

Impact of COVID-19 on Syrian refugees and host communities in Jordan and Lebanon

The COVID-19 pandemic has claimed the lives of half a million people globally and continues to cause devastating social and economic disruptions. In Arab States, hosting large numbers of Syrian refugees, the pandemic has added new challenges for vulnerable people resulting in difficulties of sustaining livelihoods and limiting access to sources of income.

Evidence on how the pandemic affects workers and their employers is beginning to emerge as the world starts to grapple with the effects from the restrictions put in place to mitigate the spread of the virus. The International Labour Organization (ILO) is currently leading a regional initiativeⁱ aimed at assessing the impact of COVID-19 on workers and enterprises in three Arab States: Iraq, Jordan and Lebanon.

This brief provides an overview of evidenceⁱⁱ on the impact of the pandemic on Syrian refugees and host communities in Jordan and Lebanon to shed light on some of the most pressing issues facing workers

and enterprises. Lessons learnt and recommendations are presented for governments, donors and development partners to support design and adaptations of employment interventions and policies to address the current crisis more effectively.

Key Questions

1. What were the employment and working conditions of Syrian refugees and host communities prior to the COVID-19 pandemic?
2. How does the COVID-19 pandemic and related mitigating measures impact employment, household income and protection at work places?
3. What type of support do individuals, households and business enterprises need to minimize the consequences of the pandemic?

Basis for evidence

The assessments are based on telephone surveys carried out during April-June 2020. The surveys addressed the employment status of individuals before and during the lockdown, implications of COVID-19 and related measures on their livelihoods; as well coping and adaptive mechanisms taken by individuals and their families to deal with the crisis. The assessments also address the effects of the pandemic on small-scale businesses, their coping strategies and business prospects.

The assessments address individuals and enterprises that have received support or participated in programmes and project schemes implemented by the ILO or the collaborating development and humanitarian organizations that have participated in the assessments. This implies that the assessments describe the economic and livelihoods situation of relatively vulnerable individuals and enterprises in the labour markets, and that the samples do not represent the national labour market as a whole. Yet, studying populations supported by humanitarian and development organizations provide valuable insights to interventions and policies needed in times of crises.

The current assessments are based on the following sample sizes.

- Jordan: 1,580 Jordanian and Syrian workers and 1,190 enterprises
- Lebanon: 1,987 Lebanese and Syrian workers and 363 enterprises

The ILO and Fafo Institute for Labour and Social Research (Fafo) are currently finalizing a similar assessment in Iraq, which will provide further evidence for policy purposes.

Working conditions prior to COVID-19

The assessments reveal a high degree of informal employment among Syrian refugees in Jordan and Lebanon.

In Lebanon, twelve per cent of the surveyed Lebanese workers were employed in agriculture, while 11 per cent were employed in construction and 28 per cent in retail trade/ repair industry/ other services. In addition, eight per cent were employed in the accommodation and food service industry. Around one-third (35 per cent) of employed Syrian refugees worked in the agricultural sector, while 19 per cent were employed in construction and a total of 20 per cent in retail trade/ repair industry/ other services.

Further, half of all surveyed workers in Lebanon had seasonal, temporary and otherwise irregular employment. Only two per cent of the surveyed Syrian refugees had social security compared to 14 per cent of the surveyed Lebanese workers, who said they had social security coverage through their employers. Almost two-thirds of the workers did not have any health insurance coverage. This is alarming considering the indecent working conditions often found in the informal sector. Moreover, 95 per cent of the employed Syrian refugees lacked valid work permits in Lebanon, indicating that the majority of them work informally.

In Jordan, most of the respondents were working in the manufacturing sector (31 per cent), followed by construction (23 per cent). The majority of Jordanians were working in the manufacturing sector (41 per cent), while most Syrians (37 per cent) were employed in the construction sector – although 41 per cent of the employed Syrian women were working in the manufacturing sector.

