

Labour Market Report Jordan - 2020

This report provides an overview of the labour market's structures, development, and challenges. It is a product of the consortium by the Danish Trade Union Development Agency (DTDA) and the Confederation of Danish Industry (DI) in the framework of the Labour Market and Social Dialogue under the Danish-Arab Partnership Programme (DAPP) 2017-2022 supported by the Danish Ministry of Foreign Affairs.



UDENRIGSMINISTERIET
Ministry of Foreign Affairs of Denmark



ULANDSSEKRETARIATET – DTDA
DANISH TRADE UNION DEVELOPMENT AGENCY

PREFACE

The Danish Trade Union Development Agency (DTDA) and the Confederation of Danish Industry (DI) collaborate in a consortium in the framework of the Labour Market and Social Dialogue under the Danish-Arab Partnership Programme 2017-2022 supported by the Danish Ministry of Foreign Affairs. The Consortium works on joint engagement in Algeria, Egypt, Jordan, Morocco, and Tunisia.

The report is divided into nine thematic sections: economy performance, labour legislation, social partners, social dialogue, violations of trade union rights, working conditions, the workforce's status, education, and social protection.

LMR is furthermore follows several key central indicators within the framework of the Decent Work Agenda and the Sustainable Development Goals concerning central labour market issues.

Main sources of data and information for the LMR are:

- Specific types of data and information were collected through local data collection from DTDA's Sub-regional Office in Tunisia.
- National statistical institutions and international databanks were used as sources for data-collection of general (statistical) core labour data. This includes the ILOSTAT and NATLEX, World Bank Open Data, ITUC Survey of violations of Trade Union Rights, the U.S.

Department of State as well as other labour-related global indexes.

- Academia and media sources (e.g. LabourStart, national news, etc.) are also used in the general research on labour market issues.

Other Labour Market Reports/Profiles for more than 30 countries are available at www.ulandssekretariatet.dk, including from other Northern Africa countries.

The LMR was prepared as a desk study from DTDA's Analytical Unit in Copenhagen with support from the Sub-Regional Office in Tunisia and DI. Should you have any questions about the report, please contact Mr. Kasper Andersen (kan@dtda.dk) from DTDA.

Addresses:

Ulandssekretariatet
Islands Brygge 32D
2300 Copenhagen S
Denmark
Telefon: +45 3373 7440
<https://www.ulandssekretariatet.dk/>

Dansk Industri
Industriens Hus
H. C. Andersens Boulevard 18
1553 København V
Denmark
Telefon: +45 3377 3377
<https://www.danskindustri.dk/>

EXECUTIVE SUMMARY

The Hashemite Kingdom of Jordan is one of the smallest economies in the Middle East. An economic downturn during the 2010s was part of an energy crisis and closing trade routes in Syria and Iraq. Labour productivity is slowly declining and stays far below the Arab States (upper-middle-income) average. Austerity fiscal measures and tax increases have put pressure on workers income purchasing power, and it triggered protests. The country entered a further deep economic recession in 2020 as an impact of the global Coronavirus (COVID-19) pandemic, and the unemployment rate skyrocketed. Although the middle-class among the employed was on an upsurge and projected at 89% in 2020, still the broader poverty rate was on the rise during the 2010s, reaching 16% of the population in 2018.

The Labour Code was reformed in 2019, which included improvements concerning wages, overtime, and maternity leave. It had some setbacks regarding violations of fundamental rights of freedom of association and collective bargaining, which raised worries among the trade union movement and at international levels. Another issue is that the government has not adequately enforced the applicable laws in practice just as around one out of two workers are side-lined in the informal economy that loophole labour and business regulations.

Social dialogue is functioning in tripartite institutions at the national level, but with limited impact in policy and legislative changes. Nevertheless, the Tripartite Committee reached an adjusted minimum wage by approximately 5.7% hike (adjusted by inflation) per January 2021. Migrant workers receive a lower minimum wage that makes many Jordanian job seekers compete by difficult conditions. At the sector level, there are no permanent structures for social dialogue or collective bargaining. In the exporting garment sector, some processes were initiated, which includes migrant workers have initiated the forming of trade union committees in factories to represent the workers of different nationalities in the decision-making process of the unionism. Collective bargaining agreements' coverage stays low outside the garment sector. Dispute resolution is often on an ad-hoc basis.

Generally, employers consider cooperation in labour-employment relations on a high-medium level. The number of trade union members dropped significantly during the last two decades as an impact of privatisation of state-

owned enterprises. Foreign workers can join unions and steps are taken to recognise an independent trade union federation. The number of organised workers is slowly growing again by 12% from 2015 to 2019, and the trade union density of employees reached 7.1% in 2019. Organised workers are contested by a climb in systematic violations of collective labour rights.

During the 2010s, the labour force participation rate was steady and positioned significantly lower than the Arab States average. Jordan's labour market is marred by deep gender gaps that favour men that are echoed by traditional beliefs. No structural changes in employment were registered during the last two decades. One of the main challenges of Jordan's labour market is the high youth labour underutilisation rate that is estimated at 51% - even placing young women at 78%.

Jordan's vast diaspora, mostly academically qualified, has been an essential part of the economy. Since many emigrated Jordanians work in the oil-rich Arab states, many are negatively affected by the drop in international oil prices in recent years, reflected in the reduction in personal remittances. The country hosts more than 1.5 million migrant workers, mostly unskilled. Besides, it is the second-largest host of refugees per capita worldwide and continues to be one of the countries most affected by the Syrian crisis. Around 153,000 Syrian refugees were issued permits to work in Jordan in 2019 but limited to few industries in designated economic zones. The prospect of returning is receiving increased attention.

The education system was affected during stressful times during the 2010s: the enrolment rates on all levels, including vocational training, fell below the regional averages. Although child labour is not pervasive in the country, the number of children labourers has more than doubled during the 2010s.

The social security coverage has been on the rise in Jordan. It reached around 1.3 million in 2019, out of which 67,000 are optional subscribers, and represents about 58% of the employment. Workers from the informal economy are not benefiting from this system. The mounting influx of Syrian refugees added pressure on the social protection system.

The table below presents key labour market indicators in the framework of the Decent Work Agenda (DWA) that are related to central unionism issues.

In the next page, Page iv, the second table presents an overview of the current value and targets of the Sustainable Development Goals indicators' in relation to the labour market issues.

Status of key labour market indicators in the framework of the Decent Work Agenda (DWA) in Jordan

Creating decent jobs	
Policy reforms addressing creation of decent employment	Yes. A programme supports decent work and strengthen national capacity to mainstream decent work in social and economic policies.
ILO standard setting on improvement of status of workers from the informal economy	Yes. Jordan has endorsed a national framework for regulating the informal economy. Desk-study research suggest that tri-partite National Informal Economy Forum or other national forums addressing status of informal economy workers are not effective enough.
Guaranteeing rights at work	
Growth in trade union members (%) from 2015 to 2019 (GFJTU)	12%
Violations of trade union rights (2020)	Ranking 4 out of 5 (5+ is the worst); it is characterised by 'systematic violations of rights'. *
Labour legislation is improved according to ILO standards	Yes. The Labour Code 'Amended Law' from 2019 include improvements in wages, overtime, paternity leave, annual leave, childcare, retirement, and disputes. Amending the Social Security Law was launched in October 2019: i) contributions for registered entities less than 25 workers, and ii) if workers that are under the age of 28, social security contributions for old age are not required to be made for up to five years.
Trade unions organisations with minimum 30% women representation in decision-making bodies	On average, 15% of representation in trade unions management boards are women. Ten out of 17 general trade unions have zero women representation and in three unions women are the majority namely: General Union of Private Education Employees (57%), General Union of Public Services and Freelance Jobs (64%), and General Trade Union of Clothing, Textile and Garment (78%).
Extending social protection	
Health social protection coverage as % of total population in partner countries	66%.
Workers from the informal economy have access to national social security schemes	Yes. The self-employed and own-account workers are covered in their general social security scheme regulations. Migrant workers have access to social security if they are registered and have contracts. In March 2019, 6,120 migrant workers were registered in the social security. Casual workers (who have work on daily basis) are not covered by social security due to no contracts. Their only possibility is to subscribe in the social security by their own as individuals. In this case they have the right to opt for insurance on aging, disability and death but not professional diseases and work accidents.
Promoting social dialogue	
Trade union density of total employment (%)	6.4%.
Cooperation in labour-employer relations	Ranking 40 out of 141 (1 is best). **
Number of Collective Bargaining Agreements (CBAs)	53 CBAs were registered in 2019.
Workers' coverage of Collective Bargaining Agreements to employees	231,135 workers in 2019 with a coverage of 12% of employees.
Bi-/tri- partite agreements concluded	Yes. Tri-partite social dialogue agreed in February 2020 to raise the minimum wage of 220 JOD to 260 JOD. The pay gap between Jordanian and foreign workers will be narrowed by 50% after the first year and 50% after the second to maintain the competitiveness of Jordanian workers. The decision excluded domestic foreign workers and workers in the loading/unloading sector, in addition to Jordanian and non-Jordanian workers in garments and textiles industries.
* This ranking concerns the government and/or companies are engaged in serious efforts to crush the collective voice of workers putting fundamental rights under threat. There are deficiencies in laws and certain practices which make frequent violations possible (Global Rights Index).	
** This indicator is based on survey data based from represents employers' opinion from surveys (Global Competitiveness Index)	
Sources: ILO, ITUC, World Economic Forum, and DTDA research and own calculations.	

Status of key Sustainable Development Goals in labour market related issues in Jordan

Indicators	Value	Year	SDG Targets
1.1.1: Working poverty rate (percentage of employed living below US\$1.9 PPP)	0.1 %	2020	By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day
1.3.1: The population effectively covered by a social protection system, including social protection floors.	73 %*	2010	Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable
5.5.2: Women share of employment in managerial positions	2.5%**	2013	Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life
8.1.1: Annual growth rate of real GDP per capita	0.1 %	2018	Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries
8.2.1: Annual growth rate of real GDP per employed person	0.5 %	2020	Achieve higher levels of economic productivity through diversification, technological upgrading and innovation through a focus on high-value added and labour-intensive sectors
8.3.1: Proportion of informal employment in non-agriculture employment	46 % ***	2017	Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of micro-, small- and medium-sized enterprises, through access to financial services
8.3.1: Women	-	-	
8.3.1: Men	-	-	
8.5.1: Average hourly earnings of women and men employees	-	-	By 2030, achieve full and productive employment and decent work for all women and men, including young people and persons with disabilities, and equal pay for work of equal value
8.5.2: Unemployment rate (Total, 15+)	15 %	2016	
8.5.2: Women, 15+	24 %	2016	
8.5.2: Women, 15-24 years	-	-	
8.5.2: Men, 15+	13 %	2016	
8.5.2: Men, 15-24 years	-	-	
8.6.1: Proportion of youth (15-24 years) not in education, employment or training)	33 %	2020	By 2020, substantially reduce the proportion of youth not in employment, education or training
8.7.1: Proportion and number of children aged 5-17 years engaged in child labour (Total)	1.7 %	2012	Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025, end child labour in all its forms
8.7.1: Girls	1.0 %	2012	
8.7.1: Boys	2.3 %	2012	
8.8.1: Fatal occupational injuries per 100,000 workers	13	2006	Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment
8.8.1: Non-fatal occupational injuries per 100,000 workers	2,313	2006	
8.8.2: Level of national compliance with labour rights (freedom of association and collective bargaining)	-	-	
9.2.2: Manufacturing employment as a proportion of total employment	14 %	2004	Promote inclusive and sustainable industrialisation and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries
10.4.1: Labour income share as a percent of GDP	37 %	2017	Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality

* Coverage of social protection and labour programmes (World Development Indicators), ** Women in top management (Enterprise Surveys), *** Proportion of total employment in informal economy (Al-Quids Center For Political Studies). Source: ILO, Key Indicators of the Labour Market (KILM), World Bank, Enterprise Surveys, Al-Quids Center For Political Studies and World Bank, World Development Indicators

COUNTRY MAP



Source: [BBC, Jordan Country Profile](#)

TABLE OF CONTENTS

PREFACE	I
EXECUTIVE SUMMARY	II
Status of key labour market indicators in the framework of the Decent Work Agenda (DWA) in Jordan	iii
Status of key Sustainable Development Goals in labour market related issues in Jordan.....	iv
COUNTRY MAP	V
ECONOMIC PERFORMANCE	1
Free Trade Zones and Development Zones.....	2
NATIONAL LABOUR LEGISLATION	3
Observations on labour legislation	5
Ratified ILO Conventions	5
Trade Agreements.....	5
SOCIAL PARTNERS	6
Government	6
Trade unions.....	7
Employers' Organisations	8
SOCIAL DIALOGUE	9
Central tripartite structures	11
TRADE UNION RIGHTS VIOLATIONS	13
WORKING CONDITIONS	14
WORKFORCE	15
Unemployment and Underemployment	17
Sectoral Employment	18
Migration.....	19
Informal Economy	21
Child Labour	22
Gender	22
Youth.....	23
EDUCATION	24
Vocational training.....	26
SOCIAL PROTECTION	27
APPENDIX: ADDITIONAL DATA	32
Table 22: Evolution of Trade Unions in Jordan	32
Table 23: Count of Collective Bargaining Agreements in Jordan, 2017	33
Table 24: Employer syndicates in Jordan.....	34
Table 25: List of approved labour related legislations in Jordan, 2014-2018 (February)	35
Table 26: Central changes in the Labour Law (Amended Law) in Jordan from 2019.....	37
Table 27: Ratified ILO Conventions in Jordan.....	38
Table 28: Ease of Doing Business in Jordan, 2020	39
REFERENCES	40

TABLES

Table 1: Economic Facts in Jordan, 2019.....	1
Table 2: Estimation and projection of employment by economic class in Jordan, PPP, %, 2000-2020.....	2
Table 3: Facts of communication and transport in Jordan.....	3
Table 4: Status of recognised trade unions in Jordan, 2019.....	7
Table 5: Trade union density trend in Jordan, 2001-2019.....	7
Table 6: Employers' view of the labour market efficiency in Jordan, 2019.....	9
Table 7: Collective Bargaining Agreements trend in Jordan, 2016-2019.....	10
Table 8: Global Rights Index, Jordan ranking, 2016-2020.....	13
Table 9: Status of ILO Freedom of Association cases, Jordan, 2020.....	13
Table 10: Status of Wages and Earnings in Jordan.....	14
Table 11: Working Conditions in Jordan.....	15
Table 12: Employment-to-population ratio, Age and Sexes distribution, Jordan and Arab States, age and sex distribution, 2020.....	16
Table 13: Unemployment and youth unemployment in Jordan and Arab States, 2019.....	17
Table 14: Employment sector share in Jordan, 2020.....	18
Table 15: Migration Facts in Jordan and the Arab States.....	19
Table 16: Status of the economic and employment in the informal economy in Jordan.....	21
Table 17: Status of working children proportion of all children in age group, 2016.....	22
Table 18: Workforce key indicators gender gaps estimations in Jordan, 2020.....	22
Table 19: Status on secondary vocational training in Jordan and the Arab States, 2014-2017.....	26
Table 20: Social protection coverage in Jordan, % of population, 2010.....	27
Table 21: Expenditure of benefit schemes, % of GDP, latest year available.....	28
Table 22: Evolution of Trade Unions in Jordan.....	32
Table 23: Count of Collective Bargaining Agreements in Jordan, 2017.....	33
Table 24: Employer syndicates in Jordan.....	34
Table 25: List of approved labour related legislations in Jordan, 2014-2018 (February).....	35
Table 26: Central changes in the Labour Law (Amended Law) in Jordan from 2019.....	37
Table 27: Ratified ILO Conventions in Jordan.....	38
Table 28: Ease of Doing Business in Jordan, 2020.....	39

FIGURES

Figure 1: Gross Domestic Product, inflation, and current account balance trends in Jordan, 2010-2021.....	1
Figure 2: Distribution of labour protests, 2010-2018.....	12
Figure 3: Monthly minimum wage (nominal and real) in Jordan, Dinar (JOD) and US\$, 1999-2021.....	14
Figure 4: Population pyramid based on Age-Sex structure of the population in Jordan.....	15
Figure 5: Estimations and projections of labour force participation rate, Total and Youth, Jordan and Arab States, %, 2000-2020.....	16
Figure 6: Estimations and projections of the status of employment in Jordan, 2000-2020, %.....	16
Figure 7: Estimations and projections of the labour productivity, 2000-2020.....	17
Figure 8: Unemployment trends in Jordan and Arab States (upper-middle income), %, 2000-2019.....	17
Figure 9: Estimations and projections of employment by aggregate sector in Jordan, %, 2000-2020.....	18
Figure 10: Share of value added by aggregate sector in Jordan and Arab States, % of GDP, 2007-2018.....	19
Figure 11: Net migration rate trend in persons in Jordan, 1998-2017.....	19
Figure 12: Women in management and ownership, 2013.....	23
Figure 13: Share of youth not in employment, education or training (NEET) in Jordan, 2010-2020.....	24
Figure 14: Enrolment in Primary, Secondary and Tertiary schools, Male and Female, Jordan and Middle East and North Africa (MENA), %, 2005-2018.....	25
Figure 15: Ratio of pupils in vocational training to all pupils in secondary education (%) and total enrolment in vocational training, Jordan and Arab States, 2005-2017.....	26
Figure 16: Out-of-pocket health expenditure (% of private expenditure on health), %, 2008-2016.....	28

ECONOMIC PERFORMANCE

Jordan is categorized as upper-middle income country and one of the smallest economies in the Middle East with few natural resources. The export sector is central to the economy, and it has been on a declining trend during the 2010s. It is a result of political turmoil in the region that led to the closing of the borders with Iraq and Syria, disrupting trade routes that affected the export-oriented sectors as well as construction and tourism. Turmoil also pushed an influx of refugees, mounting health and education costs. The weak economic development is echoed in the relatively high unemployment rate, especially for women and youth (see Unemployment and Underemployment sub-section). The economy struggles with current account deficits and government debt.

The country has pursued structural economic reforms of privatisation and liberalisation over the last ten years. The reforms include subsidies, creating the conditions for public-private partnerships in infrastructure.¹ It has been supported by foreign assistance, mostly from the Gulf States and the International Monetary Fund (IMF). It is worthwhile to mention that the costly crisis between Saudi Arabia and the Houthi in Yemen has minimised aid from Saudi Arabia to Jordan.

In recent years, economic austerity measures to tackle macroeconomic instability succeeded to reduce the current account deficit, but the reforms were unpopular. Jordanian trade unions and businesses even joined forces to fight an income tax rise reform of between 50-100% in 2018. Inflation in essential food staples, such as bread, increased and stymied the incomes purchasing power. It sparked massive protests. In 2019, the government further launched measures that included to stimulating the economy and investments, management and financial reform, improving citizens' livelihoods, and improving services comprehensively.

The Gross Domestic Product (GDP) per capita growth has since 2010 plummeted below 0% on average (see Table 1 and Figure 1). This indicator's value remains far below the MENA-region average at 1.2%. Measured in terms of the GDP per capita, Jordan is ranking as 123 out of 228 countries (1st is best). During 2020, the global Coronavirus pandemic introduced further economic downturn in Jordan. The government imposed an open-ended nationwide curfew in March 2020 and called on citizens to stay home and avoid leaving unless necessary. It included suspending

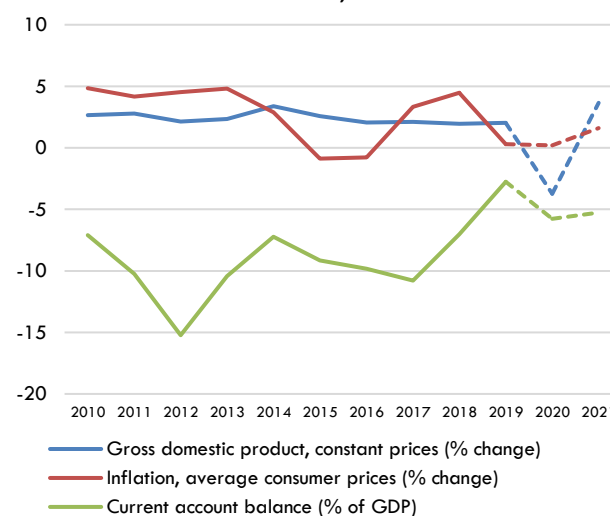
all public and private enterprises. The IMF predicted the country entering a deep economic recession with negative GDP growth at -3.7% in 2020 (see more in Figure 1).

