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Labour Markets Performance and Migration Flows in JORDAN

Ibrahim Saif
Carnegie Endowment for International Peace
Carnegie Middle East Centre, Beirut

Thoraya El-Rayyes
ILO Arab States Regional Office

National Background Paper
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Labour Markets Performance and Migration Flows in Arab Mediterranean Countries: Determinants and Effects

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For more information on the Study

www.eui.eu/DepartmentsAndCentres/RobertSchumanCentre/Research/Migration/LabourMarketsMigration/Index.aspx

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Highlights

- **Outward migration** Since the 1970s, a significant proportion of skilled Jordanians have emigrated to work in GCC countries. This has eased pressure on the Jordanian labour market, especially given the high proportion of unemployed university graduates. The Jordanian economy has one of the world's highest levels of remittances as a proportion of GDP and remittances are a key source of income and foreign exchange for Jordan.
- **Inward migration** Around one quarter of Jordan's workforce is composed of migrant workers, the overwhelming majority of whom are engaged in low-skill, low-wage employment. Our analysis supports the argument that many of these migrants compete with low-skill unemployed Jordanians for employment, rather than complementing the existing workforce. Moreover, they undercut Jordanian workers' wages.
- **Brain Drain** Despite the high outflow of skilled workers, there remains a significant number of skilled unemployed in Jordan, who hold qualifications relevant to the needs of the labour market. Although many employers perceive a lack of skills in the Jordan labour force, the educational profile of the unemployed shows that the problem is often not a lack of relevant qualifications, but a lack of skills among those holding such qualifications.
- **Unemployment** Jordan suffers from consistently high unemployment rates. Jordanian unemployment is a youth phenomenon both in terms of absolute numbers and in terms of unemployment rates. Also worth noting are high unemployment rates among females, though their low level of economic activity means that they are not a large group in terms of absolute numbers.
- **Labour market participation** Jordan has one of the lowest rates of labour market participation in the world. A main factor underlying this is the low rate of female labour force participation. Most economically active women in Jordan come from mid-to-high socio-economic backgrounds and have high educational attainment. It is among less educated women from poorer socio-economic backgrounds that economic activity rates are extremely low. It is worth noting that remittances in Jordan accrue mostly to prosperous households with high educational attainment. This suggests that remittances are not a major factor in decreasing women's labour market participation in Jordan, as is the case in many other countries.

1. Labour Supply in Jordan: Situation and Prospects

1.1. Demographic dynamics and prospects:

Jordan's demographic profile presents a major challenge for labour market performance in the Kingdom. The Population and Housing Census carried out in 2004 gave a total population figure of 5.35 million, a six-fold increase over the 901,000 population in 1961. This high rate of population growth has been caused by several waves of migration over the past 50 years combined with a high population growth rate, especially up until the end of the 1970s (average 4.8% between 1952 and 1979).

Table 1- Demographic dynamics and prospects

		2000	2005	2010	2015	2020
Total Population *	**Number, 000**	5039	5473	6500	7720	9169
	Change t, t+5, 000		434	1027	1220	1449
Working Age Population (15-64, 000)			3251	3861	4585	5446
Labour Force Participation Rate (%)**	**Total**	39.4	38.3	38.9	38.9	38.9
	Male	66.1	66.4	66.3	66.3	66.3
	Female	12.3	11.7	12.0	12.0	12.0
Labour Force[1;]**	**Number, 000**	1194	1308	1547	1837	2182
	Change t, t+5, 000		114	244	290	345
	Male	1043	1131	1334	1584	1882
	Female	178	194	232	275	327

Source: DoS, Jordan in Numbers 2000; DoS, Jordan in Numbers 2007; authors' calculations
* Central hypothesis on fertility evolution.
** Assuming constant participation rate.

The labour force is also growing at a very fast rate, as illustrated by the labour force projections above. Recent labour force supply projections modeled by Arouri[2] suggest that Jordan's total labour force supply will almost double over the next twenty years, from 1.27 million people in mid-2005 to 2.36 million people in mid-2025.

The labour force projections presented in the above table and those made by Mryyan et al.[3] differ slightly from those modeled by Arouri because they assume a stable rate of labour force participation. In contrast, Arouri projects labour force participation using a logarithmic model that takes into account labour force participation trends by age and gender over the past 18 years. As the latter approach is more accurate, projections calculated throughout this study will be based on Arouri's figures. Arouri's projections are based on the following:

- Annual growth rates will range from 5% for the period 2005-2010 to 1.92% for the period 2020-2025. These projections assume that the total fertility rate in Jordan will decline at the same rate as it did during the period 1961-2004 and that age and gender distributions will remain the same as in the 2004 Census.

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[1] Figures for female and male labour force do not add up to the figure for the total labour force due to rounding.

[2] Arouri, F. (in press) "Labour Force Migration in Jordan".

[3] Mryyan et al (2007) *New Entrants to Jordanian Labor Market,* Amman: National Center for Human Resources Development.

- Working-age population projections assume that net migration equals zero.
- To project the labor force supply, working-age population projections were combined with labour force participation rate projections, taking into account the effects of age and gender.

Table 2 below presents Arouri's projections for labour force supply in Jordan for the period 2005-2025.

Table 2- Labor Force Supply Projections by Age and Sex in Jordan for the Period 2005-2025 (in 000s)

Age Group	2005	2010	2015	2020	2025
15-19	82.4	92.7	89.4	80.0	95.8
20-24	262.9	317.4	317.5	310.6	278.6
25-29	596.3	360.1	408.2	408.8	403.7
30-34		239.1	353.0	399.2	399.3
35-39		183.5	227.1	336.9	381.4
40-44	247.4	144.7	168.3	209.2	311.4
45-49		104.2	133.1	154.1	193.3
50-54		72.2	89.8	114.7	133.2
55-59	65.0	48.6	57.7	72.3	93.2
60-64		36.7	33.0	39.1	49.1
65+	16.2	22.2	26.4	25.5	26.5
Total	1270.2	1621.4	1903.5	2150.4	2364.6
Annual growth rate	**2005-2010 5.00%**	**2010-2015 3.26%**	**2015-2020 2.47%**	**2025-2025 1.92%**	

In discussing the relationship between demography and labour supply in Jordan, it is important to note Jordan's persistently low rates of economically active individuals. The Department of Statistics' Employment and Unemployment Survey for 2007 found that only 39.8% of Jordanians are economically active (that is, employed or seeking employment). Jordan's employment-to-population rate is extremely low at 43 percent[4] which is much lower than the world average of 61 percent.[5] This is also significantly lower than the regional rates for the Middle East (47%) and North Africa (46%), which have the lowest regional employment-to-population rates in the world.[6]

A key factor underlying the low economic participation rate is the low rate of female labour force participation. Only 15 percent of females above the age of 15 are economically active compared to 64 percent for males. Importantly, female labour force participation has not increased significantly over the past decade, having stayed at around 11-12 percent for the past ten years. This figure only jumped to 15 percent in 2007. It remains to be seen whether this jump represents the beginning of a trend towards increased female labour force participation.

[4] Calculated from figures in DoS (2008) Employment and Unemployment Survey 2007, Annual Report.

[5] ILO (2009) Global Employment Trends, January 2009.

[6] ILO (2009) Global Employment Trends, January 2009.

1.2. Characteristics and composition of the labour force and employment:

1.2.1 Economic Overview

Over the past fifteen years, the Jordanian government has undertaken an extensive programme of economic liberalization involving the privatization of various state enterprises and more recently the liberalization of trade. Over the past nine years, Jordan has been admitted to the WTO and has ratified agreements for the establishment of a Free Trade Area with the US, EU, European Free Trade Association countries, and sixteen Arab countries. The self-proclaimed purpose of the economic liberalization programme is developmental: 'aimed at transforming the economic structure of the country to one that generates internal and self-sustaining activity'.[7] The attempt to develop internal and self-sustaining growth is a response to the Jordanian economy's high level of dependency on remittances from oil-rich Arab countries as well as to the demographic challenge of population growth.

In recent years, economic growth rates in Jordan have increased significantly with other economic indicators following similar patterns to the growth rate. The private sector has also assumed a larger role in the economy. However, after more than fifteen years of economic reform, patterns of sectoral growth and output composition suggest that the economy has not changed substantially. Services continue to dominate the economy, accounting for more than 70 percent of GDP. The service sector is also the fastest growing sector, due mostly to the growth of banking and financial services. There has been growth in the manufacturing sector over the past few years, especially with the establishment of the Qualified Industrial Zones (QIZs) in various parts of the Kingdom.[8] However, this does not represent a significant economic shift towards industrialization.

Labour mobility between economic sectors has been limited. Where it does occur, it has flowed from poorly-paid jobs in the agricultural sector to low-paid service sector jobs.[9] Because agricultural activities are based in rural areas whereas the service sector is concentrated around urban centres, the urban population has benefited more than the rural population from changes in the sectoral composition of the economy. In this context, it is worth noting that the Jordanian population is highly urbanized. According to the latest Population and Housing Census, 78 percent of the Jordanian population lives in urban areas.

1.2.2 Labour Force Overview

Unsurprisingly, the basic structure of the labour market in Jordan has also seen limited changes over the past fifteen years. The Jordanian labour market remains characterized by the emigration of a large number of highly-skilled Jordanians to GCC countries and the immigration of a large number of foreign workers to fill low-skill jobs. There are currently over 300,000 migrant workers in Jordan[10] who filled 62.8% of the new jobs created in Jordan between 2001 and 2005.[11]

The biggest change in the Jordanian labour market over the past ten years has been the shift towards private-sector employment. As can be seen in the figures below, the private sector went from

[7] Executive Privatization Commission (2006).

[8] QIZs are industrial zones entitling goods jointly produced by Israel and Jordan to enter the US duty free and quota free.

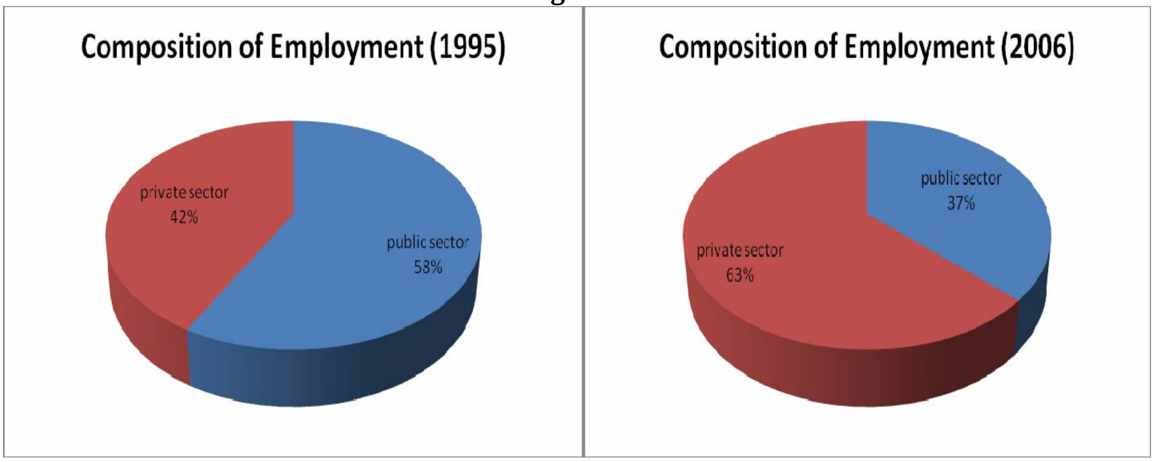
[9] Saif, I. (2006) *Employment Poverty Linkages and Policies for Pro-poor Growth in Jordan (1990-2003)* Amman: Center for Strategic Studies, University of Jordan.

