

Stojetz, Wolfgang; Ronzani, Piero; Fenzl, Sarah; Baliki, Ghassan; Brück, Tilman

Working Paper

Work permits for refugees as social protection during polycrises: Evidence from refugees in Jordan during the COVID-19 pandemic

WIDER Working Paper, No. 2024/83

Provided in Cooperation with:

United Nations University (UNU), World Institute for Development Economics Research (WIDER)

Suggested Citation: Stojetz, Wolfgang; Ronzani, Piero; Fenzl, Sarah; Baliki, Ghassan; Brück, Tilman (2024) : Work permits for refugees as social protection during polycrises: Evidence from refugees in Jordan during the COVID-19 pandemic, WIDER Working Paper, No. 2024/83, ISBN 978-92-9267-546-2, The United Nations University World Institute for Development Economics Research (UNU-WIDER), Helsinki,
<https://doi.org/10.35188/UNU-WIDER/2024/546-2>

This Version is available at:

<https://hdl.handle.net/10419/311605>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.

WIDER Working Paper 2024/83

Work permits for refugees as social protection during polycrises

Evidence from refugees in Jordan during the COVID-19
pandemic

Wolfgang Stojetz,¹ Piero Ronzani,² Sarah Fenzl,³
Ghassan Baliki,⁴ and Tilman Brück⁵

December 2024

Abstract: This paper studies the social protection of refugees during a pandemic. A pandemic adds to the many existing challenges refugees face, creating a dangerous polycrisis. Drawing on detailed household-level data collected by the United Nations High Commissioner for Refugees just before and during the COVID-19 pandemic, we analyse the economic impacts of granting work permits to Syrian and Iraqi refugees in Jordan. Based on robust matching estimation, we show that during the pandemic, work permits strongly improved incomes, expenditures, and food security, and reduced child labour and engagement in risky jobs. The strength of these work permit impacts is comparable to the impacts before the COVID-19 pandemic. Our findings thus demonstrate that granting access to formal employment is an effective tool for the social protection of refugees, including in times of polycrisis. Restricting access to work permits—for example, by raising their price—does not appear to be a convincing strategy to achieve the social protection of refugees facing a polycrisis.

Key words: refugees, social protection, polycrises, work permits, COVID-19

JEL classification: D04, I38, J20, O15

Acknowledgements: The authors gratefully acknowledge financial support from UNU-WIDER and the Office of the United Nations High Commissioner for Refugees (UNHCR). They also thank the Global Public Policy Institute for project support and the UNHCR Representation in Jordan for sharing survey data. For excellent comments, they thank Julia Steets, Julian Lehmann, and seminar participants at the International Security and Development Centre.

¹ International Security and Development Centre (ISDC), Berlin, Germany, corresponding author: stojetz@isdc.org
² ISDC, Berlin, Germany ³ ISDC, Berlin, Germany ⁴ ISDC, Berlin and Humboldt-Universität zu Berlin, Germany ⁵ ISDC, Berlin, Humboldt-Universität zu Berlin, and Leibniz Institute of Vegetable and Ornamental Crops, Großbeeren, Germany

This study has been prepared within the UNU-WIDER project [Strengthening safety nets in post-conflict and humanitarian contexts](#), funded by the Ministry for Foreign Affairs of Finland. The project is part the research area [From conflict to cohesion – pathways for peace and inclusive statebuilding](#).

Copyright © UNU-WIDER 2024

UNU-WIDER employs a fair use policy for reasonable reproduction of UNU-WIDER copyrighted content—such as the reproduction of a table or a figure, and/or text not exceeding 400 words—with due acknowledgement of the original source, without requiring explicit permission from the copyright holder.

Information and requests: publications@wider.unu.edu

ISSN 1798-7237 ISBN 978-92-9267-546-2

<https://doi.org/10.35188/UNU-WIDER/2024/546-2>

Typescript prepared by Merl Fluin.

United Nations University World Institute for Development Economics Research provides economic analysis and policy advice with the aim of promoting sustainable and equitable development. The Institute began operations in 1985 in Helsinki, Finland, as the first research and training centre of the United Nations University. Today it is a unique blend of think tank, research institute, and UN agency—providing a range of services from policy advice to governments as well as freely available original research.

The Institute is funded through income from an endowment fund with additional contributions to its work programme from Finland and Sweden, as well as earmarked contributions for specific projects from a variety of donors.

Katajanokanlaituri 6 B, 00160 Helsinki, Finland

The views expressed in this paper are those of the author(s), and do not necessarily reflect the views of the Institute or the United Nations University, nor the programme/project donors.

1 Introduction

Supporting the millions of people forcibly displaced by violent conflict is a top priority for policies and programming in fragile settings. For example, the World Humanitarian Summit in 2016 and its resulting Agenda for Humanity (UN 2016), and the United Nations High Commissioner for Refugees' (UNHCR) Global Compact on Refugees signed by the United Nations General Assembly in 2018 (UN 2018), focused on the need to adopt new policy approaches that address displacement needs and foster durable solutions. More specifically, the socio-economic inclusion of refugees has become a critical agenda in humanitarian and development policy. Yet, there is little understanding regarding the social protection of refugees during crises that add to the challenges stemming from forced displacement and from exposure to the adverse conditions that forcibly displaced them.

We study the social protection of refugees during a global health crisis. Specifically, we analyse the impacts of granting work permits to Syrian refugees in Jordan during the COVID-19 pandemic. The right to work represents a significant point of contention between refugee rights and the policies of host governments. Although this right was officially acknowledged in the 1951 Refugee Convention, host countries' regulations vary, from outright denial of the right to work to imposing different levels of restrictions on eligibility (Betts and Sterck 2022; Wahby and Assaad 2024; Zetter and Ruadel 2018). Generally, greater economic inclusion benefits not only refugees but also host populations and their countries (Betts et al. 2017; Clemens et al. 2018; Dempster et al. 2020). Particularly during crises, host countries tend to prioritize their own citizens and are reluctant to grant the same economic rights to migrants or refugees.

We study two research questions. What were the welfare impacts of work permits among refugees in Jordan during the COVID-19 pandemic? Were the welfare impacts of work permits during the pandemic stronger, weaker, or the same compared with the pre-pandemic period?

Drawing on detailed UNHCR Home Visit (HV) household survey data collected just before and during the COVID-19 pandemic, we leverage a large sample size ($N=148,870$) and use robust greedy one-to-one matching to estimate the impacts of work permits on a series of welfare outcomes, including household income, expenditures, food security, child labour, and risky jobs. The data structure thus allows us not only to estimate work permit impacts during the pandemic but also to contrast these impacts with those just before its onset.

Our findings show that work permits are an effective tool to improve refugee welfare during a pandemic. Issuing work permits to Syrian refugees in Jordan during the COVID-19 pandemic significantly enhanced their economic well-being and reduced their need to rely on harmful strategies such as child labour and risky jobs. The magnitude of these benefits was comparable to those during the pre-pandemic period, thus showing that the effectiveness of work permits for social protection suggested by prior work (Peitz et al. 2023) also obtains during a pandemic.