Informal employment was found to be widespread in Jordan, mainly among Syrian refugees. The level of informal employment is

exhibited by the type of employment contract, duration of contract, and social security coverage that the workers have. Fifty-five per cent of surveyed workers in Jordan reported that they had short term employment agreements (temporary, seasonal, or irregular). The precarious type of work including temporary, seasonal and irregular, is more prevalent among Syrians (69 per cent) compared to Jordanians. About 39 per cent of the employed respondents reported that they only had verbal agreements with their employers, while 4 per cent had neither a written nor a verbal agreement with their employers. The level of informal employment is higher among Syrian refugees (52 per cent) than among Jordanians (35 per cent). Social security coverage for Syrians is limited to only 24 per cent, while 63 per cent of Jordanians reported to have social security coverage facilitated by their employer. Health insurance coverage for Syrian workers was 15 per cent, compared to 42 per cent of the Jordanian workers. Only 30 per cent of the surveyed Syrians had valid work permits. There is substantial disparity on work permit ownership across male and female respondents, with 21 per cent of females having a valid work permit, compared to 38 per cent of the male respondents. Furthermore, the percentage of female respondents who never had a work permit is 60 per cent compared to 40 per cent of the men.

The presence of informal employment among Syrian refugees are primarily explained by the structural constraints that they face in the labour market. In Lebanon, the majority of Syrians are working without any work permits, and hence they are unable to access formal jobs. In Jordan, where a relatively flexible work permit system exists, Syrian refugees are still only allowed to work in restricted occupations and sectors that are often characterized by a high degree of

informality, such as construction, agriculture and services. Consequently, the type of work that Syrian refugees are able to access in the labour market are limited and informal.

Impacts of COVID-19 on employment

In Lebanon, the COVID-19 crisis has resulted in a high number of permanent and temporary job lay-offs, particularly among informal workers. The majority of the respondents in Lebanon (84 per cent) were permanently or temporarily laid-off as a result of the COVID-19 crisis. Sixty per cent of the Syrian refugees were permanently laid-off and 31 per cent were temporarily laid-off. The corresponding figures for Lebanese workers were 39 per cent and 38 per cent, respectively. Only 11 per cent of the respondents reported that they had worked during the lockdown.

The largest share of Lebanese workers permanently laid-off from their jobs were those employed in the construction sector (50 per cent), while most Syrians who have been permanently laid-off from their jobs were in agriculture (66) and construction (72 per cent). This may be explained by the irregular and casual nature of work in these sectors. Higher lay-off rates were found among workers who lacked written contracts, as well as among independent and self-employed workers. While only 24 per cent of the Lebanese workers who had written contracts prior to the lockdown have been permanently laid-off, 50 and 33 per cent of those who have no contracts or just verbal work agreements, respectively, have been permanently laid-off from their jobs. This again reflects that vulnerability in the labour market is linked to informality.

In Jordan, one-third of the Syrian workers had lost their jobs permanently due to the crisis. While 35 per cent of all Syrians who were in employment before the crisis lost their jobs permanently, only 17 per cent of Jordanian

workers reported to have been permanently dismissed. The majority of those who reported to be unemployed prior to the crisis stated that they continued to be unemployed (92 per cent) during the crisis, while the remaining (8 per cent) reported that they were no longer looking for work.

Further, workers with a written contract have lower anticipation of losing their jobs (40 per cent) compared to those with a verbal agreement (57 per cent) or no contract (59 per cent). Similarly, more workers with irregular types of employment (59 per cent) are concerned about the risks of losing their jobs as a result of the on-going crisis. This again highlights the fact that workers in informal employment are most vulnerable and most affected by the crisis.

These findings illustrate that workers in informal work arrangements have been impacted the most from the crisis. Employment formalised through written contracts plays an important role in times of crises by reducing the vulnerability of workers from losing their jobs - be it temporarily or on a permanent basis. This becomes even more important for refugee populations already experiencing challenges in finding stable work to sustain themselves and their families.

Reduction in household income

The visible effects of lockdown measures include reduction and losses in wage income for the surveyed workers in Jordan and Lebanon.

