



Economic Impacts of Syrian Refugees

Existing Research Review & Key Takeaways

Introduction

As a part of the IRC's ongoing work providing durable economic solutions to refugee, internally displaced (IDP) and host communities affected by the Syria Crisis, the IRC will produce a series of briefs and reports that bring together the most up to date research, programming best practices and policy recommendations for sustainable livelihoods and inclusive economic development.

The Syria crisis has presented the international community with an overwhelming challenge. As of December 2015, UNHCR had registered over 4.39 million Syrian refugees¹ (meeting the definition of a 'protracted refugee situation')², with most residing in Lebanon, Jordan, Turkey and Iraq.

One of the most discussed, debated and researched issues has been the impact of Syrian refugees on the labour markets of host communities. On one side, there is a stance and data demonstrating the influx of Syrian refugees has stimulated host economies in the midst of a regional economic downturn, by providing labour and purchasing power. Conversely, data also suggests that the large influx of refugees has negatively affected the labour market with increased competition for jobs and downward pressure on wages. The size of the informal economy in the region makes it difficult to accurately assess the true impacts on regional economies; however, as Syrian displacement becomes protracted, understanding how host communities can maximize the presence of Syrian refugees to benefit local economies, while at the same time protecting the host countries' most vulnerable people, is increasingly urgent. Responses to the crisis have not adequately addressed the ongoing needs of refugees and the communities in which they have settled, for example by providing employment and regular income-earning opportunities.

As the International Labour Organization (ILO) points out, "the scale of the influx, and the consequent economic difficulties faced by both Syrians and the host communities makes access to employment a pressing issue."³

This brief aims to synthesize the wealth of existing research to illuminate some key points emerging in the debate. The IRC believes that a thorough understanding of the evidence will help policymakers and humanitarian actors design effective policies and programmes to address the urgent need for access to safe work both for Syrian refugees and the most vulnerable host communities.

Key issues emerging from the research to date

The following key issues emerge from IRC's review of available qualitative research, quantitative data and public commentary examining the impact of Syrian refugees on host community labour markets. Below is a summary of several key themes and takeaways.

Syrian labour has been a feature of host labour markets for decades. In some countries, job competition is primarily between Syrian refugees and migrant workers, not host communities. Across the region, however, the recent influx has contributed to a driving down of wages.

Syrian workers have been part of the region's migrant labour pool since well before the conflict, in particular in Lebanon and Jordan, attracted by the draw of higher wages and proximity to Syria. Around 160,000 Syrian migrant workers were in Jordan before the outbreak of the war⁴ while in Lebanon estimates fluctuate between

¹ <http://data.unhcr.org/syrianrefugees/regional.php>

² Protracted Refugee Situations (PRS) are situations where refugees have been in exile 'for 5 years or more after their initial displacement, without immediate prospects for implementation of durable solutions' (UNHCR 2004, ExCom)

³ See, ILO Child Labour in the Urban Informal Sector, Jordan (Amman, Mafrq and Irbid), 2014, available at:

http://www.ilo.org/beirut/publications/WCMS_246207/lang-en/index.htm, p. 18

⁴ Access to work for Syrian Refugees in Jordan: A discussion paper on labour and refugee laws and policies

200,000 and 1 million.⁵ In 1991, a bilateral agreement for Economic and Social Cooperation and Coordination was signed between Lebanon and Syria, removing movement restrictions and granting freedom to stay, work and practice economic activity on the basis of reciprocity.⁶ In Jordan, Syrian migrant worker arrangements were formalized in 2001 when the two governments signed a workforce cooperation agreement allowing labour migration between the two countries.⁷

A key finding from the research is that, in some host countries, Syrian refugees are predominately in competition for jobs with other migrant workers and much less so with host communities. For example, in Jordan, a study looking at the impact of Syrian refugees on the Jordanian labour market in Amman, Irbid and Mafrq, conducted by ILO, FAFO Research Foundation⁸ and the Jordanian Department of Statistics, found that instances of Syrian refugees 'crowding out' Jordanians from work in most sectors were modest.⁹ This is due in a large part to the fact that the vast majority of Syrian refugees who find work do so in the large informal economies characteristic of the region's host countries.¹⁰ Agriculture, construction, food services and retail dominate the informal labour market, and are all sectors not typically attractive to the majority of host workers.¹¹ Reliance on migrant workers is therefore necessary as a growing educated labour force refuses to engage in certain sectors seen to be

undignified or poorly paid.¹² In other cases, however, competition between Syrian refugees and host labourers is a real concern. In Lebanon, which has historically seen higher volumes of nationals participating in informal markets, the ILO has found that "competition over job opportunities is one of the most, if not the most, urgent challenges facing host communities".¹³

