

CLUSTER (C_A.3.1_0014)

WP6 – A.6.1.1 Mapping of Policy Frameworks

Jordan Report

Business Development Center and National Agricultural Research Center

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Table of Content

Introduction and Methodology	2
Employment Landscape	4
Policy Framework and Responses	5
Main Challenges	8
Approaches Going Forward	11

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Introduction and Methodology

This report is the result of the activities relating to the project Output 6.1 (A.6.1.1 - *Mapping of Policy Frameworks*), implemented within Work Package number 6 (*Raising awareness of public authorities to create supportive environment for employment*).

This report is therefore the result of several different actions carried out by Business Development Center-BDC and National Agriculture Research Center-NARC in coordination with the WP6 leader (General Agency for Regional Development, PP7), the Project Coordinator and all the project partners (PPs), namely: design and translation of the consultation for mapping policy frameworks related to fostering employability of youth and women; conduction of the consultation with public authorities and Civil Society Organisations (CSOs); and analysis of the feedback received complemented by desk research. This consultation and the elaboration of the report lasted for two months (October – November 2022).

The questions tackled the employment landscape in each project targeted country/region in the context of COVID-19, in addition to addressing the challenges of NEETs in accessing the labor market and the role of public institutions in combating their exclusion. The consultation also refers to the level of trust young people have in public institutions and the synergies that already exist between the government and external employment initiatives. This specific set of questions was designed by PP7 with the input and comments of all other PPs and the Project Coordinator.

Aiming to achieve qualitative research, a field research was conducted to collect data that aims to observe, interact and understand the labor market landscape, policy framework, policy response, challenges, and lessons learned. On the other hand, the research aimed to understand the labor market environment, the NEET challenges, NEET level of trust in the policy and the project implemented. The field research in Tafileh-Jordan was conducted through interviews and questionnaires with two public sector representatives and two CSOs (Civil Society Organisations) representatives to cover both sides' feedback, experience, and role in the development sector in Jordan, enhancing access to the labor market.

The CLUSTER team in Jordan, working with PP4 and PP5 conducted a meeting in Tafileh, and invited all SEA (Social Economy Actors) who responded to other previous questionnaires as part of CLUSTER. The meeting aimed to share CLUSTER progress with SEAs, brief them on the upcoming activities, sign letter of intent, and select the entities who will participate in the consultation. In order to collect rich and relevant data, in addition to ensuring the diversity of the information, four SEAs were selected out of 30 SEAs to represent: the public sector (policy framework designers) and CSOs who are implementing projects within these frameworks.

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Name	Job Title	Affiliation	Place of residence
Ahmad Al-Mahaideh	Director	Environmental Protection Directorate	Tafileh
Ammar Al-Rfou	Project Manager	Basera Cultural Heritage Foundation	Tafileh
Kawla Klaldeh	President	Ahl Al Himma Women Charitable Society	Tafileh
Mohammad Al-Harasees	Treasury	Agricultural Engineers Association	Tafileh
Lana Al Masri	Employee	Ministry of Labor	Amman
Yasmin Twal	Program Coordinator	CSO Tamkeen	Amman

The selection of public sector representatives ensured that the needed information was gathered on the labor market landscape, policy framework, policy response, challenges, and lessons learned. On the other hand, the participation of the CSOs/project associates helped to gather the necessary information on the labor market environment, the NEET challenges, NEET level of trust in the policy and project implemented.

The questionnaire was translated into Arabic, and the team members conducted qualitative individual interviews in Arabic by asking informal and open-ended interview questions. Our methodology for conducting the field research was successfully implemented, as we took into account the location of Tafileh city, which is around 3 hours away from Amman. Therefore, the team conducted the meeting and the interviews in Tafileh, and when requested, to fill it out and send it by email, they were flexible to comply with the SEA request. On the other hand, the team conducted one-on-one interviews to explain the questions to the SEA, to save time and effort in filling out the questionnaires and to review the documented answers with them.