In Lebanon, the results show that income in March 2020 decreased by more than two-thirds for both Lebanese and Syrian workers, compared to their average monthly income in the previous 12 months. Ninety-four per cent of the employed respondents from both nationalities reported large wage reductions. Cuts in wage incomes were mainly due to layoffs (43 per cent) and reduced working hours

(52 per cent). The remaining 5 per cent of the respondents had their wage rates reduced by the employers.

Prior to the lockdown in Jordan, the average monthly income during the past 12 months had been 368 Jordanian Dinars (approximately USD 519), while the average income in March 2020 was reduced to 215 Jordanian Dinars (approximately USD 303). This decline in income was attributed to reduced working hours as well as some workers being dismissed from their work on a permanent basis. Income loss is more pronounced for Syrian refugees; whose average income fell below the set monthly minimum wage of 220 Jordanian Dinars (approximately USD 310). This is partly explained by the temporary nature of work agreements obtained by large shares of Syrian workers.

In Jordan, there is a considerable decrease in household income, mainly among Syrian refugees working in informal arrangements; a substantial number of workers (92 per cent) reported that their household income had decreased due to the crisis brought about by the coronavirus. This is particularly pronounced among Syrian respondents, of whom 95 per cent reported a decline in household income. For those individuals with verbal employment agreements, 97 per cent claimed that their income has declined as a result of the coronavirus crisis. This implies that the COVID-19 pandemic substantially affects household income and more proportionately those households whose members are working in informal arrangements.

Limited protection to workers

Large discrepancies were reported on measures taken in workplaces to mitigate the risk of infection.

In Lebanon, thirty-seven per cent of the Syrian workers reported that no measures were introduced at their workplaces to mitigate the risk of infection, compared to 9 per cent of the Lebanese workers. While 80 per cent of the Lebanese workers reported that disinfection measures were introduced in their workplaces, only 37 per cent of the Syrians reported the same. Similar discrepancies between Lebanese and Syrians apply to other measures, including regular handwashing, the provision of protection equipment (face masks), enforced regulations for social distancing, and reduced sizes of gatherings. Few measures were taken in the manufacturing sector. The highest number of measures was found in workplaces where written work contracts are common.

In Jordan, disinfection of work areas was the most common measure taken at workplaces where the surveyed workers were employed. However, about 21 per cent of the respondents indicated that no measures have been taken at their place of work. This figure is even higher among respondents with verbal employment agreements. Furthermore, 29 per cent of the Syrian respondents reported that no measures have been taken at their place of work, compared to 15 per cent of the Jordanian workers.

These findings indicate that Syrian refugees are working in difficult conditions characterized by lack of Occupational Safety and Health (OSH) measures.

[Grim prospects for individuals, households and enterprises](#)

In Lebanon, more than 60 per cent of all employed respondents expressed that they were concerned about losing their jobs in the coming months due to the COVID-19 pandemic. More Syrians (72 per cent) than Lebanese (52 per cent) had such concerns, as well as more Lebanese men (56 per cent) than Lebanese women (46 per cent). This

difference may be explained by the fact that a relatively large portion of Lebanese women work in the health and education sectors, which are relatively better protected compared to most other sectors. Syrian men and women were equally concerned about losing their jobs.

In Jordan, almost half of the employed respondents (48 per cent) anticipate that they might lose their jobs in the coming months if the measures imposed to mitigate the COVID-19 virus stay in place. Syrians have somewhat stronger anticipation of losing their jobs (52 per cent) compared to Jordanian workers (45 per cent). Surveyed workers with written contracts have lower anticipation of losing their jobs (40 per cent) compared to those with verbal agreement (57 per cent) or no contract (59 per cent). Similarly, more workers with irregular types of employment (59 per cent) are concerned about the risks of losing their jobs because of the crisis. This highlights the fact that workers in informal employment are most vulnerable and most affected by the crisis.

