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From Refugee to Restaurateur: A Syrian Entrepreneur's Route to Success in Jordan*

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Executive Summary

Ten years have passed since the outbreak of the Syrian conflict, and it “remains the world’s largest refugee crisis.”¹ After a decade of continuously hosting Syrians in Jordan, today they form 10 per cent of the Jordanian population. Making Jordan the second host country of refugees per capita in the world. It is believed that the participation of these refugees in the labour market can positively contribute to the Jordanian economy, this has made their inclusion necessary.² The Jordan Compact that was introduced in 2016 was the first in the South-Med region to rightly address the labour inclusion of Syrian refugees in host communities. Five years in, Jordan was able to resolve many of the issues addressed, but not all.

This policy brief will present some of the challenges that are faced by Syrian refugees in Jordan through the lens of a resilient young Syrian refugee who was able to join the Jordanian labour market through a joint venture with a Jordanian partner and start a food business. This young refugee, not only find a way out of unemployment, which is hitting the highest record of 50% among the youth in Jordan³, but also found innovative and creative ways to use his knowledge and skills to generate his own income through his startup despite the challenges. This case study shows that the inclusion of refugees in the Jordanian labour market can be facilitated if the capital requirement for opening an individual establishment can be reduced, easing access to financial services, clarifying legislation on joint-ventures, and increasing the provision of vocational trainings for Syrian refugees.

* This policy brief was peer reviewed by FEMISE team: Dr. Maryse Louis and Ms. Passainte Atef

¹ UNHCR, “Syria Refugee Crisis Explained,” UNHCR, February 5, 2021, <https://www.unrefugees.org/news/syria-refugee-crisis-explained/>

² “10 Facts About the Syrian Refugee Crisis in Jordan,” World Food Program USA, October 29, 2020, <https://www.wfpusa.org/articles/10-facts-about-the-syrian-refugee-crisis-in-jordan/>.

³ Country Overview, World Bank, 2020, <https://www.worldbank.org/en/country/jordan/overview>

1. Introduction

Throughout its history, Jordan has always opened its arms to those fleeing conflict and ethnic cleansing. This has shaped Amman into the cosmopolitan city it is today; it is home to diverse communities including Circassians, Chechens, Armenians, Palestinians, Iraqis, and Syrians, and many others. The Syrian crisis and the recent mass influx of Syrian refugees has added pressure on the Jordanian economy. It is to note that between 2000 and 2009 GDP growth averaged at 6.5 per cent, however, between 2010 and 2016, it decreased to 2.0 per cent.³ While various reasons could be behind this dramatic decline, it is understood that the influx of Syrian refugees (that took place during that period) could be one of the main reasons.

More than five million Syrians were forced to flee their homes beginning in 2011 and resettle in neighbouring countries. As western countries have limited the entry of refugees into their territories,⁴ neighbouring low- and middle-income countries like Jordan, Lebanon and Turkey had to bear the burden of hosting them, in addition to ensuring constant provision of necessities to their already economically distressed citizens. According to the United Nations High Commissioner for Refugees (UNHCR), Jordan is currently home to 750,000 refugees (excluding Palestinians), 664,414 of whom are Syrian refugees.⁵ When taking unregistered refugees into account, it is estimated that there are around 1.3 million Syrian refugees residing in Jordan.⁶ 83 per cent of all refugees registered with the UNHCR in Jordan reside in host communities, and 17 per cent reside in the three government sanctioned camps: Za'atari, Azraq and the Emirati Jordanian Camp.⁷

2. Impact of Syrian refugees on Jordan's Labour market

The influx of refugees has put immense pressure on the Jordanian government and people. Jordan has always been committed to fulfilling its humanitarian duty; however, one cannot deny the negative impacts the refugee crisis has had on the already overwhelmed Jordanian economy, particularly given the water scarcity situation, the still-growing infrastructure sector, and the already pressured public social services like healthcare and education.⁸ Additionally, the presence of Syrian refugees in Jordan has exacerbated the rising unemployment rate, especially among the youth. The general unemployment rate increased by 8 per cent in 2011 to become 22.4 per cent in 2014 in general.⁹ The unemployment rate among the youngest age group (19–24) increased by 16 per cent within the same period.¹⁰ The pandemic hit hard the Jordanian economy, with general unemployment reaching 24.7%, while youth unemployment reaching an unprecedented 50% in the fourth quarter of 2020¹¹.