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The field research was followed by desk research, collecting information and data from the Jordanian National Employment Plan, the Youth Strategy 2019 – 2025, Jordan Economic Growth Plan 2018 – 2022, and Jordan Economic Modernization Vision 2022-2030. In addition, data from reports and research conducted by other institutions are used as reference.

Employment Landscape

The definition of “youth” varies from one institution to another and across countries. United Nations General Assembly (UNGA) defines youth as individuals in the age group 15-24 years, while the League of Arab States defines “youth” as individuals in the age group 15-35. In Jordan, MOY identified “youth” as individuals between the ages of 12 and 30, as mentioned in the National Youth Policy (2005 – 2009) and the National Youth Empowerment Strategy.¹

While the unemployment rate in Jordan did not change between 2021 and 2022 and remained at around 19.25%, the unemployment rate reached its highest value in the observation period in 2021.²

When the unemployment rate is mentioned, we refer to the share of the population currently not working but actively searching for work. It does not include those aged under 15 years, or retired persons.

Jordan’s economy has started to recover from the COVID-19 shock, with an actual GDP growth that reached 2.2 % in 2021, after a decline of 1.6 % in 2020. However, COVID-19 has led to a different employment problem in Jordan, with unemployment rates reaching to 23.3% and the female labor force participation remaining low at 14 % – 15%, which is one of the lowest in the world. At the end of 2021, Jordan’s assured gross debt stood at 113.8% of GDP respectively.³

Jordan also faces climate-related issues, including but not limited to significant temperature increases, precipitation decreases, and increased incidents of drought. Jordan has limited resources and mainly depends on fossil-fuel imports. In addition, Jordan is one of the most water-scarce countries in the world.⁴

There is a huge need to implement development measures to promote private sector-led growth and job creation. The WBG (World Bank Group) is a key actor in Jordan’s reform agenda since 2018 and the launch of the GOJ (Government of Jordan) Reform Matrix. The Government of Jordan has prioritized the Economic Priorities for 2021–23 through key business environment reforms

¹ <https://tammey.org/articles/the-term-youth-in-jordan/>

² <https://www.statista.com/statistics/385565/unemployment-rate-in-jordan/#:~:text=The%20unemployment%20rate%20in%20Jordan,the%20observed%20period%20in%202021.>

³ <https://www.worldbank.org/en/country/jordan/overview>

⁴ http://www.moenv.gov.jo/ebv4.0/root_storage/ar/eb_list_page/final_draft_nap-2021.pdf

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activating the PPs (Public and private partnerships) and financing in key sectors for investment and job creation.⁵

In 2022, Jordan launched an economic modernization vision for the next decade that aims to unleash the economy's full potential. The vision focuses on promising sectors with high growth potential and will increase economic opportunities and enhance women's participation in the labor market. The main goals of the economic modernization vision are: providing new income opportunities, increasing per capita GDP, and enhancing Jordan's position in the Global Competitiveness Index issued by the World Economic Forum.⁶

While digging deeper into Jordan's employment landscape, studies show that public administration and defense is the largest employer of Jordanians, with a share of 27%. The second largest sector is wholesale and retail trade with a share of 14.4% of total employment in Jordan, and the third largest is education with a share of 12.6%. Manufacturing is the fourth largest sector with a share of 10.4%. This sector should attract the attention of all stakeholders, including the government, as mentioned in "The Unemployment Challenge in Jordan: Between Demand & Supply" study.⁷

Policy Framework and Responses

In 2011, to bring all the employment strategies and policies together, the Jordanian Government designed the country's National Employment Strategy as one of the employment policy frameworks in addition to:

- Labor legislation.
- Wage policy
- Public sector employment policy
- Labor migration policy⁸

Although there is a labor law in Jordan, youth and women still face challenges entering the labor market related to the legal system, available policies and the implementation of these policies. SEAs who participated in the questionnaires mentioned the poor implementation of these laws, especially regarding employee contracts used in the private industrial sector. The participants

