Remittance transfers amongst Syrian refugees in Jordan

May 2017

Context, objectives, & methods

Syrian refugees in Jordan

- Nearly **660,000** Syrian refugees registered with UNHCR
- Government of Jordan estimates around **1.2 million** Syrians in Jordan
- Most families living in host communities – **80%** versus **20%** in camps
- **70%** of registered refugees arrived to Jordan in 2012 (26%) and 2013 (44%)
  - Displaced for several years
  - Savings and personal assets diminishing
  - Funding for humanitarian response decreasing
  - Work opportunities increasing, but still limited
- **Remittances as an additional sources of income to support refugee households and meet basic needs?**

Remittances flows to and from Jordan

- $2,876,000,000 outgoing in 2015

1. Egypt - $1,293,000,000
2. Palestinian territories - $1,074,000
3. **Syria - $254,000,000**

- $3,788,000,000 incoming in 2015

1. Saudi Arabia - $1,468,000,000
2. United Arab Emirates - $716,000,000
3. United States - $376,000,000

Source: Pew Research Centre

Assessment background

Objectives

- **Address key information gaps** regarding remittance transfers between Syrian refugees in Jordan and Syrian diaspora globally
- **Support evidence-based decision making** by informing the potential development of a digital money transfer platform by IOM

Roles

- **IOM** commissioned the study and provided technical guidance in research design, analysis, and reporting
- **REACH** led the design and implementation of the assessment, including developing the tools, data collection, analysis, and reporting

Key research questions

Who, what, where

1. **Who** is sending and who is receiving? What is their relationship?
2. **What** do refugee households use remittances for?
3. **Where** are remittances sent and from where are they received?

How

4. **How** do Syrian refugees in Jordan send and receive remittances?
   - Gaps between preferred and used methods?
   - Key advantages and disadvantages to each method?
5. **How** can current transfer methods be improved?
   - Can a digital transfer system improve access and efficiency?

Qualitative research

Benefits

Identifying key **trends** and **patterns** across the community

Gathering **nuanced** and **contextualized** information

Understanding **perceptions** and **attitudes**

Limitations

Indicative findings – **not** representative of the target population

Biases in how certain information is reported

Data collection methodology

Original

- **Focus group discussions (FGDs)** in host communities and in primary refugee camps (Zaatari and Azraq)

