

The Impact of Syrian Refugees on the Jordanian Labour Market - Pre- and Post- Syrian Crisis

Nedal Khaled Ahmad Almaaitah^a, V. Shanmugam^b

^aResearch Scholar, Department of Economics, University of Mysore, Mysuru, Karnataka, India

^bAssociate Professor of Economics, Maharaja's College, University of Mysore, Mysuru, Karnataka, India

Abstract

Jordan was one of the most affected countries with regards to the Syrian crisis. After the advent of the crisis, the trade, labour markets, healthcare, economy, education, etc in the neighboring countries was affected. The researcher attempts to analyze the impact of Syrian refugees on the Jordanian Labour market. The data for pre and post crisis was collected using secondary sources and correlation test was used to analyze the data in SPSS. As labour market is one of the determinants of a healthy economy, it was important that two main factors: Number of migrant workers and Syrian Labour were considered for the study. Post analysis, it was found that there was a significant difference of refugee influx on the Jordanian Labour Market as every year the number of migrant workers increased causing dearth of jobs in Jordan making the situation crucial for Jordanian economy.

Introduction

The labour market is a theoretical market and a type of economic market where people are looking for work and there are those who provide job opportunities from employers and others who establish in the workplace and in the search for their work. The unemployment rate is perhaps the best measure in the job market and is definitely one of the most popular media outlets in many countries. The unemployment rate is an indication that there has been a decrease in employment opportunities and expresses a lack of job creation for those who are looking for work and have no job, despite the availability of work and job search actively. Thus, it is seen as an indicator of the efficiency and effectiveness of the economy to absorb its workforce and the functioning of the labour market. Unemployment is currently considered one of the most serious crises among many groups of individuals in society, i.e. Arab countries and countries of the world alike, as a result of high unemployment rates in recent times, which need to develop plans that help study their causes, then work to formulate solutions that contribute to reduce their percentage; therefore access to terminate its presence over time.

The Jordanian labour market is one of the pillars of the economy. The Jordanian labour market is divided into two types: private sector and public sector, where the private sector belongs to a certain person or a shareholder group, such as factories and companies where the private sector is characterized in giving high wages Incentives and other features, but there are qualities is not good from the viewpoint of the Jordanian worker there is no job security, hours are long. On the other hand, the public sector has qualities that are considered good for the Jordanian citizen despite low wages; working hours are short compared to the private sector, their job security. This is what the Jordanian worker is looking for a permanent job. The Jordanian

economy witnessed during the last period set of variables and political, economic, social and demographic conditions caused many structural imbalances in its sectors. It played an important role in reformulating his policies. The Jordanian labour market is one of the most active which faced many challenges, particularly the 2003 Iraqi crisis and the Lebanese crisis and the global financial crisis Before the Gulf crisis in 1990. When all the Jordanian and Palestinian workers returned to Jordan because of Jordan's stand with Iraq in the Gulf War than there was a reaction from the Gulf States (Kuwait, Saudi Arabia, Qatar, Bahrain and UAE) expelling Jordanian and Palestinian workers this forced the government to absorb the increasing annual flow of Jordanian labour. In addition to this, the different needs of the labour market of modern disciplines and the constant flow of migrant workers from Arab nationalities to the Jordanian labour market needs people accompanied character and professions and owners of skills. The Jordanian market was missing them this forced the Jordanian labour market to receive workers of other Arab nationalities in addition to receiving Asian workers to work at home these needs are for a variety of reasons. 1- The unwillingness of Jordanians to work in private sectors due to lack of job security. 2 - Jordanians do not work in the service sectors such as a cleaner or agricultural worker and always look for not tiring work. 3 - Lack of full knowledge in the professions with crafts and technical skills and others. But with all these shocks and crises the Jordanian market has absorbed these requirements of entry from Iraqis the return of Jordanians and other Arab nationalities such as Egypt and Syria the Iraqis did not look for work when they entered because they have the money they increased investment in Jordan and buying real estate or about the return of Jordanians they returned with the money and opened private projects where the last ten years were considered years of investment activity where demand for real estate has increased private investment activity has increased where is the Jordanian market dispatcher and receiver for migrant workers at the same time. It exports a highly educated workforce imports low-skilled labour to work in sectors that Jordanians don't want to work in with all these variables the Jordanian market continued to receive workers and the Jordanian market was a good future and this was the case until 2010.