In addition, Syrian refugees' entry into the informal labour market had negative effects on wages and workhours of Jordanians and working migrants in Jordan, as Syrian refugees would agree to work

³ The Economic Policy Council, "Jordan Economic Growth Plan 2018 – 2022", The Economic Policy Council, <http://jordanembassyus.org/sites/default/files/Jordan%20Economic%20Growth%20Plan%202018-2022.pdf>

⁴ BBC News, "Why is EU struggling with migrants and asylum?" BBC News, March 3, 2016, <https://www.bbc.com/news/world-europe-24583286>

⁵ UNHCR. "Jordan Fact Sheet", UNHCR, February 2021,

<https://reporting.unhcr.org/sites/default/files/Jordan%20country%20factsheet%20-%20February%202021.pdf>

⁶ ACAPS, "Jordan," ACAPS, July 4 2019, <https://www.acaps.org/country/jordan/crisis/syrian-refugees>

⁷ Elizabeth Turnbull, "Jordan remains second largest refugee host globally — UNHCR," Jordan Times, July 28, 2019, <https://www.jordantimes.com/news/local/jordan-remains-second-largest-refugee-host-globally---unhcr>

⁸ Alexandra Francis, "Jordan's Refugee Crisis," Carnegie Endowment for International Peace, September 21, 2015. <https://carnegieendowment.org/2015/09/21/jordan-s-refugee-crisis-pub-61338>

⁹ Ibid.

¹⁰ Svein Erik Stave and Solveig Hillesund, "Impact of Syrian Refugees on the Jordanian Labour Market," ILO (International Labour Organization and Fafo, 2015), https://www.ilo.org/wcmsp5/groups/public/---arabstates/---ro-beirut/documents/publication/wcms_364162.pdf.

¹¹ Country Overview, World Bank, 2020, <https://www.worldbank.org/en/country/jordan/overview>

longer hours, for lower wages and without authorised work permits.¹² Many Syrians held jobs in wholesale and retail sectors.¹³ In an attempt to protect the Jordanian labour markets, in 2017 the Ministry of Labour issued a list of fifteen occupations that are closed to non-Jordanian workers. Given this list, occupations that are open to foreign workers are limited to unskilled or semi-skilled labour and concentrated mainly in the construction and agricultural sectors.¹⁴

On a positive note, it is important to emphasize that despite this, Syrian refugees have led to an increase in local demand for both goods and services, which could be reflected positively on the Jordanian labour force. In the education sector, adding night-shift schools to accommodate more students, have increased the demand for national teachers. Similar trends can be witnessed with regards to increase in demand on goods (particularly necessities such as food, medications, etc.). While this could represent an added pressure, it could lead to an increase in productions, job creation and employment, if properly managed. The overall positive effect on the economy is yet to be witnessed.

It is important to note that according to research undertaken on the impact of refugees on the Jordanian labour markets it was found that there was no worsening of Jordanian labour market outcomes with less exposure to the refugee influx¹⁵.

3. A way forward to include Refugees: The Jordan Compact

Jordan is neither a signatory to the 1951 Refugee Convention and its 1967 Protocol, nor has it enacted domestic legislation to manage refugees and asylum seekers. However, in 1998 Jordan signed a Memorandum of Understanding (MoU) with the UNHCR. This MoU defines the term “refugee” and gives asylum seekers the right to stay in Jordan pending refugee status determination (RSD). Once granted that recognition, they are allowed to stay for six months and within that period a durable solution must be found for their resettlement.¹⁶ In 2014, an amendment was made to that MoU that extended the period to one year and that duration is linked to the validity of their identification card.¹⁷ Not ratifying the 1951 Refugee Convention affected Jordan greatly after the Syrian crisis especially with the rising unemployment rate among Jordanians, as articles 17, 18 and 19 of the Convention regulate wage-earning employment, self-employment and liberal professions respectively. The MoU states that a refugee in Jordan can “work for their own account whenever the [Jordanian labour] laws and regulations permit.”¹⁸ Syrian refugees, both with the UNHCR and those who are unregistered must obtain a Ministry of Interior (MoI) Service Card.

