EGYPTIAN GOVERNMENT SHOULD REMOVE BARRIERS FACED BY SYRIAN BUSINESSES, WHICH HAVE A PROVEN CAPABILITY TO CREATE JOBS FOR BOTH SYRIANS AND EGYPTIANS



115,000

registered Syrian refugees hosted by Egypt



EGYPT

Egypt, with a population of 92 million, hosts 120,000 registered Syrian refugees (though the Egyptian Government estimates that there are 300,000 to 500,000 in all). All are integrated into urban areas, as Egypt has not established refugee camps, and the vast majority of working refugees are employed in the informal economy. Syrian refugees are generally perceived to be from more affluent backgrounds than those in neighbouring countries as they were able to afford air travel, though existing data indicate that nearly 88 percent are very vulnerable.²⁶⁵

Facilitate Syrian business activity. The Egyptian Government should remove barriers faced by Syrian businesses, as they have a proven capability to create jobs for both Syrians and Egyptians.

• **Challenges addressed:** Investment and access to financing, business rules and regulations, local partners.

• **How this will expand economic opportunities:**

Syrian private industry—which has already invested nearly \$800 million in Egypt since the beginning of the crisis—offers a unique opportunity to bolster and invigorate the Egyptian private sector. Supporting Syrian business activity will provide the Egyptian private sector access to new technical expertise, financing and business networks. This will create jobs for Egyptians and Syrian refugees alike.

• **Potential implementation challenges:** Syrian businesses may be seen as competitors by the Egyptian private sector, which will seek to restrict their ability to establish operations in Egypt.

• **How to overcome implementation challenges:** One simple approach, which would require limited intervention by the Egyptian Government, would be to establish clear systems for Syrian-Egyptian business partnerships.



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Ljubica Vujadinovic

Egypt, that other refugees and economic migrants may begin to demand longer term residencies, and that longer term permits may create a security risk, as they would reduce the Egyptian Government's control over these populations.

- **How to overcome implementation challenges:** The issue of the length of stay for the Syrians has not been as political in Egypt as it has been in other host countries. Furthermore, extending the length of the residency visa would reduce the bureaucratic burden on the Government. The Government could publicly stress the need for generosity with the Egyptian public. Making this recommendation politically feasible, however, may require additional financial support from the international community (e.g., concessional loans).

Tie the right to work for Syrians to their residency permit. The Government of Egypt should tie the right to work to residency, on a temporary basis with reconsideration every two years. This approach has been lauded as benefiting both Syrian refugees and the domestic economy in the KRI, where the refugees are similarly skilled and a small percentage of the overall labour force. Alternatively, the Government could modify the labour law, waiving the clause that a foreigner (Syrian in this case) can only be hired if there is not an eligible Egyptian.²⁶⁷

Extend residency permits for Syrian refugees from six months to two years. The six-month residency permit does not reflect the reality of the protracted crisis in Syria. A two-year residency permit would provide refugees the stability that they need to thrive, with add-on benefits for the Egyptian private sector.

- **Challenges addressed:** Residency permits, work permits.
- **How this will expand economic opportunities:** Lengthening residency will reduce employee turnover because of residency issues, bolstering employment for Syrian refugees and strengthening the domestic private sector where they work.²⁶⁶
- **Potential implementation challenges:** The Egyptian Government may be hesitant to support longer term residency permits for Syrians because of concerns that this may enable Syrian refugees to transition from being a temporary refugee population to becoming a long-term minority in



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- **Challenges addressed:** Residency permits, work permits.

- **How this will expand economic opportunities:** The legal framework for Syrians working is ambiguous. They are allowed to obtain work permits if they have residency but not refugee status. Expanding the right to work would bolster employment for Syrian refugees and strengthen the domestic private sector.

- **Potential implementation challenges:** Expanding Syrian refugees' access to the labour market may be resisted by the Egyptian people, who already face high levels of unemployment.

- **How to overcome implementation challenges:** The Syrian refugees are unlikely to be in direct competition with Egyptians for most jobs.

With a number of new labour law initiatives underway in Egypt, the aid community and Syrian representatives should represent refugee interests in labour law negotiations.

Provide information and legal support for skilled Syrian refugees seeking accreditation.

Much of the necessary legal framework is in place for Syrians to re-establish their credentials and gain access to work permits in Egypt. Syrian refugees do not typically have the knowledge to navigate these processes, however. Building from successes in Jordan and Turkey, the international community should fund information centres that will enhance refugee access to employment opportunities, within Egypt's laws.

- **Challenges addressed:** Difficulty with credentials.

- **How this will expand economic opportunities:** There are opportunities within Egypt's legal framework for Syrians to enter formal employment, as the law allows the hiring and recognition of the professional credentials of foreigners, under certain conditions. Supporting Syrian refugees to navigate these processes would enable them to work legally, and bring their skills to the Egyptian labour market.

- **Potential implementation challenges:** Accrediting large numbers of Syrian refugees is anticipated to incur significant costs for the Egyptian Government.

- **How to overcome implementation challenges:** Ongoing internationally funded programming is exploring how Syrian certifications can be transferred under Egypt's current law and practices.²⁶⁸ Development of standard materials, factsheets and guidelines may streamline these activities and reduce the financial burden.

IRAQ (KRI)

The KRI, with a population of 5.2 million, now hosts an estimated 235,000 Syrian refugees and 1 million internally displaced Iraqis. Syrian refugees face no government-imposed labour market restrictions, and are able to work freely throughout the private sector if they are registered and have a residency card. Yet economic shocks from the war nearby, the fall in the price of oil and other factors have decreased the availability of jobs. Additionally, the population of IDPs in the KRI could expand by 600,000 to 1,000,000 as a consequence of efforts to retake Mosul from ISIS.

Finance construction of new and rehabilitation of damaged economic infrastructure. Development actors should consider funding construction and rehabilitation of key economic infrastructure (e.g., schools, irrigation, water lines, sewage, public transport, electricity, roads and streets) that was either damaged in the violence of the past three decades or has not kept pace with growth.²⁶⁹

- **Challenges addressed:** Weak or damaged infrastructure, stalled reforms.

THE KRI HOSTS

250,000 Syrian refugees

1.2 MILLION internally displaced Iraqis

DEVELOPMENT ACTORS SHOULD CONSIDER FUNDING CONSTRUCTION AND REHABILITATION OF KEY ECONOMIC INFRASTRUCTURE IN THE KRI

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Dina El Kassaby



- **How this will expand economic opportunities:** Rehabilitating damaged, neglected or insufficient infrastructure can create short-term employment for refugees, IDPs and host communities alike, and can contribute to sustained long-term development as well as spur indirect and induced job creation if designed appropriately.²⁷⁰
 - **Potential implementation challenges:** Donors may hesitate to support infrastructure projects because of the short-term nature of the associated employment or concerns about putting new infrastructure at risk with the war nearby. Investing in key infrastructure now, however, will set the KRI up for economic growth when there is peace.
 - **How to overcome implementation challenges:** To facilitate the return of IDPs, \$350 million has been allocated to support the rehabilitation of infrastructure in Iraqi cities affected by the conflict with ISIS.²⁷¹ Both this existing financing and that of the newly established Concessional Financing Facility, which has already provided financing to Jordan for similar types of activities, offer a route for supporting these activities.
- Establish job-matching centres and job fairs for refugees and IDPs.** Development actors should fund formalized job-matching centres and job fairs to help match locals, refugees and IDPs to available private sector jobs.²⁷²
- **Challenges:** Labour market mismatch, difficulty with credentials, informality.
 - **How this will expand economic opportunities:** Job-matching centres can help match locals, refugees and IDPs to employment opportunities appropriate for their background and skills. Existing job-matching programmes in Iraq—e.g., Foras, which aims to connect young graduates to job providers in the private sector, as well as provide training and certification—are perceived as effective in helping match new refugees or IDPs to jobs.²⁷³ These types of capabilities will be particularly important when construction projects resume.²⁷⁴

- **Potential implementation challenges:** No anticipated challenges.
- **How to overcome implementation challenges:** Not applicable.

Accelerate the processing of residency permits. The KRG, with the support of the international community, should explore approaches for accelerating the residency permit process. Possible approaches could include transferring underemployed officials in other parts of the Government to work on residency permits, and the international community supporting additional staff positions for this purpose and providing technical assistance.

- **Challenges:** Residency permits.
- **How this will expand economic opportunities:** Facilitating the residency card process will help Syrian refugees by allowing them to start work sooner, and ensure that they work within the legal framework
- **Potential implementation challenges:** The KRG is likely to face challenges in prioritizing this issue, as government employees are already

working limited hours because salaries are not received in full or on time. Donors may be hesitant to provide this type of assistance, as there are already concerns about the size of the public sector; the KRI has one of the highest rates of government employment in the world.

- **How to overcome implementation challenges:** Transferring underused public servants to this office, which can be further resourced by donors, is anticipated to be the easiest way to overcome these challenges.

Continue public sector and business environment reforms planned before the war. The KRG should continue reforms of the business environment and public sector services (e.g., education, health care, data management and the civil service) underway before the war. Donors should continue to provide support to public sector and business reform initiatives, in addition to security investment, as a future stable Iraq depends on a functioning public sector and good business climate.

- **Challenges:** Business rules and regulations, stalled reforms.
- **How this will expand economic opportunities:** KRG had developed an infrastructure reform roadmap before the war.²⁷⁵ Continuing reforms will encourage new private investment once the war stops, bolstering the private sector and creating new economic opportunities.

- **Potential implementation challenges:** Iraq is now at war with ISIS, and the KRI faces an economic crisis, which makes these types of reforms difficult. Government leadership and management attention is diverted towards security.
- **How to overcome implementation challenges:** The KRG should assess which of the strategic initiatives are feasible to continue in the given climate and continue the daily work of implementing these. The feasibility of continuing these reforms is highlighted by the recent launch of the Government's Economic Reform Roadmap.²⁷⁶

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HUMANITARIAN ASSISTANCE SHOULD BE USED AS A TOOL TO HELP TRANSITION BENEFICIARIES TO EMPLOYMENT, AND BE STRUCTURED TO ENCOURAGE EMPLOYMENT

JORDAN

Jordan, with a total population of 9.5 million, is currently hosting nearly 650,000 registered refugees, though government estimates suggest that as many as 1.3 million Syrian refugees may now live there. The Jordan Compact, which came out of the London Conference, committed Jordan to providing job opportunities for 50,000 Syrian refugees in 2016, rising in subsequent years to 200,000.²⁷⁷ The Compact also committed the international community to improve export access for Jordanian products and facilitate international investment. An estimated 125,000 Syrian refugees are currently working, of which about 32,000 hold work permits; Syrian refugees compete with approximately 650,000 other economic migrants (most from Egypt and South Asia).

Reinforce efforts to use humanitarian assistance as a tool for transitioning refugees to employment, and better publicize how humanitarian assistance benefits both refugees and Jordanians. Humanitarian assistance should be structured to encourage employment, in addition to meeting short-term basic needs. Enhancing the transparency of this assistance is key, and both the Government and international community should communicate the extent to

which Jordanians and refugees are benefiting.

- **Challenges addressed:** Perceptions and resentment.
- **How this will expand economic opportunities:** Designing humanitarian assistance that incentivizes work encourages recipients—both Jordanian and Syrian refugees—to seek employment to supplement the humanitarian assistance that they receive. Disseminating information on both the size of humanitarian assistance provided to Syrians, and the assistance provided to Jordanians may reduce social tensions, making it less difficult for Syrians to access job opportunities.
- **Potential implementation challenges:** A system that encourages work while guaranteeing a basic level of consumption will entail difficulties in design and implementation.
- **How to overcome implementation challenges:** The international community should conduct a focused study of how humanitarian assistance can be best used to encourage work, and thus support the transition to sustainable livelihoods (e.g., communication strategies, restructuring of payments, etc.).²⁷⁸ These international good practices can support efforts to reinforce and refine existing approaches.

LACK OF ROBUST DATA AND INFORMATION ON THE SKILL SETS OF SYRIAN REFUGEES IN JORDAN MAKE JOB-MATCHING DIFFICULT. MOREOVER, MANY SYRIANS, ESPECIALLY WOMEN, FACE OBSTACLES WHEN CONSIDERING WORK IN DEVELOPMENT ZONES

Assist businesses in qualifying under the European Union rules of origin. The relaxation of rules of origin restrictions on Jordanian businesses requires that Syrian refugees compose at least 15 percent of a firm's labour force and 25 percent after two years. Businesses wanting to benefit from this deal, however, are not able to find suitable refugees with the right skills willing to work.²⁷⁹ The Government of Jordan, perhaps facilitated by the international community, should support job-matching services for firms wishing to export under the rules of origin. Additionally, the international community should explore efforts to upgrade and modernize production to meet European Union quality standards, facilitate the ability of SMEs to qualify by supporting product value chains, and coordinate efforts by Jordanian businesses to create partnerships within the European Union market.

- **Challenges addressed:** Quotas, labour market mismatch, closure of export markets.
- **How this will expand economic opportunities:** Supporting the ability of Jordanian firms to qualify for expanded export opportunities would directly contribute to increased jobs for Syrian refugees in the short-run. Moreover, this would allow firms to create more medium-term jobs for Jordanians by facilitating increased exports through the enhanced access to European Union markets under the rules of origin.
- **Potential implementation challenges:** Lack of robust data and information on the skill sets of Syrian refugees in Jordan make job-matching difficult. Moreover, many Syrians, especially

women, face obstacles when considering work in development zones.

- **How to overcome implementation challenges:** A mapping of the skills of Syrians residing in Jordan is desperately needed to connect them to firms wanting to export to the European Union under relaxed rules of origin. An investigation of the willingness and ability of Syrians to work in development zones is also needed.

Support freedom of movement for Syrian refugees. The Government of Jordan should ease travel restrictions facing refugees in camps and allow refugees to drive.

- **Challenges addressed:** Mobility, high production costs
- **How this will expand economic opportunities:** Improving freedom of movement would expand Syrian refugees' ability to access economic opportunities. Additionally, it would bolster Jordanian business currently employing Syrians.²⁸⁰
- **Potential implementation challenges:** Allowing camp residents to access jobs in the economy would add further pressure on the domestic labour market.
- **How to overcome implementation challenges:** Specific work schemes can be designed for camp residents so that they do not further pressure the overall labour market. Linking camp residents with jobs relating to camp services or to development zones inside the camps can be a solution.



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\$340 MILLION initial loan is required to upgrade Jordan's economic infrastructure



semi-skilled Jordanians and Syrian refugees,²⁸¹ while enhancing the long-term competitiveness of Jordanian businesses, which are limited in part by the condition of Jordan's economic infrastructure. Explicitly including skill development into these programmes (e.g., accreditation and skill upgrading) can also support longer-term economic opportunities for participants. Ideally, these programmes also aim at increasing indirect and induced job creation.

- **Potential implementation challenges:** The newly formed Concessional Financing Facility illustrates the widespread recognition of the importance of improving infrastructure, but upgrading Jordan's economic infrastructure will require significantly larger investments than the \$340 million initial loan.²⁸²

- **How to overcome implementation challenges:** Public-private partnerships can be the means to overcome implementation challenges related to financing.

Restructure the quota system in consultation with the private sector. The Government of Jordan is encouraged to consider restructuring the quota system, to allow Syrian refugees access to more sectors of the economy, as this will enhance the competitiveness of the Jordanian private sector and create economic opportunities for Syrian refugees.

- **Challenges addressed:** Quotas, informality.

- **How this will expand economic opportunities:** Revisiting labour quotas in restricted sectors is a strategy that reportedly could stem the outflow of highly skilled and educated refugees, allowing Jordan to better harness their professional talents.²⁸³ A restructured quota system could allow Jordanian businesses to increase production by hiring according to their labour needs, and could increase job opportunities for Syrian refugees.²⁸⁴

- **Potential implementation challenges:** Jordanian workers within protected sectors may resist this relaxation of quotas. There is also the risk of backlash from the general public, feeding the negative perception that the Government is allowing refugees to replace Jordanian workers.

Expand infrastructure programmes.

Rehabilitation and improvement of infrastructure (e.g., public transport network and commercial railways) are needed to address refugee-induced congestion and trade routes blocked as a result of the conflict. These activities can provide temporary jobs to both Jordanians and Syrian refugees, support skill development among targeted populations, and improve the long-term competitiveness of the Jordanian private sector.

- **Challenges addressed:** Trade costs, weak infrastructure, weak economic growth, blocked trade routes, loss of export markets, stressed government, underfinancing of livelihoods.

- **How this will expand economic opportunities:** Infrastructure programmes can provide economic opportunities to both skilled and

INFRASTRUCTURE PROGRAMMES CAN PROVIDE ECONOMIC OPPORTUNITIES TO BOTH SKILLED AND SEMI-SKILLED JORDANIANS AND SYRIAN REFUGEES, WHILE ENHANCING THE LONG-TERM COMPETITIVENESS OF JORDANIAN BUSINESSES



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1-1.5
MILLION
Syrian refugees
concentrated in
Lebanon's poorest region

• **How to overcome implementation challenges:**

A communications campaign could be implemented by the government explaining how restructuring the quotas will stimulate the business environment, which would in turn create more jobs for Jordanians. Actual adjustments to the different sectoral quotas should be transparent and made through full consultation with the private sector. Making this recommendation politically feasible may require additional financial support from the international community (e.g., concessional loans).

Development partners should provide financing for infrastructure programmes in sectors where Syrian refugees are allowed to work, building on recent successes in Jordan, Lebanon and Turkey.

• **Challenges addressed:** Weak economic growth, underfinancing of relevant programming.

• **How this will expand economic opportunities:**

Infrastructure projects can provide short-term employment for both Lebanese and Syrian refugees,²⁸⁵ and upgrade stressed public infrastructure. Completed needs assessments have identified projects at both municipal and national levels, including in electricity, transportation, wastewater and sewage.

• **Potential implementation challenges:** Donors may be unwilling to provide concessional financing for short-term job creation, and some types of infrastructure projects may create only low-skilled economic opportunities.

• **How to overcome implementation challenges:**

The recently established Concessional Financing Facility, currently providing funding for infrastructure projects in Jordan, will reportedly also be used to finance large-scale infrastructure

LEBANON

Lebanon, with a total population of nearly 6 million, is currently hosting an estimated 1 million to 1.5 million Syrian refugees. They are concentrated in Lebanon's poorest regions—in particular, in Bekaa, Mount Lebanon and the North. The majority of Syrians are working informally, though they are permitted to work formally in agriculture, infrastructure and environmental services.

Fund labour-intensive multiyear infrastructure and rehabilitation projects.



projects in Lebanon (an auxiliary road project, the Tripoli port rehabilitation, a port-to-border railway in the North).²⁸⁶ Local infrastructure projects can continue to be funded through grants, as has been done in recent years.

Proceed with business environments reforms underway, including the public-private partnership law and the SME strategy. The Government of Lebanon should undertake long-planned reforms of the business environment to facilitate expansion of Lebanese enterprises, and encourage the Lebanese diaspora and foreign investors, including Syrians, to invest in existing businesses and start new businesses, both large and small.²⁸⁷

- **Challenges addressed:** Investment and access to financing, business rules and regulations
- **How this will expand economic opportunities:** Improved regulatory frameworks can facilitate investment by reducing uncertainty and confusion, as has been demonstrated by the Investment Development Authority of Lebanon's success as a one-stop-shop for foreign investors. This will enable new and expanded businesses, and create jobs for host nationals and refugees alike.
- **Potential implementation challenges:** Political instability will continue to discourage investors, and political resistance to new Syrian

DEVELOPMENT PARTNERS SHOULD PROVIDE FINANCING FOR INFRASTRUCTURE PROGRAMMES IN SECTORS WHERE SYRIAN REFUGEES ARE ALLOWED TO WORK, BUILDING ON RECENT SUCCESSSES IN JORDAN, LEBANON AND TURKEY

businesses, seen as competition against by Lebanese businesses, is anticipated.

- **How to overcome implementation challenges:** The contribution of foreign businesses, including Syrian, to Lebanon's economy and to job creation should be estimated and used in advocacy.

Clarify and ease residency-permit process.

Reducing the difficulties in accessing residency permits will expand access to economic opportunities for Syrian refugees.

- **Challenges addressed:** Residency permits.
- **How this will expand economic opportunities:** Providing legal stay would facilitate access to employment for Syrian refugees by reducing mobility restrictions, and fear of arrest, detention, abuse and exploitation.
- **Potential implementation challenges:** There is unlikely to be political will to facilitate this process, as this will allow refugees to freely compete against Lebanese.
- **How to overcome implementation challenges:** The international community could incentivize efforts to simplify and streamline residency renewal procedures, perhaps by tying these efforts to concessional financing for programming that will benefit the Lebanese public more broadly.

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Relax import restrictions on selected

Lebanese products. Expanding Lebanese access to potential export markets (e.g., European Union) for select Lebanese products could provide a much-needed boost to the economy.