The research finds that, whether in competition with other migrants or with the host labour market, the influx of Syrian refugees in local labour markets has significantly driven down wages and negatively affected working conditions, especially in informal labour sectors. The ILO study on the effect of Syrian refugees on local labour markets finds that "Syrian workers are accepting lower incomes, work for longer hours and without social benefits; this has led to decreasing wages and a reduction of job opportunities" for all employees.¹⁴

Key takeaways:

- Syrian refugees predominately work in the large informal markets of host communities.
- These markets have been served by migrant workers, including Syrian workers, long before the influx of Syrian refugees.
- As a result of historical trends as well as recent host government policies and practices further

5 The lack of a precise figure is due to the fact there are no published official statistics. In 1992 the Council for Development and Reconstruction estimated 200,000 Syrians were working in Lebanon, while in 1995 UNDP estimated 450,000. The General Security Service in Lebanon estimated that between the beginning of 1993 and 1995 around 1.6 million Syrian workers entered Lebanon.

6 See the Agreement for Economic and Social Cooperation and Coordination between the Lebanese Republic and the Syrian Arab Republic, available at: http://www.syrleb.org/docs/agreements/03SOCIAL_ECONOMICeng.pdf

7 Jordan's Agreements website, "Agreement of Workforce Cooperation between the Government of the Hashemite Kingdom of Jordan and the Government of the Syrian Arab Republic". In addition, Jordan and Syria have entered a number of bilateral agreements which are related to free trade and economic cooperation.

8 FAFO is an independent and multidisciplinary research foundation focusing on social welfare and trade policy, labour and living conditions, public health, migration and integration, and transnational security and development issues. See: <http://www.nifu.no/en/institutes/forskningstiftelsen-fafo/>

9 See, Stave and Hillesund, Impact of Syrian Refugees on the Jordanian Labour Market, available at: http://www.ilo.org/wcmsp5/groups/public/---arabstates/---ro-beirut/documents/publication/wcms_364162.pdf, p. 8

10 In Lebanon for example, 50% of Lebanese employees work in the informal labour market. See, 'Lebanon – Good jobs needed: the role of macro,

investment, education, labour and social protection policies', available at: <http://documents.worldbank.org/curated/en/2012/12/17464894/lebanon-good-jobs-needed-role-macro-investment-education-labor-social-protection-policies-miles-multi-year-technical-cooperation-program>. In Jordan, it is estimated that 44% of the labour market is informal. See; 'The Informal Sector in the Jordanian Economy'; available at:

<http://www.undp.org/content/dam/jordan/docs/Publications/Gov/The%20Informal%20Sector%20in%20the%20Jordanian%20Economy-jo.pdf>. In Jordan, ILO estimates that of the Syrian refugees who are employed, 99% are working informally, see http://www.ilo.org/beirut/media-centre/news/WCMS_369592/lang-en/index.htm

11 Employer Perspective on the Jordanian Labor Force, Creative Associates International and the American Chamber of Commerce, March 3, 2014

12 Employer Perspective on the Jordanian Labour Force, Creative Associates International and the American Chamber of Commerce, March 3, 2014.

13 ILO, "Assessment of the Impact of Syrian Refugees in Lebanon and Their Employment Profile," 2013, available at:

http://www.ilo.org/beirut/publications/WCMS_240134/lang-en/index.htm

14 Ibid.

restricting Syrian refugees' access to the formal sector¹⁵, competition for jobs has been predominately with other migrant workers in informal sectors, mainly construction and agriculture.

- While many jobs taken by Syrian and/or migrant workers are those host community workers would not want, the recent influx of refugees has led to a decline in wages as refugees are willing to take lower pay due to their constrained circumstances.
- More research is needed to investigate the impact of prohibiting or restricting Syrian work in host countries on sectors dependent on Syrian labour before the crisis – beyond the protection risks this restriction prevents (outlined below).