In March 2011 over the past eight years, the world has faced one of the largest displacements in recent history in the Syrian conflict. The immediate effects of this conflict have been massive population displacement. This humanitarian crisis has prompted governments in these countries to receive and host refugees of all ages, ethnicities, religious affiliations and income levels. Lebanon and Jordan, which currently host the majority of these, according to the UNHCR (2018), with 745,146 Syrian refugees registered or awaiting registration in Jordan in 2018 and over 500,000 before the crisis and not registered.

This represents about 13% of the Kingdom's population and 30% of the total number of Syrian refugees in neighbouring countries where there were effects on the host countries with significant economic and social effects as a result of these variables such as the labour market such as unemployment, employment and labour force participation. With the entry of Syrians to Jordan, he began to engage with Jordanian society, where the Jordanians participated in all aspects of life, especially in the labour market where the Syrian worker was competing with the Jordanians. At work, where what distinguishes the Syrian worker from the Jordanian is the acceptance of low wages and long working hours, unlike the Jordanian worker, which creates an economic burden on the Jordanian state through high unemployment rates, where the unemployment rate in 2018 reached (18.6%), which forced the government to raise

the minimum wage and compel companies and factories to the minimum wage in order to enable the Jordanian worker to work and reduce the unemployment rate, however the procedure did not improve any due to the excesses of some of the owners of companies and factories in addition to the unwillingness of the Jordanian worker to work due to the pressure of work and fatigue in addition to the decrease in demand and consumption due to bad economic situation (Samairan and Sameeran 2014).

Review of Literature

Samairan and Sameeran (2014) in their article on, 'Syrian asylum and its impact on Jordan' opined that it was clear from the results of the study and the field interviews and studies the great impact of the Syrian labour in various aspects, especially the labour market. It also became apparent that the labour force entered the labour market in large numbers 143750. The study showed that the desire of the Syrian worker and his acceptance of conditions and work environment is inappropriate either through working hours or daily wages Here the state should take some measures to ease Syrian labour Application of labour law, legislation and regulation of the use of migrant labour in the labour market to all workers Creating a range of incentive programs to support the employment of Jordanians Tighter control of the exit of refugees from camps for work purposes Reorienting all local and international organizations and organizations to support the Jordanian citizen.

Stave and Hillesund (2015) in their book, 'Impact of Syrian refugees on the Jordanian labour market' stated that the effects of the influx of Syrian refugees on the Jordanian labour market include rising unemployment and low wages, the following main political recommendations: Addressing and formalizing the informal economy and reducing informal employment Encourage the private sector to employ Syrian refugees in sectors where migrant workers work The work may encourage the private sector The sector may play an important role in such a strategy, but there must also be an encouragement strategy closely coordinated with adjustments in the regulatory system, Issuing work permits.

Fallah, Krafft, & Wahba (2019) in their article on examining the impact of the Syrian refugee influx on natives' labour market outcomes in Jordan. Using rich individual-level data from Jordan (JLMPS) before and after the Syrian refugee inflow, we use various models to study the effects of local labour market shocks on natives' labour market participation, employment, types of employment, and wages. Overall, we find that the natives had not experienced negative labour market outcomes. Indeed, Jordanians living in areas with high concentration of refugees had no worse labour market outcomes than Jordanians with less exposure to the refugee influx. Although the Syrian working-age population was about 16% the size of the Jordanian population in 2016, the Syrian labour force in 2016 was equivalent to about 9% of the Jordanian labour force. There were 1.3 million employed Jordanians in 2016 compared to 117,000 employed Syrians. Overall, the evidence suggests that given the composition and characteristics of the refugees as predominately children and women, and on average lower education compared to natives, their labour market participation was low and so the impact on natives' labour market outcomes has been limited. In addition, the increase in the size of the refugee population created a demand for goods and services. Increased demand might have offset any potential negative impact on Jordanians' employment that would have resulted from an increase in labour supply.

