

Report

Challenges Facing the Jordanian Labor Market

Labor Watch Reports

Prepared by:

Jordan Labor Watch

Phenix Center for Economic and informatics Studies

In Cooperation with Friedrich-Ebert-Stiftung

May, 2011



للدراسات الاقتصادية والمعلوماتية
ECONOMIC & INFORMATICS STUDIES

Phenix Center for Economics and Informatics Studies

Is an independent scientific institute founded as a house for study, research and public opinion measurement in Amman in 2003. the Center seeks to contribute to the realisation of comprehensive development in Jordan through developing and modernising of the Jordanian community at the economic, social, political and legislative levels, working to foster democracy in Jordan on the basis of freedom and equity, ensuring basic human rights at the social, political and civil levels for all Jordanians through developing projects and conducting studies and opinion polls and reports, in addition to creating a database that covers all fields of development to help realise the centre's objectives.



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Labor Watch

Is a joint program between Phenix Center for Economics & Informatics and Friedrich - Ebert - Stiftung (FES). Labor Watch Works to Monitor the status of labour and trade union movements in Jordan, lobbying for the development of labour legislations in cooperation with the concerned parties and in accordance to the international labour standards, contributing to the development of work conditions in Jordan, publishing reports on the status of laborers in Jordan, to raise awareness among workers themselves, facilitating the exchange of expertise in trade unions among other Arab and foreign countries to benefit from their experiences.

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Introduction

This report coincides with the first of May, the World Labor Day, highlighting memories of labor struggles throughout the world and the spirit of the collective labor and humanitarian work to defend the rights of labors in all fields and majors no matter where they exist and to preserve their gains earned by their blood and sweat so as to improve the work conditions continuously.

In spite of the elapse of more than one hundred and twenty years since the celebration of the International Labor Day started, millions of labors throughout the world are still subjected to tangible forms of violations and abuses of their fundamental rights whether in connection with wages, working hours or health and safety hazards and difficult working environment.

We in Jordan, despite all the achievements and efforts made to improve the legislations and work environment, still notice many indicators which show that large segments of workers suffer from hard working conditions both in terms of low wage rates and the low minimum wage. In addition to the phenomenon of poor labor and high unemployment rates, especially among the youth, lack of job security, the wide spread violations and abuses of workers' basic and human rights as stipulated in the Jordanian and international labor legislations.

This report will discuss the main distortions suffered by the Jordanian labor market and highlight the main violations to which wide ranges of workers in Jordan are subjected as well as the challenges facing the Jordanian economy.

Ahmed Awad

Director

Phenix Center for Economics and Informatics Studies

The Economic Context

The mere imbalances, which impose by itself a number of challenges, occurred as a result of a package of economical and social policies developed and implemented by the successive Jordanian governments, part of which occurred as a result of the lack of clear and defined work policies as well as the absence of a clear vision of the nature of imbalances suffered by the Jordanian labor market and the challenges it faces which led to variation of relevant procedures by the successive Jordanian governments especially in connection with the short terms in power of these governments whose officials used to refer the responsibility of the suffered problems to the external conditions and the global economic crises.

It is worth mentioning here that the global economical and financial crises were not the main reason for the decline in the working conditions in Jordan, but that the Jordanian economic model does not help to create more job opportunities for the Jordanians, and therefore, the impact of the crises on the Jordanian labor market was limited and confined to deepening the problems of the workforce.

These problems are caused mainly because of the economical policies implemented by the successive Jordanian governments within a favorable domestic political environment due to the stalled political and economic reform project launched in 1989 whereby accountability and real

control did not exist, and the parliaments were too weak to monitor the performance of the governments in addition to the major constraints imposed on the society, especially the labors to organize itself. Consequently, Jordan found itself once again in confrontation with the same economical problems experienced during the outbreak of the great economical crises faced in 1988 and 1989.

The basic economical indicators clearly show that our situation is similar to what it was at that time; rates of the public budget deficit before grants and aid have risen from 6.87% of GDP in 2006 to reach approximately 10% of GDP in 2010 being the result of the continued unjustified expansive spending and irrelevant to income policies whereby the annual rate of inflation during the last three years 2006-2010 reached 5.8% and the public debt rose during the last five years by 6 billion US\$ to reach at the end of 2010 approximately 16 billion US\$ while it stood at approximately 10 billion US\$ at the end of 2006. The scope of the poor widened, poverty pockets increased from 22 in 2006 to 32 in 2008.

