

Employment and Social Cohesion in the Context of Forced Displacement: The Cases of Jordan and Lebanon

Shaza G. Al Jondi

Regional Chief Technical Advisor, PROSPECTS (Jordan, Iraq, Lebanon), International Labour Organization (ILO) Regional Office for Arab States

Meredith Byrne

Regional Technical Officer, PROSPECTS (Jordan, Iraq, Lebanon), ILO Regional Office for Arab States

Introduction

The Mashreq region has experienced an unforeseen level of forced displacement since the onset of the Syria crisis in 2011. Economic downturn, political instability and rising social tensions in Iraq, Gaza and Yemen have only added to the number of women, men and children fleeing conflict. According to the Internal Displacement Monitoring Centre (IDMC), 7.8 million refugees and asylum seekers fled the Middle East and North Africa (MENA) region between 2010-2020, alongside an estimated 2.9 million persons who have become internally displaced each year (IDMC, 2021). Jordan and Lebanon host some of the largest numbers of refugees in the region, having jointly received an estimated 2.8 million refugees from Syria (UNHCR, 2021, Government of Jordan 2020). While the two countries were not in a socio-economic position to receive such large numbers of refugees, their geographical locations, cultural similarities, and openness made them destinations for many.

Lebanon, in particular, has experienced multiple crises in recent years, including the collapse of the financial sector, an economic crisis, political instability, the harsh consequences of COVID-19, and the blast that hit the country's capital in 2020. While Jordan has maintained its socio-economic and political stability, it has nonetheless

Jordan and Lebanon host some of the largest numbers of refugees in the region, having jointly received an estimated 2.8 million refugees from Syria

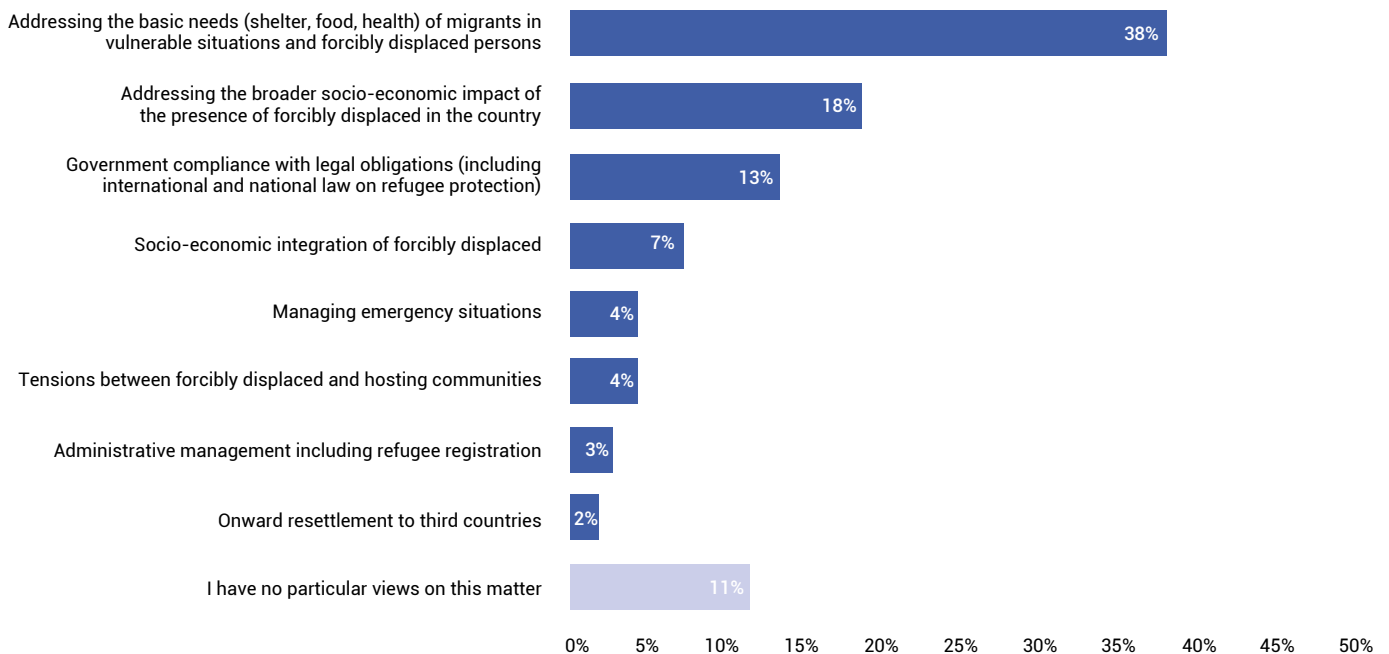
experienced rising levels of unemployment, increasing pressure on public services and the inevitable economic consequences of the COVID-19 pandemic. Both countries are also facing reductions in international humanitarian assistance for displaced populations, as part of the general trend towards investment in development.