[10] MoL (2009) Database on Officially Registered Migrant Workers.

[11] World Bank (2007) "Resolving Jordan's Labour Market Paradox of Concurrent Economic Growth and High Unemployment".

employing 42% of the workforce in 1995 to employing 71% of the workforce in 2006. Put differently, 447,137 new jobs were created in the private sector between 1995 and 2004 compared to only 34,310 new jobs created in the public sector. However, it is important to note that these figures include several recently privatized organizations as part of the private sector: these organizations have been required by government regulations to maintain their workforce. Moreover, the government has done little to curb the expansion of the central government workforce due to concerns about the social disruption that such moves could trigger. The public sector remains a large employer employing 37% of the working population.

Figure 1



Source: DoS Employment Surveys 1995; 2006

In line with the structure of the economy, the large majority of employed Jordanians (78%) work in the service sector[12], with 20% employed in the industrial sector.[13] Job growth roughly corresponds to sectoral output growth. Several sectors with high GDP growth from 2000-2004, such as manufacturing and construction, created a large number of jobs. However, the jobs created paid low wages and were often filled by expatriate workers. Finance and transport, sectors which tend to hire Jordanian rather than foreign workers, also grew strongly. However, these sectors are capital intensive, rather than labour intensive and created few jobs. As the World Bank has noted GDP growth over 2000-2005 was 'more strongly correlated with growth in jobs for foreign workers than for Jordanian workers'.[14]

Overall, from 2000 to 2005, the manufacturing and construction sectors created many jobs, though the majority of these were filled by expatriate workers. There was also a large increase in the number of expatriate workers in agriculture during this period, while the number of Jordanians working in this sector decreased. The wholesale and retail trade sector created a considerable number of jobs for Jordanians and very few jobs for expatriate workers.[15]

[12] This includes: wholesale & retail trade; hotels & restaurants; transport, storage & communications; public administration & social security; education; health & social work; community, social & personal services; real estate, renting & business and financial intermediation.

[13] This includes manufacturing; mining & quarrying; construction and electricity, gas & water supplies.

[14] World Bank (2007), "Resolving Jordan's Labour Market Paradox of Concurrent Economic Growth and High Unemployment", p. 21.

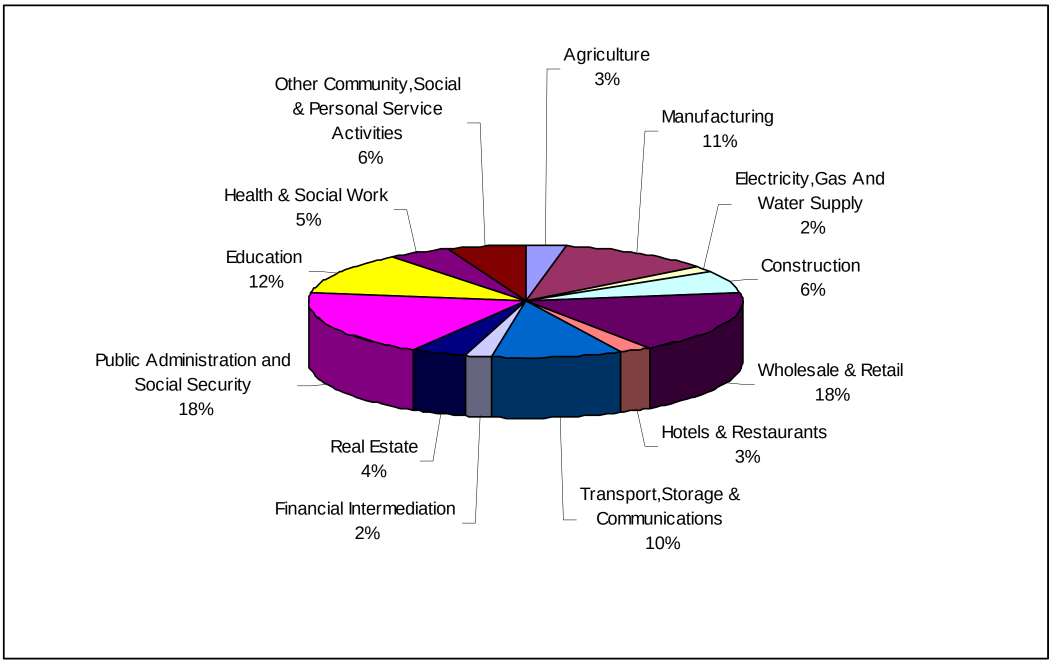
[15] World Bank (2007), "Resolving Jordan's Labour Market Paradox of Concurrent Economic Growth and High Unemployment".

Table 3- Composition of Labour Force

		2007		
		Male	**Female**	**TOTAL**
Labour Force (by age)		%	%	%
	15-24	23.3	24.5	23.6
	25-34	33	42.4	34.8
	35-44	25.4	25.4	25.4
	45-54	12.1	6.5	11
	55-64	4.8	0.9	4.1
Labour Force (by level of education)[16]				
	None	4.4	2.4	4
	Primary	51.2	13.9	44.3
	Secondary	24.7	35.6	26.7
	University	19.7	48.2	24.9

Source: DoS *Employment and Unemployment Survey 2007* (data available for Jordanians only)

Figure 2- Employment of Jordanians by Sector (2006)



Source: DoS Employment and Unemployment Survey 2006

[16] Because the educational categories used in official Jordanian statistics do not correspond to this classification, categories were aggregated as follows: None (Illiterate/ Read & Write); Primary (Elementary/Preparatory/Basic Education); Secondary (Secondary / Vocational apprenticeship / Intermediate Diploma); University (Bachelors & Above).

Table 4- Composition of Employment

		2007		
		Male	**Female**	**TOTAL**
Employment (by age)		%	%	%
	15-24	19.9	17.2	19.5
	25-34	33.7	43	35.2
	35-44	26.9	30.2	27.4
	45-54	12.8	8.2	12.1
	55-64	5.2	1.2	4.5
Employment (by level of education)[17]				
	None	4.5	2.8	4.2
	Primary	50.3	13.7	44.6
	Secondary	25.3	35.7	27
	University	19.9	47.8	24.3
Employment (by activity)				
	Agriculture	2.8	2	2.7
	Industry	14.2	8.6	13.3
	Services	83.2	89.3	84.1
Employment (by sector)[18]				
	State	35.4	50.8	37.9
	Private sector	64.1	48	61.6
Employment (by status)[19]				
	Own-account workers	8.8	2.4	7.8
	Employers	8.5	1.7	7.4
	Contributing family workers	0.5	0.8	0.5
	Employees	82.1	94.8	84.1

Source: DoS *Employment and Unemployment Survey 2007* (data available for Jordanians only)

It is important to note that government labour force statistics refer only to employed Jordanians, and provide no information on migrant workers. Official statistics on migrant workers are available from a separate MoL database. The characteristics of migrant labour will be discussed further in section 3.3 on inward migration.

1.3. Estimation of national job creation needs to absorb projected labour force growth

According to Arouri's labour force supply projections, the number of Jordanian entrants into the labor market over the next five years will range from 50,000-75,000 annually.[20] In 2007, the Jordanian

[17] Because the educational categories used in official Jordanian statistics do not correspond to this classification, categories were aggregated as follows: None (Illiterate/ Read & Write); Primary (Elementary/Preparatory/Basic Education); Secondary (Secondary / Vocational apprenticeship / Intermediate Diploma); University (Bachelors & Above).

[18] These do not add up to 100% because those working for Intergovernmental organizations are excluded.

[19] These do not add up to 100% because it excludes the category of "unpaid worker".

[20] Arouri, F. (in press) "Labour Force Migration in Jordan".

economy created about 70,000 jobs[21] with around 20 percent of these jobs being filled by foreign workers.[22] This means that the economy generated 56,000 new jobs for Jordanians, which is enough to absorb new Jordanian entrants into the labour market.

However, it is important to note that 2007 was exceptional in several respects. First, 2004-2007 saw a period of very high growth with real growth averaging 7.6 percent during these years. These growth rates were significantly higher than the average of 5.2 percent achieved since the beginning of the economic liberalization reforms and partly reflected a speculative bubble in the property and stock markets. Such high growth rates are not likely to be sustained over the coming years. A correction in property and share prices is already dampening activity in the construction and financial services sectors with growth dropping to 5.7 percent in 2008. In May 2009, the IMF projected that real GDP growth in Jordan will be decline to 3% in 2009[23]. Thus, it seems that the high level of job creation witnessed in 2007 will not be sustained over the next few years.

Second, it is important to note that over the period 2000-2005, 60 percent of jobs created in the Jordanian economy were filled by foreign workers.[24] There are a number of reasons why this figure dropped to 20 percent in 2007. For one, many of the new jobs created over 2000-2005 were in the QIZs which overwhelmingly employ foreign workers. Since 2005, growth in the QIZ sector has slowed considerably thus lowering the proportion of foreign workers filling new jobs. A slowdown in the agricultural sector, also dominated by foreign workers, has had a similar effect. It remains to be seen whether job creation in coming years will continue to benefit mostly Jordanians or return to the previous pattern of mostly benefitting migrant workers.

Even if it is assumed that Jordanians will continue to fill 80 percent of new jobs, the Jordanian economy will need to generate around 60,000-90,000 jobs annually over the next five years in order to maintain unemployment at its current rate of 13 percent. This is a high figure given that in 2006 (the latest year for which official figures are available) the Jordanian workforce in Jordan numbered around 770,000.[25]

In estimating labour demand, it is necessary to take into account the effect that the global economic downturn is likely to have on Jordan. As mentioned above, the IMF projects that real GDP growth in Jordan will be decline to 3% in 2009. Although this is considerably lower than the average of 6.4 period achieved from 2005-2007,[26] it compares relatively well to the effect of the global recession on many other countries worldwide. Indeed, the IMF's latest assessment of the Jordanian economy predicts global economic downturn will have a limited impact beyond reversing the large gains made in the property and stock markets over the past few years. Certainly, the recent turmoil in global financial markets has had a limited impact on Jordan. Although the stock market has declined sharply, its performance this year remains better than many other markets in the region. Moreover, in contrast with equity markets elsewhere, inflows from foreign investors remained positive throughout 2008, despite a declining trend during the first half of 2009. It is also important to note that Jordan is still in a position to continue benefiting from ongoing improvements in the business environment.[27]

[21] DoS (2008) *Job Creation Survey 2007 Annual Report*.

[22] DoS (2008) *Job Creation Survey 2007 Annual Report*.

[23] IMF (2009) IMF Country Report No. 09/159: Jordan: 2009 Article IV Consultation—Staff Report; Public Information Notice on the Executive Board Discussion; and Statement by the Executive Director for Jordan.

[24] World Bank (2007), "Resolving Jordan's Labour Market Paradox of Concurrent Economic Growth and High Unemployment", p. 21.

[25] DoS (2007) *Employment Survey 2006 Annual Report*.

[26] Central Bank of Jordan, "Monthly Statistical Bulletin", several bulletins.

[27] IMF (2008) "Jordan--Aide-Mémoire for the Staff Visit Discussions".