These results were due to the application of a package of selective economical policies including: liberalization of prices; which led to a sharp rise in the prices of goods and services as well as implementation of unfair tax policies whereby high rates of the general sales tax were imposed ranging between 16-20% while revenues of the income tax did not exceed 4% of GDP due to

non-progressive bases and poor collection methods and tax evasion. This has led to increasing the annual tax burden to reach high levels of up to 21% in 2010.

The economic model showed the absence of high correlation between the economic growth rates and the employment of Jordanians. While the Jordanian economy achieved good growth rates according to the index of GDP at constant prices at an average of 7.12%, and created an annual average of 61,000 new jobs during the years 2006-2009, it was not able to reduce above mentioned unemployment rates with estimates that graduates of the vocational and educational systems are less than the created opportunities in the said years which reached approximately 40-50 thousand work seeker. Unemployment rates remained high between 12-14% during the last five years. The irony is that unemployment rates have declined in the last two years 2009 and 2010 being the same years where the economic growth rates have significantly declined by 3.0%; this discrepancy unveils a case of structural unemployment suffered by the Jordanian labor market as created jobs go to expatriate workers. In addition to the unchecked privatization process which led to demobilization of thousands of workers, the growing phenomenon of temporary employment contracts and day laborers, as well as the destruction of many important industrial sectors such as sectors of ceramics, shoes, tanning, clothing, cement,

food and agricultural industries due to the uncontrolled liberalization of foreign trade.

Challenges Facing the Labor Market

Challenges facing the Jordanian labor market include low wage levels and low minimum wages, high unemployment rates; failure to regulate foreign (migrant) labor; poor economic participation, particularly the participation of women; a large unregulated sector; and non-alignment between (academic and vocational) education outputs and the labor market needs; the continued suffering of vulnerable/marginalized groups, including persons with disabilities, children; and lack of coordination between government institutions. The following is a discussion of these challenges.

Wage levels & minimum wages

Among the important challenges that face the Jordanian economy and the labor market is the significant and substantial decline in the wage rate of the overwhelming majority of the wage earners considering the price levels of various goods and services which led to widening the sector of poor labors. The most recent figures provided by the Social Security Corporation for 2009 point that the average monthly wage for registered workers stand at JD 379; the same average is lower in the public sector at JD 324 while in the private sector it reached JD 401. Upon closer look at the detailed wage segments,

it is found that 27% of the workers earn less than JD 200, 56% of them earn less than JD 300, and 78% of them earn less than JD 400; these figures are more indicative when noting that the absolute poverty line (food and non-food) for the standard family of 6 persons in Jordan stands at JD 323, which means that the family that cannot spend this amount would be classified within the poor in Jordan. The matter becomes worse when we note that the adopted minimum wage in Jordan is JD 150 which is largely and strikingly lower than the absolute poverty line.

Moreover, many studies and reports suggest that large numbers of workers in Jordan receive a monthly wage less than the already low minimum wage, which indicates clearly that the majority of the wage earners are classified among the working poor.

On the subject of wages, working women face a clear distinction regarding the wage level compared with men, the gap between the two genders reached JD 57 monthly in favor of men in the public sector while the gap is greater in the private sector reaching JD 93 monthly in favor of men.

Unemployment rates

Unemployment rates remained at high levels during the past five years ranging between 12.7-14% whereas the Jordanian economy was unable, despite achieving good growth rates of 12.7% in the GDP at constant prices and creating new jobs at an

annual rate of 61000 jobs during the years 2006-2009, to reduce the above mentioned unemployment rates even with lower estimates of graduates of the vocational and educational systems which stood at 40– 50 thousand new work seekers.