Table 1: Economic Facts in Jordan, 2019

GDP volume	US\$43.7 billion
GDP per capita (current US\$)	US\$ 4,330
GDP per capita growth (2010-2019, average)	-1.4 %
Tax revenue (% of GDP, 2018)	15 %
Central government debt (% of GDP) (2015)	75 %

Sources: World Bank, World Development Indicators

Figure 1: Gross Domestic Product, inflation, and current account balance trends in Jordan, 2010-2021



Sources: IMF, World Economic Outlook Database

Concerning income inequality, Jordan is on a high-medium level, ranking as 112 out of 159 countries (1 is most unequal).² Poverty is rare today among the Jordan employment, and a middle-class has been on the rise during the last two decades estimated at 89% of employment in 2020 (Table 2). However, these positive trends are shadowed by the fact that two out of five (41%) of the workforce are economically inactive and excluded from the employment estimations. Other data based on a broader poverty rate revealed that it increased from 14% in 2010 to 16% in 2018. It has been an impact of the economic downturn. By the same token, the ranking in the global human development index – a long and healthy life, being knowledgeable and have a decent standard of living – dropped by six steps down from 2013 to 2018 and reached 102 out of 189 countries (1 is best).³

Table 2: Estimation and projection of employment by economic class in Jordan, PPP, %, 2000-2020

Year	Extremely poor (<US\$1.9)	Moderately poor (>=US\$1.9 & <US\$3.2)	Near poor (>=US\$3.2 & <US\$5.5)	Middle class (>=US\$5.5)
2000	1.2 %	8.7 %	25 %	65 %
2010	0.1 %	1.4 %	11 %	88 %
2020	0.1 %	0.1 %	9.6 %	89 %

Note: Data in this table exclude the economically inactive population that cover around 41% of the population (age 15+).

Sources: ILO, Key Indicators of the Labour Market (KILM)

Gross fixed capital formation flow signals how much of the new value-added in the economy is invested rather than consumed. When the indicator's value increases, it points towards that economic activities are in progress, which potentially could support the economic development and job creation. Data show that the gross fixed capital formation in Jordan has increased from 21% in 2000 up to 27% in 2007-2010 to decrease to 18% in 2018.⁴ It suggests that the investments in the economy have lost its tempo during the 2010s to invest in its future development.

Foreign Direct Investment (FDI) measures the net inflows of investment to acquire a lasting management interest in an enterprise, operating in an economy rather than of the investor. In Jordan, FDI increased fast during the 2000s, reaching 11% of GDP on average that was mirrored in the fast-growing free trade zones. New trade agreements (see ahead) and the abovementioned factors that negatively affected the economy's development are reflected in the lower FDI at 4.8% of GDP on average in the period from 2010 to 2018; just in 2018, it was down to 2.2% of GDP, which was the lowest rate during the last two decades.⁵ However, it stayed far above the Arab States' FDI at 1.6% of GDP on average from 2010 to 2018. In contrast, the personal remittance in Jordan reached 13% of GDP on average from 2010 to 2018 that is more than double as high than the FDI inflow (see more in Migration sub-section). These remittances have supported consumer spending rather than more productive investments and give a signal that Jordan is over-dependence on external capital flows.

The Doing Business index – an indication of the business environment and regulatory burden for starting and operating of a local firm – is ranking Jordan 75 out of 190 countries in 2020 (see Appendix Table 28). Out of ten indicators, the country's highest-ranking was on Getting Credit (4) followed by Paying Taxes (62). The country scores lowest on Dealing with Construction Permits (138),

Starting a business (120) and Resolving Insolvency (112). Compared to 2018, Jordan ranks 29 positions better in 2020. It is worthwhile to mention that this index provides a snapshot of the cost of complying with formal regulations for companies that are not small enough to loophole the law or large enough to curve it, according to media.⁶

Free Trade Zones and Development Zones

Jordan's free zone areas are established to promote export-oriented industries and transit trade as well as considered as a national economic priority.⁷ The Jordanian authorities distinguish between two types of special economic zones: free trade zones (FTZs) and development zones.⁸ While the FTZs are large estates offering industrial, commercial and storage facilities, the development zones are industrial estates located inside main cities.

In 1973, the first free zone law was promulgated, and the first free zones were in the Aqaba zone. The Development Zones Law No. 2 from 2008 created six development zones. Free zones have become well established both in terms of institutions and infrastructure. The country has been considered one of the most dynamic countries in the Middle East concerning these free trade zones. Officially, 40 zones are registered. Of these, 16 are FTZs and 24 are developing zones, also known as single-enterprise zones.⁹

The free trade zones are in Zarqa, Sahab, Karak, Karama, and Queen Alia Airport. They are run by the autonomous government agency Free Zone Corporation (FZC). Also, the semi-governmental Jordan Industrial Estates Corporation (JIEC) currently owns six public industrial estates in Irbid, Karak, Aqaba, Amman, Ma'an and Muwaqar. There are several privately-run industrial parks, including al-Mushatta, al-Tajamouat, al-Dulayl, Cyber City, al-Qastal, Jordan Gateway, and al-Hallabat.

Foreign and local companies in the free zones enjoy tax exemption from income and social affairs for 12 years, which include non-Jordanian employees. All import and export commodities going through the zones are exempted from customs, imports and all other taxes and fees. Constructions erected in the zones are exempted from licence fees, and the land is exempted from property taxes.

The fast development of the export zones started to benefit from the Qualifying Industrial Zones (QIZs)

programme that was launched in 1996 with the United States. It allowed certain manufactured products entry into the United States without payment of duty or excise taxes. Jordan was one of the frontrunners on this programme. The QIZs programme expanded the RMG industry that boosted job creation and exports. Tariff benefits were gradually eliminated as the Free Trade Agreement (FTA) was fully implemented in January 2010 (see more in [Trade Agreements](#) sub-section). By 2012, only one QIZ was still exporting to the U.S. under the original agreement, with all others exporting under JUSFTA, which does not require any inputs from neighbouring countries but still offers zero tariffs.¹⁰

The QIZ programme provided jobs for close to 40,000 workers in 2009. The export flow from free trade zones was affected by the disruption of regional trade routes in the 2010s. The influx of non-Jordanian workers expanded rapidly during the 2000s, representing 75% of QIZ workers in 2009. Many companies argued that they often preferred noncitizen employees compared to domestics, since they were often better trained and more qualified for the needed tasks.¹¹ In reality, the migrant workers are not fully protected by national labour laws and lack access to social protection, which makes them highly vulnerable. As an example, noncitizen workers often received lower wages than citizens. Slightly more than one out of two (55%) of the total employed were women in QIZs. There was an upsurge of Jordanian employed women in these zones that are also surpassing their men counterparts, i.e. 62% were women of the total local QIZs employment. Thus, the QIZs paved the way for Jordanians women to enter the labour market.

In the textile factories of the free zones, workers from South Asia and Southeast Asia make up much of the employment; around 50,000 migrant labourers from Bangladesh, Sri Lanka, and Nepal in 2018. Migrant workers usually work longer hours for less pay compared with Jordanian workers. Generally, the QIZ workers often have been placed in harsh working conditions. A wide range of violations of workers' rights was recorded within the QIZ, and the country was placed on the U.S. State Department's List of Goods Produced by Child Labour or Forced Labour from 2009 to 2016.

Table 3 below provides an overview of Jordan's ranking on central themes concerning business investment assessments.

Table 3: Facts of communication and transport in Jordan

Theme	Number and ranking
Communications (Mobile cellular)	8.7 million subscribers (83 per 100 inhabitants): ranking 93 out of 218 countries *
Internet users	5.1 million (62% of the population): ranking 76 out of 226 countries. **
Airports	18 (16 are with paved runways): ranking 139 out of 238 countries. ***
Railways	509 km: ranking 113 out of 136 countries.
Roadways	7,203 km (100% paved): ranking 136 out of 215 countries.
Merchant marines ****	32 ports (7 general cargo, 1 oil tanker, and 24 'other'): ranking 129 out of 182 countries.

* Mobile cellular compares the total number of mobile cellular telephone subscribers. ** Internet users compares the number of users within a country that access the internet. *** Airports compares the total number of airports or airfields recognizable from the air. **** Merchant marine compares all ships engaged in the carriage of goods; or all commercial vessels (as opposed to all non-military ships), which excludes tugs, fishing vessels, offshore oil rigs.

Source: The World Factbook: Jordan

NATIONAL LABOUR LEGISLATION

The law framework regulates and set standards for the labour market in Jordan. The International Labour Organization (ILO) registered 183 national labour-related laws for Jordan in March 2020.¹² A wide range of reforms was approved in 2015, but few since then (see more in Appendix Table 25). Apart from the reform of the Labour Code in 2019 (see ahead), one of the leading law reforms was from 2015 and concerning the regulation of the organisation of Private Recruitment Agencies for the Recruitment of Non-Jordanian Domestic Workers. The bill requires employers to purchase insurance from any legally licensed company that will cover the householder (employer) for financial losses resulting from the worker leaving or 'refusing to work'. This bylaw also gave the Ministry of Labour the authority to classify recruitment agencies based on compliance and to close and withdraw the license of poorly ranked agencies. In practice, the ministry has closed several recruitment agencies and others suspended; most had been subjecting of repeated complaints. Other bylaw made it mandatory to hire Jordanians in projects in 2016.

Status of the central national labour-related legislation is summarised below.

Constitution

The Constitution of the Hashemite Kingdom of Jordan prohibits antiunion discrimination, and the law protects workers from employer retaliation due to union affiliation

or activities. The constitution was promulgated in 1952 and has been amended in 1974, 1976, 1984, and 2016. Notably, chapter two establishes several workers' rights, including and equitable working conditions; limited working hours per week; weekly and annual paid rest; exclusive compensation given to workers supporting families and on dismissal, illness, old age and emergencies arising out of the nature of the work; a particular condition for the employment of women and juveniles; equal pay for equal work; free trade unions origination within the limits of the law. Also, it states that free trade unions may be formed within the limits of the law and prohibits antiunion discrimination.¹³

Labour Code

The Labour Code of 1996 was amended several times, latest in May 2019, with a vast number of provisions. It included several improvements in wages, overtime, paternity leave, annual leave, child care, retirement, and disputes (see more details in Appendix Table 26). In addition, the amendments provide benefits for enhancing women's participation in the labour market. Among others, it includes provisions on day-care for employees' children, a better definition of flexible working hours, designated a three-day paternity leave for fathers, and the issue of pay equity.

On the negative side, the legislation has serious setbacks. The bill denies workers their fundamental rights by limiting the right to organise and bargain collectively to only 17 sectors and by prohibiting union pluralism in those sectors. The law prevents migrant workers, which is a significant part of the workforce, from forming unions or holding union office. However, it prohibits public sector workers from exercising the right to bargain collectively. The legislation grants the Ministry of Labour by discretely register a union and to approve its bylaws. This ministry is empowered to dissolve a union without judicial oversight and to appoint interim union leaders. The legislation furthermore imposes criminal penalties for those who operate an 'unauthorised' union'. The new amendments have even been strongly criticised by the International Trade Union Confederation (ITUC) and the ILO.

After six months from publishing the new labour law amendments, the government endorsed the new draft Labour Code in November 2019 for deliberation in the parliament. This draft law comes in implementation of the Labour Ministry's programmes in the fields of employment,

labour market regulation, and providing more legal protection for workers by stringent penalties for violations of the labour law. The bill also aims to prevent and control the entry of foreign labour into the Jordanian market, and incrementally substitute the vacuum with Jordanian labour. The draft law contributes to organise and facilitate the employment of Jordanian workers inside and outside the country through contracts with agencies outside the Kingdom in addition to granting licenses to outsourcing companies that recruit Jordanians. It triggered concerns among civil society organisations, since other central articles such as labour disputes, organising workers, and collective bargaining are excluded in the agenda.

The current law provides for the right to form and join free trade unions and conduct legal strikes, but with significant restrictions (see in Observations on labour legislation sub-section). The law identifies specific groups of public and private-sector workers who may organise and defines 17 industries and professions in which trade unions may be established. The establishment of new unions requires approval from the Ministry of Labour and at least 50 founding members. The law requires that these 17 trade unions belong to the government-subsidised General Federation of Jordanian Trade Unions, which is the country's sole trade union federation. The law authorises additional professions on a case-by-case basis to form professional associations. Authorities do not permit civil servants to form or join unions, and they cannot engage in collective bargaining. The law does not explicitly provide a worker fired due to antiunion views with the right to reinstatement.¹⁴

Several categories of workers are prohibited or limited from forming or joining a union, or from holding a union office, which includes civil servants, domestic, and agricultural workers.¹⁵ Nevertheless, some articles in the new labour bill amendments included the possibility of establishing new unions based on a single occupation or similar or interrelated occupations. It has been considered as an opportunity for domestic or agricultural workers' unions. Another aspect is that the informal economy is widespread, and many workers lack awareness or incentives of the legislation (see more in Informal Economy sub-section).

Despite the law does not permit foreign workers to create unions, head a union, or hold union office, they can join unions. In at least one sector, elections for the union board may have excluded some migrant workers from voting for

their leaders because it was unclear whether they could vote for offices they could not hold.

Observations on labour legislation

ITUC has registered some observations of the labour legislation concerning the international standards of the right to organise, the right to bargain collectively and the right to strike. The main observations are summarised below:¹⁶

- The Labour Code does not specifically protect workers from anti-union discrimination.
- Trade unions must obtain Ministry of Labour approval to become officially registered.
- Excessive representativity or minimum number of members required for the establishment of a union.
- Unions must belong to GFJTU. The government subsidises the GFJTU staff's wages and some of its activities. At its 2008 Congress, the GFJTU agreed to change its structure and that of its unions by replacing elected union branches with union committees. New trade unions must be directly linked to 17 professions and sectors in which unions already exist, effectively making trade union pluralism impossible.
- Public and municipality employees cannot bargain collectively. In addition, domestic servants, gardeners, cooks, and the like; and agricultural workers are not granted the right to bargain collectively.
- The right to strike is considerably limited, as government permission must be obtained beforehand.
- Workers cannot strike without giving notice to the employer at least fourteen days prior to the date specified for the strike. This period is doubled if the action relates to any of the public interests' services. In practice, strikes generally occur without advance notice or registration.

It is noted that the government did not adequately enforce applicable laws with effective remedies, and penalties were insufficient to deter violations.¹⁷

Ratified ILO Conventions

Regarding the international labour standards, Jordan has ratified 26 ILO Conventions are ratified (see more details in Appendix Table 27).¹⁸ Out of the 26 conventions, 24 are in force, and two have been denounced.

First, the eight fundamental Conventions are the most important conventions that cover principles and rights at work. Jordan has so far ratified seven of them, leaving out the Freedom of Association and Protection of the Right to Organise Convention (C087).

Second, ILO has designated four Governance Conventions that are important to build national institutions and capacities that serve to promote employment, i.e. these conventions promote a regulated and functioning labour market. Jordan has ratified three, leaving out the Labour Inspection (Agriculture) Convention (C129).

Third, ILO has 178 additional Technical Conventions, out of which 83 conventions are "Up-To-Date" and actively promoted, i.e. ready for ratification by member states and/or one that has been examined by the ILO Governing Body and deemed still to be relevant.¹⁹ To date, Jordan has ratified 16 of the Technical Conventions.

The latest ratified Conventions were the Social Security (Minimum Standards) Convention (No. 102) of February 2014 and the Maritime Labour Convention (MLC, 2006) from April 2016. Not all conventions deployed, published in the official gazette, which means that it cannot be invoked to them in litigation, for example, the Workers' Representatives Convention (No. 135) and Worst Forms of Child Labour Convention (No. 182).

The Committee of Experts on the Application of Conventions and Recommendations (CEACR) is an independent body composed of 20 legal experts at the national and international levels, charged with examining the application of ILO Conventions and Recommendations by ILO member States. In recent years, the committee's latest direct request concerned domestic workers and their protection against forced labour; coverage expenses related to dental treatments; dependency and vulnerability of migrant workers; and women's employment on an equal footing with men, including measures directed at promoting women's access to a broader range of jobs.²⁰

Trade Agreements

Trade agreements regulate international trade between two or more nations. An agreement may cover all imports and exports, certain categories of goods, or a single category. A trade agreement is an opportunity to open another part of the world to domestic producers.

Generally, trade agreements, including labour provisions, are on the rise but remains a minority and becoming increasingly accepted.

In 2016, the government launched to revisit all its free trade agreements to encourage and increase foreign investment.

Jordan has been a member of the World Trade Organisation (WTO) since April 2000. The country has not been involved in any dispute cases neither as complaint, respondent or as third party.²¹

Greater Arab Free Trade Area (GAFTA) was declared within the Social and Economic Council of the Arab League as an executive program to activate the Trade Facilitation and Development Agreement that has been in force since January 1998. This program included 17 Arab countries: fourteen reached an agreement, including Jordan. Some studies revealed that regional trade increased up to 20% during the 2000s since GAFTA was implemented.²² Furthermore, Jordan has signed bilateral free trade agreements with most of the countries of the Arab League.²³

The Agadir Agreement is a free trade agreement between Egypt, Jordan, Morocco, and Tunisia. This pact was launched in May 2001; it was signed in February 2004 and came into force in March 2007. The Agadir Agreement is open to further membership by all Arab countries that are members of the Arab League and the Greater Arab Free Trade Area. It is also linked to the EU through an Association Agreement or a Free Trade Agreement (EFTA). Its purpose is to facilitate integration between Arab states and the EU under the broader EU-Mediterranean process, but it has other ramifications as well.²⁴

The Jordan-United States Free Trade Agreement (JUSFTA), signed in September 2001, was the first free trade agreement the United States signed with an Arab country. It was not until January 1, 2010, that the JUSFTA was fully implemented. This agreement is considered as a success. The trade volume between Jordan and the U.S. has grown in the last two decades: the Kingdom's exports have increased from US\$73 million in 2000 to nearly US\$1.9 billion in 2019.²⁵ The Qualifying Industrial Zones (QIZs) programme was established in 1996 allowed products manufactured to enter the United States duty-free. Exports needed at least 35% of their value-added to come from

Jordan through the QIZ as well as Jordanian exports also needed at least 8% of their value-added to come from Israel. Today, QIZ products account for about 1% of Jordanian exports to the United States. The QIZ share of these exports is declining relative to the share of exports shipped to the United States under provisions of the JUSFTA.²⁶

Under their Association Agreement that entered into force in May 2002, the European Union (EU) and Jordan established a Free Trade Area liberalising two-way trade in goods. They have subsequently developed the FTA further through an agreement on trade in agricultural, agro-food and fisheries products in 2007 and a protocol establishing a bilateral Dispute Settlement Mechanism in 2011. In July 2016, the EU and Jordan agreed to simplify the rules of origin that Jordanian exporters use in their trade with the EU. This initiative forms part of the broader EU support for Jordan in the context of the present Syrian refugees' crisis. It is intended to make it easier for Jordan to export to the EU, encourage investment and create jobs both for Jordanians and for Syrian refugees.²⁷

The Canada-Jordan Free Trade Agreement was in force from October 2012. This agreement includes labour cooperation and environmental issues to expand the Canada-Jordan trade and further strengthening and deepen their bilateral relationship.²⁸

SOCIAL PARTNERS

Social partners are the backbone to the realisation of core labour rights and social justice for workers by protecting freedom of association and collective bargaining. These institutions are usually represented as the government, trade unions, and employers' organisations.

Government

The Ministry of Labour (MoL) is responsible for labour affairs, including administrating employment and vocational training, labour migration, and women affairs.²⁹ MoL is responsible for achieving general goals of labour affairs and for keeping pace with social and economic developments.³⁰ Services include supervision of labour affairs, the contribution of organising the labour market, employing Jordanians both within and outside the country. The Directorate of Labour Affairs and Inspection within MoL

has responsibility for labour inspection. There is another distinct labour inspection system operating in the Aqaba Special Economic Zone. There are 23 regional labour offices throughout the country, with labour inspectors operating in each of them (see more in section Working Conditions). Besides, the Social Security Corporation operates in the field of social security. It is a statutory body with financial and administrative independence. It is administered by a board that is chaired by the MoL.