In Lebanon, prior to the lockdown, only one-third of the surveyed enterprises reported that they were profitable, reflecting the realities of the economic crisis that was already affecting the country at the time. Forty per cent of the enterprises reported that they were breaking even, while 26 per cent of the enterprises were operating at a loss. This pattern was quite similar for all enterprises regardless of size. Forty-three per cent of all enterprises in the sample had some type of financial commitment prior to the lockdown; 20 per cent had bank loans; and 13 per cent had micro-finance loans. The load of financial commitments increased with the size of the enterprises.

The COVID-19 crisis has further worsened the economic crisis for enterprises in Lebanon. About half of the enterprises in the sample (51

per cent) had stopped operations temporarily due to the COVID-19 pandemic and the associated lockdown measures. Because of the COVID-19 pandemic and lockdown measures, 40 per cent of the enterprises in the sample were operating with reduced working hours, a reduced number of workers (36 per cent), or other types of reductions (4 per cent), while only 9 per cent of the enterprises were operating as before the crisis.

Furthermore, only 39 per cent all surveyed enterprises reported that they will still be in operation after three months under the current conditions. Only 19 per cent of the enterprises expect to be able to keep paying wages to their employees. While only 34 per cent of the home-based businesses considered that they were robust enough to make it through the present situation, 53 per cent of the medium-sized enterprises expected they would survive. Reduced sales, restrictions on foreign currency and low liquidity were considered the most serious challenges facing enterprises in the coming months if the current situation continues. In the months to come, political and social instability were also highly cited as major challenges for the enterprises in Lebanon.

The main economic implications of the lockdown on small-scale enterprises in Lebanon are reduced sales and revenue loss. More than one-half of all enterprises in the sample reported such implications to be the most serious ones. Lack of access to cash (40 per cent), increased production costs (28 per cent), and problems with importing materials needed for operations (19 per cent), were also cited as major negative implications of the lockdown. However, these problems could in many cases be a combined result of Lebanon's overall economic crisis and the pandemic/lockdown.

In Jordan, over half of the surveyed enterprises (52 per cent) remained confident

that they will weather the crisis and resume profitability, while 20 per cent were not confident of their economic resilience and robustness. However, asked about their pre-crisis financial situation, 25 per cent of enterprises indicated that they were losing money and 46 per cent indicated that they were breaking even, suggesting that many enterprises had financial difficulties even before the lockdown measures. Apprehension is higher amongst home-based and micro enterprises.

Furthermore, a limited number of surveyed enterprises reported that they were operating as usual during the time of the survey while 39 per cent were operating with reduced staff or hours and 51 per cent of them reported to have closed temporarily.

Around one-third (30 per cent) of the enterprises indicated that they would not be able to stay operational for more than a month under the current situation, while 36 per cent indicated that they would be able to remain operational up to 3 months. Only 5 per cent said they believed they would remain operational for more than 3 months.

The capacity of business enterprises to survive the economic crisis will depend on multiple factors including how agile companies are in ensuring business continuity and adapting their business processes, yet only 25 per cent of the 1,191 enterprises in Jordan indicated that they had a business continuity plan in place.

Required support to minimize effect of COVID-19 on households and enterprises

In Lebanon, the majority of the surveyed workers (56 per cent) expressed that cash support to families who have lost their sources of income was a crucial measure to cushion the adverse impact of the crisis, while

about 29 per cent mentioned in-kind food assistance as an important measure.

Only 18 per cent of all surveyed enterprises in Lebanon were aware of any support measures offered by the government or other actors to help them cope with the crisis. Out of the few enterprises that received support, the most common were government subsidies, tax relief, delayed loan payments or reduced interest rates. However, only 5 per cent of the enterprises received any such support.

To tackle the current circumstances, surveyed enterprises in Lebanon had considered a variety of measures to continue business operation. The most widely considered course of action was developing new business models for production and sales (35 per cent). Other measures included introducing e-commerce, introducing new products, increasing prices, and negotiating delays of payments to banks and creditors. The most preferred types of support that the enterprises would like to receive are direct financial support and wage subsidies (mentioned by 63 per cent in total).

In Jordan, 6 out of 10 workers expressed that cash support to families who have lost their source of income was an important measure to minimise the adverse impact of the crisis.