- **Challenges addressed:** Small market, limited export access, weak economic growth.
- **How this will expand economic opportunities:** Expanded export opportunities (e.g., akin to the European Union-Jordanian rules of origin policy) in select sectors where Lebanon boasts a comparative advantage (e.g., furniture, pharmaceuticals, mixed nuts, dairy products and jewellery) would boost a relatively stagnant Lebanese private sector. Expanded Lebanese exports will create more demand for jobs in the industrial sector, and create jobs for host nationals and Syrian refugees (particularly if rules of origin-type quotas are used).
- **Potential implementation challenges:** The quality of Lebanese exports is often not sufficient to meet import guidelines for key trading partners (e.g., the European Union).
- **How to overcome implementation challenges:** Trade concessions should be coupled with initiatives to support Lebanese industrialists to enhance the quality and competitiveness of their production.

13.5 MILLION people, including 6 million children, are in need of assistance



85% rate of poverty in Syria

53% rate of unemployment in Syria

SYRIA

In 2016, an estimated 13.5 million people, including 6 million children, were in need of assistance. Of these, 5.5 million people were in hard-to-reach areas, including close to 600,000 people in 18 besieged areas. Nearly every community in the country has absorbed displaced Syrians, both skilled and willing to work, who cannot find economic opportunities in their new locations. With the dramatic contraction of the Syrian economy—two-thirds of Syrian GDP has been lost during the conflict—Syria now faces an estimated poverty rate of 85 percent and an unemployment rate of 53 percent.

Provide financing to MSMEs in productive economic sectors (e.g., agriculture, agro-food

and small workshops). Development actors should provide grants to MSMEs to support their revival and recovery.

- **Challenges addressed:** Destruction, weak economic growth, underfinancing of livelihoods.

- **How this will create or expand access to economic opportunities:** Several MSMEs receiving financing have proved successful.²⁸⁸ Seed-funding agencies continue to work and fund micro- and small enterprises in the country. In view of the destruction caused to large enterprises and the risks involved in launching large entrepreneurial ventures, MSMEs can, with little seed financing, play a significant role in supplying the market with needed goods and services. This can support growth in sectors with proven market demand, either through UN procurement (e.g., agriculture) or local demand. Opportunities for enterprise revival and economic recovery are numerous, as there are serious shortages of goods, particularly agro-food and clothing.

- **Potential implementation challenges:** It can be difficult to find well-prepared MSMEs (e.g., with business plans and trained human resources).

- **How to overcome implementation challenges:** Support MSMEs in the preparation of business plans and in upgrading the technical skills of workers through vocational training.

Shift to multiyear funding of livelihood programming. Development actors should shift to multiyear funding of humanitarian assistance, allowing partners to more effectively plan and execute early recovery and livelihood programming.

- **Challenges addressed:** Underfinancing of livelihoods.

- **How this will create or expand access to economic opportunities:** Early recovery and livelihood programming has been effective in supporting resilience building and job creation.²⁸⁹ However, one-year funding cycles reduce efficacy of programming, preventing multiyear activities and creating delays as

new annual funds are disbursed. Shift to multiyear funding will enhance the ability of existing activities to create new economic opportunities.

- **Potential implementation challenges:** Donors and development agencies have internal regulations that limit the duration of funding livelihood and early recovery programmes.

- **How to overcome implementation challenges:** Development agencies need to make changes in how they programme funds, and discussions should be held with donors about conditions under which multiyear funding might be feasible.

Procure from within the local economy, and support potential local producers, particularly SMEs. Development and humanitarian actors (e.g., UNHCR, WFP) should increase procurement from local producers, with a focus on IDPs and host communities whenever possible, so that humanitarian assistance supports local employment.

- **Challenges addressed:** Weak economic growth, perceptions and resentment, fragmented markets, brain drain.

- **How this will create or expand access to economic opportunities:** Both development and humanitarian actors have used local procurement extensively, purchasing mattresses, clothing, carpets, plumbing tools, school furniture and food from the local economies.²⁹⁰ Interviewees reported that these local procurement efforts could be scaled up to create more local jobs, and could also potentially focus on those communities most impacted by the crisis..

DEVELOPMENT ACTORS SHOULD SHIFT TO MULTIYEAR FUNDING OF HUMANITARIAN ASSISTANCE, ALLOWING PARTNERS TO MORE EFFECTIVELY PLAN AND EXECUTE EARLY RECOVERY AND LIVELIHOOD PROGRAMMING

- **Potential implementation challenges:**

Insufficient local capacity, particularly among SMEs, to produce desired quantities at the required level of quality. Large enterprises are in a better position to produce the required volume according to international standards.

- **How to overcome implementation challenges:**

Support SMEs in improving the production process and quality, and support efforts to coordinate their production to match the volume required by international agencies.

Rehabilitate and support access to basic infrastructure.

Development actors should support efforts to improve the availability and reduce the cost of basic infrastructure services (e.g., production facilities, raw materials, water and electricity, service centres and fuel) through labour-intensive programming.

- **Challenges addressed:** Destruction, underfinancing of livelihoods.

- **How this will create or expand access to economic opportunities:** Labour-intensive efforts to rehabilitate infrastructure have proven to be an effective way of creating short-term employment opportunities.²⁹¹ These efforts can also support medium- and long-term measures to create economic opportunities by supporting business enterprises, and produce considerable impact in terms of indirect and induced job creation.

- **Potential implementation challenges:** Lack of credible implementing partners, donors unwilling to fund infrastructure programmes amid conflict.

- **How to overcome implementation challenges:** Provide success stories of infrastructure rehabilitation that is being supported by UNDP and other UN agencies; support the establishment

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of production and vocational technical centres under the umbrella of UN agencies to contribute to the rehabilitation of basic infrastructure; and use UN bidding processes to bring the best-qualified private sector enterprises to do the job.

Support vocational training programmes that are aligned with local market needs.

Development actors should shift towards funding vocational training that relies on market surveys of labour demand and supply. Business plan competitions for graduates should be explicitly considered.

- **Challenges addressed:** Labour market mismatch.
- **How this will create or expand access to economic opportunities:** Vocational training is rarely well-designed for local market needs, with IDPs and locals being provided with skills that are not marketable. Vocational training that is connected to local businesses, either explicitly or through evidenced-based approaches, has been more effective in supporting access to economic opportunities.²⁹²
- **Potential implementation challenges:** Labour market surveys are difficult to implement at the national level. It can be hard to predict labour market needs given evolving conflict.

• **How to overcome implementation**

challenges: Conduct labour market surveys at either the governorate or local level through NGOs, which have a good understanding of local challenges. Also consider supporting centres that combine training and production facilities.

TURKEY

Turkey, with a total population of 79 million, is currently hosting an estimated 3 million Syrian refugees under its ‘temporary protection’ policy. Though the south-east provinces near Syria host more than 1 million refugees, the majority of the refugees are distributed throughout Turkey (Istanbul itself reportedly hosts nearly 400,000).²⁹³ An estimated 350,000 to 500,000 refugees work, with the vast majority in the informal sector and rarely in competition with Turkish workers.²⁹⁴ A large number of Syrian entrepreneurs have opened businesses in Turkey—5,900 formally established Syrian owned companies in Turkey as of November 2016, and thousands more functioning informally.

Scale-up Turkish language programmes.

Although the Turkish Government has generously opened its systems to Syrian refugees, opportunities remain inaccessible in many cases simply due to language gaps. Scaling up existing language programmes being run by development partners and the Government would expand economic opportunities.

- **Challenges addressed:** Language, social tensions.
- **How this will create or expand access to economic opportunities:** More than 130,000 Syrian refugees have already benefited from Turkish language courses, which have reportedly enhanced their ability to access economic opportunities. Once Syrian refugees are able to communicate in Turkish, they can access government services (including vocational training and job placement) and obtain jobs appropriate to their skills. Though a variety of other language courses are available (e.g., online, smartphone-based), these are largely seen as ineffective.

ALTHOUGH THE TURKISH GOVERNMENT HAS GENEROUSLY OPENED ITS SYSTEMS TO SYRIAN REFUGEES, OPPORTUNITIES REMAIN INACCESSIBLE IN MANY CASES SIMPLY DUE TO LANGUAGE GAPS



- **Potential implementation challenges:** Funding for programming.

- **How to overcome implementation challenges:** Development actors should be encouraged to prioritize these low-cost, potentially cost-effective programmes.

Ensure that Syrian refugees can access support provided by the Turkish employment agency, ISKUR. Rather than create a parallel system, development partners should support expansion of this existing system to Syrian refugees. This is anticipated to be less expensive and more sustainable than new, separate and often temporary programmes.

- **Challenge:** Language, labour market mismatch.

- **How this will create or expand access to economic opportunities:** ISKUR is widely regarded as effective in supporting job searches, organizing relevant vocational training, identifying and building entrepreneurial capabilities, and providing financing to new entrepreneurs. Although ISKUR officially allows Syrians access to its services, very few Syrians take advantage of these because of language gaps and lack of information about availability.²⁹⁵ Expanding Syrian access to ISKUR will enhance the efficacy of job matching, supporting access to employment and the firms that hire appropriately skilled labourers.

- **Potential implementation challenges:** Requires ISKUR to increase staffing (e.g., hire Arabic speakers) until Syrians develop language skills. ISKUR may need to expand programmes to include those most relevant for Syrians (based on jobs for which Syrians have existing skills). May create resentment among unemployed Turks.

- **How to overcome implementation challenges:** Should be supported by the Turkish Government.

Restructure donor-funded vocational training programmes. Donor-funded vocational training programmes should be recalibrated to be better

DONOR-FUNDED VOCATIONAL TRAINING PROGRAMMES SHOULD BE RECALIBRATED TO BE BETTER ALIGNED WITH MARKET NEEDS AND BETTER COORDINATED WITH EXISTING PROGRAMMES

aligned with market needs and better coordinated with existing programmes, as a parallel set of vocational training programs measures targeted toward Syrian refugees— functioning alongside existing programs targeted toward initiatives for Turkish workers— has emerged.

- **Challenge:** Difficulty with credentials, labour market mismatch, underfinancing of livelihoods.

- **How this will create or expand access to economic opportunities:** Vocational training programmes have proliferated despite a lack of needs assessments or skills mappings to guide their activities. A large number of donor-funded vocational training programmes are not well aligned with job opportunities and are sometimes duplicative. Coordinating the resources available for vocational training (e.g., increased emphasis on Turkish language abilities, based on skills mapping and tied in with Turkish chambers of commerce) will use these resources more efficiently and enhance access to economic opportunities.

- **Potential implementation challenges:** Coordination means each donor will get less visibility for their specific activities.

- **How to overcome implementation challenges:** Frequent and persistent engagement and discussion with international and domestic NGOs. Vocational courses must be started after conducting a needs analysis and skill mapping, and in coordination with the needs and expectations of economic actors, particularly the chambers of commerce.



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Discussion: Turning Research into Practice

This final chapter summarizes some key operational and strategic observations that may be useful for guiding practitioners, going beyond the promising approaches and lessons in Chapter 4 and the regional and country-specific recommendations in Chapter 5.

Some operational observations that emerged include:

1. Economic opportunities for host nationals and refugees/IDPs.

Expanding economic opportunities for all individuals impacted by the Syrian crisis, and in particular host communities, was a key goal of the London Conference. This is inherently more difficult for host nationals, however, as it requires overcoming a myriad of pre-existing challenges that have contributed to rising levels of unemployment in these countries.

2. Social tensions related to economic opportunities will remain a persistent problem.

Differential access to economic opportunities, whether as a consequence of employment in the private sector or donor-funded activities, has and will continue to be a source of potentially destabilizing social tension among host communities, Syrian refugees and IDPs. Designing employment generation programmes that facilitate social cohesion can help, though comparable programming on the private sector side is anticipated to be more difficult to implement.

3. Domestic political dynamics limit the types of reforms that are possible.

Host country commitments to support the Syrian refugees will inevitably face some resistance from political and social actors. Ensuring that efforts to support Syrian refugees are minimally disruptive to domestic actors and offering proactive international programming to compensate for potential disruption can facilitate these reforms.

4. Short-term versus sustainable jobs.

The promise of the London Conference was to create 1.1 million new economic opportunities. Though this research did not seek to evaluate the feasibility of this promise, creating 1.1 million new sustainable jobs for the six countries by 2018 is simply not feasible within the promised timeframe. As a point of reference, the United States, which “created more jobs than all advanced economies combined” during 2010 to 2015, created fewer than 2 million jobs per year.²⁹⁶ As the United States has a population roughly twice the size of the six countries combined, this suggests that comparable levels of growth could create as many as 1 million new jobs across the six countries. They must, however, simultaneously create jobs for the hundreds of thousands of young citizens graduating from school each year. Short-term and emergency employment (e.g., labour-intensive work) as a tool for job creation is therefore almost a necessity to meet the London Conference requirements.



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Importantly, these employment opportunities should be linked to longer term approaches (e.g., access to finance and investments) to support the creation of long-term economic opportunities alongside short-term ones.

suggests that a paradigm shift is underway. There is a growing understanding that appropriately designed infrastructure projects can also support expansion of longer term economic opportunities.

5. Infrastructure can be a useful tool, but may face resistance among development actors. Labour-intensive programming to build, rehabilitate or improve infrastructure is intuitive, as it can create a large number of jobs (at least in the short-run) while improving infrastructure. While host governments point to ailing infrastructure and infrastructure increasingly stressed by burgeoning refugee populations, development actors frequently conclude that middle-income countries like Jordan, Lebanon and Turkey should not receive funding for short-term employment strategies. In Syria, although rehabilitation of destroyed infrastructure is an urgent need for the affected population and businesses, there is a concern that infrastructure programmes amid ongoing conflict are ill- advised. The recent emergence of the Concessional Financing Facility, however, and its willingness to finance infrastructure projects in Jordan,

6. Integration of the private sector into crisis response efforts. The London Conference is typically couched as a triad, including host governments, development actors and the private sector. There are not effective domestic or international mechanisms, however, for integrating private sector partners into the crisis response efforts of host governments and international actors. Drawing on good practices and lessons learned from previous efforts to integrate the private sector into crisis responses,²⁹⁷ host governments and development actors must make a more persistent effort to identify and reach out to private sector initiatives interested in supporting the crisis response (e.g., the Partnership for Refugees,²⁹⁸ investors from neighbouring countries, investors who traditionally invest in fragile contexts, diaspora investors and sovereign wealth funds).

EFFORTS TO MEET THE LONDON CONFERENCE GOALS WILL BENEFIT FROM ENHANCED COORDINATION AMONG DEVELOPMENT ACTORS, PRIVATE SECTOR ENGAGEMENT, AND INTEGRATION OF DEVELOPMENT AND HUMANITARIAN ASSISTANCE

IN A REGION FACING SIGNIFICANT RECENT INSTABILITY, EFFORTS TO STRENGTHEN THE ECONOMIC VITALITY OF THESE SOCIETIES THROUGH JOB CREATION CAN REDUCE FRAGILITY, SUPPORT LEGITIMATE AND INCLUSIVE POLITICS, AND UNDERPIN JUSTICE AND SECURITY

7. Need for additional, coordinated analysis and regional engagements focused on economic opportunity. This report was designed to initiate a conversation about how host governments, international actors and private sector partners could learn from existing experiences across the region to support job creation efforts. While providing recommendations for how these three actors can target their efforts and improve efficiencies, this research did not seek to provide guidance on the specifics of how these efforts should be designed or implemented. Subsequent and more targeted research, ideally as a collaboration of the three actors, is needed to help guide effective programming. This additional research should explicitly consider the unique challenges in integrating women and youth into the labour force, and how the Syrian refugee populations interact with existing refugee populations.

At the strategic level, our key observation is that progress towards creating the promised 1.1 million economic opportunities is quite modest. The current response is unlikely to be sufficient. There have been some notable successes in recent months—e.g., the establishment of a Concessional Financing Facility to support the refugee response in middle-income countries like Jordan and Lebanon,²⁹⁹ the relaxation of some trade restrictions on Jordanian exports, etc.

Challenges facing job creation in these countries are long-standing, however, and the post- London Conference efforts have been far too limited to bring about the needed short-term expansion.

Efforts to meet the London Conference goals will benefit from enhanced coordination among development actors,³⁰⁰ private sector engagement,³⁰¹ and the integration of development and humanitarian assistance efforts. But even this is unlikely to be sufficient, as the types of policies needed to achieve the scale of promised job creation will require host countries to consider significant and unpopular changes in labour market regulations. Developed nations will need to dramatically reduce restrictions on imports from these countries, and expand financing for emergency and short- term programming. All can be done if there is sufficient political will, but slow-moving, incremental reforms suggest that key actors are not yet fully engaged in the process.

Progress towards achieving the London Conference goal of 1.1 million jobs will have broader benefits for the region. Amid significant recent instability, efforts to strengthen the economic vitality of societies through job creation can reduce fragility, support legitimate and inclusive politics, and underpin justice and security.³⁰²

Appendix A. Country Briefs

This appendix supplements the multi-country discussions in Chapters 1-3 by reviewing key information for each of the six nations hosting Syrian refugees. Each section in this chapter is focused on a single country and includes:

- (1) **Introduction:** which summarizes the overall vitality of the economy and provides a brief overview of the Syrian refugees in that country;
- (2) **Challenges:** Summary of the key challenges facing the economy overall, and the Syrian refugee community in particular; and
- (3) **Activities:** Key activities underpinning the crisis response in that country, which can include deliberate programming by international actors (e.g., development partners inside Syria are implementing programs that lay the groundwork for social and economic reconstruction), domestic actors (e.g., host governments take a “hands off” approach and let Syrian refugees work in the informal sector), or activities that are occurring naturally (e.g., Syrian refugees are finding economic opportunities within the large informal sectors in the host countries).

The intent is not to be comprehensive of all challenges or activities, but rather to highlight those of greatest importance for each country.

B.1 Egypt

After several years of sluggish growth—Egypt experienced a slight decrease in per capita GDP during 2010 to 2014³⁰³—Egypt’s economy rebounded during 2014 to 2015, and observers reported cautious optimism about continued growth through 2016.³⁰⁴ This rebound has been attributed to a variety of recent reforms, including simplifying business registration, reducing subsidies, targeting social safety nets and broadening the tax base.³⁰⁵ Egypt continues to face high levels of unemployment, however, with an overall unemployment rate of 13 percent and a female unemployment rate nearly twice that.³⁰⁶ Youth face a 29 percent unemployment rate, and those who do find work are frequently in low-paying, unstable jobs.³⁰⁷ Nearly 40 percent of Egyptians work in the informal sector,³⁰⁸ and more than 26 percent of Egyptians fall below the poverty line.

As a consequence of the Syrian crisis, Egypt has

accepted around 120,000 registered Syrian refugees;³⁰⁹ however, as many Syrians have not registered, the Government of Egypt estimates that the actual number of Syrian refugees is approximately 500,000.³¹⁰ Equivalent to roughly 0.5 percent of Egypt’s population, these refugees have integrated entirely into urban areas, primarily 6th October, Alexandria, Cairo, Qalyubia and Damietta. In contrast to some of the other host countries, Egyptians in general have welcomed the Syrian refugees though they are sometimes portrayed in media as a security threat. Egypt’s Syrian refugees are at times perceived as coming from more affluent backgrounds than those in neighbouring countries, as many travelled by plane to Egypt, though nearly 90 percent have been assessed as either severely or highly vulnerable.³¹¹ Egypt also hosts other nationalities of refugees: Palestinians, Iraqis, Sudanese, South Sudanese, Somalis, Ethiopians and Eritreans.

NEARLY 40 PERCENT OF EGYPTIANS WORK IN THE INFORMAL SECTOR, AND MORE THAN 26 PERCENT OF EGYPTIANS FALL BELOW THE POVERTY LINE

Challenges

Egypt has a weak private sector. Egypt's overall business environment is generally considered as hard for doing business. As such, it is quite common for entrepreneurs, in particular foreigners, who wish to start a business in Egypt to face difficult and cumbersome procedures to register it. Business environment reforms are underway, however.³¹²

Syrian entrepreneurs face additional challenges in starting up businesses. In addition to the general challenges faced by all entrepreneurs, those from the Syrian refugee community reported a variety of additional challenges in establishing new businesses. These included insufficient access to credit and banking, an inability to bring skilled Syrian staff to Egypt or travel abroad for business on their refugee visas, additional bureaucratic obstacles for registering a firm and quotas on the numbers of Egyptians that must be employed.³¹³

Work conditions in the large informal economy can be exploitative and the pay insufficient to support a family. There are few protections for the 40 percent of Egyptian workers in the informal economy, where workers face exploitation, harassment, non-payment, low wages and abuse. Although most workers in the informal economy report jobs with acceptable salaries and working conditions, many reported long work hours and low wages.³¹⁴ For most Syrian refugees in the informal sector, the income is too low to cover basic needs. Many children are reportedly dropping out of school to earn additional income for their families.³¹⁵

The process for obtaining residency permits restricts the ability of Syrian refugees to participate in the formal labour market. Syrians are allowed to obtain work permits if they have residency, but not refugee status, although many residency permits do not include the right to work. The process of obtaining residency permits—which is expensive, long and complicated, and must be repeated every six months³¹⁶—was highlighted by interviewees as a far bigger obstacle to working in the formal sector than the actual work permit. Once a residency and work permit are obtained, business must still

prove that there is no eligible Egyptian to fill the position. As a consequence, most Syrians who can find work do so in the informal economy.