This paper will project labour demand according to the historical relationship between GDP growth and job creation in Jordan since economic liberalization reforms began in 1990. For the period 2009-2011, the IMF's growth projections will be used to project job creation, as these figures take ito consideration the effect of the economic downturn. A gradual recovery of the global economy is widely expected to take hold towards the end of 2009 and growth is expected to return to trend in 2012. Thus, for the period 2012-2020 growth will be taken as the average since economic liberalization reforms began.[28] Saif (2006) calculates labour elasticity over the period 1990-2003 at 0.855 percent per percent increase in real GDP.[29] Projected labour demand based on this figure is presented in Table 5 below:

Table 5

Year	Projected GDP growth (%)	Projected number of jobs created
2009	3	30,208
2010	4	41,310
2011	4.1	43,791
2012	5.2	57,487
2013	5.2	60,043
2014	5.2	62,712
2015	5.2	65,500
2016	5.2	68,412
2017	5.2	71,454
2018	5.2	74,631
2019	5.2	77,949
2020	5.2	81,415
2009-2020	**57,9.**	**734,912**

According to these projections, the Jordanian economy will create an average of 61,000 jobs a year between 2009 and 2020. This is slightly below the official job creation figure of 70,000 for 2007. These projections suggest that the Jordanian economy will create around 735,000 jobs over the period 2009-2020, giving a total of 1.99 million jobs to the economy by 2020. However, if 20 percent of new jobs created continue to be taken by migrant workers, only 1.36 million of the workforce will be composed of Jordanians.[30] Put differently, just under three quarters of Jordan's workforce will be composed of Jordanians. This is similar to the current proportion of Jordanians in the workforce which stood at 75 percent in 2006.[31]

According to Arouri's labour force supply calculations cited above, the Jordanian labour force will reach 2,150,400 persons in 2020. Under the optimistic scenario that Jordanians continue to fill 80 percent of new jobs, as they did in 2007, our projections for labour demand suggest that there will be an unemployed population of around 790,000 persons by 2020 and an unemployment rate of 37 percent. If, on the other hand, migrant workers fill 60 percent of new job opportunities, as they did from 2000-2005, the unemployment rate for Jordanians will reach 51 percent by 2020. Table 6 below

[28] Central Bank of Jordan, Monthly Statistical Bulletin; several bulletins.

[29] Saif (2006) Employment, "Poverty Linkages and Policies for Pro-Poor Growth in Jordan (1990-2003)", Amman: Center for Strategic Studies.

[30] DoS (2007) Employment Survey 2006 Annual Report; MoL (2007) Database on Officially Registered Migrant Workers.

[31] DoS (2007) Employment Survey 2006 Annual Report.

shows projections for unemployment rates in 2020 at different levels of migrant worker employment.

Table 6

Proportion of new jobs created filled by migrant workers (2009-2020)	Unemployment rate among Jordanians in 2020
60%	51%
40%	44%
20%	37%
0%	30%

As the table above illustrates, the sheer number of new entrants into the labour market will lead to a substantial rise in the unemployment rate, even if none of the new jobs created in the economy over the next ten years are taken by migrants. The worst case scenario presented above shows that if 60 percent of new jobs created are taken by migrant workers, as they were over 2000-2005, unemployment will reach 51 percent by 2020.

It is important to note that these calculations make three major assumptions:

1. The projections for Jordanian labour force supply calculated by Arouri assume that net migration equals zero. If migration increases, labour force supply will decrease with the effect that unemployment will also decrease. Indeed, encouraging outward migration has been one of the Jordanian government’s main strategies for bringing down unemployment over the past 35 years.
2. The projections above assume that the Jordanian economy will continue to have a comparable level of labour elasticity to the level it has seen over the last 20 years. Increasing the labour elasticity of the Jordanian economy is one way to decrease unemployment rates, albeit at the cost of economic efficiency.
3. The projections above also assume a similar level of economic growth to that which has been achieved since 1990. If Jordan is able to achieve a higher level of economic growth than this, unemployment would certainly be reduced. But even if real GDP growth averages 6 percent over 2011-2020, and Jordanians fill 80 percent of new jobs created over this period, the unemployment rate will still reach 21 percent by 2020.

There remains scope for the government to tighten its currently liberal policies towards the entry of migrant labour by erecting barriers to the employment of non-Jordanians and increasing the cost of foreign labor in order to ensure that Jordanians fill a greater proportion of jobs created. However, increasing restrictions on employing non-Jordanians may stifle overall growth. For this reason, restrictions on migrant labour should be linked to developments in GCC economies. Should GCC economies improve, thus providing more job opportunities for Jordanians, the Jordanian government can react by liberalizing migration policies. A realistic strategy towards dealing with these labour market challenges must also involve improving working conditions in sectors that Jordanians do not want to work in.

Importantly, the dire scenarios presented above suggest that neither the strategy of improving growth rates nor that of restricting migration will be sufficient on its own. A multi-pronged approach dealing with all of these factors is necessary for tackling unemployment.

2. Labour Market Performance in Jordan

2.1. Regulation of the labour market

The Jordanian constitution guarantees Jordanians’ right to work and states that the State provides opportunities for work to all citizens by directing and improving the national economy (Article 23). The constitution also states that the State shall protect labour based on several principles which are, generally speaking, in harmony with the principles included in the International Covenant on Economic, Social and Cultural Rights and particularly, Article 7 of the Covenant, and the International Labour Organisation's (ILO) standards of 'suitable work'.[32] However, the Jordanian government has yet to ratify ILO Convention 87 (Convention on Freedom of Association and Protection of the Right to Organise), described by the ILO as one of its fundamental conventions. Jordanian law contradicts the basic principles set out in ILO Convention 87 by restricting workers from various forms of striking, prohibiting Jordanian unions from including foreign members and prohibiting migrant workers from organizing.

Employment in the public and governmental sectors is reserved for Jordanian nationals, as is employment in the sixteen free professions. Private sector employment is regulated by the Jordanian Labour Law (No. 8 of 1996). The Labour Law entrusts the Ministry of Labour (MoL) with organizing the labour market, creating job opportunities for Jordanians, licensing offices specialized in employment, organizing the employment of non-Jordanian workers and determining the minimum wage. It also sets out labour rights related to issues such as working hours, conditions of dismissal, sick leave and maternity benefits which are stipulated as the minimum labour rights of workers in Jordan. Any employment contract which violates these rights is considered null and void under Jordanian law. This law entrusts MoL labour inspectors with enforcing its implementation and bestows on them judicial police capacities to do so. Government intervention to ensure compliance with labour standards tends to be weak in practice. However, the MoL tends to respond positively in cases where serious violations of labour rights are publicized by the media.

It is worth noting that workers in the domestic and agricultural sectors do not enjoy all the labour rights accorded to those working in other sectors. Until 2008, these two sectors were excluded from the provisions of the Labour Law altogether. At the time of writing, special legal regulations for workers in these two sectors were being formulated by the MoL. These new regulations will set parameters for these workers' employment contracts, working hours and for the inspection of their workplaces.

Overall, hiring and firing regulations in Jordan compare favorably with other countries in the region. Jordan ranks of 48th out of 143 countries for rigidity of employment in the World Economic Forum's (WEF) *Global Competitiveness Report 2008-2009*. It also ranks 52nd out of 181 countries for ease of employing workers in the World Bank's *Doing Business 2009* Report. Importantly, WEF's Executive Opinion Survey 2008 of 131 Jordanian business leaders found that only 8.6 percent listed restrictive labour regulations as one of the five most problematic factors for doing business in Jordan. But although hiring and working hours are relatively flexible, concerns have been expressed about difficulties associated with firing workers in Jordan.[33]

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[32] Jordan has ratified a total of 19 ILO Conventions including the following seven core Conventions: Convention No. 29: Forced Labour, 1930; Convention No. 98: Right to Organize and Collective Bargaining, 1949; Convention No. 100: Equal Remuneration, 1951; Convention No. 105: Abolition of Forced Labour, 1957; Convention No. 111: Discrimination (Employment and Occupation), 1958; Convention No. 138: Minimum Age, 1973; Convention No. 182: Worst Forms of Child Labour, 1999.

[33] World Bank (2009) *Doing Business 2009 Report*; World Bank (2007), "Resolving Jordan's Labour Market Paradox of Concurrent Economic Growth and High Unemployment"

Labour rights violations in the Qualifying Industrial Zones

The Qualifying Industrial Zones (QIZs) were set up in 1996, entitling goods jointly produced by Israel and Jordan to enter the US duty free and quota free. As of 2008, 97 garment factories were operating in the Jordanian QIZs. Almost 60% of the labour force in these factories is non-Jordanian coming from countries such as Bangladesh, Sri Lanka, and China.

The Jordanian government has faced serious challenges with regard to the working conditions of migrant workers in these zones. In May 2006, the US-based National Labour Committee (NLC) published a report alleging prevalent conditions of forced overtime, confiscation of passports and incorrect payment of wages in the QIZs, which amounts to human trafficking. The widespread negative publicity generated by this report

Sources: ILO, Special Action Programme to Combat Forced Labour (http://www.ilo.org/sapfl/lang--en/index.htm); US Department of State *Trafficking in Persons Report 2008*; ITUC *Internationally Recognized Core Labour Standards in Jordan 2008*

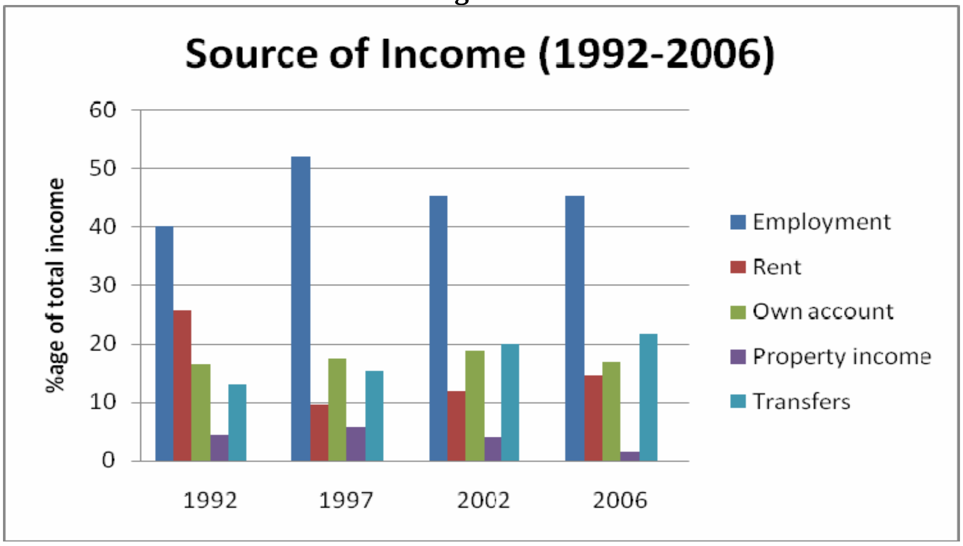
2.2. Wage and national income analysis

Although Jordan is a lower-middle income country, the Kingdom's *per capita* GNI of 2,850 USD is considerably higher than the average for lower-middle income countries which stands 1,887 USD.[34]

Data from the Department of Statistics HHIES 2006 reveals that wages are the most important source of income for Jordanian households, although other sources of income such as rent and transfers are also important. HHIES data suggests that over the past fifteen years, wages have accounted for 40-50 percent of Jordanian households' income. A detailed breakdown of Jordanian households' sources of incomes is presented in Figure 3, below.

