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Arab Renaissance for Democracy & Development



Human and
Economic
Development

Youth Unemployment in Jordan: Failed Strategies and Deferred Promises

Dr. Raad Al Tal and Dr. Jalal Hussein

2023



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Report

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ARDD

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LIST OF ABBREVIATIONS	
ARDD	Arab Renaissance for Democracy and Development
CBJ	Central Bank of Jordan
CSB	Civil Service Bureau
CSOs	Civil Society Organizations
DD	Design and Determination: Building Resilience of Vulnerable Jordanians and Refugees through Livelihoods Support and Protection
DEF	Development and Employment Fund
DoS	Department of Statistics
FGD(s)	Focus Group Discussion(s)
HCHRD	Higher Council for Human Resource Development
ILO	International Labour Organization
MA	Ministry of Agriculture
MoE /MoHE	Ministry of Education /Ministry of Higher Education
MoFA	Ministry of Foreign Affairs
MoIT	Ministry of Industry and Trade
MoL	Ministry of Labor
MoPIC	Ministry of Planning and International Cooperation
MoSD	Ministry of Social Development
MoY	Ministry of Youth
MSMES	Micro, small and medium enterprises
NA	National Agenda 2006-2015
NCHRD	National Centre for Human Resources Development
NEEP	National Empowerment and Employment Program
NEET	Not in employment, education or training
NES	National Employment Strategy 2011-2020
RDPP	The European Regional Development and Protection Programme
SSC	Social Security Corporation
SSCs	Sector Skills Councils
TVET	Technical and Vocational Education and Training
TVSDC	Technical and Vocational Skills Development Commission
UNHCR	United Nations Higher Commissioner for Refugees
WAJ	We are all Jordan (Kulluna al-Urdun) 2007-2015

DEFINITIONS ¹	
Youth	<p>The Jordanian legislation does not define “youth” per se. The MoY identifies youths as individuals between 12 and 30 years old in its National Youth policy (2019-2025). This report will restrict the age bracket of the youth population to the 15-24 age group, which corresponds to the United Nations definition of youth.²</p> <p>While Jordanians aged 15-19 form one of the largest group amongst Jordanians aged 15+ (813,367 out of a total population of 7,573,275³), only 6% of them are economically active (as employed or seeking a job), as most of them are still in school.</p>
Economically active person (the labor force)	A person who is employed or unemployed (see below). The labor force is composed of the economically active persons.
Economic activity rate	The number of employed and unemployed people as a proportion of the working-age population.
The employed person according to the DoS is...	<ul style="list-style-type: none"> - aged 15+; - undertake or have undertaken a job in the public or formal/informal private sectors for no less than one hour during the week that preceded the survey. <p>Employed persons include:</p> <ul style="list-style-type: none"> - Wage earners (salaried persons) that practice or have practiced a job with a monthly, weekly, daily or other (minimum one hour) pay. This category also includes people doing on-the-job training (<i>badaltadrib</i>) as well as contractual workers (or workers tied to regular jobs) who did not work during the seven days preceding the survey because they were temporarily ill or on holiday, or because of weather conditions or other circumstances. - Employers employing regular staff, including owners of a private business (a grocery, for instance) and employers working on multiple sites and employing regular workers (in the construction sector, for instance). - Self-employed that work in a private business (without staff from outside the family) owned by their family or one of its members without receiving cash or in-kind pay - Paid trainees, in a manufacture, for instance. - Persons participating in the professional activity of one family member (without additional staff).

1 Based on: internal document of the Jordanian Department of Statistics (DoS); Al-Ali, Thayer. 2019. *The Determinants of Unemployment in Jordan: Analytical Study (1990-2017)*. Yarmouk University; ILO. 2012. *Towards the right to work - A Guidebook for Designing Innovative Public Employment Programmes*, ILO, https://www.ilo.org/global/topics/employment-intensive-investment/publications/WCMS_559267/lang-en/index.htm; and the DoS portal http://www.dos.gov.jo/dos_home_e/main/linked-html/Emp&Un.htm

2 The UN defines youth as “persons between the ages of 15 and 24 years” without prejudice to any definition made by state members. UN. Youth. (30 1 2023) see: <https://www.un.org/en/global-issues/youth>

3 DoS, “Jordanian Population by Governorate, Sex & Age Group – 2021”, *EUS 2021*, http://www.dos.gov.jo/owa-user/owa/emp_unemp_number.show_tables_y?lang=E&YEAR1=2021&T_NO=14

<p>An unemployed person, according to DoS, is... (ILO inspired definition)</p>	<ul style="list-style-type: none"> - Aged 15+ and able to work; - without a job during a given week - has not worked against retribution more than hour during the week preceding the labor force survey (and is not temporarily out of work); - available to start a job during the week that preceded the labour force survey and within the following 15 days; - has actively been seeking a part-time or full-time job at short notice during the four weeks preceding the survey; or - available for work but did not seek a job during the four weeks preceding the survey because he/she is awaiting to resume a former job or has found a job that starts at short notice. <p>Besides, there are two categories of unemployed persons:</p> <ul style="list-style-type: none"> - have ever worked in Jordan or abroad. - have never worked and were looking for work for the first time during the four weeks preceding the survey.
<p>Unemployment rate</p>	<p>The total number of people who are unemployed as a proportion of the labor force, which itself is the sum of employed and unemployed people.</p>
<p>Different types of unemployment (not all measurable based on available data and likely to overlap)</p>	<p>Structural unemployment: long-term (over 1-2 years) unemployment due to structural changes in the economy that cause unbridgeable mismatch between the job seekers' skills and the requirement of the employers.</p> <p>Cyclical unemployment: medium-term (1-12 months) unemployment due to changes in the economic activity over the business cycle not corresponding with periods of growth and high demand for labor, and periods of recession and lower demand for labor.</p> <p>Frictional unemployment: short-term (less than 1 month) transitory unemployment resulting from the transition of workers between jobs as jobs are not available immediately or require lengthy administrative procedures.</p> <p>Behavioral (or voluntary) unemployment: unemployment caused by the reluctance of job seekers to accept jobs considered menial, unrewarding, or shameful by the community.</p> <p>Imported unemployment: unemployment faced by part of the local labor force due to the massive engagement of the labor market of labor migrants in some sectors.</p> <p>Seasonal unemployment: unemployment affecting the labor force engaged in sectors of the labor market affected by seasonal patterns (in the agricultural or tourism sector). Not covered by Jordanian statistics.</p> <p>Hidden unemployment: occurs when persons are not considered unemployed because they are not economically active, having lost hope and stopped looking for employment. However, they still wish to work. In national statistics though, this category is generally considered "non-economically active" (see below).</p> <p>Underemployment: refers to persons wishing to work more hours or work in other more qualified or rewarding jobs. Not currently covered by Jordanian statistics.</p>
<p>Non-economically active persons</p>	<p>Persons aged 15+ not neither employed nor unemployed, including students, housewives, retired persons, unable-bodied persons or "tired" job seekers).</p>

Disclaimer

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EXECUTIVE SUMMARY

This report is part of the “Design and Determination: Building Resilience of Vulnerable Jordanians and Refugees through Livelihoods Support and Protection” project, implemented by the Arab Renaissance for Democracy and Development (ARDD) with the support of the Regional Development and Protection Programme for Jordan, Lebanon and Iraq (RDPP II).

The study analyses the characteristics and causes of unemployment among Jordanian youths (in the 15-24 age range), as well as the various employment measures Jordan’s successive governments have adopted so far to tackle this national issue, in order to provide a better understanding of the Jordanian labor market dynamics.

The labor market features a high unemployment rate among Jordanian youths, particularly affecting women. Social norms, lack of childcare services, and gender-discriminatory legal frameworks, among others, help explain the poor rates of women participation in the labor market and the high unemployment figures among them. Furthermore, high educational attainment is rarely rewarding in the Jordanian labor market: Although university diploma holders have the highest economic return rates, they are also more affected than the average by unemployment, especially among women. On top of that, school-to-work transition is still a huge challenge: most Jordanian youths remain long-term unemployed after finishing their education.

The imbalance in both the demand and supply sides is given as one of the main reasons for youth unemployment in Jordan. On the demand side, imbalance is caused by a set of external (stagnant economic growth, Syrian refugee crisis, COVID-19 pandemic, among others) and internal (such as the structure of the private sector or the substandard working conditions) factors. On the supply side, youth unemployment can be explained by :

1. A mismatch between skills, education, and employment
2. Jordanian youths’ reluctance to undergo vocational/technical training
3. Ineffective public employment services
4. Social stigma attached to vocational jobs
5. The failure of the entrepreneurship model

From the labor provisions in the 1952 Jordanian constitution to the last Nation Employment Strategy (NES 2015-2025), documents have undertaken a diagnostic of the labor market and put forward objectives aimed to resolve imbalances and challenges. These include, on the demand side, improving labor market flexibility and productivity, encouraging investments, rationing and reducing public sector recruitment, replacing foreign workers with Jordanian workers, promoting decent work conditions in the private sector, empowering economically rural governorates and liberalizing entrepreneurship. On the supply side, they recommended adapting the curricula of the vocational/technical and academic education to the needs and standards of the private sector, activating public placement services, increasing Jordanians’ economic participation through incentives (including amongst women). The NES also established a clear methodology, based on clear attribution of roles amongst government stakeholders and coordination, to reach its objectives.

It is not easy to assess the outcomes and impact of these instruments, as they have never been formally monitored. Nevertheless, many legislative objectives still need to be met. Their failure is due not only to the above-mentioned external shocks, which led the authorities to modify development policies for emergency measure, but to internal dysfunctions as well.

The study concludes with a series of recommendations aimed at the government, private sector stakeholders and civil society organizations. The recommendations call for a new employment strategy based on a revised methodology and on including and coordinating with all governmental and civil society actors to address the persistent labor market challenges government efforts have so far failed to overcome. They are addressed to three main stakeholders.

The government is invited to, *inter alia*, design a new sound and manageable employment strategy based on the previous NES (2011-2020) with some improvements, entailing notably a greater involvement of CSOs and of the private sector in its implementation. Government agencies should also adopt evidence-based interventions, improve their employment services; adapt academic and vocational/technical education to the needs of the labor market; better enforce labor law provisions in private establishments in order to generalize decent work conditions, better promote entrepreneurship (including social entrepreneurship) and investments, improve employment conditions in the governorates, and prepare all stakeholders for the transformations of the labor market.

Private sector entities should revive the social dialogue with the government and trade unions in order to improve working conditions, particularly in the MSMEs, and improve the employability of the youth.

Civil society organization should better coordinate, reinforce their watchdog role in the labor market, seek to transfer their expertise to the government and trade unions, and launch awareness campaigns amongst children and youths about the importance of vocational/technical jobs and employment opportunities in this sector.

INTRODUCTION

Context and research questions

Jordanian authorities identify unemployment as one of the country's main challenges. Long stabilized at an already high level of 10% to 14% until 2014, the unemployment rate amongst Jordanians has since then increased dramatically, reaching 19.1% in 2019 and, following the outbreak of the COVID-19 pandemic, a record 24.1% in 2021. The highest unemployment rates were recorded in the youth category aged 15 + - 24, which represents one-fifth of the population (19.9%) and 28.5% of the Jordanian labor force⁴. In the second quarter of 2022, 46.1% of them were reported as unemployed.⁵

Resolving the problem of unemployment among youths has been on the socioeconomic and political agendas of the authorities for the past couple of decades. Unemployment represents a waste of human resources and economic opportunities that directly affects individual and family livelihoods, increases social protection expenses and hinders national productivity and economic growth. By marginalizing a significant portion of what King Abdullah described as Jordan's "greatest asset and hope for the future,"⁶ unemployment also constitutes a threat to social and political stability: "a political time bomb" that could, combined with rising poverty, lead to a "social explosion", in the recent words of observers.⁷ The pressures on the labor market markedly increased in past decades: as a result of demographic transition, the proportion of Jordanians of working age (15 years and above) jumped from 50% in 1979 to 60,2% in 2000 and to 70,2% in 2021, about half of them in the 15-39 age group.⁸ In recent years, some 100,000-120,000 new Jordanian job seekers entered the labor market, compared to some 65,000-70,000 in the late 2000s (see below II.1.a). Concerns over the socio-political repercussions of youth unemployment were heightened during the 2011 "Jordanian Spring" and the youth malaise it revealed, partly resulting from lack of decent employment opportunities, of political participation and lack of trust in government. They were further reinforced, as the National Youth Strategy (2019-2025) admitted it, by the mobilization of youths around radical political agendas.⁹

This explains Jordan's authorities' continuous efforts to reduce youth unemployment and secure a good future for them.¹⁰ Youth employment has been a key objective of Jordan's successive economic and social strategies, including the National Agenda (2006-2015), the National Employment Strategy (NES 2011-2020) and the National Vision and Strategy (2015-2025), and the response to the "Syrian Refugee Crisis" that also targeted vulnerable host communities. Concerns about youth issues has also been addressed institutionally. In 2016, the Higher Council for Youth was elevated to the Ministry of Youth (MoY), with a proper ministerial budget and a clear political and economic agenda that also covered, beyond the traditional themes around sports, physical activities and volunteerism, youth skills, self-development and empowerment, entrepreneurial spirit, and inclusion in public life.¹¹ In 2019, the MoY launched its first National Strategy for Youth 2019-2025 around these lines. Yet, for all these good intentions, the youth issue remains largely unresolved. As a sobering account of youth initiatives put it: "Jordanians have seen many commissions, committees, and national reform acts enacted with little to no improvement in their day-to-day lives".¹²

4 DoS, "Jordanian Population by Governorate, Sex & Age Group (Percentage Distribution) - 2021", *EUS 2021*, http://www.dos.gov.jo/owa-user/owa/emp_unemp_y.show_tables1_y?lang=E&year1=2021&t_no=14; DoS, "Jordanian Population Age 15+ Years by Educational Level, Sex & Broad Age Groups (Percentage Distribution) - 2021", *EUS 2021*, http://www.dos.gov.jo/owa-user/owa/emp_unemp_number.show_tables_y?lang=E&YEAR1=2021&T_NO=15. This will serve as the source of all 2021 data.

5 DoS, *EUS2022 2nd Quarter*, http://www.dos.gov.jo/owa-user/owa/emp_unemp.show_tables1?lang=E&year1=2022&round=2&t_no=21. This will serve as the source of all 2nd quarter of 2022 data.

6 OECD, "Assessing the Situation of Youth in Jordan" in *Empowering Youth and Building Trust in Jordan* (Washington D.C.: OECD ILibrary, 2021). <https://www.oecd-ilibrary.org/sites/9b4516c5-en/index.html?itemId=%2Fcontent%2Fcomponent%2F9b4516c5-en>.

7 Joel Rosenberg, "I'm Very Worried Jordan's Severe Economic Crisis — Including 50% Youth Unemployment — Could Lead to a Social Explosion." *Al-larab News*, 2022. <https://allarab.news/im-very-worried-jordans-severe-economic-crisis-including-50-youth-unemployment-could-lead-to-a-social-explosion/>

8 DoS, EUS for relevant years.

9 Ministry of Youth, *National Youth Strategy (2019-2025)*. http://moy.gov.jo/sites/default/files/jordan_national_youth_strategy_2019-2025_english_compressed_1.pdf

10 See for instance King Abdullah 2019 during the National Policy Council, in "King Says Top Priority Is to Reduce Unemployment, Secure Better Future for Youth." King Abdullah II. March 6, 2019. <https://kingabdullah.jo/en/news/king-says-top-priority-reduce-unemployment-secure-better-future-youth>

11 OECD. 2021. *opacity*. and Ministry of Youth, *opacity*.

12 Arwa Shobaki. *An Uncertain Future for Jordanian Youth* (31 August 2022), <https://pomed.org/an-uncertain-future-for-jordanian-youth/>

This report addresses the following key questions: What are the characteristics and main causes of unemployment amongst Jordanian youths of both genders? How have Jordan authorities addressed this issue and with what results? Based on such information, what recommendations should be implemented to better promote the employment of young job seekers? About the Report

About the report

The DD project aims to boost economic development through the establishment of a qualitative partnership with the private sector, within its corporate social responsibility framework, while building its capabilities to create decent jobs in safe work environments. It also seeks to reinforce the capacities of vulnerable Jordanians and refugees, and improve their employability, equip them with business skills, and support skilled entrepreneurs and existing small companies (formal and informal) to grow and expand. Also key to the DD project is reinforcing, financially and technically civil society organizations, to enable them to fully participate in the elaboration and implementation of the country's economic and social policies, together with the government and the private sectors.

ARDD follows a comprehensive multi-level strategy in implementing the project, having the following goals:

- Better understand the dynamics of the economy and the labor market in Jordan, identify the challenges that hinder job creation and employment, and suggest solutions. This report addresses .
- Increasing job and employment opportunities for vulnerable Jordanian and refugees, in partnership with the private sector, through building capacity, education and training, and support to small and entrepreneurial projects.
- Encouraging community solidarity amongst young and migrant workers and supporting starting projects.
- Establishing the foundations of protection, safety and equal opportunities in the work environment, and motivating women to access the labor market and lead successful careers.

Structure of the Report

The report is composed of four sections.

- The first examines youth unemployment trends since 2000 and builds a socioeconomic profile of Jordanian unemployed youth in terms of gender, educational attainment, governorate of residence and type of unemployment. Containing a comparison with unemployed non-Jordanian youth residents, the section provides assumptions regarding causes of structural unemployment amongst Jordanian youth.
- The second identifies internal and external causes of Jordanian structural youth unemployment, as stemming either from the supply side (job seekers) or the demand side (employers or the economy at large) of the labor market.
- The third inventories and assesses the initiatives launched by Jordanian authorities to stem unemployment through strategies, legislative reform and direct employment programs. In so doing, it identifies key challenges and opportunities and highlights lessons learned.
- Based on the former sections, the conclusive section of the report puts forward recommendations aimed to facilitate decent employment for Jordanian youth.

Methodology

The elaboration of the report is based on the compilation and triangulation of various sources of data and information:

- Desk review based on statistical data provided by the quarterly employment and unemployment surveys (EUS) conducted by DoS since 2000, and literature on Jordan's labor market dynamics and unemployment issues produced by governmental and non-governmental Jordanian entities and international organizations.
- Qualitative information drawn from five Focus Group discussions (FGD) organized and moderated by ARDD with 35 young women and men, employed and unemployed, of different educational backgrounds and from different regions of Jordan (Amman, Karak, Mafraq and the Jordan Valley) between May and June 2022. The topics discussed during the FGDs addressed the socioeconomic conditions, the transition from school to work, work conditions at the place of work, and difficulties in finding and retaining jobs in the formal/informal private sector.
- Discussions with relevant government and civil society representatives on the local labor market dysfunctions and required reforms.¹³
- Desk review of relevant literature in the field.

¹³ Notably during a roundtable on youth unemployment in Jordan based on a draft version of this report. It was attended by some 70 noted representatives of governmental and non-governmental institutions at the Hyatt Hotel (Amman) on August 29, 2022.