The Ministry of Health (MoH) enforces occupational health standards through its Directorate of Occupational Health, and regional health directorates. Inspectors are spread all over the country who perform OSH inspections as part of their public health responsibilities. The legislation of the MoH regulates living standards in workers' dormitories, which the labour law does not.³¹

The Department of Statistics (DoS) was established in 1949 and producing statistical data covering socioeconomic aspects of Jordan.³² Recently, DoS published the National Statistical Strategy 2018-2022, aiming at improving the quality and use of data, focusing on institutional development.³³

Trade unions

Trade unions are organised in 17 industries and professions with a total of at least 135,000 members in 2019. The unions are not required to join the government-subsidised General Federation of Jordanian Trade Unions (GFJTU). However, the federation is the country's sole legal recognised organisation in a national tripartite forum (see more in the section Social dialogue). The creation of new unions requires approval from the Ministry of Labour and consist of a minimum of 50 founding members.³⁴ Civil servants are not allowed to form or join unions nor allowed to collective bargaining.

The trade union membership rate in GFJTU was declining significantly during the last two decades from 230,000 in 2001 to 135,000 in 2019, which equals a fall of 41%. According to GFJTU, this drop in the number of members was mainly related to the privatisation process in the economy that led workers to move from the public to the private sector. In recent years, the number of organised workers from GFJTU's was on an upsurge of 6.3% in the period from 2015 to 2019. One out of two (52%) of the trade union members is a woman. For example, around

80% are women in the General Trade Union for Workers in Clothing, Textile and Garment, which is, by far, the largest trade union (see Table 4 and Appendix Table 22).

Table 4: Status of recognised trade unions in Jordan, 2019

Number of trade union federations	1
Number of trade unions federations	17
Members of trade union centres (GFJTU)	135,000
Membership growth (2015-2019)	6.3 %
Trade union density of employment	6.4 %
Trade union density of employees	7.1 %
Women member share of trade unions	52 %

Source: DTDA data-collection and own calculations of trade union density based on employment data from ILOSTAT.

Table 5 below illustrates the trade union density trend (i.e. the ratio of membership to employment). First, the trade union density fell by 17 percentage points among 'employees' (i.e. a person employed for wages or salary) in the period from 2001 to 2019. Second, in recent years, this trade union density rebounded on the margin and stayed in pace to the employment growth. Just as an observation, 33 OECD countries have a trade union density of 25% on average that equals 18 percentage point gap in comparison with Jordan's trade union density.

Table 5: Trade union density trend in Jordan, 2001-2019

	2001	2015	2017	2019
Trade union density to employees *	24 %	7.0%	6.8 %	7.1%
Trade union density to total employment	22 %	6.3%	4.6 %	6.4%

* Definition of employees is a person who gets a basic remuneration not directly dependent the revenue of the employer.

Source: Own calculations based on employment data from ILOSTAT.

In 2010, lawmakers passed legislation allowing migrant workers to join unions, vote in union elections, and participate in enterprise-level worker committees. However, they cannot engage in collective bargaining. An estimated 12% of GFJTU's members were migrant workers. In September 2015, the first official migrant domestic worker network was formed to advocate for full rights for domestic workers. In 2017, Jordanian trade unions began issuing non-employer-specific, and non-position-specific work permits in the construction sector. The permits were the first of their kind to be issued to Syrian refugees in the Arab region (see sub-section Migration).³⁵

As a result of the labour law amendments reforms in 2019, there were plans to split some unions and create new ones. Among others, a new trade union for domestic workers with a woman elected as the leader in March 2019 – a union for migrant workers, for communications, for agriculture. The Ministry of Labour reopened the debate on the Labour Code bill in November 2019 that stalled the changes on the trade unions' landscape.

Unions and worker associations have mobilised to educate workers about their rights during the global Coronavirus pandemic (also known as COVID-19) in 2020, provide them with resources to protect themselves and their families, and push for fair treatment at the workplace.

General Federation of Jordan Trade Unions (GFJTU)

GFJTU was formed back in 1954 as a united framework on the national level of the Jordanian trade union movement. It currently includes all seventeen Labour trade unions. The federation aims at strengthening the constitutional framework of the Jordanian labour movement and promoting workers' rights. Historically, the federation has avoided politics, instead of focusing on workplace issues.³⁶ GFJTU is the sole trade union centre in the country with 17 affiliated unions. All 17 sector federations have an office. Fifteen of the 17 sector federation offices are in Amman; the Railway and Petrochemicals sector federation offices are placed in other regions. GFJTU is affiliated to ITUC. Around 40 employees are full-time working in the centre and all sector offices.³⁷

GFJTU operates on the policy level that concern participation in national tripartite forums and international cooperation. Other duties are related to joint activities as well as follow up on initiated actions and implementation of policies. In rare occasions, the general federation also advises the sector federations in the handling of legal cases.

On the sector federation level, activities are more related to advise enterprise committees, Collective Bargaining Agreements (CBAs) negotiations (at the enterprise level), advises to enterprise committees and handling of labour cases and occupational safety and health (OSH) issues about the enterprise level. Each sector selects its own sector federation president either during the elections or among elected federation committee members. These are elected for every fifth year and with the duties to monitor the sector federations.

The General Trade Union of Workers in Textile, Garment and Clothing Industries is the largest sector federation. It covers around 50,000 members in 2019, which is about 71% of the garment sector's employment. This sector is dominated by women (75%) in Qualifying Industrial Zones, and 77% are migrants (see more in Migration sub-section). Data show that this federation's membership rate dropped in recent years by approximately 6% from 2015 to 2017. The federation of municipality employees remains as the second largest federation (see more in Appendix Table 22).

Federation of Independent Trade Unions of Jordan (FITU-J)

Independent trade unions initiated to establish their federation in June 2011. A founding congress was launched in 2013. A new coordinating body, Federation of Independent Trade Unions of Jordan (FIFU-J), was established. This institution is still not recognised with legal status to participate in the national tripartite forum. Most recently, the government rejected the registration of an independent union in the agriculture sector because agriculture is not on the government's list.³⁸ In addition, the affiliated unions are not allowed to collect membership fees or even establish bank accounts in the unions' name. Nevertheless, FIFU-J has been supported by the ILO and initiated meetings with ITUC to assess its affiliation.

Based on the limitations of data availability, FIFU-J organises nine unions representing more than 7,000 workers. The federation seeks to mobilise for greater political freedom, improved economic conditions and social justice.³⁹ The nine participating unions represent workers in the phosphates industry and the pharmaceutical industry, electrical workers, land transport drivers, printing press operators, day labourers, agricultural workers, engineers' assistants and Department of Statistics employees.

In recent years, independent unions are furthermore promoting on proposed Labour Law amendments, with workers protesting at parliament and union leaders writing open letters to the government urging lawmakers to follow international labour standards.⁴⁰

Employers' Organisations

Around 5.8% (133,000 persons) of the total employment is estimated to consist of employers (see more in Figure 6

ahead). Out of these, only 4.7% of employers are women (see also [Gender](#) sub-section).

The Global Competitiveness Index provides a wide range of aspects, including the labour market efficiency in 8th pillar out of 12th pillars. The labour market efficiency indicator's ranking is based on information from employers' surveys and statistical data: Jordan was listed 84 out of 141 countries (1st is best) in 2019 (Table 6). Regarding cooperation between workers and employers, Jordan scores relatively well (40). The best scorings are in redundancy costs (9), internal labour mobility (34) and hiring and firing practices (35). Worst scorings are in the ratio of wage and salaried female workers to male workers (133) and ease of hiring foreign labour (108). Generally, these rankings indicate a relatively flexible labour market, but also a labour market where women largely are excluded and difficult to hire migrants. Jordan has a relatively high ratio of Jordanian nationals to foreign employees, meaning that hiring Syrians in formal positions requires adding more Jordanians to the payroll to maintain the ratio. In many cases, employers are struggling to meet their quota for national staff in industries not attractive to Jordanians (see more in Migration section).⁴¹

Table 6: Employers' view of the labour market efficiency in Jordan, 2019

Labour market indicators	Rank *
Labour market efficiency	84
Redundancy costs (weeks of salary)	9
Hiring and firing practice	35
Cooperation in labour-employer relations	40
Flexibility of wage determination	42
Active labour policies	71
Workers' rights	52
Ease of hiring foreign labour	108
Internal labour mobility	34
Reliance on professional management	65
Pay and productivity	42
Ratio of wage and salaried female workers to male workers	133
Labour tax rate	68

Note: Rank from 1 to 141 (1 is best ranking).

Source: The Global Competitiveness Report, 2019, 8th pillar: Labour market

The first employer syndicate dates back from 1963 with the formation of the Syndicate of Public Truck Owners. It was followed afterwards by many other employers' associations, organisations and chambers that reached around 100 in 2019 (see more in Appendix Table 24).

Employers of any occupation (i.e. numbering no less than 25 individuals) are entitled to form a syndicate for themselves to safeguard their professional interests by the Labour Code. It is prohibited to establish or formation of employers' syndicates with racial or religious activities. Statistically, micro and small enterprises with up to 19 employees represent 98% of all businesses in Jordan and account for half of the country's employment in the private sector. Thus, a large majority of enterprises loophole to form a employers' syndicate.

Most organised employers have representation in the Jordan Chamber of Industry (JCI). This organisation evolved from one chamber in 1923 to 16 today and located in the major cities and districts.⁴² The chamber is a member of the International Organisation of Employers (IOE).⁴³ The affiliated chambers are responsible for issuing professional permits and offering arbitration services to curb the shortcomings of the judiciary and courts' efficiency in enforcing contracts.

The role of employer syndicates is related to the adoption of national economic policies. They defend their direct sectoral interest, e.g. confronting the pressures of taxation. The employers' organisations have been affected negatively by the fast upsurge in labour protests losing their power on the country's political scene. It concerns that syndicates are impeded by legislative restrictions that distancing them from political activity.⁴⁴

JCI is active in the trilateral committee (see Social Dialogue section). The organisation's role of the JCI in collective bargaining at the enterprise level is minimal since enterprises are not direct members of the institution but members of their respective regional chambers.

SOCIAL DIALOGUE

Social dialogue includes all types of negotiation, consultation or simply exchange of information regarding the industrial relations between representatives of the government, employers, and organised workers. The social dialogue could be part of national tripartite forum or as bipartite relations only between organised labour and management, with or without indirect government intervention. Social dialogue processes can be informal or formally institutionalised, and often it is a combination of the two. It can take place at the national, regional or enterprise level.

Collective bargaining plays a central role in Jordan, which is part of social dialogue. It functions among trade unions and employers' organisations in bipartite processes at enterprise level, at time in collaboration with the government in tripartite processes at national level. At sector level, there are no permanent structures for social dialogue or collective bargaining. Sector collective bargaining is allowed and on an upsurge. Generally, social dialogue is not widespread in Jordan.

Collective Bargaining Agreements (CBAs) in Jordan have a specified period of maximum two years, and the parties shall have the right to terminate the agreement after it has been implemented for at least two years, by giving the other party notice to that effect at least one month before the termination date. The provisions of the collective agreement cover workers in any establishment by this agreement even if they are not members of any trade union.⁴⁵

Of 17 sectors, 13 have one or more CBAs, most often directly at enterprise level. Only one sector – textile, garment, and clothing – is fully covered by CBAs. Food industries, public services, mining, and construction also have significant CBAs. Table 7 below shows that 53 CBAs were conducted in 2019 covering 12% of employees. It is worthwhile to mention that CBAs' worker coverage was especially low in 2018 since many CBAs were not concluded (see more details in Appendix Table 23).

Table 7: Collective Bargaining Agreements trend in Jordan, 2016-2019

	2016	2017	2018	2019
Number of CBAs	71	43	34	53
Workers covered by CBAs	115,731	335,010	23,466	231,526
Share of employees covered by CBAs	7%	19%	1.3%	12%

Source: DTDA's SRO data-collection.

CBA is used frequently as a mechanism for ad-hoc dispute resolution, rather than as a tool to address sectoral deficits in decent work or to establish minimum standards across the board for all enterprises in each sector.⁴⁶ The social partners often have limited capacity, experience and tradition for engaging in social dialogue. The rigid labour market is challenging bipartite dialogue.

As indicated above, garment workers have taken a significant step with the development of industry-wide collective bargaining. The first agreement was signed in April 2013 after 12 months of negotiation, covering 62,000 workers, of whom 70% were migrants, and 70% were women.⁴⁷ The agreement was renewed in 2015, following six months of consultations with workers in the factories. The number of strikes in the garment sector also fell from 42 in 2012 to 12 strikes one year after signing the agreement. The agreement provides a standardised set of conditions that all parties - government, unions, and buyers can measure compliance against. The CBA stipulates working hours, occupational safety and health (OSH), and trade union representation, and establishes dispute settlement procedures at the factory and sector levels. In 2019, the fourth sectoral CBA in the garment industry was signed by the General Trade Union of Workers in Textile, Garment and Clothing Industries with Jordan Garments, Accessories & Textiles Exporters' Association, and the Association of Owners of Factories, Workshops and Garments, which will affect more than 72,000 workers. This agreement started to be enforced in November 2019 and will remain valid until November 1, 2022. It has been considered as a significant step for the garment sector in the country as well as strengthening industrial relations.⁴⁸

Despite the improved contractual framework, recent assessments of the working conditions in Jordanian exporting apparel factories have still detected a wide range of non-compliant regulations, e.g. discrimination in wages based on race and origin: their wages remain less than the minimum wage for their Jordanian peers. The trade union movement was worried about the CBAs implementation in practice and argued it was controlled by the Ministry of Labour.

Since the country has not yet signed the international standards on the Freedom to Associate and Protection of the Right to Organise Convention that loopholes the national law to prohibit migrant workers from freely forming their unions or right to organise.⁴⁹ Collective bargaining stays fragile outside the garment sector. It concerns the absence of mechanisms of implementation and enforcement despite the presence of the labour inspection system (see also Working Conditions section). Experts noted that collective bargaining is decentralised to the enterprise level and limited in scope, occurring largely without the active participation of social partners.⁵⁰

Another aspect is that most of the enterprise-level collective bargaining occurs in large firms in the formal private sector. Data suggest that micro and small enterprises represent around 98% of the country's registered enterprises and 70% of the private sector employees. The Labour Code further denies civil servants the right to organise, effectively impeding collective bargaining in the public sector.

Central tripartite structures

Several tripartite bodies are set in Jordan by legislation that leads to social dialogue. Tripartite meetings remain ad-hoc with feeble progress concerning to develop concrete policy and legislative changes. Social dialogue has been driven by a government-led process, with little initiative from other social partners to conduct bipartite social dialogue on issues of common concern. The focus of social dialogue has been limited to the formal sector, with scant attention paid to the informal economy.⁵¹ Other facets are that there is no obligatory pre-consultation on draft legislation, no official advisory role, or a link between the Tripartite Committee and the legislator. It has stymied the tripartite negotiations' scope. To some degree, the success in tripartism has been concentrated in adjustments in the national minimum wage. The status of central labour tripartite institutions is summarised below.

Tripartite Committee

The Statute of the Tripartite Committee was set in the Labour Code. This committee should meet three times a year, or whenever deemed necessary. Members of the committee are holding a two-year renewable mandate. This institution has mainly focused on fixing the minimum wage. Albeit the Committee sets the minimum wage at the national level, the King takes the final decision.

The Committee has contributed to some progress regarding social dialogue based on minimum wage. As examples, the minimum wage was raised in 2008, 2012, 2017 and 2020 (see more in Working Conditions section). In February 2018, the Jordan Labour Watch issued a statement calling for the amendment of several articles in the Labour Law, which included an amendment of Article 52 to make it compulsory to raise the minimum salary in an annual basis according to the inflation.

Economic and Social Councils

The Economic and Social Councils were established in February 2007. The consultations in the councils are mandatory by the government for all subjects concerning social relations, working conditions, social dialogue, or issues proper at councils. The organ constitutes of five specialised permanent committees:

- The Committee for Evaluating Projects and Policies.
- The Economic and Environmental Committee.
- The Social and Cultural Committee.
- The Committee on International Public Relations.
- The Committee on Labour Relations.

Each composition group is composed of 11 members:

- Government: eight experts on the Council functions +3 experts on the economic and social matter.
- Employers: appointed by the chambers of commerce and unions.
- Workers: appointed by the general federation unions.
- Civil society: appointed by the organisations about the functions of the Council.

The government argues that it is necessary to use more practical and implementable programmes, not only theories when it comes to increasing interaction between the ministerial economic team and the Economic and Social Council. It has been related to financial and economic reforms adopted by the government, which included a reduction of public spending, as a part of the solutions to confront the financial challenges facing the national economy.⁵²

Judicial system and dispute resolution mechanism

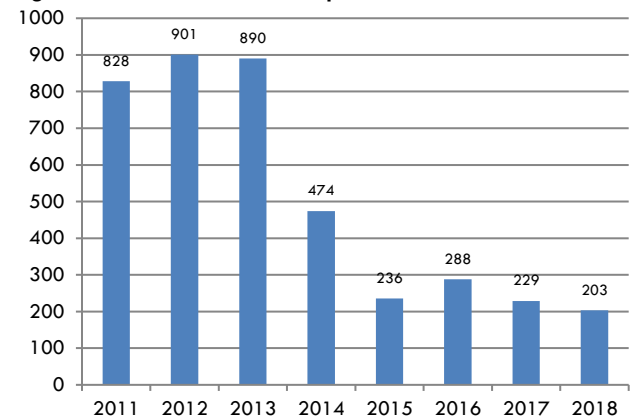
If conflicts between employer and employee are not settled through informal negotiation, a mediator from the Ministry of Labour is appointed for 21 days.⁵³ If not settled, the conflict is tried handled by the minister of labour, then a mediation council composed of an employer representative, a labour representative and a chair appointed by the minister of labour. Finally, if these negotiations fail, the case is filed to a labour court with a panel of ministry-appointed judges for 21 days. Data revealed that the Ministry of Labour received 3,176 labour complaints and settled 241 during the year 2016 (per November).

The court's efficiency has been argued to remain one of the major challenges faced in Jordan's business environment. As an example, resolving a commercial dispute through domestic courts takes almost two years, and the process costs more than 30% of the amount of the claim. The government has worked on reforms of the judicial system, e.g. equipping the courts with a digitalised case management system. There has also been an increasing trend towards alternative dispute resolutions (ADR) and a widespread acceptance. While mediation and arbitration can be used as an ADR mechanism in the country, the former is functioning for civil issues, and conciliation is used solely for settling collective labour conflicts.⁵⁴

Amended Arbitration Law was approved in March 2018, which provides a comprehensive reform to the legislative framework of arbitration in the country. It provides a more modern and secure means of dispute resolution through arbitration in line with internationally recognised arbitration guidelines and practices. It is worthwhile to mention that mediation as a social phenomenon is a highly entrenched in Jordanian society. It stems from strong tribal roots that place high importance on the role of tribal leaders in mediating disputes.

Figure 2 below illustrates that the labour market in Jordan entered a rough period at the beginning of the 2010s. The number of protests rose fast that was spurred by the privatisation of public assets, dire economic situation, depreciating wages, growing unemployment, and the wave of the 'Arab Spring' in 2011. This upsurge peaked in 2012-2013 but dropped rapidly afterwards. It was mainly because of a reduction of labour protests in the public sector. In 2018, most of the labour protests (63%) were in sit-ins, 23% were strikes, 11% threats of strikes, and 3.9% were listed as threats of self-harm. The main motifs are protests, regulations and laws, a set of benefits demands, and increased wages and benefits. Another aspect is that the distribution of protests has increased significantly among labour unions and their committees in recent years, reaching 31% in 2018. Workers outside the framework of any union organisation still contain the highest share of 42%, though.