Our paper contributes to the nascent literature on polycrises facing refugees. Refugees are often exposed to trauma before and during displacement, and they often face an inherently different set of constraints to economic participation compared with host populations (Betts et al. 2017, 2024). Challenges faced by forcibly displaced people include the loss of assets and separation from family members, a lack of relevant skills for the host labour market, the physical and mental health impacts of forced displacement, legal barriers, limited social networks, discrimination, and the high likelihood of labour market oversupply at their destination (Schuettler and Caron 2020; Stojetz and Brück 2024; Verme and Schuettler 2021). These challenges may have compounding impacts

(Stojetz and Brück 2023). Refugees' economic outcomes and behaviours in a situation of global health crisis that adds to existing challenges are not well understood; nor is it well understood how to intervene effectively in such a situation. We provide micro-level evidence on the economic well-being and behaviours of refugees in a polycrisis and how to support them.

In addition, our paper contributes to the literature on labour market interventions for social protection in fragile settings. In these settings, formal employment is widely regarded as a main driver for creating sustainable livelihoods and stability, and as a way to unlock refugees' economic potential and foster self-reliance (Brück et al. 2021; MacPherson and Sterck 2021). Benefits extend beyond refugee populations, contributing to the host country's economic growth through increased consumer demand, spending, and tax revenues (Betts et al. 2017; Clemens et al. 2018; Zetter and Ruaudel 2018). Despite this promise, quantitative evidence on the direct welfare impacts of work permits for refugees remains scarce, especially during crisis situations. Analysing UNHCR data collected between 2017 and 2019 from about 75,000 Syrian and Iraqi refugees in Jordan, Peitz et al. (2023) demonstrate that work permits can causally improve income levels and food security and reduce child labour. Our paper applies a similar analysis to a period of global health crisis, examining the effect of work permits on Syrian refugees during the COVID-19 pandemic. We thus test the effectiveness of enabling access to formal employment for improving welfare outcomes among refugees during a pandemic.

Third, we also contribute to the specific literature on the COVID-19 pandemic. Much research about the impact of job interventions during COVID-19 for refugees or internally displaced people focuses on high-income countries, for example Austria and Sweden (Bešić et al. 2021), Australia (Cooney-O'Donoghue et al. 2022), and Germany (Falkenhain et al. 2020). Yet, refugees in low- and middle-income countries were particularly vulnerable to the COVID-19 pandemic, for example because they were more likely to work in the sectors most heavily affected (Dempster et al. 2020). A few studies have examined impacts of the pandemic on refugees in Jordan. Based on semi-structured interviews, it has been shown that refugees in Jordan largely worked in low-skilled jobs with poor conditions (Acu 2023a), while structural gender imbalances rendered Syrian women more vulnerable than their male counterparts (Acu 2023b). Jones et al. (2022), using survey data and interviews with refugees and non-refugees, report that 19% of adolescents showed moderate to severe depression. In terms of employment, Wahby and Assaad (2024) find that Syrian refugees living in camps were particularly disadvantaged compared with their Jordanian hosts during the pandemic. Our paper adds to these studies by studying welfare outcomes and support policies for a vulnerable population (refugees in Jordan) during the COVID-19 pandemic.

The remainder of the paper is organized as follows. Section 2 provides an overview of the study context of refugees in Jordan during the COVID-19 pandemic. Section 3 outlines the empirical methodology, describing the data, identification strategy, and econometric specifications. Section 4 presents and discusses our findings. Section 5 concludes.

2 Contextual background

As the second largest per capita refugee host in the world (UNHCR 2021), Jordan is home to a significant number of Syrian refugees. Yet, Jordan is not a signatory of the 1951 Refugee Convention and lacks any specific refugee legislation (Zetter and Ruaudel 2018). Consequently, Syrian refugees in Jordan face considerable barriers to accessing stable employment, as there is no clear policy concerning their right to work. To enter formal employment, a work permit is required, which is contingent upon demonstrating that the job requires experience or skills that are either unavailable or insufficiently available among Jordanians. Thus, Syrian refugees are predominantly employed in certain sectors that commonly employ migrant workers, including construction, agriculture, manufacturing, and various low-skilled services (Gordon 2019; ILO 2015; Wahby and Assaad 2024).

In response to international pressure, Jordan became a pioneer in the Arab region in 2016 and began easing restrictions on Syrian refugees' access to legal employment and education, as agreed upon in the Jordan Compact (Wahby and Assaad 2024). This was the 'first example of such an experiment on a considerable scale' (Barbelet et al. 2018: 6), providing a model for other host countries such as Ethiopia, Türkiye, and Lebanon (Barbelet et al. 2018). By 2019, work permits were introduced as a tool to formalize refugee employment (Zetter and Ruaudel 2018). Although the Compact successfully brought Syrian refugees into formal employment and education, challenges regarding self-employment and female labour market participation remain (Barbelet et al. 2018). Even before the onset of the COVID-19 pandemic, Syrian refugees were mainly employed in a growing informal economy marked by low and decreasing wages, long working hours, and poor working conditions (ILO 2017; Istaiteyeh 2020). Thus, obtaining work permits often appears to formalize the worker's status rather than the nature of their work per se (Gordon 2019). In 2016, non-Jordanians accounted for 31% of the workforce, with Syrians making up just one fifth of this group. The same year, 77% of non-Jordanians were employed in informal jobs, compared with only 32% of Jordanians (Assaad and Salemi 2019). The onset of the COVID-19 pandemic raised questions about whether these measures would remain effective in improving refugee welfare under drastically different socio-economic conditions.

The rapid implementation of strict COVID-19 containment measures disrupted aid efforts, jeopardized livelihoods, and overlooked the needs of both refugees and vulnerable Jordanians (Dhingra 2020). Informal employment and poor working conditions experienced by Syrian refugees worsened further as a result of the COVID-19 pandemic (Acu 2023a; ILO and Fafo 2020a). In response to the growing food security challenges, the World Food Programme in Jordan took proactive measures to maintain ongoing assistance and to shield the most vulnerable from the effects of COVID-19 (Istaiteyeh 2020). Additionally, a large share of individuals lost their work during COVID-19, leading to a considerable decrease in household income (ILO and Fafo 2020a, 2020b). In general, a decline in livelihood standards due to COVID-19 was experienced among all Jordanians, while the impact was especially severe for Syrian refugees and vulnerable Jordanians (Istaiteyeh 2020). While 13% of Jordanian youth experienced job separation in 2020 (compared with 5% in 2016), over 31% of Syrian youth faced job separation in 2020 (compared with just 2% in 2016, see Assaad et al. 2021: 76). Furthermore, formal jobs continued to appear out of reach for young Syrian men, with 92% of those employed working in informal wage positions (Istaiteyeh 2020).

Although the Jordan Compact is sometimes viewed critically for prioritizing based on nationality (Almasri 2021), keeping refugees in low-skilled sectors, and limiting their access to self-employment, which has a gendered impact as women tend to stay and work at home, it provides an innovative way to realize refugees' right to work (Gray Meral 2020). Lenner and Turner (2018)

even argue that the Jordan Compact should be regarded as a policy model that has gained sufficient consensus to be considered a ‘policy success’.

In addition to the Jordan Compact, the Jordan Response Plan established in 2014–15 is the only government-led refugee response plan that works in tandem with the international community to address the needs of refugees and host communities. The plan for the years 2020–22 was announced right after the threat of COVID-19 became known (Istaiteyeh 2020). This period experienced a notable decline in funding for the Syrian crisis. This cut in funding was viewed as an incentive to the Jordanian government to develop more sustainable refugee relief solutions, for example by awarding more work permits to Syrians and investing in their human capital (Istaiteyeh 2020).