According to figures of the Statistics Department for the first quarter of 2011, unemployment rate was 13.1% most of which concentrated in the youth categories and especially among the age groups between 15-19 years and 20-24 years as it reached 36.5% and 28.1% for each of them respectively. The figures indicated that unemployment rates among females are as twice as among males; while it reached 10.8% among males, it reached 22.8% among females. Rate of unemployed varied according to educational level and sex, as it reached 20.9% among the male holders of bachelor degree while it rose up to 61.5% among female holders of bachelor degree.

Expats

Among other challenges faced by the Jordanian labor market is the high numbers of migrant workers (expats) and the absence of labor market regulation. The number of expats workers reached at the end of 2010 approximately 300 thousand in addition to another 300 thousand of unregistered workers according to official estimates, who work without official permits mostly for informal economic sectors or suffer from temporary unemployment and keep looking for work. Expatriate workers sector

suffers from absence of regulation; apart from the large numbers of them who work without obtaining work permits, grate many of them work for sectors other than those stipulated in their work permits; this is more obvious within those permitted to work in the agricultural sector.

Weak economic participation and women participation

The weak economic participation of the Jordanian citizens is considered one of the most prominent challenges facing the Jordanian economy and the labor market alike; as it shows fewer productive groups in the society. The revised ratio of economic participation (the labor force to the population of those aged 15 years and over) reached 39.4%, out of which 63.3% are males and 14.7% are females. In comparison with neighboring countries where this ratio for both genders varies between 55-70%, the size of this challenge becomes obvious.

Among the factors that help significantly to lower the said economic participation ratio comes the significantly and severely low rate of women employment; as stated above, the reviewed ratio of women participation reached 14.7%, in addition to the decline in women participation in relation to the total number of workers in the public and private sectors which reached 23% of the workforce; these are among the lowest percentages in the world as Jordan is placed the last between 139 countries

according to the Global Competitiveness Report for 2010.

There are a number of factors which contribute to the reduction of women rate of participation in the economic life including the unequal challenges in comparison with men in the labor market; which adversely affect their entry into the labor market; in addition to the lack of a suitable work environment, especially in the majority of the medium and small size private sector entities where an obvious distinction is noticed in the wages between men and women as we will see when we discuss the wage levels and in occupying the higher positions, promotions and training chances inside and outside Jordan, in addition to the exposure of many of them to violations and abuses which leads to women becoming reluctant to join the labor market. Therefore, we find that one third of the public sector workers are women, while less than one fifth of them in the private sector (18% only) because the working conditions are more favorable in the public sector.

It is worth mentioning, however, that the rates of economic participation of women in Jordan are affected by the individuals' social situation and the number and ages of their children as well as the availability of services for working women, particularly the nurseries. Moreover, the size of the female work force is largely influenced by the age of the women and her husband as the withdrawal of women from the labor

market increases proportionally to the number of married working women and to the increased childbearing of the working women. In addition to the high cost of employing women especially after marriage whereby the employer has to bear alone the cost of maternity leaves and therefore employers refrain from employing them. It is expected, however, that the recently adopted amendments to the Social Security Law intended for enforcement during this year 2011 and will establish a special fund to cover the costs of maternity leaves would help encouraging employers to hire women. The cultural and social practice in our society, however, encourages women to stay home and look after the family rather than joining the labor market.

This comes while various statistics relating to education emphasizes that women are more committed in the basic and university education as they represent 51% of university students. It is worth noting, however, that the weak role of women in the economic life is considered one of the fundamental problems facing the national economy as it denies a large potential productivity the chance to contribute in building and developing the national economy and on the other hand increases the dependency ratio in the Jordanian society where each citizen supports four others which is one of the highest percentages in the world.

The Informal Sector:

The continued expansion of the unorganized sector formed another challenge to the Jordanian labor market. The term “unorganized sector” refers to the various home agribusinesses, maintenance works, various services such as transport, commercial and real estate mediators, unorganized trade such as sidewalks sellers and street vendors, private teachers as well as family members working without pay, programmers and web pages designers, maintenance services of computers, copying machines and satellite devices and the like, such businesses are not duly registered as economic entities. This kind of economic activities is very important due to its high ability to employ and is present in all deferent types and levels of economies. Here in Jordan estimates of its participation in the GDP vary between 20-25% according to some and 35% according to others.