A stronger role in strategy and leadership for livelihoods for Syrians and other refugees by the Egyptian Government would be desirable. To date, the international humanitarian community has managed livelihoods for Syrian refugees, with infrequent participation from government officials. Experience from other countries shows that government leadership, coordination and policy role in these matters is beneficial and needed to attain positive outcomes.

Activities

Private sector organizations and regional governments committed to support economic development in Egypt through new investment in productive infrastructure.

Over \$60 billion of foreign direct investment was pledged during Egypt's Economic Development Conference in March 2015. This included large commitments for new real estate, energy production (gas and solar), agriculture and transport projects, among others.³¹⁷ Gulf Cooperation Council countries provided \$12.5 billion for social and infrastructure projects, in addition to building up the Egyptian Central Bank's reserve. While these commitments were not because of the Syrian refugee crisis, they contribute to opportunities that can be leveraged for the crisis response.

International investments in livelihoods programming focused on vocational training, value chain analysis and the 'graduation approach'. While livelihood programmes have been underway, evaluations have shown mixed results. Interviewees noted that many programmes are perceived to be haphazard and not based on needs assessments. Furthermore, many of the vocational programmes for the Syrian refugees and their host communities have not been connected to Egypt's existing institutions, but run as new NGO programmes.

Syrian businesses have contributed significantly to Egypt's economy and employment for both Egyptians and Syrians.

B.2 Kurdistan Region of Iraq

The total capital invested by Syrians and their Egyptian partners since 2011 has been estimated at nearly \$800 million,³¹⁸ though this is likely an underestimate as Syrian businesses frequently do not register or register under an Egyptian name.³¹⁹ Syrian businesses include large factories and microenterprises in diverse sectors—e.g., textiles, restaurants, local markets and IT firms.³²⁰ These businesses are also reportedly hiring Egyptians, providing training to Egyptians, bringing expertise, injecting currency and boosting exports.³²¹ Despite the difficulties in starting businesses in Egypt in general, Egypt has proven to be one of the most attractive locations for Syrian refugees to launch enterprises, which has been attributed to a willingness among Egyptians to allow these firms to flourish, Egypt's large market and supply chain, and a pre-existing Syrian business community (e.g., there is a Syrian Business Association and multiple Syrian-managed NGOs).

Many Syrian refugees are finding employment in the already large informal economy. Syrians are finding ways to integrate into the labour market, and Egypt's economy is large enough to absorb them. Interviews revealed widespread perceptions of a high level of skills, motivation and entrepreneurship among Syrians, and an ability to integrate into the labour market as they speak Arabic. Though there are no official data on the sectors in which they are working, interviewees indicated that they are involved in food production and restaurants, the textile industry, furniture production and services (e.g., beauty salons, home repair, etc.).

There are emerging opportunities within Egypt's legal framework for Syrians to enter formal employment. Egypt has agreed to allow Syrian community schools, employing 2,000 Syrian teachers.³²² In addition, there are ongoing efforts to understand how Syrian educational and professional certifications can be transferred under Egypt's current law and practice, which will help overcome the difficulties that refugees face in getting their professional certifications and experience recognized.³²³ With a confusing and ambiguous legal environment resulting in short-term residencies and few work permits granted, however, many Syrian refugees are pushed into the informal economy.

The KRI experienced rapid growth during 2004 to 2014 as a consequence of high oil prices and relative stability, as compared to the rest of Iraq, which made the KRI an attractive location for investment.³²⁴ An economic crisis emerged in 2014, however, as a consequence of falling oil prices, a budget-sharing dispute with Baghdad and the war with ISIS, which disrupted traditional trade routes, slowed foreign investment and demanded expanded military expenditures. Consequences have been a rapid increase in unemployment, tripling from a low of under 5 percent in 2010 to nearly 14 percent in 2016,³²⁵ and the closing of businesses and halting of investment projects.³²⁶

As a consequence of the Syrian crisis and the war with ISIS, the KRI now hosts IDPs and Syrian refugees equivalent to nearly 25 percent of its pre-war population.³²⁷ This includes nearly 1 million internally displaced Iraqis—with the governorates of Dohuk hosting nearly 400,000, Erbil hosting over 350,000 and Sulaymaniyah hosting an additional 150,000³²⁸—in addition to nearly 235,000 Syrian refugees, the majority of whom live in Erbil because of the availability of jobs.³²⁹ The majority of both groups have integrated into host communities, though nearly one-quarter of the IDPs and more than 40 percent of the refugees live in camps.³³⁰ The IDPs are generally less vulnerable because they have more social and financial assets; some still have access to government salaries.³³¹

Challenges

The war with ISIS—with fighting less than 50 miles away from Erbil, in Mosul—is restricting economic opportunities. While the areas within the KRI's regional borders have experienced little violence, the Kurdistan Regional Government is very concerned about stability. The security concerns have harmed both investment and trade, as borders are frequently closed to commerce.³³²

Since 2014, the Government has been unable, at times, to pay civil servant and peshmerga salaries in full or on time. The public sector has been the largest employer in the KRI and Iraq in

NEARLY 1 MILLION INTERNALLY DISPLACED IRAQIS – WITH THE GOVERNORATES OF DAHUK HOSTING NEARLY 400,000, ERBIL HOSTING OVER 350,000, AND SULAYMANIYAH HOSTING AN ADDITIONAL 150,000 – IN ADDITION TO NEARLY 235 THOUSAND SYRIAN REFUGEES

general, with public employment exceeding that of the private sector (53 percent compared to 47 percent, respectively).³³³ Frequent delays in public salaries in the KRI, in large part a consequence of the freeze in transfers from the national Government when Iraq failed to pass a budget in 2014, have slowed economic activity.³³⁴

Regulations and economic conditions are not supportive of new entrepreneurial activity.

Starting a business requires navigating complex legal procedures for registration and licensing, which involve multiple authorities and can take months to complete.³³⁵ In general, there is limited access to credit for businesses in Iraqi and specifically KRI banks. Banks lack liquidity, and firms sometimes cannot access their money. In addition, there are significant concerns about corruption and lack of transparency.

Syrian and IDP firms face additional challenges.

In addition to the above challenges, Syrians and IDPs cannot travel for business in and out of the KRI because of a lack of travel documents. While the legal framework permits foreigners to invest in the KRI without an Iraqi partner, there are widespread perceptions that Syrian businesses must have an Iraqi partner to formally start a business. Furthermore, Syrians cannot access banking and credit for SMEs and neither Syrians nor IDPs can travel freely for business because of a lack of travel documents.

Many refugees and IDPs find some work in the KRI labour market, but not enough to fully support their needs.

While work for refugees is permitted with residency status, obtaining this status takes a minimum of three to six months and can sometimes take as long as two years as a result of insufficient government capacity. While the vast majority of households in camps had residency permits, less than half of refugees in urban areas did.³³⁶ Both refugees and IDPs also face difficulty in getting existing certifications recognized (which can take 6 to 18 months, if it occurs at all); travelling through checkpoints to access work, particularly for those without residency permits; and linking to networks to get references for jobs. There is a perception that most skilled Syrians and IDPs have already left the KRI to find their way to Europe. Women face particular challenges in the workforce, such as a lack of

previous employment experience, discrimination in hiring, gender-based violence or harassment in the workplace, lack of childcare and safety risks in transportation.

There is increasing competition for low-skilled jobs. A consequence of the influx of IDPs and Syrian refugees has been an increase in competition for low-skilled jobs, impacting host communities, and the IDPs and Syrian refugees willing to work in these sectors. This increasing competition has led to shorter hours, lower average wages, a willingness to undertake informal or casual work, and more limited job opportunities.³³⁷

The already high numbers of IDPs in the KRI will likely increase significantly in the next year. The ongoing battle to take Mosul from ISIS may displace 600,000 to 1 million people,³³⁸ many of whom will likely seek safety in the KRI. This could bring total numbers of refugees and IDPs to between 2 million and 3 million. There are not enough camps, urban affordable housing or livelihood opportunities for the current refugees and IDPs.

Activities

The presence of refugees and IDPs has stimulated local economies in some ways.

While on the one hand, the presence of such large numbers of people has strained public services, on the other hand, they have also buffered some of the effects of the economic crisis. Refugees and IDPs are renting apartments, purchasing food and services in the local market, and more. There is still ongoing trade between the Syrians and Syria (e.g., in agriculture, soaps, etc.), and some of the IDPs still receive government salaries from Baghdad, which they spend in the KRI. Cell phone businesses report that while some of their regular subscriptions have declined because people lack consistent incomes, demand for pre-paid cell phone services has increased significantly.

Despite significant pressures, social cohesion has remained stable. The KRI has been largely welcoming of refugees, with interviewees attributing this to locals' own experiences with displacement in recent decades and the cultural ties with the Syrian Kurds. In the beginning of the crisis, there were many reports of local KRI families offering shelter, blankets, food and other items for basic needs.

Since the Syrian refugees are mostly working in sectors where KRI locals do not, there has been no significant narrative of Syrians or IDPs crowding out locals for work.

The Kurdistan Regional Government has allowed Syrian refugees to work as long as they obtain a residency permit; IDPs can work with permission from the Asaysh. This simple mechanism for legal, formal work—which obviates the need for a separate work permit process, as in other neighbouring host countries—stands out as a ‘good practice’ in this study.³³⁹ Refugees still face difficulty in obtaining residency permits, as discussed under challenges above, and IDPs face similar difficulties with obtaining security clearances. Not having the residency card limits work opportunities with both private sector employers and international agencies.

Some limited new business activity is underway by the Syrians. Many small businesses have opened in the camps, typically supporting and employing single families. KRI businesses and chambers of commerce note that working with current Syrian refugee businesses will create opportunities for trade networks in the region when the Syrians return to their homes, bringing their new contacts with them.

Post-war rebuilding offers prospects for future job creation in the next few years. KRI pre-war infrastructure projects and energy investments may resume. Iraqi cities will need to be rebuilt. Some IDPs are beginning to return home after cities were liberated from ISIS. There are needs to rebuild water, electricity, sanitation, environment, health and education infrastructure. Tourism from Iran and elsewhere in Iraq, which was growing before the war, may resume. Many public sector and business environment initiatives initiated before the war could also restart when conditions allow.

Diverse livelihood activities are underway. Ongoing livelihood activities include programmes to support small businesses in camps, grants and donations, basic business training, toolkits, vocational training, job matching and cash-for-work programmes.

Programming targeted towards agriculture—

given the experience of Syrian Kurds in this area and the availability of unused arable land in the KRI—may provide an effective avenue for long-term employment generation.³⁴⁰ High-quality assessments of the refugee and IDP situation in each governorate are underway, and promise to offer a valuable tool for guiding programme design.³⁴¹

B.3 Jordan

Jordan’s economy has grown slowly in recent years. After a relatively rapid GDP growth rate of 6.3 percent during 2006 to 2010, the economy grew at just 2.7 percent during 2011 to 2015, with GDP per capita growing only 0.5 percent. This slow growth has been attributed to the overall slowdown in the global economy, the regional instability resulting from the onset of the Arab spring, a domestic energy crisis and a fiscal consolidation programme that negatively impacted the private sector. Growth slowed even further in 2015, with negative per capita GDP growth, and a net 7 percent decline in exports as a result of the crisis in Syria.³⁴² Unemployment has been persistently high during the past decade—at around 12 percent to 13 percent overall and 30 percent among youth. In 2016, the overall unemployment rate reportedly surged to 15 percent.³⁴³ Despite high unemployment, some 650,000 economic migrants (equivalent to roughly 10 percent of Jordan’s population) from Egypt, South Asia and East Asia fill low-wage manual labour jobs that Jordanians are unwilling to take; about half of these economic migrants have work permits and half work informally.

As a consequence of the Syrian crisis, Jordan now hosts approximately 660,000 registered Syrian refugees, though the Government of Jordan reports that the true number is closer to 1.25 million.³⁴⁴ The refugees are reportedly similar to existing economic migrants in terms of their skills and overall level of education. The vast majority could not work legally in Jordan prior to 2016, as few met the requirements for obtaining a work permit. The Jordan Compact issued in February 2016 committed to issuing 50,000 work permits for Syrian refugees during the first year of implementation, a number that would rise to 200,000 in the coming years. An estimated 23 percent of these refugees live in camps.

JORDAN'S ECONOMY HAS GROWN SLOWLY IN RECENT YEARS. AFTER A RELATIVELY RAPID GDP GROWTH RATE OF 6.3 PERCENT DURING 2006 TO 2010, THE ECONOMY GREW AT JUST 2.7 PERCENT DURING 2011 TO 2015, WITH GDP PER CAPITA GROWING ONLY 0.5 PERCENT

Challenges

Most challenges affecting economic opportunities existed prior to the Syrian crisis. Jordan has long suffered from high unemployment as a result of its weak business climate (cumbersome, unclear and frequently changing regulations) and its very small market size. The challenge of small market size has been exacerbated by the loss of Syrian markets for exports and Syria as a transit route to other export markets.

Women have faced persistent logistical and cultural challenges in accessing employment opportunities. Two logistical concerns are typically highlighted as key impediments to women accessing jobs. The first is childcare. Although employers are required to provide childcare when needed, the practical implication of the regulation is that employers avoid hiring women with children. Transportation is also a concern as household responsibilities make it difficult for women to be away from home for very long hours and prefer women-only modes. Myriad social and cultural factors impede women's access to economic opportunities,³⁴⁵ and have reportedly limited the effectiveness of programming related to the Syrian crisis (e.g., a UNHCR- implemented programme in the garment industry targeted to women).³⁴⁶

The system of closed occupations and quotas is impacting both Jordanian employers and Syrians. Although many host countries have systems of closed occupations and quotas, the one in Jordan is particularly restrictive, with skilled Syrians forced to accept to work in manual labour or to work informally, typically for a lower wage. Jordanian employers report that this limits their ability to access skilled workers among the refugee population.

Syrian refugees frequently compete for jobs against other economic migrants. The Jordanian framework does not recognize refugees, and the Syrian refugees are not provided special treatment. Special rights for refugees could potentially make a major difference in terms of economic opportunities for Syrians, as there are many jobs currently filled

by other economic migrants that might be filled by Syrians; the recent waiver of fees for work permits is a promising first step.

Syrian workers and entrepreneurs face challenges of restricted access to finance and mobility. The regulations for how Syrian refugees can open bank accounts is not yet clear, which makes operating a business problematic (e.g., refugees without passports have not been allowed to open bank accounts).³⁴⁷ A combination of mobility restrictions and cumbersome bureaucracy makes it difficult for Syrians to obtain permission to move to parts of the country where economic opportunities are more plentiful. Movement restrictions are particularly onerous for refugees living in camps, who are rarely allowed to leave the camps to seek or attend work.

Policies and programmes are rarely developed based on a systematic understanding of the types of jobs that Syrians are willing and able to take. There are substantive data on the skills and activities of Syrian refugees, but these are rarely used in designing programming. Compiling existing information to generate a more policy-relevant understanding of the potential of the Syrian refugee labour force is necessary. In addition, insufficient dissemination of accurate information on the refugees fuels the widespread public perception that Syrians receive better treatment than Jordanians, and are taking jobs that would otherwise go to Jordanians, when in fact the competition is primarily with Egyptian economic migrants.

Activities

The European Union has relaxed restrictions on imports from Jordan. A relaxation of the rules of origin on 52 economic products will make it easier for Jordan to export to the European Union. All firms with a workforce that is at least 15 percent Syrian will be able to export under this preferential trade regime.³⁴⁸ The measure is initially restricted to 18 designated development zones, but all firms will be eligible after Jordan reaches the Jordan Compact target of economic opportunities for 200,000 Syrians. **The Government of Jordan has developed a programme of business environment reforms and investment**

promotion to attract and retain investors. As a first step, the minimum capital requirement for starting businesses has been temporarily removed for all migrants, though current discussions (at the time of publication) indicate that Syrian refugees will need an initial investment of 1,000 JOD and a Jordanian partner to start businesses in the future.³⁴⁹ The World Bank is providing budget support to the Government of Jordan as it embarks on this programme.

A Programme Management Unit within Jordan's Ministry of Planning and Development Cooperation has been established to coordinate the response to the Syrian crisis. The Unit is mandated to coordinate government agencies and development partners to handle the development-related aspects of the Jordan Compact. It remains to be seen how well integrated the Unit will be within the government system; nevertheless, it is clearly a promising approach.

Development partners are supporting temporary work opportunities for Jordanians and Syrians in labour-intensive public works projects. These programmes (funded by the United Kingdom, Germany, UNDP, the ILO, the World Bank and others) not only provide jobs, but also relieve stress on infrastructure resulting from the expanded population, and build human capital (e.g., knowledge, experience and social networks) that supports longer term resiliency. Some of these programmes provided economic opportunities for Jordanians prior to the Jordan Compact and are now being expanded to include Syrians. As another example, UNDP is implementing a skills exchange initiative between Syrian refugees and Jordanians in host communities to strengthen social cohesion. It provides temporary work to Syrian refugees as trainers. They transfer their notable skills in the sectors of agriculture, construction, food processing, sewing and beauty to Jordanians, which is followed by job placement and entrepreneurship development.³⁵⁰

The Government of Jordan is encouraging employers to hire Syrian refugees rather than economic migrants. Jordan is unique among host countries in that there many existing job

opportunities that Jordanians do not want. In 2015 alone, more than 100,000 workers from Egypt, South Asia and East Asia were brought to Jordan to work in agriculture, construction and other low-wage sectors. To encourage employers to hire Syrians, the Government of Jordan has begun restricting invitations to new economic migrants and offering work permits to Syrians for free. The latter work permits for Syrians were initially offered for only a three-month period, though this was extended repeatedly through at least the end of 2016. This approach not only supports economic opportunities for Syrians but benefits the Jordanian economy as Syrians spend their wages locally rather than sending them home as remittances.

Jordanian employers are using creative approaches to hire skilled Syrian refugees.

Due to existing regulations, employers face restrictions in hiring skilled Syrian refugee workers. In order to overcome regulatory obstacles, Syrian refugees are, for example, being hired as maintenance workers, although they are actually working as computer programmers. While such employment may suit their skill set, wages may not be commensurate. In some cases, to fulfil quotas, Jordanians are hired on paper, with Syrians having to contribute to the social security contributions necessary for Jordanian workers.

The Government of Jordan is also exploring creative approaches to enhance work flexibility for the refugees. Perhaps the most significant of these steps is a pilot in the agriculture sector, supported by the ILO, through which Syrians can obtain work permits through farmer cooperatives rather than individual employers, enabling workers to shift easily among short-term, seasonal opportunities.

Efforts are also underway to improve the quality of work. Better Work, jointly implemented by the ILO and the International Finance Corporation, provides assessments, advice and training to garment factories to improve the quality of jobs. The Better Work programme is now being expanded to include the full range of sectors covered under the rules of origin agreement with the European Union.

In an effort to allow Syrians access to financial services, the Government of Jordan established a mobile banking programme.

JoMoPay is a mobile-phone based app that allows individuals to make payments electronically. This system is an important first step, though the number of businesses accepting JoMoPay will need to be expanded if the system is to become useful.

Development partners are providing crucial communication to refugees as they negotiate Jordan's cumbersome, unclear and frequently changing regulations.

As an example, in coordination with government agencies, UNHCR sends registered refugees frequent SMSs, posts frequently asked questions, and staffs a phone hotline that includes information on work permits, job opportunities and a wide range of other topics. Other development partners (e.g., the ILO) have similar programmes.

To address the gaps in data on refugees, the Government of Jordan is now expanding its existing survey instruments to include Syrians.

Technical planning is ongoing with the ILO on the quarterly Employment and Unemployment Survey and with the World Bank on the periodic Household Income and Expenditure Survey (which provide data for analysis of poverty and living standards). The expanded Employment and Unemployment Survey is expected to be implemented starting in early 2017.

B.4 Lebanon

The Lebanese economy grew very rapidly before the onset of the Syrian crisis, sustaining an annual growth rate in excess of 9 percent for four consecutive years, from 2007 to 2010.³⁵¹ Economic growth slowed dramatically in 2011, and although GDP continued to expand slowly, GDP per capita fell by a total of 20 percent from 2011 to 2015.³⁵² The initial downturn of Lebanon's economy has been attributed to a combination of internal and regional political dynamics,³⁵³ and by 2012, the Syrian crisis was having significant impacts on both trade with and investment in Lebanon.³⁵⁴ The unemployment rate in Lebanon, as a consequence of this stagnation, reportedly

reached 22 percent to 23 percent by 2014.³⁵⁵

As a consequence of the Syrian crisis, Lebanon hosts more than 1 million registered Syrian refugees, and the Government estimates that there are nearly 500,000 additional Syrian refugees who remain unregistered.³⁵⁶ All told, Syrian refugees are roughly equivalent to one-fourth of Lebanon's population, the highest concentration of Syrian refugees as a share of the host population. There are no refugee camps in Lebanon, and refugees have instead integrated into host communities throughout the country.

