

Refugees in the Middle East can contribute to the economy: Article in The National, 14 June 2018

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Refugees in the Middle East can contribute to the economy

The displaced need financial aid and jobs to intergrate them into society

The fractured geo-political landscape of the Middle East and North Africa region has witnessed major conflicts and violence over the past decades. During the 1946–2015 period, 12 out of 59 conflict episodes in the MENA region lasted more than eight years, and in about half of these episodes the ensuing peace lasted less than 10 years, according to the 2016 International Monetary Fund paper. It has been a traumatic seven years and counting since the Syrian civil war began: over 5.6 million people have fled Syria since 2011, with a further 6.6 million internally displaced, according to UNHCR numbers. In Yemen, some 8 million people are on the brink of famine, not to mention facing the worst recorded cholera epidemic in history. As we near the end of Ramadan, the month of fasting and undertaking of good deeds (*thawab*), it behooves us to introspect, reflect on and commiserate with the suffering of refugees and the displaced, understand the economic and social implications of ongoing conflicts for the countries in turmoil and their neighbours, and find ways to support their

stabilisation and recovery.

The escalation of conflicts since 2011 has resulted in a heightened incidence of terrorism, in addition to the humanitarian costs, deaths, displacement of populations, destruction of capital and dramatic reduction of gross domestic product. The World Bank estimates that disruptions to economic organisation were about 20 times costlier than capital destruction in the first six years of the Syrian conflict: think of the breakdown of law and order, reduced connectivity, higher transportation costs, and disruptions in supply chains and networks. It will take years, if not decades, for the war-torn nations of Iraq, Syria, Yemen, Libya, Sudan and others to return to their pre-crisis state. Syrian refugees are scattered across the globe, but the majority seek safety in neighbouring countries, namely Turkey (3.6 million), Lebanon (986,000), Jordan (666,000), Iraq (250,000) and Egypt (129,000). In addition to the recorded refugees, there are countless millions internally and externally displaced. Spillovers from the conflicts extend to the neighbouring nations that accept the refugees: decline in output, strain on physical infrastructure, pressure on government budgets, spikes in inflation, higher current account deficits, in addition to increased poverty and social, economic and political tensions from a large influx of refugees and the displaced. Refugees and the displaced put a strain on limited domestic resources, including health, education, water, electricity and transport systems; not to mention their inability to adequately police the refugee camps or integrate the refugees living outside the camps in urban areas. The crisis is unsustainable and needs to be addressed.

What can be done to support the refugees?

First and foremost, humanitarian aid or financial support. For example, the UN has received less than one-third of the funding it needs to support Syria's 5.6 million refugees, let alone the displaced. The support should be directed towards food security, core health needs, and lifting those living way below the extreme poverty line: the annual Vulnerability

Assessment of Syrian Refugees in Lebanon reveals that 58 per cent of households live in extreme poverty – on less than \$2.87 per person per day and that food insecurity affects around 91 per cent of households to some degree.

Two, use modern technologies as an integral component of support to refugees and the displaced. A major issue facing refugees is the loss of ‘identity’ (including loss of identification papers) and community when they are displaced. Refugees can easily spend a third of their meagre disposable income on staying connected – be it for connecting with their family and friends, to contacting people-smugglers.

We should develop and implement an “e-refugee” concept. The United Nations should provide a secure electronic identity to refugees and the displaced using Blockchain technologies. The e-refugee identity would permit the delivery of aid using biometric data (iris scans, fingerprints) to avoid potential fraudsters, grant access to the financial system allowing financial inclusion, allow refugees to earn income by providing digital services (e-commerce, e-services), as well as enable connectivity with family, friends and community. Access to the internet and refugee dedicated networks would also support education through digital classrooms, as well as access to health and medical care online. The e-refugee identity would be particularly helpful for women who face discrimination by enabling them to provide services and gain an independent source of income. The e-refugee identity would also enable greater mobility for refugees who are typically severely restricted in their ability to move.

Three, refugees and the displaced should be formally integrated into local labour forces. This would allow them to earn income, become productive and pay taxes reducing the burden on host countries, local communities as well as aid agencies and organisations. The alternative is that a whole generation is unemployed, cannot build their human capital and will suffer a lifetime of deprivation and poverty. Extremism, violence and Daeshism are likely to resonate to the unemployed, marginalised, disenfranchised youth, particularly

young men. Allowing refugees and the displaced to work would also allow them to build the skills and knowledge they would need to support in the reconstruction of their own countries post-conflict. Jordan provides a good example: in February 2016, the government announced that it would provide 200,000 jobs over five years for Syrian refugees. Jordan's Labour Ministry has issued over 87,000 work permits for Syrian refugees in Jordan since 2016 (as of February 2018).

Four, rebuilding and re-developing the countries destroyed by war and violence (Iraq, Syria, Yemen, Libya, and Sudan) provides an investment opportunity in excess of \$1.3 trillion and rising. The international community and countries of the region should rally together for the reconstruction of the war-torn countries: this would be a growth-lifting, job-creating strategy for the region and internationally. Integrating their rebuilt infrastructure into neighbouring countries would reduce costs, increase efficiency and result in economies of scale. The building blocks for this cooperative effort would be a regional security agreement and the setting up of an Arab Bank for Reconstruction and Development funded and led by the GCC, with participation by the European Union, China, Japan, the US, the Asian Infrastructure Investment Bank and international financial institutions.