- Pilots in July 2016

Challenges

- **Low participation** – one or two participants carrying the discussion

- **Denial of engaging in remittance transfers** – despite previously confirming
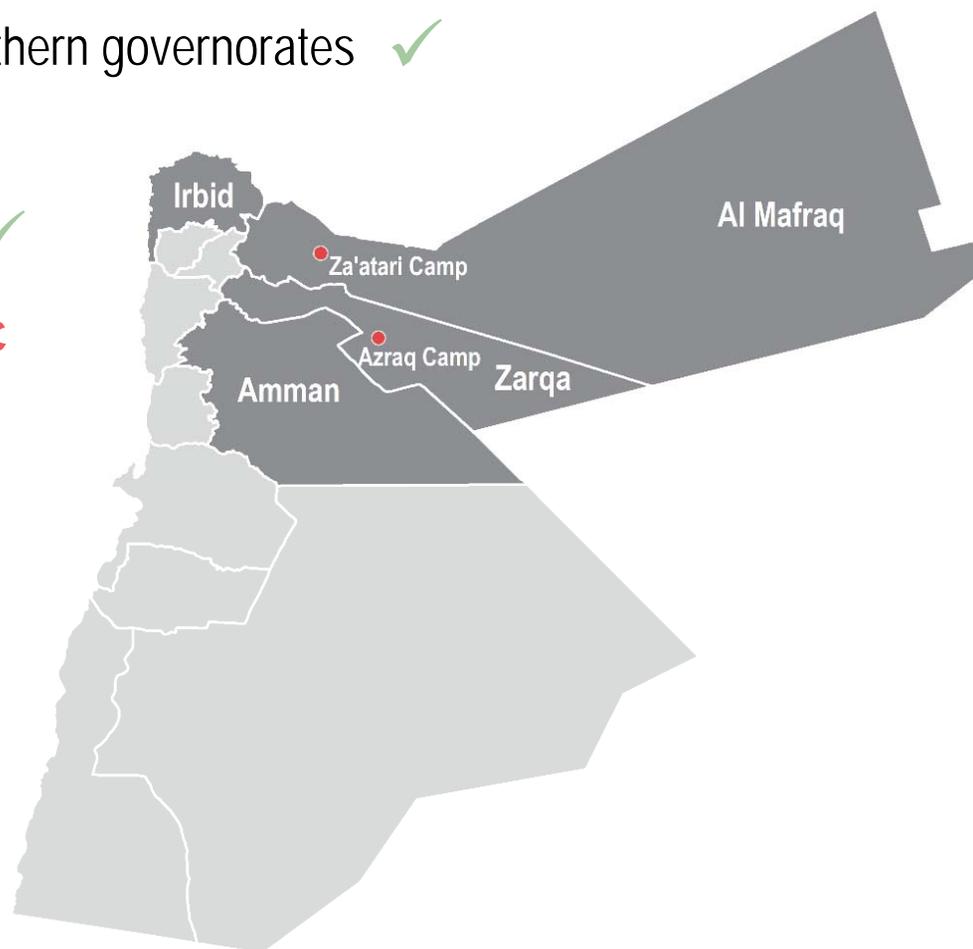
Revised

- **47 key informant interviews (KIIs)** with 59 individuals to alleviate concerns of sharing financial information in a group setting

- Interviews took place in August 2016 and again in October 2016

Data collection areas
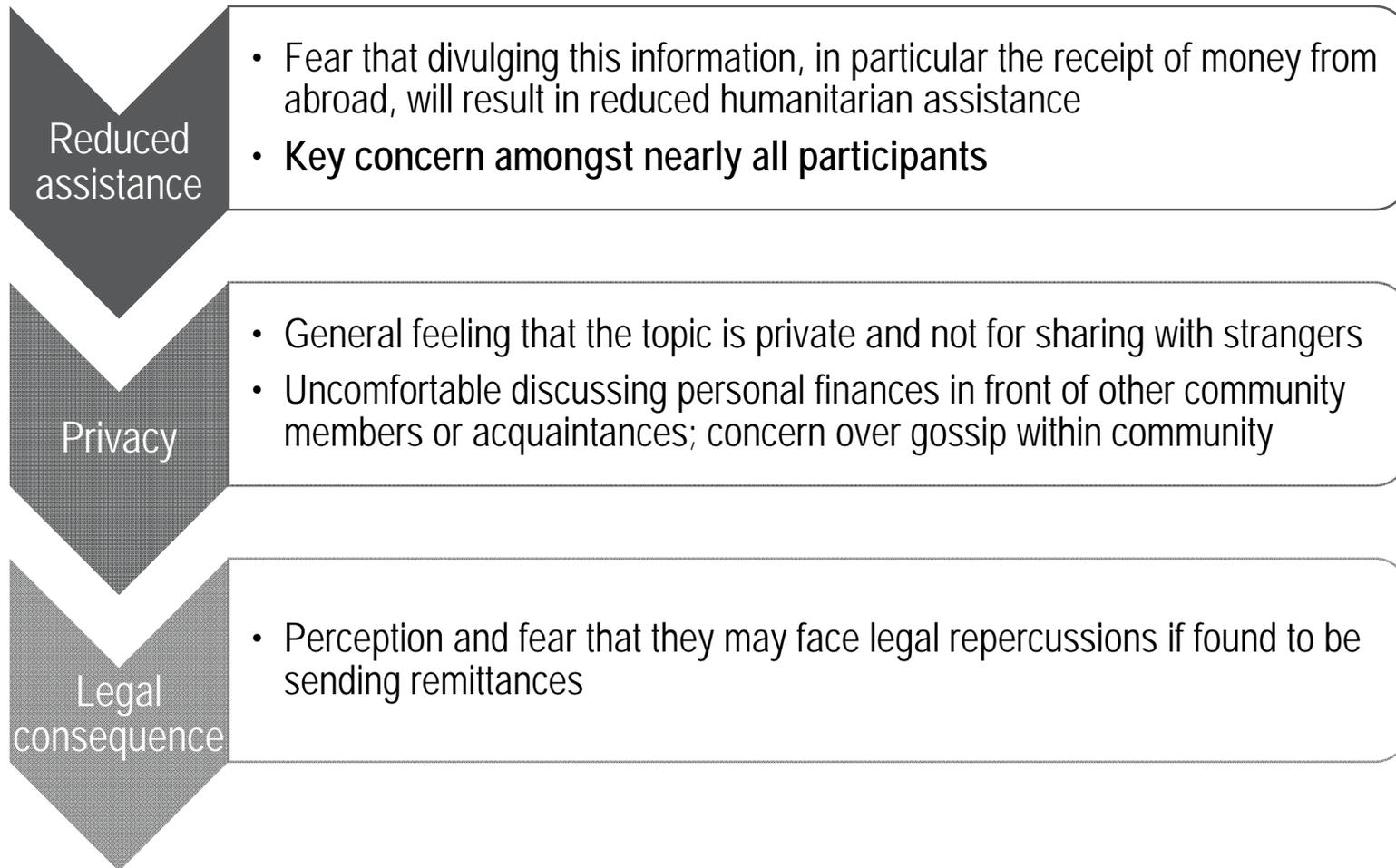
🏢 Host communities in northern governorates ✓