The majority (67 per cent) of the enterprises in Jordan indicated that they were not aware of any support packages or measures available to them that mitigate the impact of the crisis. Around 12 per cent of the enterprises indicated that the government is subsidizing pay – 16 per cent among small enterprises and 21 per cent among enterprises with 100 workers or more. Eight per cent of the enterprises reported that they were accessing soft loans while 5 per cent of them have access to credit.

Furthermore, 53 per cent of enterprises in Jordan consider direct financial support as the most essential support needed to cope with the situation at this stage. Sixty per cent of micro businesses and 43 per cent of enterprises with more than 100 workers indicated a need for direct financial support. To better cope with the crisis, 42 per cent of all survey enterprises reported that wage subsidy is an essential mechanism.

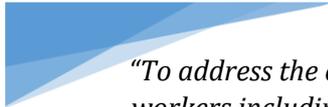
Policy recommendations

Based on the findings of the assessments as well as the experiences of the ILO, the following recommendations are drawn.

1. The underlying informal employment and poor working conditions of Syrian refugees have further deteriorated due to the COVID-19 pandemic. The findings of the assessments indicate that people in formal and decent work are relatively less affected in times of crises. Hence, formalization of work among different segments of society including refugees should be promoted to achieve inclusive and decent jobs for all. Donors and governments should increase efforts to promote the formalization of work and ensure decent working conditions are derived from a duly concluded employment contract. For instance, existing models such as the Jordan Compact could be re-vitalized through the promotion of protective measures at work places.
2. In Lebanon, Syrian workers are unable to obtain work permits mainly for reasons related to their legal status in the country. To ensure that refugees are not further and disproportionately affected by the COVID-19 crisis, Syrian refugees should be allowed to obtain residency permits in Lebanon by adopting a general fee waiver for all refugees. A flexible work permit scheme that allows access to all sectors

should be introduced to facilitate access to formal labour markets and promote decent work.

3. In the context of fiscal constraints, governments should develop a clear and transparent approach to support micro, small and medium enterprises that are providing jobs for a substantial number of workers in both formal and informal sectors. These support measures could be designed and implemented in a manner that promote the formalization of work for all, including that of Syrian refugees and that of enterprises.



“To address the current needs of vulnerable workers including Syrian refugees and host communities, we must work on improving the status of workers in the longer term – through improved formalisation and social protection.”

Frank Hagemann
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ⁱ The ILO is leading an initiative, in collaboration with development partners, that conducts rapid assessments of the impacts of COVID-19 on labour markets in three Arab States: Jordan, Lebanon and Iraq. The participating organizations are: United Nations Development Programme (UNDP), International Rescue Committee (IRC), Danish Refugee Council (DRC), Norwegian Refugee Council (NRC), Save the Children International, Oxfam, and Mercy Corps. Fafo Institute for Labour and Social Research (Oslo, Norway) provides technical and scientific support in design and implementation of the rapid assessments. The initiative will produce a series of country-level and comparative studies during April-December 2020, examining the development and impacts of the pandemic over time by interviewing the same respondents at regular intervals.

ⁱⁱ This brief is based on the following recent publications:

- Tewodros Aragie Kebede; Svein Erik Stave & Maha Kattaa (2020) Facing Double Crises: Rapid Assessment of the impact of COVID-19 on vulnerable workers in Jordan.
https://www.ilo.org/beirut/publications/WCMS_743391/lang--en/index.htm
- Tewodros Aragie Kebede; Svein Erik Stave & Maha Kattaa (2020) Facing Multiple Crises: Rapid assessment of the impact of COVID-19 on vulnerable workers and small-scale enterprises in Lebanon.
https://www.ilo.org/beirut/publications/WCMS_747070/lang--en/index.htm
- Tewodros Aragie Kebede; Svein Erik Stave; Maha Kattaa and Michaela Prokop (2020) Impact of the COVID-19 pandemic on enterprises in Jordan.
https://www.ilo.org/beirut/publications/WCMS_749136/lang--en/index.htm

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