SECTION I:

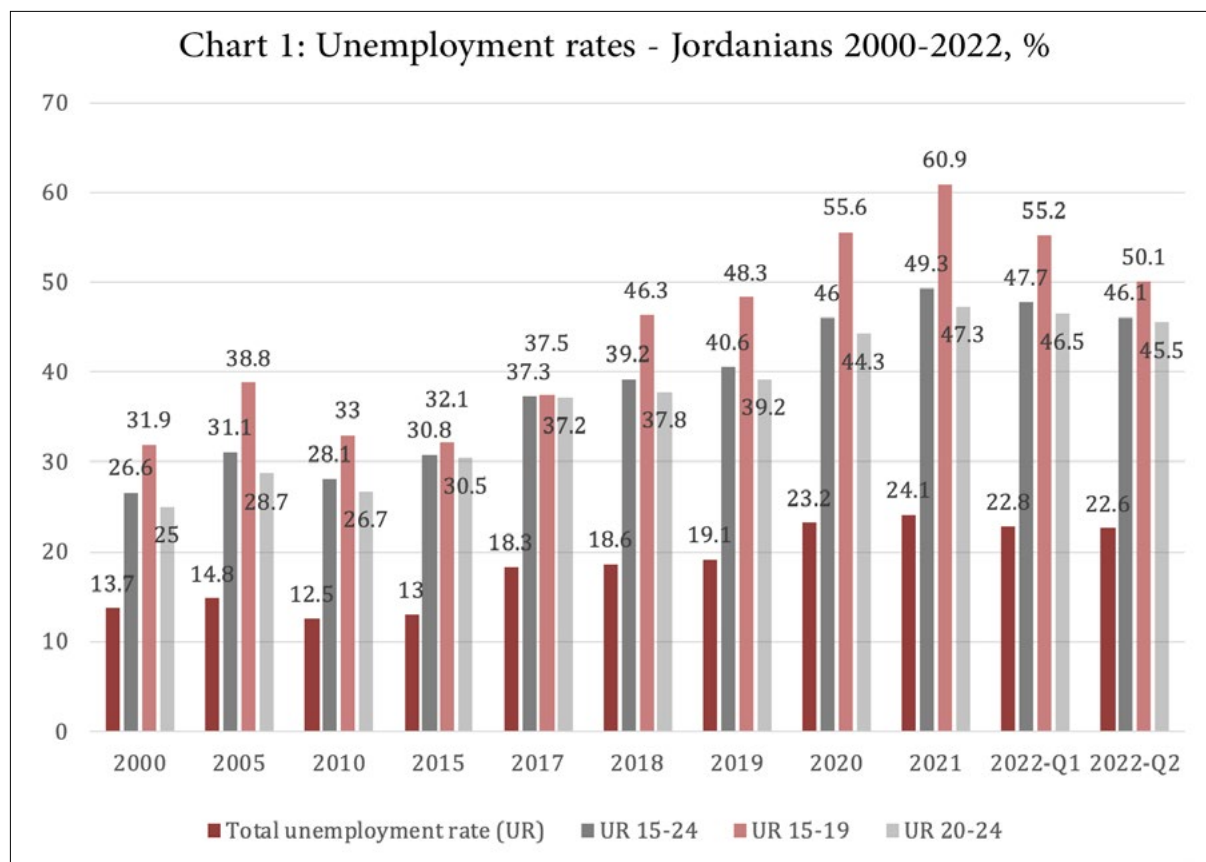
THE UNEMPLOYMENT PHENOMENON IN JORDAN

Youth unemployment has been highlighted as one of the most pressing problems facing the economy in Jordan.¹⁴ Long contained at an already high-level ranging from 10% to 14% of the Jordanian labor force between 2000 and 2015, the Jordanian national unemployment rate has since then increased significantly, reaching 19.1% in 2019 and a record of 24.1% in 2021 following the outbreak of the COVID-19 pandemic. The post-pandemic recovery of the economy has resulted in bringing unemployment rates down to 22.6% in the second-quarter of 2022.¹⁵

An analysis of the employment and unemployment surveys (EUS) conducted by the Jordanian DoS since 2000 highlights key trends shaping unemployment dynamics in Jordan: age, gender, the role of educational attainment, geographical location, school-to-work transition, and legal status in the country.

1.1. Youth & Unemployment

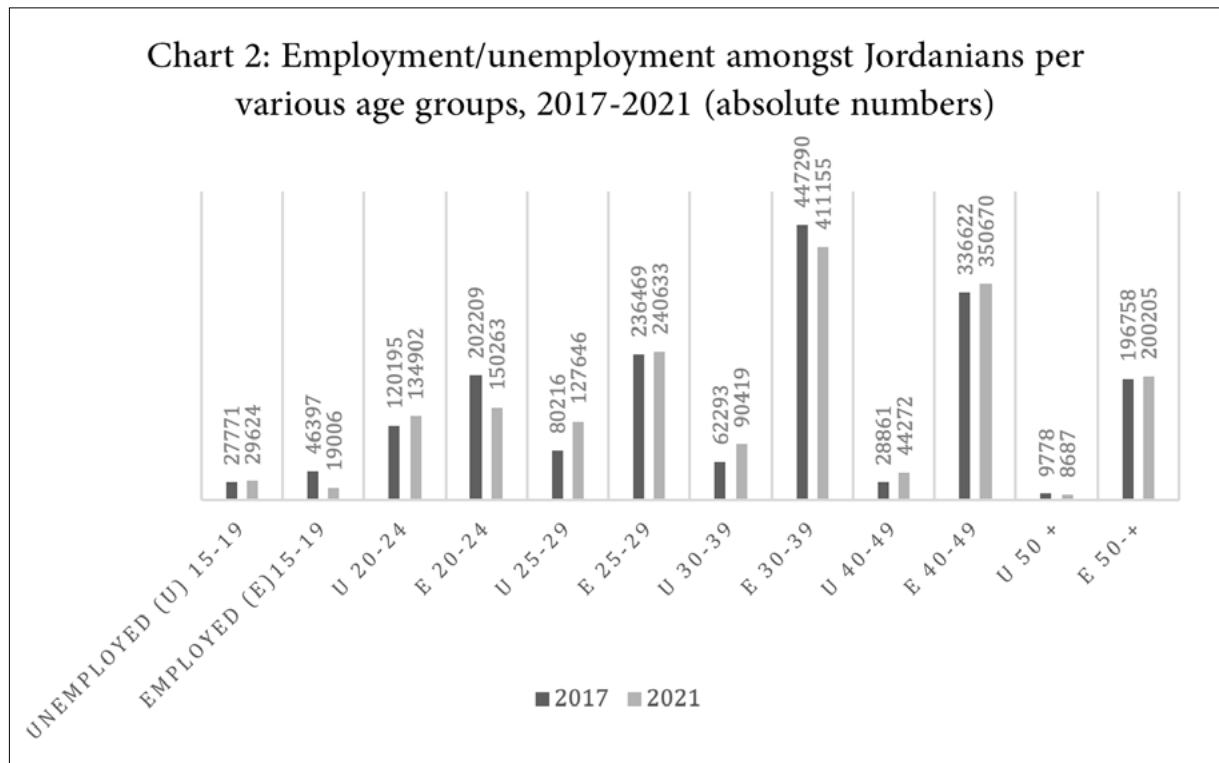
As indicated in Chart 1, unemployment rates have remained higher than average for Jordanians in the 15-24 age group, more so in the 15-19 age range. The discrepancy between youth unemployment and average population unemployment has increased sharply since 2015, reaching a peak of 36.8 percentage points for Jordanians in the 15-19 age group and 23.2 percentage points for Jordanians in the 20-24 age group in 2021, before decreasing in the two first quarters of 2022 and getting closer to the national average.



¹⁴ Keynote speech by the former prime minister of Jordan, Omar Razzaz. ERF Conference, June 2022.

¹⁵ The source of all employment and unemployment quarterly and yearly figures are drawn from the DoS Employment and Unemployment Survey (EUS), in: http://www.dos.gov.jo/dos_home_e/main/linked-html/Emp&Un.htm

The national statistics are more optimistic than those provided by international bodies.¹⁶ ILO states that 2022 ended with an unemployment rate of 39.4% for the 15-24 age group¹⁷, 20 percentage points higher than the adult national unemployment average. On the other hand, the World Bank fall 2022 report worsened the figure to 46,1% among those Jordanian under 25 years of age, although it also acknowledges a gradual improvement in youth unemployment (still far from pre-pandemic levels).¹⁸



During the 2017-2021 period, the number of unemployed Jordanians increased from 329,114 to 435,549, while the number of employed Jordanians decreased from 1,465,746 to 1,371,932.¹⁹ As indicated in Chart 2, these trends, which illustrates the labor market's poor absorptive capacity, do not apply similarly across age groups. Youth age groups 15-19 and 20-24 are the most affected (+ 16,560 of unemployed persons and - 79,337 employed persons for the 15-24 age groups), together with the 30-39 age group. Conversely, the 25-29 and 40-49 age groups have seen an increase in the number of both unemployed and employed persons; they latter may stem from increased economic activity.

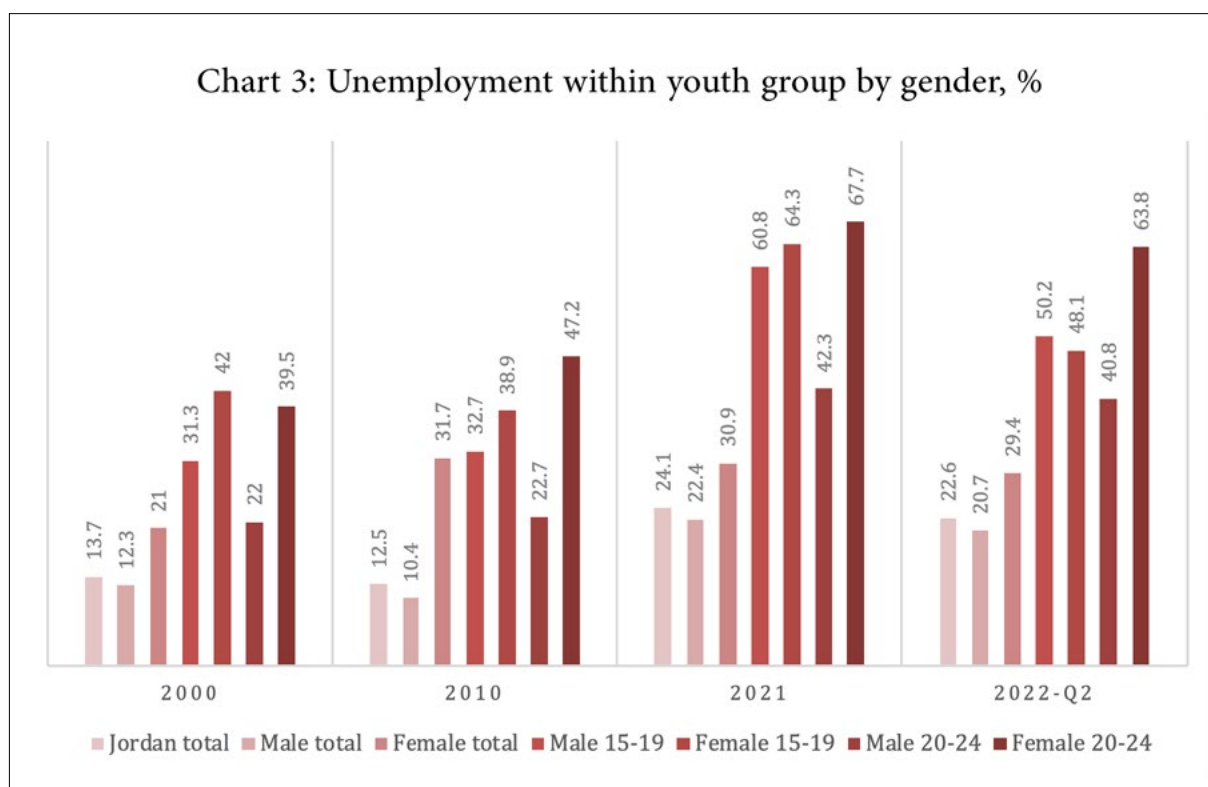
¹⁶ The variation between the data from national authorities and international organizations is due to the former only sampling Jordanians, while the latter encompasses Jordanians, refugees and migrant workers.

¹⁷ ILO, "Unemployment by sex and age (thousand) - Annual", <https://www.ilo.org/shinyapps/bulkexplorer50/?id=JOR>

¹⁸ Hoda Youssef et al. *Jordan Economic Monitor - Fall 2022: Public Investment - Maximizing the Development Impact (English)*. (Washington, D.C.: World Bank Group, 2023), 5. <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/099704301182329091/idu099db-31500c35504e0f09d2e0a0fd0c30a5f4>

¹⁹ See DoS, EUS 2017 and 2021.

Chart 3: Unemployment within youth group by gender, %



According to the OECD, two main factors may help explain this situation. First, the mismatch between education outcomes and the required skills needed by the labor market.²⁰ Technical know-how, work ethics, and performing under pressure are some of the unmet skills required by the private sector from young Jordanians, a study conducted by the UNDP shows.²¹ The second factor highlighted by OECD is the inability of Jordanian economy, especially the private sector, to absorb the large number of university graduates, in view of its limited capacity to create new job opportunities.²² Other elements to be taken into consideration are the notable influx of foreign workers, unstable investments in the Kingdom and the unwillingness of youths to work in low-wage jobs for which they are over-qualified (“voluntary unemployment”).²³

Other argument, such as the one provided by the IMF, states that one of the factors leading to the increase in the unemployment rate among young people is the high cost of employing them within the current legal framework which makes the employment of this age group a burden to employers.²⁴

²⁰ OECD, *op.cit.*, 22.

²¹ UNDP, *Labour Market: The Case of Vocational Training in Jordan* (2014), 32. <https://www.undp.org/jordan/publications/undp-report-labour-market-jordan>

²² “Key Issues Affecting Youth in Jordan.” OECD, <https://www.oecd.org/countries/jordan/youth-issues-jordan.htm>.

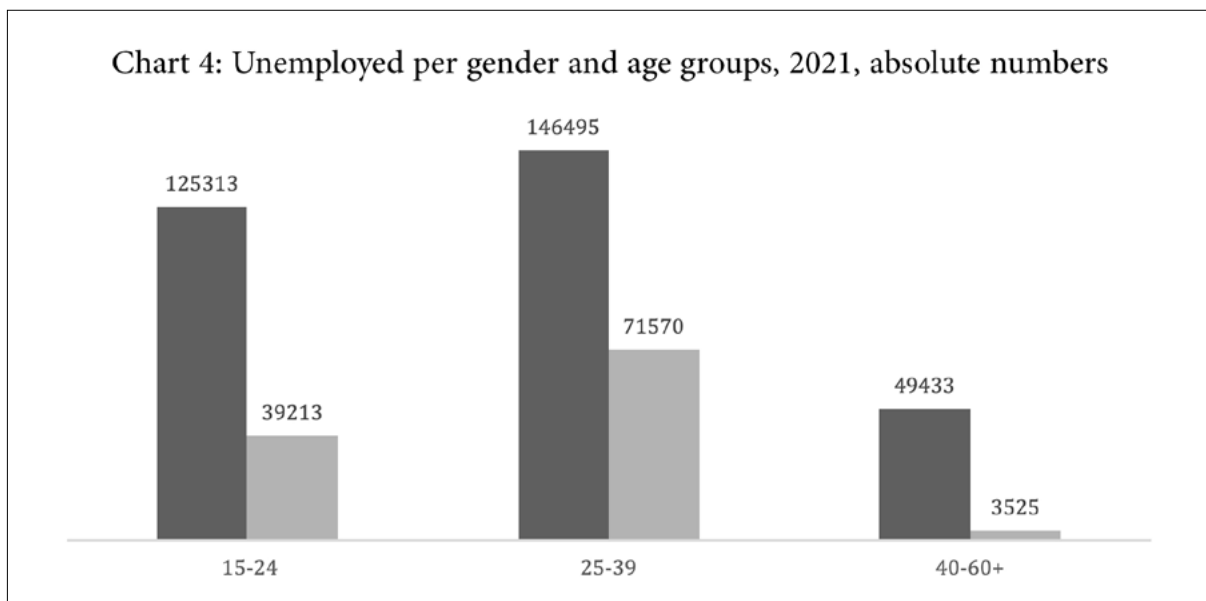
²³ OECD, *Youth Well-being Policy Review of Jordan*. (Paris: OECD Publishing, 2018), 34. https://www.oecd.org/dev/inclusive-societies-development/Youth_well_being_policy_review_Jordan.pdf

²⁴ IMF, *Country report Jordan: 2022 Article IV Consultation and Fourth Review Under the Extended Arrangement Under the Extended Fund Facility, Request for Augmentation and Rephrasing of Access, and Modification of Performance Criteria - Press Release; Staff Report; Staff Statement; and Statement by the Executive Director for Jordan* (2022). <https://www.imf.org/en/Publications/CR/Issues/2022/07/13/Jordan-2022-Article-IV-Consultation-and-Fourth-Review-Under-the-Extended-Arrangement-Under-520668>

1.2. Gender analysis: Women’s poor participation in the labor market

Gender is another strong explanatory variable of unemployment. Jordan has one of the world’s lowest woman labor force participation: in 2022, only 14.2% of women worked in Jordan.²⁵ Economically active Jordanian women have traditionally borne the bulk of unemployment, amongst youth (15-24 years) in particular. In the second quarter of 2022, nearly half (46.1%) of these youths were unemployed, 63.3% amongst women and 42.2% amongst men.

More precisely, as indicated in Chart 3, women aged 20-24 years have been most likely to be unemployed since 2021: about two-thirds of them have been unemployed, compared to about 40% of men. Since 2000, the percentage of unemployed women has been higher than that of unemployed men by about 20 percentage points in the 20-24 age group.



Jordanian women are less numerous than men in the labor market (see Chart 11 below), hence, the number of unemployed women has remained lower than that of men. In 2021, men constituted about three-quarters (74%) of the entire unemployed population of 435,549. Unemployed men constituted 76.2% of unemployed population in the 15-24 age group; 67.2% in the 25-39 age group and 93.5% in the 40-60+ age group.

In this context, several reasons lead to the high unemployment rate among youths, particularly young women, in Jordan.

Societal and cultural factors play an essential role in women’s labor market participation. Under the prevailing social norms, women are expected to be caregivers and men are expected to be breadwinners. Nevertheless, 60% of non-working women in Jordan actually want to work.²⁶ Childcare, getting married, house-maintenance tasks and household expectations, among others, constrain their engagement in labor market. Research carried out by the Center for International Development²⁷ shows the balance between work and family is the main challenge to women’s participation in the labor market. Thirty-one percent of the women interviewed and 42% of men interviewed stated that if there were to choose between work, taking care of their family and home or doing both, women should exclusively take care of their family and home, an ILO investigation confirms.²⁸

²⁵ GIZ & UN Women, *COVID-19 and women’s labour force participation in Jordan: A look into women’s labour force participation through the lens of the pandemic* (2022), 17. https://mol.gov.jo/ebv4.0/root_storage/ar/eb_list_page/2022_10_18_study_on_covid_19_impact_on_women_economic_participation_final.pdf

²⁶ World Bank, *Hashemite Kingdom of Jordan: Understanding How Gender Norms in MENA Impact Female Employment Outcomes*. (Washington D.C.: World Bank Group Publications, 2018), 82. <http://documents.worldbank.org/curated/en/859411541448063088/Hashemite-Kingdom-of-Jordan-Understanding-How-Gender-Norms-in-MENA-Impact-Female-Employment-Outcomes>

²⁷ Center for International Development Harvard University, *Female Labor in Jordan: A Systematic Approach to the Exclusion Puzzle* (Harvard University Press, 2019), 19. <https://growthlab.cid.harvard.edu/files/growthlab/files/2019-10-cid-wp-365-female-labor-jordan.pdf>

²⁸ *Ibid.*

On the other hand, getting married is one of the major reasons women disengage from the labor world: a quarter of the working women in Jordan stop doing so because they got married. Closely related to marriage, childcare is also a relevant obstacle for female labor involvement: 83% of men in Jordan disagree with mothers returning home from work after 5 pm and it is only socially acceptable for a mother to go back to work after her child is at least 4 years old.²⁹

Furthermore, the legal framework governing the Jordanian labor market contributes to the weak participation of women. Jordanian Labor Law does not expressly prohibit discrimination on the grounds of sex or gender in recruitment and hiring, or in terms and conditions of employment. One of the discriminatory consequences is the wage gap. In 2018, there was a 12,3% gap in average wages between women and men in Jordan, the World Bank reported.