🏕 Formal refugee camps
- Zaatari camp ✓
- Azraq camp ✗

Irbid

Za'atari Camp

Al Mafraq

Azraq Camp

Zarqa

Amman

Key findings

Sensitivity of the topic

Reduced assistance
- Fear that divulging this information, in particular the receipt of money from abroad, will result in reduced humanitarian assistance
- **Key concern amongst nearly all participants**

Privacy
- General feeling that the topic is private and not for sharing with strangers
- Uncomfortable discussing personal finances in front of other community members or acquaintances; concern over gossip within community

Legal consequence
- Perception and fear that they may face legal repercussions if found to be sending remittances

Source and destination countries

- **Gulf region,** specifically Saudi Arabia, Kuwait, Qatar, and UAE, most frequently cited for source of remittances

- **Syria,** specifically the remitters' area of origin, the primary destination for remittances

- Several participants also noted relatives living in **Europe**, especially Germany and Scandinavian countries, and **United States and Canada** as sources of remittances

Senders and recipients

- Nearly all participants in both Zaatari and the host community said they only send money to **close relatives in Syria**
  - Parents
  - Siblings
  - Spouses or in-laws
  - Money often sent to only one source, who then distributes the money received amongst various family members
- Many participants also noted close relatives and a single source **for receiving remittances**
- However recipients in Jordan also noted cases of **donors or patrons** from the Gulf region, sending money on charitable basis to refugees in Jordan
  - Sometimes anonymous
  - Sending to widows or vulnerable families
  - Money sent through formal wire transfers

Communication channels

- Social media (Whatsapp and Facebook primarily)

- When data or internet access is unavailable, phone calls
  - Typically only possible for calling relatives in Syria who are close to the border

- Sending to Syria – less likely to engage in these communications due to fear of monitoring and security concerns

- Keep conversations very brief, typically only to notify that the money has been sent

Prevalence and frequency

- The extent to which the Syrian refugee population in Jordan is both sending and receiving remittances was a **frequently contested topic**