Challenges

The large number of refugees rapidly expanded Lebanon's labour force, without concomitant creation of jobs.

Syrian refugees now constitute a substantial share of the Lebanese work force, with available estimates suggesting that they account for at least 14 percent but perhaps as much as 35 percent.³⁵⁷ The large number of new residents and job seekers, in a short period of time, and in a country in which growth has slowed, has strained the labour market, government finances and public services.³⁵⁸

Lebanon's political situation has hindered a coherent national policy both towards refugees and improving the business environment.

Political gridlock in parliament has stalled needed decision-making about the refugee crisis, at a time when national leadership was needed. Furthermore, while Lebanese government officials and politicians have developed draft laws to enable public-private partnerships and to improve the environment for SMEs, political gridlock has prevented the Government from moving forward on these important steps to improve the business climate. With the recent election of a President and a new

IN LEBANON, ECONOMIC GROWTH SLOWED DRAMATICALLY IN 2011, AND ALTHOUGH GDP CONTINUED TO EXPAND SLOWLY, GDP PER CAPITA FELL BY A TOTAL OF 20 PERCENT FROM 2011 TO 2015

Government in place, this may change.

The large number of refugees has resulted in social tensions, as Lebanese nationals fear that the refugees will crowd out citizens from jobs.

Many citizens are concerned that open access for the Syrians to Lebanon's labour market will increase Lebanese unemployment. Syrians are also establishing micro- and small enterprises, which are perceived as threats to local Lebanese businesses.³⁵⁹ The Government of Lebanon takes these considerations very seriously when developing policies about refugees and the job market.

Legal ambiguity and delays in residency permits hinder refugees from working and lead to the intimidation of Syrian workers, restricting job access. The vast majority of Syrian refugees do not have legal residency.³⁶⁰ The entry and residency regulations stipulate that Syrian refugees have two ways of obtaining and maintaining valid residency permits in Lebanon: applying for residency on the basis of a registration certificate from UNHCR, or obtaining a pledge of responsibility (similar to a sponsorship) from a Lebanese citizen. The pledge of responsibility is reportedly creating additional risks of exploitation, including employers charging additional fees (of \$800 to \$1,000), bonded labour, unpaid services and difficult work conditions. Employers can threaten to withdraw the pledge of responsibility, as it is not linked to any labour contract nor does it include any reference to labour rights.

Activities

The World Bank and Islamic Development Bank have been developing concessional lending for infrastructure projects in Lebanon.

The Lebanese Government, following the London Conference, has proposed a Priority Development Investment Programme for Concessional Financing to be implemented over 2017 to 2021. It includes the following infrastructure investments: \$1.1 billion on the road and transport sector, \$100 million on school rehabilitation, \$155 million on environment sector investment, \$340 million on water sector investment and \$1.5 billion on electricity sector investment. Lebanon has significant infrastructure, environment and transportation needs; there

are plans and needs assessments in place for infrastructure at the national and municipal levels.

The Government of Lebanon has increased its leadership in managing the crisis.

With a new Government in office in February 2014, an inter-ministerial crisis cell was formed within six months to oversee the government response to the refugee situation. After mounting criticism from the international community over Lebanon's lack of a strategy to deal with the crisis, Lebanon's Council of Ministers adopted a refugee policy paper that was authorized in October 2014. In 2015, the Lebanon Crisis Response Plan was produced to outline the nature and scope of the response. It is co-managed by the Government, represented by the Minister of Social Affairs, and the United Nations, represented by the Resident and Humanitarian Coordinator. The Plan aims to address the humanitarian needs of refugees and other vulnerable populations as well as to invest in Lebanese institutions, services and systems in a manner that helps maintain Lebanon's stability throughout the crisis. These efforts engage over 50 partners.

Value chain analysis and improvement projects have been done in several sectors. This will allow these sectors, particularly in the agro-industry, to improve their competitiveness and eventually expand. A case in point is the development of the olive oil and honey value chains, which will permit small businesses and producers to increase their volume and value, and eventually create more jobs.³⁶¹

Many Syrians are finding work, although it is often insufficient to support a family.

Forty-seven percent of working-age Syrian refugees are working in some way, primarily in agriculture, domestic services and construction. Their employment is mainly in the informal market, where 92 percent work with no contract, and 56 percent work on a seasonal, weekly or daily basis, while just 23 percent have regular monthly salaries. The average monthly income of a Syrian refugee is around \$200,³⁶² though in some areas it is below \$100; refugees often state other sources of income, most notably UNHCR assistance or their personal savings.³⁶³

B.5 Syria

The Syrian conflict has had a dramatic impact on the economy, with estimates suggesting that two-thirds of Syria's GDP had been lost by the end of 2015. The country is fragmented, with the Syrian Government, opposition groups and ISIS actively fighting to hold and capture additional territory. As a consequence, a "conflict economy" has emerged with some individuals growing wealthy by exploiting the instability—e.g., through extortion, smuggling, looting and pillaging—while others have joined armed groups as one of the only available means of survival. Unemployment rates surged to 53 percent by the end of 2015, as compared to 14.9 percent before the crisis in 2011.³⁶⁴ Poverty rates have surged past 85 percent, causing Syrians, even those in safe areas, to flee the country in search of economic opportunity.³⁶⁵

The ongoing Syrian conflict is driving a humanitarian and economic crisis. Nearly half of the Syrian population has been forcibly displaced; the majority of the 6.3 million IDPs are in urban areas, accounting for roughly one-third of the population there, and the remaining 1.7 million are distributed across camps, informal settlements and collective centres. Some 4.9 million people are located in hard to reach areas and 600,000 are located in 18 besieged areas.³⁶⁶

Challenges

The industrial base has been devastated by years of protracted conflict. Manufacturing has declined by more than 70 percent since the beginning of the conflict, falling iteratively by 13 percent in 2011, 46 percent in 2012 and an additional 18 percent in 2013. The violence has impacted the infrastructure of industrial zones, industrial establishments and SMEs alike—with the key industrial cities of Aleppo, Homs, and Damascus particularly impacted.

Agriculture has similarly been devastated by the violence. Agricultural production has deteriorated substantially as a consequence of the destruction of tools and irrigation systems, the scarcity and high prices of agricultural inputs and fuel, inputs of unreliable quality, damaged irrigation systems, low levels of mechanization, shortages

and the high-cost of farm labour, destruction of standing crops, and difficulties for farmers in accessing their lands in many regions. The livestock sector, once important in Syria's domestic economy and in its external trade, has suffered very substantially since 2011, with reductions in terms of herd and flock numbers. Veterinary services have eroded and carry high risks related to movement, in addition to the fact that vaccines and medication are no longer produced, and stocks are exhausted.³⁶⁷ Though shrinking in absolute terms, agriculture has become increasingly important and now accounts for nearly one-third of national production.³⁶⁸

Violent and political fragmentation restricts the movement of goods. Syria is economically fragmented, with internal trade flows disrupted by military operations, sieges and other security issues. Fees charged at internal borders and skyrocketing fuel costs result in high transportation costs.³⁶⁹ As a result, needed inputs for production (e.g., raw materials, water, electricity and fuel) are expensive if they are even available, and production is becoming increasingly local.³⁷⁰

Key economic sectors are impacted by a scarcity of skilled labour induced by internal displacement and emigration. As a result of the massive displacement of people—some 11 million, including both refugees and IDPs—there is severe scarcity in skilled labour. This impacts key economic sectors—e.g., food processing, construction and garments. It will remain a significant challenge for economic recovery and rehabilitation efforts.³⁷¹

Entrepreneurs displaced by the violence are frequently unable to start or restart businesses. IDPs entrepreneurs are badly impacted as many have no resources with which to restart their businesses in other locations or even to pay for their own housing. Entrepreneurs who moved to safe areas scaled down their operations, and very few were able to move their machines and equipment from conflict areas. They face several challenges, including the high cost of renting premises, a lack of skilled labour in host communities, the absence of maintenance facilities and poor infrastructure.³⁷²

Difficulties in accessing financing restrict new entrepreneurial activity. Since the start of the

THE SYRIAN CONFLICT HAS HAD A DRAMATIC IMPACT ON THE ECONOMY, WITH ESTIMATES SUGGESTING THAT TWO-THIRDS OF SYRIA'S GDP HAD BEEN LOST BY THE END OF 2015

THE TURKISH ECONOMY HAS CONTINUED TO GROW AT A ROBUST RATE IN SPITE OF THE CRISIS, MAINTAINING A GDP GROWTH RATE OF NEARLY 4.5 PERCENT AND A GDP PER CAPITA GROWTH RATE OF OVER 2.5 PERCENT DURING 2011 TO 2015

conflict in 2011, lending operations from private and public banks have become scarce. While microfinance institutions have played a role in providing loans, their conditions have been too restrictive to allow entrepreneurs and particularly IDPs to acquire credit easily.

Frequent fluctuations of the exchange rate affect both workers and entrepreneurs. The continuous deterioration of the exchange rate, which has fallen by roughly 90 percent during the conflict, has affected both workers and producers. The combination of this depreciation and reduced government subsidies (e.g., food, electricity and fuel) is reflected in the rapid increase in both the consumer price index and inflation rates, which climbed, respectively, by 540 percent and 460 percent between 2010 and December 2015.³⁷³

Activities

Direct employment in UN programmes is frequently used to create short-term jobs. UNDP, for example, runs a cash-for-work programme that provides temporary employment in labour-intensive rehabilitation of basic community infrastructure, solid waste and debris removal. The creation of permanent jobs is supported by UNDP through funding income-generating projects run by NGOs as well as SMEs in various economic sectors.³⁷⁴

Financial and technical support for microenterprises is another common approach. Support for microenterprises has focused on sectors impacted by the increasing localization of the economy, such as agriculture, food processing, dairy production and construction. UNDP has funded a number of agro-food projects based on locally available agricultural products (e.g., yogurt and traditional cheese), with hopes of building sectoral linkages that will contribute to the recovery of both the agricultural and manufacturing sectors.

Vocational training and job placement, particularly for IDPs, build relevant skills and encourage entrepreneurial activity.³⁷⁵

A particularly promising approach is holistic support, through which individuals are provided with vocational training, business planning, small grants and start-up kits, a strategy used by UNDP and UNHCR throughout Syria. Combining vocational training with support to successful graduates in starting small businesses is another UNDP good practice.

Direct procurement from local producers, often used in conjunction with microenterprise support, has proven effective in assisting affected communities. UNICEF, for example, has been procuring all of its clothing and school furniture from local producers since 2015, injecting \$62 million into the economy. UNRWA and UNHCR also procure from the local market. Where needed, small producers receive training to meet required standards and are organized into cooperatives to take advantage of economies of scale.

B.6 Turkey

The Turkish economy has continued to grow at a robust rate in spite of the crisis, maintaining a GDP growth rate of nearly 4.5 percent and a GDP per capita growth rate of over 2.5 percent during 2011 to 2015.³⁷⁶ This persistent growth, in the face of domestic political uncertainties, has been attributed to a rise in private consumption fuelled by real wage growth, a large decline in oil prices and the influx of refugees. Unemployment has hovered around 9 percent to 10 percent, with youth unemployment rates at nearly double that for the past 10 years. Unemployment rose above 11 percent in late 2016.³⁷⁷

Turkey has the most Syrian refugees of any single nation—some 3 million registered under temporary protection,³⁷⁸ accounting for just under 3.5 percent of the population.³⁷⁹ An estimated 350,000 to 500,000 of these refugees work,³⁸⁰ and more than 10,000 Syrian-owned companies have been opened in Turkey. More than 90 percent of refugees live in cities, with less than 10 percent housed in camps. In addition to Syrian refugees, Turkey received an estimated 350,000 refugees during 2011 to 2016 from a variety of other countries (e.g., Afghanistan, Iran and Iraq).

Challenges

The challenges facing Turkish citizens in creating and accessing economic opportunities are more limited than in the other host nations.

Unemployment rates in Turkey are more comparable to other Organisation for Economic Co-operation and Development (OECD) nations than to Syria's other neighbours. Turkey's already robust economy has more recently benefited from strong trade with the European Union (with a customs union in place since 1995). Institutional reforms in the early 2000s were followed by a half-decade of stable high growth.³⁸¹

Syrian entrepreneurs must overcome restrictive banking regulations and property laws.

Opening a bank account is a major challenge for many potential Syrian entrepreneurs. Although the law allows Syrians to open bank accounts, many private banks refuse to accept Syrian clients, potentially out of fears of money laundering risks. Another challenge is the law prohibiting Syrians from owning property in Turkey. Only the small number of Syrians that have received residency permits can themselves own property. Although this restriction is frequently addressed by working with a Turkish partner, this arrangement has in some cases resulted in exploitation.

Language, namely an inability to speak Turkish, is by far the biggest challenge affecting the ability of Syrian refugees to find jobs.

As a result, Syrian workers are unable to access existing employment programmes, and even skilled Syrians are generally limited to manual labour jobs.

Difficulty in proving previous experience and establishing certifications hampers the ability of refugees in accessing skilled employment.

Syrian workers left their homes without proof of their skills (e.g., certificates) and cannot access former employers to vouch for their skills. They must, therefore, find an employer willing to take a risk in hiring them or accept a lower wage.

A lack of consistent and accurate data on Syrians — resulting from security challenges, high refugee mobility, and the distribution of refugees

across all of Turkey's 81 province — impedes efforts to design well-targeted programs. An important example involves vocational training initiatives, which, although prolific, with more than 4,200 courses offered and more than 130,000 certificates issued, are duplicative and poorly aligned with job opportunities, in large part as a result of insufficient data. A lack of data sharing with the public fuels a perception that Syrians receive overly generous treatment vis-à-vis Turkish citizens and that Syrians are taking jobs away from Turkish citizens. In fact, the existing data have indicated that the refugees can be a boon for local Turkish workers.

Activities

The Turkish labour market is generally open to Syrian workers. Syrian refugees are able to freely work in Turkey. Many reportedly work openly in the informal sector, though there is limited information on working conditions.³⁸² For some sectors (e.g., seasonal agriculture and livestock), work permits are not required, and Syrians can simply register with the authorities. There are only a small number of professions closed to Syrians, and recent reforms have allowed Syrians in some of these (i.e., doctors, nurses and teachers) to provide services to other Syrians.

The regulatory environment for Syrian entrepreneurs is similarly straightforward.

Many Syrians do partner with Turkish citizens for their knowledge of the local economy or to address land-ownership regulations. However Syrians are able to establish informal and unregistered businesses relatively easily, providing a level of flexibility that helps activate Syrians businesses.

Turkey allows refugees access to existing, highly functioning employment programmes.

As of January 2016, Syrians have access to the government employment agency, ISKUR, which provides job matching and other services. Although this programme is still not fully utilized, due to lack of awareness and language gaps, it is worth watching carefully and potentially replicating elsewhere. In addition to the government job placement agency, NGOs have set up employment offices targeted at linking

OPENING A BANK ACCOUNT IS A MAJOR CHALLENGE FOR MANY POTENTIAL SYRIAN ENTREPRENEURS—ALTHOUGH THE LAW ALLOWS SYRIANS TO OPEN BANK ACCOUNTS, MANY PRIVATE BANKS REFUSE TO ACCEPT SYRIAN CLIENTS, POTENTIALLY OUT OF FEARS OF MONEY LAUNDERING RISKS

employers and Syrian refugees.

Multi-Purpose Community Centres are proving effective at supporting the integration of Syrian refugees. The centres function as one-stop-shops for Syrians, providing services and referrals to other agencies. This holistic approach allows Syrians to obtain job counselling, learn Turkish and get information on legal issues; the centres also provide childcare to support women's access to the facilities. There are 50 ÇATOM centers in addition to a multitude of other community centers run by a variety of actors, including

municipalities, the Ministry of Family and Social Policies, the Turkish Red Crescent, Mercy Corp and IMPR/Relief International.³⁸⁴

The Turkish Government is now coordinating with the United Nations to improve its data collection on Syrian refugees. UNHCR and the Turkish Ministry of Interior's Directorate General of Migration Management launched a study to update the refugee register based on an agreed protocol. The intent, to produce more accurate data on the refugees, is an important step in guiding a more effective crisis response.

Appendix B.

Reviewers and Expert Consultative Groups

Tables A.1 and A.2 report, respectively, the formal reviewers of this report and the participants in the expert consultative groups. The latter included host governments, UN agencies, donor countries, NGOs and private sector companies, and were consulted throughout the research process, allowing them to guide the research methodology and comment on regional and country-specific findings.

TABLE A.1: FORMAL REVIEWERS OF REPORT

	Organization	Position	Individual
Version 0.1	Erbil Chamber of Commerce		Omer Khider
	ILO Egypt		Kholoud Alkhaldi
	ILO Coordinator for Syrian Refugees		Maha Kattaa
	ILO Regional Office		Patrick Daru, Annabella Skof
	Kurdistan Regional Government Minister of Planning		Hayder Mustafa Saaid
	Lebanon Ministry of Economy and Trade		Rafif Berro
	UNDP Arab States		Natalie Bouche
	UNDP Egypt		Hyewon Jung
	WANA Institute		Mays Abdel Aziz
Version 1.0	Arab Republic of Egypt, Arab Mashreq Department, Ministry of Foreign Affairs		Mohamed Elabrak
	Columbia University		Kasumi Takahashi
	German Embassy Amman	Development Cooperation Counsellor Stumm	Mario Udo Stumm

	Organization	Position	Individual
Version 1.0	Germany, Federal Ministry for Economic Cooperation and Development	Financing for Development/ Donor Relations	Stephan Klaus Ohme
	ILO Regional Office		Annabella Skof, Tariq Haq and Patrick Daru
	McKinsey & Company		Wladimir Nikoluk
	OECD	Head of MENA Governance Programme, Governance Directorate	Miriam Allam
	OECD	Policy Analyst, South East Europe Division, Global Relations Secretariat	Jakob Fexer
	OECD	Legal Analyst, Financial Affairs Directorate	Hélène Francois
	OECD	Senior Policy Analyst, Employment and Social Affairs Directorate	Alessandro Goglio
	OECD	Senior Economist, Directorate of Economics	Rauf Gonenc
	OECD	Junior Consultant, MENA Governance Programme, Governance Directorate	Sarah Hermanutz
	OECD	Senior Trade Policy Analyst, Trade Directorate	Przemyslaw Kowalski
	OECD	Policy Advisor, Temporary Working Group on Refugees and Migration, Development Cooperation Directorate	Annabel Mwangi
	OECD	Senior Advisor, South East Europe Division, Global Relations Secretariat	Elena Miteva
	OECD	Policy Research and Advice, Development Cooperation Directorate	Anna Piccinni
	OECD	Policy Analyst, Global Relations Secretariat	Pilar Sanchez-Bella
	OECD	Junior Policy Analyst, MENA Governance Programme, Governance Directorate	Katharina Zuegel

	Organization	Position	Individual
Version 1.0	OECD	Policy Research and Advice, Development Cooperation Directorate	Anna Piccinni
	OECD	Policy Analyst, Global Relations Secretariat	Pilar Sanchez-Bella
	OECD	Junior Policy Analyst, MENA Governance Programme, Governance Directorate	Katharina Zuege
	OECD		Carlos Conde, Pilar Sanchez-Bella
	Save the Children		David AndresVinas
	UK Department of International Development (DfID)	Chief Economist	Stefan Dercon
	UNDP Arab States		Sophie de Caen
	UNDP Jordan		Zena Ali Ahmad
	UNDP Lebanon		Rola Azour
	UNDP Livelihoods		Charu Bist
	UNDP Syria		Manal Fouani
	UNDP, Regional Hub, Arab States	Team Leader, Inclusive Growth and Sustainable Development	Nathalie Bouche
	UNHCR		Laurent Raguin
	World Bank	Adviser, Office of the Senior Vice-President	Mike Kelleher
	World Bank-Jordan		Meriem Ait Ali Slimane

TABLE A.2: FORMAL REVIEWERS OF THE REPORT

Country	Organization	Position	Individual
Egypt	Ministry of Foreign Affairs	Deputy Assistant Foreign Minister	Hussien Al-saharty
	Social Fund for Development	Head of the Technical Office	Rafaat Abass
	Chamber of Commerce		
	UNHCR		
	UNDP		
	UN Resident Coordinator		
Iraq	ILO	Senior Enterprise Development Specialist	Kholoud Alkhalidi
	Board of Investment	Deputy General, Licensing and Promotion	Dr. Kamaran Mufti
	Kurdistan Regional Government Ministry of Labour and Social Affairs	Deputy General, Labor and Social Insurance	Arif Hito Abdulrahman
	Ministry of Planning	Deputy General, Development Coordination and Cooperation	Hayder Mustafa Saaid
	Erbil Chamber of Commerce and Industry	Director of Studies	Omer Khider Muhammed
	UNHCR		
	UNDP		
	WFP		
Jordan	Ministry of Planning and International Cooperation	Head, Programme Management Unit	Jamal Al Jabiri
	ILO	Coordinator for Syrian Refugee Crisis Response	Maha Kattaa
	United Nations	Advisor, Office of the Resident Coordinator, UN Jordan	Nicholas Crawford
Lebanon	Ministry of Economy and Trade	Project Manager, UNDP Project and Head of the International Relation Team	Rafif Berro
	Ministry of Social Affairs	National Livelihood Coordinator, Head of Syrian Crisis Response Unit's Livelihood Team	Sabine Farah
	Byblos Bank Group	Chief Economist, Head of the Economic Research and Analysis Department	Nassib Ghobril
	Microsoft	Lebanon Country Manager	Hoda Younan
	Netways	General Manager	Roula Moussa
	ILO	Chief Technical Advisor	Annabella Skof
	UNHCR Lebanon	Government Liaison Officer	Rayan Koteiche
	UNDP	Senior Economic Advisor	Roula Azour
	United Nations	Head of the Office of the Resident Coordinator	Spyros Demetriou
Syria	Syrian Centre for Policy Research		Zaki Mehchy
	PU		Melinda Lee
	PU		Anas Abou Jeib
	FAO		Wael Sief
	IOM		Tammam Sbeih
	UNHCR		Jahangir Durrani
	UNHCR		Reem Samid
	SSSD		Samer Al Faqeer

Country	Organization	Position	Individual
Syria	WFP		Samuel Cleudou
	WFP		Haitham Al Ashkar
	UNFPA		Reem Bajari
	European Union		Rania Haj Ibrahim
	UNICEF		Hala Darwish
	UNICEF		Mohamad Kanawati
	UN-Habitat		Norhan Amin
	AKF		Muhammad Aizuki
	ONG Rescate		Soura Al Joundi
	UNOCHA		Rima Ali
	UNDP		Manal Fouani
	UNDP		Alissar Al Joundi
	UNDP		Aladdin Shamoug
UNDP		Hala Al Akkad	
Turkey	Ministry of Development		Mahmut Arslan
	Chamber of Commerce		Kürsat Göncü (for Gaziantep)
	UNDP	Portfolio Manager	Berna Bayazit
	UNDP	Regional Bureau for Europe and Central Asia	Joanna Kazana
	UNDP	Regional Bureau for Europe and Central Asia	Berdi Berdiyev
	United Nations	Resident Coordinator's Office	Halide Caylan
	Gaziantep metropolitan municipality	Secretary General	Ahmet Erturk
	Gaziantep metropolitan municipality	Social works department head	Abdullah Aksoy
	EBRD		Mehmet Üvez

Appendix C.