Research Gap

Some studies show that the Syrian crisis was positive for the Jordanian economy. Other studies have reported that there is a negative impact on the Jordanian economy.

Objectives of the Study

1. To study the Jordanian economy before and after the Syrian crisis related to the labour market.

Hypothesis of the study

H₁: There is a positive relationship between the influx of refugees, increased demand for the labour market in the Jordanian economy

Research Methodology

1. Data source

Secondary data: The material is based on secondary data. Secondary data will be collected from various published documents, thesis books, reports, periodicals, newspapers and other relevant government agencies, and there are a number of government sources:

The Ministry of Labour and General Statistics and other Jordanian institutions to know the effects of Syrian refugees on the Jordanian labour market.

Tools used for Analysis: This study used SPSS to analyze secondary data and for the testing of hypothesis, correlation test was used.

Period of Study: Secondary data used in the study were taken to test hypotheses for sixteen years where the study period will be before the Syrian crisis from 2003 to 2010 and after the beginning of the Syrian crisis from 2011 to 2018. Data were collected from annual reports of government sectors and official websites

Scope of the Study: In this study, the Jordanian economic situation and government sectors are considered. Where the impact of the closed border in the balance of trade

Testing of Hypothesis

a. Number of migrant workers

Table 1: Correlation test between Total Refugees and Number of migrant workers

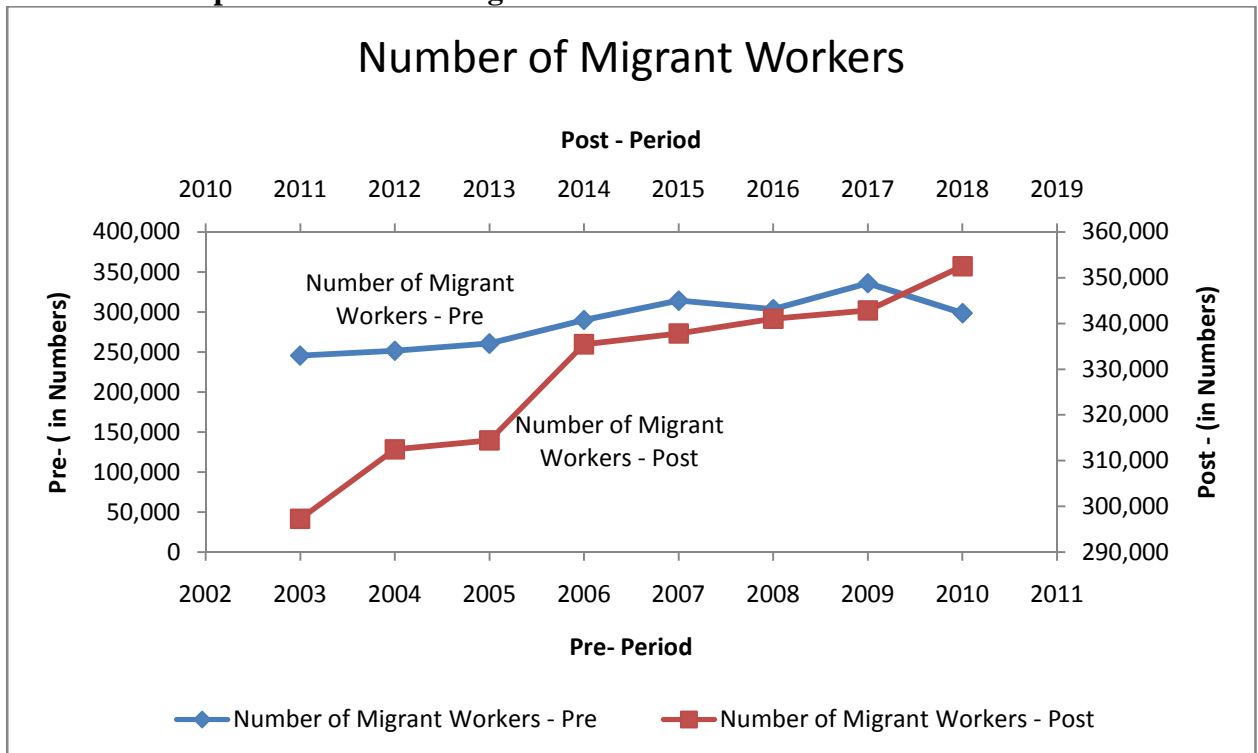
		Total Refugees	Number of migrant workers
Total Refugees	Pearson Correlation	1	.899**
	Sig. (2-tailed)		.002
	N	9	8
Number of migrant workers	Pearson Correlation	.899**	1
	Sig. (2-tailed)	.002	
	N	8	8