High unemployment has been a long-term feature of the region's labour market and may not necessarily be a direct result of the presence of Syrian refugees.

Overall, there remains a lack of clear consensus in current research as to whether the presence of Syrian refugees has been the cause of higher unemployment in host countries. One ILO study has argued that an increase in Jordanian unemployment from 14.5 per cent to 22.1 per cent between 2011 and 2014 demonstrates that Jordanians have been pushed out of jobs taken by Syrians.¹⁶ However, high unemployment, in particular youth unemployment, has been a growing issue in Jordan for years prior to the influx of Syrian refugees and has been caused by a number of factors including the global financial crisis and a mismatch of skills and labour market needs.¹⁷ Additionally, unemployment trends in the formal versus informal economies differ distinctly. In Jordan between 2010 and 2013, unemployment increased in the formal sector while the informal sectors, where Syrian

refugees have predominately found work, experienced growth.¹⁸ In Turkey, while evidence from the World Bank found that refugees displaced Turkish workers in the labour force in general, there has been no significant impact on public sector employment.¹⁹ In sum, there are a myriad of reasons that can cause employment rates to fluctuate and it would be simplistic to conclude that Syrian labour was the singular cause.

In fact, there is a growing body of research that suggests the Syrian crisis has had a positive effect on job creation, due to the growing presence of humanitarian agencies and increased demand for labour in other related services sectors.²⁰ For instance, although a World Bank report found that low-wage Turkish workers were squeezed out in the short-term, ILO data shows that over the long-term humanitarian organizations had generated demand for higher quality formal jobs that were then filled by Turkish workers, creating job growth for the host community.²¹

Key takeaways:

- High unemployment has been a feature of regional labour markets long before the Syrian war and is caused by a multitude of factors including a mismatch of skills with available jobs.
- There is a growing body of evidence that suggests the Syrian crisis has had some positive effects on job creation in host countries.

Syrian refugees are highly vulnerable to labour exploitation. Child labour is dramatically on the rise in host countries, driven largely by an increasing number of Syrian refugee child workers.

Syrian refugees are particularly vulnerable to labour exploitation and abuse in host economies. The lack of access to safe and legal work exposes Syrian refugees

15 For more, see IRC's Policy Brief "Right to Work for Refugees Under International Law"

16 See, Stave and Hillesund, Impact of Syrian Refugees on the Jordanian Labour Market, available at; http://www.ilo.org/wcmsp5/groups/public/---arabstates/---ro-beirut/documents/publication/wcms_364162.pdf, p. 7 and 8

17 See for example, UN briefing on labour market mismatches in the Middle East, available at;

http://www.un.org/en/development/desa/policy/wesp/wesp_wh/wesp_wh51.pdf

18 e.g. 40 per cent in construction, 23 per cent in wholesale and retail, 12 per cent in manufacturing and 8 per cent in the food industry. See, Stave and Hillesund, The Impact of Syrian Refugees on the Jordanian Labour Market, available at; http://www.ilo.org/beirut/publications/WCMS_364162/lang--en/index.htm

19 See, The World Bank Group, The Impact of Syrian refugees on the Turkish Labour Market, available at; http://www-wds.worldbank.org/external/default/WDSCContentServer/WDSP/IB/2015/08/24/090224b083091fbc/1_0/Rendered/PDF/The0impact0of00Turkish0labor0market.pdf, p.11

20 See, Stave and Hillesund, The Impact of Syrian Refugees on the Jordanian Labour Market, available at;

http://www.ilo.org/beirut/publications/WCMS_364162/lang--en/index.htm, p. 7

21 See, The World Bank Group, The Impact of Syrian refugees on the Turkish Labour Market, available at; http://www-wds.worldbank.org/external/default/WDSCContentServer/WDSP/IB/2015/08/24/090224b083091fbc/1_0/Rendered/PDF/The0impact0of00Turkish0labor0market.pdf

to multiple forms of exploitation. This problem is exacerbated by the fact that many Syrians, out of fear of being caught working or facing potential deportation by the authorities, do not seek recourse against their employer when exploited, and often are unaware of their rights as workers.