Figure 2: Distribution of labour protests, 2010-2018



Source: Jordan Labor Watch

In 2019, more than 100,000 teachers went on strike demanding a 50% increase in their salaries.⁵⁵ Besides teaching, some have one or even two other jobs in the informal economy. The Ministry of Education threatened to replace teachers who did not end their strike action and went back to work. It came after the administrative court ruled that the teachers' strike must be suspended. The government announced that an increase between 8-18% is the maximum it could provide given the high deficit in its annual budget. The strike lasted for four weeks and disrupted schooling for more than 1.5 million students nationally. In 2014, the government agreed to increase a teacher's salary with 50%. However, this has never been implemented.⁵⁶

An unlikely alliance of trade unions and business owners united against an unpopular tax bill in 2018, setting off a series of daily protests at a major highway roundabout in Amman.⁵⁷ Generally, ordinary Jordanians protesting are often against harsh IMF-supported austerity measures, corruption and mismanagement of public funds. In rural areas and smaller cities, the protests also were about expressing dissatisfaction about governmental failures of delivering enough economic growth.⁵⁸

Other bi/tripartite organs

- National Social Security Board.
- High Council for Human Resource Development.
- E-TVET Council.
- National Council for Family Affairs.
- National Commission for Women.

TRADE UNION RIGHTS VIOLATIONS

Jordan experienced their rating worsen in 2020 reaching 4 out of 5+ (5+ is worst) of the Global Rights Index (Table 8). It is characterised by ‘systematic violations of rights’: the government and/or companies are engaged in serious efforts to crush the collective voice of workers putting fundamental rights under threat. There are deficiencies in laws and certain practices which make frequent violations possible.⁵⁹

Table 8: Global Rights Index, Jordan ranking, 2016-2020

	2016	2017	2018	2019	2020
Ranking	4	4	3	3	4

Note: Five clusters in total with ratings from 1 to 5. A country is assigned the rating 5+ by default, if the rule of law has completely broken down.

Source: ITUC, Global Rights Index

Labour law restrictions include prohibiting migrant workers, who approximately represent 50% of the Jordanian workforce, to form or join unions. Unions are only permitted in 17 sectors set by the government, limiting one union per sector. In 2019, the parliament adopted amendments to the labour law, but instead of fixing the restrictions, new limitations have been imposed on unions. It includes increased possibilities for labour authorities to interfere in trade union structures, to arbitrarily dissolve unions, and replace union leaders. These amendments are undermining freedom of association and trade union activities, in general, are pending royal assent.

The latest case of trade union rights violations in Jordan registered by ITUC was from 2015 concerning arrests in the Aqaba port, where around 150 workers employed were dismissed for taking October 2014.⁶⁰ The strike began but entered into a stalemate in negotiations over the renewal of the collective bargaining agreement. Afterwards, the police interfered and stopped the strike by arresting the workers. Despite this crackdown, workers continued to insist on their demands. The ended when the government guaranteed that the grievances of the workers would be addressed by the national labour court and the company waived penalties imposed on workers during the strike.

Jordan ranks as number 141 out of 167 on the Global Slavery Index from 2018 (1 is the worst score). The index measures modern slavery, i.e. slavery-like practices (such as debt bondage, forced marriage, and sale or exploitation of children), human trafficking, and forced labour. Estimated 17,000 are victims of modern slavery in Jordan. Thus, forced labour or conditions indicative of forced labour occur in

Jordan, particularly among migrant workers in the domestic work and agricultural sectors. Domestic workers are particularly vulnerable to exploitation due to inadequate government oversight, social norms that excused forced labour, and workers’ isolation within individual homes.⁶¹ Nevertheless, it does not appear unrealistic for the country to reach the global Sustainable Development Goal concerning effective measures to eradicate all forms of forced labour, modern slavery, human trafficking and child labour (see also the SDG Table, Indicator 8.7.1, on page iv).

Trade unions reported that management representatives used threats to intimidate striking workers. Trade unions and industry representatives reported that workers also sometimes used threats and physical violence to retaliate against management officials or to coerce colleagues into participating in labour actions. It was furthermore mentioned that foreign workers in the garment, construction, services, and agricultural sectors, whose residency permits are tied to work contracts, were vulnerable to retaliation by employers for participating in strikes and sit-ins. The Ministry of Labour sometimes prevented management from arbitrarily dismissing foreign workers engaged in labour or other activism, but its enforcement was inconsistent. Observers reported management’s common practice of refusing to renew foreign workers’ contracts due to “troublemaking” or attempting to organise in the workplace.⁶²

Table 9 below shows that Jordan has one active case in ILO’s Committee of Freedom of Association concerning a confidential complaint issue filed by the Jordanian Federation of the Independent Trade Unions (JFITU). One follow-case was filed in 2012 by two independent unions (ITUPSW and ITUWJEC) that denounced the refusal by the authorities to register them in the application of the labour legislation and regulations, which they consider are not in conformity with the principles of freedom of association; as well as acts of discrimination in favour of non-strikers, the refusal by the employer to recognise the union and the denial of its right to collective bargaining.

Table 9: Status of ILO Freedom of Association cases, Jordan, 2020

Complaints Procedure	Cases
Active	1
Follow-up	1
Closed	11

Source: ILO, NORMLEX, International Labour Standards country profile, Jordan

WORKING CONDITIONS

Minimum wage systems vary across the world. In Jordan, the minimum wage is determined by the government after negotiations with representatives of trade unions and employers. The minimum wage differs from the equilibrium wage, which is determined by supply and demand forces in the market.

The minimum wage was first set in 1999 at JD90 (US\$116), based on social dialogue in the Tripartite Committee. The minimum wage in function was last time raised in 2017 to JOD 220 (US\$310) from JOD 190 (US\$268) in 2016 (Table 10). The Tripartite Committee announced to raise the minimum wage to JOD 260 (app. US\$367), as per January 1, 2021 (Table 10). This hike excludes domestic workers and expatriates working in industrial manufacturing.

The current minimum wage was lower than the poverty threshold that was set at JOD 366 (US\$512) per month for a family of five; and nearly one-third of Jordanians were living below the poverty line at some point throughout the year. Estimations suggest that around 49% of workers are getting wages JOD 400 (US\$564) or lower.⁶³

For migrant workers, the minimum wage is down to JOD 150 (US\$212), except for migrant workers in the Qualified Industrial Zones (GIZ) – here it is down to JOD 125 (US\$176).⁶⁴ It is estimated that half of the workforce is formed by non-Jordanians (see Workforce section). It has raised concerns among Jordanians since employers have incentives to prefer hiring non-Jordanians, such as Syrians, just as this two-tier minimum wage system has been controversial.

Table 10: Status of Wages and Earnings in Jordan

	Current Dinar	Current US\$
Minimum wage (2017-2020)	220	310
Minimum wage (2021-)	260	367
Gross average salary (2020)	2,327	3,282
Real minimum wage growth (2017/20-2021-)	5.7 %	

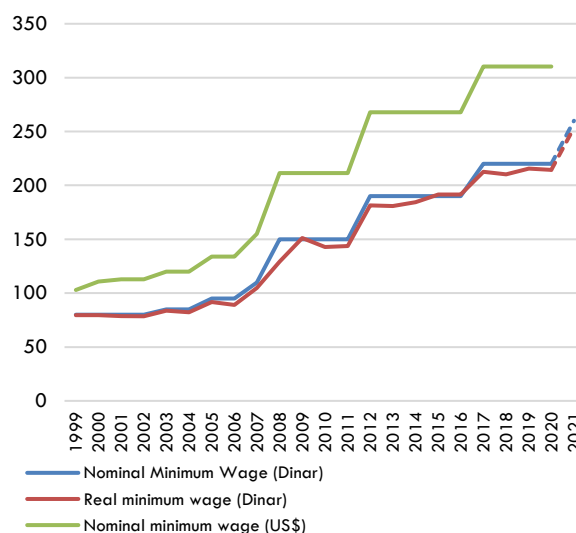
Source: Jordan Times, Paylab and own calculations on real minimum wage (i.e. deducted inflation on consumer prices).

Despite the nominal 18% increase in the minimum wage from 2017/2020 to 2021, it has deflated in real terms. If the nominal minimum wage is adjusted in inflation per year

from 2017 to 2020, the real hike was down to 5.7%. It is worthwhile to mention that the real minimum wage increase is lower than the aggregate GDP per capita growth of 9.0% in the mentioned period. Thus, workers dependent on the minimum wage are not benefitting fully from the economic development.

Figure 3 illustrates the minimum wage increases since 1999, which has been relatively in line with the inflation in consumer prices rate and pegged to the U.S. dollar.

Figure 3: Monthly minimum wage (nominal and real) in Jordan, Dinar (JOD) and US\$, 1999-2021



Note: Dinar is unofficially pegged to the U.S. dollar.

Source: Jordan Times and own estimations on real minimum wage and US\$ based on data from IMF, World Economic Outlook Database.

Although workers' wage in the garment industry is covered by the CBA, non-citizen workers receive a minimum wage that is 28% lower. Authorities granted this exemption in part because employers often provide room and board for non-citizen workers in this sector. Some garment factories continued to deduct room and board from foreign workers' already lower salaries.⁶⁵

Women employees in Jordan are paid less than men in the same skill category. As an example, a gender wage gap in the mean nominal monthly earnings is estimated at 11%. When skill level is included in the assessment, it shows that women in Jordan are often paid even much less than men, e.g. women professionals in Jordan are paid 33% less than men professionals.⁶⁶ Union officials have even reported how sectors employing predominantly women are offered

wages below the official minimum wage (see more in [Gender](#) sub-section).⁶⁷

The standard workweek in Jordan is set by law at 48 hours that is in line with the other countries in the Arab States. Overall, wage, overtime, safety, and other standards often were not upheld in several sectors, including construction, mechanic shops, day labour, and the garment industry. Some foreign workers face hazardous and exploitative working conditions in a variety of sectors (see Migration sub-section). More information on the working conditions in Jordan is available in Table 11. A new Regulation of Flexible Employment was approved in 2017, and it introduced flexible working arrangements for specific categories of employees in Jordan. However, certain issues still need to be elaborated upon of aligning this regulation of amending to the Labour Law. The law mandates paid maternity leave in Jordan, paid by the government.

Table 11: Working Conditions in Jordan

Fixed-Term Contracts Prohibited for Permanent Tasks	No
Maximum Length of a Single Fixed-Term Contract (Months)	60 months
Standard workday	8.0 hours
Premium for night work (% of hourly pay)	0 %
Premium for overtime Work (% of Hourly Pay)	25 %
Paid Annual Leave (Average Working Days with 1, 5 & 10 Years of Tenure)	18.7
Length of maternity leave	70 days
Receive 100% of wages on maternity leave	Yes
Five fully paid days of sick leave a year	Yes
Unemployment protection after one year of employment	No

Source: World Bank, Labor Market Regulation Data

The Ministry of Labour conducts regular inspection campaigns, jointly with the Administration of Residence and Borders. It is part of the Public Security Directorate (police force), to detect illegally employed migrant workers, and impose sanctions on their employers. In 2018, NGOs reported how the capacity was down to 170 labour inspectors. It equals that inspectors cover 1 per 12,917 workers. It appears to be relatively high since the ILO recommends 1 per 10,000 workers in industrial market economies and one inspector per 20,000 workers in transition economies.⁶⁸ In October 2016, Jordan's labour and health ministries signed an agreement allowing government officials to inspect housing facilities in special industrial zones for the first time. The programme's effectiveness has been up for debate.⁶⁹ In practice, the

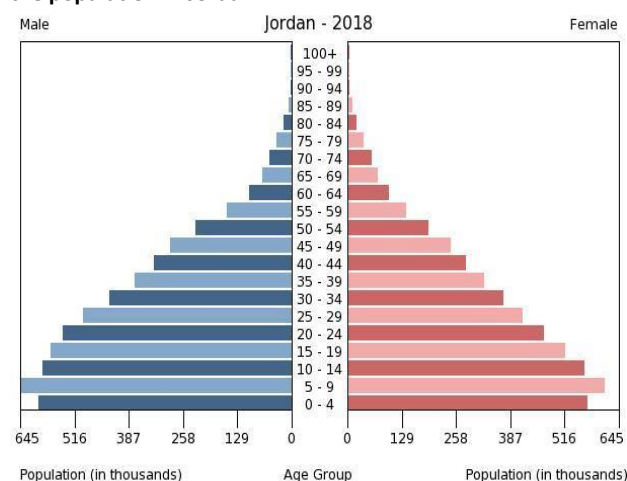
labour inspectors have a focus on enforcing compliance in these zones, which mainly employed migrant garment workers.

Labour inspectors often are unable to assure full compliance in every case due to lack of capacity and resources. They do not regularly investigate reports of labour or other abuses of domestic workers in private homes. They cannot enter a private residence without the owner's permission except with a court order.⁷⁰ The country held the first national conference on labour inspection in August 2019. Among others, the conference concluded to support the Ministry of Labour to issue a bylaw for agricultural workers in a way to ending ambiguity regarding employment protection coverage for the sector's workers under the country's labour law. In addition, the establishment of a comprehensive electronic inspection system was identified as an important issue.⁷¹

WORKFORCE

Jordan's total population is estimated at 10.8 million people in 2020, which includes an inflow of Syrian refugees.⁷² The population growth was estimated at 1.4% and experienced a falling fertility rate during the last decades, which includes women's growing rejection of more children and an upsurge in the workforce during the 2000s (see ahead). The Jordanian population remains young; a third is below 14 years and represent a youth bulge (Figure 4).

Figure 4: Population pyramid based on Age-Sex structure of the population in Jordan



Source: CIA, The World Factbook, Jordan

In 2020, the employment-to-population ratio (15+) is estimated at 34%, which is 13 percentage points lower than the Arab States average (Table 12). Around 66% are registered as economically inactive on the labour market, i.e. people outside the workforce. A character of the Jordan workforce is the deep gender gap: the employment-to-population ratio is 44 percentage points in 2020, favouring men. This gender gap is generally present in the Arab States (see more details in Table 12). The authorities have registered that men enter the labour market at normal rates but exit early, while women enter later; when women do, they exit too quickly.⁷³

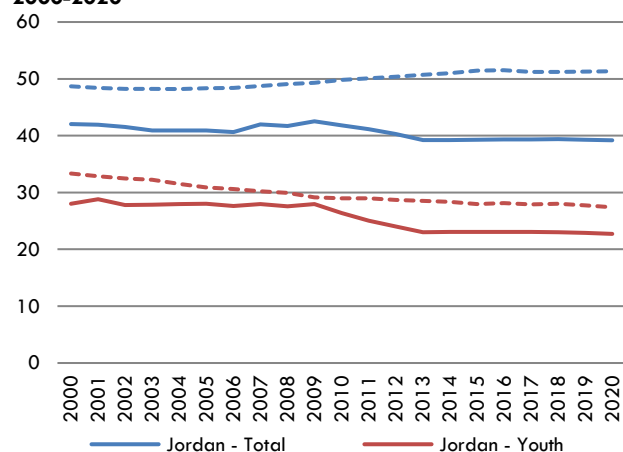
Table 12: Employment-to-population ratio, Age and Sexes distribution, Jordan and Arab States, age and sex distribution, 2020

Sex	Age		Jordan	Arab States
Total	Total	15+	34 %	47 %
	Youth	15-24	15 %	21 %
Men	Total	15+	55 %	73 %
	Youth	15-24	26 %	36 %
Women	Total	15+	11 %	15 %
	Youth	15-24	3.8 %	4.7 %

Source: ILO, Key Indicators of the Labour Market (KILM)

The employment participation rate (i.e. the share of people available for work out of the total population) has declined in the period from 2009 to 2013, and since then remained at 39%, and 23% for the youth (Figure 5). These rates are significantly lower than for the Arab States average set at 51% and 27%, respectively.

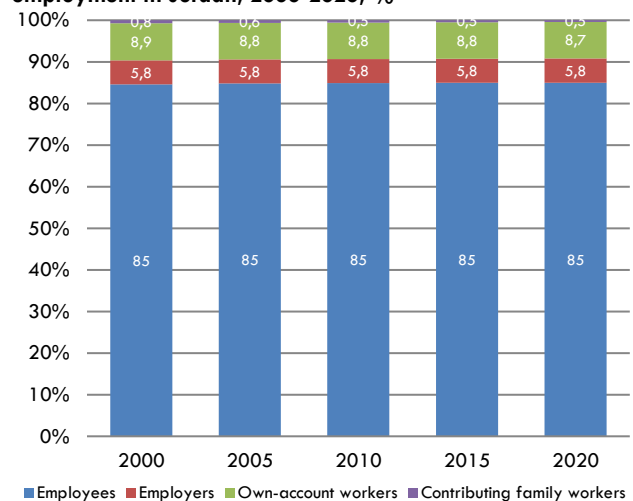
Figure 5: Estimations and projections of labour force participation rate, Total and Youth, Jordan and Arab States, %, 2000-2020



Sources: ILO, Key Indicators of the Labour Market (KILM)

Figure 6 depicts that the status of employment has been dominated by employees (i.e. workers receiving a basic remuneration not directly dependent the revenue of the employer) in the country during the last two decades. This segment is estimated at 85% of total employment in 2020, which is three percentage point higher than the Arab States average. Jordanian employers represent 5.8% of the total employment. A small group is still concentrated among the own-account workers (i.e. self-employment and not engaged as 'employees' on a continuous basis) that cover around 8.7% of the total employment. Contributing family workers category (i.e. self-employment in an establishment operated by a related person) is very limited.

Figure 6: Estimations and projections of the status of employment in Jordan, 2000-2020, %

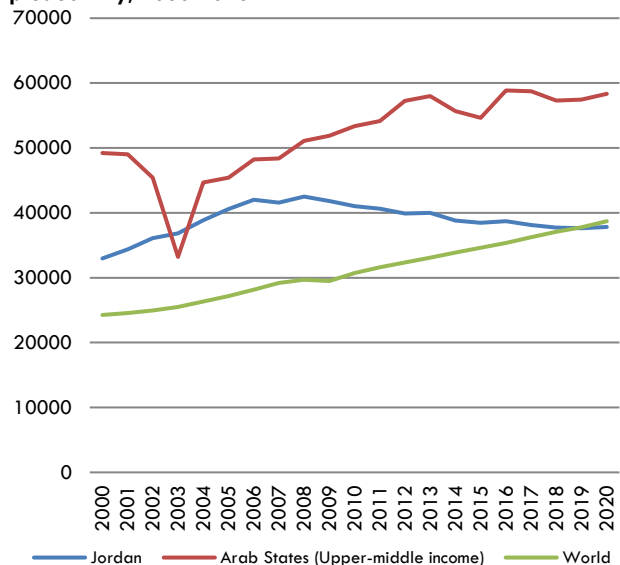


Sources: ILO, Key Indicators of the Labour Market (KILM)

Growth in labour productivity depends on three main factors: investment and saving in physical capital, new technology, and human capital. As demonstrated in this profile, Jordan is challenged on all three aspects. Capital formation and inflow of foreign direct investments have experienced a declining trend during the 2010s, and enterprises have difficulties in applying more technological advancements. The widespread informal economy, rigid labour and business regulations, and deteriorating human development are likewise reflected in the abovementioned stalled labour productivity growth in Jordan. Data show that Jordan's labour productivity was even superseded by the world average in 2019. It stays significantly lower than the Arab States (upper-middle income) average with a widening gap (Figure 7). This declining trend is a negative impact on the economic downturn during the 2010s. It signals that the country is tested if it can reach the SDG

target to archive higher levels of economic productivity through diversification, technological upgrades and innovation through a focus on high-value added and labour-intensive sectors (see more in SDG table, Indicator 8.2.1, in Page iv).

Figure 7: Estimations and projections of the labour productivity, 2000-2020



Note: Labour productivity is estimated as output per worker (GDP constant 2011 international \$ in PPP).

