THE JORDAN COMPACT: A SUCCESS FOR SUFFERING SYRIANS?

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After five troublesome years of the Syrian refugee crisis, the German Foreign Ministry finally called for an emergency "Response to the Syria Crisis" conference in 2016.[1] In February of 2016, donor states gathered again in London to raise billions of dollars in aid pledges and draft deals with Syria's neighboring countries, now burdened by an unprecedented influx of refugees.

One such accord was the Jordan Compact: an experimental agreement between the Jordanian government, the European Union, and the World Bank that would "turn the Syrian refugee crisis in Jordan into a 'development opportunity' for both Jordanians and Syrians."[2]

The Compact was created to employ a burden-sharing strategy by linking humanitarian and development needs; refugee self-reliance and livelihood were to be enhanced through the creation of job opportunities and economic inclusion.[3] To advance this agenda, the donor nations supported the Compact with over $700 million in annual grants and around $1.9 billion in concessional loans.[4]

Yet, over the past six years, the Compact has failed to create a fitting labor market for refugees. Under the Compact, refugee employment is limited to sectors which are incompatible with their skills and remains largely inaccessible due to the under-issuance of work permits.[5] Therefore, it is evident that the Compact desperately requires reform to ease pressures on refugees and Jordan.

Under the Compact, only 30% of employed Syrian refugees work in the same sector as they did in their home country, and refugees' inability to use their specific skills is "a lost opportunity both for the Syrians and their host countr[y]."[6] While a major cause of this could be refugees' willingness to accept any available job, the Compact is an equally notable cause. Fifty five percent of jobs created by the Compact are in garment export factories, and most remaining jobs are in plastic and metal factories. However, there is an utter "lack of markets available for [these] goods and products" according to the International Labour Organization, meaning such positions are not only incompatible with refugees' skillsets, but also cannot guarantee workers' economic stability because of low product demand.[7]

These jobs also have an opportunity cost: working in a garment factory prevents refugees from pursuing careers in sectors such as the agro-industry. This industry is more fitting for most Syrian refugees—many of which come from rural, agricultural areas—and more promising—as investment in frontier agricultural practices (such as hydroponics and vertical farming) is one of the most effective long-term strategies to create jobs.[5,8] These advancements would also benefit Jordan, one of the world's most infertile countries.

Equally problematic is the under-issuance of work permits under the Compact. This issue is largely due to the Compact's bureaucratic regulations and inability to implement policies at both the municipal and national level. Despite anticipating the distribution of 200,000 work permits to Syrian refugees in 2019, the Compact issued only 47,766, accounting for less than 25% of its goal and a mere 4.6% increase in refugee employment.[5] Additionally, if a refugee manages to be granted a permit, they will discover even more barriers to entry to specific sectors, as imposed by the permit itself. Currently, work permits do not consider unconventional work, such as such self-employment or seasonal employment, inherently dissuading refugees from taking up such positions if they want to work legally. Already, this has caused a 25% decrease in self-employment—the type of employment that most lends itself to efficiency and ground-breaking innovation.[9]

Yet some argue that the Compact as it is has brought significant relief to refugees and their host country. Indeed, the Compact has led to the creation of many jobs, two active employment centers in refugee camps, and 11 outside employment centers—achievements which have undoubtedly increased refugees' access to the labor market.[10] However, this access is almost solely to positions incompatible with the skills of the refugees and comes with the challenges of obtaining work permits—meaning these achievements have done significantly less for refugees than it may appear. Critics may also point out that, in response to the observed shortcomings of the Compact, its creators have vowed to "consider opening other sectors to Syrians," "mak[e] work permits in some sectors seasonal and/or not tied to one employer," and "implement the home-based business registration policy."[11] Until these preliminary adjustments are made, the success of the Jordan Compact will remain a figment in the imagination of its creators, while the suffering of the refugees and their host country will remain.

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