3 Methodology

3.1 Data

Our empirical analysis draws on a rich proprietary data set collected through interviews conducted by the UNHCR and its partner organizations during HV surveys of refugee households living outside refugee camps in Jordan.¹ This data collection effort has been ongoing since 2012, when the first wave (HV1) was collected. The HV surveys contain over 100 variables, although the exact number differs across waves. It typically includes detailed information on housing, food security, health, employment, income, expenditure, and sociodemographic characteristics.

We use a subset of the full data set in this analysis, focusing on waves HV9 to HV10. These waves contain data on work permit possession and use standardized answer codes and wording of key questions across the two waves. The HV9 data was collected just before the outbreak of the COVID-19 pandemic, between November 2019 and March 2020, and the HV10 data was collected between January and December 2021. Using these two waves of data allows us to compare the effects of work permits before and after the onset of the COVID-19 pandemic.

The unit of analysis is the ‘case’, a term used by the UNHCR during registration, which refers to a single person (individual refugee) or groups such as families that are assessed and handled as single entities for administrative and practical purposes. This unit of analysis is chosen because most of the dependent variables are reported at the household level. Any individual-level variables, such as possession of a work permit or household members’ sociodemographics, have been aggregated to the household level.

The HV surveys are primarily used to assess refugees’ eligibility for cash assistance based on poverty and protection needs. Households are selected for the survey based on three criteria: (i) all newly registered cases (since 2013); (ii) cases due for reassessment based on a rolling monthly list; (iii) cases requesting a visit due to urgent needs (Verme et al. 2016). Given that nearly all refugees have applied for assistance at some point, the HV data set represents a near-census of all registered refugees in Jordan (UNHCR 2014).

Formal labour market integration, the treatment of interest in this analysis, is operationalized as work permit possession, which is only available for households with individuals of working age.

¹ Our methodology draws extensively on our own prior work. Specifically, we use the same identification strategy and estimation techniques as Peitz et al. (2023).

This variable is coded as a binary indicator, showing whether at least one household member holds a valid work permit. Due to data limitations, we cannot determine if an individual's job corresponds to that authorized by their work permit or provide detailed information on job type or quality over time.

Given that the potential socio-economic effects of refugee labour formalization are multidimensional, several outcome variables are used. Specifically, we look at monthly income from work, monthly household expenditure, living below the poverty line, food security, protection needs, and use of child labour.²

3.2 Identification strategy

We are interested in assessing the relationship between having a work permit and multiple key socio-economic outcome variables. To do so, we rely on observational data in which the assignment of the work permit is not random. Those who apply for work permits might be more motivated to improve their own situation than those who do not, for example. This motivation would determine not just possession of a work permit but also—with or without the permit—that case's outcomes. To minimize the bias of uncorrected estimates of labour market integration effects on refugee welfare, we consider potential imbalances between households in the treatment and control groups. Given the size and structure of our data, we can rely on propensity score matching (PSM, Rosenbaum and Rubin 1983). This allows us to compare the outcomes of a treatment group with a randomly selected control group who are statistically identical across a range of key observable confounders. Given the large control group available in the data and the potential of multiple matches for each individual household, we argue such an approach is valid in this setting. The approach taken has the strength to control for considerable observable biases, especially when considering the substantial improvements in covariate balance. Carefully designing this observational study using PSM to approximate a randomized experiment allows us to mitigate the effects of bias in the analysis (Rubin 2008).

The propensity of being treated (i.e. having a work permit) is estimated via a logit regression model including several observable covariates that are expected to affect the likelihood of having a work permit but are not affected by its possession. We restrict the selection of covariates to key variables that are relevant to treatment assignment but also are strictly pre-treatment and thus not potentially an outcome of work permit possession (Rubin 2008). For this reason, we exclude employment from the propensity score estimation but control for it in some specifications when estimating the effects of work permit possession. This reflects that some indicators can be outcomes of the treatment, and matching on such outcomes would thus in effect partial out at least some potential impact of the programme. Where possible, we still control for such variables in some specifications of our analysis to ensure robustness of our findings.

² Income from work is based on the survey question on monthly household-level proceeds from work. This can be zero for households with no working members. Absolute poverty is defined as having monthly per capita expenditures of less than JOD68 (UNHCR 2014). Food security is a binary variable based on the question: 'In the past 30 days, has your family applied any of the below strategies to meet food and basic needs? Bought food on credit or borrowed money to purchase food from non-relatives/friends?' Protection needs is a binary variable based on the question: 'Do you have specific legal and physical protection needs?' Use of child labour is a binary variable based on the question: 'In the past 30 days, has your family applied any of the below strategies to meet food and basic needs?', with the subquestion: 'Send children (under the age of 16) to work in order to provide resources?' The models on child labour are based on a subset of the data consisting only of households where the age of household members is known and which have school-aged children (between five and 17 years).

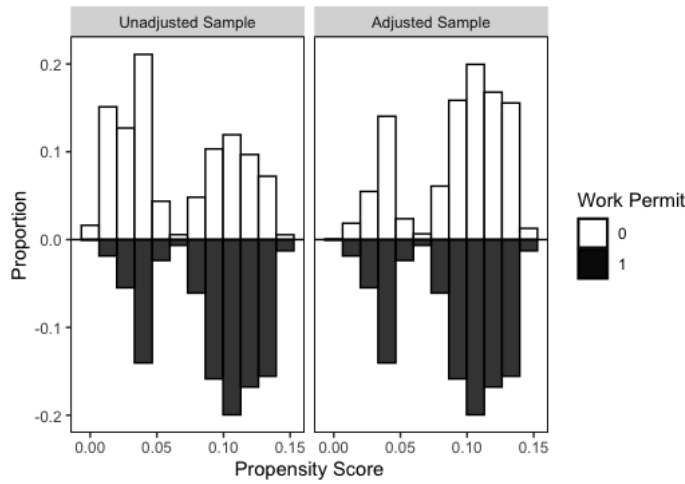
Propensity scores are estimated using: the number of people in a household and its square; a dummy on whether the case is female-headed (given considerable gender gaps in the formal labour market participation of Syrian female refugees, see Stave et al. 2021); duration of stay in Jordan (as a longer stay potentially increases social networks and knowledge regarding labour market participation); type of entry into Jordan (illegal or legal, as those who have crossed illegally might fear sanctions when applying for a permit); ownership of a Ministry of Interior (MOI) card (which is required to get a work permit, see Stave et al. 2021); share of household members with chronic illness, and whether there is a single caregiver in the household (as these might face particular difficulties in entering formal labour); whether the work experience of the household head in Syria is in a professional sector (given that professional occupations are closed to Syrian refugees, formalizing labour might be unattractive for professional-level workers, see Amjad et al. 2017); the governorate of origin in Syria and the Jordanian governorate of residence (these two to account for structural differences in regions); year of interview (to capture temporal dynamics).³ In our main specifications, we use one-to-one nearest neighbour matching (NNM).