Sources: ILO, Key Indicators of the Labour Market (KILM)

Unemployment and Underemployment

The unemployment rates in Jordan are significantly higher than the Arab States averages on all levels. Table 13 displays that the total unemployment rate was estimated at 15% and the youth unemployment rate at 35% in 2019. Stark gender gaps are present on all levels, especially among the youth (Table 13). These gender gaps are common in the Arab States. Since the unemployment has more severe effects the longer it lasts, it is worrisome that the share unemployment higher than 12 months has stayed very high on a rising trend during the 2010s. After imposing one the world’s harshest lockdowns in March 2020, the COVID-19 pandemic has taken a toll on Jordan’s economy. The unemployment rate soared to 23% in the second quarter of 2020.

Among the main reasons for high unemployment are a skills mismatch and lack of job creation that can keep pace with job demand from Jordanians, migrants, and refugees.

Many have given up hope to start searching for a job and become economically inactive.

Table 13: Unemployment and youth unemployment in Jordan and Arab States, 2019

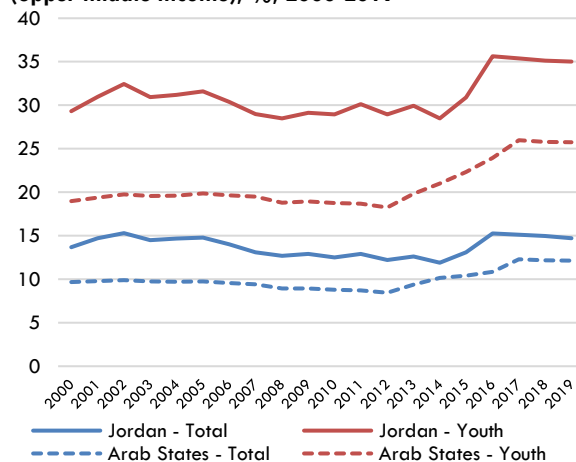
		Jordan	Arab States
Unemployment (15+)	Total	15 %	8.0 %
	Men	13 %	6.1 %
	Women	23 %	19 %
Youth Unemployment (15-24 years old)	Total	35 %	23 %
	Men	30 %	20 %
	Women	57 %	42 %
Labour underutilisation* (15+)	Total	26 %	17 %
	Men	20 %	12 %
	Women	44 %	39 %
Labour underutilisation* (15-24 years old)	Total	51 %	39 %
	Men	42 %	32 %
	Women	78 %	68 %

* Combination of time-related underemployment (employed with insufficient working time), unemployment (able and willing to work, but lack employment) and potential labour force (unemployed who either do not seek employment or are not available to start working).⁷⁴

Sources: ILO, Key Indicators of the Labour Market

Based on projections, the total unemployment rate has stayed on a flat growth at around 13% for the first half of the last decade, subsequently increasing to around 15% (Figure 8). The regional rates have been slightly increasing, without a steep increase in the years 2014-2016 like in Jordan. Changes in the unemployment rate in Jordan have been fuelled by the economic slump and spill-over from conflicts in Syria and Iraq.

Figure 8: Unemployment trends in Jordan and Arab States (upper-middle income), %, 2000-2019



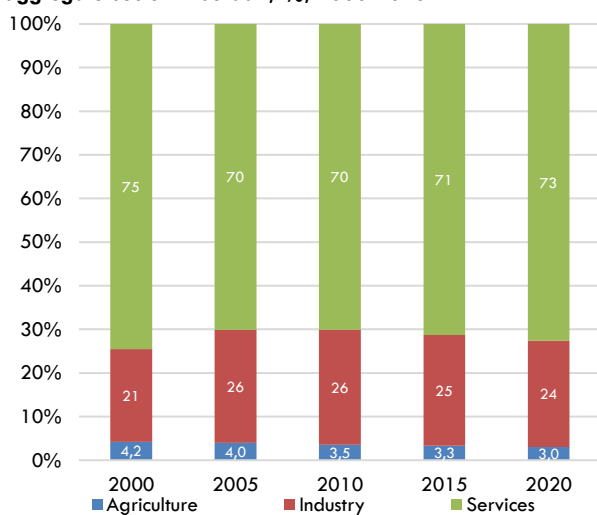
Source: ILO, Key Indicators of the Labour Market

The pattern of the labour underutilisation rates is like the unemployment rates: Jordan exceeds the regional rates. Likewise, labour underutilisation is especially rampant among women and youth (see details in Table 13). The global SDG target to achieve full and productive employment and decent work stays a very challenging aim for Jordan (see more in SDG table, Indicator 8.2.1, in Page iv).

Sectoral Employment

Structural changes of employment by aggregate sector were just on the margin during the last two decades. A large majority (73%) of the employment is present in the service sector, followed by the industry sector (24%) and a small group (3.0%) is engaged in the agricultural sector (Figure 9). The Arab States average is in par with the employment in industry, while the agricultural sector is higher at 9.1% and the service sector at 65%.

Figure 9: Estimations and projections of employment by aggregate sector in Jordan, %, 2000-2020



Source: ILO, Key Indicators of the Labour Market

Table 14 below provides an overview of the employment sector share in 2020 in Jordan. It shows that Jordan has very low employment in the agricultural sector with a share of 3.0% of the total employment and just 5% of those are women. This sector has been suffered from the fact of scarcity of natural resources, covered by arid or desert terrain, with barely 3% of arable land. Most workers in the agricultural sector are migrants.

The community, social and personal services sector has the highest share of employment at 31%. This sector is furthermore attracting a significant share of women at 30%. Trade, restaurant, and hotels sector has the second-largest share of 17% and followed by the manufacturing sector at 12%. The latter sector has experienced a declining employment rate of 2.1 percentage point during the last decade.

Men are generally dominating the employment in Jordan: women's aggregate share of total employment is estimated at 16%. One reason why many women stay out of the labour market is related to traditional social pressures that discourage them from pursuing professional careers. Moreover, it is often after marriage (see more in Gender section).

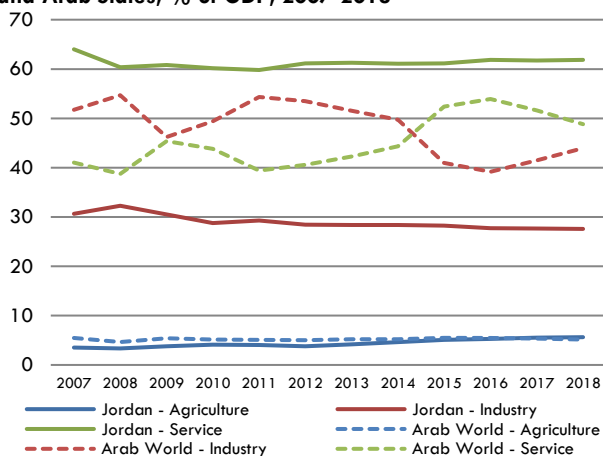
Table 14: Employment sector share in Jordan, 2020

Sector	Sector employment share, out of total, %	Sector employment share, 2010-20 trend, p.p.	Women share per sector, %
Agriculture	3.0 %	- 0.5 p.p.	5.0 %
Mining & quarrying	1.3 %	0.2 p.p.	2.4 %
Manufacturing	12 %	-2.1 p.p.	16 %
Utilities	1.3 %	-0.1 p.p.	6.3 %
Construction	10 %	- 0.1 p.p.	1.0 %
Trade, restaurants & hotels	17 %	0.1 p.p.	4.1 %
Transport, storage & communication	9.1 %	0.0 p.p.	3.1 %
Finance, real estate & business services	8.0 %	1.8 p.p.	16 %
Community, social and personal services	31 %	0.0 p.p.	30 %
Other sources	7.7 %	0.0 p.p.	35 %
Total	100 %	-	16 %

Source: ILO, Key Indicators of the Labour Market (KILM), 9th Edition.

Like in the employment by aggregate sector trend, the country experienced just minor changes in the share of economic value-added during the last decade (see Figure 10). The agricultural sector stayed on a flat growth and low share of 5.2% of GDP, which is a similar share in the Arab States. The service sector's share rose slightly reaching 62% share of GDP. The industry sector lost its pace and continues being relatively low in comparison to the Arab States average (Figure 10).

Figure 10: Share of value added by aggregate sector in Jordan and Arab States, % of GDP, 2007-2018



Source: World Bank, World Development Indicators

Migration

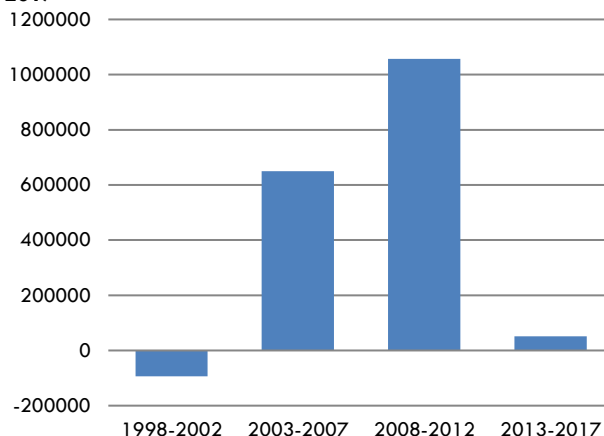
Migration refers to people who tend to change their place of birth and relocate and reside in different areas. This concept is divided in three aspects: i) internal migration (i.e. rural-rural, rural-urban, and urban-rural), ii) external migration (in- & out-migration), and iii) refugees.

Internal migration was mainly from rural to urban areas in Jordan. The arid rural areas in Jordan have scarce job opportunities. It is mirrored in the fact that the urbanisation rate (i.e. the share of the urban population in the total population) is high in Jordan and it grew from 86% in 2010 to 91% in 2020.⁷⁵ Roughly a fifth of the urban population lives in the capital, Amman. For comparison, neighbouring countries have lower urbanisation rates: Syria of 56%, Iraq of 71%, and Saudi Arabia of 84%.

When it comes to external migration in Jordan, two trends occur. First, about 800,000 Jordanians live abroad, constituting 11% of the total number of Jordanian citizens. Most of them are in the Gulf states.⁷⁶ A distinguishing factor of Jordanian migrant workers is that most of them (75%), are academically qualified, skilled, and specialised; resulting in brain drain.⁷⁷ A large segment of the Jordanians wish to migrate out of the country, e.g. survey data suggest that one out of four (27%) of the youth want to leave the country.⁷⁸ The high youth unemployment rate spurs this situation. Second, the net migration flow changed during the last two decades. Despite the high Jordanian out-migration, a high influx of external in-migration exploded in the 2000s, which was part of the unrest in the

Arab region (Figure 11). It reverted in the 2010s: estimation of Jordan's net migration rate in the period from 2015 to 2020 suggests minus 6.6 migrants per 1,000 population.⁷⁹

Figure 11: Net migration rate trend in persons in Jordan, 1998-2017



Note that the net migration trend is estimated as the net migration rate divided by the total inhabitants. Net migration rate is the difference of immigrants and emigrants in a period. A positive value represents more people entering the country than leaving it, while a negative value means more people leaving than entering it.

Source: World Bank, World Development Indicators

Personal remittances received in Jordan are an essential part of the economy. It peaked in 1997 by 23% of GDP, but in the period from 2015 to 2018 it was down to 12% on average. The Arab regional average has since 2010 remained between 2.0-2.7% (Table 15). This significant drop in the remittances received concerned many Jordanians work in oil-producing countries, and this sector was affected negatively since 2014 due to declining international oil prices.

Table 15: Migration Facts in Jordan and the Arab States

Net migration, number of migrants (2013-2017)	Jordan	51,099
Remittances received, % of GDP, 2018	Jordan	11 %
	Arab World	2.6 %

Note: Net migration rate is the difference of immigrants and emigrants within five years. A positive value represents more people entering the country than leaving it, while a negative value means more people leaving than entering it.

Source: World Bank, World Development Indicators

Jordan hosts more than 1.5 million migrant workers, mostly from Egypt, Syria, the Philippines, and Bangladesh. They are often unskilled workers, concentrated in the agriculture,

construction, and domestic services sectors. Many Jordanian workers are unemployed and often competing for jobs against in-migrated workers. Since migrant workers are more willing to accept less decent working conditions than their Jordanian peers, the migrant workers are often chosen. The migrant workers in Jordan are often operating in the informal economy. Consequently, the value has lowered together with the prestige resulting in many young Jordanians not wanting to get into informal employment.⁸⁰

New insurance policies covering non-Jordanian domestic workers were launched in 2015. These policies aim to both protect employers and provide comprehensive healthcare for domestic workers (see also section Social Protection). During 2018, it was noted in the media that domestic workers recruitment agencies' marketing campaigns have been under fire of dehumanising the workers by using improper language that treats them as "commodities". Instructions on Domestic Worker's Insurance Policies were also approved.⁸¹ In September 2019, Jordan issued a regulation on work permit fee to address the issue of illegal workers. It impacts any local or foreign employer that hires non-Jordanians to undertake work activities across all industries. The regulation re-categorises the types of foreign workers that require work permits and introduces a general increase in application fees. A new penalty for failure to comply with work permit requirements will also be imposed on non-compliant employers.

Jordan is the second-largest host of refugees per capita worldwide and continues to be one of the countries most affected by the Syrian crisis.⁸² In 2018, 673,000 Syrian refugees were registered with UNHCR in Jordan, whereas 81% lived outside of camps and instead in urban areas. In 2016, Jordan's official census estimated 1.3 million Syrians in the country. The Syrian refugees are generally young as almost every second (48%) is below 15 years.⁸³

Syrian refugees in Jordan account for 12% of the national population. The Jordan Compact from 2016 was one of the first significant efforts to extend labour market access to refugees as part of a new response to protracted displacement focused on inclusive growth for refugees and hosts. Even the first official migrant domestic worker network was formed the same year to advocate for full rights for domestic workers. A programme was launched in 2017 that aimed to create around 200,000 jobs for Syrian refugees with issued work permits. Several substantial

corrections have been made since then. It was noted that the initial rollout focused too much on merely increasing the number of work permits granted to Syrian refugees and failed to prioritise policies and programmes that fit the local context and met the needs of refugee and host populations. In practice, the application process for a work permit can be both expensive and time-consuming, requiring red tape, renewals, fees and typically requiring the employer to sponsor the application.⁸⁴

Life remains hard for Syrian refugees in Jordan, with a depressing economic future in a dead-end job market.⁸⁵ Permits to work in Jordan were issued to at least 153,000 workers in 2019 but limited to few industries in designated economic zones. Some areas are becoming more stable in Syria, and the prospect of returning is receiving increased attention. The situation remains uncertain, and imminent return intentions among Syrian refugees in Jordan are low. Few opportunities in Jordan led just around 34,000 registered Syrian refugees to return to Syria from Jordan in 2019.⁸⁶ It is equivalent to 2% of the Syrian refugees in Jordan.

The applied Kafala (sponsorship) system keeps migrant workers (except those working in the economic zones) under restrictive immigration rules, placing them at risk of exploitation and abuse. In the Kafala system, a legal residency of migrant workers is tied to their employers (kafeel), rather than secured by an employment visa. So, if/when the employment relationship ends, the worker loses her/his migration status. The worker cannot change their employer without permission.⁸⁷ Often it results in the employer coercing the worker to accept exploitative working conditions, or otherwise become an illegal immigrant, opening doors to fines, imprisonment, and deportation. The Kafala system has often been compared with slavery as the migrant worker is dependent upon their kafala. It is worthwhile to mention that Jordan introduced a standard contract in 2003 and included domestic workers in its labour law in 2008.

The law requires recruitment agencies for migrant domestic workers to provide health insurance, workplace accident insurance and insurance that reimburses the recruitment fees to employers when workers leave before fulfilling the contract. If the employer fails to pay the worker's salary or to return the worker's passport, the employer would not be entitled to the insurance payment.⁸⁸

Besides Syrians, Jordan hosts 2.2 million Palestinian refugees.⁸⁹ Most Palestinian came to Jordan from 1947 to 1967. Today, most Palestinians and their children are having full citizenship, making Jordan the only Arab country to integrate the Palestinian refugees of 1948 fully. There are ten refugee camps in Jordan, hosting nearly 370,000 Palestinian refugees, or 18% of the total population.⁹⁰ Many of the refugees living in these camps face a marginalised and precarious existence, as their legal status is uncertain, and their social protection mechanisms are limited. It makes this group heavily reliant on UNRWA.⁹¹

Informal Economy

The informal economy is widespread in Jordan's employment and economy. Participation in the informal economy is often linked to a survival strategy of the poor or else lack of awareness or incentives to formalise their enterprises.

As already mentioned in Figure 6 above, relatively few (9.3%) of the Jordanian employment are in 'vulnerable' employment, which is frequently in informality. Employees are dominating the Jordanian employment at around 85%. Employees are in the formal sector but can also be considered to have informal jobs if their employment relationship is not subject to national labour legislation, income taxation, social protection, or entitlement to certain employment benefits. It supports the latest data from 2017 on employment in the informal economy that registered almost half (46%) of the workforce. Jordan is also challenged by a low labour force participation rate that understates actual participation due to a relatively large informal economy. By the same token, Jordan's labour market has a broad exposure to the Syrian refugees that is restricted to the informal economy due to the difficulty faced by Syrian refugees to have access to and compete with Jordanians for jobs in the public sector and the formal private sector. The sectors with the highest presence of informal workers are skilled workers in agriculture, in crafts, machine operators, and services and sales.

Some estimations argue that the informal economy contributes up to a quarter (25%) of GDP, which suggests that this 'sector' needs to be explicitly taken into consideration regarding any macroeconomic policy is formulated (Table 16).

Table 16: Status of the economic and employment in the informal economy in Jordan

Size of the informal economy in % of GDP (2020)	25 %
Informal workers (2017)	46 %
Vulnerable employment * (2020)	9.3 %

* Vulnerable employment is aggregated in own-account workers and contributing family workers of total employment.

Sources: *The Jordan Times*, *Informal economy constitutes around 25 per cent of national income, 2020* and *Al-Quids Center For Political Studies, State of the Informal Economy in Jordan, 2019*

Regarding the national laws and regulations related to the informal economy, the country has endorsed a national framework for regulating the informal economy, which includes the Regulation No. 90/2009 on domestic workers, cooks, gardeners, and similar categories.⁹² This profile's research did not find an establishment of a national forum on the transition from the informal to the formal economy in Jordan.

Workers in the informal economy often have low productivity, and their product quality could often be improved. Many of them lack the sort of skills that would enable them to make better products. They are also struggling in micro-enterprises. Formalising and starting a business are cumbersome just as getting credit and protecting minority investors are quite challenging, which complicate the formalisation of doing business.

The informality on the labour market in Jordan was challenged and expanded by the high influx of Syrian refugees. While the amount of Jordanian informal workers has decreased, the influx of self-employed Syrians made these workers increased fast. Until 2016, Syrian refugees were not legally allowed to work in Jordan, which constrained them from competing for jobs in both the public sector and the formal private sector. Instead, the employment options for the refugees were basically in the informal economy.⁹³ In May 2017, it was noted that the number of work permits issued was around 45,000 Syrian refugees are formally employed in Jordan. For many Syrians, working informally is a better option than working formally, as a working permit only is available in certain sectors, mostly for minimum-wage jobs and ties the worker to a single employer under a one-year contract.⁹⁴

Child Labour

By law, employment of children forbids younger than 16 years of age, except as apprentices in non-hazardous positions. The legislation also bans those between the ages of 16 and 18 from working in potentially hazardous jobs, limits working hours for such children to six hours per day, mandates one-hour breaks for every four consecutive working hours, and prohibits work after 8:00 p.m. in national or religious holidays and on weekends. The government's capacity to implement and enforce child labour laws has not been sufficient to deter the practice, especially in the agricultural sector.⁹⁵

The instances of child labour appear quite low in Jordan in comparison with other neighbouring countries. It was estimated that around 76,000 children were engaged in child labour, which equalled 1.9% of the total children population in 2016 (Table 17). Between 2007 and 2016, the number of child labourers in Jordan has more than doubled, from 29,225 to 69,661. This increase was a result of the economic downturn during the 2010s and the high inflow of Syrian children refugees. Approximately 80% of children workers were Jordanians, while 15% were Syrians. Boys form nearly 90% of those involved in child labour. A total of 32% of child labourers are employed in hazardous work, which is work considered either harmful to children's health or which may negatively impact their development.