With mounting domestic concerns, Jordan and Lebanon have both instituted regulatory frameworks that aim to control access to the formal labour market for non-nationals, including refugees. While the levels of restrictions vary, both stem from the stark reality of strained economies and high levels of unemployment. Economic circumstances have powerful influence over the willingness and ability of host communities to accommodate the displaced. The survey carried out by EMM5-EuroMeSCo highlights the most commonly perceived challenges of host communities. Unsurprisingly, these include the inability of host countries to cover the basic needs of displaced populations, while also providing for their own citizens. Survey respondents also perceive the international community as having a responsibility to respond not only to the needs of displaced populations, but also to the pre-existing weaknesses of the countries that host them.

With mounting domestic concerns, Jordan and Lebanon have both instituted regulatory frameworks that aim to control access to the formal labour market for non-nationals, including refugees

GRAPH 1

Q.3 What is the main challenge that your country encounters while dealing with migrants in vulnerable situations and forcibly displaced persons?



Source: Compiled by the IEMed based on the results of the EMM5-EuroMeSCo Euromed Survey

This article analyses the perceptions of host communities expressed in the EMM5-EuroMeSCo survey, against the labour market realities of Jordan and Lebanon. It further considers the use of international trade and investment opportunities to address underlying development challenges in main host countries, while also acknowledging their limitations. Finally, it draws some conclusions and presents a set of recommendations to address the short- and long-term impact of forced displacement crisis in Lebanon and Jordan.

Socio-economic and labour market challenges

Their [Jordan and Lebanon's] economies lack diversification and are primarily driven by the services sector as opposed to high value-added production

When compared to surrounding countries, both Jordan and Lebanon are resource poor. Their economies lack diversification and are primarily driven by the services sector as opposed to high value-added production and, as such, have failed to create labour demand and generate large numbers of jobs. In Lebanon, the labour market has considerable deficits in the quality of work, underutilization of labour, and high rates of informality. According to an ILO Diagnostics Assessment in 2020, “some 55 percent of all workers in Lebanon were informally employed in 2018–19, prior to the COVID-19 crisis” (ILO, 2021).

The situation is bleaker amongst disadvantaged groups. A recently published survey that was carried out in Lebanon by the ILO with support from the Ford Foundation revealed significant rates of unemployment and informality among both displaced populations and vulnerable host community members. Just 22.2 per cent of the population surveyed reported formal employment, and notable differences emerged between Lebanese and Syrian refugee respondents (ILO, 2021). Ninety-five per cent of Syrians were in informal employment, while the figure was 64.3 per cent (still considerably high) for vulnerable Lebanese. This was highest among youth of both refugee and non-refugee backgrounds.¹

While the overall macroeconomic situation is less dire in Jordan, job-poor growth and skills mismatches have manifested themselves in poor labour market outcomes, particularly for youth. Despite extensive efforts by the government and international community to address labour market challenges, youth unemployment has remained persistently high and has even increased in recent years, reaching 37.3% (amongst youth aged 15-24) compared to 30.9% in 2015 (ILO STAT, 2021).