⁵ <https://www.worldbank.org/en/country/jordan/overview>

⁶ <https://www.jordanvision.jo/img/vision-en.pdf>

⁷ <https://jsf.org/sites/default/files/The%20Unemployment%20Challenge%20in%20Jordan%20%20Between%20Demand%20&%20Supply.pdf>

⁸ https://www.etf.europa.eu/sites/default/files/m/8D5C3712F2457914C1257CD000505340_Employment%20policies_Jordan.pdf

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highlighted the lack of job security provided with short-term contracts, benefits, social security, health insurance, and pensions.⁹

Informal employment in Jordan represents 44% of total employment, as indicated in government research (Ministry of Planning and International Cooperation). Most informal workers in Jordan work in the private sector; self-employed workers represent 39% of the informal labor force, and unpaid domestic workers a further 2%. Nevertheless, this means that proportion of workers who do not contribute to social security is higher than 60% among employees.¹⁰

On the other hand, Basera Cultural Heritage Foundation representatives discussed the legal obstacles youth and women face in creating their businesses, whether these obstacles are faced during the registration or while they are running their businesses. In addition, the representative mentioned the high fees, including but not limited to the cost of registration, licensing, and taxes. The Agricultural Engineers Association representative highlighted that the government's solution of providing suitable public employment opportunities based on well-designed selection criteria was not applicable due to the challenging economic situation the country is facing, especially after COVID-19.

On the other hand, despite Jordan's strong legal framework, the labor administration capacity and enforcement mechanisms remain weak, particularly in the informal and agriculture sectors. Local and domestic employees still face insufficient access to their rights and legal protection. In addition, the union movement is still centralized and unrepresentative of various segments of workers, which causes a serious impediment to social dialogue and the representation of workers' rights.

With regard to women's legal participation in employment in Jordan, in particular, the exclusion of young rural women from the economy, it is worth mentioning that improving women's participation will not only have a positive impact on economic growth but also on its efforts to counter the challenges of water shortages, environmental degradation and loss of natural resources, and climate change. To improve women's participation, there is a huge need to reform labor market regulations to make them more gender responsive. Nevertheless, maternity leave is now integrated into social security contributions. However, efforts should focus on improving working hours, health benefits and childcare, and ensuring that existing regulations apply to all male and female employees in rural and urban areas.¹¹

⁹<https://www.unicef.org/jordan/media/9156/file/Policy%20Brief-%20Barriers%20to%20Economic%20Participation%20for%20young%20People%20in%20Jordan-English.pdf>

¹⁰https://www.etf.europa.eu/sites/default/files/m/8D5C3712F2457914C1257CD000505340_Employment%20policies_Jordan.pdf

¹¹ https://jordan.un.org/sites/default/files/2020-11/Meta_LR_021120%20%28003%29.pdf

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On the other hand, when it is related to self-employment in the labor market, there is a huge need to link microfinance with health and social insurance. This means that women's micro-funds in Jordan integrate insurance within loan agreements with their clients to ensure the growth and expansion of their businesses, while giving women access to basic social security when times are tight.

Finally, Jordan has made important regulatory reforms; However, enforcement remains a long-lasting challenge. Therefore, developing and implementing a monitoring mechanism for laws and regulations are important prerequisites for the use of laws and reforms.¹²

Based on Employment policies in Jordan prepared by the European Training Foundation (ETF), three categories of key political actors were identified whose work is relevant to employment policies in Jordan:

- State actors
- non-state actors
- and donors or multilateral organizations.