Most working children were in the agricultural and service sector – both occupying 43% of the total child labour force. The industry sector absorbs 14% of the total child labours.⁹⁶

Table 17: Status of working children proportion of all children in age group, 2016

Region	Age	Type	Proportion
Jordan	5-17	Children in employment	1.9 %
		Child labour	1.7 %
		Hazardous work	1.1 %
Middle East	5-17	Children in employment	N/a
		Child labour	1.5 %
		Hazardous work	2.9 %

Source: The Center for Strategic Studies University of Jordan, National Child Labour Survey 2016 of Jordan & League of Arab States, International Labour Organization, Food and Agriculture Organization of the United Nations, Arab Labour Organization and Arab Council for Childhood and Development, *Child Labour in the Arab Region: A Quantitative and Qualitative Analysis*, 2019

According to the Jordan National Child Labour Survey (NCLS) 2016 results, the main activity performed by children is attending school only (65%) while almost one out of three (29%) are attending school and involved in household chores. Other activities are quite limited such as inactivity (3.3%) and involved in household chores only (1.2%).⁹⁷

The character of child labour is most often related to agriculture, mechanical repair, construction, quarrying, tour-guiding, and the hotel and restaurant industry. They also work as street vendors, carpenters, blacksmiths, domestic workers, and painters, as well as in small family businesses.

Approximately one-third of working children operate more than 48 hours per week, while 55% work less than 36 hours per week. Many child workers are vulnerable to ill-treatment in the workplace, including physical and psychological abuse.⁹⁸

Gender

There are very stark gender gaps in the labour market in Jordan. First, Jordanian women have one of the lowest labour force participation rates in the world with a gender gap of 44 percentage points in 2020. This gap dropped during the last decade by 4 percentage points. It was mainly due to a reduction of men's participation rate of minus 4.8 percentage points than women's at plus 0.8 percentage point. Although the women's low participation rate, almost all are among employees. Second, the unemployment rate is 10 percentage points higher for women than men (see more details in Table 18).

Table 18: Workforce key indicators gender gaps estimations in Jordan, 2020

	Men	Women	Ratio of women to men, p.p. *
Employment	55 %	11 %	-44 p.p.
Unemployment	13 %	23 %	+10 p.p.
Employees	83 %	97 %	+14 p.p.
Vulnerable employment *	11 %	1.8 %	-8.8 p.p.

* Percentage point (p.p.)..

** Aggregate own-account workers and contributing family workers
Source: ILO, Key indicators of the Labour Market (KILM)

These deep gender gaps in the central labour market indicators are bounded in traditional beliefs and culturally enforced by family and community networks. It is interesting to observe that a shift in the attitudes towards gender equality is in progress as a result of recent modernisation efforts in Jordan.⁹⁹ For example, a recent study from 2019 revealed that 96% of people believe that it is acceptable for women to work.¹⁰⁰ It will take some time to be demonstrated fully in dwindling the gender gaps in key indicators and empower women's role in decision-making in the labour market.

The Constitution provides that every worker shall receive wages commensurate with the quantity and quality of his work. The Labour Code does not include a right to equal remuneration for work of equal value, though. In practice, pay gender gaps are present: men working in the country's private sector earn 41% on average more than women; in the public sector, men earn about 28% more. This pay gender gap is similarly in manufacturing at 41%; in health and social work at 28%, and 25% in education.¹⁰¹

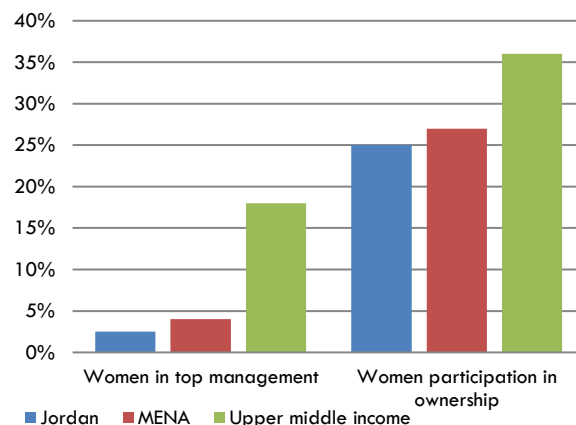
Regulations issued under the Labour Code impose legal restrictions on women's employment in some occupations considered arduous or that may pose health and safety risks, including in mines, shipping and dock work, mineral welding, among others. Pregnant women are prohibited from working in jobs where they risk being exposed to X-rays, oil and petrol derivatives, and other substances that risk the health of the foetus. Women are also prohibited from night work between 7:00 p.m. and 6:00 a.m. except in roles specified by the Minister of Labour.¹⁰²

The Global Gender Gap Index 2018, measuring gaps and women's empowerment, ranked Jordan as number 138 out of 144 countries (1 is best) in 2020. On political empowerment and opportunity, Jordan scores worst (145). Educational attainment is the best scoring indicator ranking the country at an 81st place.¹⁰³ In this index, Jordan positions in the middle among MENA countries. The other international Gender Inequality Index – measuring health, empowerment, and economic status across gender – ranked the nation as number 113 out of 189 countries in 2018 (1 is best).¹⁰⁴ Jordan has improved slightly compared the previous year.

Survey data reveal that one out of five women employees is subjected to some form of violence or harassment in the workplace.¹⁰⁵ Regarding women participation in ownership

is close to the regional average, but remains extremely low in top management as in the impact of the present gender stereotype culture (Figure 12).

Figure 12: Women in management and ownership, 2013



Source: World Bank, Enterprise Survey: Jordan 2013, Country Profile

Some of the changes experienced by women are that they have rising educational attainment on the secondary and tertiary education level, exceeding the men. It is delaying in the age of first marriage, which has an impact of the falling fertility rate (see more Education section).

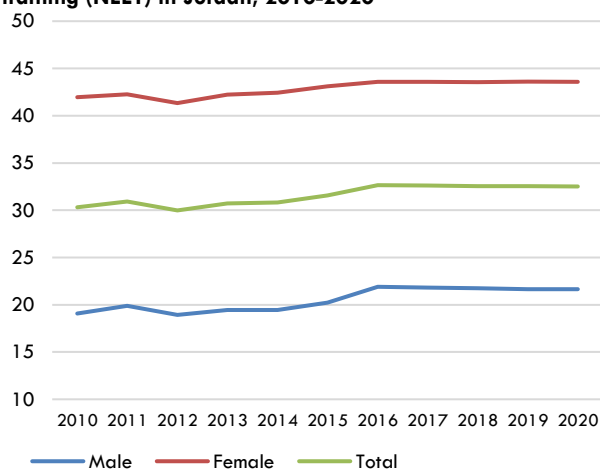
Youth

In 2020, Jordanian youth aged 15-24, represents the second largest population group (1.1 million people, 20%) (revisit Figure 4). This group has many challenges in the labour market. As already mentioned, the country has one of the world's highest youth unemployment rates in the world. The impact of political, social, and economic marginalisation on Jordan's youth is noted in the growing tensions between the government and its increasingly agitated young citizens disappointed by the insufficient job creation in the formal sector. Those tensions manifest in political apathy, disaffection among tribal youth, and radicalisation.¹⁰⁶

The Government has been active in developing policies to promote youth employment. But as a proxy indicator, reflected in the growing youth unemployment rate during the 2010s, these policies have not succeeded their goals. It is furthermore as result of the mounting challenges entering in the country by the regional political turmoil and general economic downturn. Those not in employment, education or training (NEET), is in 2020 estimated at 44% for both

sexes, with a gender gap favouring men with 11 percentage points (Figure 13). As depicted in the figure, the rates have remained steady with minor increases on few percentage points each. Some of the main priorities to strengthening the youth's participation on the labour market are placed on education and training, job creation and entrepreneurship, inclusion of youth in the labour market and institutional reform.

Figure 13: Share of youth not in employment, education or training (NEET) in Jordan, 2010-2020



Note: The NEET's share covers the Bangladeshi youth not in education, employment, or training.

Source: ILO, Key Indicators of the Labour Market (KILM)

Young people in Jordan enjoy good access to education, including higher education. Most are achieving higher educational attainment than their parents have (see also Education section). According to the result of the Labour Market Transition Survey from 2014, the workforce is remarkably homogeneous in urban and rural areas. As already indicated, young Jordanian women are generally highly educated, but most of them remain economically inactive after leaving school.¹⁰⁷ Those who do enter the labour market face the very high youth unemployment rate or many works temporarily and do not receive any pay for their work in the informal economy. Many youths, mostly men, start working before they reach maturity.¹⁰⁸

Regarding the high youth unemployment rate, some of the critical issues are mismatches between education outputs and the skills required by the labour market. The formal private and public sectors are unable to absorb sufficient work entrants. They often lack access to, and quality of, national programmes that facilitate a smooth school-to-work transition, including vocational training and

career guidance. In September 2020, the government initiated to roll out compulsory military service for men between the ages of 25 and 29, as the country struggles with rampant unemployment resulting from the coronavirus pandemic.

Informal employment still involved 53% of employed youth. This group is engaged as paid employees holding informal jobs in the formal sector. They hold contracts, but they do not give them access to major benefits such as paid sick leave, paid annual leave and pension contributions. Most of the working youth receive a below-average wage.¹⁰⁹

Survey data suggest that every fourth of youth believed that there were no jobs, which is a significant part of the high unemployment rate. In general, young people in Jordan feel that family planning services fail to address their concerns and fear being stigmatised by health service providers.¹¹⁰ This situation exacerbates young girls' vulnerability to early pregnancy, child marriage, gender-based violence and sexual assault.

EDUCATION

The education system in Jordan has created a relatively well-educated population, as education is considered a core value in the culture. On average, Jordanians attend school 9.1 years and have an almost universal literacy rate among the youth (99%).

Basic Education is a 10-year compulsory and free level of education (grades 1-10). Figure 14 demonstrates that the net enrolment in primary education declined during the 2000s. It finally experienced an upsurge since 2018. The enrolment rates are lower than the Middle East and Northern Africa (MENA) average. This drop in the net enrolment in primary education level in Jordan was the aftermath of the high in-migration flow. Refugee children are granted access to Jordanian public schools, including free access to national basic education. However, they face challenges of documentation and resources.¹¹¹ The high influx of Syrian refugee children has created pressure on the public schools, e.g. during the 2018 school year, over 140,000 Syrian students were enrolled, compared to around 17,000 in 2011/12. Around 40% of Syrian refugee children in Jordan are not enrolled in formal education.¹¹² Moreover, many are neither formal nor

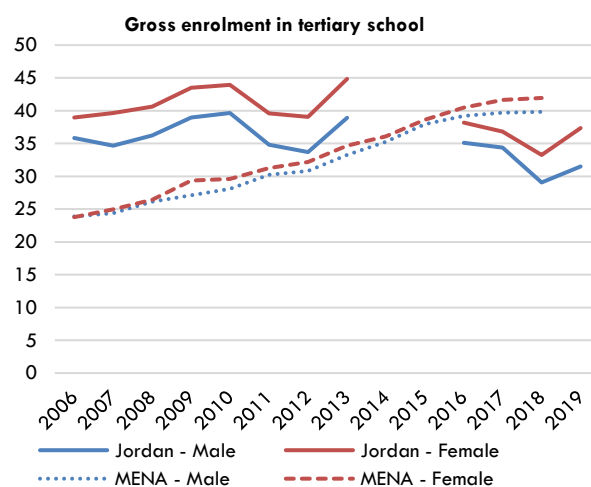
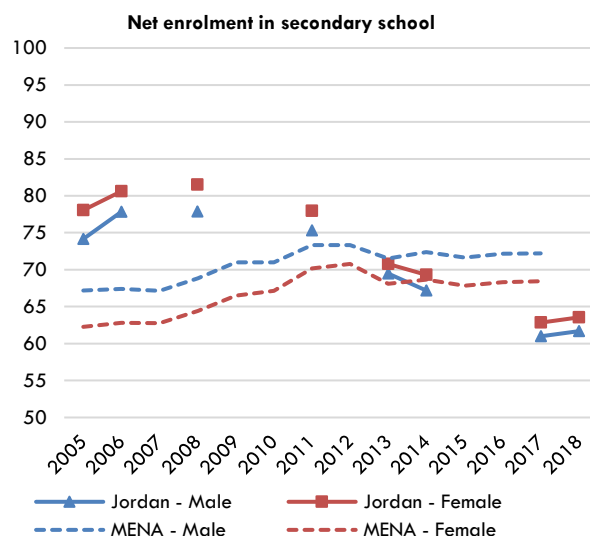
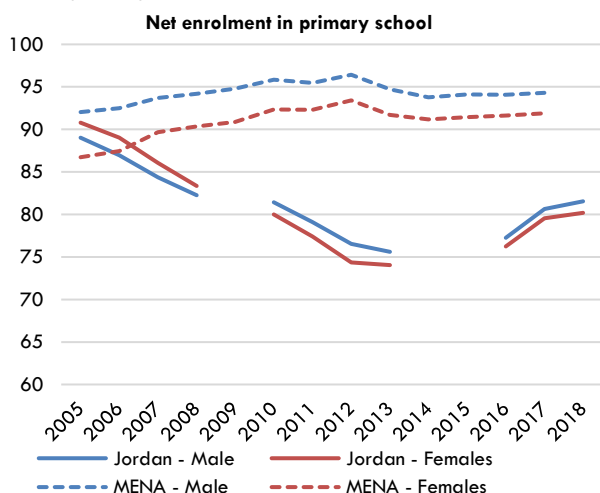
informal education: 17% of all Syrian refugee children ages 5 to 17 were still not enrolled as of December 2016. This situation has contested the quality of education and its overwhelming demand for the system's infrastructure. Reforms of the education system stalled, which include changing the system of traditional education and decentralisation of the management of the schools.

The net enrolment in secondary education has evolved from being significantly higher in Jordan in comparison with MENA before 2011, to be lower rated in 2017. Here a minor gender gap on approximately two percentage points exist for both the regional average and Jordan.

The gross enrolment ratio in tertiary education level dropped during the 2010s until it finally rebounded in 2019; the MENA averages now supersede the ratio. Jordanian females also have higher enrolment rates on this level. Half of the country's university graduates were females, but they comprised only 11% of the workforce.

Despite the achievements in school enrolment to higher education levels has yet to achieve more equitable inclusion of the lowest-income families. One out of ten still have no schooling; stated differently, youth from poor households still represented a minority of secondary graduates and only a fraction of tertiary graduates. See more details in the enrolment in educations trends in Jordan and the MENA in Figure 14.

Figure 14: Enrolment in Primary, Secondary and Tertiary schools, Male and Female, Jordan and Middle East and North Africa (MENA), %, 2005-2018



Note: Net enrolment is the ratio of children of official school age, who are enrolled in school to the population of the corresponding official school age. Gross enrolment is the ratio of total enrolment, regardless of age, to the population of the corresponding official school age.

Source: World Bank, Education Statistics

The government continues aiming at providing free primary and secondary education to Syrian refugees and permit access to education in general for all school-age Syrian refugees.¹¹³ However, it is estimated that 73,000 Syrians still are without any education. Many of these children face barriers to education, including bullying and harassment, the costs of transportation, uniforms, and school materials, and they are unprepared for their appropriate grade level due to interruptions in their early years of schooling.¹¹⁴ Non-Syrian refugees must pay to attend government schools.

Vocational training

Technical and Vocational Education and Training (TVET) contributes to the development of a productive workforce by linking the education system to the needs of the economy. Jordanian companies complain about a lack of qualified skilled workers in the labour market.¹¹⁵

Table 19 provides an overview of secondary vocational training in Jordan and the Arab region. While enrolment numbers in secondary vocational training has decreased slightly, the number of teachers has decreased even more resulting in more pupils per teacher on average. As a share of all secondary students, vocational students form only 6.9% in Jordan, while it on an Arab regional level form more than a fifth. Government expenditure on TVET was 3.6% of total education budget, in 2016.¹¹⁶

Table 19: Status on secondary vocational training in Jordan and the Arab States, 2014-2017

Jordan	2014	2017	Change, 2014-17
Enrolment in secondary vocational training, total	28,257	26,597	-5.9 %
Teachers in secondary vocational education	3,467	2,827	-19 %
Teachers per pupils	1:8.1	1:9.4	+1.3 p.p.*
Comparative estimations	Country/region	2017,%	Change, 2014-17
Secondary education, vocational pupils (% women)	Jordan	41 %	6.0 p.p.*
	Arab States	38 %	-0.8 p.p.*
Share of pupils in vocational training to all pupils in secondary education	Jordan	6.9 %	-0.6 p.p.*
	Arab States	21 %	1.1 p.p.*

* Percentage Point – p.p.

Sources: World Bank, Education Statistics

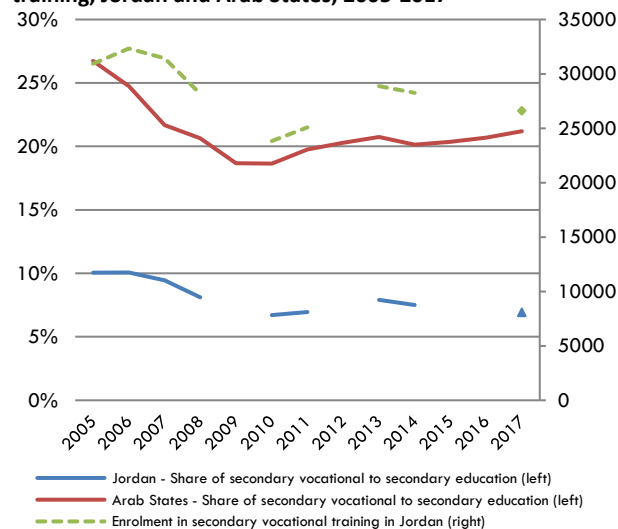
The TVET system in Jordan consists of three main public parts: i) TVET offered by community colleges under Al-Balqa Applied University, ii) secondary vocational education as part of upper secondary education under Ministry of Education, and iii) non-formal and formal vocational training delivered by Vocational Training Corporation (VTC). TVET furthermore consists of two non-public aspects: i) private, or non-government, training provision consisting mainly of private community colleges, for-profit non-formal training, and some training sponsored by NGOs, and ii) enterprise-based training.

A TVET Council was established in 2001 that consist of government officials, employers, and union

representatives. The Council aimed to improve the communication between vocational education and training providers together with the social partners. In practice, the three main actors in the TVET system - the Ministry of Education, VTC, and the Al Balqa' Applied University - have tended to pursue their policy priorities, which has led to inevitable duplications, incompatibilities and excessive centralisation of decisions. It includes managers of training institutions having few decision-making powers just as school administrators not having the freedom to purchase equipment or change the content of teaching programs as needed.¹¹⁷

Both students and parents undervalue TVET as a viable path to employment: Academic education at universities is preferred. No less than 80% of school graduates choose academic education over TVET. Based on the available data, the ratio of enrolled students in vocational training to secondary education peaked in 2005, then started declining slowly. It started slightly to increase in the margin since 2010. The 2017 level is below the level in the 2000s. This ratio is significantly lower than the MENA average (Figure 15). Similarly, the number of pupils in vocational training dropped since 2005 curb the rate in the 2010s, but only slightly increased in the margin.

Figure 15: Ratio of pupils in vocational training to all pupils in secondary education (%) and total enrolment in vocational training, Jordan and Arab States, 2005-2017



Sources: World Bank, Education Statistics

In 2019, an entity with the Ministry of Labour dubbed the Vocational and Technical Skills Development Commission, was created to organise the vocational training sector.¹¹⁸

The commission aims at being the legal and technical body for the vocational education sector, creating a large administrative and executive organisational structure. The aim is to increase the participation of the private sector, local community institutions, industry and trade chambers and the general union for labour association to develop TVET.