In Figure 1a, we show the distribution of the propensity score including the region of common support before and after matching. The distribution of the propensity score between the treatment and control after adjustment is close to identical, which supports the validity of using the one-to-one NNM approach for our data and design (Rosenbaum and Rubin 1983). As shown in Figure 1b, the standardized mean differences (calculated as treatment-control) after matching are well below the usual threshold of 0.1 for all covariates. This indicates that we are able to achieve a strong level of balance in the matched data.

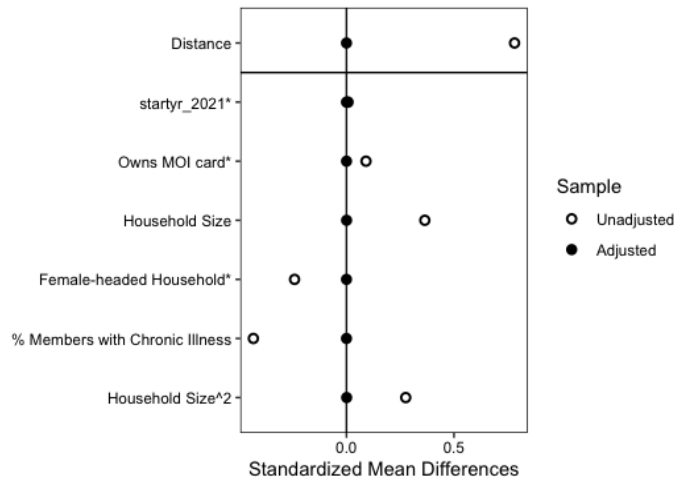
³ We include household size as larger households are more likely to have at least one work permit than smaller households for almost any distribution. At the same time, after a certain point larger household size might also indicate the presence of more dependants (e.g., children or individuals beyond working age), which potentially decreases the likelihood of work permit possession. MOI cards have been issued to Syrian refugees in Jordan since 2015. They entitle holders to access to free district-based public services, such as health and education, and free movement throughout Jordan. MOI cards are in principle issued to every Syrian refugee registering with Jordan authorities. Some refugee groups may be ineligible to receive the MOI card, but regulations around eligibility have changed over the years. For example, having left a refugee camp without official authorization, or having entered Jordan illegally or with illegal documentation, previously excluded refugees from receiving an MOI card before the respective regulation was changed (NRC and IHRC 2016). In the survey, the only questions related to education are on current school attendance. Given that there is no survey question about individuals' levels of education, it is not possible to include level of education in the analysis.

Figure 1: PSM

(a) Distribution of propensity score



(b) Covariate balance before and after matching



Source: authors' illustration.

3.3 Econometric specification

Having successfully balanced the household-level data set on key observable covariates, we conduct linear regression analyses of the following form:

$$y_i = \beta_0 + \beta_1 x_i + \beta_3 z_i + \epsilon_i \quad (1)$$

where x is the treatment variable (possession of a work permit), y is the outcome of interest, z is a vector of household-level control variables, and ϵ is the error term. Our coefficient of interest is β_1 , which estimates the causal impacts of having a work permit on each of our outcomes. The household-level control variables used in these regression models are: a dummy variable on whether a household is female-led; the share of household members with chronic illness; household size (single and squared term). These variables are likely to impact on all dependent variables analysed in this paper (see e.g., Stave et al. 2021). Additional control variables include the duration of stay in Jordan—which, as a measure of integration, might impact the dependent variables—and whether an MOI card is available. The Jordanian governorate and the survey year are included as control variables to account for potential structural factors. This list overlaps

substantially but not perfectly with the list of matching variables. As previously discussed, we do not match on variables—such as employment status—that could be outcomes of the programme; however, such indicators should clearly influence our outcomes of interest, and they are thus included as controls in some of our specifications.

4 Results

4.1 Descriptive results

In 2021, 6.7% of Syrian refugees in Jordan had a work permit (Table 1). This fairly low share reflects both the restrictive set of sectors in which work permits were offered and the associated set of intrahousehold decisions made by each case.⁴ Poverty was highly prevalent, with 50% of households falling below the absolute poverty line. Accordingly, more than one in two households (53%) had to purchase food on credit, and about 2% of households were forced to rely on child labour to support their livelihoods.

Table 1: Summary statistics before and during the pandemic

Variable	Pre-COVID-19			During COVID-19			Mean difference (t-test) p-value
	N	Mean	Std. Dev.	N	Mean	Std. Dev.	
Work permit	23769	0.082	0.274	125101	0.067	0.25	< .001
Female-headed HH	23769	0.389	0.488	125101	0.366	0.482	< .001
Employment share (%)	23535	0.173	0.258	124832	0.176	0.267	0.1035
Have MOI	23769	0.887	0.317	125101	0.862	0.344	< .001
Severe health condition (%)	23769	0.41	0.374	125101	0.392	0.368	< .001
Family size	23769	3.802	2.376	125101	3.875	2.355	< .001
Income work	23769	91.311	116.926	125101	91.001	118.582	0.7077
Income remittance	23769	5.865	41.209	125101	6.968	47.713	< .001
Income donations	23769	1.259	13.523	125101	0.845	10.401	< .001
Below abs. poverty line	17779	0.511	0.5	102359	0.493	0.5	< .001
Food on credit	23769	0.428	0.495	125101	0.527	0.499	< .001
Child labour	23769	0.027	0.163	125101	0.017	0.13	< .001

Source: authors' calculations.

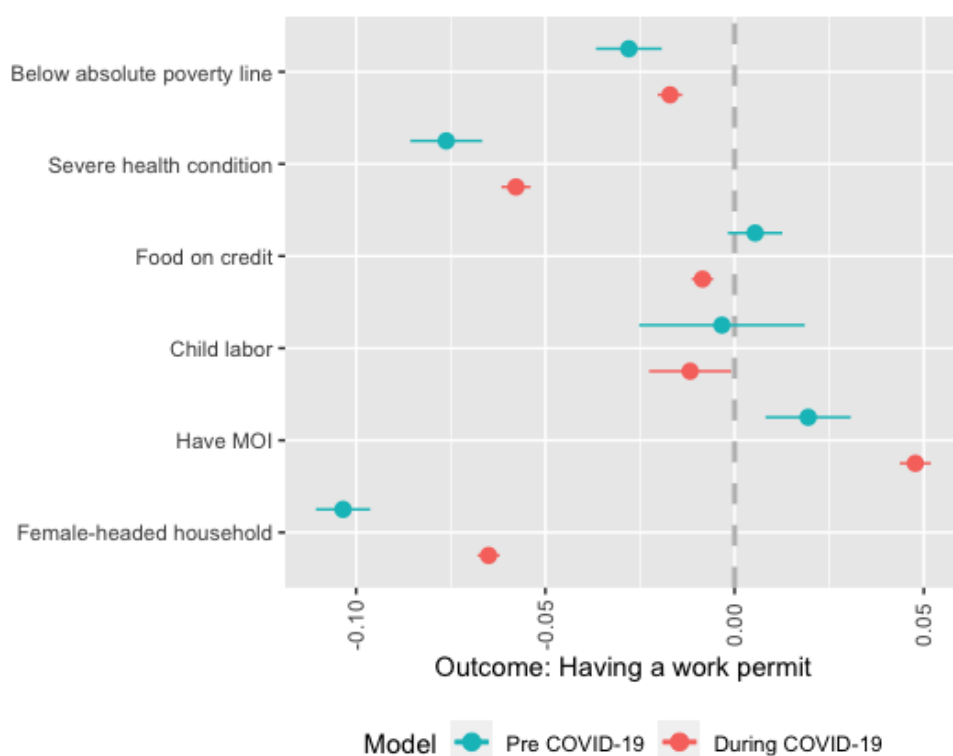
If we compare mean outcomes from prior to the COVID-19 pandemic with the time during the pandemic, the share of households with a work permit was lower during the pandemic, but only slightly (6.7% versus 8.2%). Poverty levels were relatively similar, with 51% falling below the poverty line before the pandemic's onset. Notably, the share of households that had to rely on credit for food was about ten percentage points lower before the pandemic (43%), reflecting some of the additional challenges created by the pandemic. Child labour incidence was slightly higher before the pandemic (3%), which may reflect higher informal labour demand before the pandemic's onset.