[34] World Bank (2008) *World Development Indicators*

Figure 3



A breakdown of sources of income by deciles reveals that the middle deciles are most dependent on wages.[35] Remittances are an important source of income for households in the wealthier economic deciles and tend to benefit these households more than they benefit poorer households. In fact, remittances are greater for wealthier households than for poor ones, both in their absolute value and also as a percentage of household income. The wealthiest quintile gets 14 percent of its income from remittances.[36]

As is the case in many developing countries, Jordan's income distribution is highly skewed towards the rich. Figures from the HHIES 2006 suggest that the richest 30 percent of the population earn around 60 percent of total income, with 30 percent of that income earned by the richest 10 percent. The richest two percent of the population earn 13 percent of total income, while the poorest 30 percent earn 11 percent. According to the HHIES 2006, Jordan's Gini coefficient is 0.355. [37] Although this figure reveals a much higher level of inequality than that prevalent in Western European countries, it compares favorably to most developing countries. Jordan's Gini coefficient is comparable to India's (0.368) and is significantly lower than that of China (0.469) and Brazil (0.570).[38]

However, it is worth noting that despite high rates of real growth over the past ten years, little has been achieved in the way of inequality reduction. Over the period 1997-2006, the Gini coefficient decreased only minimally from 0.379 to 0.355.[39] After dividing the population into ten consumption groups, a change in the distribution of households is observed whereby the number of families in the richest deciles declined between 2002 and 2006, and the number of poor families increased.[40]

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[35] DoS (1992) *HHEIS 1997 Annual Report;* DoS (1997) *HHEIS 1997 Annual Report*; DoS (2002) *HHEIS 1997 Annual Report;* DoS (2006) *HHEIS 2006 Annual Report*

[36] World Bank (2007), "Resolving Jordan's Labour Market Paradox of Concurrent Economic Growth and High Unemployment".

[37] DoS (2006) *HHEIS 2006 Annual Report*.

[38] UNDP (2008) *UNDP Human Development Report 2007/2008*.

[39] DoS (1997) *HHEIS 1997 Annual Report*; DoS (2006) *HHEIS 2006 Annual Report*.

[40] Saif, I. & Tabbaa, Y. (2008) *Economic Growth, Income Distribution and the Middle Class in Jordan (2002 – 2006)* Amman: Center for Strategic Studies, University of Jordan.

Table 8 below presents wages in Jordan by four broad skill levels, following the classification system formally adopted by the 14th International Conference of Labour Statisticians (ICLS) for ISCO. This classification divides the ISCO into four skill levels as follows:

Table 7

Skill level	**Corresponding ISCO category**	**Basis of definition**
1	• Elementary occupations	Requires primary school education
2	• Clerks • Service workers and shop and market sales workers • Craft and related workers • Plant and machine operators and assemblers	Requires secondary education and/or formal training such as on-the-job training and experience, or apprenticeships
3	• Technicians and associate professionals	Requires post-secondary education, not equivalent to a first university degree
4	• Professionals	Requires a university degree

Table 8- Monthly Wages by Skill Category in Jordan (2006)

Skill level	Jordanian Dinar	Euros[41]	PPP International Dollars
1	167	187	432
2 [42]	202	226	521
3	299	350	773
4	398	445	1028

Source: DoS (2007) Employment Survey 2006 Annual Report

Jordan's national minimum wage is currently 150JD (157 Euros). Given that the average Jordanian household is composed of 5.7 individuals,[43] a household with one member earning the minimum wage would fall far below the poverty line, which is currently set at 506JD per person annually.

This poverty gap is even more pronounced given that average household size among the poorest three deciles is 7 individuals.[44] To lift a household of this size above the poverty line would require a monthly income of 295JD (308 Euros). This is considerably higher than the income of one breadwinner earning minimum wage. It is also significantly higher than the income of one breadwinner earning the average wage for low-skill jobs (skill levels 1 and 2 presented in Table 7 above).

There are no official statistics on labour market participation rates at the household level, however the fact that the ratio of employed individuals to total population is 1:6.7[45] suggests that it is atypical for a household to have more than one full-time breadwinner. All this suggests that prevailing wage levels for low-skill workers (represented by categories 1 and 2 in the table above) are insufficient to

[41] The exchange rate used here is the Interbank rate for 31/10/2006 as DoS' Employment Survey 2006 took October 2006 as the reference month for wages.

[42] These figures represent a weighted average of the monthly wages for the four occupational groups in this skill level.

[43] DoS (2006) *Household Income and Expenditure Survey 2006 Report.*

[44] DoS (2006) *Household Income and Expenditure Survey 2006 Report.*

[45] Authors' calculations based on: DoS (2007) *Employment Survey Annual Report*; DoS (2005) *Main Results of the Population and Housing Census 2004*; DoS population estimates, available at http://www.dos.gov.jo.

fulfill household needs, and will remain so unless economic activity rates increase considerably.

Importantly, any analysis of Jordanian wage levels must take into account the fact that, in contrast to the wage structure in most economies, Jordanian public sector wages are higher than those in the private sector. This is despite the fact that private-sector employees, on average, work more hours per month (260 hours) than public-sector employees (213 hours). In addition to higher average wages, the public sector provides several other advantages such as a high level of job security and more generous maternity benefits. Given the relative comfort and security of civil service jobs, it is unsurprising that many of the unemployed have high hopes of obtaining a civil service position. According to research carried out by the World Bank,[46] about 20 percent of all unemployed individuals and 45 percent of unemployed women have submitted applications to the Civil Service Bureau.

The World Bank also points out that for many applicants, hopes of civil service employment are unrealistic. For example, 139,300 employment applications were submitted to the Civil Service Bureau in 2004, but only 8,800 people were appointed that year.[47] Moreover, there is a clear mismatch between the qualifications of the average applicant and those of appointees. Those with intermediate diplomas, for example, account for 33 percent of applicants but only 25 percent of those hired. Women account for 68 percent of applicants, but just 50 percent of those hired.[48] The World Bank has argued that by continuing to accept applications that are not associated with specific job vacancies, the Civil Service Bureau has perpetuated the unrealistic expectations of applicants thus discouraging them from looking to the private sector for employment.[49]

Table 9: Average Monthly Private-Sector Wages in Jordan

Year	Average wage	Consumer Price Index (2002= 100)	Average real wage
2000	202	96.5	209
2001	205	98.2	209
2002	213	100.0	213
2003	211	101.6	208
2004	210	105.1	200
2005	234	108.7	215
2006	257	115.5	223

Source: Department of Statistics,[50] Central Bank of Jordan Monthly Bulletins

[46] World Bank (2007), "Resolving Jordan's Labour Market Paradox of Concurrent Economic Growth and High Unemployment", p. 21.

[47] *Ibid.*

[48] *Ibid.*

[49] *Ibid.*

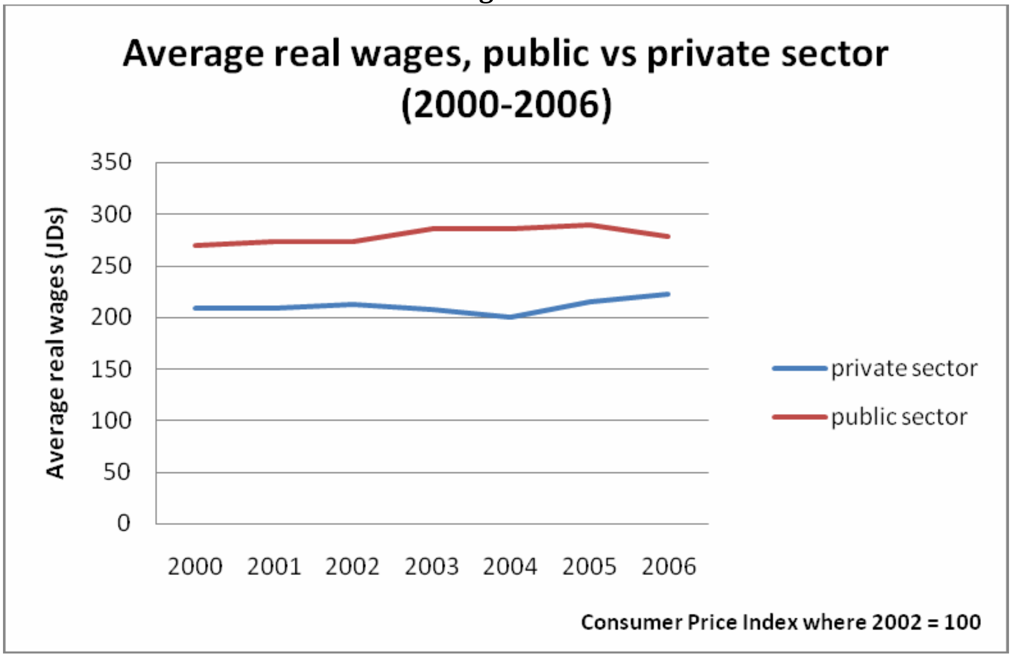
[50] DoS Employment Survey, several bulletins.

Table 10: Average Monthly Public-Sector Wages in Jordan

Year	Overall	Consumer Price Index (2002= 100)	Average real wage
2000	261	96.5	270
2001	268	98.2	273
2002	274	100.0	274
2003	291	101.6	286
2004	301	105.1	286
2005	313	108.7	289
2006	321	115.5	278

Source: Department of Statistics,[51] Central Bank of Jordan Monthly Bulletins

Figure 4



Income disparities between Jordan and the main destination countries for Jordanian migrants are very high, even when the lower cost of living in Jordan is taken into account. Figures from the Department of Statistics' Household Income and Expenditure Survey (HHIES) 2006 suggest that the average annual Jordanian household member's income is 1,306 Jordanian Dinars.[52] When adjusted to take Purchasing Power Parity (PPP)[53] into consideration, this is equivalent to 3,375 international

[51] DoS Employment Survey, several bulletins.

[52] To avoid problems associated with the under-reporting of income in the Jordanian HHIES, this paper uses household member expenditures as a proxy for income.

[53] All PPP calculations use the IMF's implied PPP conversion rates for 2006, as cited in the IMF's World Economic Outlook database.

dollars. Table 11 below compares Jordanians' income to that in the main destination countries for Jordanian migrants.

Table 11

Country	**Average annual income per household member, 2006 (International Dollars)**[54]	**Comparative Income Ratio (Jordan = 1)**
Jordan	3,375[55]	1
US	26,004[56]	7.7
UK	23,812[57]	7.1
Saudi Arabia	21,525[58]	6.4
Euro Area[59]	19,102[60]	5.7
United Arab Emirates	16,288[61]	4.8

3. Main labour market performance issues and challenges

3.1 Unemployment and Unemployment trends (1995-2000-latest)

Unemployment is the major challenge facing the Jordanian labour market. Despite high rates of economic growth over the past decade, unemployment has remained high averaging at 13.8% between 2003-2007.

In terms of educational qualifications, individuals with less than secondary education represent the largest group in terms of unemployment. Unemployed individuals with less than a secondary

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[54] IMF 2006 implied PPP conversion rates from the IMF World Economic Outlook database.