A survey from 2014 found that a minority of 15% of businesses employed TVET trained workers mainly from small businesses employing with 1-3 workers. It was concluded that there was a lack of orientation. Interest in TVET by the youth coupled with lack of awareness of TVET centres or offerings in their area of residence. There is a growing interest in entrepreneurial initiatives, such as establishing a business or vendor shops in the fields of personal care, computer and communications, traditional trades, or car repair.¹¹⁹

While there are many private training institutions active in the country, their contribution to training for the informal economy is limited. Most courses are related to secretarial, computer, and other office skills, and they do not include any entrepreneurship or business management training. The training programmes have limited results. Albeit the government increased its interest in small-scale economic activities, there are still only a small number of short-term training schemes serving this segment of the labour market. Based on Enterprise Surveys around 17% of firms (excluding micro-enterprises) are offering formal training programmes for their permanent, full-time employees. In 2019¹²⁰

SOCIAL PROTECTION

Jordan's constitution guarantees the rights and access to basic social and health services as well as has developed a coherent national social protection policy.¹²¹ The country has only ratified one of the ILO conventions related to social security, namely Convention No. 102 for 1952 on Minimum Standards of Social Protection.¹²² The Social Security Law was amended in Law No. 24 of 2019. Two central changes were included in this reform. First, contributions for newly registered entities less than 25 workers: if such an entity has workers that are under the age of 28, social security contributions for old age are not required to be made for up to five years of the entity's registration date. It effectively reduces the applicable social security contribution rate for newly registered

entities. Second, employers are no longer required to remit social security contributions for women staff on maternity leave. The social security reform has received mixed reactions as it cancels early retirement option for new subscribers without inserting new regulations related to salaries, dismissal from work and unemployment insurance.¹²³

The social security coverage has been on the rise reaching around 1.3 million in 2019, out of which 67,000 are optional subscribers (5% of the Social Security Corporation's (SSC) active subscriber base); and represents around 58% of the employment.¹²⁴ The number of non-Jordanians reached 163,000 people, which is 13% of the total number of active SSC subscribers. The number of women subscribers is at 372,000, representing 29% of the corporation's active base. SSC covers around 16,000 business owners. It is important to realise that workers operating in the informal economy do not benefit social protection schemes. It is noteworthy to mention that both unemployment insurance and health insurance are new services offered by SSC since 2011. Other official data on social protection coverage is somewhat outdated, but it could still give a sense of the system's scope (see more in Table 20).

Table 20: Social protection coverage in Jordan, % of population, 2010

Group	Coverage
Coverage of social protection and labour programmes	73 %
Coverage of social safety net programmes	66 %
Persons above retirement age receiving a pension (Contingency)	42 %
Persons in the labour force covered in the event of work injury (Contingency)	39 %
Coverage of social insurance programmes (% of population),	28 %

Source: ILO, *SDG labour market indicators*, ILO, *Social Protection, Statistics and indicators* and World Bank, *World Development Indicators*

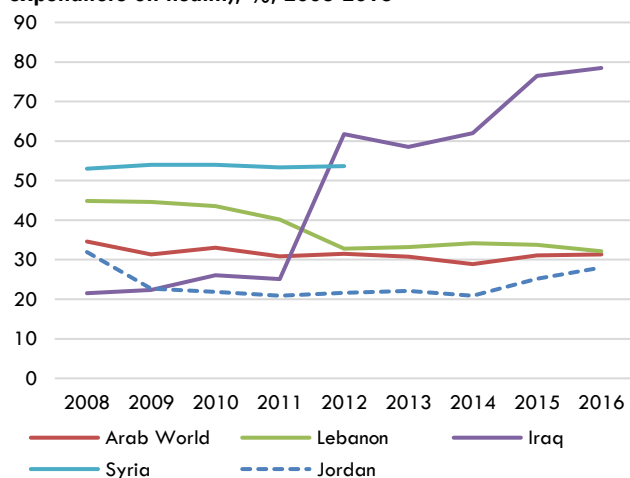
Jordan spends 8.9% of GDP on public social security and health. It is important to realise that the health expenditure has been on a declining trend during the 2010s, from the peaking 9.5% of GDP in 2009 to 5.5% in 2016. While 4.4% of GDP is spent on persons above statutory pensionable age, 0.7% of GDP is spent on people of working age (see more in Table 21).

Table 21: Expenditure of benefit schemes, % of GDP, latest year available

Service	Expenditure
Total public social security and health	8.9 %
Current health expenditure	5.5 %
Public social protection (excluding health)	4.7 %
Public social protection (excluding health) for persons above statutory pensionable age	4.4 %
Public social protection (excluding health) on people of working age	0.7 %

Source: World Bank, World Development Indicators, and ILO, Social Protection, Statistics and indicators

The private out-of-pocket health expenditures in Jordan stayed relatively low. However, it was on the rise since 2014 and getting closer to reach Arab States average (see Figure 16). Part of these changes is an impact of the negative economic downturn and the influx of refugees. Individuals who face catastrophic out-of-pocket health expenditures can petition the Royal Court for subsidisation of specific health care services on a case-by-case basis. Some waiting lists have increased with the influx of refugees. The uninsured incur the highest out-of-pocket payments, which is the most regressive form of health financing. Studies reveal that the Jordanian government is not organised to proceed or prepared to continue providing health services at the present trend: a fast increase in demand over publicly funded services in the absence of efficiency gains.¹²⁵

Figure 16: Out-of-pocket health expenditure (% of private expenditure on health), %, 2008-2016

Note: Out of pocket expenditure is any direct outlay by households, including gratuities and in-kind payments, to health practitioners and suppliers of pharmaceuticals, therapeutic appliances, and other goods and services whose primary intent is to contribute to the restoration or enhancement of the health status of individuals or population groups. It is a part of private health expenditure.

Source: World Bank, World Development Indicators

The social protection system is covering a wide range of services that divided into government and non-government entities. The former part includes social security and insurances systems along with civil and military pensions. The latter part is represented by the different civil society organisations that provide various forms of social assistance to the poor and orphans. As an impact of the regional turmoil and the high inflow of refugee in Jordan, the involvement of the civil society in social protection programmes have increased in recent years.

The country has moved towards social insurance schemes where contributions are made by employers to finance statutory maternity insurance schemes. It has increased the number of women in the age of childbearing in the formal sector by 30%.¹²⁶ The minimum duration of maternity leave in Jordan is 70 days, with 100% wage paid during the period.

Migrant workers have access to social security if they are registered and have contracts. In March 2019, 6,120 migrant workers were registered in the social security after an inspection by the national social security agency in 3,564 enterprises. However, casual workers (who have work daily) are not covered by social security since they have no contracts. Their only possibility is to subscribe to social security by their own as individuals. In this case, they have the right to opt for insurance on ageing, disability, and death but not professional diseases and work accidents. Generally, the coverage of social protection safety nets for the Syrian refugees remains with minimum support.¹²⁷

In 2011, Jordan introduced unemployment benefits for job seekers who have lost their jobs for a maximum period of three months on condition that they provide evidence of job search.¹²⁸ Unemployed are not protected after one year of employment, and the minimum contribution period for unemployed is 36 months. The Ministry of Social Development (MoSD) implements social safety nets targeting poor, disabled, unemployed, and elderly, among others. Some of these servicers reached close to 8,000 individuals benefited from unemployment insurance in 2013. Out of this number, 25% of beneficiaries who received unemployment insurance were categorised as vulnerable or near the poverty line.¹²⁹ Taking into consideration, the high unemployment rate among youth furthermore warns that the unemployment insurance coverage remains very low.

Food subsidy programmes are a central component of social protection in Jordan. For example, bread subsidy is a pillar of creating stability in the country since the bread riots in 1996. During the 2010s, half the subsidised bread is consumed by non-Jordanians, including refugees, who are not targeted by subsidy. It triggered reforms of the programme. In a move that significantly increased subsidised bread prices for the first time since 1996, the Government replaced its broad bread subsidy programme with a targeted assistance system, setting new price caps for bread in 2018. The new mechanism delivers cash support of US\$241 million to approximately 6.2 million people in the country, which will be paid out through an electronic benefit transfer card.

In 2019, the Social Protection and Poverty Alleviation Strategy for 2019-2025 was launched to support the country's underprivileged population under the motto "opportunities, dignity and empowerment."¹³⁰ It includes that by the year 2015, compulsory education will start from the age of five instead of six. Other initiatives in the strategy are 30,000 job opportunities, solar system units for 5,000 families, transportation for 10,000 families and food supplies for 50,000 school children. Critics argue that the government since 2010 has withheld study results on poverty in Jordan, questioning whether the strategies directly address the problem of poverty in Jordan.¹³¹ Efforts furthermore fall short when it comes to deal with migrants and refugees in the new strategy.

In 2019, MoSD inaugurated eight Oasis Centres for Resilience and Empowerment of Women and girls in

community centres across five governorates.¹³² These centres provide cash for work opportunities for more than 200 vulnerable women.

The National Aid Fund (NAF) delivers a social protection scheme providing cash transfers to almost 271,000 Jordanians. The programme has been criticised of not reaching the most impoverished people and is going through a reform to include new eligibility mechanisms. NAF has recently re-activated vocational training for members of households benefiting from its assistance. By 2021, the aim is to increase the number drastically of vulnerable households supported through its cash transfer programme.¹³³

The National Zakat Fund (NZF) operates with 210 voluntary committees throughout the country. The most extensive programmes are cash assistance, orphan cash assistance, occasional in-kind benefits, and rehabilitation assistance programmes. The scheme also supports vulnerable Syrian families living in poor communities.

Other social protection schemes by local non-government organisations (NGOs) are present. It includes Tkiyet Um Ali (TUA) that provides food and education; the National Alliance Against Hunger and Malnutrition (NAJMAH) that concerns food security and provides services to at least 10,000 households; and the Islamic Centre Charity Society (ICCS) that operates with 64 centres around the country, providing health, education and social protection services.

APPENDIX: ADDITIONAL DATA

Table 22: Evolution of Trade Unions in Jordan

General Federation of Labour Trade Unions	Membership 2015	Membership 2017	Change, 2015-2017	% of women, 2017	Managing board, total	Managing board, women	Women representative percentage
The General Union of Construction Workers	2,648	3,800	44 %	17 %	11	1	9 %
The General Union of Petrochemicals Employees	4,182	5,400	29 %	5 %	9	0	0 %
The General Trade Union of Municipality Employees	18,000	10,600	-41 %	20 %	9	0	0 %
The General Union of Private Education Employees	1,500	1,500 *	0 %	60 %	7	4	57 %
The General Union of Public Services and Freelance Jobs	4,150	4,238	2 %	55 %	9	7	78 %
The General Union of Health Services and Pharmaceutical Employees	850	1,200	41 %	33 %	9	2	22 %
The General Union of Railway Employees	1,000	1,100	10 %	0 %	12	0	0 %
The General Union of Food Industry Employees	3,347	6,000	79 %	12 %	9	1	11 %
The General Trade Union of Printing, Photography and Paper Employees	2,821	2,800	-1 %	25 %	9	2	22 %
The General Trade Union of Clothing, Textile and Garment	52,945	51,000	-4 %	80 %	9	7	78 %
The General Trade Union of Electricity Employees	7,523	7,850	4 %	17 %	11	0	0 %
The General Trade Union of the Employees of Banks, Insurance, and Auditing	3,200	8,000	150 %	44 %	9	1	11 %
The General Trade Union of Mines and Mining Employees	7,500	8,000	7 %	13 %	15	0	0 %
The General Trade Union of Commercial Stores Employees	850	850 *	0 %	10 %	7	0	0 %
The General Trade Union of Seaports and Clearance Employees	1,100	2,650	141 %	6 %	9	0	0 %
The General Trade Union of Air Transport and Tourism Employees	3,690	3,350	-9 %	34 %	11	2	18 %
The General Trade Union of Land Transport Employees and Mechanics	5,000	5,500	10 %	2 %	9	0	0 %
Sub-total	120,306	123,838	2,9 %	45 %	164	27	16 %
Federation of Independent Trade Unions of Jordan (FITU) / General Federation of Independent Unions (GFIU)	7,000	7,000 *	0,0 %	-	-	-	-
Total	127,306	130,838	2,8 %	-	-	-	-

* There was not access to updated data.

Source: JKN, Appraisal Report Jordan – June 2015 and DDTA Sub-Regional Office in Jordan

Table 23: Count of Collective Bargaining Agreements in Jordan, 2017

General Trade Unions	Number of CBAs for each trade union
General Trade Union for Public Services and Free Vocations	9
General Trade Union of Constructions Workers	6
General Trade Union of Land Transport Employees and Mechanics	4
General Trade Union of Worker in Private Education	2
General Trade Union of Workers in Electricity	3
General Trade Union of Workers in Food Industries	18
General Trade Union of Workers in Mining and Metal Industries	2
General Union of Workers in the seaports and clearance	1
The General Trade Union of Workers in Air Transportation and Tourism	4
The General Trade Union of Workers in Textile, Garment and Clothing	18
Trade Union of Typing and Photocopying Workers	4
Grand Total	71

Source: DTDA Sub-Regional Office in Jordan

Table 24: Employer syndicates in Jordan

Employer syndicates	Members	Year established	Last election	Electoral cycle
Jordanian Truck Owners	8,000	1963	2010	4
Public Vehicles and Taxi Office Owners	-	1964	-	3
General Syndicate of Bakery Owners	2,100	1971	2011	3
Printing Press Owners	400	1972	-	2
Gas Station Owners Distributors	1,100	1972	2013	3
General Syndicate for Merchants and Exporters of Fruits and Vegetables	200	1972	2013	2
General Syndicate of Jewelry Shop Owners	500	1972	2012	4
General Syndicate of Foodstuff Merchants	300	1973	2012	3
Construction Industry Owners	1,250	1975	-	2
Restaurant and Confectionary Owners	4,000	1976	2012	4
Beauty Parlor Owners	2,800	1976	2011	4
Mechanical Occupation Owners	8,000	1978	2012	5
General Syndicate of Fabrics and Clothing Merchants	300	1978	2012	3
Automotive Agencies and Spares Merchants	7,000	1980	-	-
Syndicate of Private School Owners	271	1980	2008	4
Forwarders and Freight Owners	-	-	-	-
Merchants and Agricultural Product Producers	-	-	-	-
General Syndicate of Dental Laboratory Owners	-	-	-	-
Men Barber Shop Owners	-	-	-	-
Jordan Shipping Association	-	-	-	-
Electrical and Electronics Shop Owners	-	-	-	-
Medical, Scientific and Lab Material Merchants	-	-	-	-
Syndicate of Jordanian Honey makers	-	-	-	-
Syndicate of Banana Distillery Owners	-	-	-	-
General Syndicate of Knitting Industries	-	-	-	-
Electricity and Electronics Merchants	-	-	-	-
Stationary, Bookstore and Office Device Merchants and Manufacturers	-	-	-	-
Private Culture Center Owners	-	-	-	-
Syndicate of Surveying Office Owners	-	-	-	-
Glass and Mirror Shop Owners	-	-	-	-
General Syndicate of Olive Press Owners	-	-	-	-
Syndicate of non-Jordanian Domestic Worker Recruiters	-	-	-	-
Automotive Lease Office Owners	-	-	-	-
General Syndicate of Furniture and Carpet Merchants and Producers	-	-	-	-
General Syndicate of Media, Advertisement and Design Agency Owners	-	-	-	-
Quarry Owners	-	-	-	-
Syndicate of Water Treatment Plant Owners	-	-	-	-
General Syndicate of Video and Cassette Shop Owners	-	-	-	-
General Syndicate of Large and Medium Public Buses	-	-	-	-
General Syndicate of Jordanian Bus Owners	-	-	-	-
General Syndicate of Pubic Vehicle Owners	-	-	-	-
Syndicate of Insurance Agency Owners	-	-	-	-
Syndicate of Public Safety Profession Employers	-	-	-	-
Logistics Syndicates (freight forwarders)	-	-	-	-
General Syndicate of Optical Profession Owners	-	-	-	-
General Syndicate of Real Estate Office Owners	-	-	-	-
Syndicate of Support Service Owners	-	-	-	-
General Syndicate of Financial Service Company Owners	-	-	-	-
Syndicate of Recruiters of Jordanian Professionals	-	-	-	-
Syndicate of Medical Laboratory Owners	-	-	-	-

Source: Al-Quds Center for Political Studies, *Employer Syndicates: And the Requirements for Advancing their Syndical Roles, 2014*

Table 25: List of approved labour related legislations in Jordan, 2014-2018 (February)

Type of legislation	Legislation
2014	
General provisions	Law No. 31 of 2014 concerning Public-Private Partnership
Elimination of child labour, protection of children and young persons	Law No. 32 of 2014 concerning Juvenile Law
Occupational safety and health	Council of Ministers Decision No. 6439 of 09/11/2014 approves the accession of The Hashemite kingdom of Jordan to the Protocol of 1992 to amend the International Convention on Civil Liability for Oil Pollution Damage of 1969
Seafarers	Council of Ministers Decision No. 6376 of 05/11/2014 Approves the accession of the Hashemite kingdom of Jordan to the ILO - Maritime Labour Convention, 2006
Specific categories of workers	Regulation No. 96 of 2014 amending Regulation No. 82 of 2013 concerning the Civil Service
2015	
General provisions	Law No. 39 of 2015 concerning Political Parties Law
	Law No. 15 of 2015 concerning Electronic Transactions
	Law No. 7 of 2015 ratifying an International Agreement on the Suppression of Acts of Nuclear Terrorism
Employment policy, promotion of employment and employment services	Law No. 3 of 2015 amending Law No.33 of 1992 concerning Development and Employment Fund Law
	Regulation No. 12 of 2015 regulating the organisation of Private Recruitment Agencies for the Recruitment of Non-Jordanian Domestic Workers.*
Occupational safety and health	Regulation No. 108 of 2015 on Radiation Protection
	Law No. 45 of 2015 Ratifying Vienna Convention on Civil Liability for Nuclear Damage.
	Instructions on ensuring general radiation protection and nuclear safety and security
Social security (general standards)	Instructions on Domestic Worker's Insurance Policies *
Seafarers	Instructions No. 1 of 2015 Implementing the Appendixes of the MARPOL - International Convention for the Prevention of Pollution from Ships of 1973.
Specific categories of workers	Law No. 50 of 2016 amending Agriculture Law.
	Regulation No. 132 of 2015 amending Regulation No. 82 of 2013 concerning the Civil Service.
	Instructions on Domestic Worker's Insurance Policies. *
	Regulation No. 112 of 2015 amending the Regulations on Municipal Employees
	Amending Regulation No. 12 of 2015 Regulating of Organizing the Private Offices of Recruiting Non-Jordanian Domestic Workers
	Regulation No. 70 of 2015 amending Regulation No. 82 of 2013 concerning the Civil Service
	Law No. 13 of 2015 concerning Agriculture Law
	Regulation No. 12 of 2015 regulating the organisation of Private Recruitment Agencies for the Recruitment of Non-Jordanian Domestic Workers.
Domestic Workers	Instructions on Domestic Worker's Insurance Policies.
	Amending Regulation No. 12 of 2015 Regulating of Organizing the Private Offices of Recruiting Non-Jordanian Domestic Workers
	Regulation No. 12 of 2015 regulating the organisation of Private Recruitment Agencies for the Recruitment of Non-Jordanian Domestic Workers *
2016	
General provisions	The Hashemite Kingdom of Jordan Constitution Amendment of 2016
	Joint Action Plan Between Jordan and the United States on Combating Smuggling of Nuclear and Radioactive Material

	Law No. 5 of 2016 Establishing the National Commission for the Implementation of International Humanitarian Law
Elimination of child labour, protection of children and young persons	Regulation No. 112 of 2016 Regarding Dispute Settlement Related to Juvenile Cases
Occupational safety and health	Regulation No. 32 of 2016 Regulates the Transportation of Radioactive Materials
Migrant workers	The Hashemite Kingdom of Jordan and the Republic of Uganda Agreement on Employing Ugandans Workers in Jordan
Seafarers	Undertaking Between Maritime and Port Authority of Singapore and Jordan Maritime Commission of Hashemite Kingdom of Jordan Concerning The Mutual Recognition of Certificates Under Regulation 1/10 of the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW), 1978, as amended by the 2010 of Manila Amendment.
	Instructions of 2016, on Implementing Protocol of 1992 to amend the International Convention on Civil Liability for Oil Pollution Damage of 1969.
Specific categories of workers	Instructions of 2016, for the licensing of Employees working in the Installation, Operation, Maintenance, Inspection, Designing and Supplying of Renewable Energy Systems
2017	
Medical care and sickness benefit	Law no. 11 of 2017 concerning the Public Health Law.
Disabled workers	Law No. 20 of 2017 on the Rights of Persons with Disabilities.