Another legal concern with respect to women labor force engagement is the lack of childcare services. Women are unwilling to work or decide to leave their jobs because employers generally do not offer this kind of assistance and they cannot afford the cost of a day-care center. Despite some legal provisions having been adopted at national level, such as Article 72 of the Labor Law, there is still a huge gap between legislation and practice. The abovementioned article obliges companies who hire 20 or more married women who have a total of at least 10 children under 4 years old to provide childcare. What employers actually do is hire less than 20 married women in order to avoid applying the law. A solution for the childcare issue could be more flexibility in working through fostering remote or part-time work, the UN recommends.³⁰

Finally, fear or actual sexual harassment represents another major challenge. Labor legislation in Jordan does not provide adequate mechanisms to report sexual harassment episodes. As such, 75.3% of Syrian women and 78.5% of Jordanian women declared that in case of harassment, they will not take legal action against their aggressors. As ARDD report points out, potentially placing Syrian refugee women, since many of them work in informal jobs, in a more vulnerable situation than Jordanian women.³¹

1.3 Higher education and the labor market in Jordan

As a general rule, higher educational attainment does result in higher economic activity rates.³² In the second quarter of 2022, the percentage of economically active Jordanians holders of university diplomas (62.3%) was higher than that of Jordanians with lower educational attainments: Jordanians without high school certificate (30.3%), with high school certificate (18.3%), illiterate Jordanians (4.5%). However, as has been the case since 2005, Jordanian university graduates are comparatively more likely to be unemployed than Jordanians with lower educational attainments. In the second quarter of 2022, 26.2% of them were unemployed, compared to a national average of 22.6%.

As Chart 5 indicates, female university and intermediary college graduates are comparatively more likely to be unemployed than male graduates, while men with an educational level lower than high school are more likely to be unemployed.

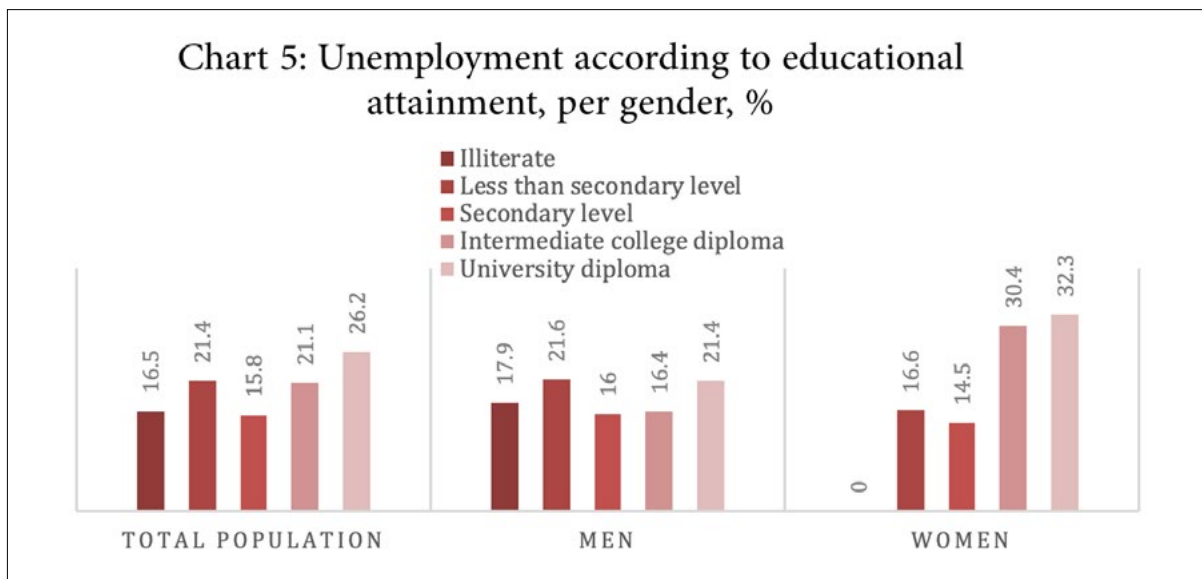
29 World Bank, *Hidden Voices Speak Louder Than You Think: A Behavioral Science Lens for Understanding Female Labor Force Participation in Jordan*. (Washington, D.C.: World Bank Group Publications, 2018). <http://documents.worldbank.org/curated/en/976651587533677271/Hidden-Voices-Speak-Louder-Than-You-Think-A-Behavioral-Science-Lens-for-Understanding-Female-Labor-Force-Participation-in-Jordan>

30 “Want Jordan to Prosper? Engage Women!” Op-ed by RC Anders Pedersen and WB Representative Holly Benner.” UN Jordan. OECD, December 16, 2021. <https://jordan.un.org/en/165481-want-jordan-prosper-engage-women-op-ed-rc-anders-pedersen-and-wb-representative-holly-benner>

31 ARDD. *Silent Women: ARDD’s Report on harassment problem in the workplace* (2018). <https://firebasestorage.googleapis.com/v0/b/ardd-94d08.appspot.com/o/publications%2Fk2cmots8l7q?alt=media&token=938e9246-863a-44ec-9188-ed928ab12660>

32 The Department of Statistics does not disaggregate education attainment according to age in its EUS.

Chart 5: Unemployment according to educational attainment, per gender, %



Conversely, some 40% of unemployed Jordanians were university graduates in the second quarter of 2022. Amongst women, the percentage stood at around 80%, which clearly reflects the acute difficulties women university graduates face in finding a job. In comparison, “only” one-quarter of unemployed men were university graduates. Most unemployed men surveyed, about two-thirds of them, had not completed the secondary cycle.³³

Chart 6a: Educational attainment amongst unemployed Jordanian women

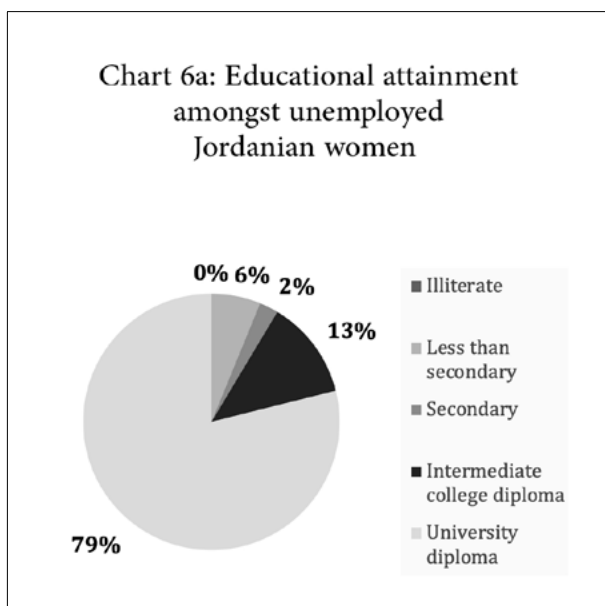
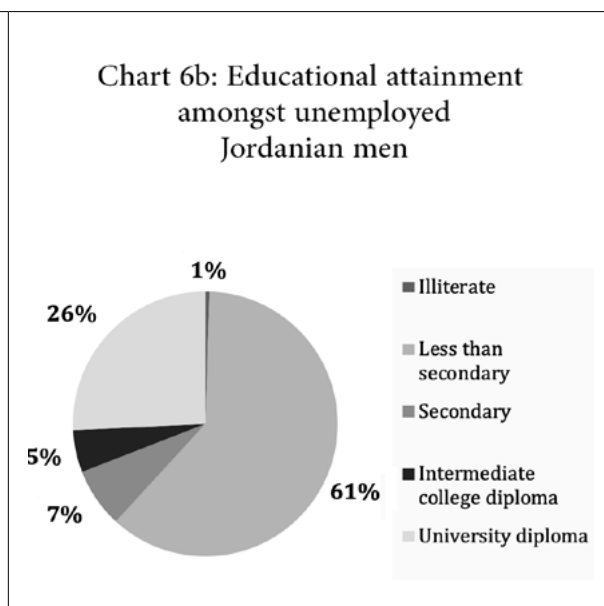


Chart 6b: Educational attainment amongst unemployed Jordanian men



This phenomenon, the so-called “gender paradox”, is well-known in Jordan: despite the fact that women in Jordan are highly educated, they present the highest unemployment rates, as has been previously analyzed. International indicators, including UNDP’s Education Index,³⁴ rank Jordan at the top, regionally and worldwide, with regard to women’s and girls’ education. Nevertheless, nowadays, there is not a direct correlation between high education and employability of women in Jordan.

³³ In absolute terms, in 2021, out of a total unemployed male population of 435,549, 191,876 had “less than secondary” education and 88,236 were “bachelor and above”. And out of a total unemployed population of 114,308, 92,755 were “bachelor and above”, 12,962 were “intermediate diploma” and 6,155 were “less than secondary”. In DoS, EUS, 2021, http://www.dos.gov.jo/owa-user/owa/emp_unemp_number.show_tables_y?lang=E&YEAR1=2021&T_NO=27

³⁴ “Jordan”, UNDP, September 8, 2022. <https://hdr.undp.org/data-center/specific-country-data#/countries/JOR>

A study carried out by UN Women³⁵ identifies different drivers that could explain such a paradox. First of all, primary and secondary scholar curricula are gender-biased, promoting gender stereotypes and deterring women and girls from working in non-traditional professional careers. Next, there is a mismatch between the fields studied by women and the labor market demands and needs. Women workers are predominant in education, health and social work, economic sectors which are completely saturated in the Jordanian labor market. Lastly, Jordanian education curricula prioritize hard skills, excluding or not leaving enough room for soft skills (communication, critical thinking, time management, for example), highly valued in the private sector.

As mentioned earlier, the unemployment rate among holders of higher degrees and university graduates depends mainly on a set of factors, the most prominent of which is the weak capacity and ability of the Jordanian economy, both private and public, to absorb large numbers of graduates. Ergo, the large number of graduates is not commensurate with the supply of jobs in the labor market, which leads to a high unemployment rate within this category.

The mismatch between skills, education and employment is closely connected to unemployment among highly educated Jordanians: the lack of soft skills among youths in Jordan is at the core of national unemployment. A joint initiative by ILO and the International Fund for Agricultural Development confirms that 43% of the youths analysed have inadequate soft/life skills, which constitutes a barrier to their participation in the labor market.³⁶ In the referred UNICEF report, the UN agency found that, among soft skills, young people in Jordan have weak social skills. From soft to hard skills, differences can be detected between young Jordanians and Syrian refugees. Jordanian youths have better hard skills (literacy, mathematic reasoning, computer management, languages...) than young Syrian refugees.³⁷

High education attainment may help reach the dream job. Among Jordanian and Syrian youths, white-collar work is seen as a most suitable choice. Women choose education and health sector; meanwhile, Jordanian men prefer the military. Moreover, all of them found it more appealing to work in the public sector, due to its stability, working conditions and social security benefits. Nevertheless, the aspirations and the realities sometimes do not match: only 26% of Jordanians and 2% of Syrians work in the public sector. There are notable differences among Jordanians and Syrians regarding the type of youth unemployment: Jordanian youths prevail in public and private formal sector (52% of total Jordanian youth) and Syrians are relegated to private informal market (93% of the total Syrian youth).

1.4. Unemployment and place of residence: significant differences among governorates

The geographical distribution of unemployment across Jordan reveals significant variations amongst its 12 governorates. The highest unemployment rates are recorded in rural governorates (with a population of less than 500,000 people). Conversely, the highest numbers of unemployed Jordanians are found in the most populated and dynamically active governorates, starting with Amman, and the lowest numbers in the less populated governorates such as Tafleeh, as seen in Table 1. These contrasting trends may pose a dilemma to Jordanian authorities as to the type of developmental (pro-employment) interventions to prioritize among rural governorates (high unemployment percentages) and urban governorates (high number of unemployed persons)

Table 1: Governorates with the highest percentages of unemployed Jordanians 2021

Unempl. % (2021)	1. Tafleeh 26.7	2. Balqa 26,1	3. Jarash 25.3	4. Mafraq 25.2	5. Irbid 25.1	6. Maan 25	7. Azraq 24.9	8. Madaba 24.7	9. Amman 24	10. Aqaba 23.4	11. Ajloun 22.3	12. Karak 18.6
Unempl. n (% of total unempl.) (2021)	1. Amman 173,656 (39.9%)	2. Irbid 88,619 (20.3%)	3. Zarqa 51,172 (11.8%)	4. Balqa 27,973 (6.4%)	5. Mafraq 21,174 (4.9%)	6. Karak 14,691 (3.4%)	7. Jarash 11,975 (2.8%)	8. Madaba 10,912 (2.5%)	9. Maan 10,529 (2.4%)	10. Ajloun 9,581 (2.2%)	11. Aqaba 8,487 (2%)	12. Tafleeh 6,781 (1.6%)

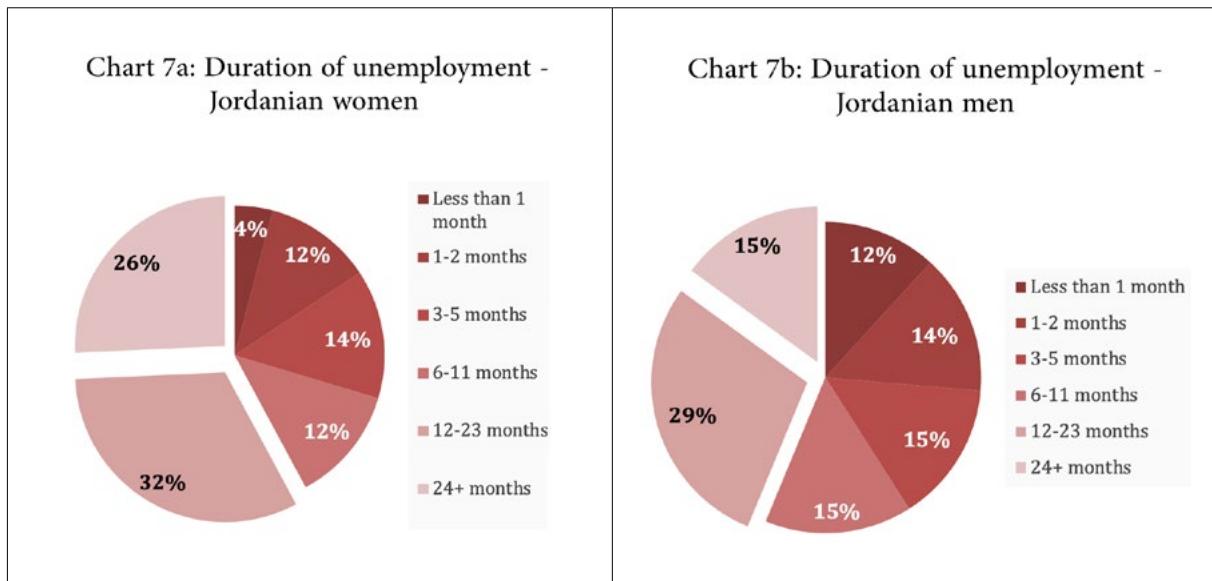
35 UN Women Jordan, *Meta-analysis on women's participation in the labour force in Jordan* (2020), 12. https://jordan.unwomen.org/sites/default/files/Field%20Office%20Jordan/Images/publications/2020/November/Meta_LR_021120.pdf

36 ILO, *Promoting youth employment and employment of young women in Jordan: an assessment of active labour market policies* (2017), 25. https://www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/publication/wcms_598671.pdf

37 UNICEF, *Youth Transitions to Adulthood in Jordan: High Aspirations, Challenging Realities* (2021), 92-94. <https://www.unicef.org/jordan/media/8361/file/Youth-Transitions-to-Adulthood-in-Jordan.pdf>

1.5. School-to-work transition: A delayed start

Across the MENA region, there is the “wait for adulthood” phenomenon, i.e., a delay in the transition from the school stage to the working adult life. Jordan is no exception. The majority of unemployed Jordanians are long-term unemployed. In the second-quarter of 2022, nearly half of them (47.7%) had been seeking a job for more than one year; nearly one out of five unemployed (18%) had been in that situation for more than 2 years. This is consistent with a situation of structural and behavioral unemployment. As indicated in Chart 7, women are significantly more affected by very long-term unemployment (over 2 years) than men.



Looking more closely at Jordanian youths, the transition from education to stable and/or satisfactory employment was estimated for the year 2016 at an average of 33 months, nearly three years. Again, transition is longer for women students (40.5 months) than for men students (22.1 months).³⁸

Interestingly, in the second quarter of 2022, a significant portion (43.8%) of unemployed Jordanians had never worked, more so amongst women (73.9%) than amongst men (32.2%). This both confirms the long-term unemployment status of many Jordanian women and alludes to the fact that most unemployed Jordanians are young new entrants in the labor market. The fact that over three-quarters of them are not married (75.7% among men and 79.4% among women) seems to validate this assumption.

According to UNICEF, school-to-work transition is considered one of the main dilemmas facing young people in general and women in particular. Data provided by such an international body is alarming. In respect to first job achievement, men are in a better position than women, although the situation is far from being ideal. After 5 years of leaving school, only about 25% of men are working, whilst just a few women (mainly those with higher education), whether Jordanian or Syrian, ever work after finishing their studies. Getting employed in the Jordanian labor market is a challenge but doing so in the formal sector (with social security coverage) is an even bigger challenge. Almost no Jordanian and Syrian woman gets a formal job, 6% and 2% respectively. Employability in the formal sector for Jordanian men is co-related with their education attainment: whereas solely 6% of men workers with basic education have a formal job, the percentage increases to 56% for those highly educated.³⁹

The issue of providing suitable work is one of the biggest challenges facing the youth, especially since many jobs may not be commensurate with their qualifications, especially in the case of women, or they may be in a far place which could make it hard to reach.; in addition to that, inadequate wages are one of the main challenges that could constitute an obstacle to finding a job that youths can see as suitable. This set of reasons pushes many young Jordanians and Syrians to get employed in any kind of job, waiting for better economic opportunities which may never materialize.