The Jordan Compact was introduced at the London Conference in 2016 and played a major role in changing refugee-related policies. After the precarious mass exodus of Syrian refugees to Europe, European policymakers believed that it was time to properly address the refugee crisis in low- and middle-income countries by finding sustainable and mutually beneficial policies in dealing with the crisis through the social, educational, and labour integration of refugees in host communities. Jordan was offered various incentives in return for facilitating refugee formal access to the labour market, that included preferential trade deals on the European market (tariff exemptions), concessional loans, and donor countries would continue providing financial support for refugees and the host

¹² Ibid.

¹³ Ibid.

¹⁴ Ministry of Labour, Instructions No.19/2019: Closed Professions and Restricted Professions, shorturl.at/arzV4

¹⁵ Belal Fallah, Caroline Krafft, Jackline Wahba, “The impact of refugees on employment and wages in Jordan”; *Journal of Development Economics*, Volume 139, 2019, Pages 203-216

¹⁶ UNHCR, “Universal Periodic Review: JORDAN,” <https://www.refworld.org/pdfid/513d90172.pdf>

¹⁷ Library of Congress, “Refugee Law and Policy: Jordan,” Library of Congress, December 30, 2020, https://www.loc.gov/law/help/refugee-law/jordan.php#_ftn16

¹⁸ Ibid.

community.¹⁹ A large part of the Compact was focused on the integration of refugees in the labour market and easing the work permit application process. In April 2016, the government took the decision to waive work permit fees for a three-month period and was renewed eight times.²⁰ This work permit fee waiver facilitated refugee accessibility to the formal labour market. In January 2021, Jordanian Ministry of Labour issued instructions to extend the exemption period for the eighth time until mid-December 2021.²¹ In addition to work permits, the Jordan Investment Commission (JIC) introduced “Instructions Number (9) of 2017: “The Instructions for Granting the Investor’s Card, Category (B – Syrian Nationals).”²²

However, a major shortcoming of this agreement relate to issues of self-employment permits , which were not discussed. As such, Syrian refugees are not permitted to open a store or restaurant in their name unless they invest or are able to provide a capital that amounts to no less than JD 50,000 (equivalent to 70.5 thousand US\$) which is a considerable amount, especially for refugees who are starting micro or small- to medium- sized enterprises and have limited access to funding resources. Otherwise, they must include a Jordanian partner in their business. The process for Jordanians is much simpler, to register an individual establishment, they are expected to have a minimum capital of JD 1,000, and are not required to provide a bank statement or proof of capital when registering the business.²³ Should Syrian refugees succeed in providing this amount, they are able to access benefits such as the easement of travel measures for them and their families, the ability to register a private car, and obtain a driver’s license.²⁴

This policy brief will highlight some of the challenges that are facing refugees who wish to become entrepreneurs and start their own business through the lens of a young Syrian entrepreneurs in Jordan. The brief will address the challenges and how he overcame these challenges. Some policy implications will also be drawn from this experience.

4. Becoming an entrepreneur: Story of a refugee

Three simple ingredients spelled the success of a “perseverant” 23-year-old Syrian refugee: flour, salt, and water. Mohammed Habib and his parents fled their home in Damascus in 2012 fearful of persecution and losing their life in the Syrian civil war. They escaped to Jordan in hopes of securing a better life for their family. The Habib family resettled in Amman, but life proved to be harder than expected and Mohammed, who was fifteen at the time, had to find a job to support his family. He started to work at a nearby restaurant. From there, what started off as a day job developed into a passion. Mohammed was hungry to learn about everything related to dough-making and pastry. He got enrolled in a program that was offered free of charge for Syrian refugees by an international organisation to learn more about culinary arts and hospitality service. This was a great benefit as he was taught everything from knife skills to how to run a successful business.