The problem with this sector in Jordan is that the majority of workers is missing the minimum of basic labor rights and is classified within the poorest among the workers with pay. It is noted that this kind of work is permanently increasing because of the widespread of poverty in Jordan and the increasing population growth rates which reaches 2.2% as well as the low level of training and rehabilitation of workers (unskilled labor) in addition to the low level of rural development as well as the accelerated technical developments which enabled workers to work from home.

Outputs of the educational system (academic and vocational) and the labor market requirements:

This discrepancy is considered one of the main problems and challenges facing the Jordanian labor market. While, during the past four years, the number of newly created jobs of approximately 61 thousand exceeded the number of work seekers of approximately 40-50 thousand, the unemployment rates remained unchanged during the same period.

The labor market requirements and newly created opportunities are very deferent than skills and qualifications of the new comers to the labor market. In 2009 the national economy needed 22 thousand positions in the basic careers representing 32% of the total newly created jobs in the same year, it was found that 46.1% of the unemployed of approximately 83 thousand were from groups having no high school education.

This group is of two types; the first is those who have not received any vocational or technical training to enable them to engage in the labor market, and therefore, don't have any chance to work; some of them refrain from engaging in simple works either for social reasons or for reasons of low wages or difficult and improper work conditions offered by majority of these types of jobs.

The second type is those who have received vocational or technical training in a vocational training center or a workshop; some of them get jobs and accept its terms

as a start, the others can not get jobs either because of their poor skills or their rejection of the difficult work conditions provided by the majority of these types of jobs; and they refuse to engage in the simple works for social reasons which make this type of simple jobs attractive of the expat workers. In general, the Jordanian labor market suffers from week professional level for most of the graduates of the vocational training centers thoroughwot the Kingdom which prevents their engagement in the labor market. The percentage of holders of bachelor's degree, however, is higher and represents 16.3% of the unemployed. Most of them are holders of academic and literature disciplines and the like and their chances to engage in the labor market are limited; the process to convert them to other jobs required by the labor market is difficult and requires re-qualifying them to gain deferent skills to enable them to engage in jobs required by the labor market.

Vulnerable/marginalized groups:

Some vulnerable social groups suffer from marginalization in the labor market for many reasons; others suffer from exploitation; we will discuss the cases of the disabled and the children:

Persons with disabilities:

In spite of numerous efforts made by the official and unofficial authorities for the rehabilitation and integration of the disabled in the society, the levels of their

employment both in the public and private sectors remained very low; employment rates of such persons, however, was higher in the government sector than in the private sector; the percentage of their employment in the government sector being ministries, independent institutions, municipalities or public universities reached one percent at best, but in the private sector, the level of employment of the disabled is negligible and too far less than stipulated in the Jordanian laws. The disabled face many obstacles and problems to join the labor market.

The employment of the disabled is largely linked to their level of educational and vocational qualification; the percentage of the disabled who are below high school level reaches 78% of the total number of disabled which hamper subjecting them to training and rehabilitation programs. Despite the efforts of concerned parties namely the Ministry of Labor, The Vocational Training Corporation and the Supreme Council for the Disabled Affairs in the field of providing and developing training programs to rehabilitate the disabled to suitable jobs in view of their disabilities, but these efforts are still in the beginning and need intensive support whether in terms of the training programs or its spread throughout the Kingdom especially in the rural and remote areas or in the field of qualifying specialized instructors in the field of training of the disabled as well as in the field of encouraging the

disabled themselves to attend training and rehabilitation programs.

Furthermore, those disabled who work suffer from lack of access to jobs suitable to the nature of their disabilities; including long working hours, low wages received under the pretext of low productivity and lack of environmental facilities that fit their movement such as roads, special toilets etc., in the place of work. In addition, many of them suffer from lack of recognition of their professional abilities and the negative trends of the employers towards employment of the disabled due to fears of financial burdens of the requirements of appropriate environment for their work.

In this regard, Jordan has ratified the International Convention of the Rights of the Disabled Persons which guarantees the right of the disabled to work. Jordan has also ratified the ILO Convention No. 159 of 1983 regarding the vocational rehabilitation and employment of the disabled. Law No. 31 for 2007 on the rights of the disabled imposed the employment of the disabled at a percentage not less than 4% of the total employees of institutions that employ 50 employees or more; latest amendments of the Labor Law No. 8 for 1996 stipulated the employment of the same percentage.