[55] DoS (2006) *Household Income and Expenditure Survey 2006 Report*

[56] US Census Bureau/Bureau of Labor Statistics (2007) *Current Population Survey 2007 Annual Social and Economic Supplement*

[57] Eurostat Population and Social Conditions Statistics

[58] Kingdom of Saudi Arabia Central Department of Statistics and Information (2007) *Annual Statistical Book 2007.* This figure represents GDP per capita. This figure is used here as a proxy for income per household member because Saudi Arabia has not published official statistics on household income and expenditure since 1999. The Kingdom of Saudi Arabia Central Department of Statistics and Information undertook a Household Income and Expenditure Survey in 2008, however the results have yet to be published.

[59] EU-15 income in international dollars is calculated using a weighted PPP conversion rate for the region. Implied PPP conversion rates for each country were weighted to account for the relative size the different economy

[60] Eurostat Population and Social Conditions Statistics

[61] Authors' calculations based on consumption data and population estimates from: UAE Ministry of Economy (2007) *The Annual Economic and Social Report 2006*

education account for around one half of all the unemployed in Jordan.

The second highest number of unemployed individuals are university graduates (Table 12). Within this group, women constitute the majority of the unemployed with a university education and have an unemployment rate of 26.1% compared to 9.6% for men. It is also important to note that, although those with a university education are not the largest group of unemployed people in absolute numbers, they have the highest unemployment rate of any educational attainment category.

Table 12- Unemployed Jordanians by Gender and Educational Level (2007)

Educational Level	Female	Male	Total
Illiterate (%)	0.5	1.1	0.9
Less than Secondary (%)	14.8	62.5	45.4
Secondary (%)	10.1	12.6	11.7
Intermediate Diploma (%)	25.5	5.4	12.6
Bachelor & above (%)	49.2	18.3	29.4
Total	**100.0**	**100.0**	**100.0**

Table 13- Unemployment Situation and Trends (1995-2000-2007)

		1995			2000			2007		
		Male	**Female**	**TOTAL**	**Male**	**Female**	**TOTAL**	**Male**	**Female**	**TOTAL**
Unemployment rate (by age)										
	15-24	24.0	53.6	27.9	24.5	39.7	26.7	23.7	47.8	28.3
	25-34	10.4	27.7	13.8	9.4	21.2	11.6	8.2	24.8	12
	35-44	6.8	5.9	6.7	6.5	7.5	6.7	5.2	11.6	6.3
	45-54	7.0	2.2	6.6	7.5	2.4	7	4.4	5.9	4.6
	55-64	6.8	2.5	6.6	5.2	4.3	5.2	3.8	3.5	3.8
Unemployment rate (by level of education)										
	None	10.6	3.8	10.1	10.7	11.9	10.8	9.1	11	9.3
	Primary	13.4	24.6	14.0	14.4	23.9	14.9	11.8	26.3	12.6
	Secondary	14.4	36.9	20.8	10.6	22.5	13.5	8.1	25.6	12.4
	University	10.4	17.9	12.1	9.2	18.5	11.8	9.6	26.1	15.5

Source: Department of Statistics, *Employment and Unemployment Surveys 1995; 2000; 2007*

It is important to note that high levels of unemployment among Jordanian university graduates do not necessarily indicate an oversupply of skilled labour in the Kingdom, as it may be the case that university graduates' specializations do not match market demand. However, data from the DoS Employment and Unemployment Survey 2007 suggests that Jordanian graduates do have the specializations required by the labour market. Table 14 shows that 80 percent of skilled workers in Jordan fall into one of 15 educational specializations. Since a high proportion of skilled employees have similar educational specializations, it can be assumed that there is high demand for these specializations in the Jordanian job market. Table 14 also shows that unemployment levels among graduates in these highly demanded specializations are often high. Notable exceptions are found amongst graduates of engineering (unemployment: 4.7%), management/business administration (unemployment: 6.0%), and social/behavioural sciences (unemployment: 6.1%). Given that these three specializations combined only compose 19 percent of the skilled labour force, it is possible to conclude that overall, there is an oversupply of skilled labour in Jordan.

Table 14

Educational Specialization	**As proportion of skilled workers (2007)**	**Unemployment rate among graduates (2008)**
Accounting and taxation	8.8%	10.4%
Engineering and engineering occupations	8.4%	4.7%
Education Sciences	8.1%	10.1%
Management, public management and business administration	7.4%	6.0%
IT and Computerization	7.0%	11.8%
Foreign languages	6.3%	10.3%[62]
Law	6.1%	9.8%
Arabic language	6.0%	13.4%
Finance, banking sciences and Insurance	4.4%	12.5%
Physical Sciences	3.9%	12.3%
Social and Behavioural Sciences	3.4%	6.1%
Medicine	3.3%	7.9%[63]
Mathematics and Statistics	3.1%	9.4%
Religion	3.0%	20.8%

Source: DoS Employment and Unemployment Survey 2007; 2008

3.1.1 A young labour force

Jordan has a young population with 37% of its inhabitants under the age of 15.[64] With over 50,000 new entrants into the labour market each year,[65] the youthfulness of the Jordanian population is a major challenge for government employment policy.

Unemployment is already a phenomenon associated with the young, both in terms of absolute numbers and unemployment rates. Unemployment rates are high among those aged 15-19 years. However, because only 11 percent of this age group is economically active, they constitute only 14 percent of the unemployed.[66] The 20-24 age group, on the other hand, constitutes a large proportion of the unemployed (38%).[67] Unemployment is uncommon among those aged 40 years and over, a group

[62] This figure is taken from 2007 data as the figure for 2008 is not available.

[63] This figure is taken from 2007 data as the figure for 2008 is not available.

[64] Department of Statistics, Population and Housing Census 2004.

[65] Arouri, F. (in press) “Labour Force Migration in Jordan”.

[66] Department of Statistics, Employment and Unemployment Unit, calculations based on Employment and Unemployment Survey 2006.

[67] *Ibid.*

that constitutes a mere 10 percent of the unemployed.[68]

3.1.2 The gender gap

Female labour force participation in Jordan is very low. Only 12 percent of females above the age of 15 are economically active compared to 64 percent for males.[69] Moreover, female labour force participation has not increased significantly since 1995 having stayed at around 11-12 percent for the past ten years.[70] Women's participation in the labour force is strongly correlated with education. Nearly two-thirds of Jordanian women with a university education are employed whereas those with secondary education or lower tend to be economically inactive.

Importantly, women are at a particularly high risk of unemployment. In 2006, the unemployment rate for women (25%) was twice as high as that for men (12%). Female unemployment has risen since 2003, while male employment has declined. However, women comprise only 27 percent of the unemployed population because of their very low labour force participation rate.

Like female participation in the labour force, female unemployment is strongly correlated with education. More than half of unemployed women have post-secondary educational qualifications.[71] Indeed, although women make up just 27 percent of the unemployed population as a whole, they constitute a majority among unemployed persons with a university education. Moreover, the number of unemployed women with a university education is on the rise. This is a significant waste of human resources and a waste of the investment made in these women's education.[72]

According to a nationally representative survey of the unemployed undertaken in 2006, 31 percent of unemployed women have received job offers which they declined.[73] The main reasons given by women for declining job offers are similar to those given by men: wages and working hours. However, unlike men, women often decline job offers because of the distance of the job from home (see Figure 5 below). This is linked to the fact that Jordanian women in certain communities face restrictions on their mobility in the community. For some, improvements to the currently underdeveloped public transport system would improve access to the labour market. Indeed, the improvement of the public transport system is key to improving the access of the unemployed to employment in Jordan, especially in light of the geographical mismatch between areas in which job creation has been concentrated and areas in which there is high unemployment, as will be discussed further below.

[68] All figures from Department of Statistics (2008) Employment and Unemployment Survey 2007 Annual Report.

[69] *Ibid.*

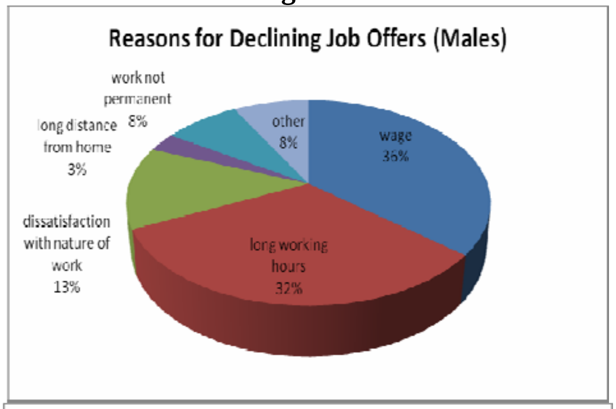
[70] European Training Foundation (2005) "Unemployment in Jordan".

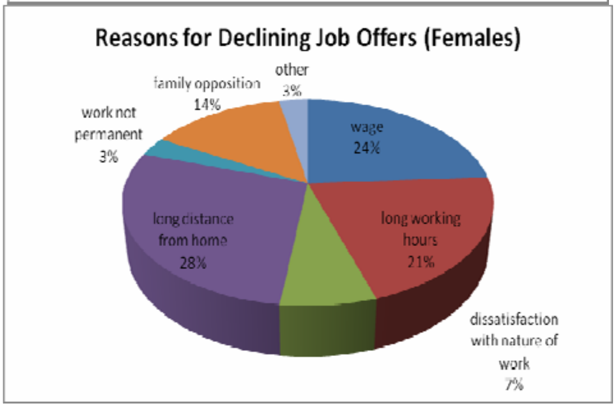
[71] These women are almost evenly split between those with an intermediate diploma, and those with a university diploma.

[72] All figures from Department of Statistics, Employment and Unemployment Survey 2006.

[73] Center for Strategic Studies, University of Jordan (2006) *Study on Employment in Jordan: Replacement of Foreign Labor*.

Figure 5





Source: Center for Strategic Studies, University of Jordan (2006) *Study on Employment in Jordan: Replacement of Foreign Labor*

3.1.3 Geography of unemployment

Between 2000 and 2005, 55 percent of new jobs created were in Amman although the capital only contains 33 percent of the unemployed. In most other governorates, job creation was less than the governorate's share in national unemployment.[74]

Amman's share of job creation is even more disproportionate when only jobs filled by Jordanians are taken into account. Irbid, for example, contains 22 percent of the unemployed and 11 percent of new jobs created. However, in Irbid there was a net loss in jobs filled by Jordanians. The geographical distribution of job creation led to a fall in unemployment rates in Amman and Zarqa between 2000 and 2005, compared to a rise in all other governorates. In Aqaba, Irbid, Tafilieh, Maan, and Karak unemployment rates increased by 5 percent or more over this period.

In terms of absolute numbers, unemployment among Jordanians is an urban phenomenon. Two thirds of unemployed Jordanians live in the major population centres of Amman, Irbid and Zarqa. However, it is worth noting that rural areas tend to have higher *rates* of unemployment (17.8%) than urban areas (13.2%). The governorates with the highest levels of unemployment are Karak followed by Ajloun and then Ma'an.

