

Expanding economic opportunities in protracted displacement

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Welcome progress has been made towards realising commitments made by international donors and host country governments to expand economic opportunities for Syrian refugees and host communities in neighbouring countries. However, targets and commitments also bring new challenges, and evidence must underpin new policies.

By 2017, the countries immediately bordering Syria (Turkey, Lebanon, Jordan and Iraq), in addition to Egypt, were between them hosting around five million Syrian refugees, the majority of whom had been living in exile for four or more years. With little immediate prospect of large-scale returns to Syria, most face an indeterminate future in displacement, while the host countries, in particular Jordan, Lebanon and Turkey, have had to cope with widely varying impacts on housing demand, public services, infrastructure, public budgets, labour markets, local security and overall stability.

International recognition of these host countries' efforts has grown. The guiding strategy for international aid for the region is the Regional Refugee and Resilience Plan ('3RP') – launched in December 2014 and considered an example of best practice¹ – which encourages donors and aid organisations to increase their support for national response plans² and for multi-year programmes and projects that build resilience and coping capacity in the hosting countries.

At the Supporting Syria and the Region conference held in London in 2016, international donors pledged more funds than ever before and made the first multi-year commitments for the Syria crisis response. The conference also effectively set a target of creating up to 1.1 million new jobs for refugees and host communities by 2018. Neighbouring host country governments made commitments to open up their labour markets and improve the domestic regulatory environment. And the international community pledged to

support employment creation programmes and access to concessional financing.

These were bold and welcome steps, consolidating the drive to invest in resilience and longer-term development in the region. But targets and commitments are also a challenge and if they are to be met, questions need to be answered. How can up to 1.1 million jobs be created, and exactly where and for whom can this best be done? What policies and frameworks can help achieve the target and really open up labour markets? What other measures have been taken to improve refugee hosting and meet the needs of host communities? And what evidence underpins new policies?

To help answer these questions, in 2016 the International Labour Organization (ILO), the UN Development Programme (UNDP) and the World Food Programme (WFP) organised a joint assessment of the economic opportunity situation in Egypt, Iraq, Jordan, Lebanon, Turkey and Syria.³ Drawing on insights from 120 interviews with representatives from governments, donors, non-governmental organisations (NGOs), international organisations and the private sector, and analysis of evidence and existing studies, the report allows comparison of those aspects of the crisis response across the region that relate to economic opportunity. Building on this report and its recommendations, UNDP has been carrying out further research and stakeholder policy dialogues in partnership with the Regional Development and Protection Programme (RDPP) to develop specific evidence-based policy options and frameworks for hosting refugees in Iraq, Jordan and Lebanon.⁴

Recommendations

The report makes recommendations about positive approaches to generating economic opportunities. Each of these approaches has been found to have been successful in at least one country already, and all have characteristics which, to at least some degree, can be replicated in other countries in the region:

Expand access to markets in the European Union (EU): The EU's decision to widen access for certain Jordanian exports to the EU market has been seen as the single biggest step in promoting investments that support Syrian and Jordanian employment in the country (although meeting European quality assurance standards has posed difficulties).⁵

Facilitate Syrian private investment and allow Syrians to start businesses and access industrial infrastructure: In Egypt and Turkey, the process of encouraging investment by Syrians and allowing Syrians to start businesses has led to significant growth in some economic sectors, with the businesses concerned hiring both national and Syrian workers.

Expand refugees' access to information: In Turkey, local authorities and national and international NGOs have cooperated on establishing community centres in refugee-hosting communities, which – among other services – provide information about work opportunities.

Encourage aid organisations to use direct, local procurement: UN agencies including UNICEF and the United Nations Relief and Works Agency procure from local businesses and suppliers. Where needed, small producers can be trained in meeting required standards and organising cooperatives to generate economies of scale.

Provide concessional financing for infrastructure: In Jordan international donors have provided concessional financing for projects to improve roads, energy, health and water infrastructure, thereby helping the government to meet the need for improvements in these areas.

Allow Syrians to provide services for other Syrians: In Turkey the government has long taken a proactive approach to employing skilled professionals from the Syrian refugee population to provide social services to their own communities. By the middle of 2017 more than 13,000 Syrian teachers and 400 Syrian medical professionals had received special permits to provide services to Syrian refugees.

Include both refugees and host communities as beneficiaries in all projects: In the Kurdistan Region of Iraq, programmes implemented by both the Ministry of Labour and Social Affairs and NGOs have typically been designed to include host, refugee and displaced populations.