¹ 91.9 per cent for those 15-24, and 65.3 per cent for those 25 and above. Furthermore, an alarming 62.3 per cent of youth in the sample were not in employment, education or training (NEET).

International Response

It is well recognized that the vast majority of the world's refugees are hosted in low or middle-income countries. Jordan and Lebanon have two of the highest rates of refugees per capita in the world (UNHCR, 2020). However, these countries also have few resources at their disposal to provide for displaced persons, while also securing adequate standards of living for citizens.

The concept of responsibility sharing is premised by the idea that the consequence of geography should not dictate the load individual countries have to shoulder in response to displacement crisis. This is traditionally seen in the allocation of humanitarian assistance from countries in the global North, to those hosting larger numbers of refugees. Nonetheless, internationally financed humanitarian assistance to host countries has diminished as displacement crises have become protracted. Instead, international investments have been increasingly redirected to spark economic growth in the host countries. Agreements that provide concessional trade and finance have been leveraged as such mechanisms. For example, the European Union and Jordan leveraged the European Free Trade Agreement and relaxation of the Rules of Origin to try to generate jobs for displaced persons by increasing export opportunities.

However, the experience of the Rules of Origin scheme in Jordan demonstrated the limitations of such indirect approaches to addressing displacement. The logic skips the underlying macroeconomic weaknesses that determine job poor growth. Leaving structural challenges aside, the impact of such investments remains limited. Without tangible benefits - in this case job creation and export opportunities - perceptions that international actors fail to meet the needs of host communities and live-up to commitments are bound to persist.

Perceptions and Responses of Host Communities

Extensive research has been conducted in host countries to better understand the impact of forced displacement on social cohesion. Higher rates of unemployment have been found to be linked to lower levels of social cohesion. They also drive a lack of trust among social groups, as well as perceptions of social injustice and exclusion (ILO, UNDP, PMSO, World Bank, 2016). While Syrian refugees share cultural similarities to their neighbors in Jordan and Lebanon, dwindling resources have generated social tensions.

Jordan and Lebanon have two of the highest rates of refugees per capita in the world. However, they also have few resources at their disposal to provide for displaced persons, while also securing adequate standards of living for citizens