¹⁹ Dr Ayat Nashwan and Dr Zeyneb Mencutek, “The Employment of Syrians in Jordan: Main Trends and Challenges,” MENASP Network, November 2020, <https://www.menasp.com/en/opinion/the-employment-of-syrians-in-jordan-main-trends-and-challenges/#>

²⁰ ILO, “Work Permits and Employment of Syrian Refugees in Jordan: Towards Formalising the Work of Syrian Refugees,” ILO, 2017, https://www.ilo.org/wcmsp5/groups/public/---arabstates/---ro-beirut/documents/publication/wcms_559151.pdf

²¹ Ministry of Labour, “Syrian Refugee Unit -Work Permits Progress Report December and annual 2020,”

²² Jordan Investment Commission, “Syrian Investor Guide,” <https://www.jic.gov.jo/wp-content/uploads/2018/11/Syrian-Investor-Guide.pdf>

²³ Jordanian Ministry of Industry, Trade and Supply (MoITS) and USAID, “The Startup Guide,” MoTIS and USAID, <https://www.startupguidejo.com/en>

²⁴ Jordan Investment Commission, “Syrian Investor Guide,” <https://www.jic.gov.jo/wp-content/uploads/2018/11/Syrian-Investor-Guide.pdf>

In order to establish his own restaurant, and not having the required capital of 50K JD, he partnered with a Jordanian, who would provide the rent and appliances and Mohammed would be the head chef and they agreed for equal shares of the profit. Following some tension with his business partner over distribution of profits, Mohammed decided to leave the joint venture and worked as a chef in multiple restaurants to save up to open his own restaurant. As the system will not allow him to access credit from banks he resorted to borrowing from family and friends.

In June 2020, three months after the pandemic hit Jordan, many restaurants had to close their business, and many were offered for rent at cheap prices. Mohammed was able to find a restaurant available to rent including the appliances for an affordable price and he opened his new restaurant “*ajeen*” (“dough” in Arabic) in Jordan’s Mahes-Balqa governorate, again with the support of a Jordanian partner who agreed to register the restaurant in his name. This meant that whatever profit the restaurant makes goes directly to him and his two employees. He started off only selling Levantine pastries, but gradually expanded his menu to now sell sandwiches.

5. Challenges facing refugees- entrepreneurs

This young entrepreneur, not only find a way out of unemployment but also found innovative and creative ways to use his knowledge, passion and skills to generate his own income through his startup despite the many challenges he faced. Despite managing to secure two restaurants, Mohammed faced and continues to face many obstacles.

1- Ownership: The main issue Mohammed faced in opening up both his restaurants is that they were both registered in the Jordanian partner’s name, according to the law since he did not have the required amount of 50,000 JDs. Mohammed used this method to circumvent the current legislation put in place. However, this came as a challenge while he was the entrepreneur, he was not allowed to strike any deals or contracts and hence missed many opportunities to form service and food provision contracts with nearby schools and companies.

2- Financial burden: Mohammed also needed to open a bank account to organise his finances. He was able to do so after a lengthy procedure requiring extensive documentation. He visited four Jordanian banks, out of the four only one bank agreed to proceed with opening an account for him. It required vast documentation such as: his home’s lease and identification of the main tenants, as well as the basis of their kinship. Mohammed was fortunately able to provide all the required documentation. However, this has not been the case for every refugee, as many lost their identification, marriage contracts, and birth certificates when they fled their homes.

3- Transport issues: Another hurdle Mohammed must overcome is that his new restaurant is located around 14km away from where he lives and according to Jordanian law Syrian refugees are neither allowed to obtain a driver’s license nor register a car in their name.²⁵ This added a challenge to his business and his ability to expand. This was particularly challenging during the COVID and the government-imposed curfew, which restricted movement after 11PM.

The only way to be able to overcome these challenges would be to obtain a Syrian Investor’s Card²⁶, which is what Mohammed is working towards achieving. He is aware that it is hard but believes that it is the only legal way to be able to open more restaurants and register them under his name.

²⁵ Instructions Number (9) of 2017: “The Instructions for Granting the Investor’s Card, Category (B),” issued on July 17, 2017 (particular to investors of Syrian nationality), <https://www.jic.gov.jo/wp-content/uploads/2018/11/Syrian-Investor-Guide.pdf>

²⁶ Ibid.