Data Appendix



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REFUGEE COUNTS

Figure 1.1 provides the most recent UN and government estimates of the size of the IDP and refugee populations, and Figure 1.2 offers a chronology of the UN estimates of these populations. Historical data on the number of Syrian refugees in Egypt, Iraq (KRI), Jordan, Lebanon and Turkey are available from UNHCR's Syria Regional Refugee Response Inter-agency Information Sharing Portal.³⁸⁵ Data on IDPs within Syria is from

the UNCHR Population Statistics and various sources provided by the Internal Displacement Monitoring Centre,³⁸⁶ which also provides

a discussion of the challenges in accessing accurate data on the number of Syrian IDPs. Data on Iraqi IDPs is extracted from the IOM's Displacement Tracking Matrix for Iraq.³⁸⁷

Both Figure 1.1 and 1.2 also compare the size of the migrant populations to the national population. Population data for Syria are from UNOCHA, which estimates that 16 million Syrians remain in Syria,³⁸⁸ and population data for the KRI are from the external website of the Kurdistan Regional Government, which reports a population of 5.2 million.³⁸⁹ Remaining population estimates are from the World Bank: Egypt, 92 million; Jordan, 7.6 million; Lebanon, 5.9 million; and Turkey, 79 million.³⁹⁰



UNEMPLOYMENT DATA

Figure 1.3 and 2.1 report employment rates for each of the six countries. For Figure 2.1, data on pre-crisis unemployment rates – both overall and youth – are from two sources. Data for Egypt, Jordan, Lebanon, Syria, and Turkey are ILO estimates for 2014 as reported in the World Bank’s World Development Indicators.³⁹¹ The most recent comparable data for the KRI are for 2012, as reported by the RAND Corporation.³⁹²

Comprehensive and comparable labour force survey data during the crisis are not available, but data on unemployment rates for host communities, Syrian refugees and IDPs are available from a range of different sources. The

data used in constructing Figure 2.1 are as follows:

- **Egypt:** Unemployment rates for host communities are for the first quarter of 2016, with these data attributed to the Egyptian Government’s Central Agency for Public Mobilisation and Statistics.³⁹³ The unemployment rate among Syrian refugees in Egypt is reported as 20 percent to 30 percent by the Consultative Group to Assist the Poor;³⁹⁴ Figure 2.1 uses a figure of 25 percent.
- **Iraq (KRI):** The unemployment rate in the KRI, according to data from the Minister of Planning, reached 14 percent by late 2016 (more than doubling the pre-crisis unemployment rate of 6.5 percent).³⁹⁵ The overall unemployment rate for Syrian refugees and IDPs in the KRI is



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based on data for three cities—Dohuk, Erbil and Sulaymaniyah—where the minimum estimated unemployment rate was 47 percent.³⁹⁶

- **Jordan.** The data on unemployment rates during the crisis are as reported by the Jordanian Department of Statistics for the first quarter of 2016.³⁹⁷ The ILO has estimated that the unemployment rate among Syrian refugees may be as high as 57 percent.³⁹⁸
- **Lebanon:** The data in Figure 2.1 are from the ILO, which estimates that the influx of Syrian refugees raised unemployment among host nationals from “about 9 percent in 2012 to perhaps 12 percent in 2014.”³⁹⁹ Estimates from the World Bank suggest that the unemployment rate among host communities may have surged as high as 19 percent.⁴⁰⁰ The unemployment rate among Syrian refugees was estimated at 33 percent.⁴⁰¹
- **Syria:** Detailed labour force data are not available for Syria, and the international community has relied on the Syrian Centre for Policy Research for estimates of unemployment rates. The most recent data, as reported by the World Bank, indicates that unemployment rates had surged to 60 percent by the fall of 2016.⁴⁰²
- **Turkey:** Turkey’s unemployment rate in early 2016—at 9.6 percent—was not substantively different than pre-crisis levels,⁴⁰³ though this rate rose to 11.3 percent by year’s end.⁴⁰⁴ The overall unemployment rate for Syrian refugees in Turkey is based on data for three cities, Antakya, Gaziantep and Sanliurfa; the (unweighted) average of unemployment rates for these three cities is the reported 21 percent.⁴⁰⁵

refugees and their host communities in Egypt, Iraq, Jordan, Lebanon, and Turkey. The data for this figure are drawn from a variety of sources:

- **Egypt.** The Government of Egypt estimated, in 2013, a poverty rate of just over 26 percent for Egyptians.⁴⁰⁶ The UNCHR reports that an estimated 54 percent of Syrian refugees are below the poverty line.⁴⁰⁷
- **Iraq (KRI).** The poverty rate in 2014 for the KRI was estimated at 12.5 percent.⁴⁰⁸ For Syrian refugees, data from 2016 indicated a poverty rate of 37 percent.⁴⁰⁹
- **Jordan.** The poverty rate for Jordanians has been estimated to be 14.4 percent.⁴¹⁰ The UNCHR reports that an estimated 90 percent of Syrian refugees in Jordan are below the poverty line.⁴¹¹
- **Lebanon.** Poverty data for Lebanon from 2007, which we believe are the most current available data, indicate a poverty rate of 29 percent for the Lebanese.⁴¹² The UNCHR reports an estimated 70 percent of Syrian refugees in Lebanon below the poverty line.⁴¹³
- **Syria.** The overall poverty rate for Syria has been estimated as 85%.⁴¹⁴
- **Turkey.** The Turkish government reported, in 2015, an overall poverty rate of just over 22 percent.⁴¹⁵ An estimated 36 percent of Syrians under temporary protection are under the poverty line: the poverty rate for the 64 percent of refugees near the border is 47 percent, though substantially lower (16 percent) for those far from the border.⁴¹⁶

POVERTY RATES

Figure 1.3 reports the poverty rate – i.e., the share of the population below the poverty line – for Syrians remaining in Syria, and both Syrian

Endnotes

1. The Supporting Syria and the Region Conference 2016 conference was held in London in February 2016, and is commonly referred to as the London Conference.
2. Supporting Syria & the Region, "Co-Hosts Declaration of the Supporting Syria and The Region Conference, London 2016," 2016.
3. Supporting Syria & the Region, "Co-Hosts Declaration of the Supporting Syria and The Region Conference, London 2016," 2016.
4. Supporting Syria & the Region, "Co-Hosts Declaration of the Supporting Syria and The Region Conference, London 2016," 2016.
5. Zgheib, Nibal, "EBRD conference calls for new strategy to tackle refugee crisis," European Bank for Reconstruction and Development, Feb 2016.
6. We note that the feasibility of creating 200,000 jobs for Syrian refugees in Jordan is the focus of a recent report by the WANA Institute (WANA Institute, "Providing 200,000 Work Opportunities for Syrian Refugees in Jordan: A Viability Assessment," 2016).
7. The London Conference does not provide a geographic distribution of where these jobs might be created. However, the Jordan Compact indicated that 200,000 jobs could be created for Syrian refugees alone (Government of Jordan, "The Jordan Compact: A New Holistic Approach between the Hashemite Kingdom of Jordan and the International Community to deal with the Syrian Refugee Crisis," 2016) the Lebanon Statement of Intent indicated that 300,000-350,000 jobs in total could be created (Republic of Lebanon, "London Conference – Lebanon Statement of Intent," 2016) and the International Rescue Committee proposed the creation of 200,000 work permits for Syrian refugees in both Jordan and Lebanon (for a total of 400,000), and an additional 600,000 work permits for Syria refugees in Turkey (Wintour, Patrick and Ian Black, 2016, "David Miliband calls for 1m work permits for Syrian refugees, The Guardian).
8. The Lebanon Statement of Intent indicated that 60 percent of the 300,000-350,000 anticipated to be created could be for Syrian refugees (Republic of Lebanon, "Lebanon Statement of Intent," 2016).
9. UNHCR estimates of the number of registered Syrian refugees as of September 26, 2016 (UNHCR, "Syria Regional Refugee Response: Inter-agency Information Sharing Portal," 2016).
10. Number of Syrian IDPs within Syria in December 2016 is reported by UN OCHA at 6.3 million (UNOCHA, "Syrian Arab Republic," 2016).
11. This research may also support the post-conflict reconstruction process, though that is beyond the scope of this research.
12. UNHCR estimates of the number of registered Syrian refugees as of September 26, 2016 (UNHCR, 2016b). The actual number of refugees is likely significantly higher. For Egypt, Egyptian government estimates suggest that Egypt has received as many as 300,000, rather than the approximate 120,000 reported by UNHCR (UNHCR, "Joint Assessment for Syrian Refugees in Egypt", 2013). The share of Syrian refugees that are unregistered is substantially smaller in other countries, accounting for less than 5 percent of total refugees in Turkey. More than 625,000 additional Syrian refugees are now inside the European Union (Migration Policy Center, "Focus on Syrians," 2016).
13. Number of Syrian IDPs within Syria in December 2016 is reported by UN OCHA at 6.3 million (UNOCHA, "Syrian Arab Republic," 2016). This is equivalent to nearly 40 percent of the estimated 16 million Syrians remaining in Syria (UNOCHA, "Syrian Arabic Republic: Humanitarian Needs Overview", 2016, p. 12, reports that 11 million Syrians live in urban areas and that this is 70 percent of the population).
14. This is the formal terminology in Turkey for refugee status for the Syrians.
15. Estimate based on a 2015 population estimate of 78.7 million (World Bank, World Development Indicators, 2016) and an estimated refugee fall 2016 population of 2.7 million (UNHCR, "Inter-agency Information Sharing Portal," 2016).
16. Estimate based on a 2015 population estimate of 5.9 million (World Bank, World Development Indicators, 2016) and an estimated refugee population (in fall 2016) of 1.0 million (UNHCR, "Inter-agency Information Sharing Portal," 2016).
17. Government of Lebanon and United Nations, "Lebanon Crisis Response Plan: 2015-2016," 2014.
18. Estimate based on a 2015 population estimate of 7.6 million (World Bank, World Development Indicators, 2016) and an estimated refugee population (in fall 2016) of approximately 656,000 (UNHCR, "Inter-agency Information Sharing Portal," 2016).
19. E.g., Hashemite Kingdom of Jordan, "Comprehensive Vulnerability Assessment Sector Template: Shelter," 2016.
20. International Organization for Migration, Iraq Mission reports an estimated 942 thousand IDPs in the KRI as of May 2016 (IOM Iraq, "Displacement Tracking Matrix: Round 46", May 2016).
21. The KRI had an estimated refugee population (in fall 2016) of approximately 240,000 (UNHCR, "Inter-agency Information Sharing Portal," 2016).
22. There is not agreement on either the population of the KRI or the

number of IDPs in the KRI. Our estimates of IDPs rely on data reported by the IOM, as reported in Figure 1.1, and the base population of Kurdistan that we use – 5.2 million – is as reported on the external website of the Kurdistan Regional Government (Kurdistan Regional Government, “The people of the Kurdistan region,” 2016). However, reported estimates from the World Bank (World Bank, “The Kurdistan region of Iraq - Reforming the economy for shared prosperity and protecting the vulnerable”, May 2016) suggest both a larger number of IDPs (1.45 million) and a larger overall population (6.4 million). Other sources provide even larger estimates of the number of Iraqi IDPs in KRI; one suggests a value of some 1.6 million (Kulaksiz, Sibel and Omer Karasapan, “Iraq’s internally displaced populations and external refugees – a soft landing is a requisite for us all,” Brookings Institution, 2015) and another a much larger 3.2 million (Lee, John, “IDPs make up 35% of KRI Population,” Iraq Business News, 2015).

23. Most recent data are from October 31, 2016 (UNHCR, “Inter-agency Information Sharing Portal,” 2016).

24. UNHCR, “Joint assessment,” 2013.

25. Miliband, David “Cities are at the centre of the Syrian refugee crisis – so why are they being ignored?,” The Guardian, 2015.

26. UNHCR, “Inter-agency Information Sharing Portal,” 2016.

27. NGO Forum, “No Where Safe to Go: A Study of Internally Displaced Population Movement for the Affected Population in Syria” (2015) indicates that 1.7 million of the 6.5 million Syrian IDPs (at the time of that report’s publication) are in IDPs camps.

28. CARE, 2016a, “Women, Work, & War: Syrian women and the struggle to survive five years of conflict”, p. 4.

29. Data on female-headed households in Syria is from UNRWA, “The Widows of Syria,” 2015. However, CARE, “Women, Work, & War,” 2016 reports lower estimates of 12-17%.

30. CARE, “On Her Own: How women forced to flee from Syria are shouldering increased responsibility as they struggle to survive” reports that the number of female-headed households in Jordan increased from 25 percent in 2014 to 39 percent in 2016.

31. As an example, though analysis from the ILO concludes that Syrian refugees are negatively impacting Jordanian workers, Fakhri and Ibrahim (2015) conclude that the “influx of Syrian refugees has had no discernable impact on the Jordanian labor market” (Quote is from Fakhri, Ali and Walid Marrouch, “The Economic Impacts Of Syrian Refugees: Challenges And Opportunities In Host Countries, 2015, see also: Karasapan, Omer, “Jordan’s Syrian refugees,” 2015). Note that academic analyses of the economic impacts of other large influxes of refugees have often similarly produced contradictory results (e.g., Roodman, David, “Why a new study

of the Mariel boatlift has not changed our views on the benefits of immigration,” The GiveWell Blog, 2015).

32. E.g., UNDP, “A resilience-based development response to the Syria crisis”; UNDP Position Paper, 2014; Nevzat Devranoglu, “Fridges and flour: Syrian refugees boost Turkish economy”, February 19, 2016, Reuters; Doris Carrion, “Syrian Refugees in Jordan: Confronting Difficult Truths,” Chatham House, 2015.

33. The negative impact of the Syrian conflict itself is much more significant than any impact from the refugees (International Rescue Committee, “Economic Impacts of Syrian Refugees: Existing Research Review and Key Takeaways”, 2016, p. 6-7).

34. E.g., UNHCR and UNDP, 2015, “Impact of Humanitarian Aid on the Lebanese Economy,” 2015.

35. This analysis estimated that a fiscal multiplier of 1.6 for humanitarian assistance – i.e., every dollar of humanitarian assistance expanded Lebanon’s GDP by \$1.60. Quote is from Cali, Massimiliano and Samia Sekkarie, “Much ado about nothing? The economic impact of refugee ‘invasions,’” The Brookings Institution, 2015. The analysis examining the impacts of refugees on trade is World Bank, “The Impact of the Syrian Conflict on Lebanese Trade,” 2013.

36. Devranoglu, “Fridges and flour,” 2016 indicates that: “world’s largest refugee population has had a positive impact on Turkish output, economists and government officials say.”

37. Leigh, Karen and Suha Ma’ayeh. “Syrian Firms Take Refuge Abroad – and Create Jobs”, Wall Street Journal, March 11, 2016.

38. Mahmoud, Haytham. “Syrian refugees change the Lebanese labor scene”, Al Arabiya, 8 July 2016.

39. For Turkey, the World Bank reports that 26 percent of new businesses had Syrian ownership or capital (Del Caprio, X. and M. Wagner. “The impact of Syrian refugees on the Turkish labour market”, World Bank, 2015, p. 5). For Jordan, see ILO, “The Impact of the Syrian Refugee Crisis on the Labor Market in Jordan, a Preliminary Analysis,” 2014, p. 23.

40. Carrion, “Syrian refugees in Jordan,” 2015, p.4.

41. Indirect benefits include multiplier effects (International Rescue Committee, “Emergency Economies: The Impact of Cash Assistance in Lebanon”, 2014, p.6) and employment of nationals in high-quality jobs within the organizations providing this assistance (Del Carpio, Ximena Vaness and Mathis Christoph Wagner, “The Impact of Syrian Refugees on the Turkish Labor Market”, August 2015).

42. International Rescue Committee, "Economic Impacts of Syrian Refugees," 2016. References in this sentence are drawn from this review article.
43. In a speech to the UNHCR Executive Committee, Helen Clark (UNDP Administrator) reported that: "The political and humanitarian dimensions of the Syria crisis have been recognized from the outset. But there is now heightened awareness that this is also a development crisis. It will have a deep and long lasting impact on the development and future prospects not only of Syria. Neighbouring countries' development prospects too have been seriously impacted. The challenge now is to ensure that our collective response to this complex crisis is both humanitarian and developmental in approach. The humanitarian needs are very stark, but the developmental challenges exacerbated by the crisis in the subregion cannot be ignored." (Clark, Helen, "Helen Clark: Speech at UNHCR Executive Committee High Level Segment on "Solidarity with Syrian refugees and host countries," UNDP, 2013). The head of the UNHCR similarly concluded that: "Many hosting communities need massive longer-term development investment, as the challenges they are now facing are only likely to grow." (Dobbs, Leo, "UNHCR head says international community must share burden of Syrian refugees," UNHCR, 2013). See also discussion in Dix, Sarah and Jodie Curth-Bibb "Resilience building and innovation: Review of UNDP/RBAS Sub-Regional Response Facility - Syria crisis," UNDP/RBAS, 2015.
44. UNDP, "A resilience-based development response," 2014 ; Gonzalez, Gustavo, "New aid architecture and resilience building around the Syria crisis", Forced Migration Review, 2016.
45. This is one of the 10 recommendations laid out in the "The Dead Sea Resilience Agenda" that was agreed to at the Resilience Development Forum. This forum was the third major initiative of the Regional Bureau for Arab States Sub-regional Response Facility (SRF), which was established in the fall of 2013 with the mandate to "better address development challenges of the Syrian-related crisis" (Dix and Curth-Bibb, "Resilience building and innovation," 2015, p. 9). Previously, in 2014, the SRF established a framework for integrating humanitarian and development interventions and expanded programming to include both refugees and host nationals, with the Resilience-Based Development Response to the Syria Crisis, and enhanced national ownership of ongoing efforts through the formation of the Regional Refugee and Resilience Plan (3RP) (UNDP, "A resilience-based development response," 2014; Gonzalez, "New aid architecture," 2016).
46. Nowrasteh, Alex, "Economics of the Syrian Refugee Crisis", Cato Institute, May 2, 2016.
47. Betts, Alexander and Paul Collier, "Help Refugees Help Themselves: Let Displaced Syrians Join the Labor Market", Foreign Affairs, November/December 2015.
48. ILO, "Assessment of the Impact of Syrian Refugees in Lebanon and Their Employment Profile," 2013.
49. Government of Jordan, "The Jordan Compact," 2016.
50. Jordan Times, "World Bank approves \$300 million loan to Jordan," September 28, 2016.
51. Republic of Lebanon, "Lebanon Statement of Intent," 2016.
52. Supporting Syria & the Region, "London Conference – Turkey Statement," 2016.
53. Standardized questionnaires were constructed for each of the target populations; each questionnaire had 10-20 short- answer, open-ended questions. The questions were structured thematically, and included questions focused on challenges faced citizens by the host nation, Syrian businesses, and individuals seeking employment opportunity; activities currently underway to address the challenges; and a discussion of the activities that seem to have been successful (based on available data).
54. World Economic Forum, "Economic Growth and Job Creation in the Arab World", 2011.
55. ILO, "Global Employment Trends for Youth: The risk of a jobless recovery", 2014.
56. The data for "Overall" and "Youth" reported in Figure 2.1 are ILO estimates for 2014 and do not seem to capture the impact of the Syrian crisis (World Bank, "World Development Indicators," 2016).
57. Attar, Mustafa Aykut, "Tackling Youth Unemployment: The Turkish Experience", Future of Iran, 2013; Doğan, Zülfikar, "Why Turkey's high unemployment rate may mean more terror attacks", Al-Monitor, 2016.
58. See Appendix C for a discussion.
59. Creating economic opportunities is the demand side of the labor market as firms demand labor while individuals supply labor (e.g., UNDP and ILO, "Rethinking Economic Growth: Towards Productive And Inclusive Arab Societies", 2012).
60. World Bank, "From Privilege to Competition: Unlocking Private-Led Growth in the Middle East and North Africa", 2009, p. 9.
61. Ersel, Hasan and Magda Kandil, 2007, "Financial Development and Economic Growth in the MENA Countries," in Explaining Growth in the Middle East, ed. by Jeffrey B. Nugent and Hashem Pesaran.
62. Chaaban, Jad, "Expanding Youth Opportunities in the Arab Region", UNDP, 2013.