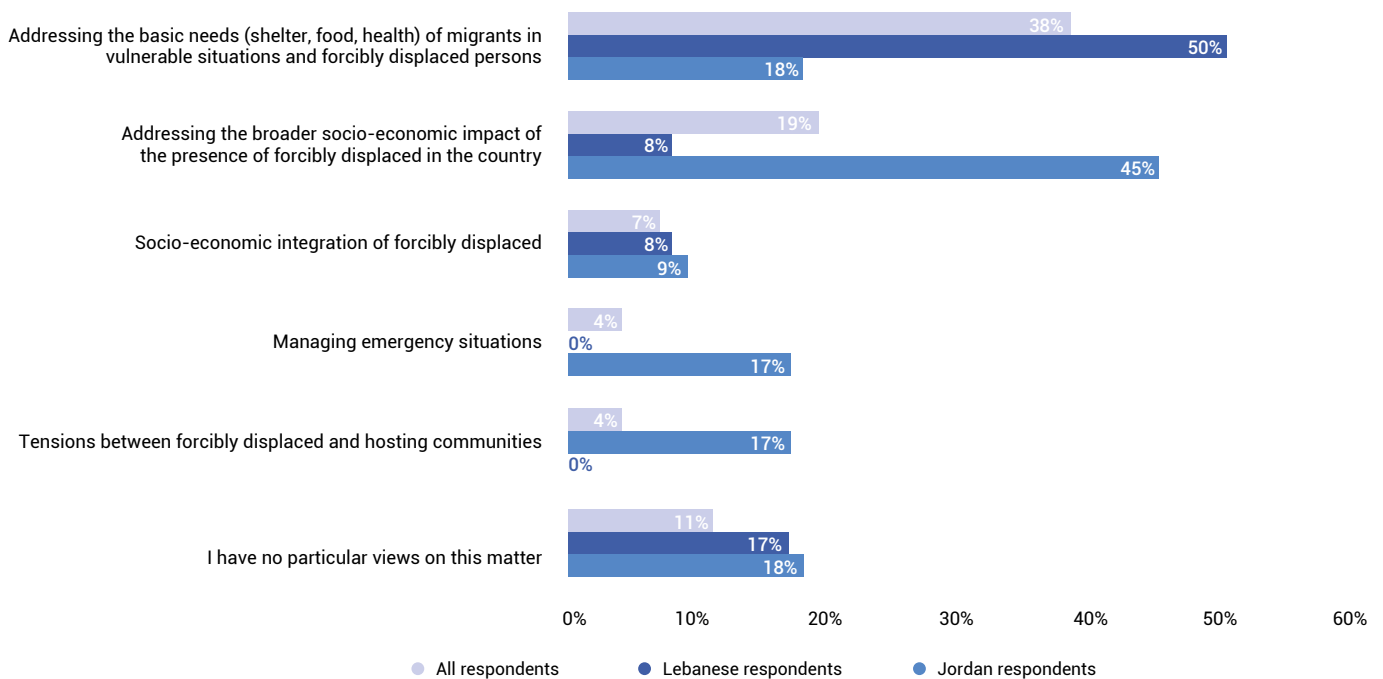
Internationally financed humanitarian assistance to host countries has diminished as displacement crises have become protracted

While Syrian refugees share cultural similarities to their neighbors in Jordan and Lebanon, dwindling resources have generated social tensions

This is further reflected in the different responses between Jordan and Lebanon in the EMM5-EuroMeSCo survey. Unsurprisingly, with the continuously worsening socio-economic situation in Lebanon and ensuing rise in both income and multidimensional poverty reaching an unprecedented 74% and 82% in 2021, respectively (ESCWA, 2021), Lebanese respondents were more likely to report the greatest challenge as meeting basic needs. While no Jordanian respondents noted tensions with forcibly displaced populations, 17% of Lebanese respondents reported this as a main challenge (EMM5-EuroMeSCo, 2021). Those from Jordan on the other hand assigned greater importance to addressing broader socio-economic challenges. When asked what the international community should specifically do, a respondent in Jordan placed value on “interventions that help the livelihood of the communities and women in particular.”

GRAPH 2

Q.3 What is the main challenge that your country encounters while dealing with migrants in vulnerable situations and forcibly displaced persons?



Source: Compiled by the IEMed based on the results of the EMM5-EuroMeSCo Euromed Survey

The EMM5-EuroMeSCo survey also shows that host communities expect direct support from the international community to boost their economies and support their societies, but do not necessarily perceive that this has been sufficiently delivered. Jordanian and Lebanese respondents acknowledged support provided specifically

from the European Union, but for reasons of internal governance, spending had not necessarily had an impact. This is particularly evident in the justifications provided by Lebanese respondents, who see little capacity to receive and channel such support. One Lebanese respondent noted that “chaos dominates,” and the “EU is lost among the complicated Lebanese rules pertaining to refugees” (EMM5-EuroMeSCo, 2021).

The quality of jobs should also be at the forefront of discussion, as it has been an issue of concern prior to the displacement crisis. Decent employment can provide income and reduce stressors that risk creating an “*us vs. them*” scenario. One positive example of enhancing decent work through investment in trade and development is the explicit reference to the ILO in the relaxed Rules of Origin scheme. In this scenario, ILO is responsible for monitoring and advising firms certified to export to the European Union, to improve their compliance with decent work principles.

