

Decent Work in Jordan: Persistent Gaps

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Position Paper

Decent Work in Jordan: Persistent Gaps

On the Occasion of the
World Day for Decent Work



للدراستات الإقتصادية والمعلوماتية
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Jordan Labour Watch

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Phenix Center for Economic 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 center's objectives.

Friedrich-Ebert-Stiftung (FES)

Is a German non-profit political foundation based on the principles of social democracy. FES was founded in 1925, FES promotes international cooperation, education and research in Germany and abroad. FES opened it's office in Amman in 1986 for supporting and enhancing efforts of civil society organizations to become accepted partners of public bodies, enhancing furthers political dialogue between decision-makers from Jordan, Iraq, Germany and the region, and strengthening the participation of youth in the political process

Jordan 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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Preface

Each year on the 7 October the World Day for Decent Work is celebrated throughout the globe. It's both a celebration and a reminder of the international labour standards which, together, inform the idea of 'decent work' and should, as such, be respected, applied and enforced across the world. To quote the International Labour Organisation's (ILO) definition of 'decent work', it "involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men."

This occasion is a tribute to the right of all workers, no matter who or where, to fair and adequate working and living conditions, in line with the principles enshrined in the Universal Declaration of Human Rights, which are broadly considered as fundamental across nearly all cultures, societies and belief systems. Every year on this day, the Phenix Center issues an overview of the labour market realities in Jordan, and how they compare to international decent work standards.

Alas, Jordan – the first Arab country ever to sign a commitment agreement with the ILO, in 2006 – has, to date, failed to achieve broad application of decent work standards in the country's labour market, with working conditions even deteriorating in some sectors. All this, it should be underlined, in spite of the 2006 ILO agreement and the subsequent National Program for Decent Work, which was launched in 2009, expired in 2015, and was also implemented in cooperation with the ILO.

On the one hand, while many labour

policies currently in place were developed on purely ideological grounds, all other channels and devices conducive to the development of fair and effective labour policies have remained wrapped in red tape. It's illogical to envisage any improvements to working conditions where there is no space for social dialogue and tripartite negotiations between independent parties, viz., workers, employers, and government. On the workers' side, it's a long-established fact it's through trade unions that they play a role in developing and enforcing decent work policies. However, for the most part, trade unions in Jordan are neither sufficiently independent nor possess the resources necessary to effectively promote the improvement of working conditions. Not only are most wage earners effectively barred from joining or establishing unions, the few officially recognised unions lack, in whole, a clear vision of the future of labour, in addition to having long suffered from a lack of due democratic diligence, and consistently tame demeanour before the implementation of governmental policies disproportionately favouring employers.

On the other hand, one must take into account the effects of regional instability on the Jordanian economy and its ability to generate new jobs, as economic growth rates have steadily declined to 2% over the past 5 years. In addition, the influx of Syrian refugees and mostly Egyptian migrant workers – hundreds of thousands of which work informally – has produced a 'race-to-the-bottom' effect in some sectors, resulting in the further deterioration of average working conditions.

In terms of labour policies and practices on the ground, the situation in Jordan may be summarised as follows:

First Job creation in Jordan has progressively waned over the past years. In 2007, the Jordanian economy generated approximately 70,000 new jobs. By 2011, this figure had slumped to 55,000, before decreasing to 53,000 in 2013 and to 50,000 in 2016 (no official statistics have yet been released regarding job creation in 2017). This decline has been owed to several factors.

The deterioration of the economy has prompted increases in taxes, especially sales and special taxes, as well as energy prices, production costs, and high social security contributions. These and other factors have contributed to exacerbating the effects of the structural imbalances already present in the Jordanian labour market, namely the mismatch between market requirements and the outputs of the education system – both in terms of specialisations and skill levels. This rings true for university graduates as well as those in technical fields. On that note, technical and vocational education and training remain scarce in several key areas – a lack which has only been made worse by the instability in the region and within the country's own political circles. Accordingly, unemployment rates have remained high, reaching 18.7% during the second quarter of 2018 – 26.8% among females and 16.6% among males. Workers between the ages of 15 and 19 are also more vulnerable to unemployment than their peers in the 20-24 age range, with percentages standing at 42.1% and 37.7% respectively. Despite these alarming figures, which are higher than those in many of the world's countries, succes-

sive Jordanian governments have failed to take steps to reform the country's labour policies. Even after the issuing of the National Employment Strategy and the National Strategy for Human Resources Development, the Ministry of Labour has insisted on the implementation of traditional and ineffective approaches to the challenge of unemployment, namely by simply promoting the establishment of small- and medium-businesses and the organisation of employment fairs. On the issue of unemployment, the current government summarises its position with the vacuous slogan: "Self-employment, not Employees".

Second Low wages continue to constitute one of the greatest challenges to workers in Jordan, especially due to the high cost of living in the country. Poverty levels have been on the rise, as most wage earners don't earn enough in a month to afford decent living conditions. According to figures issued by the Social Security Corporation, in 2017, 47% of workers earned 400 Jordanian Dinars (JOD) or less, and 68.4% earned 500 JOD or less per month, with only 7.3% of workers in Jordan earning 1,000 JOD/month or more.

These numbers are especially concerning considering that the absolute poverty line in Jordan stood at 813.7 JOD/year in 2010 – a figure which is expected to have risen since, as a consequence of inflation and other factors. Hence, is estimated that the absolute poverty line for an average-sized family stands, at best, at 410 JOD/month, while the minimum wage remains at only 220 JOD/month. Moreover, large swathes of workers earn below-minimum wages (due, in part, to the size of the informal economy).