63. Erdoğan, M.M., Ünver, C. (2015) "Perspectives, Expectations and Suggestions of the Turkish Business Sector on Syrians in Turkey", TISK, Ankara.
64. Chaaban, "Expanding Youth Opportunities," 2013.
65. Sala-i-Martin, Xavier and Elsa Artadi 2003, "Economic growth and investment in the Arab world," Economics Working Papers 683, Department of Economics and Business, Universitat Pompeu Fabra.
66. World Bank 2009.
67. Interview Khaled Muhiesen and Rami Nasraween (NMB, Jordan).
68. Interview with Danish Refugee Council.
69. Nabli, Mustapha Kamil and Végonzonès-Varoudakis, Marie- Ange, "Reform Complementarities And Economic Growth In The Middle East And North Africa", Journal of International Development, 2007 show that low quality public infrastructure affects overall economic growth in the Middle East region.
70. Nabli, Mustapha Kamel, "Breaking the Barriers to High Economic Growth", World Bank, 2007.
71. Syrian Center for Policy Research, "Confronting Fragmentation," 2015, p. 18.
72. Syrian Center for Policy Research, "Confronting Fragmentation," 2015, p. 19.
73. Syrian Center for Policy Research, "Confronting Fragmentation," 2015, p. 20.
74. UNESCWA, "Syria At War: Five Years On", 2016, p. 15-16.
75. Bhattacharya and Wolde report that restrictions on transports and inefficient customs processes have an unusually large distortionary impact on exports (Bhattacharya, Rina and Hirut Wolde, "Constraints on Growth in the MENA Region", IMF, 2009).
76. Gatti, Roberta, Diego F. Angel-Urdinola, Joana Silva, and Andrés Bodor, "Striving for Better Jobs: The Challenge of Informality in the Middle East and North Africa", World Bank, 2014.
77. Data is for Lebanon as reported in Gatti et al., "Striving for Better Jobs," (2014).
78. Gatti, Roberta, Matteo Morgandi, Rebekka Grun, Stefanie Brodmann, Diego Angel-Urdinola, Juan Manuel Moreno, Daniela Marotta, Marc Schiffbauer Marc, and Elizabeth Mata Lorenzo, "Jobs for Shared Prosperity: Time for Action in the Middle East and North Africa", World Bank, 2013.
79. World Bank 2009, p. 9.
80. IMF, "Building the Future, Thematic Session 4: Improving the Business Climate", 2014.
81. Investment Development Authority in Lebanon.
82. Internal ILO value chain study for Egypt. Recently Egypt developed a "one-stop shop" for business registration at the Social Development Fund, though it has not been widely taken up.
83. Interviews; World Bank, "Doing Business," 2016; International Business Publications, "Jordan Investment & Business Guide: Volume 1 Strategic and Practical Information," 2015; OECD, "Investment Policy Reviews: Jordan 2013," 2013.
84. In Jordan, which has the largest share of employees in these large firms, the large firms accounted for only 33% of private sector employment (Schiffbauer, Marc, Abdoulaye Sy, Sahar Hussain, Hania Sahnoun, and Philip Keefer, "Jobs or Privileges: Unleashing the Employment Potential of the Middle East and North Africa," World Bank, 2015).
85. Data are from World Bank 2015, "Jordan Economic Monitor: Persisting Forward Despite Challenges."; Schiffbauer et al., "Jobs or Privileges," 2015; and Hamdan, Kamal 2003, "Micro and Small Enterprises in Lebanon," Economic Research Forum Research Report.
86. Ibid.
87. The authors were not able to identify comparable data for Syria.
88. World Bank Group and CGAP 2015, "The Legal and Regulatory Framework for Microfinance in Iraq"
89. Table 7 of Sahar Nasr and Ahmed Rostom, "SME Contributions to Employment, Job Creation, and Growth in the Arab World", World Bank, 2013 (<http://documents.worldbank.org/curated/en/301631468278944687/pdf/WPS6682.pdf>).
90. Figure 1.7 of Schiffbauer et al., "Jobs or Privileges," 2015.
91. Schiffbauer et al., "Jobs or Privileges," 2015 reports that MSMEs accounted for 177 percent of job creation between 2005 and 2010; however, as illustrated in Figure 1.11 of this figure, older MSMEs were also the largest single source of job destruction so that the MSMEs were not on net the most important contributor to job creation.
92. Sab, Randa, "Economic Impact of Selected Conflicts in the Middle East: What Can We Learn from the Past?", IMF, 2014.
93. UNCTAD, "World Investment Report 2016," 2016. Note that Lebanon is reportedly particularly at risk for political instability, given

the pre-existing internal tensions faced (e.g., World Bank, "Lebanon: Promoting Poverty Reduction And Shared Prosperity", 2015).

94. Sonnabend, Nicolas Lupo, "Lebanon grapples with 'export deadlock' amid Syrian war," Al-Jazeera, 16 August 2015. See also: Bifani, Alan, "Decrease of exports due to deterioration of Lebanon's only land export route which crosses Syria," MENA New Financing Initiative 25/1/2016 (Bifani was DG of Ministry of Finance).

95. Omari, Raed, "Jordan's agricultural exports key victim of Syria crisis," The Jordan Times, 27 August 2015.

96. Export to Syria from Mersin was \$76 million in 2013, \$142 million in 2014, and \$121 million in 2015. This growth has been attributed to Syrian entrepreneurs in interviews conducted by the research team. Akmehmet, M. Hande, "The High Cost To Turkey Of The Syrian Civil War," Newsweek, 2015; Doğan, Zülfikar, "Despite ongoing war, is trade between Turkey, Syria rebounding?" Al-Monitor, 2015.

97. BNP Paribas, "Egypt: Devaluation has mixed effects," 2016.

98. Unpublished ILO value chain report.

99. Healy Consultants PLC, "Industrial Free Zones," 2016.

100. Interviewees stated that Syrian businesses depend on skilled workers with knowledge of their production processes; business operations have been hampered without this skill-base.

101. Shahine, Gihan. "Syrians in Egypt: A Haven Despite the Hardships," Al-Ahram Weekly, May 17, 2016.

102. Jordan ranks the worst among all countries in accessing credit. Source: An EBRD survey found that only 16.7% of firms in Jordan have a loan or a line of credit. Almost 70% of Jordanian firms that needed a loan were either discouraged from applying or rejected when they did, which is above the regional average of 57% (Jordan Times, "Access to finance major concern for Jordanian businesses," Jul 22, 2015).

103. WANA Institute, "Providing 200,000 Work Opportunities," 2016.

104. Interviews.

105. Interviews; Tamkeen Center, "Needs for Migrant Workers and the views of its Employers" study, 2012 (http://tamkeen-jo.org/download/labour_eng.pdf).

106. Tax and investment laws have been amended a number of times over the last decade, and another amendment is planned for the Income tax law to be endorsed by end of 2016. Interviews; USAID, "Evaluating Tax Expenditures in Jordan: Jordan Fiscal Reform II Project," 2013; Obeidat, Omar, "Foreign investors interested in Jordan,

but want more stable legislation —sector leaders," Jordan Times, Jan 20, 2016.

107. Source: Interviews, WANA Institute, "Providing 200,000 Work Opportunities," 2016..

108. World Bank feedback on an earlier draft of this report.

109. Ministry of Labour and Social Affairs.

110. KRI Board of Investment.

111. Coles, Isabel, "Economic 'tsunami' undermines war against Islamic State in Iraq - Kurdish deputy PM," Reuters, Jan 16, 2016.

112. Interview.

113. Interview with Syrian businesses and NGOs, local and international, in the KRI.

114. E.g., Gohlke-Rouhayem, Janet, Nada Melki, Christoph David Weinmann, "Employment and Labor Market Analysis (ELMA)", GIZ, 2016. Indeed, even analysis highlighting Lebanese business opportunities characteristically conclude that Lebanon is an "essential market player in the region despite its small market scope." (Sardouk, Adnan and Cedric Dorant, "Market Challenges Faced by Multinational Corporations in Frontier Markets: The Case of Lebanon", 2015).

115. 80% of Syrians above age of 15 in Lebanon have not renewed their residency papers and have illegal stay status in the country. In some areas like Bekaa, the figure goes to 94%.

116. Authors' estimates based on Table 1 of Syrian Center for Policy Research, "Confronting Fragmentation," 2015.

117. Attributed to Samer Abboud in Sahoo, Sananda, "Capital impact of Syria's war", August 15, 2013, The National.

118. Attributed to Samer Abboud in Sahoo, "Capital impact of Syria's War, 2013.

119. Syrian Center for Policy Research, "Alienation and Violence: Impact of Syrian Crisis Report 2014", 2015, p. 19.

120. Syrian Center for Policy Research, "Confronting Fragmentation," 2015.

121. Quote attributed to Al-Thawra by Naisse, Ghayath, "The Syrian bourgeoisie and the people's revolution", 2014 (translated by Peter Hill).

122. Cf., Fielding-Smith, Abigail, "Syrian capital flight intensifies," WSJ, 2011; Economist, "The Squeeze on Assad", June 30, 2011.

123. Hani, Nadine, "Controversy over what The Economist did not say," *Al Arabiya News*, July 16, 2011.
124. UNRWA, "Dramatic Findings Of New Syria Report Include Plummeting Life Expectancy And Looming Economic Collapse," 2015.
125. Syrian Center for Policy Research, "Alienation and Violence," 2015.
126. Temporariness is a general feeling in almost all mass migration issues. It is also – after 55 years of history – a reality for Turks in European countries. However, for the Syrians in Turkey, this is an ongoing process and not settled fully. Legislative plans of the Turkish government and future plans of the Syrian refugees are based on the idea of temporariness. Almost all local partners interviewed for this research mentioned this.
127. Though jobless growth has contributed to high unemployment rates elsewhere in the region, recent evidence suggests that growth has not been jobless in Egypt, Jordan, Lebanon, or Turkey – the only country with jobless growth in our sample is Syria. Source: Abou Hamia, Mohamad A., 2016, "Jobless growth: empirical evidences from the Middle East and North Africa region," *Journal for Labor Market Research*.
128. Annualized GDP growth for Egypt, Jordan, and Lebanon are, respectively, -0.1%, 0.5, and 0.6% (authors' calculations based on World Bank, "World Development Indicators," 2016). The Jordanian Department of Statistics reports that insufficient jobs have been created over the past 5 years for the number of job seekers.
129. World Bank, "MENA Economic Monitor," 2016 estimates a surge in growth during 2015 at 4.2%, though estimates slightly slower growth of 3.3% for 2016. The World Bank estimates Lebanese GDP growth at 1.5% (World Bank, "Country Partnership Framework for Lebanese Republic 2017-2022," 2016). More recent data suggests Jordanian growth at 2.7% per annum for the past five years (Lebanese Department of Statistics, National Accounts).
130. Economist, "Erdoganomics: Turkey is performing way below its potential," February 6, 2016.
131. Authors' estimates based on Table 1 of Syrian Center for Policy Research, "Confronting Fragmentation," 2015.
132. For Jordan, interviews, and Government of Jordan, "Needs Assessment Review of the Impact of the Syrian Crisis on Jordan," MOPIC, 2013. For KRI, interviews and Kurdistan Regional Government, "Impact of the Refugee Population on the Kurdistan Region of Iraq," [undated].
133. Luck, Taylor, "Jordan's Syrian Refugee Economic Gamble," Middle East Institute, 2016.
134. World Bank, "The Kurdistan region of Iraq: assessing the economic and social impact of the Syrian conflict and ISIS," 2015, p. 6.
135. Republic of Lebanon, "Lebanon Statement of Intent," 2016.
136. Chakrani, Hassan, "Drowning in Debt: Lebanon Loses \$10 Billion Due to Syria War," *Al-Akhbar*, January 28, 2014. Lebanon's debt-to-GDP has been similarly high during the 2000s, but had been reduced every year from 2006-2012 (Trading Economics, "Lebanon Government Debt to GDP").
137. These numbers have been questioned by some observers (e.g., Çetingüleç, Mehmet, "How did Ankara's spending on Syrian refugees jump to \$25 billion?," *Al-Monitor*, September 30, 2016.)
138. Gobat, Jeanne and Kristina Kostial, "Syria's Conflict Economy," IMF, 2016.
139. UNHCR and UNDP, "Overview: 2015 Syria Response Plan And 2015-2016 Regional Refugee And Resilience Plan," 2014.
140. Culbertson, Shelly, Olga Olikier, Ben Baruch, and Ilana Blum, "Rethinking Coordination of Services to Refugees in Urban Areas," RAND Corporation, 2016.
141. Erdoğan and Ünver, "Turkish Business Sector on Syrians," (2015).
142. A related challenge (not discussed because it is specific to host nationals) is the distortion created by public sector employment, which are often well-compensated and highly stable.
143. European Commission, "Labour Markets Performance and Migration Flows in Arab Mediterranean Countries: Determinants and Effects," 2010.
144. The informal economy of the non-GCC nations accounted for 35 percent of GDP and some 67 percent of the labor force, on average (Angel-Urdinola, Diego F. and Kimie Tanabe, "Micro- Determinants of Informal Employment in The Middle East and North Africa Region," 2012).
145. Dhillon, Navtej and Tarik Yousef, "Generation in Waiting: The Unfulfilled Promise of Young People in the Middle East", 2009. See African Development Bank, "Addressing informality in Egypt, 2016 for a specific discussion in the case of Egypt.
146. Ovideo, Ana-Maria, "Economic Informality: Causes, Costs, and Policies, A Literature Survey of International Experience," World Bank, 2009.
147. Increasing competition between IDPs, host communities and low-skilled workers from outside of Iraq was reportedly encouraging

refugees to seek work in the informal sector. UNHCR, "Regional Refugee and Resilience Plan 2016-2017: In Response to the Syria Crisis – Iraq," 2016.

148. Vieira, Sergio, "Labour market mismatches in the Middle East," United Nations, 2014.

149. E.g., Ahmed, Massod, Dominique Guillaume, and Davide Furceri, "Youth Unemployment in the MENA Region: Determinants and Challenges," World Economic Forum, 2012.

150. E.g., Angel-Urdinola, Diego F., Amina Semlali, and Stefanie Brodmann, "Non-Public Provision of Active Labor Market Programs in Arab- Mediterranean Countries: An Inventory of Youth Programs," World Bank, 2010.

151. Verme, Paolo, Chiara Gigliarano, Christina Wieser, Kerren Hedlund, Marc Petzoldt, and Marco Santacroce, "The Welfare of Syrian Refugees: Evidence from Jordan and Lebanon," World Bank 2015, p. 25.

152. Migrants are restricted from medical, engineering, and educational roles, among many others. Also, as there are quotas for the maximum share of foreigners in each sector, Syrian refugees necessarily compete against other foreign workers. (Sources: ILO, "Work permits for Syrian refugees in Jordan," 2015; Errighi, Lorenza and Jörn Griesse, "The Syrian Refugee Crisis: Labor Market Implications in Jordan and Lebanon," European Commission, 2016).

153. UNDP Turkey, "Absorptive Capacity and Potential of Local Labor Markets," 2016 indicates that there may be "competition for low-skill jobs" (p.1) though they also conclude on the following page that the "Prevalence of low-skill jobs not filled by host communities suggest relatively easy opportunities for the economic integration of SuTP."

154. Interviews in Jordan.

155. ILO, "Work permits for Syrian refugees in Jordan," 2015.

156. An estimated 130,000 refugees outside of camps are believed to be impacted by this.

157. Oxfam, "Right To A Future: Empowering refugees from Syria and host governments to face a long-term crisis," 2015.

158. Syrian Center for Policy Research, "War on Development: socioeconomic monitoring report of Syria second quarterly report (April – June 2013)," 2013.

159. Syrian Center for Policy Research, "War on Development," 2013.

160. Syrian Center for Policy Research, "War on Development," 2013.

161. UNESCWA 2016.

162. E.g., Dorman, Stephanie, "Educational Needs Assessment for Urban Syrian Refugees in Turkey," Duke University, mimeo, 2014.

163. Communication with World Bank. Data on the size of the working age population is from UNHCR Regional Data Warehouse, 30 June 2016.

164. Ayoub, Maysa and Shaden Khallaf, "Syrian Refugees in Egypt: Challenges of a Politically Changing Environment," 2014.

165. Gohlke-Rouhayem et al., "Employment and Labor Market Analysis," 2016, p. 26.

166. E.g., Only 10 percent of Syrian refugees in Egypt reported "lack of work permit" as a barrier to employment.

167. Various interviews.

168. Danish Refugee Council, Norwegian Refugee Council, Oxfam International, and Save the Children, "From Words to Action," 2016.

169. ILO, "Assessment of the impact of Syrian Refugees in Lebanon," 2013.

170. Only 20% of Syrians in Lebanon have valid residency permits. The current regulatory framework for visa's and residency permits for Syrians comprise 11 categories with lack of clarity on requirements for some of these categories.

171. Danish Refugee Council et al., "From Words to Action," 2016, p. 18.

172. A Multi-Needs Assessment Survey found that 93% of households in camps but only 41% of households in urban areas had a member with a residency card. Reach, "Comparative Analysis Of Syrian Refugees Staying In And Outside Camps: Kurdistan Region Of Iraq Multi-Sector Needs Assessment Factsheet," September 2014.

173. A large proportion of IDPs are still receiving government salaries from the Iraqi central government, therefore impacting their willingness to accept work for low wages. Sood, Anubha and Louisa Seferis. "Syrians Contributing to Kurdish Economic Growth," Forced Migration Review, 2015.

174. Stave, Svien Erik and Solveig Hillesund, "Impact of Syrian Refugees on the Jordanian Labor Market," 2015.

175. Interview with UNHCR, Jordan.

176. Even for large firms, the long, bureaucratic and expensive permit process made it impractical to hire refugees except for a few sectors. Interview Anna Gaunt and Laura Buffoni (UNHCR, Jordan).