The key state actors are represented by the Ministry of Labor-MOL, TVET (Technical and Vocational Education and Training) council, Vocational training cooperation, Civil Service Office, Social Security Cooperation, the Economic and Social Council, Council of Ministries, and the Parliament. The main tasks of the key state actors include, but are not limited to:

- Designing policy interventions.
- Implementing policies and procedures.
- Providing financial support.
- Screening, reviewing, and approving proposals from organizations that apply for funding to provide such services.
- Managing courses to improve the skills of the Jordanian workforce, promote lifelong learning, and support the development of SMEs.
- Workforce planning for the stakeholders and providing a high-level forum for tripartite dialogue between workers, employers, and the government.
- Making policy recommendations on macroeconomic issues, unemployment, poverty, industrial relations, export promotion, education, and human resource development.
- Providing feedback on draft legislation related to economic policies and assessing the outcome and impact of such new legislation.
- Approving national strategies.

On the other hand, the key non-state actors - official trade unions, independent trade unions, chamber of commerce, and chamber of industry - have, among others, the following responsibilities:

- Secure a better life for workers and raise their standard of living.
- Promote social and economic development.
- Increase economic productivity and raise wages and benefits.

¹² https://www.ilo.org/dyn/youthpol/en/equest.fileutils.dohandle?p_uploaded_file_id=171

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- Formalise informal municipality workers.
- Collaborate with the government in drawing up policies, strategies, and action plans related to trade and service sectors.
- Participate in efforts to promote development to different sectors, including SMEs.

The role of main donors or multilateral organizations - US Agency for International Development USAID, World Bank, and the International Labor Organization ILO - can be summarized as follows: Strengthening fiscal management and increasing fiscal accountability within the government, strengthening capacity for sustainable growth with a focus on competitiveness, developing the institutional administrative capacity to public services and local institutions, reducing the high rate of unemployment and the mismatch between the skills and qualifications, increasing the participation of women in the labor market, promoting socially responsible corporate policies and investment, creating and encouraging new investment opportunities, facilitating business links and supporting business organizations, and developing public-private partnerships.¹³

As mentioned in the questionnaires by multiple participants, civil society organizations as well have a role in participating in the policy-making forums, enhancing the capacity of youth and women and preparing them for the labor market, working with different stakeholders, in particular the private sector, providing youth and women with job opportunities, raising awareness on self-employment, and providing or connecting youth and women with investments and funds.

Main Challenges

Based on the field research, the Director of the Environmental Protection Directorate-Tafileh, the Ahl Al Himma Women Charitable Society, the Agricultural Engineers Association, and the Basera Cultural Heritage Foundation agreed on the lack of qualification and experience among NEETs and women. They all highlighted the need for capacity development programs that aim to improve the skills and qualification based on the market needs, to enable NEETs and women to enter the labor market.

On the other hand, the Basera Cultural Heritage Foundation representatives highlighted the need for government employment policies that encourage and support vocational and technical capacity building and employment in these sectors. Ahl Al Himma Women Charitable Society confirmed this by emphasizing on the Jordanian experience during the pandemic when workers in the vocational sectors were the first to be laid off. The Director of the Environmental Protection Directorate in Tafileh mentioned that a large number of employment opportunities are offered for a limited duration of time due to the informality of the project and seasonality, which does not provide the NEETs and women with secure job opportunities and weakens their trust in the labor market/private sector.

¹³https://www.etf.europa.eu/sites/default/files/m/8D5C3712F2457914C1257CD000505340_Employment%20policies_Jordan.pdf

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Ahl Al Himma Women Charitable Society and Agricultural Engineers Association representatives mentioned the low presence of the private sector in Tafileh, which decreases the number of vacancies provided to NEETs and women that already have further decreased given the COVID-19 conditions and the current economic situation, which led to a reduction in spending by public and private companies and a significant reduction in employment. In addition, vacancies outside the governorate require a high cost for transportation which for the NEETs and women are not feasible. The only option left for NEETs and women is to open their own businesses, which is only applicable for a few due to the unavailability of business capital, access to finance, and knowledge and know-how.

The “The Unemployment Challenge in Jordan: Between Demand & Supply” –study conducted by the Jordan Strategy Forum, highlighted the main two reasons for unemployment in Jordan:

1. The supply side: human capital is insufficient to meet the needs of the labor market.
2. The demand side: economic growth cannot generate enough jobs.¹⁴

This indicates the need for development programs that bridge the gap between supply and demand and improve the mindset and NEETs attitude towards labor market.