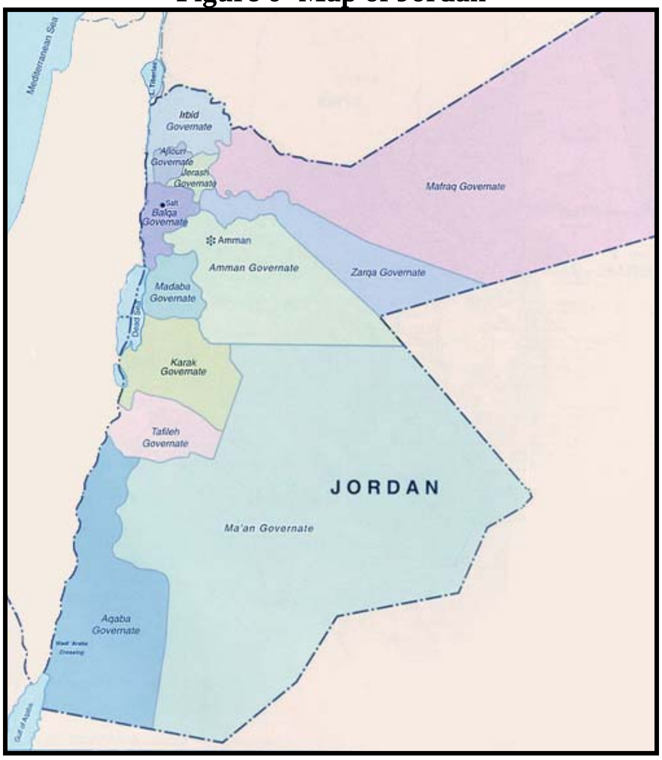
[74]Department of Statistics (2008) Employment and Unemployment Survey 2007 Annual Report

Table 15- Geography of Unemployment (2006)

Governorate	Proportion of Unemployed population	Unemployment rate
Amman	35.7	12.1
Balqa	6.8	14.1
Zarqa	12.9	12.3
Madaba	3.0	15.5
Irbid	18.2	15.6
Mafraq	4.9	16.9
Jarash	2.9	15.5
Ajloun	3.3	18.1
Karak	6.8	22.3
Tafiela	1.5	14.9
Ma'an	2.2	17.5
Aqaba	1.9	13.8
Urban	-	13.2
Rural	-	17.8

Source: Department of Statistics, Employment and Unemployment Survey (2006)

Figure 6- Map of Jordan



It seems that the unemployed have not moved to take advantage of new job opportunities in the capital. Recent census data shows low mobility among the working-age population. The percentage of working age people living in Amman grew by less than 1 percent between the 1994 and 2004 Population and Housing Censuses. Relatively high housing prices in Amman are likely to be a major factor contributing to this low level of mobility.[75]

3.2. The informal economy

Although there are no official statistics on the informal Jordanian economy, the World Bank estimated such activity at 19.4 percent of GNI in 2004.[76] Moreover, no quantitative studies have been conducted on informal labour in Jordan official or otherwise. The results of a World Bank/Ministry of Planning survey of women's informal labour undertaken in 2008 are expected to be published in the near future, but are not yet available.

In 2006, a study by Hourani et al[77] undertook some exploratory research into the informal sector in Jordan. However, the use of quota sampling in addition to the small sample size used in this study means that it is not possible to draw any generalizations from the findings.

3.3. Inward migration in national labour market: role and impact

MoL figures suggest that in 2008 there were 303,000 legal migrant workers in Jordan, which is equivalent to around one quarter of the total workforce in the country. Migrant workers are concentrated in five sectors, as shown in table 16 below.

Table 16- Distribution of migrant workers by sector

Sector	**Proportion of migrant workers**
Agriculture	24%
Manufacturing	23%
Social and personal services[78]	25%
Retail, restaurants and hotels	13%
Construction	12%
Other	3%
Total	**100%**

Source: MoL database on registered migrant workers

According to the MoL database on registered migrant workers, 90 percent of migrant workers earned less than 110 JDs a month. Moreover, 89 percent have no formal education.[79] This suggests that the vast majority of migrant workers are low-skilled. The fact that Jordanian workers in elementary occupations earn an average monthly wage of 167 JDs (see section 2.2 above) suggests that low-skilled migrant workers are willing to accept much lower wages than low-skilled Jordanian workers. Indeed, only 3 percent of migrant workers earn more than 150 JDs a month.

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[75] World Bank (2007) "Resolving Jordan's Labour Market Paradox of Concurrent Economic Growth and High Unemployment"

[76] World Bank (2003) *Doing Business in 2004: Understanding Regulation*

[77] Hourani, H., Abu Rumman, H., Abu Sundus, I and Kamel, N. (2006) *The Informal Sector in Jordan*, Amman: Dar Sindbad Publishing

[78] Workers in this category are mainly domestic workers.

[79] MoL database on registered migrant workers.

As discussed above, around half of unemployed Jordanians have less than secondary education, suggesting that migrant workers are competing with Jordanians for employment, rather than complementing the existing workforce. According to a nationally representative survey of the unemployed carried out in late 2006, a significant proportion of the unemployed (especially males) accept the idea of working in the agricultural, manufacturing and construction sectors (table 17 below).

Table 17

	Accepts work in principle		
	All (%)	Male (%)	Female (%)
Agricultural labour	**31**	**43**	**16**
Construction labour	**18**	**29**	**1**
Factory worker	**41**	**51**	**26**

Source: Center for Strategic Studies, University of Jordan (2006) *Study on Employment in Jordan: Replacement of Foreign Labor*

Table 18- Proportion of unemployed males accepting work at different levels of hypothetical wages

	Accepts work at hypothetical wage			
	115 per month	150 per month	180 per month	200 per month
Agricultural labour	24	48	62	73
Construction labour	13	28	42	49
Factory worker	22	44	61	69

Source: Center for Strategic Studies, University of Jordan (2006) *Study on Employment in Jordan: Replacement of Foreign Labor*

Importantly, a large proportion of unemployed males would accept work in agriculture, construction and as factory workers for a hypothetical wage of 200 JDs per month. However, only a small proportion would accept employment in these sectors for 115 JDs per month. This suggests that migrant workers not only compete with unemployed Jordanians for low-skill jobs, but that they undercut the wages of Jordanian workers.

4. Employment Policies and Labour Market Reform

4.1 Institutional setting of national employment policy and employment policy-making process

The national policy-making process in Jordan is highly centralized and is thus dominated by the executive branch of government. The Jordanian state's executive authority is vested in the King and his Council of Ministers. The Council of Ministers is charged with initiating the legislative process by submitting legislative proposals to the National Assembly for approval. In matters relating to private sector employment, the Council of Ministers formulates policy in cooperation with the MoL.

4.2 The National Employment Strategy

The Government of Jordan's *National Employment Strategy* was put together in 2008 by the MoL with assistance from the International Labour Organization. The self-proclaimed aim of this strategy is to create sustainable employment through a multi-pronged employment generation strategy and to increase labour productivity at all levels.

According to the *National Employment Strategy* document, previous Jordanian employment policies and programmes were lacking for two reasons. First, they were fragmented and were not comprehensive enough to effectively address labour market dynamics and challenges. For example, employment creation policies were formulated separately from tax policies. This resulted in a tax system which encouraged investment in areas that generate low-wage jobs, which are usually filled by migrant workers, and that discourage investment in areas that generate high-wage jobs, which are usually filled by Jordanian workers.[80] Second, previous employment programmes were not formulated with full stakeholder participation at all levels.

According to the *National Employment Strategy* document, the new employment strategy aims to fill the gaps left open by past policies and programmes. It emphasizes the need to sensitise and mobilize all actors and sectors of the economy, and to mainstream employment promotion in their respective policies and development programmes. To this end, the National Employment Strategy aims to have all national strategies and policy implementation programmes contribute towards attaining the objectives and targets of the Jordan Employment Strategy. While the MoL is envisaged as leading employment policy formulation, the *National Employment Strategy* is envisaged as a national document concerning all other Ministries.

According to the *National Employment Strategy*, Jordanian employment policies will be formulated and implemented according to the following guiding principles:

1. The promotion of a common understanding of unemployment among key stakeholders and the generation of collaborative efforts towards solving it;
2. The creation of opportunities for men and women to acquire skills and competencies in demand in the labour market for wage and self-employment;
3. The promotion of full and productive employment as a national priority to enable all participants in the labour force to gain productive and full employment, as a major strategy for poverty reduction;
4. The promotion of equal access for men and women to employment opportunities, skills, knowledge and resource endowments, while addressing the specific needs of vulnerable groups, such as women, youth and people with disabilities;
5. The creation of an enabling environment that will enhance the transformation of enterprises operating in the informal economy into formal productive and competitive enterprises;
6. The creation of an enabling environment for the development of the private sector;
7. The promotion of employment strategies that enhance income security and prevent social exclusion;
8. The safeguarding of the basic rights and interests of workers in accordance with Jordanian Labour Law and International Labour Standards;
9. The promotion of faster economic growth and more efficient allocation of investment resources, to more employment intensive sectors such as micro-, small- and medium-scale enterprises in

[80] World Bank (2007) "Resolving Jordan's Labour Market Paradox of Concurrent Economic Growth and High Unemployment".

agriculture, tourism, labour-based infrastructure development, manufacturing, social services and other economic services and productive sectors;

10. The promotion of action-oriented research that contributes to enhancing employment creation and prospects.

4.3. Active Labour Market Policies: description and performance

The work of the MoL and its local offices largely centres on issuing work permits to foreign workers and ensuring compliance with labour regulations. Relatively few efforts and resources are directed towards the provision of active labour market programmes (ALMPs). The *National Employment Strategy* recognizes this as a problem and aims to develop effective ALMPs that help Jordanians cope with changing labour markets, shorten periods of unemployment and ease the transition to new jobs. This is envisaged as involving the establishment of a modern Employment Service which provides ALMPs that aim to ensure that enterprises can obtain the labour force they require. The *National Employment Strategy* aims to focus implementation on the local level in order to better respond to the needs of enterprises and job seekers. Moreover, the *National Employment Strategy* aims to link access to social safety nets with economic activity, particularly vocational training and job-seeking. The National Aid Fund – Jordan's public cash assistance program for the poor – is not currently linked to active labour market policies.

It is worth mentioning that the MoL does currently undertake some active labour market programs. Within the overall umbrella of the MoL a number of labour market institutions/ programmes are supposed to facilitate the matching of supply and demand. These are: the 19 National Employment Service Centres, the National Centre for Human Resources Development, and the Vocational Training Corporation, in addition to several smaller employment, training and wage subsidy programmes. However, the activities of these institutions are fragmented and little coordination exists between them. Additionally some of them are not efficient. For example, employment offices largely play a traditional rather than a proactive role through the issuing of work permits to foreign workers and labour inspection.

Importantly, despite the large amount of resources that have been allocated to vocational training programs over the years, the Jordanian vocational training system is largely viewed as a failure that has produced poorly-trained and uncommitted workers. The historical lack of collaboration with the private sector in designing vocational training programmes has led to an increasingly widening gap between the private sector's needs and the training system.[81] However, the MoL is currently working with international partners to develop a more effective and relevant vocational training system.

4.4. Recent changes in labour market legislation and reform projects/ Assessment of the impact of labour market reforms on labour productivity and relative wages

As has been noted, the current *National Employment Strategy* is highly critical of the way in which Jordan's employment policy has been formulated in the past. It presents a strategy for changing the nature of employment policy formulation in the Kingdom in two key ways:

- 'Joining up' employment policy formulation with other aspects of policymaking related to human capital and the economy. These include macro-economic, tax and education policies.
- Establishing effective ALMPs, especially by creating constructive dialogue with the private sector at local level. This includes developing the first unemployment insurance system in the

[81] Government of Jordan (2006) *National Agenda*, p.25

history of the Kingdom. It is important to note, however, that receipt of unemployment benefits will likely be linked to participation in ALMPs.

These reforms to employment policy remain in the planning stages and have yet to be implemented.