⁴ This implies that some households simply saw no gains from selecting to have a work permit. For example, any household not working in one of the supported sectors would probably not benefit from holding a permit. Beyond a fairly high cap of 200,000 permits (which was not reached until after the final round of the data we analyse was collected), sector was the only main restriction placed on work permits. From this we can broadly deduce that all households that wanted a work permit had access to them in our data set. The low uptake therefore appears to be a demand-side phenomenon.

Employment share and income through work remained relatively stable (17.6% during versus 17.3% before the pandemic), already indicating that work permits may have maintained a stabilizing effect on refugee employment and income during the pandemic. Average earned income during the pandemic was not statistically different from before the pandemic (about JOD91), while income from remittances slightly increased (JOD7 versus JOD6), and the (small) income from donations slightly decreased (JOD1.2 versus JOD0.8).

Not all refugees were equally likely to obtain a work permit, as had been the case before the pandemic (Peitz et al. 2023), thus warranting matching to statistically correct for systematic differences in background between work permit holders and non-holders. Overall, the predictive power of most analysed characteristics was broadly similar before and during the pandemic (Figure 2). The patterns for two predictive factors are worth noting. While female-headed households were much less likely than male-headed households to hold a work permit before the pandemic, this was still the case during the pandemic but to a weaker degree. In other words, the gender gap regarding holding a work permit became slightly smaller. At the same time, having an MOI card was even more strongly associated with having a work permit than before the pandemic.

Figure 2: Household characteristics and having a work permit



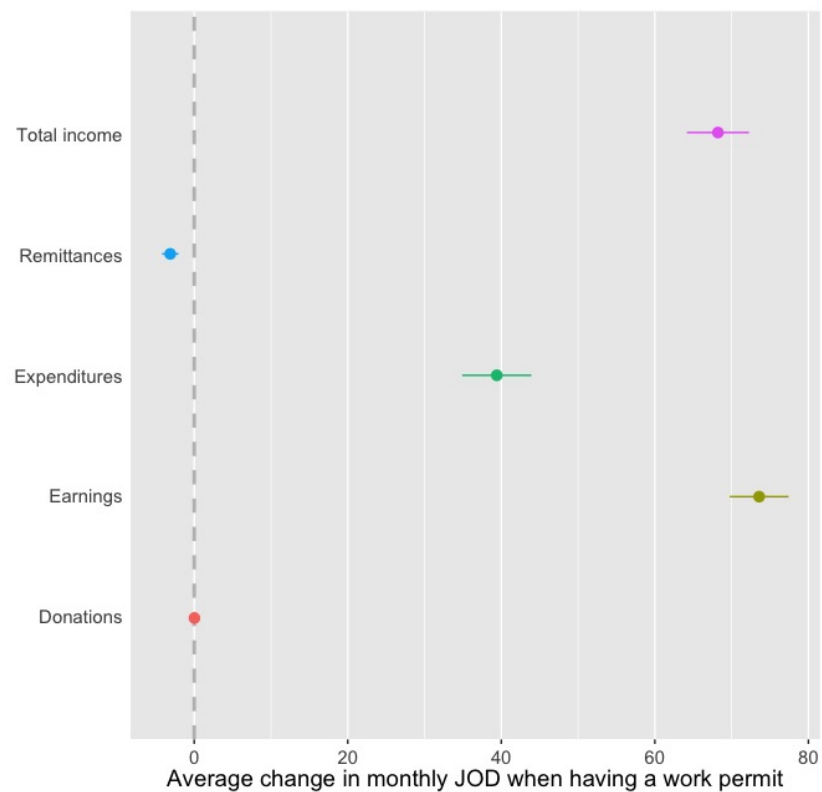
Source: authors' illustration.

4.2 Economic impacts of work permits during the pandemic

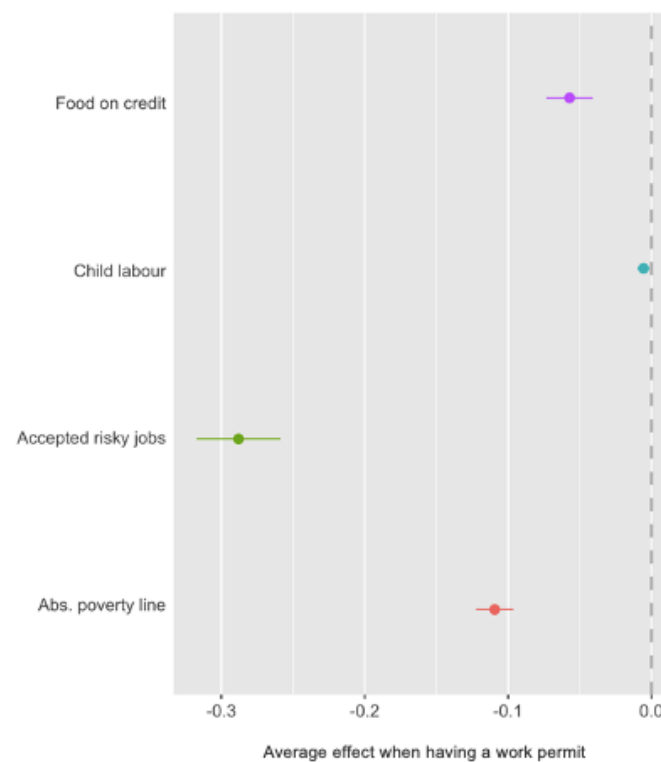
Having a work permit during the pandemic had strongly positive impacts on refugees' economic well-being. First, it substantially improved refugees' financial situation, increasing total income, earnings, and expenditures, while reducing remittance income (Figure 3a). Moreover, work permits reduced poverty and the needs to rely on buying food on credit and to take risky jobs, and households with work permits were less likely to resort to child labour (Figure 3b). The benefits of work permits for food security are particularly noteworthy, as food insecurity significantly increased with the onset of the pandemic (Table 1).

Figure 3: Impact of work permits during COVID-19

(a) Financial effects



(b) Effects on poverty and harmful coping indicators



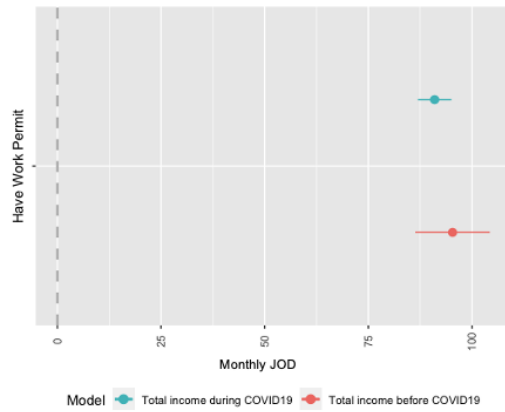
Note: control variables included are year, duration of stay, female-headed household, household size, household size squared, share of employed household members, having an MOI card, and Jordanian governorate.