A gender analysis conducted by UNICEF, ‘Barriers to Economic Participation for Young People in Jordan’, shows that economic opportunities decrease for NEETs with higher education, particularly women. The analysis also highlighted that NEETs prefers to work in the public sector because of its stability, better working conditions, and associated benefits that might not be given in the private sector. Private sector jobs are preferred depending on the offer and the benefits provided. In addition, the analysis highlighted the fact that young women in Jordan are willing to work under certain conditions, such as decent working hours, early dismissals, and safe transportation. On the other hand, women need to secure childcare services for their children that they lack in Jordan.

The report also highlighted the need to ensure insurance coverage of irregular workers and hard-to-insure groups by designing multiple policy approaches aimed at acquiring insurance coverage and providing incentives, subsidies, and other mechanisms.¹⁵

One of the challenges mentioned in the “Employment Policy Framework” prepared by the ETF, are the weaknesses in monitoring and evaluating of donor-funded employability initiatives, which cause weaknesses in designing results-oriented future programs.¹⁶

All participants agreed that the trust of NEETs and women in public institutions is low, as the efforts are perceived to be scattered and not implemented in an integrated approach. The participants highlighted the unclarity of the public institution’s future vision for solving the unemployment issue in Jordan, programs and policies are considered unstable and incomprehensive, efforts are

¹⁴<https://jsf.org/sites/default/files/The%20Unemployment%20Challenge%20in%20Jordan%20%20Between%20Demand%20&%20Supply.pdf>

¹⁵<https://www.unicef.org/jordan/media/9156/file/Policy%20Brief-%20Barriers%20to%20Economic%20Participation%20for%20young%20People%20in%20Jordan-English.pdf>

¹⁶https://www.etf.europa.eu/sites/default/files/m/8D5C3712F2457914C1257CD000505340_Employment%20policies_Jordan.pdf

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scattered, and there is a lack of coordination between public institutions, public sectors, and civil society organizations.

The Agricultural Engineers Association representatives highlighted that the youth's level of trust in the public sector will decline as long as these institutions cannot deliver their employment services for different reasons. On the other hand, the lack of job opportunities and the unemployment rate are increasing.

Basera Cultural Heritage Foundation representatives mentioned the need to change the public sector's role in dealing with unemployment in Jordan. The representative highlighted the need to guide and encourage NEETs and women to apply for vacancies in the private sector.

Some of the recommendations mentioned in the "The Unemployment Challenge in Jordan: Between Demand & Supply" study conducted by the Jordan Strategy Forum highlighted the main reasons for the lack of NEET's and women's trust in policies, such as the need to identify the real reasons behind the exceptionally high unemployment rates and the reason of the large presence of expatriate workers. In addition, the government needs to reduce the existing gap between the public sector and private benefits (wages, working hours, health insurance, employment security, access to bank loans, etc.) to encourage NEETs to consider private sector employment opportunities. On the other hand, it was mentioned in the study that the government needs to ensure decent working conditions that respect workers' rights that guarantee social protection and appropriate wages.¹⁷

The "Youth Well-being Policy Review of Jordan" study clarified that youth involvement in policy design and implementation is limited in Jordan. Improving the policy design and implementation requires continuous official consultations with youth organizations to increase trust in institutions and build on existing frameworks for citizen participation to scale up such initiatives.¹⁸

Participants agreed that the government had worked on improving the national dialogue with relevant stakeholders and developed a pool of good recommendations. On the other hand, it is necessary to engage and communicate these recommendations transparently with the public, especially to NEETs. In addition, continuity of the coordination between the public, private, and civil society organizations needs to be ensured. The UNICEF's gender analysis "Barriers to Economic Participation for Young People in Jordan" highlights this fact by emphasizing the need for job-related training, including internships, that are more relevant to employability.¹⁹