The other arena worth discussing with respect to labour market reforms is social protection policy. The strengthening of social protection has been a key aim of all major national policy frameworks including the aforementioned *National Agenda* as well as its successor document *We Are All Jordan*, published by the government in 2006. It is also a key objective of the *National Employment Strategy*. Notable labour market reforms pertaining to social protection issues are listed below:

- In 2008, the Labour Law was expanded to include the previously excluded domestic work and agricultural sectors. Special legal regulations for workers in these two sectors are in the process of being formulated. These regulations will set parameters for these workers' employment contracts, working hours and for the inspection of their workplaces. It is worth noting that the majority of the estimated 300,000 migrant workers in Jordan are either domestic or agricultural workers. Moreover, these sectors can be said to be 'migrant worker sectors' in the sense that migrants comprise the majority of workers in both of them.
- In 2008, the Labour Law was amended to allow for the creation of a tripartite consultative committee on labour affairs with the aim of improving social dialogue between employers, trade unions and the government. The committee was involved in making recommendations on amendments to the Labour Law covering wages, sexual harassment and assault, forced labour, freedom of association for guest workers, maternity benefits, employment contracts, and the inclusion of agricultural and domestic workers in the Labour Law.
- The MoL, in partnership with the ILO, aims to reform the financing of maternity leave benefits. At the moment, maternity leave benefits are financed by employers. This makes women more expensive to hire and discourages employers from hiring them, or means that employers offer women lower wages in order to recoup the cost of maternity benefits. MoL intends to design a centrally-financed system of maternity leave benefits to facilitate the entry of Jordanian women into the labour market.

These are the only significant reforms to labour market legislation that the government has undertaken in the past five years. Again, it is too early to assess the impact of these reforms. However, it is clear that the increased regulation of agricultural and domestic employment will increase labour costs in these sectors. As mentioned above, these sectors are dominated by non-Jordanian workers and these reforms are thus likely to decrease demand for migrant workers in Jordan.

4.5 Alternative strategies and policy options available for the sound management of excess labour supply

Jordan simultaneously faces both a shortage and an excess of labour. As discussed above, there is a high level of mismatch between the qualifications of unemployed Jordanians and the skills demanded by the Jordanian labour market. The oversupply of skilled workers and a concurrent shortage of unskilled workers in the Kingdom is a major challenge for Jordanian policymakers.

A major cause behind this mismatch of skills to job opportunities is the fact that Jordan's business environment encourages investment in sectors that create low-wage jobs. Jordanian tax and employment policies provide incentives to agriculture and industrial-estate-based manufacturing at the expense of others, including many 'knowledge economy' services such as communications and finance. Moreover, immigration and emigration policies provide 'easy entry for low skills; easy exit for high skills'.[82]

[82] World Bank (2007) "Resolving Jordan's Labour Market Paradox of Concurrent Economic Growth and High

The sound management of excess labour supply requires the creation of jobs for skilled workers. In order for this to happen, significant changes must be made to the Jordanian business environment. In the words of the World Bank,

> 'Cultivating Jordan's competitiveness in high-wage services and high-tech products will require policies that encourage firm entry and that remove the distortions that presently distract entrepreneurs from focusing on Jordan's comparative advantage: its relatively well-educated citizens. In the long term Jordan can enhance its competitiveness as a high-wage, knowledge-based economy by emphasizing the quality of education (including problem-solving and teamwork) and including in the curriculum links to the labor market (including accurate information on career options and employability skills.'[83]

5. The impact of outward labour migration flows on national labour markets

5.1. Estimation and characteristics of outward migration flows since 1990

5.1.1 Jordanian workers in GCC countries

Since the oil boom of the 1970s many educated Jordanians have left their country for better opportunities abroad. The major destination for these workers has been the oil rich countries of the Gulf Cooperation Council (GCC). Although the Jordanian government does not provide definitive figures on the number of Jordanian emigrant workers, the MoL has labour attachés stationed in several Jordanian embassies in Arab countries who compile estimates of the number of Jordanian workers in these countries as set out in Table 19.

Table 19- Number of Jordanian workers in GCC countries (excluding Bahrain) and Libya (2008)[84]

Country	Number of workers
United Arab Emirates	54,834
Saudi Arabia	50,928
Kuwait	18,880
Qatar	10,000
Oman	3,500
Libya	3,060
Total	**141,202**

Source: MoL, "Report on the Impact of the Financial Crisis on Jordanian Workers in Several GCC Countries and Libya", 31/12/2008.

These figures suggest that in 2008, there were around 138,142 Jordanians working in Saudi Arabia, the United Arab Emirates (UAE), Kuwait, Oman and Qatar. Estimates of the number of Jordanians workers in Bahrain are not available from the MoL. There were also a further 3,060 Jordanian workers employed in Libya. According to these estimates, more than three quarters (77 percent) of Jordanians

(Contd.)
Unemployment", pg. v.

[83] World Bank (2007) "Resolving Jordan's Labour Market Paradox of Concurrent Economic Growth and High Unemployment", pg. vi.

[84] Ministry of Labour, "Report on the Impact of the Financial Crisis on Jordanian Workers in Several GCC Countries and Libya", 31/12/2008.

working in GCC countries are based in the UAE and Saudi Arabia. Of these, forty percent are based in the UAE and thirty seven percent are based in Saudi Arabia.

5.1.2 Jordanian workers in OECD countries

The OECD's "Database on Immigrants in OECD Countries" (DIOC) provides extensive information on workers born in Jordan, now living in OECD countries. This data is mainly drawn from census data from the 2000 round of censuses. Figures from the database suggest that there are 36,432 Jordan-born workers employed in OECD countries, although it is important to note that this does not include Germany, for which the relevant information is not available. It is also worth noting that these statistics refer to Jordan-*born* workers, and that being born in Jordan does not entitle a person to citizenship under Jordanian law. It is thus possible that some of these migrants to the OECD are Jordan-born Palestinian refugees.

The United States is by far the most important destination for Jordan-born workers in OECD countries, with 74 percent of them residing there. The second most popular destination for Jordan-born workers is Canada (6%), followed by the United Kingdom (4%), Australia (4%) and Italy (3%). The number of Jordan-born workers living in the remaining OECD countries is negligible. Overall, only fifteen percent of Jordan-born OECD workers reside in European Union countries. In absolute terms, this represents 5,523 workers which is a very small number when compared to the number of EU-based workers born in Morocco (655,716 workers[85]), Algeria (522,545 workers) or even Egypt (63,683 workers).[86]

DIOC data also provides information on the occupational category of Jordan-born OECD workers. According to DIOC, more than half (55%) of Jordan-born workers residing in OECD countries are skilled workers (senior officials/managers, professionals or technicians/associate professionals) as shown in Table 20 below. Only seven percent are employed in elementary occupations.

Table 20- Jordan-born workers residing in OECD countries by occupational category (excluding the US and Germany)

Occupational Category	Number of workers	Proportion of total
Legislators, senior officials and managers	1193	13.9%
Professionals	2523	29.5%
Technicians and Associate Professionals	1009	11.8%
Service workers, shop and market sales workers	1279	15.0%
Clerks	757	8.9%
Plant and machine operators and assemblers	608	7.1%
Craft and related trades workers	568	6.6%
Elementary Occupations	615	7.2%

Source: OECD "Database on Immigrants in OECD countries"

It is important to note that DIOC uses national census data which sometimes needs to be adapted in order to fit into the International Standard Classification of Occupations (ISCO 1988). Thus, these figures should be treated as estimates rather than definitive statistics. Moreover, these figures exclude the United States and Germany.

[85] Germany has been excluded from this figure for purposes of comparability, although the number of Morocco-born workers in Germany is available from DIOC.

[86] OECD "Database on Immigrants in OECD Countries"

Data on the occupational category of Jordan-born workers from the US Census 2000 suggests that Jordan-born migrants living in the US are less skilled than those in other countries, although straightforward comparisons are hard to make due to the different occupational typology used by the US Population and Census Bureau. According to the US Census 2000 the most common occupational category among Jordan-born workers is “sales and office occupations” with 35 percent of Jordan-born workers falling into this category. 34 percent of Jordan-born workers in the US are employed as managers or professionals, compared to 43 percent in other OECD countries. Further details are provided in Table 21 below.

Table 21- Jordan-born workers residing in the United States by occupational category

Occupational Category	**Number of workers**	**Proportion of total**
Management, professional, and related occupations	8,870	34.4%
Service occupations	2,875	11.1%
Sales and office occupations	9,035	35.0%
Farming, fishing, and forestry occupations	40	0.2%
Construction, extraction, and maintenance occupations	1,705	6.6%
Production, transportation, and material moving occupations	3,275	12.7%

By combining the data from DIOC and the US Census Bureau, we arrive at an estimate of 12,600 Jordanian migrants[87] employed in skilled occupations in OECD countries.[88] This is an extremely small figure compared to the 225,000 Jordanians employed in skilled occupations in Jordan[89] and thus it can be assumed that migration to OECD countries is not leading to a brain drain, especially taking into consideration the 40,000 unemployed Jordanians with university degrees in Jordan itself.[90]

5.2. Elements for analyzing the impact of migration flows on national labour markets

5.2.1 Brain Drain?

Despite high levels of emigration, there remains an oversupply of skilled labour in the Jordanian labour market, as discussed in section 3. However, there is some evidence to suggest that it is possible to talk of a limited ‘brain drain’. A World Bank investment climate study undertaken in 2006 found that 44 percent of enterprises in Jordan’s service sector identified an inadequately educated labour

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[87] For all countries excluding the US, this refers to Jordan-born migrants falling under the ISCO classifications ‘Professionals’ or ‘Legislators, senior officials and managers’. For the US, this refers to Jordan-born migrants falling under the classification ‘Management, professional and related occupations’.

[88] Excluding Germany, for which the relevant data is not available.

[89] DoS (2007) Employment Survey 2006 Annual Report. As with the figure cited for OECD countries (excluding the US), skilled workers is here defined using the ISCO classifications of ‘Professionals’ and ‘Legislators, senior officials and managers’.