177. SOURCE: Interviews in Jordan, Danish Refugee Council et al., "From Words to Action," 2016.

178. Interviews and Ministry of Labor Directives. Note that these quotas are now becoming a challenge for firms, which will be discussed later, as firms must have a minimum number of Syrian refugees to qualify for the Rules of Origin legislation (discussed below).
179. Existing evidence suggest that some Turkish workers were negatively impacted, where refugees competed for jobs (e.g., agricultural work, female service work), while in other Turkish employees were able to find better jobs as a result of the influx of refugees. References: Ceritoğlu E., B. Gürçihan Yüncüler, H. Torun, S. Tümen (2015), "The Impact of Syrian Refugees on Natives' Labor Market Outcomes in Turkey: Evidence from a Quasi-Experimental Design", IZA Working Paper No. 9348. Del Carpio and Wagner, "The impact of Syrian refugees," 2015).
180. Interviews, World Vision, "Social Cohesion Between Syrian Refugees and Urban Host Communities in Lebanon and Jordan"; Harb, Charles and Reem Saab, "Social Cohesion And Intergroup Relations: Syrian Refugees And Lebanese Nationals In The Bekaa And Akkar," Save the Children, 2014; Erdogan, M.M. "Syrians in Turkey: Social Acceptance and Integration," 2015.
181. Interviews.
182. Oxfam, "Right To A Future," 2015.
183. This dependency by refugees on humanitarian aid has been cited by a large number of stakeholders during the fieldwork as well as by Jordanian and UN officials.
184. Interviews with Jordanian investors and businessmen. See also Norwegian Refugee Council, "Securing Status: Syrian refugees and the documentation of legal status, identity, and family relationships in Jordan", November 2016.
185. Meeting with Qandil.
186. Human Rights Watch, "Lebanon: Residency Rules Put Syrians at Risk," 2016.
187. These interventions involved providing 44,000 emergency employment jobs to both IDPs and host community members to remove solid waste and debris, and to repair infrastructure, as well as support to the revival of 1,514 businesses through start-up grants, vocational trainings, job placements, value-chain development and market restoration (UNDP, "365 Days of Resilience Inside Syria: UNDP Achievements in 2015," 09 September 2016). These and other interventions are discussed throughout this chapter.
188. E.g., Leenders, Reinoud, "UN's \$4bn aid effort in Syria is morally bankrupt," 29 August 2016.
189. Vocational training centers operated by MOLSA provide training to KRI citizens, refugees, and IDPs. All vocational training graduates are eligible for loans designed to support young people to open business (though this program has been terminated as a consequence of the financial challenges facing KRI).
190. Turkish Labor Law, "Turkey Grants Work Permit For Syrian Refugees," January 19, 2016.
191. The number of work permits has more than double since the London Conference – from some 7,000 work permits in early 2016 to 15,000 by late 2016. However, with a refugee working age population of an estimated 1.5 million, this is still a relatively small number. Sources: Del Carpio and Wagner, "The impact of Syrian refugees," 2015; interviews in Turkey, UNDP Livelihoods team.
192. In August 2016, Turkey created a new International Workforce Law and institution in the Ministry of Labor, the International Workforce General Directory, responsible for all work permits. This new directory is responsible for all work permits, including for Syrians under temporary protection, and the new Turquoise Card. The Turquoise Card is similar to the Green Card issued in the United States.
193. As examples, the Ministry of Labor signed agreements with the fruit and vegetable association allowing Syrian refugees to participate in occupations involving the "loading and unloading" of goods and with cooperatives in Irbid and Mafraq to allow an unlimited number of work permits in the agriculture sector in those areas.
194. This challenge to implementation was reported by several stakeholders interviewed.
195. The National Education Ministry reported that there are 11,200 Syrian teachers employed in this way (project interview), though UNICEF informally reported that the number was closer to 15,000. The most recent official estimate of 9,400 is from Aile ve Sosyal Politikalar Bakanlığı, "Türkiye'de Geçici Koruma Altında Bulunan Suriye Vatandaşlarına Yönelik Psikososyal Destek ve Sosyal Uyum Koordinasyon ve Planlama Çalıştayı," 2016 (p. 67). There are not official estimates of the number of medical professionals employed in this way, though 50 doctors are reportedly already working in Istanbul and project interviews indicated a higher number of 300 (Bişkin, Hacı, "İstanbul'da Suriye hastanesi!" 2016).
196. Bellomy, Charlotte. "Refugee-Run Schools Support Syrian Refugees in Egypt," Borgen Magazine, June 1, 2016.
197. Various interviews in Jordan.
198. Save the Children, "Jordan Country Spotlight," 2015.
199. Especially the United States, Germany and the Gulf Cooperation Council.

200. Note that USAID is reportedly mitigating the impact of the refugee crisis on Jordan through a variety of different channels, including direct economic support to the government, Water and sanitation, Health, Education and Youth, Democracy & Governance, and Economic Development (USAID, "Addressing Impacts Of The Syria Complex Crisis," [UNDATED]). See also: Jordan Times, "Germany to provide 22m euros in funds for water, wastewater projects," April 12, 2016.
201. Government of Jordan, "The GCC Grant," MOPIC, 2014.
202. World Bank, "Jordan- Emergency Services and Social Resilience," 2013; ILO, "Employment through Labour Intensive Infrastructure in Jordan," 2016.
203. Jordan Times, "Lower House endorses investment fund bill," May 23, 2016.
204. This is more than half of the estimated 1.3 million current residents of Mosul. This project is a joint effort of the UN, Erbil Governorate government, and the Iraqi Government (in Baghdad) (UNOCHA, "Iraq: Mosul Flash Appeal 2016," 2016).
205. This includes nine GIZ-funded Cash for Work projects planned for Erbil (GIZ, "Northern Iraq: GIZ creates new prospects for people displaced by the 'Islamic State,'" 15 January 2016).
206. Interviews with NGOs and MercyCorps, "Economic Stability In Lebanon Helps Both Lebanese And Syrian Refugees," February 1, 2016.
207. This project, to be funded by the Germans, will include support to the Ministry of Labor and Ministry of Social Affairs. Specifically, it will focus on enhancing the capacity of the Ministry of Labor to conduct labor inspections and fairly issue work permits to Syrian refugees as per the Lebanese regulatory framework.
208. This Priority Development Investment Program for Concessional Financing, to be implemented over 2017-2021 with an estimated budget of \$6.3 billion, includes \$1.1 billion for roads and transport, \$100 million for school rehabilitation, \$155 million for the environment, \$340 million for water, and estimated to be around \$1 billion (Source: Lebanon presentation in the second working group meeting on MENA new financing initiative, January 25, 2016).
209. \$100 million in concessional financing for the Lebanese education system was previously approved, but the focus was not on job creation per se (World Bank, "Concessional Financing Facility Funds Projects to Support Refugees and Host Communities Impacted by the Syrian Crisis," July 28, 2016).
210. A total of 33,943 monthly jobs opportunities were created from 2014 until June 2016. UNDP database.
211. UNDP, "Employment creation in innovative public work programs: Phase III," [undated].
212. Interviews with ISKUR.
213. Interviews, UNHCR frequently asked questions.
214. Syrian businesses interviewed for this report specifically commended the supportive role of the Chamber of Industry.
215. USAID, "FORAS: Iraq opportunities program," [UNDATED].
216. The Job Seeker Support Center provides training on how to access employment opportunities on-line, how to develop a CV, and interview preparation.
217. Researcher interview.
218. National bodies that provide vocational training cater only for Jordanians, and have been largely unsuccessful. Those supporting both Syrian refugees and Jordanian host communities are implemented by either international NGOs and UN agencies, though some of these target Jordanians only as well.
219. For example, UNDP established 4 vocational centers and maintenance workshops in Homs, Tartous and Damascus. Additionally, it conducted a job matching initiative where it surveyed the technical skills of IDPs living in shelters and matched those skills to required labor workshops.
220. Without basic English, Kurdish and Arabic skills, job seekers face heavy barriers to entering the labour market in Erbil.
221. UNDP Jordan, "UNDP and BDC partnership to kick off skills-exchange project," June 22, 2016; UNDP RBAS, "Expanding Markets, Generating Jobs, Fostering Hope: UNDP Portfolio For Economic Opportunities And Sustainable Livelihoods In The Syria Crisis Response," Sub-regional Response Facility for the Syria Crisis, 2016.
222. Additional reforms include developing a new process that includes private-sector consultation in any new laws and regulations and publicly publishing the compliance records of businesses who benefit from the EU trade deal.
223. This new law represents an aggregation of all previous legislation and references relating to investments into an integrated law entailing only one public institution mandated with all investment issues in the country, the Jordan Investment Commission. Through the related restructuring law which was endorsed in the same year, the government was able to begin a process of mergers that aimed at avoiding duplication of roles responsibilities, and authorities regarding investments, as well as limiting bureaucracy while enhancing

transparency.

224. The Jordan investment Commission will also take a more proactive role including following up with businesses to find out why they chose not to come to Jordan or what their experience has been, and to offer additional assistance if needed.

225. Currently, formality is only allowed in Amman, and is very cumbersome and expensive.

226. Authors' analysis based on data on ongoing and planned projects.

227. FAO, "Lebanon Country Programming Framework 2016-2019," 2016; DAI, "Lebanon—Industry Value Chain Development" [UNDATED].

228. Interviews.

229. See discussion in Erdoğan and Ünver (2015). The Gaziantep City Council discusses their approach here: <http://www.gaziantepkentkonseyi.org.tr/haberdetay.aspx?hid=433&id=382>.

230. Union of Chambers and Commodity Exchanges of Turkey and interviews with various chambers of commerce.

231. World Bank, "Turkey's Response to the Syrian Refugee Crisis and the Road Ahead," 2015.

232. Since 2014 and until June 2016, UNDP created 19,915 monthly productive job opportunities. These are equivalent to an estimated 4,425 permanent jobs which are calculated on the basis of an average of 4.5 months per permanent job (as all UNDP funded projects on productive employment have duration of three to six months) (Source: UNDP internal database).

233. Betts and Collier, "Help Refugees Help Themselves," 2015, p. 85.

234. Lenner, Katharina, "Thee politics of pledging: reflections on the London donors conference for Syria," European University Institute, 2016.

235. Suggested by ILO during the formal review process – we thank the reviewer for this suggestion.

236. Interviews, Jordan Strategy Forum, "Relaxing the Rules of Origin for Jordanian Industries," 2016.

237. E.g., Daily Star, The, "Lebanon cleared for EU potato exports," March 26, 2012.

238. This concentration of Syrian firms has reportedly led to a rough tripling of the cost of renting industrial space in at least one of these parks (e.g., El Obour Industrial Park).

239. Special economic zones in the region have faced myriad challenges, but there are signs that some prominent economic zones (e.g., Egypt Suez Economic and Trade Cooperation Zone) are beginning to flourish. Zeng, Douglas Zhihua, "Global Experiences with Special Economic Zones Focus on China and Africa," World Bank, 2015.

240. Star, The, "Plan to construct industrial parks in Lebanon," 1 February 2016.

241. The lathe machine is the first one in Homs today, and is highly needed by industrial enterprises, as the existing ones before the crisis are no more operational.

242. World Bank, "Following the Refugees: New Global Concessional Financing Facility," October 4, 2016 (<http://www.worldbank.org/en/news/feature/2016/10/04/following-the-refugees-new-global-concessional-financing-facility>).

243. World Bank, "World Bank's Response to the Syrian Conflict- September 2016," September 28, 2016 (<http://www.worldbank.org/en/region/mena/brief/world-banks-response-to-the-syrian-conflict-september-2016>); Preston, Scott, "Lebanon positions itself as hub for Syrian reconstruction," Al-Monitor, September 19, 2016 (<http://www.al-monitor.com/pulse/originals/2016/09/lebanon-hub-syria-reconstruction-war.html>).

244. BBC News, "Refugee-run schools in Egypt helping Syrian children get an education," 08 April 2016.

245. Save the Children, "Jordan Country Spotlight."

246. By July 2016, more than 300 certificates had been issued for medical professionals who are now working in private clinics providing services to Syrians.

247. More than 10,000 Syrian teachers were teaching children under the auspices of this exemption with their salaries paid by UNICEF.

248. Interviews. The Jordanian described this deal as the "biggest achievement of the (London) conference" adding that easing the rules of origin would generate investments and increase the Kingdom's exports to EU markets.

249. Multi-Purpose Community Centres (ÇOTAM). These centers function as a one-stop-shop for Syrians providing services and referrals to other agencies. This holistic approach allows Syrians to obtain job counselling, learn Turkish, get information on legal issues and other things while their children are also participating in activities. There are currently 50 community centers run by a variety of agencies including Ministry of Family and Social Policies, the Turkish Red Crescent, Mercy Corp, and IMPR/ Relief International. The Turkish Government plan to open extra 60 Social Adaptation and Support

Units within the Social Care Centres located in 19 provinces for the purpose of providing psychosocial support service to all the Syrians, particularly the women. The mentioned units will be opened in 19 provinces with a Syrian population over 15,000. (Şanlıurfa, Hatay, İstanbul, Gaziantep, Adana, Kilis, Mersin, Mardin, İzmir, Bursa, K.Maraş, Ankara, Konya, Kayseri, Osmaniye, Diyarbakır, Adıyaman, Batman, Malatya). It is planned to ensure that the professionals working in the Provincial Directorates of the Ministry of Family and Social Policies support and guide the workers providing services to the Syrians.

250. Moreover, providing assistance to children as well as adults, allows refugee women a chance to receive services while their children are being cared for (or also receiving services).

251. There are around 100 NGOs founded by the Syrians in Turkey. There are also a large number of Turkish NGOs that give support to refugees. A new the association called Refugee Council was founded, composed of both Turkish and Syrian NGO's together. There are some specialized Syrian NGO's as Syrian Businessmen's Association, Syrian Scholars Association, Syrian Association for Employment.

252. A Facebook group – Syrian Hand by Hand (<https://www.facebook.com/syrianhandbyhand/posts/258600367618788>) – provide a list of/contact info of local/international NGOs (formal/informal) serving Syrians in Egypt and describe services provided.

253. In Egypt such informal networks already help refugees of other nationalities to avoid exploitative employers in the informal sector thus improving decent work and increasing the willingness to participate in the labor market.

254. This has been a particular focus on UNDP Syria, who has advocated on several occasions the importance for international agencies in Syria to procure from the local market.

255. Humanitarian aid agencies are aware of the risk that importing goods could distort local markets and undermine the livelihoods of farmers. One way of mitigating this risk is to increase the proportion of cash transfers to local communities while providing financial support, training and technical assistance to farmers and marketing organizations. The FAO/WFP report specifically recommends expanding the WFP voucher transfer program in order to support local markets, wherever possible (FAO/WFP, "Special Report: FAO/WFP Crop and Food Security Assessment Mission to the Syrian Arab Republic," 2015). UNICEF has been procuring all of its clothing and school furniture from local producers since 2015 – injecting USD 62 million into the economy. Various other groups (e.g., UNDP, UNHCR, Health Charity Association) supported the establishment of various textile production facilities.

256. This inclusive approach reduces the risk of "elite capture" (e.g., World Bank, "World Development Report 2004: Making Services Work for Poor People," 2003).

257. Data on Syrian investment is from the Companies Control Department, Department of Land & Surveys, and Jordan Investment Board.

258. Interviews.

259. An implementation challenge experienced in only a single country could have been caused by a multitude of different factors unrelated to the challenge itself. If we see similar implementation challenges across countries, then it is likely due to the design of the activity itself.

260. The LCRP is co-managed by the Government of Lebanon (GOL), represented by the Minister of Social Affairs, and the United Nations, represented by the Resident and Humanitarian Coordinator.

261. All activities related to the Syrian refugees are coordinated by the Ministry of Foreign Affairs.

262. The PMU was established within the Ministry of Planning and International Cooperation. It is responsible to monitor the implementation of six out of the eight streams of the Jordan Compact. The two exceptions are the JRP and the education sector, since there is a secretariat already established for their monitoring.

263. The Lebanon Development Forum, a sub-group focused on economic opportunities, has taken the lead in terms of coordinating the development response but is less mature than the LCRP.

264. Republic of Lebanon, "Lebanon Statement of Intent," 2016.

265. Rollins, Tom, "UN: 90 Percent of Egypt's Syrian Refugees Living in Poverty," Middle East Eye, October 30, 2015.

266. Even though Syrians find work, the lack of a stable legal status in Egypt hinders longer-term employment. Syrian employers in our interviews stated they must give Syrian workers frequent unpaid leave for them to pursue their residency permits; employers stated that in some cases, when a Syrian worker finishes all procedures, a position may be filled with someone else.

267. When hiring Syrians as "foreigners" according to the labor law, businesses must prove that there is no eligible Egyptian.

268. This is funded by Save the Children.

269. The KRI needs an estimated 2,000 schools and connections to water and sewage for 25% of schools (Vernez, Georges, Shelly Culbertson, and Louay Constant, "Strategic Priorities for Improving Access to Quality Education in the Kurdistan Region-Iraq," RAND Corporation, 2014). The KRG Social and Economic Needs Assessment report catalogues many other needs in public infrastructure (KRG and UNDP, "Building the Kurdistan Region of Iraq: The Socio-Economic Infrastructure," 2012). KRI needs sewage systems and additional water

treatment and lines. KRI needs investment in its irrigation and other systems supportive of its decimated agricultural sector. KRI needs environmental cleanup of lakes, parks, and hills – the tourism sites that draw tourists from other parts of Iraq and Iran.

270. Existing evidence suggests that Syrian refugees would be able to contribute, as the Syrian have been assessed as both capable and experiences in relevant occupations (e.g., masonry, vehicle operations, agricultural labor, casual labor, and blacksmith). 61% of Syrian refugees are semi-skilled or highly-skilled. There are perceptions among businesses, in our interviews, that Syrians are skilled and work hard. A survey of camps in Erbil also found high levels of capacity and experience among the Syrians; 76% had been employed in Syria before the crisis. The majority (64%) had previously been employed in semi-skilled labor, with 31% in unskilled, and 5% in skilled labor. Danish Refugee Council and UNHCR, "Syrian Refugee Camp Livelihoods Assessment: Erbil Governorate, Kurdistan Region of Iraq," 2015.

271. World Bank, "Middle East and North Africa: Regional Commitments and Disbursements for Fiscal 2014-16," 2016.

272. Nearly all developed countries and many developing countries have labor market information systems or job- matching functions. (Shatz, Howard, Louay Constant, Jill E. Luoto, Alexandria C. Smith, and Shmuel Abramzon, "An Assessment of the Present and Future Labor Market in the Kurdistan Region – Iraq," RAND Corporation, 2014.)

273. FORAS started in Iraq in 2013 and was managed by USAID until end of 2015, when management transferred to the Rwanga Foundation. The cost of Foras for one year is \$240,000 (funded by Silatech).

274. Before the war with ISIS, the KRI had a shortage of people willing to do construction and other types of physical labor; companies brought in workers, often from South Asia, to do this work. Given security conditions nearby, many of the projects have stopped and many of these workers have been sent home.

275. KRG and UNDP, "Building the Kurdistan Region of Iraq," 2012; KRG Ministry of Planning, "Kurdistan Region of Iraqi 2020: A Vision for the Future," 2013.

276. World Bank, "The Kurdistan region of Iraq," 2016.

277. Government of Jordan, "The Jordan Compact," 2016.

278. A leading potential example is the successful U.S. Earned Income Tax Credit (e.g., Marr, Chuck, Chye-Ching Huang, Arloc Sherman, and Brandon Debot, "EITC and Child Tax Credit Promote Work, Reduce Poverty, and Support Children's Development, Research Finds," Center on Budget and Policy Priorities, 2015).

279. Interviews.

280. Interviews with Jordanian investors and businessmen.

281. According to UNHCR data, some 18,000 Syrian refugees have a background in construction.

282. World Bank reported total financing of \$340 million as of October 2016 (World Bank, "Concessional Financing Facility Funds," 2016).

283. WANA Institute, "Providing 200,000 Work Opportunities," 2016.

284. Interviews, WANA Institute, "Providing 200,000 Work Opportunities," 2016.

285. Syrian refugees have the skills, both low and advances, to support effective infrastructure construction and rehabilitation, and have easier access to work permits in the construction sector within the existing framework of allowing Syrians in Lebanon to work in three sectors of construction, agriculture, and environment. According to the Consultation and Research Institute, 55% of the workforce in the construction sector were either non-Lebanese or refugees.

286. Interviews.

287. See U.S. Department of State, "Lebanon 2014 Investment Climate Statement," 2014 and Inventis, Republic of Lebanon, and UNDP, "Lebanon SME Strategy," 2014.

288. Among the 21 people trained by UNDP in cell phone maintenance, 8 have established their own shop while the others are working for various companies. In another program, UNDP trained 100 women in hairdressing and beauty care and distributed kits of inputs to graduates. 10 women established their own businesses, 60 work as employees in hairdressing shops or from home. 30 do not work at all.

289. A total of 53,858 monthly jobs opportunities were made available by UNDP in all governorates from 2014 until June 2016.

290. Based on experiences of UNHCR, UNICEF, and UNRWA. UNICEF spends \$62 million in this way.

291. UNDP created temporary jobs in various governorates. This included infrastructure projects, solid waste and debris removal. In solid waste removal 26,183 monthly jobs were created. In other infrastructure rehabilitation 6,572 monthly jobs were created. As part of these projects, UNDP identified and implemented ten initiatives in the field of infrastructure rehabilitation and solid waste removal in 6 governorates in Aleppo, Al-Hassakeh, Hama, Homs, Rural Damascus and Tartous. The initiatives aim to bolster the livelihood of the most vulnerable and accelerate their return to their homes UNDP also supported a local NGO, Insha'at Association, in the establishment of a technical center in Homs comprising six workshops: blacksmith shop, Aluminium, Electrical repair, sanitary networks and repairs, carpentry,

squirt of iron and wood. On-the-job training was provided to the workers. The most active workshops are the carpentry and aluminium, which products are needed for housing rehabilitation. Based on authors' interview.