As mentioned in the "Employment Policy Framework" prepared by the ETF, the National Employment Strategy (NES) has proven many different challenges related to the collaboration between different government agencies and other external actors for the following reasons:

¹⁷<https://jsf.org/sites/default/files/The%20Unemployment%20Challenge%20in%20Jordan%20%20Between%20Demand%20&%20Supply.pdf>

¹⁸ https://www.oecd.org/dev/inclusive-societies-development/Youth_well_being_policy_review_Jordan.pdf

¹⁹<https://www.unicef.org/jordan/media/9156/file/Policy%20Brief-%20Barriers%20to%20Economic%20Participation%20for%20young%20People%20in%20Jordan-English.pdf>

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- Lack of allocated resources for some components of the action plan.
- Lack of accountability within the governmental departments.
- Governmental representatives lack the experience and knowledge to implement cross-sectorial projects.
- Constant changes in government and reshuffling of employees.
- Initiatives selection is not based on strategical selection. Moreover, most of the initiatives selected are existing programs running in the stakeholders' institutions.²⁰

Approaches Going Forward

The SEA participating in the questionnaire agreed on the need to minimize the mismatch between supply and demand in the labor market. They highlighted the importance of providing the jobseekers with the needed and requested skills that are demanded by employers. Based on that, all the programs and training provided by training providers and civil society organizations should be related to available jobs.

The Basera Cultural Heritage Foundation representative also highlighted the importance of limiting the number of foreign workers and providing these opportunities to the Jordanians. In addition, improving the governmental labor policies and laws that force business owners to provide benefits equivalent to those in the public sector.

Ahl Al Himma Women Charitable Society and Agricultural Engineers Association representatives mentioned the need to empower the private sector, especially in Tafileh Governorate, through supporting self-employment by providing financial support, funds, investments, and technical support for NEETs with feasible business ideas. This will create new job opportunities for NEETs and women.

The study "Employment Policies in Jordan" identified short-term and long-term solutions. The short-term solutions focus on improving employment services. On the other hand, the long-term solutions focus on policies, job creation, the education system, and social security. Many labor market reforms are needed, such as improving the private sector environment, equalising working conditions in the public and private sectors, promoting SMEs, and improving the conditions in the informal sector. The following recommendations were also mentioned in the study:

- The collaboration between donors and public sectors in introducing the Ministry of Labor as the main service provider and strategic partner for employment in Jordan. In addition, the MOL and another governmental institution should be empowered to provide the necessary services.
- The design and implementation of a more comprehensive monitoring and evaluation system that measures the impact of the existing initiatives and supports an effective design of upcoming initiatives.

²⁰https://www.etf.europa.eu/sites/default/files/m/8D5C3712F2457914C1257CD000505340_Employment%20policies_Jordan.pdf

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- Redesign the programs so they can be implemented at lower cost, provide a more rigorous recruitment process, trainings in various sectors and complement them with employment counseling.
- The engagement of employers with the public sector as well as with TVET institutions, especially in the screening and selection of trainees, and the mandatory hiring quota have been key factors in the success of this program.
- While designing employment policies, skills forecasting should be considered as a key factor.²¹

On the other hand, the “Jordan Strategy Forum” study made some other recommendations such as:

- Identify the real reasons behind unemployment.
- Solve the problem of the large number of expatriate workers.
- Involve and engage relevant stakeholders.
- The need to reduce the gap between public and private sector vacancies regarding salaries, benefits, security, and working hours to decrease the demand for public sector jobs.
- Cooperation between the government and the private sector in seeking domestic and foreign investments.
- Higher education in Jordan should design its programs to prepare students for the demands of the labor market.²²

²¹https://www.etf.europa.eu/sites/default/files/m/8D5C3712F2457914C1257CD000505340_Employment%20policies_Jordan.pdf

²²<https://jsf.org/sites/default/files/The%20Unemployment%20Challenge%20in%20Jordan%20%20Between%20Demand%20&%20Supply.pdf>

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