** . Correlation is significant at the 0.01 level (2-tailed).

Source: Compiled by Researcher

The cells above contain the correlation coefficient for the correlation between the variables Total Refugees and Number of migrant workers, its p-value, and the number of complete pair-wise observations that the calculation was based on. Pearson correlation coefficient for Total Refugees and Number of migrant workers is 0.899 (p=0.002) which is significant (p <0.01) for a two-tailed test), based on 8 complete observations (i.e., cases with non-missing values for both Total Refugees and Number of migrant workers).

Graph 1: Number of Migrant Workers - Pre & Post Crisis



b. Syrian Labor

Table 2: Correlation test between Total Refugees and Syrian Labour

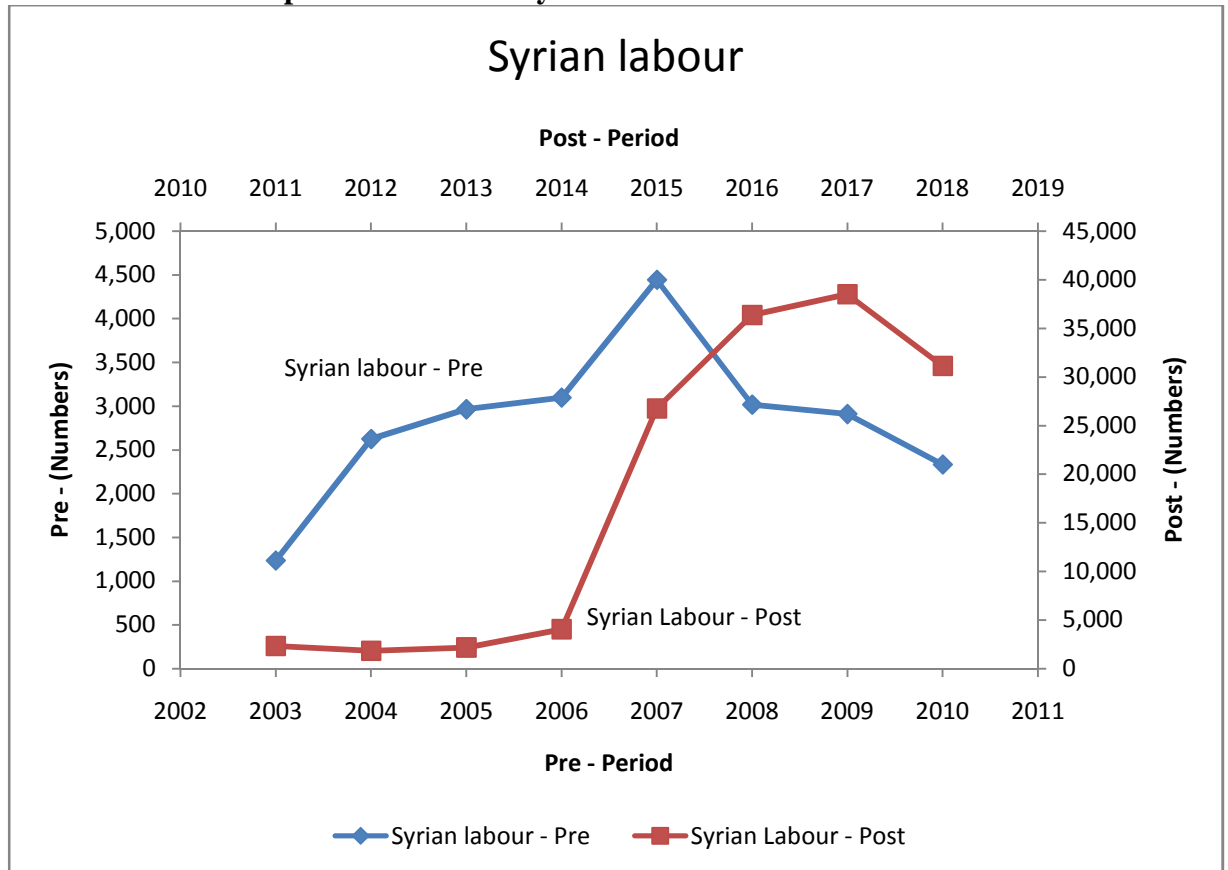
		Total Refugees	Syrian Labor
Total Refugees	Pearson Correlation	1	.721*
	Sig. (2-tailed)		.044
	N	9	8
Syrian Labor	Pearson Correlation	.721*	1
	Sig. (2-tailed)	.044	
	N	8	8