* These legislations have been registered under several themes.

Source: ILO, NATLEX, Jordan (Last reviewed 2019)

Table 26: Central changes in the Labour Law (Amended Law) in Jordan from 2019

Theme	Changes
Wages	The Amended Law introduces the concept of 'discrimination in wages', which is defined as the inequality in payment of wages between employees based on gender. The Amended Law imposes a penalty on the employer ranging between 500 – 1,000 Jordanian Dinars (approximately US\$ 700 – 1400) in the event the employer discriminates in payment of wages between employees because of gender. This represents a significant change given the global movement towards equal pay in other developed jurisdictions
Overtime	Subject to Article 57 of the Labour Law, obligatory overtime was capped at 20 days per year; this limit has now been increased, subject to the Amended Law, to 30 days per year.
Paternity Leave	The Amended Law grants new fathers three days leave from work with full pay after the birth of a child whereas the Labour Law previously made no provision for paternity leave. Again, this is an interesting and progressive development on the part of the Jordanian legislators.
Annual Leave	Although annual leave has not been increased, the Amended Law enables an employee to avail of payment in lieu of leave, if the employer fails to approve the employee's annual leave for a consecutive period of two years.
Childcare	Article 72 of the Labour Law required an employer to establish a nursery in the workplace, subject to specific conditions, which were modified by the Amended Law. Previously this obligation was triggered when 20 or more female employees or more in the workplace. However, the Amended Law removes this condition. Instead of focusing on the number of working mothers with children, the Amended Law requires an employer to offer childcare facilities where, amongst the female employees in a company, there are 15 or more children under five years of age.
Retirement	The Amended Law emphasises the right to extend the enforceability of the employment contract even after the age of retirement. Previously automatic termination of employment relationships was triggered upon the employee reaching the age of retirement. Further to the Amended Law, it is now subject to the employee satisfying all retirement conditions mentioned under applicable laws which are not solely limited to age, but also to payment of required subscriptions.
Disputes	<p>Any dispute regarding wages was previously resolved by the Wage Authority if the employee, in question, was still under the umbrella of employment. Under the Amended Law, the Wage Authority is now entitled to resolve disputes regarding wages including late payment, discrimination in payment, unjustified deductions and other elements, not only while the employee is employed but also for a period of six months after termination should the contract be unilaterally terminated by the employee.</p> <p>The Amended Law allows employees to represent themselves before the Magistrates Courts should the dispute relate to wages. This provision was contentious as, in the opinion of several law practitioners, it potentially breached the general principle obliging all claimants to seek legal representation before courts for claims exceeding JOD 1,000 (approximately US\$ 1,400). The Amended Law includes a stand-alone provision imposing certain procedures that should be followed (and potentially compensation that should be paid) by the employer in the event that the court determines that the employee's claim is lawful.</p>

Source: Lexologi, *Recent Labour Law Amendments in Jordan*, Al Tamimi & Company, July 7 2019

Table 27: Ratified ILO Conventions in Jordan

Subject and/or right	Convention	Ratification date
Fundamental Conventions		
Freedom of association and collective bargaining	C087 - Freedom of Association and Protection of the Right to Organise, 1948	Not ratified
	C098 - Right to Organise and Collective Bargaining Convention, 1949	1968
Elimination of all forms of forced labour	C029 - Forced Labour Convention, 1930	1966
	C105 - Abolition of Forced Labour Convention, 1957	1958
Effective abolition of child labour	C138 - Minimum Age Convention, 1973	1998
	C182 - Worst Forms of Child Labour Convention, 1999	2000
Elimination of discrimination in employment	C100 - Equal Remuneration Convention, 1951	1966
	C111 - Discrimination (Employment and Occupation) Convention, 1958	1963
Governance Conventions		
Labour inspection	C081 - Labour Inspection Convention, 1947	1969
	C129 - Labour Inspection (Agriculture) Convention, 1969	Not ratified
Employment policy	C122 - Employment Policy Convention, 1964	1966
Tripartism	C144 - Tripartite Consultation (International Labour Standards) Convention, 1976	2003
Up-to-date Conventions		
Social security	C102 - Social Security (Minimum Standards) Convention, 1952 (No. 102). Has accepted Parts V, VI, IX and X.	2014
Working time	C106 - Weekly Rest (Commerce and Offices) Convention, 1957 (No. 106)	1979
Final Articles Conventions	C116 - Final Articles Revision Convention, 1961 (No. 116)	1963
Social policy	C117 - Social Policy (Basic Aims and Standards) Convention, 1962 (No. 117)	1963
Social security for migrant workers	C118 - Equality of Treatment (Social Security) Convention, 1962 (No. 118) Has accepted Branches (c), (d), (f) and (g)	1963
Protection against specific risks	C119 - Guarding of Machinery Convention, 1963 (No. 119)	1964
Protection in specific branches of activity	C120 - Hygiene (Commerce and Offices) Convention, 1964 (No. 120)	1965
Protection of children and young persons	C123 - Minimum Age (Underground Work) Convention, 1965 (No. 123)	1966
Elimination of child labour and protection of children and young persons	C124 - Medical Examination of Young Persons (Underground Work) Convention, 1965 (No. 124)	1966
Industrial relations	C135 - Workers' Representatives Convention, 1971 (No. 135)	1979
Vocational guidance and training	C142 - Human Resources Development Convention, 1975 (No. 142)	1979
Seafarers	C147 - Merchant Shipping (Minimum Standards) Convention, 1976 (No. 147)	2004
	C185 - Seafarers' Identity Documents Convention (Revised), 2003 (No. 185)	2004
	MLC, 2006 - Maritime Labour Convention, 2006 (MLC, 2006)	2016
Labour administration	C150 - Labour Administration Convention, 1978 (No. 150)	2003
Other instruments on employment policy and promotion	C159 - Vocational Rehabilitation and Employment (Disabled Persons) Convention, 1983 (No. 159)	2003
<p>Note: Fundamental Conventions are the eight most important ILO conventions that cover four fundamental principles and rights at work. Equivalent to basic human rights at work.</p> <p>Governance Conventions are four conventions that the ILO has designated as important to building national institutions and capacities that serve to promote employment. In other words, conventions that promotes a well-regulated and well-functioning labour market.</p> <p>In addition, there are 71 conventions, which ILO considers "up-to-date" and actively promotes.</p> <p>Source: ILO, NORMLEX, Country Profiles</p>		

Table 28: Ease of Doing Business in Jordan, 2020

Topics	2019	2020	Changes
Overall	104	75	+29
Starting a Business	106	120	-14
Dealing with Construction Permits	139	138	+1
Getting Electricity	62	69	-7
Registering Property	72	78	-6
Getting Credit	134	4	+130
Protecting Minority Investors	125	105	+20
Paying Taxes	95	62	+33
Trading Across Borders	74	75	-1
Enforcing Contracts	108	110	-2
Resolving Insolvency	150	112	+38

Note: Doing Business 2019-2020 indicators are ranking from 1 (top) to 190 (bottom) among other countries. The rankings tell much about the business environment, but do not measure all aspects of the business surroundings that matter to firms and investors that affect the competitiveness of the economy. Still, a high ranking does mean that the government has created a regulatory environment conducive to operating a business.

Source: World Bank & IFC, Ease of Doing Business 2020 in Jordan

REFERENCES

- ¹ World Bank, Jordan: Overview
- ² Index Mundi, GINI index (World Bank estimate) – Country Ranking
- ³ UNDP, Human Development Report 2019, Beyond income, beyond averages, beyond today: Inequalities in human development in the 21st century, 2019
- ⁴ World Bank, World Development Indicators
- ⁵ World Bank, World Development Indicators
- ⁶ The Economist, The Doing Business rankings: First across the tape, October 26, 2019
- ⁷ King Hussein, Economy, Jordan's Free Zones
- ⁸ Healy Consultants Group PLC, Jordan free zones
- ⁹ UNCTAD, World Investment Report: Annex Table 21. The Universe of Special Economic Zones (SEZs), 2018
- ¹⁰ Oxford Business Group, Textiles remain a key pillar of Jordanian industry
- ¹¹ Ahmed Farouk Ghoneim & Taleb Awad, Impact of Qualifying Industrial Zones on Egypt and Jordan: A Critical Analysis
- ¹² ILO, NATLEX, Country Profile Jordan, Basic Laws
- ¹³ The Constitution of The Hashemite Kingdom of Jordan
- ¹⁴ U.S. Department of State, Jordan Annual Country Reports on Human Rights Practices, 2018
- ¹⁵ ITUC, Survey of violations of trade union rights, Jordan
- ¹⁶ ITUC, Survey of violations of trade union rights, Jordan
- ¹⁷ U.S. Department of State, Jordan Annual Country Reports on Human Rights Practices, 2016
- ¹⁸ ILO, NATLEX, Country Profile, Ratifications for Jordan
- ¹⁹ ILO, NORMLEX User Guide
- ²⁰ ILO, NORMLEX, Comments adopted by CEACR: Jordan
- ²¹ World Trade Organisation, Jordan and the WTO
- ²² Journal of Economic Integration, The Greater Arab Free Trade Area (GAFTA): an Estimation of Its Trade Effects, 23(4), 848-872, December 2008
- ²³ Societe Generale, Jordan: Country risk, 2020
- ²⁴ Agadir Declaration
- ²⁵ The Jordan Times, AmCham celebrates Jordan-US free trade agreement, economic partnership, January 9, 2020
- ²⁶ Office of the United States Trade Representative, Jordan Free Trade Agreement
- ²⁷ [European Commission, Supporting Jordan in the context of the Syrian refugee crisis: a joint initiative on rules of origin, April 21, 2017](#)
- ²⁸ Canada-Jordan Free Trade Agreement
- ²⁹ ILO, Jordan
- ³⁰ Ministry of Labour, The formation and development of the Ministry
- ³¹ ILO, Jordan: Labour Inspection Structure and Organization
- ³² Department of Statistics, History, 2019
- ³³ Department of Statistics, National Strategy for Development of Statistics 2018-2022
- ³⁴ U.S. Department of State, Jordan Annual Country Reports on Human Rights Practices, 2018
- ³⁵ ILO, Jordan issues first-of-their-kind work permits to Syria refugees in the Arab region, August 9, 2017
- ³⁶ ICTUR, Trade Unions of the World, 2016
- ³⁷ JKN, Appraisal Report Jordan – June 2015
- ³⁸ Solidarity Center, Global unions urge Jordan to withdraw harsh labor laws, February 19, 2019
- ³⁹ ICTUR, Trade Unions of the World, 2016
- ⁴⁰ [Solidarity Center, Global unions urge Jordan to withdraw harsh labor laws, February 19, 2019](#)
- ⁴¹ Refugees Deeply, The compact experiment – push for refugee jobs confronts reality of Jordan and Lebanon, 2017
- ⁴² Jordan Chamber of Commerce, Introduction
- ⁴³ International Organisation of Employers, Members and Regions
- ⁴⁴ Al-Quds Center for Political Studies, Employer Syndicates: And the Requirements for Advancing their Syndical Roles, 2014
- ⁴⁵ ILO, National Labour Law Profile: Jordan
- ⁴⁶ ILO, Jordan Decent Work Country Diagnostic, 2017
- ⁴⁷ Industry All, Towards living wages in Iraq and Jordan, September 2, 2016
- ⁴⁸ The General Trade Union of Workers in Textile, Garment & Clothing Industries /Jordan, A New Sectoral Collective Bargain Agreement, December 21, 2019
- ⁴⁹ Better Work, Better Work Jordan Annual Report 2017: An Industry and Compliance Review
- ⁵⁰ ILO, Jordan Decent Work Country Diagnostic, 2017
- ⁵¹ ILO, Decent Work Country Programme, The Hashemite Kingdom of Jordan, 2018-2022
- ⁵² The Jordan Times, PM urges cooperation between economic taskforce, Economic and Social Council, June 9, 2017
- ⁵³ U.S. Department of State, Jordan Annual Country Reports on Human Rights Practices, 2018
- ⁵⁴ OECD, Investment Policy Review: Jordan, 2013

- ⁵⁵ MEMO, Jordan threatens to replace teachers if strikes continue, 2019
- ⁵⁶ MEMO, Jordan threatens to replace teachers if strikes continue, 2019
- ⁵⁷ REASON, Jordan: In Jordan, Labor Unions and Businesses Have Joined Forces to Fight an Unpopular Tax Bill, July 6, 2018
- ⁵⁸ Al Jazeera, Jordan teachers end four-week strike in pay deal with government, 2019
- ⁵⁹ ITUC, Global Rights Index 2019
- ⁶⁰ ITUC, Survey of violations of trade union rights, Jordan
- ⁶¹ U.S. Department of State, Annual Country Reports on Human Rights Practices, 2018, Jordan
- ⁶² U.S. Department of State, Annual Country Reports on Human Rights Practices, 2018, Jordan
- ⁶³ Roya News, Jordan Labor Watch launches campaign in the International Day for Decent Work, October 12, 2017
- ⁶⁴ ILO, Minimum wages and wage protection in the Arab States: Ensuring a just system for national and migrant workers
- ⁶⁵ U.S. Department of State, Jordan Annual Country Reports on Human Rights Practices, 2016
- ⁶⁶ ILO, Pay Equity in Jordan, Policy Brief 9, 2010
- ⁶⁷ U.S. Department of State, Jordan Annual Country Reports on Human Rights Practices, 2018
- ⁶⁸ ILO, Press Release, ILO calls for strengthening labour inspection worldwide, 16 November 2006
- ⁶⁹ Middle East Eye, As Jordan's garment sector grows, activists push for better migrant workers' rights, January 13, 2018
- ⁷⁰ U.S. Department of State, Jordan Annual Country Reports on Human Rights Practices, 2018
- ⁷¹ ILO, Jordan holds first national conference on labour inspection, August 23, 2019
- ⁷² CIA, The World Factbook: Jordan, 2020
- ⁷³ The Ministry of Planning and International Cooperation, Jordan's National Employment Strategy, 2011-2020
- ⁷⁴ ILO, Forms of work and labour force statistics conceptual frameworks
- ⁷⁵ Statista, Jordan: Urbanization from 2008 to 2018, 2020
- ⁷⁶ The Jordan Times, Labour migration and the Jordanian labour market, 2019
- ⁷⁷ OECD, Key Issues affecting Youth in Jordan
- ⁷⁸ The Jordan Times, Study seeks to tackle youth challenges, migration, 2019
- ⁷⁹ OIM, Jordan
- ⁸⁰ Youtube, ERF Official, Understanding the Jordanian Labor market, 2019
- ⁸¹ The Jordan Times, Recruitment agencies under fire for 'demeaning' domestic workers ads, January 16, 2018
- ⁸² International Organization for Migration, Jordan 2019 Humanitarian Compendium,
- ⁸³ FAFO, The living conditions of Syrian refugees in Jordan, 2019
- ⁸⁴ Abdulla Al Ghurair Foundation, How to prevent a lost generation, 2019
- ⁸⁵ The New Humanitarian, Weighed down by economic woes, Syran refugees head home from Jordan, 2019
- ⁸⁶ The New Humanitarian, Weighed down by economic woes, Syran refugees head home from Jordan, 2019
- ⁸⁷ Migrant Forum, Policy Brief No. 2: Reform of the kafala (sponsorship) system
- ⁸⁸ U.S. Department of State, 2018 country reports on human rights practices: Jordan
- ⁸⁹ CIA, The World Factbook, Jordan, 2020
- ⁹⁰ UNRWA, Where we work, Jordan, 2016
- ⁹¹ Middle East Monitor, UNRWA: 30% of Palestine refugees in Jordan 'highly vulnerable, 2019
- ⁹² ILO, Jordan endorses a national framework for regulating the informal economy, 2015
- ⁹³ IMF, Jordan: IMF Country Report No. 14/153, 2014
- ⁹⁴ Refugees Deeply, The compact experiment – push for refugee jobs confronts reality of Jordan and Lebanon, 2017
- ⁹⁵ U.S. Department of State, 2018 country reports on human rights practices: Jordan
- ⁹⁶ U.S. Department of International Labor Affairs, Child labor for Jordan
- ⁹⁷ Center for Strategic Studies University of Jordan, National Child Labour Survey 2016 of Jordan
- ⁹⁸ Jordan Labor watch, Position Paper: Child Labour in Jordan Reality overid, June 2017
- ⁹⁹ British Journal of Humanities and Social Sciences, Attitudes towards Gender Roles in Jordan, January 2015, Vol. 12 (2)
- ¹⁰⁰ World Bank, Measuring Social Norms About Female Labor Force Participation in Jordan, Policy Research Working Paper 8916, June 2019
- ¹⁰¹ ILO, Gender Pay Discrimination in Jordan: A Call for Change, 2013
- ¹⁰² UNDP, Jordan: Gender Justice & The Law, 2018
- ¹⁰³ World Economic Forum, The Global Gender Gap Report, 2019
- ¹⁰⁴ UNDP, Gender development index (GDI)

- ¹⁰⁵ ActionAid Arab Regional Office, The Justice Deficit for Women in Jordan: A case study of violence and harassment in the workplace, 2019
- ¹⁰⁶ OECD, Youth Inclusion project – Jordan
- ¹⁰⁷ ILO, Labour market transitions of young women and men in Jordan, Work4Youth Publication Series No. 14, June 2014
- ¹⁰⁸ EuroMed, Studies on Youth Policies in the Mediterranean Partner Countries, Jordan: Youth III Programme
- ¹⁰⁹ ILO, Labour market transitions of young women and men in Jordan, Work4Youth Publication Series No. 14, June 2014
- ¹¹⁰ NWO, A trusted entity in the SRHR policy landscape
- ¹¹¹ Reliefweb, Jordan: Education activities for refugees (august 2019), 2019
- ¹¹² Plan International, Education in Jordan
- ¹¹³ U.S. Department of State, 2018 country reports on human rights practices: Jordan
- ¹¹⁴ U.S. Bureau of International Labor Affairs, Child Labor and Forced Labor Reports, Jordan: 2018 Findings on the Worst Forms of Child Labor
- ¹¹⁵ GIZ, Labour market oriented vocational education, higher education and training MOVE-HET
- ¹¹⁶ UNESCO, TVET country profile Jordan, 2019
- ¹¹⁷ World Bank & European Training Foundation, Reforming Technical Vocational Education and Training in the Middle East and Northern Africa: Experience and Challenges, 2005
- ¹¹⁸ The Jordan Times, New commission formed to organise vocational training, 2019
- ¹¹⁹ UNDP, Labour Market: The Case of Vocational Training in Jordan, June 2014
- ¹²⁰ World Bank, Indicator: Firms offering formal training (% of firms)
- ¹²¹ ILO, World social protection report 2017-19
- ¹²² Phenix Center, Economic & informatics Studies
- ¹²³ The Jordan times, Proposed social security law amendments draw mixed reactions, 2019
- ¹²⁴ The Jordan Times, Some 1.3m people covered under social security umbrella, 2019
- ¹²⁵ Ali A. Rawabdeh and Anis S Khassawneh, Health Financing Policies in Jordan: The Allocation of Public Expenditures in Global Context, December 2018
Health Financing Policies in Jordan: The Allocation of Public Expenditures in Global Context
Health Financing Policies in Jordan: The Allocation of Public Expenditures in Global Context
Health Financing Policies in Jordan: The Allocation of Public Expenditures in Global Context
- ¹²⁶ ILO, World social protection report 2017-19
- ¹²⁷ IDS, WFP and Centre for Social Protection, Social Protection and Safety Nets in Jordan, December 2015
- ¹²⁸ ILO, World social protection report 2017-19
- ¹²⁹ IDS, WFP and Centre for Social Protection, Social Protection and Safety Nets in Jordan, December 2015
- ¹³⁰ The Jordan Times, PM launches social protection strategy to alleviate, fortify against poverty, 2019
- ¹³¹ MENASP, Jordan's fragile social protection strategy, 2019
- ¹³² UN Women, Ministry of social development, UN Women launch resilience and empowerment center for women and girls in Taibeh, 2019
- ¹³³ UNHCR, UNHCR supports Jordanian national aid fund expansion