As a result of limited income earning options, Syrian refugees and vulnerable host community members are likely to be paid less than host and other migrant workers in the same sector, denied domestic labour law protection including social security coverage, and often have no employment contracts.²² In Jordan, Syrian refugees make as little as 4-10 JD (5.6-14 USD) per day, while children earn between 2-5 JD (2.8-7 USD) per day, amounting to considerably less than the minimum wage of 190 JD (266 USD) per month.²³ In Lebanon, 88 per cent of Syrian refugees who are employed are paid 40 per cent less than the minimum wage.²⁴ In Iraq, 12 per cent of refugee households inside camps have no source of income with 5 per cent unable to meet basic needs.²⁵ An inevitable consequence has been increasing poverty and negative coping mechanisms amongst refugees.²⁶

This is evidenced in particular by increasing child labour across the region. With Syrian refugees unable to access legal work, children often become the main or only earner for the family.²⁷ According to a report by UNICEF and Save the Children, employers prefer to hire children because they are less likely to be noticed

and stopped by the police than adults, accept lower wages, can be easily dispensed with and are unlikely to organize for protection and support.²⁸ In Jordan, 84 per cent of employers interviewed admitted employing children over the past two years.²⁹ In Lebanon, according to the ILO, children as young as six are being sent to work³⁰ receiving just 4 USD for an entire day in parts of Northern Lebanon.³¹ In Turkey, Save the Children and UNICEF have found that Syrian girls and boys earn as little as 3 USD collecting waste paper for recycling while girls as young as eight are working.³² In Iraq, almost 77 per cent of Syrian refugee children were found to be working to support their families.³³

Key takeaways:

- Syrian refugees and poor host community members are particularly vulnerable to labour exploitation and abuse, as they are often working outside the protection of host countries' formal labour laws and at risk of deportation if caught working illegally.
- Syrian refugees are often paid well below the minimum wage, leading to increased poverty and the reliance on negative coping mechanisms such as child labour in order to meet basic needs.
- Many children are the main bread winner in refugee and vulnerable host community households due to restrictions on access to work and relative impunity regarding the exploitation of children in the workplace.

22 Towards Decent Work in Lebanon: Issues and Challenges in Light of the Syrian Refugee Crisis, ILO, 2015. Impact of Syrian refugees on the Jordanian labour market, ILO and FAFO, 2015.

23 CHF Internationall Syrian Refugee Crisis: Rapdi Assessment Amman, Jordan July 2012; IFRD Assessment Report – Syrian Refugees in the Community, Jordan September 2012; ILO Regional Office for the Arab States Mission Report, June 1-6 2013, cited from ILO Preliminary Analysis p. 21

24 http://acaps.org/img/documents/s-acaps-report-syria-4-years-on_13_march_2015.pdf

25 http://acaps.org/img/documents/s-acaps-report-syria-4-years-on_13_march_2015.pdf

26 See for example, UNHCR Living in the Shadows, available at; http://unhcr.org/jordan2014urbanreport/#_ga=1.179311853.857895565.1434270951

27 For example, in Jordan 47% of Syrian refugee families reported that they rely partly or wholly on income generated by a child. See, p. 2 Save the Children and UNICEF <http://childrenofsyria.info/wp-content/uploads/2015/07/CHILD-LABOUR.pdf>. A recent study by Save the Children, UNICEF, ILO and the Lebanese Ministry of Labour has identified 1,510 street children working

predominately in Beirut and Tripoli, of which 73% were refugees from Syria. See, http://www.unicef.org/lebanon/Final_Study_SBC_En.pdf

28 See, Save the Children and UNICEF, Small Hands Heavy Burden: How the Syrian Conflict is driving more Children into the Workplace, available at; <http://childrenofsyria.info/wp-content/uploads/2015/07/CHILD-LABOUR.pdf>, p. 11

29 See, Save the Children and UNICEF, Small Hands Heavy Burden: How the Syrian Conflict is driving more Children into the Workplace, available at; <http://childrenofsyria.info/wp-content/uploads/2015/07/CHILD-LABOUR.pdf>, p. 11

30 See, ILO, Rapid Assessment on Child Labour, in North Lebanon (Tripoli and Akkar) and Bekaa Governorates, available at; [file:///C:/Users/IRCUser/Downloads/RA_CL_North_Lebanon_Bekaa_Governorat es.pdf](file:///C:/Users/IRCUser/Downloads/RA_CL_North_Lebanon_Bekaa_Governorat%20es.pdf), p. 37