Conclusion

In conclusion, in the context of forced displacement and support to host countries, foreign investments have increasingly been earmarked for economic growth. While focus has shifted to a development perspective, and increasingly away from a humanitarian approach, both have important roles to play. Humanitarian and development stakeholders can work together to address pressing and immediate needs, while equally investing in upstream, policy interventions that build a foundation for longer-term change. Specifically, such interventions need to be grounded in broader macroeconomic reforms and comprehensive national employment policies that promote more diversified economies and create decent jobs for all in host countries.

Several new initiatives aimed to leverage the strengths of the humanitarian and development sectors are starting to bear fruit in creating a more enabling environment for sustainable livelihoods in displacement contexts. The PROSPECTS partnership, spearheaded by the Government of the Netherlands, is one such example, that brings together the International Finance Corporation (IFC), the ILO, the UN Refugee Agency (UNHCR), the UN Children’s Fund (UNICEF), and the World Bank to devise approaches for inclusive job creation, education and protection in the context of forced displacement².

At the heart of the success of such initiatives lies the importance of responsiveness to actual needs in the host countries, while ensuring that both vulnerable host communities and refugees benefit from these interventions equally. Many other examples of programmes implemented to operationalize the humanitarian-

The quality of jobs should also be at the forefront of discussion, as it has been an issue of concern prior to the displacement crisis

Humanitarian and development stakeholders can work together to address pressing and immediate needs, while equally investing in upstream, policy interventions that build a foundation for longer-term change

² The PROSPECTS partnership is implemented across eight countries in the Middle East and North Africa (MENA) and the Horn of Africa.

development- peace nexus (HDPN) exist, including in the Arab region.³ Improved cohesion and solidarity occurs when communities of concern feel their voices are heard, and needs addressed. The humanitarian sector cannot be absent in such contexts, when acute needs require immediate responses, while development actors provide insight to set countries on an inclusive and socially just development trajectory.

³ One such mechanism introduced in the Arab region is the HDPN Issue Based Coalition (IBC) established in 2020 by the Regional UNDG group. The main task of this IBC is to provide a platform for sharing research, tools, and experiences on the operationalization of the HDPN in the Arab countries. One initiative that the HDPN IBC in Arab States is considering to pilot for its own members and later on for the broader stakeholders is the global UN Development Assistance Committee (DAC) Dialogue Group Nexus Academy initiative.

References

ESCWA (2021). *Multidimensional poverty in Lebanon (2019-2021): Painful reality and uncertain prospects*. https://www.unescwa.org/sites/default/files/news/docs/21-00634-_multidimensional_poverty_in_lebanon_-_policy_brief_-_en.pdf

GOVERNMENT OF JORDAN (2020). *Jordan Response Plan for the Syrian Crisis 2020-2022*. <https://reliefweb.int/report/jordan/jordan-response-plan-syria-crisis-2020-2022>

INTERNATIONAL LABOUR ORGANIZATION (ILO) (2021). *Assessing Informality and Vulnerability among Disadvantaged Groups in Lebanon: A Survey of Lebanese, and Syrian and Palestinian Refugees*. https://www.ilo.org/beirut/projects/WCMS_714581/lang--en/index.htm

ILO STAT (2021). *Statistics on unemployment and supplementary measures of labour underutilization*. <https://ilostat.ilo.org/topics/unemployment-and-labour-underutilization/>

ILO, UNDP, PBSO AND WORLD BANK (2016). *Employment Programmes and Peace: A joint statement on an analytical framework, emerging principles for action and next steps*. https://www.ilo.org/global/about-the-ilo/newsroom/statements-and-speeches/WCMS_535665/lang--en/index.htm

UNHCR (2020) *Global Focus: Middle East*. <https://reporting.unhcr.org/middleeast>

UNHCR (2021) *Factsheet Lebanon* <https://reporting.unhcr.org/sites/default/files/Lebanon%20operational%20fact%20sheet-May%202021.pdf>