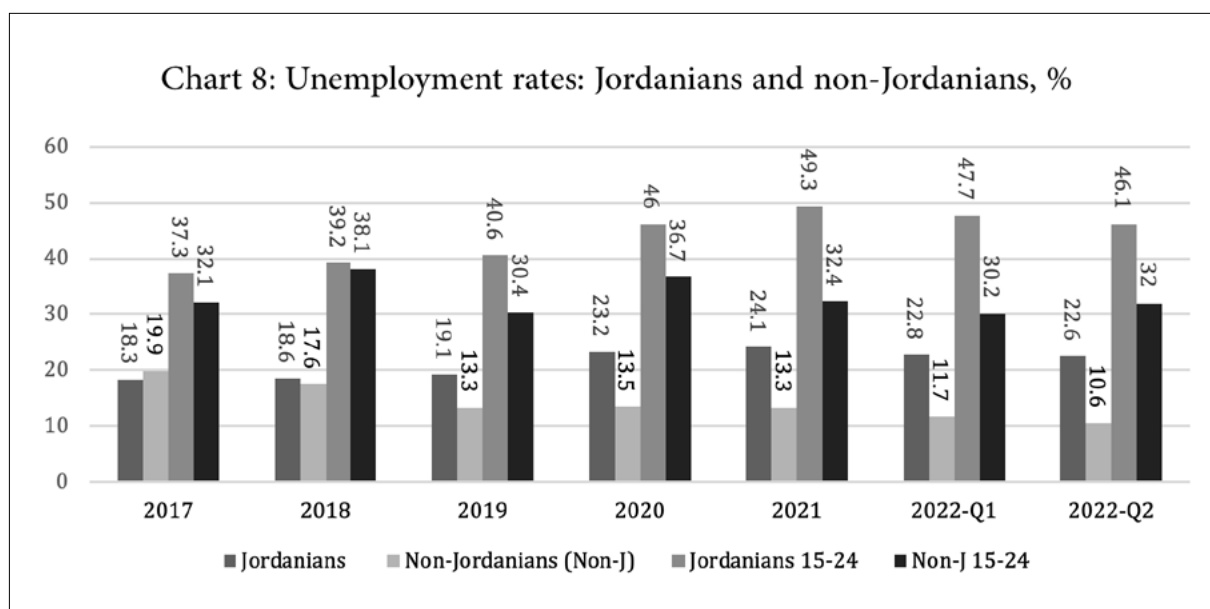
38 RDPP, “Employers’ School-to-Work Transition Survey in Jordan”, *Improved Livelihoods of Jordanian and Syrian Youth Research Project Partnership between the European Regional Development & Protection Programme for Lebanon, Jordan & Iraq and the ILO* (2022). https://www.ilo.org/wcmsp5/groups/public/---arabstates/---ro-beirut/documents/genericdocument/wcms_853131.pdf

39 UNICEF *op. cit.* 41,40 - 41.

It must also be noted that the unemployment rate is also still high among university graduates and holders of higher education certificates, as a result of the large number of graduates annually and the limited size of the Jordanian economy, which renders it incapable of absorbing all these numbers; this results in raising the unemployment rate among youths.

I.6. A comparison with non-Jordanians: Non-Jordanian residents are less likely to be unemployed

In national labor market statistics, the “non-Jordanian” category covers two partly overlapping populations. Firstly, foreign workers from Asia and the Arab world (mainly Egypt) whose modalities of employment are in principle governed by a specific legislation imposing time-framed contracts, a national sponsor (*kafeel*) and a strict delimitation of available jobs - in practice, sectors the Jordanian labor force is reluctant to engage in. Secondly, refugees who are in principle not allowed to work in the formal labor market, except for the 1967 “ex-Gazans” refugees and Syrian refugees since 2016. Overall, the labor market figures for non-Jordanians are more positive than for Jordanians. Not only is their economic activity rate higher (51.1% compared to 33.5% for Jordanians, in the second quarter of 2022), but their average unemployment rate has also been lower than that of Jordanians and has kept decreasing since 2018. Moreover, as indicated in Chart 8, while unemployment rates amongst non-Jordanian youths have remained significantly higher than among the average non-Jordanian population (as in the case of the Jordanian labor force), they have remained lower than of those for Jordanian youth.



Unlike unemployment among Jordanian women compared to Jordanian men (8,1% and 10,9% respectively). However, similarly to Jordanian women, those with intermediary college or university attainment levels are more likely to be unemployed than the average (52% and 33.9% respectively, in the second quarter of 2022). Finally, only about one-third of unemployed non-Jordanians endure short spells of unemployment (35.1% compared to 47.7% of unemployed Jordanians), and almost three-quarters (72.7%) of them have already had working experience, compared to 56.2% of unemployed Jordanians.

The better labor market profile of the first category of non-Jordanians partly reflects their status in Jordan: their presence in the country is tied to employment opportunities, hence the comparatively lower unemployment rates. It may also reveal that the causes of unemployment amongst Jordanians are also behavioral.

In its study, ILO indicated that Jordanians are open to working in various jobs, contrary to the common stereotype about them. However, work is closely related to the balance between their social and family lives, on the one hand, and career progression and development within the job, on the other.⁴⁰

ILO identified five basic issues that decide whether Jordanians work, which are⁴¹:

1. Payment of wages on time
2. Payment of wages for overtime hours
3. Working hours determined in accordance with the law and in a sustainable manner
4. Attention to skill in work, not manual work
5. Appreciation of the efforts made

The results showed that all these criteria collide with the presence of emigrant workers, who do not consider these issues essential, as they focus on earning money and sending it to their families back home. Hence, they may accept any work, even if it comes with a low wage or for long hours within short work contracts, and with no possibility to advance on the career ladder. Additionally, most of them work in unhealthy or unsafe conditions, and sometimes without obtaining any of the labor rights that Jordanian workers consider a right that cannot be waived. In sectors such as industry, agriculture, construction, guarding buildings, and domestic work, many employers themselves prefer migrant workers to Jordanian workers.

40 Susan Razzaz. *A challenging market becomes more challenging: Jordanian workers, migrant workers and refugees in the Jordanian Labour Market* (2017), 6. https://www.ilo.org/wcmsp5/groups/public/---arabstates/---ro-beirut/documents/publication/wcms_556931.pdf

41 *Idem*, 8.

SECTION II:

CAUSES OF UNEMPLOYMENT AMONGST JORDANIANS

The causes of youth unemployment are many. They reflect challenges faced by job seekers (supply) to find and/or keep any economic activity as employees or self-employed, or by employers (demand) to find and/or retain employees. Moreover, causes may result from external political, economic or health (pandemic) shocks or from internal factors related to education or sociocultural factors, or the poor governance of the labor market.

II.1. Demand-driven causes of youth unemployment: external and internal aspects

a) External shocks and reduced economic growth rates as the cause of 'cyclical' unemployment

Jordan has suffered since the late 2000s from a series of external economic shocks, including low levels of international investments, resulting from the global financial and economic crisis of 2008/2009; regional turbulences that have hindered trade with neighboring countries, affected tourism and triggered a significant inflow of over 1 million refugees from Iraq and Syria, mainly, that have burdened the country's already stretched budget and physical and social infrastructure;⁴² repeated increases in the world prices of raw materials and oil; and the full/partial closure of the economy in 2020/2021 in response to the COVID-19 pandemic. These shocks have eroded Jordan's economic conditions and its ability to create jobs. Direct foreign investments (FDI), which are considered a key driver of sustainable development, have sharply decreased over the past 15 years, from a peak of \$2.5 billion in 2006 (23.5% of the GDP) to less than \$62 million (1.7% of the GDP);⁴³ public debt has kept growing from 74% to 100.9% of the GDP between 2016 and 2021.⁴⁴ Simultaneously, GDP growth has decreased from an average of 7.5 per cent during 2004-2009 to 1.9 per cent during 2017-2019. Following a contraction of 1.55% of the GDP due to the impact of the pandemic in 2020, the economy has managed to grow by 1.8% in the first half of 2021, and is projected to grow by 2.2% in 2021.⁴⁵ However, the consequences of the war in Ukraine, including raising fuel and electricity prices, are bound to affect economic conditions and job creation again.

The impact of economic growth on employment/unemployment is complex. On the one hand, growth is recognized as a condition for job creation. According to most assessments, Jordan's economy needs to grow by a minimum of 6% annually, about three times the levels experienced since 2010, to absorb the "bulge" of the yearly 100,000-120,000 entrants in the labor market.⁴⁶ The Jordanian economy is currently said to create no more than 40,000 new formal jobs per year (2019), compared to 50,000 in 2012, and 70,000 in 2007.⁴⁷ While the causal relationship is difficult to establish, as illustrated in Chart 9, low and stagnating/declining GDP growth rates since 2008 coincide with rising unemployment rates, which reached 24.1 percent in 2021, compared to an average of 12.5% from 2004 to 2012.⁴⁸

42 These inflows have contributed to a significant increase of Jordan's resident population from 6.7 million in 2010 to over 11 million in 2021; See DoS, *Population of the Kingdom by Sex According to the 1952, 1961, 1979, 1994, 2015 Censuses, and Estimated Population for Some Selected Years*.

43 World Bank, *Foreign direct investments, net inflows, Jordan*, <https://data.worldbank.org/indicator/BX.KLT.DINV.CD.WD?locations=JO>; and OECD, *FDI Qualities Review of Jordan* (OECD Publishing, 2022), <https://www.oecd-ilibrary.org/sites/736c77d2-en/index.html?itemId=/content/publication/736c77d2-en>

44 See World Bank, *Jordan Economic Update* (October 2021), <https://thedocs.worldbank.org/en/doc/222b8edb65c7bfc3f5af05ad892a-0280012021/original/Jordan-Economic-Update-October-2021.pdf> and World Bank, *Central government debt, total (% of GDP) - Jordan*, <https://data.worldbank.org/indicator/GC.DOD.TOTL.GD.ZS?locations=JO>

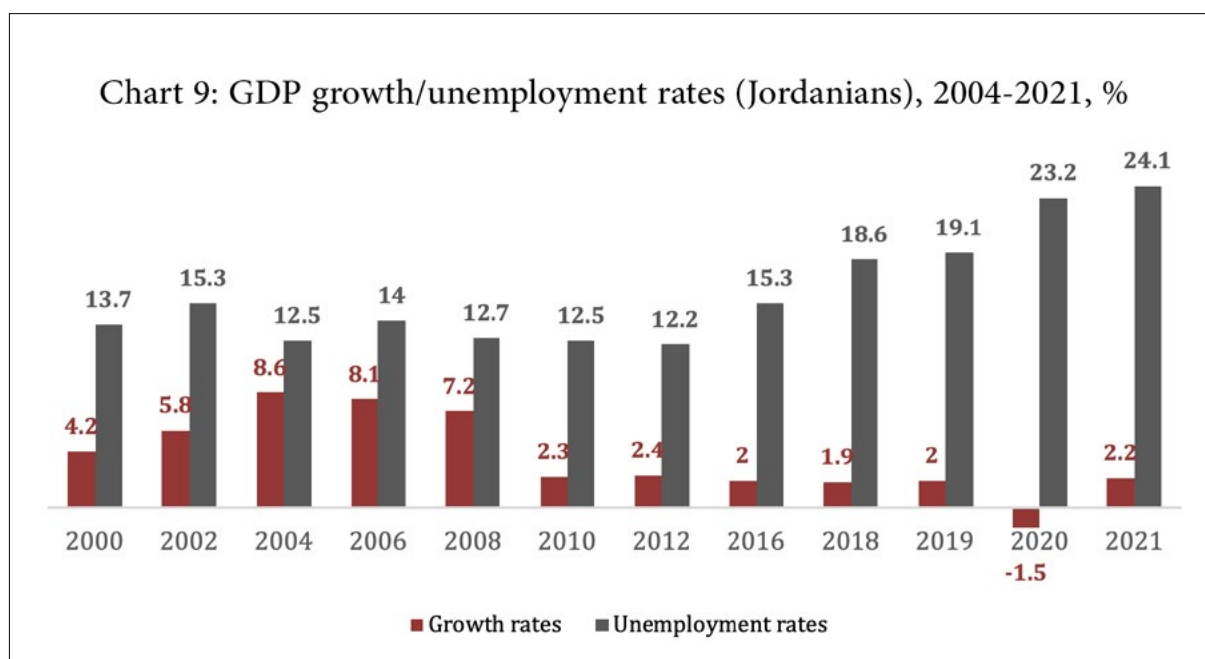
45 World Bank, *Jordan Economic Monitor, Fall 2021: En Route to Recovery* (Washington DC.: 2021), <https://documents1.worldbank.org/curated/en/265631639429108552/pdf/Jordan-Economic-Monitor-Fall-2021-En-Route-to-Recovery.pdf>

46 Hernan Winkler and Alvaro Gonzalez, *Jobs Diagnostic - Jordan* (Washington D.C.: World Bank Group, 2019), <https://documents1.worldbank.org/curated/en/681161574097516931/pdf/Jobs-Diagnostic-Jordan.pdf>

47 See "World Bank report, economists outline requirements for job creation", *The Jordan Times*, Dec. 9, 2019, <https://www.jordantimes.com/news/local/world-bank-report-economists-outline-requirements-job-creation>; and ILO, *Decent Work Country Profile JORDAN* (2013), https://www.ilo.org/wcmsp5/groups/public/---dgreports/---integration/documents/publication/wcms_232764.pdf.

48 During the same period, poverty amongst Jordanians increased from 14.4 per cent in 2010 to 15.7 per cent in 2020; see UNICEF, *Geographic Multidimensional Vulnerability Analysis - Jordan* (2020). <https://www.unicef.org/jordan/media/1921/file/Report%20English.pdf>

Chart 9: GDP growth/unemployment rates (Jordanians), 2004-2021, %



Sources: GDP Growth (annual %) - Jordan, The World Bank, *Jordan Economic Monitor, Fall 2021: En Route to Recovery*, The World Bank, December 16, 2021; DoS (Jordan), *Employment and Unemployment*, http://www.dos.gov.jo/dos_home_e/main/linked-html/Emp&Un.htm

b) Poor absorptive and retaining capacity of the labor market

Chart 9 also indicates that economic growth is not the only determinant of unemployment. During 2000-2008, unemployment rates remained significant, at 12.45% or more, despite high economic growth rates of 7-9 percent. Moreover, as evidenced, for instance, during certain periods of time, 2000-2002, 2006-2010 and 2020-2021, increasing (decreasing) economic growth rates did not necessarily translate into higher (or lower) unemployment rates. This because unemployment also responds to other demand-related factors that characterize the “structural” unemployment amongst Jordanians:

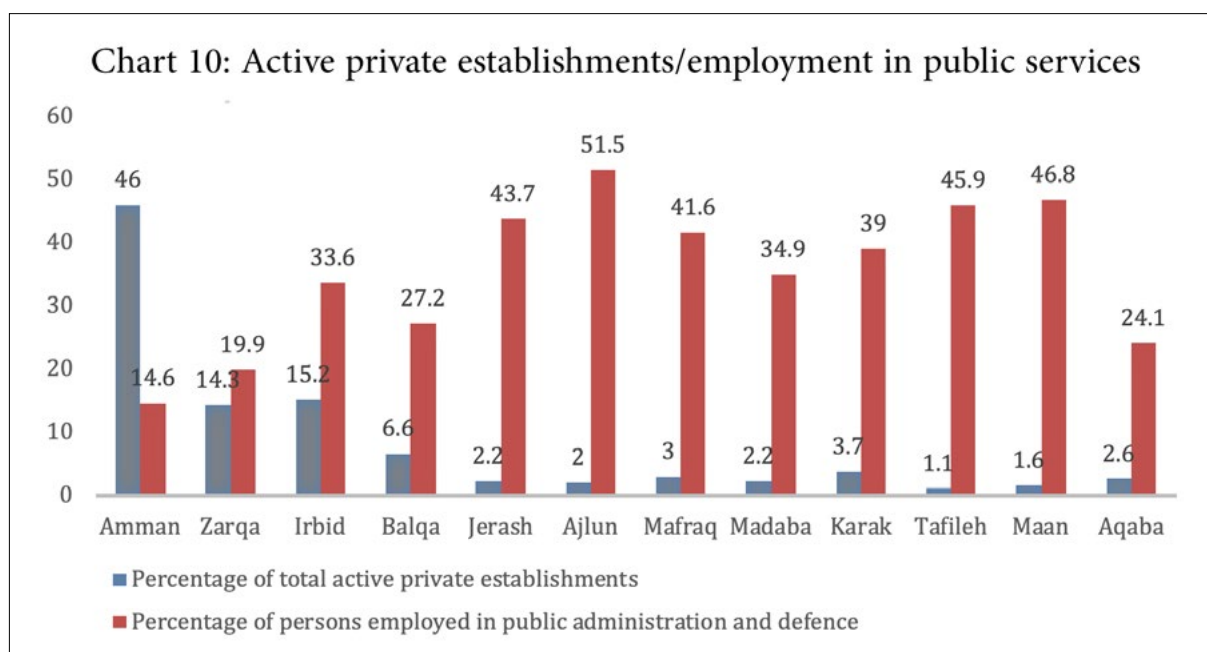
- *Economic growth primarily benefits “job-poor” sectors*: economic growth tends to mostly benefit either sectors of the economy that create specialized capital-intensive jobs, including finance, ICT, real estate and communication, where university graduates or highly specialized workers compete for few jobs⁴⁹ or low-skilled jobs that are mainly filled by non-Jordanian workers in the fields of construction, manufacturing and tourism.
- *Poor absorptive and retaining capacity of the private sector, especially in the “governorates”*: although the private sector is considered by the government as “the main engine for growth and employment” and “the chief driver of investments in the country”⁵⁰, the private sector only absorbs less than half (46.3%) of the Jordanian labor force across the country.⁵¹ Moreover, there are large variations across the 12 governorates in terms of private sector presence. In 2018, about half of the active private establishments (45.5%) were located in the Amman Governorate and three governorates, Amman, Azraq and Irbid, housed three quarters of such establishments, as indicated in Chart 10. In other governorates, employment relies heavily on recruitment in the public sector that is considered overstretched, yielding low levels of productivity and implementation capacity.⁵²

49 Finance employs 2 per cent of the labor force and accounts for 20 per cent of Jordan’s GDP. Manufacturing employs 9.4 per cent of workers and accounts for 18 per cent of GDP. Tourism (accommodation and food services) employs 3.2 per cent of the labor force and contributes 10 per cent of GDP; see: The Economic Policy Council, *Jordan Economic Growth Plan 2018–2022* (2018), <https://www.ssif.gov.jo/UploadFiles/JEGProgramEnglish.pdf>

50 In: *Jordan Vision 2025 – A National Vision and Strategy*, <https://gbd.gov.jo/Uploads/Files/jordan-2025/2025-en.pdf>; and The Economic Policy Council, *Jordan Economic Growth Plan 2018–2022* (2018), <https://www.ssif.gov.jo/UploadFiles/JEGProgramEnglish.pdf>

51 This includes the organized and non-organized (informal) private sector; DoS, *EUS 2nd Quarter 2022*.

52 See Jordan Diagnostic, *EBRD* (2020) that notes that several public sector entities need capacity building, with departments or staff insufficiently incentivised to provide strong performance and overcome bottlenecks to effectively deliver services.



When interviewed during the preparation of this report, youth from rural areas stressed that the lack of state and private investments in their areas of residence was one of the main causes of unemployment. Also criticized by youth respondents of marginalized regions was the fact that the best rewarded positions in economic establishments were regularly given by way of nepotism or to Jordanians from other governorates.

The sparse presence of private sector companies in the “governorates” represents not only a main challenge to employing youth and women, but also an impediment to economic growth and sustainable development.⁵³ Combined with other factors related to the employment preferences of job seekers (see below section II. 2), this also explains why the percentage of public sector employees has not decreased over the past two decades: the privatization of the economy since the 1990s has actually resulted in downsizing the share of the labor force in the public sector from 50% in the 1970s to some 36-39% in the early 2000s. However, the proportion has not decreased since then.⁵⁴ As the National Employment Strategy 2011-2020 (NES) document put it, despite the governments’ official commitments to reduce the public sector, they have frequently hired new employees to reduce unemployment, thus creating an expectation for many young Jordanians that they should stay unemployed until they can be hired there.⁵⁵

- *The nature and operational modalities of private sector enterprises.* A vast majority of them (98%) are composed of micro, small and medium enterprises (MSMEs), and 60% of which operate informally, namely they are not officially registered with the government and/or employ workers who are not registered with the Social Security Corporation (SSC). Most SMEs are said to underperform due to the absence of business planning, difficult access to financing, low deployment of new technologies, and weak regulatory frameworks.⁵⁶ Jordanian and non-Jordanian youths with employment experience in such enterprises that were interviewed during for this report also concurred that working conditions they had witnessed in these MSMEs were substandard, ultimately compelling them to leave their job:

53 As asserted by the UNDP, *Jordan Human Development Report 2015 – Regional disparities* (2015), <https://hdr.undp.org/system/files/documents/hdr15standaloneoverviewpdf.pdf>

54 As testified by the regular EUS conducted by the DoS; in 2021, the percentage of Jordanians employed in the public sector was estimated at 38.8 percent, compared to 37.1 percent in 2000. Also see Al Omari, I. and Palmer, R. *From School to Career – Jordanian Graduates*, Human Centre for Human Resources Development (2006).