31 See, FXB Center for Health and Human Rights, 'Running out of time. Survival of Syrian refugee children in Lebanon', 2014, p. 36

32 See, Save the Children and UNICEF, Small Hands Heavy Burden: How the Syrian Conflict is driving more Children into the Workplace, available at; <http://childrenofsyria.info/wp-content/uploads/2015/07/CHILD-LABOUR.pdf>, p. 11

33 See, UNICEF, Assessment of the Situation of Child Labour among Syrian Refugee Children in the Kurdistan Region of Iraq, 2014, p. 25 cited from <http://childrenofsyria.info/wp-content/uploads/2015/07/CHILD-LABOUR.pdf>, p. 10

Syrian refugees contribute positively to host country economies.

Syrian refugees have contributed to host country economies through increased investment by both Syrian diaspora and Syrian businesses.³⁴ In Turkey, according to a report by the World Bank, 26 per cent of newly registered businesses in 2014 had Syrian ownership or capital.³⁵ In Jordan, Syrian direct investment has accelerated industrial activity, creating employment opportunities for both Syrians and Jordanians.³⁶ Across the region, refugees also act as consumers, increasing demand for local products including food, services and rents.³⁷

Syrian refugees also contribute indirectly to host economies due to increased humanitarian aid flows. For example in Lebanon, the UN estimates to have spent USD 800 million annually on Syrian refugees,³⁸ with 44 per cent of this amount injected directly into the Lebanese economy for the procurement of items including food cards, in-kind packages and purchases.³⁹ Beyond the direct, short-term financial benefits, humanitarian aid can also have a multiplier effect on host economies. UNHCR and UNDP have found that for every USD 1 spent on humanitarian assistance, economies experienced a multiplier value of USD 1.6. Similarly a report by IRC found cash assistance – a key part of humanitarian assistance in the Syrian response – had significant multiplier effects on the local economy: Each USD 1 that beneficiaries spent generated USD 2.13 of GDP for the Lebanese economy.⁴⁰ Other benefits of the humanitarian response include support, skills training and capacity building for host communities through economic

programming. For example, in Jordan and Lebanon a large portion of IRC and other donor-funded programmes have been directed at host communities, with a focus on entrepreneurship development, financial services and vocational and technical training.

According to data from the World Bank, the Lebanese economy has been growing over the last two years experiencing its highest rates since 2010, some 2.5 per cent.⁴¹ Lebanon is not alone. Jordan and Turkey have also shown similar economic resilience in the midst of this Syrian refugee crisis, with Jordan demonstrating growth throughout the last five years.⁴²

While host countries continue to face significant political and socioeconomic challenges due to the massive influx of Syrian refugees over the last five years, a growing body of evidence is emerging that also recognizes the potential long-term benefits that refugees can have on host economies.

Key takeaways:

- Syrian refugees are consumers and economic actors boosting host country economies at a time when the crisis inside Syria is having negative effects on regional economies.
- Humanitarian aid is helping host countries directly, and through economic programming that supports vulnerable host populations to find work.

34 Washington Institute for Near East Policy, The Impact of Syria's Refugees on Southern Turkey; UNDP, They Syrian Crisis: Tracking and Tackling Impacts on Sustainable Development in Neighbouring Countries – Insights from Lebanon and Jordan

35 World Bank 2015

36 See, ILO, The Impact of the Syrian Refugee Crisis on the Labour Market in Jordan, a Preliminary Analysis, available at;

http://www.ilo.org/wcmsp5/groups/public/---arabstates/---ro-beirut/documents/publication/wcms_242021.pdf, p. 23

37

https://www.chathamhouse.org/sites/files/chathamhouse/field/field_document/20150921SyrianRefugeesCarrion.pdf, p. 4

38 See, UNHCR and UNDP Impact of Humanitarian Aid on the Lebanese Economy, 2015, available at;

<http://reliefweb.int/sites/reliefweb.int/files/resources/Impact%20of%20Humanitarian%20Aid-UNDP-UNHCR.PDF>, p. 5