Child Labor:

Any careful and objective reading of the components of the Jordanian labor market is enough to put a big question mark about the reality of the circulated figures on the

size of child labor in Jordan. The officially circulated figures of a survey conducted more than three years ago indicating that the number of working children in Jordan is 33 thousand, do not reflect any more the reality of the wide spread phenomenon of labor child in various locations and components of the labor market.

Working children are exposed to many hazards during their work like damages from heavy machinery, loud noise, poor lighting, exposure to chemicals and occupational injuries due to the disproportion between their physical abilities and the nature of the work they handle. Moreover, most of them work for too low wages with a monthly average of JD 50 and JD 80 and long daily working hours of 10 to 12 hours, not to mention the bad treatment and the psychological and physical humiliation they are exposed to during their work.

This comes at a time when the provisions of the Jordanian Labor Law No. 8 for 1996 and its amendments conform with the relevant international standards whereby it is prohibited to employ children and juveniles who have not completed sixteen years of age in any way. It also prohibits the employment of juveniles who have not completed eighteen years of age in hazardous or health threatening works. Taking action, the Ministry of Labor has created a special administrative unit to monitor child labor within the framework of the national strategy to reduce child labor adopted in 2006.

Lack of coordination between official institutions:

Among the challenges faced by the Jordanian labor market is the lack of coordination between the various official (governmental) institutions during the preparation of its plans, and its decision-making as well as determination of its policies of operational dimensions. This challenge is no less important than other challenges that have already been herewith displayed.

Many of the large scale projects that have been handled during the past few years did not take into account the operational dimension at the planning stage or upon implementation. Very few Jordanians were employed in dozens of construction projects implemented or being implemented either due to the absence of the skilled and able Jordanian labor or due to the low cost of the immigrant worker who is therefore favored.

In the projects operating within the Qualified Industrial Zones (QIZ) agreement, employment rates of Jordanians are still around 29%, the rest is from expats. Jordanians are reluctant to work there because of the low wages offered and the difficult working conditions suffered.

There are dozens of examples of lack of coordination between the official authorities regarding employment related cases and projects, which shows the absence of a clear employment strategy on the part of the successive Jordanian governments.

The absence of the Ministry of Labor in the field of employment is apparent. The ministry, however, remedied this matter a few years ago and established a special directorate for employment, expanded it relatively rapidly and implemented and continues to implement several initiatives to encourage Jordanians and to bridge the gap between the needs of the labor market and job seekers. The initiative to support and employ the unemployed Jordanians and the initiative to support and employ the Jordanian agricultural workers were among these initiatives.

Abuses and violations:

One of the most important challenges facing the Jordanian labor market is perhaps the wide scope of insults suffered by a large segment of wage earners in Jordan as well as violations of the labor related laws and in particular the Jordanian Labor Law. The inspection campaigns carried out by the Ministry of Labor are still unable to put an end to abuses and violations committed by large groups of employers, especially in small and medium size enterprises in the informal (unofficial) sector.

These abuses and violations can be summarized that broad sectors of the wage earners in Jordan (local and expats workers) earn monthly wages below the minimum wage of JD 150. Large numbers of them receive their monthly wages as late as the seventh day of the next month of the due date as identified by the Labor

Law. Many of them do not get their due annual, sick and official holidays or even emergency leaves.

In addition, there are also significant violations with regard to working hours, as in many sectors the working hours exceed the eight hours set by the Jordanian Labor Law without any compensation against the overtime working hours. Also, conditions of occupational and health safety are absent in many small and medium size enterprises and workers in the informal sector. Moreover, the lack of job security is suffered by tens of thousands of workers whereby employers can dispense them without any valid reasons.

There are large segments of personnel working for establishments covered by the Social Security Law, but their establishments do not register them in the social security system, some register part of its employees, many register its employees or part of them declaring salaries below their real ones in order to reduce the due contributions.