55 *ZJordan’s National Employment Strategy (NES) 2011-2020*, 120, <https://jordankmportal.com/resources/jordans-national-employment-strategy-2011-2020>

56 In 2020, a study found that Jordan’s informal economy contributed to around 25 per cent of the national income and employed around 40 percent of the Jordanian workforce and around 80 percent of its non-Jordanian workforce, mainly in the construction, tourist and agricultural sectors; see Bahaa Al Deen - Al Nawas, ‘Informal economy constitutes around 25 per cent of national income’, *The Jordan Times*, February 2, 2020, <https://jordantimes.com/news/local/informal-economy-constitutes-around-25-cent-national-income>

- *No contractual protection of employers:* many SMEs employ youths based on oral instead of written work contracts.
- *No social protection:* most youths work informally, namely they are not registered with the SSC, even when they are employed by formal businesses. They do not have any health insurance.
- *Substandard working conditions:* low occupational and safety health standards and decent work conditions at the place of work.
- *Frequent breaches of the Labour Law by employers:* wages paid were often unjustifiably lower than wages initially agreed upon with the employer, sometimes below the minimum wage level, and failed to sustain a livelihood. In addition, workers may need to work overtime without receiving extra-wage, especially during week-ends or holidays. According to respondents, the presence in enterprises of disempowered labor migrants that are resigned to such conditions encouraged employers to offer them to Jordanian workers as well.
- *Over-use by employers of the trainee status:* employers tend to use young workers as trainees in order to avoid paying regular wages.
- *Absence of protection from state/corporate stakeholders:* inspections by MoL inspectors are rare and trade unions representatives are absent from the place of work.
- *Employers reluctant to employ women workers:* employers were said to avoid the recruitment of women workers in order to avoid related obligations conferred on them, including maternity leave (Article 71 of the Labor Law) or the obligation to establish a nursery based on the number of children women employees have (Article 72).⁵⁷
- *The “wasta” factor:* recruitment and promotion at public or private enterprises are said to be often based on nepotism and private connections.
- *Career progression:* few SMES actively promote skills upgrading and have no career progression plans. Competencies are not necessarily linked with career progression.
- *The “corona” episode:* the spread of the COVID-19 pandemic led to the closure of many small enterprises and the cancellation of the work contracts (be they oral or written). It appears that the government support measures for the private sector mainly benefited medium and large businesses.

c) **Fewer employment opportunities in the Gulf countries**

Since the 1960s, many skilled/highly educated Jordanian youths have sought better remunerated employment abroad, especially in the oil economies of Saudi Arabia (the main recipient of Jordan's expatriates) and Gulf countries. Expatriation has even long been promoted by the authorities because of its positive socioeconomic impact on livelihoods and the country's economic growth (see below Section III). There are no accurate statistics on the number of Jordanian expatriates or on the number of returnees to Jordan. Estimates dating back to 2015/2016 set the total Jordanian population residing abroad (temporarily/durably) between 730,000 and 980,000 persons, one-third of whom are employed and two-thirds are dependents.⁵⁸ However, expatriation as a source of employment has not proved reliable in times of political and economic crises, most recently during the economic crisis of 2007/8 in the Gulf countries, which saw a massive return of expatriates to Jordan. In the past decade, a more lasting exclusionary trend, the indigenization of the labor force in Saudi Arabia and other Gulf states, is said to have started reducing the flow of qualified Jordanians toward such countries, thus contributing to rising unemployment amongst them.⁵⁹

II.2. Supply-driven causes of youth unemployment: educational, administrative and sociocultural factors

On the supply side, school-to-work transition is constrained by issues related to the type and quality of youth education, poor support during the transition period, and sociocultural factors. Such obstacles do not only create unemployment, they also hinder the economic participation of Jordanian youths in the labor force and result in the need to import foreign labor.

⁵⁷ Amended Article 72 specifies the obligation to establish a nursery when the employees cumulatively have at least 15 children under the age of 5. [If I remember well, it was 10 children. Can you please double check?]

⁵⁸ See ETF, *Migrant Support Measures from an Employment and Skills Perspective (Mismes) - Jordan Country Report* (2017), https://www.etf.europa.eu/sites/default/files/m/FE1739179121898CC12581F5004EBD48_MISMES%20Jordan.pdf ; and OECD, *Measurements of Jordanian Abroad and non-Jordanians in Jordan* (2015), <https://www.oecd.org/migration/forum-migration-statistics/2.B-3-Ahmed-A-Momani.pdf>

⁵⁹ According to interviews with heads of employment agencies specialized in the recruitment of Jordanians abroad, March 2016.

a) **Poor quality education, low educational attainment, and skills mismatch**

Jordan's educational system has accomplished remarkable progress over the past decades in terms of inclusion. Since 1980, literacy rates have increased amongst Jordanian, but comparatively more among women than among men, from 55% and 86%, respectively, in 1980, to quasi-universal literacy for both genders today.⁶⁰ The percentage of school enrolment in the tertiary cycle in Jordan has increased from 27% to 34% between 2000 and 2020.⁶¹ Yet, as indicated above (see charts 5 and 6), Jordanian university graduates have been comparatively more likely to be unemployed than Jordanians with lower educational profiles. Amongst the main reasons for that are Jordan's declining public education standards of quality across the board over the years. As asserted by the governmental strategic document *Jordan Vision 2025* (see Section III, c. 1), while "at the largely underfunded primary and secondary levels test scores and pass rates are no longer preparing the majority of its next generation for a globally and regionally competitive workforce, at tertiary education level, [...] employers have noted for several years that the Kingdom's universities are not consistently delivering graduates with skills and training required for the workforce".⁶²

The transition between the rigid higher education system and labor market needs has been harder for women university graduates (one-third are unemployed among them) than men university graduates (one-fifth are unemployed among them). Although women represent a majority of the total number of students enrolled in universities (56% of 344,796 students in 2022),⁶³ they tend to leave university earlier, accounting for less than half of the students in master's degrees (44%) and less than a third of the PhD candidates.⁶⁴ A major challenge relates to the fact that a substantial proportion of them (42%) tend to enrol in saturated disciplines with few employment opportunities, including trade and business, human sciences, religion and arts, and educational sciences (see below, Chart 12 and Table 2a).⁶⁵ In addition, they tend to lack (like many men job seekers) the soft skills required for recruitment and integration in the labor market, including CV writing, communication, proficiency in foreign languages, professional writing, and others) and have inadequate demand-driven upskilling programs. Such a mismatch represents a poor return on investment from the higher education sector; it also results in low labor productivity and forms a burden on the country's economy.⁶⁶

In this context, observers have started questioning the relevance of higher education: Are relevant skills and employability a priority area of focus for universities, and technical and vocational education training (TVET) institutions?⁶⁷ As noted in the NES 2011-2020, the financial and operational disempowerment, since the mid-2000s, of the National Centre for Human Resources Development (NCHRD), an institution that had previously played a major role in developing education, higher education, and training policies for human resources, may be seen as one of the causes (and a symbol) of the mismatch between education and the Jordanian economy.⁶⁸ Key players in the private sector who participated in higher education council meetings revealed during the roundtable organized by ARDD in August 2022 that their voices had not been heard; despite repeated calls for the adaptation of higher education to the needs of the private sector, the higher education curricula continue to evolve in an "academic silo".

The university graduates' poor employability highlights another issue related to tertiary education levels, namely Jordanians' disregard for vocational training: only 14% of students enrol in TVET programs (in the secondary cycle under the aegis of the MoE) or apprenticeship under the supervision of the Vocational Training Corporation (41% of whom are women) and 4% at post-bachelor level (specialized technical training - 49% of whom are girls).⁶⁹ Such disregard has usually been related to the negative reputation surrounding public TVET, which originates from the training centers' outdated curricula and poor infrastructure, their disconnection from private employers, and the

60 According to the World Bank, *The Economic Advancement of Women in Jordan: A Country Gender Assessment*, op. cit. annex 6.

61 The World Bank, [School enrollment, tertiary \(% gross\) – Jordan](https://data.worldbank.org/indicator/SE.TER.ENRR?locations=JO), <https://data.worldbank.org/indicator/SE.TER.ENRR?locations=JO>

62 *Jordan 2025 – A National Vision and Strategy (2015-2025)* op.cit.

63 More generally, over half of the Jordanian population aged 15+ with university diplomas is composed of women (495,629 out of 989,565 persons) and DoS, EUS 2021 [according to DoS...??? why the "and" and how do you tie it to the previous?], and "56% of students in Jordanian universities are women", *Jordan News*, June 26, 2022. Conversely, men made up the majority of students in community colleges: 54 percent (19,146 persons) compared to 46 percent (16,528) of women.

64 "Gender gap widest in higher education — SIGI", *The Jordan Times*, 28 June 2016. <https://jordantimes.com/news/local/gender-gap-widest-higher-education-%E2%80%94-sigi>

65 "Many Female Students Pursuing Crowded Specialisations — SIGI", *The University of Jordan News*, 31 July 2019, <http://ujnews2.ju.edu.jo/en/english/Lists/News/DispForm.aspx?List=6a71da82%2Dc9dc%2D4e9f%2D818d%2D25d85d9402b5&ID=5876&ContentTypeId=0x0100984A62E5BB90CF499A-2CA920B18C8645>

66 In the words of a former secretary-general of MoL in: *Jordan Data Suggests Universities Contribute to Unemployment*, 2018.

67 British Council. *Preparing Work Ready Graduates for Employment in Jordan - Thematic Outcomes from Jordan-UK Dialogue* (2021), https://www.britishcouncil.jo/sites/default/files/2021preparing_work_ready_graduates_for_employment_in_jordan_report.pdf

68 NES 2011-2020, op.cit. p. 42.

69 UNESCO. *TVET Country Profile – Jordan* (2019), <https://unesdoc.unesco.org/ark:/48223/pf0000373090>

poorly trained and uncommitted workers they yielded.⁷⁰ Moreover, pressures are high among Jordanian families to have their youths obtain university diplomas and ensuing high calibre jobs. The fact that TVET has traditionally been open to students who fail to enrol in the secondary studies cycle makes it an unlikely option for many Jordanians.⁷¹

b) Lack of career guidance and counselling

Career guidance and counselling are essential auxiliary factors that can help young people attain their professional goals. This is done by encouraging their talents, stimulating their desires, and developing their skills in order to find the most appropriate career path for them. Adolescents' early awareness of their skills and desires helps them understand the nature of the labor market, on the one hand, and how to choose the most suitable job for them, on the other.

The unemployed youths interviewed for this study also put the blame on the lack of efficient career guidance and counselling for students, whatever their educational attainment, who are thus deprived of accurate information about relevant job opportunities following graduation. Once on the labor market, the public employment services tasked with placing job seekers⁷² generally fail in collecting relevant information about vacancies or follow up on the evolution of the labor market across the country. As an evaluation of the Public Employment Offices pointed out, the fact that they did not enjoy organizational autonomy or an independent budget limited the performance and the relevance of their services.⁷³ The little relevance of governmental job placement services is best illustrated by the relatively few job seekers registering with government employment offices: most job seekers rather opt for professional or social networking sites online, private connections or direct contact with employers.⁷⁴

c) Reluctance to engage in the private sector: sociocultural factors

Youth respondents also mentioned the strong “culture of shame” (and the “behavioral unemployment” it induces) that pervades large segments of the Jordanian society vis-à-vis vocational and relatively poorly paid jobs usually held by low-skilled Asian or Egyptian labor migrants in the sectors of construction, agriculture (farming), household services, and manufacturing. Such sensitivities are stronger among women, due to persisting patriarchal cultural norms that confer on them a social role limited to that of a non- (or little-) economically active housewife and mother.⁷⁵ This explains the very low economic activity amongst Jordanian women, whose rate has regularly been between 3.5 to 5.5 times lower than that among Jordanian men. It also explains why the activity of Jordanians at large is lower than that of the non-Jordanian residents of Jordan, as well as that of the other populations of the Middle East and Europe, as indicated in Chart 11.⁷⁶ Such a low women economic activity rate represents a sheer economic loss for Jordan: according to ILO, closing the gender workforce gap could increase the GDP by 10% per capita.⁷⁷ Existing legislation forbidding women to work in certain sectors and/or under certain conditions (i.e., night shifts), reinforces sociocultural attitudes toward women's participation in the labor market.⁷⁸ Overcoming these sociocultural factors. Would, in turn, dynamize the Jordanian economy and boost its job creation capacities.

70 British Council, *op.cit.*; and ILO, *State of Skills – Jordan*, https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---ifp_skills/documents/genericdocument/wcms_754492.pdf

71 Until 2019, it was not possible for trainees graduating from the Vocational Training Corporation (VTC) to pursue or resume academic studies at community college or university level.

72 The Civil Service Bureau for public sector jobs, and the MoL's 23 Public Employment Offices across the country and its online portal – the National Electronic Employment Services – for private sector jobs. In addition, the MoL has established 17 Employment Service Centres across Jordan, with ILO's assistance. These provide career guidance and job-matching services to Jordanian and Syrian job seekers. See: ILO, *Promoting Women's Economic Empowerment in Jordan* (2019), https://www.ilo.org/wcmsp5/groups/public/---arabstates/---ro-beirut/documents/briefingnote/wcms_730743.pdf

73 GIZ, *Evaluation of the Capacities and Performance of Public Employment Offices in Jordan* (2021), https://www.giz.de/de/downloads/giz2021_en_impact-evaluation-of-the-peo-in-jordan.pdf

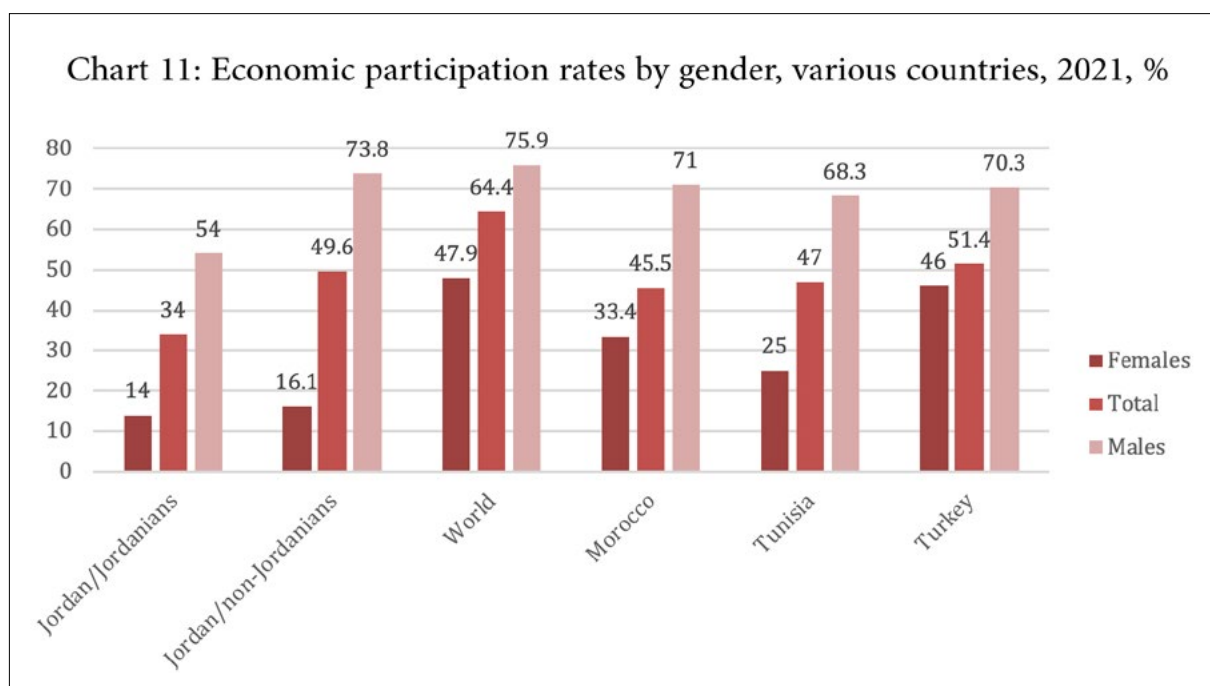
74 According to DoS in its EUS 2nd quarter of 2022, only 25 percent of unemployed persons seeking employment in the private sector resorted to governmental employment offices, compared to 122.6 percent who placed or updates [of updated??] results on professional or social networking sites online; 71.1 percent applied to employers directly; 52.3 percent sought the assistance of friends, relatives or other types of intermediary; and 30.2 percent placed or answered newspaper or online job advertisements; See DoS, EUS, 2nd quarter 2022, Table 7.7.

75 Also see for instance, Y. Shahzadeh. “Women's Employment in Jordan: Barriers for Inclusion and Participation”, *Paradigms* (February 2021), <https://www.paeradigms.org/post/women-s-employment-in-jordan-barriers-for-inclusion-and-participation>; and UNICEF, *Youth Transitions to Adulthood in Jordan: High Aspirations, Challenging Realities* (2021), <https://www.unicef.org/jordan/media/8361/file/Youth-Transitions-to-Adulthood-in-Jordan.pdf>

76 World Bank *Labour Force Participation* portal, <https://data.worldbank.org/indicator/SL.TLE.CACT.NE.ZS>

77 UN Women *op. cit.*

78 See Women's toolkit by ARDD for exact legislation.



Societal factors related to motherhood roles also explain why niches for Jordanian women seeking employment are limited. As indicated in Chart 12 and Table 2 for the second quarter of 2022 below, they tend to target the public sector (49% of employed women), where they benefit from relatively higher wages,⁷⁹ social protection, better working conditions and schedules. Employment in the education sector is prioritized (41.2%), as the majority of women specialised in related disciplines during their studies.

Moreover, as a result of many societal conditions, and the traditional roles of women in Jordanian society, in addition to the great challenge in the labor market, the USAID indicates that “three-quarters of women’s businesses are home-based”⁸⁰, and most of these projects rely on women’s traditional crafts and skills, such as embroidery, sewing, handicrafts, beauty services, and home trade.

Many programs and initiatives have aimed at training and qualifying women to develop their skills and capabilities to advance in and benefit from their work, and thus raise their economic level and their families’ well-being.

For example, the Inhad project trained youths in different areas, like social innovation, entrepreneurship, business planning, financial management, and access to finance. The main goal was to provide youth with the needed knowledge and skills to work in their businesses. Through Inhad, 122 young women were trained⁸¹.