Challenges

The joint assessment report also highlights five principal challenges which relate to coordination, work permits, vocational training, information, and designing humanitarian assistance to encourage work. These have a direct bearing on the formulation of effective policy and frameworks. In a crisis of such complexity, it is perhaps inevitable to cite coordination as a challenge – but it is no less important to do so. Other challenges are more distinctive, and arise partly because of the middle-income context. For example, the willingness of bilateral and multilateral partners to sustain their investment in economies in the region at the end of the protracted conflict is doubtful, given those countries' middle-income status. As has been shown by the varying approaches pursued in Egypt, Jordan, Iraq and Lebanon, merely creating access to work permits is not enough to expand decent economic opportunities for Syrian refugees; political and economic capital must be expended in other areas relevant to improving work prospects. Improving access to residency permits, for example, may need to take place in tandem with widening access to work permits. More needs to be done to improve the human resources capacity among some potential employers, so that skills development efforts for potential employees are not fruitless.

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Better use of data can also help to better align livelihoods programming with local market needs and the skills of refugees.

Building on the report, UNDP has been working with national authorities and other stakeholders to develop specific evidence-based policies and frameworks for improving the hosting of refugees in Jordan, Lebanon and the Kurdistan Region of Iraq.⁶ This work has the potential to have a positive impact on policy, provided that it gains traction with national stakeholders and that political factors, for example, do not obstruct efforts to put recommended policies into practice. Plainly, however, there remains an enormous amount to do if refugees are to be sustainably hosted and if the commitments and targets announced at the London Conference are to be met meaningfully. Two particular challenges come to mind:

First, it is one thing to conduct assessments and formulate recommendations about policy and its implementation, but it is quite another to get firm decisions about policy and have those policies put fully into practice. The chances of the latter happening can be increased – though not guaranteed – through close engagement between relevant national bodies and international organisations offering assistance, and steady support from international donors. Formulating laws, regulations and reforms, and putting them into practice, tends to be

a slow process anywhere, and vulnerable to domestic political dynamics; it requires concerted effort to accelerate the process and ensure the quality of ensuing policies.

Second, more thinking may be needed about what types of jobs national and international actors are trying to create. Considering job growth rates elsewhere in the world, it would have been unrealistic to expect to create 1.1 million sustainable jobs in the refugee-hosting countries in the space of just two to three years. Initiatives generating short-term employment may make the target attainable. But if this path is taken, efforts should be made to couple the creation of short-term employment opportunities with longer-term approaches – such as boosting investment and access to finance.

Looking ahead

Significant progress has been made in international aid responses to support Syrians both inside Syria and in neighbouring countries.⁷ In its shift towards investing in resilience, human capital, jobs and longer-term programmes, such progress may also be instructive in current efforts to develop a global comprehensive refugee response framework. We must, however, remain alert to the risks of future setbacks, deteriorations and new crises, which might affect how countries in the region host and treat refugees.

One risk is that the level of concessional financing ultimately delivered by multilateral institutions and donor countries fails to meet the expectations or the needs of the governments of Jordan, Lebanon and Turkey. Encouragingly, so far this looks unlikely to happen. Another risk, more profound, is that economic pressures, political developments or a combination of the two lead to scapegoating of refugees and to countries turning away from hosting.

However, building on the 3RP and the London Conference commitments, there is now a stronger shared vision for humanitarian assistance,



This Syrian refugee works as a butcher in Amman, Jordan, having been granted a work permit by the government.

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resilience and development in the region, and multi-year financing, concessional finance, trade access, economic opportunities and jobs are important elements of that vision.

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1. High-Level Panel on Humanitarian Financing (2016) *Too important to fail – addressing the humanitarian financing gap*, Report to the UN Secretary-General, p8 <http://bit.ly/UN-HumFinancing-2016>
2. Two of these plans have since become multi-year: the *Jordan Response Plan for the Syria Crisis 2017-2019* <http://bit.ly/JordanResponse-2017-19> and the *Lebanon Crisis Response Plan 2017-2020* www.un.org.lb/lcrp2017-2020
3. UNDP, ILO and WFP (2017) *Jobs Make the Difference: Expanding Economic Opportunities for Syrian Refugees and Host Communities, Egypt – Iraq – Jordan – Lebanon – Syria – Turkey* www.jobsmakethedifference.org/full-report
4. The Regional Development and Protection Programme (RDPP) is funded by a consortium of eight European donors to support Lebanon, Jordan and KRI to better understand, plan for and mitigate the impact of forced displacement of Syrian refugees. <http://rdpp-me.org/RDPP/index.php>
5. See article by Lenner and Turner in this issue.
6. UNDP and RDPP (forthcoming 2018) *Development of evidence-based policy options and frameworks for the accommodation of refugees in countries affected by the Syria Crisis*.
7. UNDP (forthcoming 2018) *The Resilience Agenda: a progress report*.