- Estimates regarding how much of the community was either sending or receiving **varied** and were **not conclusive**

- Reporting **bias** likely to play a role – fear of reductions in assistance

- Overall, Zaatari camp respondents tended to provide higher estimates of sending and lower estimates of receiving than respondents living in host communities

- Frequency of sending and receiving also varied and was **situational**

  - Sending for religious **holidays** like Eid al Fitr

  - Relationship remitter, e.g. husband in Gulf sending portion of **monthly salary**

  - In most other cases, **sending whenever possible**

- **Further research** is recommended before any reliable conclusions can be made – quantitative approach may work best for eliciting this information

Use of remittances

- Most frequently reported uses of remittances, ranked – number of mentions in KIIs

Zaatari camp	Host community (Jordan)	Syria
Shelter maintenance	Paying rent	Purchasing food
Supplementing food assistance	Purchasing food	Medical expenses
Household finances (paying debts, saving)	Medical expenses	Paying rent

Transfer methods

- Primary methods of transferring remittances and corresponding access barriers

Method	Use	Barriers
Money service businesses (MSBs)	• For sending and receiving in HC • More so for receiving for Zaatari	• High/inconsistent fees and rates • Access barriers for Zaatari residents
Hawala operators based in Zaatari camp	• Popular option for sending • Reportedly used by some non-camp refugees as well	• Requires travel to Zaatari camp • Jordan-Syria transactions only
Informal couriers	• Typically used when no other options, sending to Syria • Or matter of convenience – e.g. relative visiting Jordan	• Not always trustworthy • Susceptible to robbery • Can take a long time to reach destination, difficult to confirm
Tabadol	• Like *hawala* but through personal networks • No fees or costs associated	• Requires trust and established relationships • Not an accessible option for everyone

Informal exchange systems

- Delivery of the money by hand, e.g. returnee to Syria or paid courier

Syrian refugee in Jordan sends money → **Traveler to Syria transports money** → **Money delivered to relatives in Syria**

- *Hawala* based system of transfer (used by MSBs, Zaatari exchanges)

Sender gives payment to *hawala* operator in Jordan → ***Hawala* operator in Jordan informs correspondent in Syria** → **Correspondent and recipient in Syria exchange money**

Digital money transfer mechanisms

- Many participants see the benefits – faster, easier, no fees – but still reluctant to use digital methods

  - Age divide – aversion to new technology amongst older age groups

  - Perceptions of insecurity – hacking, identity theft

  - Perceived linkage with reduced humanitarian assistance

  - Connectivity challenges – no 3G or wifi in the camps

  - Infrastructural challenges – Banks, telecom in Syria

Conclusion & recommendations

Conclusion

- Protracted conflict and displacement combined with reductions in direct humanitarian assistance signal a need for **improving access to alternative sources of income**

- In Jordan this approach should consider **facilitating greater access to convenient remittance transfer mechanisms**, given prominent Syrian diaspora that will continue to grow

- Digital financial services can help support this endeavor, but will require an **investment in engaging with the community and key stakeholders** to ensure it is well received and utilised

Advocacy-oriented recommendations

Correct misinformation and fear-inducing rumours through public awareness and outreach

Facilitate the engagement and support of key government stakeholders in developing formalised digital channels for refugees to transfer money

Increase awareness amongst relevant humanitarian and livelihoods actors regarding the important role of remittances in the financial decision making of refugee households and in sustaining economic livelihoods

Programmatic recommendations

Circumvent internet connectivity challenges with an SMS-based digital platform

Target youth as early adopters, given their greater likelihood of possessing mobile phones, as well as greater comfort and experience with communications technology

Recommendations for further research

Prevalence of remittance transfers amongst Syrian refugees in Jordan

Jordan as an intermediary for sending remittances

Perspectives of MSB employees, *hawala* operators and humanitarian organizations providing cash-based assistance

Sources of income constituting remittances to Syria