In comparison, working men are comparatively less engaged in public sector employment (36%). They are mainly split, according to their educational attainment, between public sector, in the public administration (28.9%) and wholesale/retail trade or repair of motor vehicles (17.8%).⁸²

79 In 2020, the monthly average salary of Jordanian workers was JD543: JD631 in the public sector and JD484 in the private sector; “Average monthly salary of Jordanian workers is JD543”, *Jordan News*, December 13 2022, <https://www.jordannews.jo/Section-109/News/Average-monthly-salary-of-Jordanian-workers-is-JD543-25687>

80 USAID, *Jordan Gender Assessment*. Amman. (2017), 7, https://pdf.usaid.gov/pdf_docs/PNADM944.pdf

81 UNICEF. *Inhad programme: youth economic engagement through self-employment*. Jordan. (2020). <https://www.unicef.org/jordan/media/3256/file/Inhad%20Programme.pdf>

82 DoS, *EUS second quarter of 2022*.

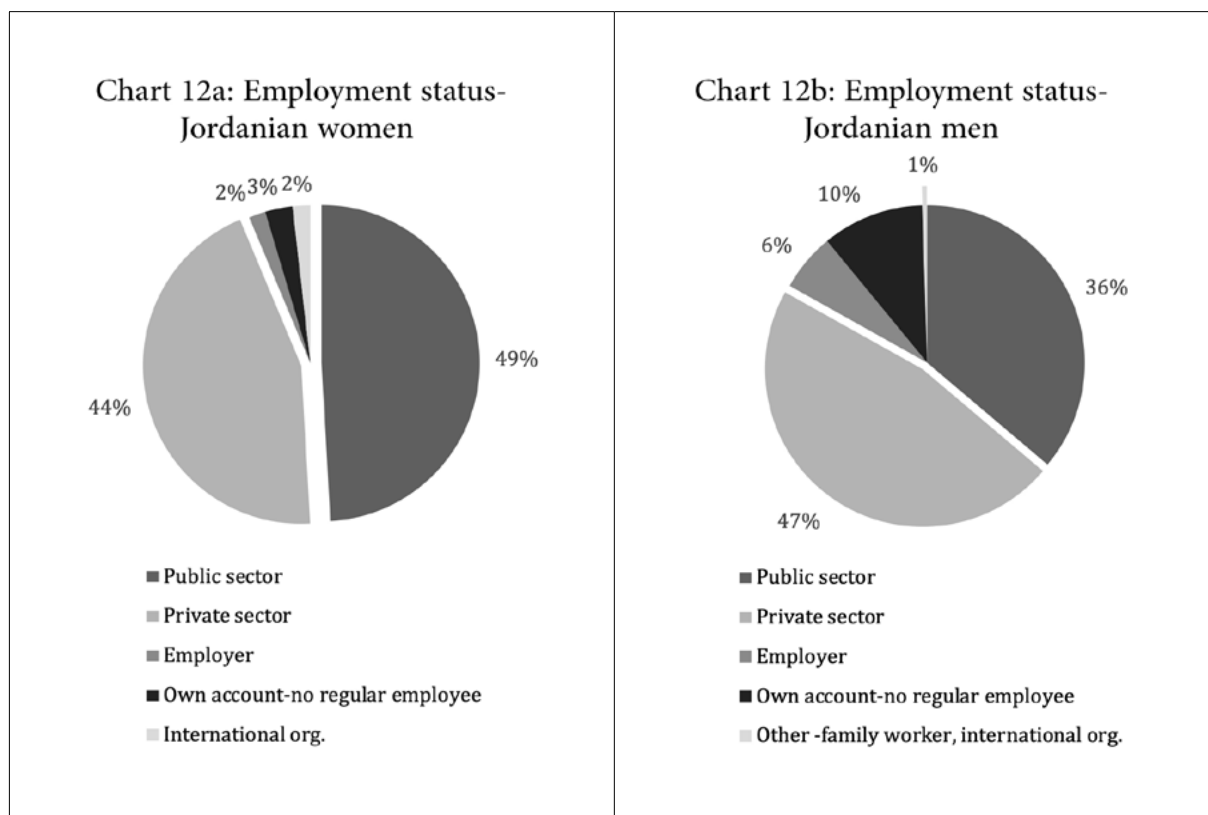
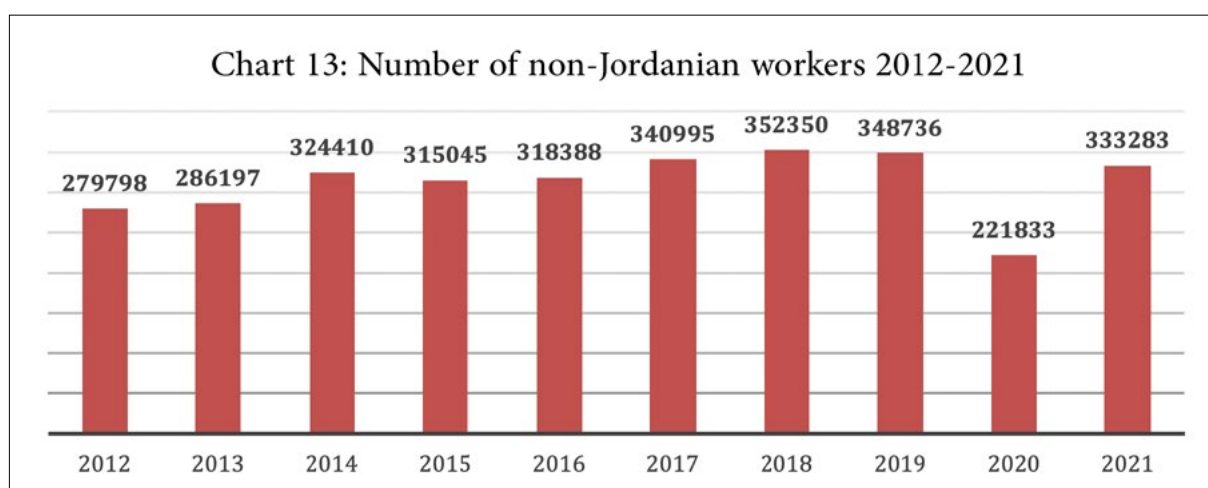


Table 2 8 main economic activities -Jordanian women (out or 100)		Table 2a 8 main economic activities -Jordanian men (out of 100)	
Education	41.8	Public administration and defence	28,9
Health/social work	15.1	Wholesale and retail trade; repair of motor vehicles and motorcycles	17.8
Public administration and defence	11,7	Manufacturing	10.5
Manufacturing	8.7	Transportation and storage	6.9
Wholesale and retail trade; repair of motor vehicles/motorcycles	5.3	Education	6.2
Professional, scientific and technical activities	3.6	Construction	5.6
Information and communication	3.5	Services activities	3.3
Financial and insurance activities	3.3	Health/social work	3.2

d) Non-Jordanian workers, an unemployment factor?

The facts and findings above put into question a widely held opinion amongst Jordanians that unemployment is largely due to the presence of a large labor migrant population in the country. In 2021, some 200,000 Syrian refugees were working in Jordan, two-thirds of whom were operating in the informal economy. Syrian workers are often stigmatized, especially in localities such as Mafraq, where they form the majority of the population.⁸³ However, as the MoL put it, Jordan started hosting non-Jordanian workers in the early 1970s, when the private sector found itself in need of workers in vocational jobs where few Jordanians wanted to engage in. This has induced a relatively rigid segmentation of the Jordanian labor market where non-Jordanian workers are considered a complementary and not a replacement labor force. In 2021, over half of non-Jordanian workers were Egyptians (54.1% of the formal non-Jordanian labor force registered with the MoL). Smaller non-Jordanian workers include Bengalis (12.9%), Syrians (8.5%); Indians (4.8%); Filipinos (3.7%).⁸⁴

The number of non-Jordanian workers has increased in past years, from 279,798 in 2012 to 352,000 in 2019. COVID-19 has underscored Jordanian economy's reliance on foreign workers. During the peak of the pandemic, non-Jordanian workers who were abroad could not travel back to Jordan, and their number plunged in 2020 to 221,833. However, their positions were not replaced by Jordanians, and in 2021, their number reached the pre-2020 levels, at 333,283. Foreign workers mainly occupy jobs in the manufacturing industries (27.3%), agriculture (23.9%), household activities (18.9%), construction (12.9%), and wholesale and retail trade (5.4%).⁸⁵



When considered as a whole, the challenges posed by non-Jordanian workers seem to be less the competition they pose to the Jordanian workforce than the substandard working conditions they endure, and that pervades the entire MSMEs sector, which discourages the engagement of Jordanian workers in this sector. Adding to this, the prevalence of non-Jordanian workers in the informal economy represents a main challenge for the government: According to official figures from 2019, the size of the non-Jordanian working population (about 600,000 persons) in the informal economy is nearly double that of the non-Jordanian working population in the formal economy.⁸⁶ Better controlling and monitoring the flow of non-Jordanian workers and their working conditions has become a key component of the employment strategies and policies since the 2000s (see below section III).

⁸³ See UNHCR data, *livelihood working Group*, [https://data2.unhcr.org/en/search?type\[0\]=document&working_group=49§or_json=%7B%220%22%3A+%220%22%7D§or=0&export=1](https://data2.unhcr.org/en/search?type[0]=document&working_group=49§or_json=%7B%220%22%3A+%220%22%7D§or=0&export=1).

⁸⁴ Ministry of Labour, *Annual Report 2021*.

⁸⁵ Ministry of Labour, *Annual Reports* for years 2016 and 2021.

⁸⁶ Bahaa Al Deen Al Nawas, "Experts ponder impact of revised work permit fees", *The Jordan Times*, September 3, 2019, <https://www.jordantimes.com/news/local/experts-ponder-impact-revised-work-permit-fees>

e) **Entrepreneurship (or self-employment): a tool against unemployment?**

According to the *Jordan Vision 2025*, “Jordan is a country of entrepreneurs”, as 98% of the total number of establishments are MSMEs and about 10% of the Jordanian working-age population are startup owners. The document also notes that this may be due to the weak growth of jobs in the private and public sectors.⁸⁷ Thus, the question is to what extent should entrepreneurship, especially amongst the youth, be considered a palliative to unemployment.

The number of self-employed Jordanians working in their own businesses has actually been stagnating since 2000, at around 9% of the total Jordanian labor force: 10% of total working men, and 2% of total working women, as seen in Chart 12 above. Despite government efforts to technically empower and facilitate the access of young Jordanian entrepreneurs to credit,⁸⁸ establishing a business remains a road full of administrative and financial obstacles for new entrepreneurs that often leads to stagnation or failure. In addition, social entrepreneurship, namely entrepreneurship that seeks to simultaneously make profits and make a positive impact on social and environmental issues, is not recognized as such. A study found that among the main reasons for the relatively high percentage of business failures in Jordan in 2019 (10.45%), were: insufficient profits (51%), administrative regulations such as taxes and bureaucratic constraints (16.1%), and financing issues (12.3%).⁸⁹ The closure of the economy following the outbreak of the COVID-19 pandemic may have worsened the situation. Other studies pinpointed the poor entrepreneurial knowledge and culture amongst Jordanians as a whole, and among its youth segment in particular, as the main obstacles to development in businesses and emerging entrepreneurs.⁹⁰ In 2019, 92% of entrepreneurs starting a business and 94% of established entrepreneurs admitted that entrepreneurship was only an alternative to the lack of decent employment opportunities in the public or private sectors.⁹¹

⁸⁷ This statement is validated by a survey conducted in 2020 that found that 93.1 percent of owners of enterprises had started a business to “earn a living because jobs are scarce”; See GIZ, *Global Entrepreneurship Monitor, Jordan National Report 2019/2020* (2020), https://www.giz.de/de/downloads/GEMJ_EN.pdf

⁸⁸ Measures include increasing the number of microcredit institutions, expanding digital financing services, developing incubators and accelerators of enterprises, and the creation, in 2012, of the Jordan Enterprise Development Corporation (JEDCO) to support SMEs by disseminating information, you need a verb here; disseminating does not work. Use, maybe, “helping” human resource development and promotion, and giving advice on packaging, export finance, trade fairs and **implementing** [reaching, or signing??] trade agreements.

⁸⁹ See GIZ, *Global Entrepreneurship Monitor, Jordan National Report 2019/2020*, op.cit.

⁹⁰ See, for instance: Ragui Assaad et al., *Youth Entrepreneurial readiness in Jordan: High Interest, Low Success Rates*, (UNICEF, 2021), <https://www.unicef.org/jordan/media/8556/file/Policy%20Brief:%20Youth%20Entrepreneurial%20Readiness%20in%20Jordan.pdf> ; and OECD, *Youth Well-being Policy Review of Jordan*, 2018.

⁹¹ See GIZ, *Global Entrepreneurship Monitor, Jordan National Report 2019/2020*, op.cit.

SECTION III:

EMPLOYMENT STRATEGIES, POLICIES AND PROGRAMMES: OPPORTUNITIES AND FAILURES

This section provides an analysis of strategies and policies concerning employment by looking at the following questions: What are the strategies, policies and interventions Jordan has taken in this regard? How and to what extent have they been implemented, and what has their impact been?

III.1. Work for Jordanians as a constitutional state responsibility – but not efficiently implemented

A) Historical overview: from the 1952 Constitution to the National Agenda and We are all Jordan initiative of 2005

A.1. Right to work not substantiated by employment policies (1952-2004)

The 1952 Constitution clearly defines work and education as a state responsibility. Article 6.3 stipulates that the state “shall ensure work and education within the limits of its possibilities, and shall ensure tranquillity and equal opportunities to all Jordanians”. Tackling more specifically the notion of “work”, Article 23.1 defines it as “the right of all citizens”, pointing out that “the State shall avail it to Jordanians by directing and improving the national economy”. The Constitution (Article 23.2) also makes the state responsible for protecting laborers through legislation, spelling out the conditions of work in terms of wages, number of working hours and paid rest days, special compensation for vulnerable workers, health safeguards at the place of work and free trade union “within the limits of the law”.

Such constitutional provisions have been further specified in successive labor laws, including the most recent labor law of 1996 (and its amendments). This last law establishes two main principles guiding Jordan’s employment policy. Firstly, work in Jordan should in principle be earmarked for Jordanians. Non-Jordanians may only be employed, as specified in Article 12 of the law, by “the approval of the Minister or whom he authorizes provided that the work shall entail an experience and qualification not available among the Jordanian workers, or that the number of the qualified Jordanian workers does not meet the need...”. As mentioned above, such a situation has become a solid trend since the 1970s. Secondly, the MoL is, by virtue of Article 10, in charge of organizing, in cooperation with the concerned authorities, the labor market, vocational guidance, and the provision of employment opportunities for Jordanians inside the Kingdom and abroad, notably through “employment offices for the Jordanians or license the establishment of private offices to achieve this purpose”.

However, until the 2000s, Jordan did not develop any proper labor market policy. The expatriation of skilled and educated Jordanians, the prospering Gulf countries and Libya, particularly, was the main concern of the authorities who considered it a “brain gain”. Not only did it represent a solution to unemployment and its related risks of social and political instability, the remittances it generated also helped improve household incomes and boosted Jordan’s national income.⁹² Following the 1950s, when the survival of the state in an instable Middle East prevailed over the promotion of the country’s socioeconomic development,⁹³ Jordan’s Development Board’s seven-year program (1964–1970) officially encouraged labor migration as a solution to the limited opportunities for employment in Jordan. Later, the three-year development plan (1973–1975) called for greater investment in TVET as a way of benefiting from increased emigration and workers’ remittances.⁹⁴ The local labor market long remained unorganized: the MoL was only established in 1976 as an offshoot of the Ministry of the Social Affairs.

92 Remittances formed around 20% of the GDP between 1985 and 2007 and 10–14% of GDP since 2009.

93 Robert B. Satloff, *From Abdullah to Hussein* (New York: Oxford University Press, 1994).

94 Succombe, I.J., “Labour migration and economic development” in *Khader, B. and Badran, A. (eds), The economic development of Jordan*, Routledge (New York, 1987).

A.2. The National Agenda and the ‘We are all Jordan’ initiatives (2005)

The origins of today’s labor market policies date back to the early/mid 2000s, and are a follow-up to the “Jordan First” initiative. Launched by King Abdallah II in 2002, it attempted to redefine the social pact between Jordanians, emphasizing the pre-eminence of Jordan’s interests above all other considerations, and reformulating the state-individual relationship. Fighting poverty and unemployment and improving the standards of living of all citizens were highlighted as the main themes in which the government was required to invest tireless efforts, particularly in the rural and less developed areas of the country.⁹⁵ Four/five years later, two national development plans providing for across-the-board political and socioeconomic reforms tackled, amongst other themes, the issue of employment/unemployment:⁹⁶ the National Agenda 2006–2015 (NA) and Kulluna al-Urdun (We are All Jordan - WAJ) 2007-2015 that followed up on the objectives and recommendations enshrined in the NA.⁹⁷ Elaborated at a time when the labor market was marked by a “paradox”, namely concurrent economic growth (above 8 per cent) and relatively high unemployment rates (about 13%),⁹⁸ both frameworks sought to improve the quality of life of the citizens, notably through more decent job opportunities for all Jordanians, the eradication of structural unemployment, and enhanced social welfare and social security. Their main objectives, to be mostly implemented by 2012, aimed to respond to the labor market’s structural deficiencies, especially in its supply side, and targeted particularly the TVET sector.

Table 3: The National Agenda framework for employment

Supply framework: Increase the employability of the Jordanian workforce through adequate academic education and training aligned with market needs. The restructuring of the governance of the TVET sector, a sector “overcrowded” with many services providers that yielded “poorly trained and uncommitted workers” unable to respond to the needs of the private sector, is seen as an indispensable support for the investments needed to bring structural unemployment down.⁹⁹ Expatriation was not forgotten: the NA recommended the creation of an Outplacement Department for vocational trainees, with the aim of matching regional and international labor demands with the Jordanian labor force. Beyond TVET, the NA provided for a Higher Council for Human Resources Development (HCHCRD) to serve as an umbrella organization for all education and training governance bodies and to coordinate policymaking, monitoring and evaluation efforts.

Supply framework: Enlarge the Jordanian workforce by expanding the economically active segments of the population, including amongst youths, women, disabled persons, through awareness campaigns and effective job placements. Additional steps were considered: gradually substitute foreign labor with Jordanian labor; establish an unemployment insurance scheme to increase incentives for job seekers or economically inactive persons to remain or better engage in the workforce. Other suggested steps provided for the improvement of the MoL placement services and support for micro-credit projects, especially in rural governorates.

On the demand side, improve labor market flexibility and productivity through less stringent labor laws for employers, combined with the extension of safety nets and the reduction of the informal labor force, and large-scale investments in labor-intensive and export-oriented industries and trade services. The NA also recommended enhancing the role of trade unions in serving their members and securing their labor rights.

⁹⁵ *Jordan First*. Jordan Politics. <http://www.jordanpolitics.org/en/documents-view/62/jordan-first/41>

⁹⁶ Other themes were tackled separately, including political development and inclusion; justice and legislation; investment development; financial services and fiscal reform; social welfare; education, higher education, scientific research and innovation; and infrastructure upgrade.

⁹⁷ The NA was prepared by a committee established by Royal Decree and gathering 26 key players and organizations from within and outside the government. The complementary KU initiative involved over 700 Jordanians from all streams of Jordan’s society. See text of the NA, in *National Agenda – The Jordan we strive for 2006–2015*, <https://jordankmportal.com/resources/national-agenda-2006-2015>

⁹⁸ See, for instance: World Bank, *Hashemite Kingdom of Jordan – Resolving Jordan’s Labour Market paradox of Concurrent Economic Growth and High Unemployment*, Report No. 39201-JO (2008), <https://documents1.worldbank.org/curated/en/297601468273320614/pdf/392011JO0ESW0P11PUBLIC-10Box334128B0.pdf>

⁹⁹ TVET service providers included public, private and not-for-profit entities; it consists mainly of four public segments: secondary vocational education (grades 11 and 12) under the MOE; the Vocational Training Corporation (VTC); community colleges under the aegis of Al-Balqa Applied University and the National Employment Training Company (NET) that specializes in on-the-job training. So far, these institutions had been remotely governed by the Council for Education that set strategies for vocational education at high school level; and the Council for Higher Education that set the strategies for technical and vocational education at community college level. New institutions were to be established: the Employment, Technical and Vocational Education and Training Council (ETVETC – and its Fund branch), in charge of formulating and funding strategies related to vocational training, technical training, vocational education, and employment support and overseeing their implementation; and the Licensing and Accreditation Council for the Vocational Training sector (later called Centre of Accreditation and Quality Assurance (CAQA)).