39 See, UNHCR and UNDP, Impact of Humanitarian Aid on the Lebanese Economy, 2015, available at;

<http://reliefweb.int/sites/reliefweb.int/files/resources/Impact%20of%20Humanitarian%20Aid-UNDP-UNHCR.PDF>, p. 7

40 IRC, Emergency Economies: The Impact of Cash Assistance in Lebanon,

available at: <http://www.rescue.org/sites/default/files/resource-file/Emergency%20Economies%20Evaluation%20Report%20FINAL%2009.09.14%20%282%29.pdf> at p.6

41 <https://openknowledge.worldbank.org/bitstream/handle/10986/21761/958590WP00PUBL0431B0LEM0Spring02015.pdf>

42 See, in regard to Jordan,

<http://www.worldbank.org/en/country/jordan/publication/jordan-economic-monitor-spring-2015> and in regard to Turkey,

http://databank.worldbank.org/data/views/reports/ReportWidget.aspx?Report_Name=Turkey-Reserves&Id=5de018a9

Public perception and historically tense relations between host communities and refugees have played key roles in shaping policy responses around access to work.

A common response in any host community is to blame refugees for existing social and economic problems. Such populist views prevail amongst large sections of the Syrian host countries, with fears that Syrian refugees are taking jobs, increasing rents and food prices and causing a strain on public services.⁴³ Governments, seeking to avoid political destabilisation in a historically tense region, are responsive to such public sentiments. Moreover, some politicians have sought to play on the fears and prejudices of their constituents to gain political favour with the public.⁴⁴ Negative public perception has played a dominant role in shaping host governments' specific responses⁴⁵ to Syrian refugees' access to legal work, contributing to ever tightening restrictions and barriers.

The region has had a long history of refugee influxes that have shaped the negative perceptions present in the current crisis. Both Jordan and Lebanon host large numbers of Palestinian refugees: There are approximately 2 million registered Palestinian refugees in Jordan⁴⁶ and over 450,000 registered in Lebanon.⁴⁷ Jordan has also experienced two waves of Iraqi refugees, first after the 1991 Gulf War and then again in 2004 after the US-led invasion. The Jordanian government has refused to recognize Iraqis as refugees, preferring the term 'guests,' so as to avoid integration. In Lebanon, despite the presence of Palestinian refugees for over 60 years, the labour law still prohibits them from working in 73 professions.⁴⁸ The fear of another permanent refugee population has led these governments to introduce policies that are seen as discouraging integration, including dramatic

restrictions on access to work. Lebanon is also a country with a delicate religious and sectarian balance. With the immense influx of Syrian refugees, many Lebanese fear that granting the right to work to Syrians will encourage integration which will upset the delicate sectarian balance.

Key takeaways:

- Negative public perceptions of refugees in host communities are encouraging increasingly restrictive access to work policy responses from host governments.
- Politicians play on the fears of their constituents for political gains, leading to widespread scapegoating of Syrian refugees across the region.
- The region, in particular Lebanon and Jordan, is heavily influenced by a history of political and socioeconomic tensions between host communities and previous large refugee influxes.
- Politicians fear electoral fallout and other negative political ramifications if their governments were to extend access to work for refugees.

The impact of the Syrian conflict in general has caused greater macro-economic challenges in host countries than the impact of Syrian refugees.

Since the outbreak of the war in Syria, host country economies, all of which were heavily dependent on trade with Syria, have been impacted with direct and indirect fiscal costs. All have lost major trade routes through Syria and have had to adopt more expensive alternative routes, increasing export prices and hurting competitiveness.⁴⁹

Jordan's agricultural sector has been particularly negatively impacted. Exports to Syria decreased by

43 See for example, https://www.washingtonpost.com/world/middle_east/in-jordan-tensions-rise-between-syrian-refugees-and-host-community/2013/04/21/d4f5fa24-a762-11e2-a8e2-5b98cb59187f_story.html and <http://www.al-monitor.com/pulse/politics/2014/05/lebanon-syria-conflict-refugees-economy-challenges-state.html>

44 For example, International Crisis Group has remarked that Syrian refugee frequently take the blame for everything wrong with Lebanon, from economic hardship to failing basic services and growing insecurity – a trump card the political class plays at every opportunity instead of agreeing on a policy to address the challenge, see International Crisis Group, Lebanon's Self-Defeating Survival Strategies, Middle East Report, No. 160, July 2015.