Source: authors' illustration.

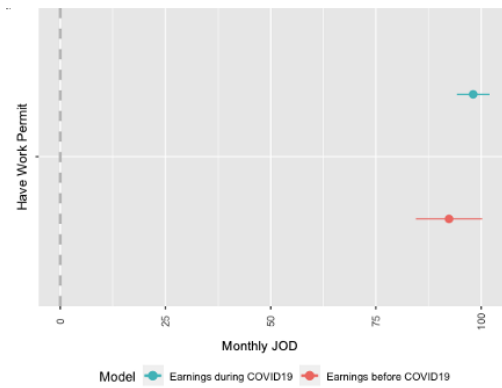
4.3 Comparisons before and during the pandemic

Figure 4: Coefficients comparison: financial stability

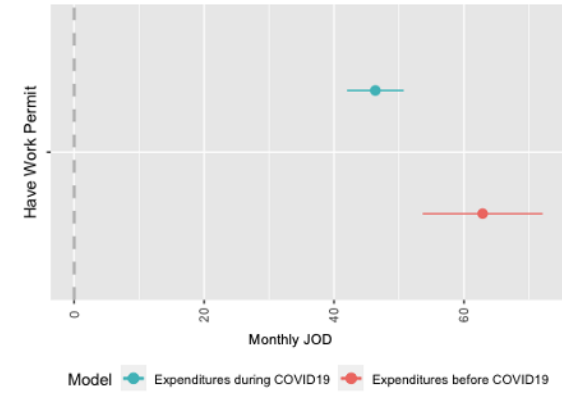
(a) Total income



(b) Earnings



(c) Expenditures

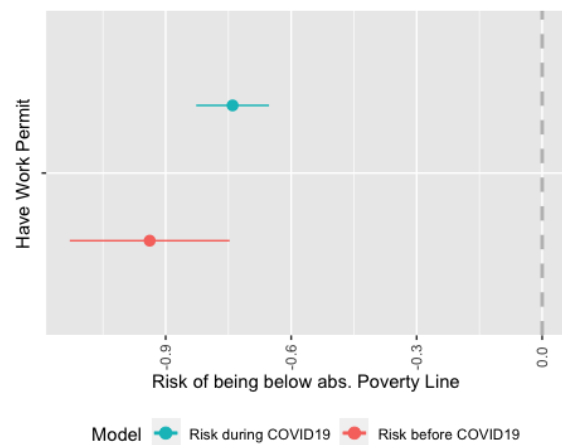


Note: control variables included are year, duration of stay, female-headed household, household size, household size squared, share of employed household members, having an MOI card, and Jordanian governorate.

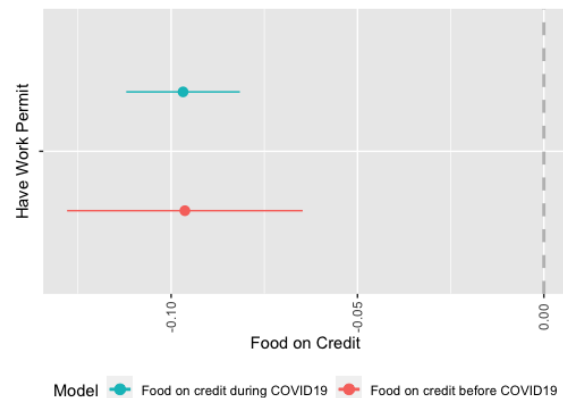
Source: authors' illustration.

Figure 5: Coefficients comparison: poverty indicators

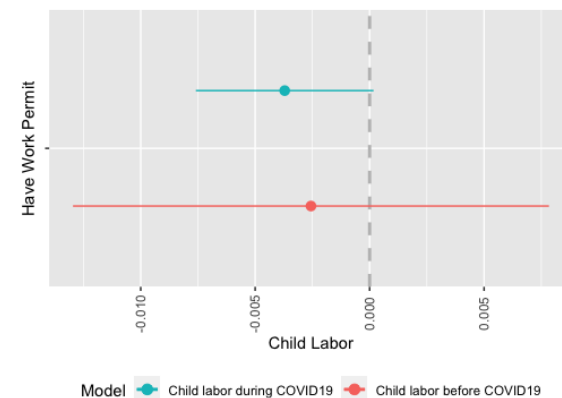
(a) Absolute poverty



(b) Food on credit



(c) Child labour



Note: control variables included are year, duration of stay, female-headed household, household size, household size squared, share of employed household members, having an MOI card, and Jordanian governorate.

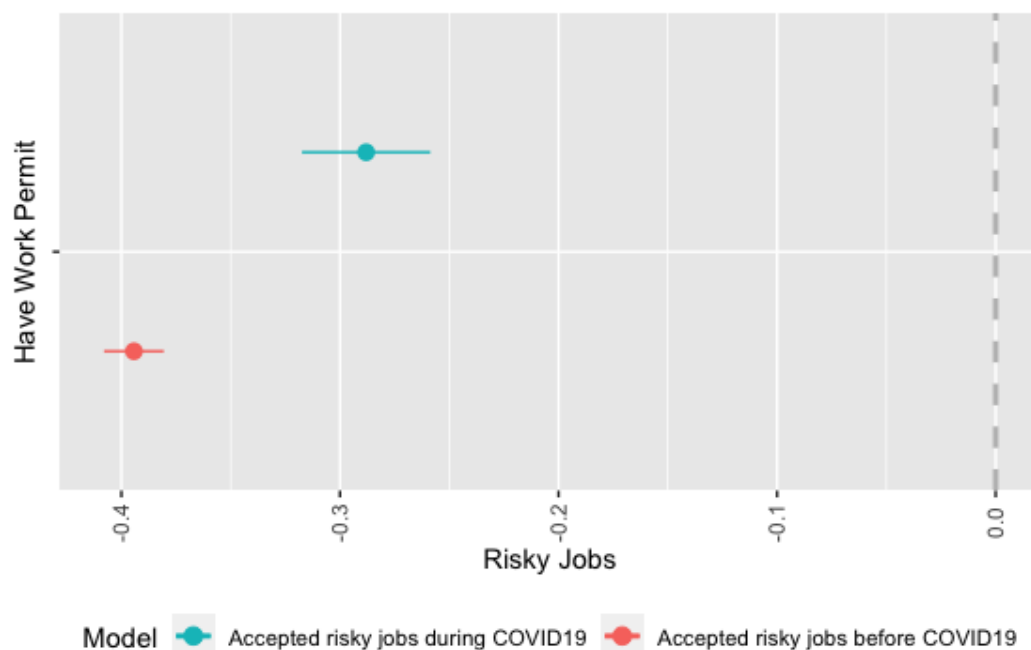
Source: authors' illustration.