The NA envisaged an ambitious scenario whereby Jordan's socio-economic development was to be undertaken over three consecutive phases, each with a distinct focus. In the first phase "Employment Opportunities for All" (2005-2012), most employment issues were to be solved: structural unemployment was to be eradicated, notably through the promotion of labor-intensive industries and the expansion of TVET. Were to follow an "Upgrade and Strengthen the Industrial Base" (2013-2017) phase, with the promotion of capital-intensive industries and the entrance of a newly educated workforce in jobs with value added; and a "World-Class Competitor in the Global Knowledge Economy" phase (2018 and onwards). As a measure of accountability, the objectives were tied to key performance indicators: by 2017, unemployment rate was to decrease from 12.5% to 6.8% (mostly frictional unemployment); 600,000 jobs were to be created; and the economic activity rate of women was to increase from 11% to 15%.

A.3. The outcome of the NA

For all its relevance, the NA suffered from inconsistencies that impeded its successful implementation.

- The employment theme was detached from the other relevant themes of the NA, including investment development, financial services and fiscal reform, infrastructure upgrade (demand side); and education/higher education, scientific research and innovation (supply side).
- The objectives were not based on evidence, not included in a monitoring and evaluation framework, and did not have a break down of priorities, which revealed the lack of strategic vision.
- The NA specified neither the implementing stakeholder(s) nor the modalities of their coordination, which boded ill for its implementation and weakened its accountability from the outset.
- The NA was launched without budget support. This meant that the reform process relied on the goodwill and generosity of donor countries and/or on the Jordanian government's fundraising capabilities.

It is therefore no surprise that the NA did not fulfil all its promises; as noted by the drafters of Jordan's National Employment Strategy 2011-2020 a few years later, results had been modest at best.¹⁰⁰

- *TVET restructuring*: progress was limited, the sector continuing "to be weak and fragmented": despite considerable donor funding. Reforms was slow, intergovernmental coordination had been lacking and quality control was weak or non-existent. Some of the governing/coordinating bodies envisaged by the NA were created (the Outplacement Department, the HCHRD) while others, such as the Employment, Technical and Vocational Education and Training Council (ETVET) or the Licensing and Accreditation Council (CAQA) were not given leeway to accomplish their mission properly.
- *Promotion of industries*: labor-intensive and export-oriented industries emerged in the governorates and an unemployment insurance scheme was established, with some positive results on the economic activity rate and unemployment on Jordanians.¹⁰¹ However, their track record on contributing to sustainable economic growth and employment of Jordanians was questionable.
- *Farfetched key performance indicators*: the NA's "overall aims in terms of job creation and reduction of unemployment down to 6.8% by 2017 seemed farfetched" [said who? It's quoted].

Other more structural factors explain Jordan's failure to deliver on the NA's employment objectives. These factors have proved tenacious:

- *Business environment*: State authorities have remained reluctant to develop a truly friendly business environment freed from its constraining administrative and tax regulations adopted ostensibly to reduce the state's budget deficit.
- *Skills needed in the local labor market*: There has been a recurrent lack of precise information about the actual skills needed in the labor market and how the educational system should respond to them.
- *Institutional governance*: There has been little coordination between the various government institutions involved at different levels in the management of the labor market, especially MoL, SSC, the ministries of education and of higher education and the VTC, and MoIT. Besides, the tripartite social dialogue involving MoL, the labour unions and the representatives of the private sectors (the Chamber of Trade and the Chamber of Commerce) has remained largely ineffective.¹⁰²

¹⁰⁰ Jordan's National Employment Strategy (NES), *op.cit.*, p. 41. The following points are based on the NES assessment of the NA.

¹⁰¹ Progress was most notable among Jordanian women: their average economic activity rate increased from 11.7 to 14.7 percent, while the unemployment rate decreased from 25.9 percent to 21.7 percent; source: DoS: EUS 2005-2010.

¹⁰² Such as the National Tripartite Advisory Committee on Labour Affairs (2008), which seeks to facilitate consultations with employers and unions under the aegis of the government; and the Economic and Social Council (2009), with a view to serving as an independent consultative body to the government on policy and legislative decisions that are related to various types of social issues. Debates and decisions are mainly taken by MoL, the role of the other parties remaining marginal.

Conceived at a time when the Jordanian and the world economy were booming, the NA was predicated on a continuous economic growth scenario, contributing to minimizing any financial concern. This scenario has been invalidated since then. Yet, the merit of NA, which was replaced in 2015 with the Jordan Vision 2015-2025, should not be overlooked: it remains a milestone in Jordan's reform efforts, including in the field of employment, and served as a basis for the elaboration of the Jordan's National Strategy 2011-2020.

B) The National Employment Strategy 2011-2020: toward a holistic approach to the internal and external aspects of the labor market

The National Employment Strategy 2011-2020 (NES) is the first of its kind. Although 10 years after its launch some of its components seem obsolete, given the political and socioeconomic disturbances that have affected Jordan since then, it remains a relevant conceptual and methodological instrument for dealing with employment/unemployment issues.

Inspired by the vision laid out by National Agenda (NA) vision, the NES' aim was to improve standards of living through increased employment, wages and benefits, and productivity improvements [improved productivity?].¹⁰³ This vision implied a holistic approach tackling the demand and the supply sides of employment across the various relevant themes of the NA mentioned above. Another key component of the NES approach is that it took better advantage of migration trends for the sake of a more dynamic, knowledge-based economy. Jordan's traditional policy of sending skilled workers, technicians and managers to the Gulf countries and receiving low-skilled migrant workers from Egypt and Asia had negative effects on the national economy. According to the NES, the emigration of skilled Jordanians may have contributed to reducing the unemployment rate and boost economic growth, as mentioned above ("brain gain"). However, it had also resulted in education subsidies invested in migrants being lost to receiving countries, in labor shortages among the highly skilled labor force, hence lowering economic productivity, and in household recipients being less active in the labor market as a result of unearned income. As noted by the NES, Jordan had experienced a negative net effect from expatriation: a yearly productivity factor loss of 2% and a GDP per capita loss of 1.5%.¹⁰⁴ At the same time, Jordan's massive reception of unskilled or low-skilled foreign workers (over half of the jobs created in the private sector went to foreign workers¹⁰⁵) contributed to reinforcing the stigma related to vocational jobs, thus pushing lowly educated Jordanian toward employment in the public sector or economic inactivity. According to the NES, this "vicious" circle, which crowds its skilled labor force by lowly educated foreign workers also influenced the allocation of investors. The latter, who decide on their future investments based on the actual composition of the labor market, unsurprisingly tended to invest in low-tech, labor-intensive sectors. As a result, the Jordanian economy as a whole is stuck in a low equilibrium, low productivity, low wage, low skill production structure.¹⁰⁶

In order to turn the vicious into a virtuous circle, the NES put forward objectives that expanded those proposed by the NA, fully integrating the demand side and the migration aspects of the labor market. Another major innovation of the NES is that, besides the traditional reform of the supply and demand frameworks of the labor market, it also addressed the labor market's institutional framework, in terms of policies and the formalization of employment.

Sixty-nine actions deemed most relevant (i.e., clearly related to the desired outcome), impactful and feasible to reform the supply and demand sides of the labor market were selected to achieve the following.¹⁰⁷

103 *Jordan's National Employment Strategy 2011-2020*. The following paragraphs are based on the NES document.

104 *Ibid.*, p.-47

105 *Ibid.*, p. 25.

106 *Ibid.*, p. 48.

107 It goes beyond the scope of this report to go through the 69 interventions; see *ibid.*, annex 5, pp. 117-124.

Table 4: Objectives of the NES 2011-2020

Supply framework: create a skilled and motivated Jordanian labor force able and willing to meet the demands of the labor market by better managing demographic and educational factors by:				
i) better managing the <i>inflow of foreign labor</i> to ensure it complements rather than substitutes for Jordanian labor, ¹⁰⁸ and the <i>outflow of Jordanian skilled workers</i> to reduce the negative effects of brain drain through better linkages with expatriates and Gulf markets;	ii) increasing <i>labor participation</i> through social protection regulations and specific programs (including awareness campaigns, enhanced labor market information) aimed at increasing women economic participation, including amongst married women and mothers, extending men labor participation, increasing opportunities for workers with special needs, and reducing periods of unemployment;	iii) enhancing the <i>quality of educational and vocational training</i> outcomes by expanding preschool education and making all education programs demand driven, taking into account the evolving technical and soft skills of the employers.		
Demand framework: enable the private sector to move up the value chain and increase the added value, improve its productivity, and expand its ability to export products and services. This was to be achieved by pursuing policies that:				
i) <i>encourage investments</i> that create jobs for Jordanians, with migration policies gradually ensuring that foreign workers are complementing Jordanian workers of similar skills.	ii) promote a <i>stable macroeconomic environment</i> for investment (fiscal and monetary policies);	iii) promote a <i>competitive/export-oriented economy</i> and facilitate the entry, operation, and existence of <i>micro enterprises and SMEs</i> ;	iv) <i>economically empower the governorates and remote areas</i> by delocalizing large businesses, finance and marketing services;	v) <i>ration public sector recruitment and utilization of labor.</i> ¹⁰⁹
Institutional framework: the multi-sectoral nature of employment generation and the long gestation periods for policies to produce impacts entail:				
i) enhancing the ability of the government to carry out strategic planning and policy implementation, monitoring and evaluation, development of labor market information systems, and institutionalized dialogue with social partners (trade unions, employers' representatives).		ii) establishing equal opportunities for social protection and access to health insurance in private/public establishments, whatever their size.		

108 As the NA, the NES called for a gradual replacement of the migrant labor with unemployed Jordanians, at least the less educated of them (high school or below). The number of Jordanians with that level of educational attainment was 102,000; it was 308,000 for foreign workers. This left space for about 200,000 foreign workers; in *Ibid*, p. 15.

109 *Ibid*; pp. 67-68.

Recognizing that “the true test of any strategy is its implementability”, the NES sought to establish an overseeing and monitoring framework. This entailed a clear distribution and definition of roles and responsibilities amongst the stakeholders involved in the management of the demand side (eight entities),¹¹⁰ supply side (nine entities),¹¹¹ and the institutional side of the labor market.¹¹² The NES also recommended that, for an issue as critical and cross-cutting as employment, it was essential to create an umbrella structure, the “Higher Council for Human Resource Development” (HCHRD - already recommended by the NA), to be chaired by the prime minister and include all line ministries, trade unions and representatives of the private sector. The monitoring and evaluation of the NES, a critical tool to support evidence-based policy making as well as to adapt to any changes in policy direction, was assigned to governmental units.¹¹³ For all its pervasiveness and precision, the NES implementation framework neglected key actors: the private sector, whose representatives were only invited to participate in its elaboration, and CSOs.

Finally, like the NA, the NES document provided for a three-stage scenario that presumed the absorption of a substantial proportion of the unemployed by 2014; growth and higher employment rates as a result of a better matching between educational outcomes and employers’ skill needs, and the removal of credit constraints to MSMEs by 2017; and higher demand for an educated and skilled Jordanian labor force as the result of the restructuring of the economy toward a knowledge-based economy. This translated in key performance indicators based on a scenario expecting a gradual implementation of the NES from initially weak to strong, that projected, *inter alia*, a constant 7% GDP growth by 2017 and an unemployment rate of 11% by 2017 and 9% by 2020.¹¹⁴

The NES strategy was not implemented as such, and its scenario and target indicators seem today as “far-fetched” as NA’s. During the years that followed its release, however, the NES can be said to have inspired renewed efforts to combat unemployment amongst Jordanians since 2015. Moreover, as mentioned above, the institutional and operational guidelines that equip the NES may inspire future national employment strategies.

C) Scattered efforts to address unemployment since 2015

The employment strategies, policies and programmes Jordan has developed since 2015 have been scattered amongst various institutional, legislative and operational interventions operated by various national and international stakeholders. Such efforts have remained devoid of monitoring and evaluation instruments and of strong coordination mechanisms amongst stakeholders. They may be classified as follows: programmatic and operational interventions targeting Jordanians’ employment/unemployment issues (C.1-2); interventions conducted by the government and international organizations to provide employment for Syrian refugees and their host communities (C.3).

C.1.) The Jordan Vision 2025 – a national vision and strategy document

The government release of the Jordan Vision 2025 document in 2014 marked the resumption of government efforts to solve the country’s social and economic issues. Presented as an economic blueprint to guide national efforts toward sustainable growth over the next 10 years, the Jordan Vision 2025 document has represented a frame of reference for all stakeholders involved. In the field of employment, Jordan Vision 2025 based its approach on that of NES 2011-2020. Noting that the current labor market model was unable to encourage the young population to take advantage of decent job opportunities provided by the national economy, thus leading to low participation rates and high unemployment rates, Jordan Vision 2025 developed “targeted scenarios” to be applied by the government in order to promote economic activity and employment, as follows.

110 To be involved were financial, economic and labor intermediation institutions in Jordan, such as the Central Bank of Jordan (CBJ), MoPIC, MoIT, NCHRD, CSB; the MA, the Ministry of Finance (MoF) and DEF; see list of tasks in *NES*, *op.cit.*, pp. 129-137.

111 To be involved were the educational, social, and intermediation institutions of Jordan, including SSC, the MoE, MoHE, MoL, the proposed Higher Council for Human Resource Development (HCHRD), the ETVET Council, MoFA, CSB, and MoSD; see list of tasks in *NES*, *idem*.

112 To be involved were the main institutions regulating the labor market at different levels, including the proposed HCHRD, DoS, MoPIC, MoL, SSC, and the Council of Ministers; see list of tasks in *NES*, *op.cit.*, *idem*.

113 Namely, the Government Performance Administration Unit (GPA) for tracking progress on self-evaluation by the responsible public agencies; and the Delivery Unit (DU) at the Prime Minister’s Office to monitor time-bound deliverables and submit monthly reports to the prime minister that are also posted on a public website. Independent evaluations may also be carried out at the request of funding agencies for projects they finance.

114 See table of target of indicators in *NES*, *op.cit.*, p. 90.

Table 5: Jordan Vision 2025 and employment		
<p><i>Ensure that foreign workers complement, not replace, Jordanian labor (with similar education/skills).</i></p> <ul style="list-style-type: none"> - Constrain foreign workers according to labor market needs. - Adapt vocational training to private sector demands to gradually replace foreign workers with trained Jordanians. 	<p><i>Train and employ citizens of poor and remote low-investment areas:</i></p> <ul style="list-style-type: none"> - Adapt and improve the business environment to encourage investments in those areas. - Prioritize small businesses in those areas in government contracts. - Prioritize these areas for training and employment programmes. - Improve public transportation. 	<p><i>Develop labor market information</i></p> <ul style="list-style-type: none"> - Establish a database of the labor market opportunities available to all citizens - Intensify intergovernmental efforts to improve statistics on job creation, labor migration, growth of sectors, etc. Conduct surveys about the informal market, and the labor market demand and supply. - Ensure easy access to labor market information for all agencies.
<p><i>Build a skilled and motivated workforce with skills required by the labor market:</i></p> <ul style="list-style-type: none"> - Partner with private sector to improve training and employment programs. - Create the Supreme Council for the Development of Human resources (formerly HCHRD) 	<p>EMPLOYMENT</p>	<p><i>Develop vocational guidance and employment services and change business culture:</i></p> <ul style="list-style-type: none"> - Promote, with the collaboration of employers, vocational jobs amongst Jordanians. - Expand education and training at the workplace. - Have the CSB engage in active labor market programs. - Focus on the integration of vulnerable groups (women, persons with disabilities, the youth) in the labor market. - Benefit from Jordanian expatriates to promote technical export and business processes.
<p><i>Support equal labor rights in public and private sectors:</i></p> <ul style="list-style-type: none"> - Achieve balance in public and private wages by reviewing wages in the public sector based on achievement. - Enact legislation requiring provision of minimum benefits for private sector and the self-employed, including social security, health insurance and maternity benefits. 	<p><i>Mitigating the negative effects of brain and skill drain:</i></p> <ul style="list-style-type: none"> - Build an online expatriate community platform to link all Jordanian expatriates, providing links to job search sites and advising on immigration matters. - Ensure that investment promotion offices at Jordanian embassies target expatriates, to invest in Jordan. 	

In addition to the “employment” theme, Jordan Vision 2025 also addressed the crucial issue of “participation in the workforce” through objectives and interventions that are also relevant to combating unemployment. These include *encouraging greater female participation* (notably through increasing the availability of child care centres at the places of work, encouraging the enrolment of women in TVET, improving the working conditions in a way that is suitable for women, expanding opportunities for starting businesses and providing tax exemptions for investments in SMEs owned by women, and facilitating women’s access to information on job opportunities); *reducing informal employment* (notably by enforcing labor inspections, offering incentive packages and simplifying procedures for registering enterprises and/or employees, raising awareness in the added value gained by moving into the formal sector); *improve the governance of TVET* (reinforce accreditation and quality control); and activate the vocational training system in accordance with labor market needs (notably through preparing an educational system based on lifelong learning).

C.2. Implementing Jordan Vision 2025 and defusing social tensions

Since 2015, legislative reforms, institutional building processes and employment programs have been initiated by the government, often after intense lobbying campaigns by CSOs and ILO technical support, to implement Jordan Vision 2025. The following paragraphs tackle three key areas: TVET reform; economic participation and employment of women; improvement of working conditions.

The National Strategy for Human Resource Development 2016-2025 and vocational/technical training: Drawing on Jordan Vision 2025 and the NES, this strategy aims to improve the quality of education at all levels. In the vocational and technical training sector, which was acknowledged as a key driver of economic development, the idea is to increase its attractiveness and facilitate the transition of trainees in the labor market to employees or entrepreneurs through improved governance and programs of international standards. Key to the strategy is an enhanced input of the employers in the private sector, so far very limited, in the development of educational programs in school and at places of work. To this end, it was recommended to establish a Skills Development entity that would oversee all financial and programmatic aspects of TVET. Under that entity, active Sector Skills Councils (SSCs) were to be set up for each of Jordan's 21 economic sectors, composed of representatives of employers, government, workers and relevant CSOs to identify work opportunities and suggest demand-driven training curricula likely to equip the workforce with the skills required to secure decent work opportunities. In addition, VTC and MoL were to set up a system of professional certification covering prior learning and work-based learning.¹¹⁵

Along these guidelines and recommendations, the Technical and Vocational Skills Development Commission (TVSDC) was established by virtue of the Technical Skills Development Law of 2019. A council was formed within the TVSDC, gathering the above-mentioned non-governmental and governmental representatives - with emphasis on the representatives of the tourism, industrial, commercial, construction, communications and health sectors. Tasked to license, accredit, test and certify TVET programs, it also presides over the 19 SSCs that were set up. It is still too early to assess the newly created TVSDC and SSC. The SSCs activities are said to have so far been slow and little productive, due to the absence of clear agenda and objectives common to public and private sector participants, fuelled by the mistrust that has traditionally characterized the relations between these sectors. In contrast, with the technical support of the ILO, the recognition of prior learning and work-based learning certification has developed quickly since 2017, enabling about 20,000 Jordanian and foreign workers to have their skills certified and to apply for occupational licenses.¹¹⁶ Finally, in order to enhance the attractiveness of TVET, new regulations have been adopted to allow the transition of VTC graduates, most of whom had failed to complete the secondary education cycle, to higher education (community colleges) since 2019.¹¹⁷

New legislation to boost women participation and reduce unemployment among women: a series of legislative amendments (Labor Law provisions and related by-laws) have been promulgated since 2017 in order to boost Jordanian women's employment in the private sector. These comprise three-day paternity leave as a first step toward a more balanced share of family responsibilities; penalties against infringements by employers of the equal pay for work of equal value principle in order to bridge the men/women wage gap - estimated at 17%;¹¹⁸ flexi-work arrangements enabling employees with family responsibilities to adapt their work schedule in agreement with their employers;¹¹⁹ day care facilities for children of men and women working in enterprises employing staff that cumulatively have at least 15 children under the age of 5. These legislative steps were complemented by practical measures aimed to promote women's economic participation, such as awareness campaigns and door-to-door transportation schemes allowing women workers to be driven safely from their homes to their places of work. The extent to which the recent legal steps will be implemented remains to be determined. As stated in the Common Country Assessment of the Hashemite Kingdom of Jordan in 2017, implementation of socially progressive laws has not been consistent in Jordan: while progress has brought elements of various national, social, economic, and political laws closer to the principles and norms of the main human rights conventions and declarations, complete implementation or enforcement thereof has not necessarily taken place.¹²⁰

115 Based on the concept of lifelong learning, the recognition of prior learning helps people acquire a formal qualification that matches their knowledge and skills, thereby contributing to their employability, mobility, and social inclusion.