45 As one policy brief explains, 'the fact that Syrian refugees arrived just as Jordan faced substantial economic troubles made the population an easy

scapegoat for the kingdom's deteriorating economic situation,' see Jordan's Refugee Crisis, Alexandra Francis, September 2015, available at

<https://carnegieendowment.org/2015/09/21/jordan-s-refugee-crisis/ii3t>

46 <http://www.unrwa.org/where-we-work/jordan>

47 <http://www.unrwa.org/where-we-work/lebanon>

48 <http://www.aljazeera.com/archive/2004/03/2008410145254932243.html>

49 See, for example, UNDP and the Hashemite Kingdom of Jordan Ministry of Planning and Cooperation, Needs Assessment Review of the Impact of the Syrian Crisis on Jordan, November 2013, available at; <http://www.undp.org/content/dam/rbas/doc/SyriaResponse/Jordan%20Needs%20Assessment%20-%20November%202013.pdf>

around 43 per cent over 2013 compared to the same period the year before.⁵⁰ Jordan's tourism sector has also been badly impacted with income in the first nine months of 2011 falling by 17.7 per cent.⁵¹ Regional insecurity and uncertainty have impacted investor and consumer confidence in Lebanon, with economic growth declining from 8 per cent between 2007 and 2010⁵² to 3 per cent in 2011 and 2 per cent in 2012. In Turkey, the biggest impact has been the dramatic decline of trade with Syria. Tourism in Turkey has also been affected, with tourists coming from Britain and Russia estimated by one Turkish newspaper to have declined by 30 per cent.⁵³

Key takeaways:

- There have been broader macroeconomic and fiscal implications of the Syrian crisis impacting regional economies which have been caused by the Syrian conflict and are separate to the economic impact of Syrian refugees.

Conclusion

It is important to note that the nature of the refugee crisis hasn't left much room for black and white statements. Our recommendations consider the reality that most outcomes bring mixed effects. The Syrian refugee influx has undoubtedly exacerbated pre-existing economic and labour market challenges facing host communities including high unemployment and large informal markets, while the huge population increase has caused an enormous strain on resources, services and infrastructure. However, there is also a growing body of research that evidences the vital role Syrian refugees' play in stimulating host economies and even buffering host economies from some of the wider regional economic impacts of the Syrian war. Indirectly, the increase in humanitarian aid and spending alongside Syrian investment has contributed to a positive effect of job creation and consumer spending on food, rents and services amongst local economies. Yet, host governments responses to date

have increasingly restricted access to formal work for Syrian refugees, undoubtedly paralyzing the increased economic contribution Syrian refugees could make if permitted to work. Moreover, restrictions on formal work are creating immense suffering, including labour exploitation, child labour and poverty for refugees and a race to the bottom in wages in the informal sector, which affects the most vulnerable host communities.

As humanitarian assistance declines and refugee savings deplete and with no end in sight to the war in Syria, these current policy approaches on access to work are unsustainable. More and more Syrian refugees urgently need to enter the labour market to meet their needs. A holistic and balanced approach is required to respond in a way that addresses both the humanitarian needs of Syrian refugees and vulnerable host communities. In light of pre-existing challenges facing all of the host communities' labour markets, this crisis should also be seen as an opportunity for host governments to address labour market challenges through reform and enforcement of laws and standards that would not only ensure a more dignified life for Syrian refugees but also better protect the most vulnerable host community workers.

50 See, UNDP and the Hashemite Kingdom of Jordan Ministry of Planning and Cooperation, Needs Assessment Review of the Impact of the Syrian Crisis on Jordan, November 2013, available at; <http://www.undp.org/content/dam/rbas/doc/SyriaResponse/Jordan%20Needs%20Assessment%20-%20November%202013.pdf>

51 See, UNDP and the Hashemite Kingdom of Jordan Ministry of Planning and Cooperation, Needs Assessment Review of the Impact of the Syrian Crisis on

Jordan, November 2013, available at; <http://www.undp.org/content/dam/rbas/doc/SyriaResponse/Jordan%20Needs%20Assessment%20-%20November%202013.pdf>

52 according to the Ministry of Finance, Lebanon Country Profile, April 2013

53 http://www.orsam.org.tr/en/enUploads/Article/Files/201518_rapor195ing.pdf