292. Networking among local NGO proved successful examples in this regard. Reconstruction is being done in Homs and construction skills are in high demand of Barr Walehsan Association which established with UNDP support a center that includes seven workshops, most of them provide services to housing rehabilitation and electronic repairs: computer sale and repair, cell phone sale and repair, shop to install and repair air conditioner and heating systems, and electrical repair. It is interesting to note that the Centre is employing the graduates from vocational training which was supported by UNHCR. Based on authors' interview. UNHCR and UNICEF implement vocational training through NGOs. Small grants are offered to those willing to start self-employment project. In Aleppo, for example, 7420 beneficiaries were supported by UNHCR in training courses mainly on handicrafts, sewing and hairdressing; 618 of them received toolkits

293. Cetingulec, Tulay, "Syrians shifting demographics in Turkey's Kurdish regions," *Al-Monitor*, 2016.

294. Syrian refugees have several opportunities to have job places in Turkey: a. with work permit (with invitation of employer); b. application to the Turkish Work Agency (ISKUR); c. Exceptional jobs (Teachers, Medical Service Providers, Professors); d. self-employment (entrepreneurship); agriculture (seasonal works).

295. Interviews with ISKUR.

296. Carroll, Lauren, "Obama: Since 2010, U.S. has created more jobs than 'all advanced economies combined,'" *Politifact*, 2015.

297. E.g., Zyck and Kent (2014) summarize good practices for integration of the private sector into humanitarian crisis response. (Source: Zyck, Steven A. and Randolph Kent, 2014, "Humanitarian crises, emergency preparedness and response: the role of business and the private sector", *Overseas Development Institute*.)

298. The Partnership for Refugees, which "has provided guidance to private sector organizations that have wished to take action and has helped to ensure that their pledges are sustainable and responsive to refugees' needs", is now being managed by the Tent Foundation (<http://www.tent.org/refugees-work/>). Source: White House, "Fact Sheet," 2016.

299. World Bank, "Following the Refugees," 2016.

300. UNDP Sub-Regional Response Facility, "Resilience and Response to the Impact of the Syria Conflict: Progress on the Resilience Agenda," mimeo, 2016 (p. X) concludes that "it is also evident that the levels of understanding about resilience and the levels of preparedness for collective action need still to be increased, and that it would therefore

be good to strengthen discussion among 3RP partners about resilience, and work towards greater unity of vision and action," and outline approaches for improving coordination.

301. Despite their participation in the London Conference, and significant efforts by all communities involved (e.g., host governments, development actors, and private sector partners), neither the domestic nor international private sector are effectively integrated into the crisis response.

302. Tilman Brück, Neil T. N. Ferguson, Valeria Izzi, and Wolfgang Stojetz, "Jobs Aid Peace", *International Security and Development Center*, 2016.

303. Authors' calculations using World Bank, "World Development Indicators," 2016.

304. Bhakta, Prajesh, Assitan Diarra-Thioune, and Angus Downie, "Egypt: African Economic Outlook," 2016; World Bank, "Egypt: Promoting Poverty Reduction and Shared Prosperity – A Systematic Country Diagnostic," September 2015.

305. World Bank, "Egypt: Promoting Poverty Reduction and Shared Prosperity," 2015.

306. UNHCR and UNDP, "Egypt: Regional Refugee & Resilience Plan 2015-2016," *Regional Refugee & Resilience Plan*, 2015; Bhakta et al., "Egypt: African Economic Outlook," 2016.

307. UNHCR and UNDP, "Egypt: Regional Refugee & Resilience Plan 2015-2016," 2015.

308. World Bank, "Egypt: Promoting Poverty Reduction and Shared Prosperity," 2015.

309. Data are from October 31, 2016 (UNHCR, "Inter-agency Information Sharing Portal," 2016).

310. UNHCR, "Joint assessment," 2013.

311. Rollins, Tom. "UN: 90 Percent of Egypt's Syrian Refugees Living in Poverty," *Middle East Eye*, October 30, 2015.

312. World Bank, "Egypt: Promoting Poverty Reduction and Shared Prosperity," 2015.

313. Shahine, Gihan. "Syrians in Egypt," 2016.

314. UNHCR, "Joint Assessment for Syrian Refugees in Alexandria," February 2013; Benamor, Wahid, Mirvette Abedrabbo, Marwa Mostafa, and Khaled Chatila, "Field Visit Report: New Damietta," UNHCR, January 2013.

315. Grisgraber, Daryl and Jeff Crisp, "Tough Times for Syrian Refugees

- in Egypt," Refugees International Field Report, May 8, 2014.
316. The six-month residency renewal requirement was exacerbated by lack of government capacity to process the residency permits for this large number of people in a timely manner.
317. See page 4-5 of Egyptian-British Chamber of Commerce, "Summary Report: Outcome of Egypt's Economic Development Conference," 2015.
318. Leigh and Ma'ayeh, "Syrian Firms Take Refuge Abroad," 2016.
319. Emam, Amr, "Syrian Refugees in Egypt Have their Success Stories," *The Arab Weekly*, June 26, 2015.
320. Shahine, Gihan. "Syrians in Egypt," 2016; Emam, "Syrian Refugees in Egypt," 2015; Primo, Valentina. "The Syrian Entrepreneurs Starting New Lives in Egypt," *BBC*, October 1, 2015.
321. Shahine, Gihan. "Syrians in Egypt," 2016.
322. Bellomy, "Refugee-Run Schools," 2016.
323. Project is being implemented by Save the Children.
324. KRI had \$22 billion in new investments in airports, shopping malls, housing developments, and hotels underway as of 2014.
325. Rudaw, "Poverty and unemployment at unprecedented levels in Kurdistan Region," October 9, 2016.
326. Behr, Sharon, "UNHCR Warns of Massive Displacement in Battle for Mosul," *Voice of America*, June 14, 2016; Nebehay, Stephanie, "Up to one million people could flee battle for Iraq's Mosul: ICRC," *Reuters*, July 29, 2016. Unemployment data provided by the Kurdistan Regional Statistics Office.
327. This is based on the numbers reported below and a base population for Kurdistan of 5.2 million (Kurdistan Regional Government, "The people of the Kurdistan region," 2016). However, reported estimates from the World Bank (World Bank, "The Kurdistan region of Iraq," 2016) suggest both a larger number of IDPs (1.45 million) and a larger overall population (6.4 million). Other sources provide even larger estimates of the number of Iraqi IDPs in KRI; one suggests a value of some 1.6 million (Kulaksiz and Karasapan, "Iraq's internally displaced populations," 2015) and another a much larger 3.2 million (Lee, "IDPs," 2015).
328. International Organization for Migration, Iraq Mission reports an estimated 904,000 IDPs in the governorates of Duhok, Erbil, and Sulaymaniyah (IOM Iraq, "Displacement Tracking Matrix, Round 60," December 2016).
329. The KRI had an estimated refugee population (in fall 2016) of approximately 240,000 (UNHCR, "Inter-agency Information Sharing Portal," 2016). As in the other host countries, the number of registered refugees is likely lower than the actual amount, since not all refugees register. One household survey in KRI found that the proportion of unregistered refugees varied between 6% and 13%. Reach, "Comparative Analysis Of Syrian Refugees Staying," 2014; UNHCR, "Displacement as challenge and opportunity – Urban profile: Refugees, internally displaced persons and host community, Erbil Governorate, Kurdistan Region of Iraq," 2016.
330. International Organization for Migration, Iraq Mission reports that 219,000 of the estimated 904,000 IDPs in the governorates of Duhok, Erbil, and Sulaymaniyah are in camps (IOM Iraq, "Displacement Tracking Matrix, Round 60," December 2016).
331. Save the Children, "Socio economic profile of people affected by the Syria crisis in Northern Iraq: Food security and livelihoods needs assessment in non-camps settings," May 2014.
332. World Bank, "Impact of the Syrian conflict and ISIS," 2015.
333. World Bank, "The Kurdistan region of Iraq," 2016.
334. World Bank, "Impact of the Syrian conflict and ISIS," 2015.
335. There is no "one-stop shop" in order to coordinate the permits and processes. Shatz et al., "Present and Future Labor Market in the Kurdistan Region," 2014.
336. Reach, "Comparative Analysis Of Syrian Refugees Staying," 2014
337. UNHCR, "In Response to the Syria Crisis – Iraq," 2016.
338. Behr, "UNHCR Warns of Massive Displacement," 2016; Nebehay, "Up to one million people," 2016 could flee battle," 2016.
339. Sood and Seferis, "Syrians Contributing to Kurdish Economic Growth," 2015.
340. Danish Refugee Council and UNHCR, "Syrian Refugee Camp Livelihoods Assessment," 2015; Save the Children, "Youth Labor Market & Entrepreneurship Opportunities in the KRG Assessment," May 2014.
341. Erbil study is published and Dohuk and Suleimaniyah are underway. UNHCR, "Displacement as Challenge and Opportunity," 2016.
342. The value of domestic exports to the North American region actually increased by 7.7% or JD74.6 million while exports destined to all other economic regions and blocs dropped in 2015. Moreover, the value of exports grew steadily over the past few years, growing by 10% during 2014 compared to 2013. Exports to the US are dominated by clothing exports produced in Jordan's Qualifying Industrial Zones (QIZs); textile products made up almost 90% of Jordan's exports to the

US in 2014. It is worth noting here that the free trade agreement signed between Jordan and the US went into force in 2010, providing a large potential for a number of different industries to boost production levels and exports to the US.

343. Jordan Times, "Unemployment rises to 14.7% in Q2," July 25, 2016.

344. Estimate based on a 2015 population estimate of 7.6 million (World Bank, World Development Indicators, 2016) and an estimated refugee population (in fall 2016) of approximately 656,000 (UNHCR, "Inter-agency Information Sharing Portal," 2016). See also Hashemite Kingdom of Jordan, "Comprehensive Vulnerability Assessment," 2016.

345. E.g., Al-Manar, "Although employers are required to provide childcare when needed, the practical implication of the regulation is that employers avoid hiring married women"; Creative, "Employer Perspective on the Jordanian Labor Force," 2014.

346. UNDP Jordan reviewers.

347. The Central Bank of Jordan and Bank of Jordan announced the successful completion of all requirements to allow Bank of Jordan clients to begin using their smartphones to make mobile payments to individuals, stores, government sector and any other party registered with the JoMoPay system. Through "Mobile Cash" service, any bank of Jordan client can transfer money to any beneficiary's mobile number assigned to this service or pay to any other shop, restaurants, government institutions ... etc., upon their registration with JoMoPay system.

348. In 2018, firms will be required to meet a higher threshold of 25 percent to qualify for the preferential trade arrangements.

349. We thank UNDP-Jordan for this insight.

350. We thank UNDP-Jordan for this suggestion.

351. World Bank, "World Development Indicators," 2016.

352. World Bank, "World Development Indicators," 2016.

353. Blominvest Bank, "An Overview of Lebanon's Economic Performance in 2011," 2012.

354. The impact of the crisis on Lebanese trade is reportedly less than the impact experienced by either Jordan or Turkey. World Bank, "The Impact of the Syrian Conflict on Lebanese Trade," 2013.

355. These figures are attributed to the Minister of Labor (Women Economic Empowerment Portal, "The Minister of Labor: Lebanon's unemployment rate exceeds 23% amidst poor estimates and limited initiatives," 2014) though international estimates, based on pre-crisis data, suggest a much lower rate of 9 percent (World Bank, "The Big

Swap: Dollars for Trust," Lebanon Economic Monitor, 2016).

356. Estimate based on a 2015 population estimate of 5.9 million (World Bank, "World Development Indicators," 2016) and an estimated refugee population (in fall 2016) of 1.0 million (UNHCR, "Inter-agency Information Sharing Portal," 2016). Government of Lebanon and United Nations, "Lebanon Crisis Response Plan: 2015-2016," 2014.

357. The ILO reports estimates of 14 percent for 2013, while the World Bank provides slightly larger estimates of 27-35 percent. ILO, "Towards Decent Work in Lebanon: Issues and Challenges in Light of the Syrian Refugee Crisis," 2015; World Bank, "Lebanon: Economic and Social Impact Assessment of the Syrian Conflict," 2013.

358. Dionigi, Filippo, "The Syrian Refugee Crisis In Lebanon: State Fragility And Social Resilience," 2016.

359. World Bank, "Lebanon: Economic and Social Impact Assessment of the Syrian Conflict," 2013.

360. In some areas like Bekaa, the figure is reportedly as high as 94%. (UNHCR, UNICEF, and WFP, "Vulnerability Assessment of Syrian Refugees in Lebanon," 2016).

361. <http://DAI>, "Lebanon—Industry Value Chain Development," [UNDATED].

362. UNHCR, UNICEF, and WFP, "Vulnerability Assessment of Syrian Refugees in Lebanon," 2016.

363. ILO, "Assessment of the impact of Syrian Refugees in Lebanon and their employment profile," 2013.

364. Syrian Center for Policy Research, "Confronting fragmentation," 2015.

365. Syrian Center for Policy Research, "Confronting fragmentation," 2015.

366. UNOCHA, "2016 Periodic Monitoring Report of the Humanitarian Response Plan," 2016. Several NGOs cite higher figures – including Médecins Sans Frontières, which, in January 2016, estimated that between 1.5 million and 2 million people were trapped by sieges imposed by the Syrian government or opposition groups.

367. FAO/WFP, "Crop and Food Security Assessment Mission to the Syrian Arab Republic," 2015.

368. Butter, David, "Salvaging Syria's Economy," 2016. Regarding the phenomenon of subsistence farming, see FAO/WFP, "Crop and Food Security Assessment Mission to the Syrian Arab Republic," 2015.

369. For areas under siege, only minimal quantities of goods can move, and transportation is often expensive due to smuggling costs and "custom fees" charged by armed groups at the borders between areas.

The extent of “custom fees” varies. In the LSE report, the author notes that “Turkey allows armed groups that have an affiliation with it to control the border crossings, thus giving them access to an estimated USD 660,000 a day in ‘customs revenues.’ In contrast, Jordan refuses to allow armed groups to control the border and extract fees. Opposition-controlled areas bordering Turkey have a fairly easy time as Turkey imposes few restrictions. On the other hand, opposition-controlled areas bordering Jordan have a more difficult time as the Government of Jordan permits only cash and humanitarian aid to pass. The one policy that seems to be shared by the Turkish, Jordanian and Syrian governments is the prohibition on the legitimate delivery of fuel into any opposition-controlled area (Turkmani, Rim, Ali A. K. Ali, Mary Kaldor, and Vesna Bojicic-Dzelilovic, “Countering the Logic of the War Economy in Syria,” London School of Economics, 2015).

370. For areas under siege, only minimal quantities of goods can move, and transportation is often expensive due to smuggling costs and “custom fees” charged by armed groups at the borders between areas. The extent of “custom fees” varies. In the LSE report, the author notes that “Turkey allows armed groups that have an affiliation with it to control the border crossings, thus giving them access to an estimated USD 660,000 a day in ‘customs revenues.’ In contrast, Jordan refuses to allow armed groups to control the border and extract fees. Opposition-controlled areas bordering Turkey have a fairly easy time as Turkey imposes few restrictions. On the other hand, opposition-controlled areas bordering Jordan have a more difficult time as the Government of Jordan permits only cash and humanitarian aid to pass. The one policy that seems to be shared by the Turkish, Jordanian and Syrian governments is the prohibition on the legitimate delivery of fuel into any opposition-controlled area. Source: Turkmani et al., “Countering the Logic of the War Economy in Syria,” 2015.)

371. Key informant interviews carried out with SMEs and NGOs involved in income generating activities in selected governorates (Rural Damascus, Homs, Hama and Tartous) highlighted the need for skilled labour in many economic sectors (e.g., agro- food processing, garment and textiles, footwear, building materials, plumbing, carpentry, housing, electrical, cell phone maintenance, hairdressing).

372. The constraints faced by IDP entrepreneurs were confirmed by the key informant interviews conducted with two footwear factories in Tartous

373. Syrian Arab Republic, “Central Bureau of Statistics,” 2016.

374. One example is an agricultural project in Dara, run by a local CSO called Olive Branch. The project has established two farms, cultivating 65 acres of land, and employing 53 people.

375. For example, UNDP has established training centers close to the industrial area of Homs. UNDP also supports training and job placement for particularly vulnerable groups, including IDPs, the disabled and women, in Hama, Homs and rural Damascus.

376. World Bank, “World Development Indicators,” 2016.

377. Hurriyet Daily News, “Unemployment in Turkey rises to 11.3 percent in August,” November 15, 2016.

378. This is the formal terminology in Turkey for refugee status for the Syrians.

379. Estimate based on a 2015 population estimate of 78.7 million (World Bank, “World Development Indicators,” 2016) and an estimated refugee fall 2016 population of 2.7 million (UNHCR, “Inter-agency Information Sharing Portal,” 2016).

380. Business and Human Rights Resource Centre, “Syrian refugees in Turkish garment supply chains,” 2016; Erdoğan and Ünver, “Turkish Business Sector on Syrians,” (2015).

381. Acemoglu, Daron and Murat Üçer, “Why Turkish growth ended: An institutional perspective,” 18 November, 2015.

382. The number of work permits has more than double since the London Conference – from some 7,000 work permits in early 2016 to 15,000 by late 2016. However, with a refugee working age population of an estimated 1.5 million, this is still a relatively small number. Sources: Del Carpio and Wagner, “The impact of Syrian refugees,” 2015; interviews in Turkey; and UNDP Livelihoods team.

383. The RIZIK NGO set up an employment office in Şanlıurfa specifically to help link employers and Syrian workers. Since its establishment in 2014, RIZIK received more than 15 thousand applications and has placed more than 3,500 Syrian workers. If such organizations cooperate with the ISKUR, it would be a significant and effective alternative for employment.

384. The Turkish Government plan to open extra 60 Social Adaptation and Support Units within the Social Care Centres located in 19 provinces for the purpose of providing psychosocial support service to all the Syrians, particularly the women. The mentioned units will be opened in 19 provinces with a Syrian population over 15,000. (Şanlıurfa, Hatay, İstanbul, Gaziantep, Adana, Kilis, Mersin, Mardin, İzmir, Bursa, K.Maraş, Ankara, Konya, Kayseri, Osmaniye, Diyarbakır, Adıyaman, Batman, Malatya). It is planned to ensure that the professionals working in the Provincial Directorates of the Ministry of Family and Social Policies support and guide the workers providing services to the Syrians.

385. UNHCR, “Inter-agency Information Sharing Portal,” 2016.

386. UNHCR, “Population Statistics,” 2016; Internal Displacement Monitoring Center, “Syria: Forsaken IDPs adrift inside a fragmenting state,” 2014.

387. Specifically, we use Table 3.1 of IOM Iraq, “Displacement Tracking Matrix: Round 50,” July 2016.

388. An estimated 16 million Syrians remain in Syria (UNOCHA, "Syrian Arabic Republic: Humanitarian Needs Overview", 2016, p. 12, reports that 11 million Syrians live in urban areas and that this is 70 percent of the population).
389. Kurdistan Regional Government, "The people of the Kurdistan region," 2016.
390. World Bank, "World Development Indicators," 2016.
391. World Bank, "World Development Indicators," 2016.
392. Abramazon et al., "Capacity Building at the Kurdistan Regional Statistics Organization," 2014.
393. Mounir, Hossam, "Unemployment rate reaches 12.7% in Q1 of 2016: CAPMAS," *Egypt Daily News*, May 15, 2016.
394. CGAP, "Pathways to Self-Reliance for Urban Refugees in Egypt," 2015.
395. Rudaw, "Poverty and Unemployment," 2016.
396. SREO/IRIS, "Strangers in Strange Lands," 2015, Figure 15. Significantly lower unemployment rates are reported for Erbil in Section C, Annex D, UNHCR, "Displacement as Challenge and Opportunity", 2016.
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401. ILO, "Towards Decent Work in Lebanon," 2015 (p. 36).
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The significance of the present assessment is that it demonstrates the way the different contexts and realities within the Syrian refugee situation interface with core humanitarian and development interventions endeavouring to tackle the world's most severe and protracted refugee crisis. This time requires resilience-building responses. It needs a concerted and sustained approach from all the partners involved, which is capable of responding to both immediate and long-term needs as they emerge.

Her Royal Highness Princess Basma bint Talal

Chairperson, Jordanian Hashemite Fund for Human Development and Honorary Human Development Ambassador for UNDP

The assessment is a very useful contribution, as it provides a comparison between what is happening across different countries. It should be required reading for those seeking to get a sense of the facts and key issues.

Stefan Dercon

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We would like to commend UNDP, ILO and WFP for leading the analytical work on the Multi-Country Economic Opportunity Assessment, which provides an innovative approach on how countries can better respond to the Syria crisis and while at the same time meet the jobs challenge set at the London Conference. The report presents an important approach to look at economic, development and humanitarian perspectives in a challenging situation with the same lenses.

Andreas Schaal

Director of the Global Relations Secretariat, OECD

Syrian refugees account for 30 percent of Lebanon's population, the highest concentration per capita of refugees in the world. Seventy percent live below the poverty line compared to 40 percent of the Lebanese population. This assessment informs, comprehensively and innovatively, the response to the world's largest and most severe protracted crisis. It draws on lessons learned, lays bare the facts and sets out approaches to alleviate the plight of Syrian people.

Dr Tarek Mitri

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