The economic impacts of work permits on refugees during the pandemic were similar in strength to before the pandemic. First, before as well as during the pandemic, work permits strongly increased total and earned income (Figure 4a, 4b). The difference in the strength of these effects was very small and not statistically significant. Work permits also strongly increased expenditures both before and during the pandemic, with the effect being significantly stronger during the pandemic (Figure 4c). This difference may suggest that work permits during the pandemic provided similar income benefits to before the pandemic, but households needed to spend more of their disposable income during the pandemic to cope with the additional challenges it entailed.

Moreover, holding a work permit reduced poverty, food insecurity, and harmful coping risks to a similar degree before and during pandemic. In both periods, work permit holders were significantly less likely to fall below the poverty line (Figure 5a), to have to rely on credit for food (Figure 5b), or to resort to child labour (Figure 5c). That work permits effectively reduced the need to rely on food for credit is particularly noteworthy, as these needs strongly increased with the pandemic's onset; work permits were therefore a powerful tool to mitigate these risks associated with that increase.

Holding a work permit substantially reduced the likelihood of accepting risky or degrading jobs before and during the pandemic (Figure 6). The effect was even stronger before the pandemic, but the results demonstrate that even during the pandemic, work permits were a powerful tool for protecting households from having to take 'bad' jobs.

Figure 6: Coefficients comparison: risky jobs



Note: control variables included are year, duration of stay, female-headed household, household size, household size squared, share of employed household members, having an MOI card, and Jordanian governorate.

Source: authors' illustration.

5 Conclusion

Previous research has documented that work permits are a powerful tool for strengthening welfare among refugees. Based on evidence from Jordan, our paper demonstrates that work permits are also effective for supporting refugees when a public health emergency adds to the existing challenges facing them.

In Jordan, the COVID-19 pandemic significantly increased food insecurity among Syrian and Iraqi refugees, where the share of households that had to rely on food on credit increased from 43% before the pandemic to 53% during the pandemic. Granting work permits to refugees in Jordan during the COVID-19 pandemic protected their economic well-being and reduced the need to rely on harmful coping strategies such as risky jobs or child labour. The strength of the impacts of the work permit during the COVID-19 pandemic is comparable to before the pandemic.

Notably, with the end of the Jordan Compact, affordable access to work permits, and consequently to the formal labour market in Jordan, has now ended. In July 2024, the cost of a year-long permit massively increased from the previous JOD10 (about US\$14) to reportedly up to JOD500 (about US\$700), along with significantly higher monthly social insurance contributions (Fawaz et al. 2024). This new approach, which has gained prominence on the international agenda, has been introduced in Jordan as an innovative strategy to expand employment opportunities while maintaining international labour standards, but it appears to strongly deter demand by refugees.

Considering our findings, we posit that this policy change may effectively eliminate an important means of social protection for refugees in Jordan, who continue to grapple with the medium-term impacts of the COVID-19 pandemic and the other serious challenges they face.

References

- Acu, C. (2023a). 'A Crisis Within a Crisis: Working and Living Conditions of Syrian and Palestinian Refugees During the COVID-19 in Jordan'. *Migration Letters*, 20(2): 209–23.
- Acu, C. (2023b). 'A Double Crisis: The Gendered Impacts of COVID-19 on Syrian Refugee Women in Jordan'. *Third World Quarterly*, 44(6): 1101–18. <https://doi.org/10.1080/01436597.2023.2175657>
- Almasri, S. (2021). 'The Political Economy of Nationality-Based Labor Inclusion Strategies: A Case Study of the Jordan Compact'. *Middle East Critique*, 30(2): 185–203. <https://doi.org/10.1080/19436149.2021.1911459>
- Amjad, R., J. Aslan, E. Borgnäs, D. Chandran, E. Clark, A. Ferreira dos Passos, J. Joo, and O. Mohajer (2017). 'Examining Barriers to Workforce Inclusion of Syrian Refugees in Jordan'. Better Work Discussion Paper 25. Geneva: ILO.
- Assaad, R., C. Krafft, M. Sieverding, L. Al-Hajj, R. Cheung, A. Cortes Mendosa, K. Jubara, and S. Wahby (2021). *Youth Transitions to Adulthood in Jordan: High Aspirations, Challenging Realities*. Amman: UNICEF.
- Assaad, R., and C. Salemi (2019). 'The Structure of Employment and Job Creation in Jordan, 2010–2016'. In C. Krafft and R. Assaad (eds), *The Jordanian Labor Market: Between Fragility and Resilience*. Oxford: Oxford University Press. <https://doi.org/10.1093/oso/9780198846079.003.0002>
- Barbelet, V., J. Hagen-Zanker, and D. Mansour-Ille (2018). 'The Jordan Compact: Lessons Learnt and Implications for Future Refugee Compacts'. ODI Policy Briefing. London: ODI.
- Bešić, A., A. Diedrich, and P. Aigner (2021). 'Organising Labour Market Integration Support for Refugees in Austria and Sweden During the Covid-19 Pandemic'. *Comparative Migration Studies*, 9(1): 48. <https://doi.org/10.1186/s40878-021-00264-y>