Conclusion and Policy Recommendation

Mohammed's perseverance is an example of how investing in young Syrian refugees can benefit the Jordanian economy. When Mohammed was asked what he plans on doing five years from now, he replied *"I do not think about five years or ten years when I plan. I think about forever."* This just goes to show an example that many Syrian refugees, especially youth who managed to establish themselves consider Jordan as their home and have plans to invest and grow. However, despite the somewhat progress in the inclusion of refugees, many of the current regulations that are put in place make it nearly impossible for young refugees to invest in Jordan, as they have no means to provide JD 50,000 the Jordan Investment Commission has stipulated in its Instructions.²⁷

The following policy recommendations should be considered:

- 1. Reducing the capital requirement to JD 5,000 for Syrian refugees aged 30 or below to enhance investment among the refugee population. This could be done following an assessment of the project plans and its feasibility.** JD 50,000 is not feasible, especially when Syrian refugees are not allowed to apply for loans, let alone open bank accounts. This brings us to the next recommendation which is:
- 2. Implement an easier process for refugees to open bank accounts and apply for investment loans.** If refugees were able to open bank accounts, then they would be able to apply for loans. This would facilitate the process for them to open their own investments and businesses. That would in turn help reduce the unemployment rate for both Jordanians and Syrians, as they would be able to generate more jobs for Jordanian and Syrian youth and achieve economic growth.
- 3. Clarify the legal regulations on Syrian-Jordanian joint ventures.** In the Brussels Conference II 2018, the Jordanian government stated that it would introduce a "clear framework for the set-up of joint ventures between Syrians and Jordanians... making sure that the rights of both parties are upheld, ownership clarified and access to finance facilitated."²⁸ However, it has been shown to be only ink to paper. The lack of clear legislation on Syrian entrepreneurship and the financial services available to Syrian refugees in Jordan leads to an unequal protection of both partners. Additionally, this can jeopardise the position of the Syrian partner.
- 4. Vocational Training organisations can increase their reach-out strategies and their visibility on the ground to be able to reach a larger number of refugees.** The programme Mohammed applied to targeted 115 Syrian refugees per course, however according to him, there were only 40 Syrian participants. By increasing the number of Syrian refugees enrolled in training programmes (in different sectors), the number of active Syrian refugees in the Jordanian labour market would lead to economic growth.
- 5. Encourage international and national organisations that provide vocational trainings for occupations that are in demand and open to Syrian refugees in Jordan.** This could be done if the government releases a list of saturated jobs annually for foreign labour and based on that these organisations can provide vocational training for Syrian refugees that will enable them to fill the required gaps.
- 6. Facilitating the process for obtaining a driver's license.** Refugees in Jordan must go through an onerous process to apply for a driver's license, and it is near impossible for a Syrian to obtain a driver's license unless they are an investor. The government should ease the process especially for small to medium business owners.

²⁷ Ibid.

²⁸ Government of Jordan, the EU and United Nations, "Jordan partnership paper Conference Document", Supporting the Future of Syria and the Region, April 24 – 25, 2018, <https://www.consilium.europa.eu/media/34144/jordan-partnership-paper.pdf>

7. **Involving the private sector:** A public–private partnership that would involve the private sector in job-creation can ease the burden on the government and provide support to recover from the sudden fluctuations that have accompanied the influx of Syrian refugees. This would include the involvement of non-governmental organisation (NGOs)²⁹.

Entrepreneur who participated in this study

“Ajeen” Restaurant - Mohammed Habib



Mohammed Habib is 24 Syrian refugee in Jordan. As a lover of cooking, he was enrolled in a hospitality and culinary programme that was offered free for Syrian Refugees in Jordan. He then got enrolled in a hospitality college in Amman and graduated two years ago. Mohammed used his knowledge, skills and creativity to establish his own business despite the challenges faced as a young refugee. Since graduating and after a lengthy process, he was able to open his own restaurant. Mohammed believes that we should always be optimistic.

²⁹ Alshoubaki, W., & Harris, M. (2018). The impact of Syrian refugees on Jordan: A framework for analysis. *Journal of International Studies*, 11(2), 154-179. doi:10.14254/2071-8330.2018/11-2/11



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