116 ILO, *Review of the Decent Work Country Programme (DWCP) - The Hashemite Kingdom of Jordan (2018-2022)* (2022), https://www.ilo.org/wcmsp5/groups/public/---ed_mas/---program/documents/genericdocument/wcms_698980.pdf

117 Progress toward better matching of higher education graduates with employers' skill demands have been more modest. Steps have been taken to upgrade the university curricula by incorporating soft skills, English language proficiency, and practical hands-on experience, while for the academic year 2022-2023, admission to all idle and saturated majors specified in the CSB has been reduced by 50 percent in all Jordanian public universities.

118 See *Gender discrimination, wage inequality challenge women in Jordan*, September 18, 2021, <https://jordan.un.org/en/149672-gender-discrimination-wage-inequality-challenge-women-jordan>

119 In enterprises of minimum 10 employees.

120 UN Country Team Common Country. *Assessment of the Hashemite Kingdom of Jordan* (February 2017), <https://jordan.un.org/sites/default/files/2020-04/CCA-%20Feb122017.pdf>

Improved decent work conditions at the place of work and MoL strategies: since 2013, the MoL has released three strategic plans that have sought to address the entire range of labor market-related issues, including the economic participation of women and persons with disabilities, support to trade unions and relevant CSOs, improvement of investment environment, developing human resources, organizing the labor market (modernizing placement offices and replacing foreign workers), combating poverty and unemployment, supporting employment programs (see below) and enhancing legal and physical protection of workers, notably through electronic linkages with other relevant ministries.

However, the MoL has never had the human and financial resources to reach its objectives. This led the government to decide to merge its various departments with other ministries in August 2022 (a decision not yet implemented).

The major progress achieved by the MoL pertains to the improvement of its inspection system. Since early 2022, advanced inspection has been so far only conducted in the garment industry by the ILO's Better Work project; inspectors have been gradually equipped with cameras and tablets that are now linked to the databases of 21 partner institutions, including the SSC and chambers of commerce and industry. Inspections are also conducted to mainstream gender and ensure children's protection in establishments.

Direct Employment programs: in order to stem the social side effects of unemployment amongst youths (notably the increase in suicide rates within this segment of the population¹²¹), the government has launched several employment programs targeting particularly those youths who were not in employment, education or training (the NEET), initially to replace foreign workers. The implementation of most of these programs suffered due to the closure of the economy following the outbreak of the COVID-19 pandemic. However, it appears that other challenges limited their relevance and effectiveness: their objectives were/are not evidence-based, unmonitored, and their implementation little documented.

- The National Empowerment and Employment Programme (NEEP), a national program launched in 2018 aimed to place 68,000 vulnerable Jordanian women and youths in private sector jobs (manufacturing, construction, agriculture, tourism, energy, and services) in place of non-Jordanian workers (Syrian refugee workers not included) at a rate of 10-25% over five years, with the technical support of the ILO and UNICEF. The program has been de facto suspended due to difficulties in finding Jordanians ready to replace migrant workers.
- As part of its two-year Government Priorities Strategy, Towards Al-Nahda Renaissance 2019–2020, the government aimed to create 60,000 new job opportunities for young Jordanian men and women (30,000 annually) in the private and public sectors through job creation and vocational training.¹²² These goals were achieved in 2019 (although there is no available information about the nature and the durability of such jobs), but not in 2020 due to the closure of the economy following the outbreak of the COVID-19 pandemic.
- Khidmet Watan ('At the homeland's service') Programme aimed to train and employ 20,000 unskilled and unemployed Jordanian youths (women and men, aged 18-27) graduates of different educational streams. Underpinned by the paradox noted by the prime minister, that "it is unbelievable to have more than 800,000 expatriate workers in a country like Jordan that suffers from poverty and unemployment with about 300,000 unemployed youth",¹²³ the programme was launched in 2019, as a public (vocational training institutions)/private partnership venture designed to provide soft skills and vocational/technical training, in addition to one month of military training for young men. The program was suspended in 2020 because of the COVID-19 pandemic and remains little documented. Available information reports ICT training for youth and the launch of employment centers dedicated to employing, mentoring and training the youth in the agricultural sector.¹²⁴

121 Laila Azzeh, "Collective suicide attempt by unemployed youth", *The Jordan Times*, May 11, 2016, <https://jordantimes.com/news/local/collective-suicide-attempt-unemployed%E2%80%99-youth-sounds-alarm>

Unemployment was said to be the reason for 20 per cent of suicides in Jordan in 2015.

122 The Renaissance program was an across-the-board program that also addressed issues related to political and socioeconomic development, decentralization, corruption, efficiency of public services, and social protection.

123 "PM Razzaz launches 'Khidmat Watan' program in Zarqa", *Al-Anbat*, <https://alanbatnews.net/eng/article/218412>

124 Announced in: Maram Kayad 21, "Labour Ministry, ILO to launch 6 employment centres for youth in agriculture sector", *The Jordan Times*, June 21, 2021, <https://www.jordantimes.com/news/local/labour-ministry-ilo-launch-6-employment-centres-youth-agriculture-sector>

- The current **National Employment Programme** (*tashgheel*), launched in April 2022, was presented as a “link in a chain” aimed to help 60,000 young Jordanians¹²⁵ access employment in the private sector in accordance to private employers’ needs for one year minimum. Wages (JD130, in addition to social security contributions (JD10) and transportation (JD10) to be paid for the 6 first months were to be covered by the government. In early January 2023, the government announced that more than 14,000 Jordanians (7,630 women and 6,792 men) had so far been allocated jobs in 827 private companies.¹²⁶ However, the project continues to raise question marks. Because of the number of workers involved, the program will not contribute to lower substantially the unemployment rate. According to observers, it appears to be more a support intervention for individual employers than an intervention to durably tackle the root causes of unemployment.¹²⁷

C.3. The ‘Syrian refugee crisis’: an opportunity for improving economic conditions and employment?

The massive inflow of Syrian refugees (today a population of 661,000 people registered with the UNHCR¹²⁸) has significantly affected Jordan’s labor market. Similar to other UNHCR-registered refugees, Syrian refugees were initially refused the right to access the formal labor market; since the vast majority of them resided outside refugee camps (over 80%), they had to bear the cost of lodging and relied mainly on wages from employment in the informal sector, in addition to the cash assistance provided by the UNHCR and the WFP. In 2015, realizing that the international assistance would not going to last indefinitely, Jordan proposed a new assistance paradigm to its main donor countries, based on economic development and opportunities that were to benefit Jordanians and Syrian refugees alike. Such a paradigm was encapsulated in the “Jordan Compact” of February 2016, between Jordan and its main donor countries. More precisely, Jordan was to formalize the employment of some 200,000 Syrian workers (based on a rough estimate of Syrian worker population) in sectors earmarked for migrant workers (construction, agriculture, manufacturing, and tourism, mainly) in exchange for increased international investments, simplified access of Jordanian exports to the EU market and access to multi-year grants and concessional loans. The economic growth resulting from these inputs would create jobs for both Jordanians and Syrian refugees.¹²⁹ In order to achieve its part of the Compact deal, Jordan took exceptional steps to facilitate the formalization of the Syrian refugee labor force, including campaigns to legalize individuals without valid IDs, issuing (quasi) free work permits, “flexible” work permits in the construction and agricultural sectors allowing Syrian workers to switch employers, legalizing home-based businesses, initiating decent cash-for-work projects, etc. Despite these incentives, the number of formal Syrian refugee workers has not yet met the 200,000 work permits target, stagnating at about 36,000-46,000 yearly between 2016-2020, before reaching a record of 62,000 in 2021. As the Jordanian authorities and their international partners found, formalization is an uneasy task: in addition to lack of available formal jobs and many Syrian refugees still fear that formalization results in the loss of their entitlements as refugees, including cash assistance or resettlement. As a result, the Compact has not yet translated into the expected further investment and export opportunities, and ensuing job opportunities.¹³⁰

However, since the signing of the “Jordan Compact”, hundreds of projects implemented by UN agencies or international NGOs, in cooperation with Jordanian government and non-governmental agencies, have sought to improve the livelihoods of vulnerable Syrian refugees and their host communities. Most projects have been limited in time (2-3 years) and the numbers of beneficiaries limited – from a few dozens to a few hundred Syrian (30%) beneficiaries and Jordanian (70%) beneficiaries.¹³¹ An inventory of such livelihood projects in 2021 indicated that 83 were being implemented, consisting of training and placement in private sector businesses, access to social security, temporary cash-for-work projects, technical and financial aid for creating and developing micro and small businesses, and technical assistance to ministries. However, it is difficult to measure the global short- and longer-term impact of all these interventions: Have they led, directly or indirectly, to decent and sustainable jobs? Do they contribute to the formalization of the labor market? Are they conceived from a humanitarian or developmental perspective? A global assessment of such projects is yet to be conducted.

125 Including one-third of women and 7% of vulnerable Jordanians beneficiaries of the cash assistance provided by the National Aid Fund.

126 “‘Tashgheel’ employs more than 14,000 since April 2022”, *Roya News*, 4/01/2023. <https://en.royanews.tv/news/39101/2023-01-04>

127 As asserted by experts in: Razan Abdelhadi. “Experts say National Employment Program unlikely to succeed”, *Jordan News*, April 17, 2022, <https://www.jordannews.jo/Section-109/News/Experts-say-National-Employment-Program-unlikely-to-succeed-15691>

128 On December 31, 2022, see UNHCR, *Operational Data Portal*, <https://data.unhcr.org/en/situations/syria/location/36>

129 See Government of Jordan. *The Jordan Compact: A New Holistic Approach between the Hashemite Kingdom of Jordan and the International Community to deal with the Syrian Refugee Crisis* (2016).

130 See Jalal Al Hussein. *Towards Durable and Inclusive Social Protection Policies for Syrian Refugees in Jordan* (The Centre for Social Sciences Research and Action, 2022), <https://civilsociety-centre.org/pdf-generate/75738>

131 Upon negotiations between the donor country and the host authorities, the quota may be brought down to 50%/50%.

SECTION IV:

THE WAY FORWARD

Unemployment rates have reached crisis proportions, affecting a record of one-fifth of the Jordanian labor force, including nearly half of the youth population. Observers, including the youth and experts surveyed for this study, agree that the current “unemployment crisis” is partly caused by an accumulation of unpredictable and hardly controllable external factors, including the decrease in foreign direct investments, the “Syrian refugee crisis” and other regional disturbances and, more recently, the outbreak of the COVID-19 pandemic. However, they also concur that successive governments have failed to adequately address the employment/unemployment issue despite successive measures since 2005. On the one hand, there is very little available information on the outcomes and/or mid-long term impact of these measures; have they contributed to promote decent and durable employment? CSOs and the Jordanian population at large have generally been left uninformed. On the other hand, it is clear that the internal challenges the National Agenda and the National Employment Strategy identified more than a decade ago are still there: entrepreneurs still complain about the bureaucratic procedures and heavy taxation system that constrain their businesses; job seekers of all educational levels continue to pinpoint the difficulties they face in their transition from school to work and about the substandard conditions in private sector companies; representatives of the private sector report poor outcomes in their partnership with the public sector; coordination between ministries involved in labor market matters has not improved; and all stakeholders are puzzled by the Jordanians’ persistent low economic activity - especially amongst women. To complicate matters, the economic environment of the labor market has deteriorated since the early-2010s, with an economic growth rate that is today four times lower than it was until 2008.

As this report has shown, the internal causes of unemployment are multiple, deriving from various imbalances and mismanagement on the demand and the supply sides of the labor market. Combating unemployment also requires the involvement of a wide range of actors at different levels: government, employers, trade unions, CSOs and the Jordanian society at large. It is no surprise that the experts and youth respondents that have participated in the elaboration of this study provide different solutions to the unemployment challenge. Some set the emphasis on the need for the government to modernize its job placement and inspection services. Others prioritize the improvement of the business environment; the increase in public investments in SMEs and the expansion of the industrial sector in rural governorates particularly; the reform of the educational system in line with the evolving needs of the employers; or the need for employers to fully comply with the labor law provisions in order to ensure decent working conditions for men and women employees. However, all agree that the implementation of these recommendations requires an improvement in the quality of the state’s mode of governance - a state with a reduced and more efficient bureaucracy that acts as a “strategist and a coach vis-à-vis the private sector and CSO actors rather than an accountant.

Based on the respondents’ inputs and on desktop research, the following recommendations focus on guidelines to the government, the employers and the CSOs, as to how better address unemployment. Some of these recommendations, related for instance to the design of employment strategies and policies, and measures to improve the business environment or working conditions, are practical. Others, pertaining for example to macroeconomic approaches likely to promote employment, are more normative.

Recommendations for the government

1. Design a sound and manageable employment strategy (and related policies and programs). A new national employment strategy is required, taking into account the evolution of the Jordanian labor market and the economy since the early 2010s. Such a strategy may adopt a holistic methodology as in the previous National Employment 2011-2020, with emphasis on the clear division of responsibilities and coordination guidelines among stakeholders, in addition to ensuring:
 - The involvement of relevant CSOs, private sector actors and trade unions in the elaboration and implementation of labor market policies and programs, ensuring participatory and transparent processes.
 - Whatever the content of the strategy, its implementation should be consistently monitored and evaluated twice a year or whenever needed. This also applies to smaller interventions such as the training and employment programs for skilled and unskilled unemployed youths.

- Key performance indicators should cover, as a matter of priority, progress achieved by stakeholders toward their ascribed objectives, rather than focus on unemployment rate targets over 5-10 years. In the past, such targets were based on optimistic scenario that quickly proved to be illusory, given the vulnerability of the Jordanian economy to regional and international crises.
 - Crisis contingency plans and flexible reform mechanisms should be considered in order to adapt easily, promptly, and effectively the labor policies and programs to the national socioeconomic reality.
 - The concept of employment should be redefined as a way to improve workers' quality of life rather than a mere cost-covering income.
2. Toward evidence-based interventions: the government should implement the labor market information system provided for in the Jordan Vision (2015-2025) document, designed to centralize electronically labor market-related data and information produced by different public and private institutions (ministries, SSC, private recruitment agencies, CBOs, employment project documents) to inform public policies on skills development and employment, and better document the impact of interventions.
 3. Public placement services should strengthen their connections with private sector enterprises in order to better match the qualifications of men and women job seekers to the needs of public or private employers.
 4. Promote vocational/technical training streams: while activating the activities of the SSCs and improving the infrastructure of the vocational training centres, the MoE/MoL should organize awareness campaigns among wider audiences to familiarize the general public with vocational/technical training streams and their advantages (acquisition of practical skills required by the labor market, possibility to later bridge with community colleges). As part of these efforts, visits to vocational training centers could be organized for primary school students during the school year.
 5. Expand efforts to bring academic and vocational/technical education curricula closer to the needs of the labor market. To that end, pursue (with the direct involvement of private sector actors) recent steps aimed to include life and soft skills, as well as temporary training internships in the private sector within existing curricula, and reduce the number of students engaged in disciplines not leading to recruitment in the local and regional labor markets.
 6. Pursue the recently adopted pro-gender legislative reforms on equal pay, child care, paternity leave, maternity protection and flexible work, and ensure their adequate implementation across the country's governorates. Of particular importance is the introduction in the labor law of provisions addressing violence and sexual harassment at work.
 7. Generalize decent work conditions in the SME sector and/or larger enterprises using large numbers of foreign workers, such as the agricultural and construction sectors, in order to favor the engagement of Jordanians therein. To that end, pursue recent efforts to improve inspection services and induce tax incentives.
 8. Better promote entrepreneurship and investments: while technical support for start-ups and new enterprises must expand, cumbersome bureaucratic regulations should be removed and taxes reduced; revenues for the state budget should be found elsewhere. Social entrepreneurship, which is appealing to many youths, should be recognized as such and promoted through the adoption of a more favorable regulatory system. Simultaneously, pursue and fully implement the regulatory reforms adopted by the government since the 2010s to promote foreign direct and local investments.
 9. Accelerate campaigns to formalize the labor market, especially in those sectors where the bulk of the labor force are foreign workers, in close cooperation with trade unions and representatives of the formal private sector.
 10. On a macroeconomic level, promote sectors of the economy with high productivity and recruitment potentials, such as industries.
 11. Enforce decentralization legislation in order to empower ministerial institutions and economic development in rural governorates.
 12. Prepare the stakeholders for the transformations of the labor market (and related threats and opportunities) that will occur as a result of technological and climate changes, and demographic transition.

Recommendations for private sector (the chambers of industry and of trade, other informal groupings of employers and owners of private establishments).

1. Revive the social dialogue with the government (MoL) and trade unions in order to better ensure decent work standards at the places of work, particularly in MSMEs, and adapt the labor market to present and future transformations, notably within the recently created SSCs to influence to the better the outcome of vocational and academic education.
2. Large companies should play, as part of their social corporate responsibilities, a greater role in sensitizing smaller and informal enterprises about the usefulness of formalization and the importance of ensuring decent working conditions to their employees, including increasing minimum wages and defining working hours.
3. Allocate a bigger investment in research and development, workers' training and individual capacity building.

Recommendations for CSOs

1. Establish a CSO platform to better define the involvement of CSOs in the management of the labor market and the modalities of their partnerships with relevant government, and non-governmental institutions, including the labor unions, and the private sector.
2. Reinforce CSOs' watchdog role regarding the working conditions and legal protection of vulnerable workers, including of foreign workers, if possible, in partnership with the labor unions.
3. Seek to transfer CSO field expertise in the labor market to relevant government institutions and trade unions through outreach initiatives and evidence-based research, particularly, about the required skills in the labor market and the Technical and Vocational Education and Training positive outcomes.
4. Launch, in parallel or in partnership with the government, awareness campaigns in primary and secondary schools, sensitizing students to the importance of vocational/technical jobs and employment opportunities in this sector.
5. Providing free legal and psychological support for victims of labor violations in all sectors.
6. Raise awareness among the workforce, including youth and foreign workers, regarding workers' rights, existing work policies and professional practices.
1. 7. Support government-led awareness-raising campaigns encouraging public support to enroll in technical and vocational training..

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