Labor legislations:

Despite the continuous improvements that were made to the labor legislations in Jordan during the past few years towards satisfying the needs and requirements of creating a social balance in the work relations, and securing the minimum protection to workers, in line with international labor standards, but there are still large segments of workers in Jordan who suffer from the

weakness of some legal articles contained in the labor legislations on the one hand, and on the other hand, violations to which they are exposed by employers who violate the fundamental rights as stipulated in the Jordanian labor legislations, whether in the Labor Law, Social Security Law or any other regulations, instructions and decisions issued accordingly.

Below are the most important issues, which we classify as challenges facing the Jordanian labor market in terms of labor legislations:

Labor Law:

Articles related to the termination of the employment contract, layoffs and unfair dismissal still suffer from many discrepancies. Large segments of Jordanian labor suffered from facilities provided by the law under articles 25, 26, 28 and 31 to actions of termination of employment. Legislators never remedied this gap in the labor law. Many establishments dispensed thousands of workers during 2009 and 2010 and in particular in 2010 taking advantage of loopholes in the law which allow any organization wishing to restructure itself to apply to the Ministry of Labor and lay off an unspecified number of their employees without bearing any relevant consequences. Most of the establishments who did lay off its staff bypassed the legal articles that require them to apply to the Ministry of Labor in this regard and laid off large numbers of employees one way

or the other under the pretext of the world economic and financial crisis.

The same thing applies in relation to unfair dismissal, as the laid off workers who win a case of unfair dismissal receive modest compensations even in the latest amendments which grant the laborer the wage of half a month for each year of service. As long as these gaps remain in the Jordanian Labor Law, the door will remain open for many abuses and violations against the wage earners and it will continue to threaten the job stability and security in addition to other threatened factors.

Another gap that weakens the levels of social protection of workers and their trade union representatives is that the Jordanian Labor Law is still dealing with the formation of new trade unions from a security aspect which is contrary to the basic rights guaranteed by the principles and fundamental rights to work as approved by the International Labor Organization in 1998 as well as the Human Rights Declaration, particularly the International Labor Organization Convention No. 87 related to the freedom of association and the protection of the right to organize. The government still bans the establishment of new trade unions other than the official 17 trade unions, the number of which did not increase since three decades, despite the clear provision in the Labor Law which states that «the employees in any occupation may establish for themselves a trade union in accordance with the provisions of this

law, the worker in that occupation shall have the right to join it if he/she has met the membership conditions», and the subject of trade union pluralism is still absent from the scene in Jordan, which narrowed the space for labor and trade unions mobility in comparison to the degree of mobility required by categories of the Jordanian society, and that has forced large segments of workers deprived of their trade union organization right to organize themselves into associations and bodies outside the officially recognized trade unions. When the legal framework narrows against the social movement, the community creates its own laws and this is what tens of thousands did, i.e., organized themselves within trade unions outside the official trade unions whereby nearly 400 labor protests were carried out in the past six months only.

There is another discrepancy related to collective negotiations from which representatives of workers and their trade unions complained for long which is the non-smooth and non-independent mechanisms of collective negotiation. The law gives the government the right to interfere at any stage of the negotiations, which weakens the role of the unionists and strips them of their pressing tools; strikes being the most pressing; therefore, all labor strikes that have been implemented in Jordan during the last ten years were classified as illegal strikes by the stipulations of the Labor Law. The latest amendment to the Jordanian Labor Law represented a notable retreat

from the acquired rights of the workers in Jordan, especially regarding the right of collective negotiations for those groups that do not belong to a union, or have a weak union representation that does not meet their ambitions, as the law prohibited them to conduct any collective negotiations with the employers.

In addition, the latest amendment to the Jordanian Labor Law recorded another assault on the independence of the unions as it has given the Minister of Labor the authority to dissolve the union, if he found that the union has committed a violation of the provisions of the law or the regulations issued thereunder or if the union's bylaws included any violation of the prevailing laws.

Social Security Law:

The subject of social security and its problems in Jordan circulated widely in the national debates, especially during the period which preceded the issuance of the Temporary Social Security Law nearly a year ago, which introduced essential modifications to the basic elements which beside others constitute the bulk of the challenges facing any social security system worldwide no matter how advanced these societies are and despite the diversity of its social insurance.