- Betts, A., L. Bloom, J.D. Kaplan, and N. Omata (2017). *Refugee Economies: Forced Displacement and Development*. Oxford: Oxford University Press. <https://doi.org/10.1093/acprof:oso/9780198795681.001.0001>
- Betts, A., and O. Sterck (2022). 'Why Do States Give Refugees the Right to Work?' *Oxford Review of Economic Policy*, 38(3): 514–30. <https://doi.org/10.1093/oxrep/grac017>
- Betts, A., M.F. Stierna, N. Omata, and O. Sterck (2024). 'The Economic Lives of Refugees'. *World Development*, 182: 106693. <https://doi.org/10.1016/j.worlddev.2024.106693>
- Brück, T., N.T. Ferguson, V. Izzi, and W. Stojetz (2021). 'Can Jobs Programs Build Peace?' *World Bank Research Observer*, 36(2): 234–59. <https://doi.org/10.1093/wbro/lkaa004>
- Clemens, M.A., E.G. Lewis, and H.M. Postel (2018). 'Immigration Restrictions as Active Labor Market Policy: Evidence from the Mexican Bracero Exclusion'. *American Economic Review*, 108(6): 1468–87. <https://doi.org/10.1257/aer.20170765>
- Cooney-O'Donoghue, D., M. Adamovic, and V. Sojo (2022). 'Exploring the Impacts of the COVID-19 Crisis for the Employment Prospects of Refugees and People Seeking Asylum in Australia'. *Australian Journal of Social Issues*, 57: 88–110. <https://doi.org/10.1002/ajs4.177>
- Dempster, H., T. Ginn, J. Graham, M.G. Ble, D. Jayasinghe, and B. Shorey (2020). 'Locked Down and Left Behind: The Impact of COVID-19 on Refugees' Economic Inclusion'. Policy Paper 178. Washington, DC: Center for Global Development, Refugees International, and International Rescue Committee.
- Dhingra, R. (2020). 'Refugees at Risk in Jordan's Response to COVID-19'. Press release, 9 April 2020. Available at: <https://reliefweb.int/report/jordan/refugees-risk-jordan-s-response-covid-19> (accessed 2 December 2024).
- Falkenhain, M., U. Flick, A. Hirseland, S. Najj, K. Seidelsohn, and T. Verlage (2020). 'Setback in Labour Market Integration Due to the Covid-19 Crisis? An Explorative Insight on Forced Migrants' Vulnerability in Germany'. *European Societies*, 23(sup. 1): 448–63. <https://doi.org/10.1080/14616696.2020.1828976>
- Fawaz, A., K. Lenner, I. Sadder, R. Shehada, and L. Turner (2024). 'Sky-High Fees with Few Benefits: What's Wrong with Social Security for Syrians in Jordan'. *New Humanitarian*, 5 September 2024.
- Gordon, J. (2019). 'Refugees and Decent Work: Lessons Learned from Recent Refugee Jobs Compacts'. Employment Working Paper 256. Geneva: ILO.
- Gray Meral, A. (2020). 'Assessing the Jordan Compact One Year On: An Opportunity or a Barrier to Better Achieving Refugees' Right to Work'. *Journal of Refugee Studies*, 33(1): 42–61. <https://doi.org/10.1093/jrs/fez074>
- ILO (2015). 'Access to Work for Syrian Refugees in Jordan: A Discussion Paper on Labour and Refugee Laws and Policies'. Beirut: ILO Regional Office for Arab States.
- ILO (2017). 'Work Permits and Employment of Syrian Refugees in Jordan: Towards Formalising the Work of Syrian Refugees'. Beirut: ILO. Available at: www.ilo.org/sites/default/files/wcmsp5/groups/public/@arabstates/@ro-beirut/documents/publication/wcms_559151.pdf (accessed 2 December 2024).
- ILO and Fafo (2020a). 'Impact of COVID-19 on Syrian Refugees and Host Communities in Jordan and Lebanon: Evidence Brief for Policy'. Geneva: ILO. Available at: www.ilo.org/resource/brief/impact-covid-19-syrian-refugees-and-host-communities-jordan-and-lebanon (accessed 2 December 2024).
- ILO and Fafo (2020b). 'Impact of COVID-19 on Workers in Jordan: A Rapid Assessment'. Geneva: ILO. Available at: www.ilo.org/sites/default/files/wcmsp5/groups/public/@arabstates/@ro-beirut/documents/briefingnote/wcms_743393.pdf (accessed 2 December 2024).
- Istaiteyeh, R. (2020). 'The Economic Impact of Covid-19 on Syrian Refugees in Jordan'. Ottawa: World Refugee & Migration Council.
- Jones, N., S. Baird, B. Abu Hamad et al. (2022). 'Compounding Inequalities: Adolescent Psychosocial Wellbeing and Resilience Among Refugee and Host Communities in Jordan During the COVID-19 Pandemic'. *PLoS One*, 17(2): e0261773. <https://doi.org/10.1371/journal.pone.0261773>

- Lenner, K., and L. Turner (2018). 'Making Refugees Work? The Politics of Integrating Syrian Refugees into the Labor Market in Jordan'. *Middle East Critique*, 28(1): 65–95. <https://doi.org/10.1080/19436149.2018.1462601>
- MacPherson, C., and O. Sterck (2021). 'Empowering Refugees Through Cash and Agriculture: A Regression Discontinuity Design'. *Journal of Development Economics*, 149: 102614. <https://doi.org/10.1016/j.jdeveco.2020.102614>
- NRC and IHRC (2016). 'Securing Status: Syrian Refugees and the Documentation of Legal Status, Identity, and Family Relationships in Jordan'. Oslo: NRC and IHRC. Available at: www.nrc.no/globalassets/pdf/reports/securing-status.pdf (accessed 2 December 2024).
- Peitz, L., G. Baliki, N.T. Ferguson, and T. Brück (2023). 'Do Work Permits Work? The Impacts of Formal Labor Market Integration of Syrian Refugees in Jordan'. *Journal of Refugee Studies*, 36(4): 955–83. <https://doi.org/10.1093/jrs/fead064>
- Rosenbaum, P.R., and D.B. Rubin (1983) 'The Central Role of the Propensity Score in Observational Studies for Causal Effects'. *Biometrika*, 70(1): 41–55. <https://doi.org/10.1093/biomet/70.1.41>
- Rubin, D.B. (2008) 'For Objective Causal Inference, Design Trumps Analysis'. *Annals of Applied Statistics*, 2(3): 808–40. <https://doi.org/10.1214/08-AOAS187>
- Schuetzler, K., and L. Caron (2020). 'Jobs Interventions for Refugees and Internally Displaced Persons'. Jobs Working Paper 47. Washington, DC: World Bank. <https://doi.org/10.1596/33953>
- Stave, S.E., T.A. Kebede, and M. Kattaa (2021). 'Impact of Work Permits on Decent Work for Syrians in Jordan'. Beirut ILO. Available at: www.ilo.org/sites/default/files/wcmsp5/groups/public/@arabstates/@ro-beirut/documents/publication/wcms_820822.pdf (accessed 2 December 2024).
- Stojetz, W., and T. Brück (2023). 'Coping with Compounding Challenges in Conflict Crises: Evidence from North-East Nigeria'. Policy Research Working Paper 10379. Washington, DC: World Bank Group. <https://doi.org/10.1596/1813-9450-10379>
- Stojetz, W., and T. Brück (2024). 'The Double Burden of Female Protracted Displacement: Survey Evidence on Gendered Livelihoods in El Fasher, Darfur'. *Journal of Development Studies*, 60(12): 1879–1906.
- UNHCR (2014). 'Living in the Shadows: Jordan Home Visits Report 2014'. Amman: UNHCR. Available at: www.unhcr.org/media/living-shadows-jordan-home-visits-report-2014 (accessed 2 December 2024).
- UNHCR (2021). 'Refugees in Jordan Face Escalating Challenges as Syria Conflict Marks 10-Year Anniversary'. Available at: www.unhcr.org/jo/14617-refugees-in-jordan-face-escalating-challenges-as-syria-conflict-marks-10-year-anniversary.html (accessed 2 December 2024).
- UN (2016). 'Agenda for Humanity: Annex to the Report of the Secretary-General for the World Humanitarian Summit'. Available at: www.agendaforhumanity.org/ (accessed 2 December 2024).
- UN (2018). 'Global Compact on Refugees'. New York: UN. Available at: www.unhcr.org/media/global-compact-refugees-booklet (accessed 2 December 2024).
- Verme, P., C. Gigliarano, C. Wieser, K. Hedlund, M. Petzoldt, and M. Santacroce (2016). *The Welfare of Syrian Refugees: Evidence from Jordan and Lebanon*. Washington, DC: World Bank. <https://doi.org/10.1596/978-1-4648-0770-1>
- Verme, P., and K. Schuetzler (2021). 'The Impact of Forced Displacement on Host Communities: A Review of the Empirical Literature in Economics'. *Journal of Development Economics*, 150: 102606. <https://doi.org/10.1016/j.jdeveco.2020.102606>
- Wahby, S., and R. Assaad (2024). 'Job Finding and Separation Among Syrian Refugees in Jordan and Their Hosts During the COVID-19 Pandemic'. Policy Research Working Paper 10670. Washington, DC: World Bank Group. <https://doi.org/10.1596/1813-9450-10670>

Zetter, R., and H. Ruaudel (2018). 'Refugees' Right to Work and Access to Labour Markets: Constraints, Challenges and Ways Forward'. *Forced Migration Review*, (58): 4–7.