Consequently, out of the numerous labour protests held in Jordan over the course of the past years, the majority has been

sparked by the workers' dissatisfaction with current wage levels.

Third The application of decent work standards in Jordan is hindered by restrictions on freedom of association. The Government of Jordan continues to refuse to amend the pieces of national legislation effectively banning the establishment of new trade unions outside the framework of the General Federation of Jordanian Trade Unions (GFJTU) and its 17 subsidiary unions. For more than four decades, these have been the only officially recognised trade unions in Jordan, though their membership accounts for a mere 5% of the country's total work force. Such restrictions not only contradict Constitutional Article No. 16, which guarantees "the right of Jordanians to form associations, unions and political parties," but also a Constitutional Court ruling issued in July 2013 upholding the right of civil servants to form and establish their own unions. Alas, the majority of workers in Jordan continue to be deprived of this right, in spite of Jordan's ratification of the International Covenant of Economic, Social and Cultural Rights (ICESCR), which was published in the National Gazette in 2006. Enabling workers to organise is essential to the establishment of fair and equitable social contracts through collective bargaining, which in turn is necessary to ensuring social cohesion and promoting decent work and a sustainable development model. Conversely, this imbalance in social relations has compromised national stability, and shines a light on how seriously Constitutional Court decisions and ratified international conventions are taken in Jordan. The situation has prompted workers in several sectors to take action, with some forming and joining independent (unrecognised) trade unions; many of these were fired from their jobs, transferred away from their homes, and sub-

jected to multiple forms of harassment. To date, the government still refuses to officially negotiate with the new workers' associations.

Fourth Although successive amendments have been made to the Social Security Law, most recently in 2014, these have mostly been of a reformist nature, contemplating only the formal economy and the legally employed. According to the latest available figures (for the year 2017) the number of active workers in Jordan covered by social security is approximately 1.285 million – which, even if we factor in the beneficiaries of other pension systems (civil and military), remains a worryingly low figure. Although the latest amendments have represented a significant step forward in the area of social security in Jordan, the country continues to fall short of the minimum standards set forth in the ILO Convention No. 102. Moreover, by law, the decision of who is to be entitled to public health insurance still rests with the Council of Ministers, which has yet to issue its ruling on the matter. Though there have been talks of providing public health insurance to all social security beneficiaries, the costs involved in the measures proposed by the Social Security Corporation are too high to be borne by workers and employers alike, especially following the increases to social security contributions implemented in the beginning of 2014.

Fifth Another challenge facing the application of decent work standards in Jordan has been the weakness of law enforcement mechanisms, as these remain ineffective in curbing widespread violations of workers' rights and labour laws. Large numbers of workers in Jordan today continue to earn below-minimum wages and to be paid later than the 7th day of each

month – the limit established by law – as well as to be denied the right to annual and medical leaves and to work more than the set limit of 8 hours per day and 48 per week without receiving due compensation for overtime work, while occupational safety and health standards continue to be routinely violated in large swathes of the labour market and in many small and medium businesses. The above is particularly true of the informal economy, where thousands of workplace accidents happen yearly, resulting in injuries and, in 2017 alone (according to figures from the Social Security Corporation), at least 153 worker deaths. It should also be underlined that many cases go unreported and undocumented, especially those involving irregular workers and others not covered by social security.

Sixth Despite the efforts made by public and non-governmental bodies alike to rehabilitate and integrate workers with disabilities into the labour market, few disabled persons in Jordan are able to find employment – though there are more in the public sector, the number of disabled workers in Jordan remains practically negligible, and far short of the quotas set forth in the national legislation.

Seventh Finally, analyses of the Jordanian labour market reveal a spread of child labour. A survey prepared by the ILO in cooperation with the Ministry of Labour and the Center for Strategic Studies in Jordan has shown there to be approximately 70,000 children working in Jordan, 45,000 of which engaged in hazardous occupations. As workers, children are exceptionally vulnerable to exploitation, with many working between 10 and 12 hours a day, for very low wages, while being subjected to physical and psychological abuse.

Recommendations

In light of these facts, it is urgent that the Government of Jordan and its subsidiary institutions take more effective measures towards lightening the burden on workers, namely through informed policy-making (particularly, of economic policies) aimed at improving working conditions and achieving decent work standards in Jordan.

Proposed concrete measures:

Focus on the implementation of productive projects capable of providing the unemployed, especially young people, with real and decent job opportunities.

Reconsider the current tax policy framework, which is disproportionately reliant on indirect taxation, and has thus depleted the purchasing power of citizens and companies in productive sectors, pressured aggregate demand, and contributed to the halting of the country's economic growth rates.

Commit to the improvement and increased availability of training and vocational education and review current university curricula in light of the skills in demand in the labour market.

Amend national labour laws to allow for broader dialogue and promote bi- and tripartite bargaining and negotiation between workers in all sectors, employers, and the government.

Review current wage policies in light of their social value and weigh their costs against their use as a key tool for income redistribution; increase the current minimum wage.

Amend the Labour Code in order to allow all workers, including public servants, to form and join democratic and independent trade unions through which to voice and safeguard their rights and interests.

Expand the social security system to cover all workers and include health insurance.

Boost law enforcement and inspection institutions and devices to curb rights violations in the Jordanian labour market and promote the achievement of decent work standards.

Sources

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