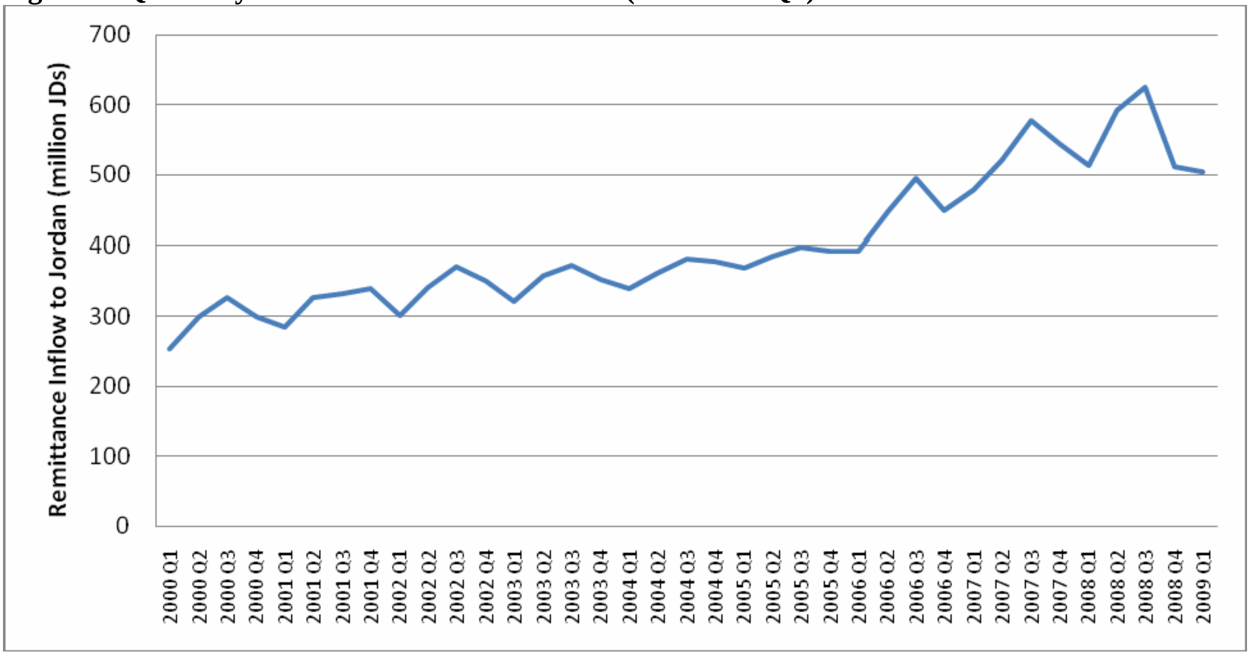
[90] Authors’ calculations based on: DoS (2008) *Employment and Unemployment Survey Annual Report*; DoS (2005) *Main Results of the Population and Housing Census 2004.*

force as a major or very severe constraint on operations and growth. Lack of educated workers was considered a less serious problem among manufacturing firms, which make less use of educated labour, with 23 percent of manufacturing firms identifying this as a constraint.[91]

Given the high disparity between income levels in Jordan and the main destination countries for Jordanian migrants (discussed in section 2), it is unsurprising that the most talented and productive workers leave Jordan. Although this is a clearly a loss to the Jordanian economy and to Jordanian employers, the idea the Jordan suffers from 'brain drain' should not be over-emphasized. It is clear that there are a sizeable number of unemployed highly-educated Jordanian workers who have skills that fit well with the Jordanian labour market's needs. Employers' perception of a skills shortage is not caused by a lack of qualified workers, but rather by a lack of skills among qualified workers: in other words, it is a question of universities and vocational training centres producing unproductive workers.

Moreover, the global recession may lead to an increase in the number of skilled workers in Jordan, as newly unemployed emigrants return from the Gulf. It has already been reported that around 50 percent of outbound airline bookings from the UAE (to all destinations) made in late March/early April 2009 are one way tickets.[92] However, speculation on the effect of the global recession on Jordanian emigrants remains premature. Although remittances witnessed a slight drop in January 2009, they witnessed a 5.6 percent increase in February. It is hard to draw conclusions from remittances data at this stage, especially as month-on-month fluctuations in remittances are common in Jordan (see Figure 7 below).[93]

Figure 7- Quarterly Remittance Inflow to Jordan (2000-2009 Q1)



Source: Central Bank of Jordan

So far, the actual number of Jordanians losing their jobs in the Gulf or elsewhere has been limited. In the Gulf countries, Jordanians are skilled workers. They are mostly employed in white collar jobs in both the private and public sectors, in education, medical services or the financial sector. It is likely

91 World Bank (2006) *Investment Climate Survey Online.*

92 Middle East Financial Network (02/04/2009) "50% of travel bookings from the UAE this summer are one-way" http://www.menafn.com/arabic/qn_news_story_s.asp?StoryId=1093241787

93 Central Bank of Jordan

that they will be among the last to lose their jobs. Jordan has not yet witnessed a mass wave of returnees.

5.2.2 The role of remittances

Inward remittances are an important source of income and foreign exchange for Jordan. Economic impact aside, remittances are often thought to influence the labour market by affecting the behaviour of potential workers. It is often argued that remittances decrease labour market attachment, especially among women. However, this does not seem to be the case in Jordan. Most economically-active women in Jordan come from mid-to-high socio-economic backgrounds and have high educational attainment. It is among less educated women from poorer socio-economic backgrounds that economic activity rates are extremely low. Importantly, remittances in Jordan accrue mostly to prosperous households with high educational attainment.[94] This suggests that remittances are not a major factor in decreasing Jordanian women's labour market participation, as is the case in many other countries.

It is also worth noting that there is an important link between outward and inward migration. Inward remittances help to fuel the Jordanian construction industry which mostly employs Egyptian migrant workers. Thus, inward remittances partly fund outward remittances. However, because inward remittances far exceed outward remittances, there is still a significant net gain for the Jordanian economy. In 2008, inward remittances were valued at 2.44 billion JDs whereas outward remittances were only 295 million.

In many cases remittances are used to help create small and medium scale business for the family relatives of the migrants. Hence, not only do they fuel consumption, but they could also be a useful source of financing for those who cannot afford collateral to banks in Jordan. In that sense, remittances can be viewed as source of employment generation. So far there is no data on how remittances have been utilized and this is an important area that needs to be investigated. Remittances do not seem to have a negative impact on motivating low income groups to join the labor market given the fact that, remittances constitute a small part of low income consumption, as shown earlier.

6. Conclusions

As in other Arab Mediterranean countries, the Jordanian labour market is characterized by high unemployment rates and low labour market participation rates, especially among women. Moreover, high population growth rates have led to a large number of new entrants into the labour market each year making youth unemployment a major challenge.

In discussing the effect of migration on Jordanian labour market performance it is important to note that Jordan exports and imports a high proportion of its labour force. Many highly-skilled Jordanians emigrate to work in more affluent countries, especially those of the GCC. At the same time, a large proportion of low-skill, low-wage labour is imported from various countries, most notably Egypt.

Remittances represent an important source of income for Jordan making up 16 percent of GDP in 2008.[95] It is worth noting that inward remittances help to fuel the Jordanian construction industry which mostly employs Egyptian migrant workers. Thus, inward remittances partly fund outward remittances. However, because inward remittances far exceed outward remittances, there is still a significant net gain to the Jordanian economy. In 2008, inward remittances were valued at 2.44 billion JDs whereas outward remittances were only 295 million.

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[94] World Bank (2007) "Resolving Jordan's Labour Market Paradox of Concurrent Economic Growth and High Unemployment"

[95] Central Bank of Jordan, *Monthly Statistical Bulletin*

Brain drain is another major issue with respect to the possible effects of outward migration on labour market performance. This paper has demonstrated that brain drain is not a major issue in Jordan. Despite the high outflow of skilled workers, there remains a significant number of skilled unemployed individuals in Jordan who hold qualifications relevant to the needs of the labour market. Although many employers perceive a lack of skills in the Jordan labour force, the educational profile of the unemployed shows that the problem is often not a lack of relevant qualifications but a lack of skills among those holding such qualifications. To remedy this, it is essential to improve the quality of university education and on-the-job training.

On balance, outward migration contributes positively to the Jordanian economy. For a natural resource-poor country such as Jordan, remittances are an important source of foreign exchange. Moreover, outward migration eases a considerable amount of pressure off the Jordanian labour market. This is not only significant in economic terms, but also has significant political ramifications. By reducing unemployment among the urbanized middle and upper-middle classes, emigration mitigates political dissatisfaction among an influential sector of the population. By helping to pacify the middle and upper-middle classes, outward migration thus contributes to the stability of the current Jordanian regime.

With regards to inward migration, it has been demonstrated that migrant workers generally compete with, rather than complement Jordanian workers. In particular, the relatively liberal immigration policies of the Jordanian government have made it possible for migrant workers to undercut the wages of local workers in some sectors, such as construction. There are several policy options for dealing with this. There is certainly scope for erecting further barriers to inward migration, especially in those sectors where wage productivity is low. It is also possible to provide tax incentives to companies who hire a certain number or proportion of Jordanian workers.

Annex 1- Official Jordanian Statistical Data Sources on Labour and Migration

1.1 Labour Statistics

1.1.1 Department of Statistics

The Department of Statistics (DoS) is the unit within the Jordanian Ministry of Planning and International Cooperation which is tasked with collecting official government statistics. DoS undertakes two surveys related to the labour force, as described in greater detail below.

Employment Survey

The DoS Employment Survey is a quarterly household sample survey. It provides aggregate information, in percentages, describing the main characteristics of the population, employed and unemployed Jordanians according to age, gender, level of education, occupation, field of education, and unemployment duration. At the time of writing, the latest edition of the Employment Survey contains figures from 2006.

Employment and Unemployment Survey

The DoS Employment and Unemployment Survey is an annual sample survey for establishments that includes all public-sector establishments as well as all private-sector establishments with more than 50 employees and a sample representing all other remaining establishments in the formal sector. This survey offers specific information, numerical and percentages, about employed Jordanians regarding: their age, gender, occupation, field of education and average wage. In addition, there is information available regarding the establishment's size, location and type of activities. At the time of writing, the latest edition of the Employment Survey contains figures from 2007.

1.1.2 Social Security Corporation

The Jordanian Social Security Corporation has an administrative database containing information about employed individuals contributing to the Social Security Corporation as well as individuals receiving pensions from this establishment. This database includes information about participants related to their wage, gender, age, and economic activity for the establishment. In 2007, the latest year for which official figures are available, 41.6% of the total labour force contributed to the Social Security Corporation.[96] At the time of writing, the latest edition of "Social Security in Numbers" contains figures from 2007.

1.1.3 Civil Service Bureau

The Civil Service Bureau is a governmental organization with its own administrative database containing information about public-sector employees. This database includes information about: age,

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[96] Social Security Corporation (2008) "Social Security in Numbers. Volume 7- 2008"

gender, field of education, level of education, salary, marital status and location of employment. The Civil Service Bureau also gathers information about job-seekers applying to the public sector. Information on these job-seekers covers the categories: age, gender, major, education, and location. This information is available on special request.

1.1.4 Ministry of Labour

The Jordanian Ministry of Labour (MoL) has its own administrative database with information about foreign workers holding work permits and the names of the establishments that they work for. This database contains details about wages, nationality, gender, age, occupation, field of education, level of education, and the economic activity of the establishment. This information is available on special request.

1.2 Migration Statistics

1.2.1 Department of Statistics

The Population and Housing Census, published every ten years, is the only DoS publication containing statistics on migration. It provides information on Jordanian emigrants with household members residing in Jordan. Information on these migrants is available according to the categories: gender, country of residence, reason for emigration, number of years living abroad and health insurance status. These figures do not include Jordanian emigrants who live abroad with their entire household.

The Population and Housing Census also contains figures on non-Jordanians living in Jordan. Information on these migrants is available according to the categories: age, gender, nationality, marital status, area of residence, reason for living in Jordan, educational level, occupation and occupational sector. At the time of writing, the latest Population and Housing Census report contains figures from 2004.

2.2.2 Ministry of Labour

The MoL has its own administrative database with information about foreign workers holding work permits and the names of the establishments that they work for. This database contains details about nationality, gender, age, occupation, field of education, level of education, and the economic activity of the establishment. This information is available on special request.

The MoL also has labour attachés stationed in the Jordanian embassies of the Gulf Cooperation Council countries and Egypt who collect statistics on Jordanian workers in each of those countries. These statistics include the following characteristics of Jordanian workers: number, gender, educational level, economic sector, wages and occupational category (managers, technicians, professionals etc.). This information is available by special request.

2.2.3 Central Bank of Jordan

The Central Bank of Jordan’s Monthly Statistical Bulletins provide quarterly figures on workers’ remittances transferred to Jordan.