*. Correlation is significant at the 0.05 level (2-tailed).

Source: Compiled by Researcher

The important cells above contain the correlation coefficient for the correlation between the variables Total Refugees and Syrian Labor, its p-value, and the number of complete pair-wise observations that the calculation was based on. Pearson correlation coefficient for Total Refugees and Syrian Labor is 0.721 ($p=0.044$) which is significant ($p < 0.01$) for a two-tailed test, based on 8 complete observations (i.e., cases with non-missing values for both Total Refugees and Syrian Labor).

Graph 2: Number of Syrian Labour - Pre & Post Crisis



It was hence found that the labour market was severely affected with the influx of Syrian refugees in Jordan. The hypothesis of the study was affected.

Conclusion

The slowdown in economic growth in Jordan predates the Syrian refugee influx. Between 2010 and 2016, labour force inactivity increased, employment decreased, and unemployment increased in the Jordanian labour market. Between 2010 and 2016, an increasing share of Jordanians worked in public sector employment and formal private wage employment.

During the crisis, less educated Jordanian male workers experienced a sharp increase in irregular (seasonal and casual) wage employment. Various Syrian refugees were informally employed in 2016 without permits. It was found that labour market outcomes in Jordan were not adversely affected in areas where there has been high concentration of Syrian refugees. Non-Jordanian workers experienced worse labour market outcomes in localities where there was high concentration of Syrian refugees.

From the study, it was clear that the growing number of migrant workers had a significant impact on the labour market in Jordan. Syrian workers were also allowed to participate in the Jordanian labour market with temporary issuance of work permits. Most of the Jordanian hosts still remained unemployed which was a cause of worry for the economy of Jordan as the rate of unemployment stood at 18.6% in 2018. This proved an effect of high unemployment on the economy of Jordan.

References

1. Department of Statistics. 2018. Population and Demography, Population, Bulletin 2018
2. Economic and Social Council. (2016). A study of the impact of the influx of Syrian refugees on the Jordanian labour market. Jordan economic and social council. Country report. 2016.
3. Economic and Social Council Jordanian, (2018), State of the Country Report, National Library Deposit No. (2018/9/4522)
4. Fallah, B., Krafft, C., & Wahba, J. (2019). The impact of refugees on employment and wages in Jordan. *Journal of Development Economics*, 139, 203-216.
5. Samairan, M. A., & Sameeran, a. D. M. A. (2014). Syrian asylum and its impact on Jordan. International Conference of the College of Sharia and the College of Law at Al Al-Bayt University
6. Stave, S. E., & Hille Und, S. (2015). Impact of Syrian refugees on the Jordanian labour market: ILO Geneva
7. UNHCR (2014) repercussions of the seizure of the Nassib border crossing between armed groups took place in Syria and Jordan. United Nations High Commissioner for Refugees for Refugeess