It may be useful, however, before discussing the subject of the challenges facing the social security, to point out to a number of international standards adopted

by the International Labor Organization dealing with various issues of social security included in five agreements not yet ratified by Jordan; these agreements are: ILO Convention No. 102 of 1952 on Social Security Minimum Standards, ILO Convention No. 121 of 1964 on Work Injury Compensations, ILO Convention No. 128 of 1967 on Disability, Old-Age and Inheritors Compensations, ILO Convention No. 130 of 1969 on Medical Care and Sickness Compensations and ILO Convention No. 183 of 2000 on Maternity Protection.

The ILO Convention No. 102 regarding the minimum standards of the social security is considered the most important of all, as it deals with the need to provide a range of social insurances including medical coverage both in cases of work injuries and health insurance, as well as compensations for unemployment, old age, maternity, disability and inheritors upon death. The other conventions deal with advanced levels of social insurance.

In this context, we can conclude that, in spite of the subsequent amendments to the provisions of the Social Security Law, which took a reform nature in general to include all legally active work forces in Jordan and do not differentiate between national workers and expats, the percentage covered

by social security is still low and represents at best two thirds of the work force, as the number of active insured (actually employed) is approximately 900 thousand insured, even if we add to them the limited numbers of workers covered by other pension and insurance systems (civil and military), wide sectors of workers remain uncovered by any insurance system.

With regard to the adequacy of insurance compensations, the recent amendments undertaken this year 2010 by the government on the Social Insurance Law are considered a leap forward with regard to the types of social insurances covered by the Social Insurance Corporation in Jordan. These amendments, however, are still unable to satisfy the present minimum standards of social insurance as stipulated in the International Labor Organization convention No. 102; as the law covered compensations of work injuries, old age, disability and death, but required a decision of the Council of Ministers upon a recommendation of the Board of the Social Insurance Corporation to cover other compensations for maternity, unemployment and health insurance. Therefore, many social insurances are still not implemented including maternity, unemployment and health insurance.

CONCLUSIONS:

1. Raise wage levels to become more proportional with high levels of prices of basic commodities and services and linked with the inflation index.
2. Raise the minimum wage to take into account the level of the absolute poverty line (food and non-food) amounting to JD 323 in Jordan for the standard family of 5.7 individuals and link it with the inflation index annually.
3. Increase the effectiveness of the inspection systems applicable in the Ministry of Labor and the General Social Insurance Corporation and their relevant institutions to ensure the application of the minimum labor rights as provided by the Jordanian labor legislations.
4. Organizing expatriate workers in terms of occupations available for them.
5. Activate the Jordanian labor market through focusing on projects of higher employment potential to absorb new workers and increase rates of economic participation of citizens.
6. Provide a more decent work environment for workers to encourage more Jordanians to join the labor market and to encourage women to join and remain at work.
7. Extensively and accurately study and organize the unregulated (informal) labor sector.
8. Re-consider the contents of the training courses offered by the Vocational Training Corporation and increase its financial allocations as well as rehabilitation of university graduates holders of the first university degree to earn skills which qualify them for jobs needed by the labor market.
9. Encourage both the public and the private sectors to respect legislations related to employment of the disabled.
10. Tighten the control over the institutions to limit the employment of children below the age of 16 years, and provide a suitable working environment for juveniles between the age of 16 and 18 years of age and controlling the drop-out of students of the basic education from schools before completion of their basic education.
11. Reconsidering the articles in the Labor Law which facilitate the processes of arbitrary dismissal of workers and increase compensations to workers who are so dismissed; improving the mechanisms of collective negotiations and granting the trade unions more independence and the reduction of government interference therein, and the cancellation of the article in the law that prevents conducting collective negotiations between workers who have no union representation and their employers as well as the cancellation of the legal provision which empowers the Minister of Labor to dissolve a trade

- union before resorting to the judiciary.
12. Increase of coordination between employment related institutions
 13. Ratification of ILO Convention No. 87 concerning freedom of association and protection of the right to organize, open the way for workers to form their unions, and openness on the subject of unions pluralism.
 14. Accelerate the expansion of types of social insurance presently covered by the Social Insurance Corp. in Jordan to include coverage of maternity, unemployment and health insurances as well as expanding the social insurance coverage.