

Position Paper

Decent Work in Jordan “Still a Wide Gap” 2016

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Introduction

Every year, on October 7, people everywhere celebrate the annual World Day for Decent Work. This day is dedicated to remembering the importance of respecting International Labor Standards, which constitute the very foundation of what is meant by "decent work", and thus enshrine the fundamental rights of workers. As per the International Labor Organization's (ILO) definition, Decent Work "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." On this occasion, the Jordan Labor Watch offers a general overview of working conditions in Jordan, in light of the international standards for Decent Work.

In 2006, Jordan became the first Arab country ever to sign an agreement with the ILO. The agreement sought the implementation of a program to promote Decent Work in the Kingdom. The initial program, which expired in 2009, was then followed by the "National Program for Decent Work", which was implemented between 2012 and the end of 2015. Yet, in a number of aspects, access to Decent Work in Jordan continues to fall short of international standards, and several endogenous and exogenous factors continue to contribute to a deepening of the gap.

In fact, most labor policies aimed at promoting Decent Work in Jordan ultimately fail to materialize beyond the realm of words and ideas. Though fair and effective labor policies have indeed been developed and proposed, more often than not they are met with varying degrees of suspicion and resistance, and a proverbial "red tape", which effectively preclude their implementation. Naturally, in the absence of effective and social dialogue between labor market stakeholders, that is, through tripartite negotiations – between independent workers' and employers' representatives and mediated by officials – no progress can be expected to be made towards the achievement of social compromises favorable to the advancement of a meaningful Decent Work agenda. Additionally, the region's instability has taken its toll on the Jordanian socioeconomic landscape, adversely affecting the national economy's ability to generate new jobs and business opportunities, and stunting the country's economic growth rates – which, over the past years, have oscillated between a sluggish 2.4 to 3.1 percent. Most critically, the Syrian refugee crisis and the influx of thousands of Egyptian migrant workers, often lacking documentation, have saturated the national labor market, posing unfair competition to Jordanian workers and thus leading to a steep decline in working conditions.

Main Issues

In terms of figures, policies, and practices, the situation in the Jordanian labor market may be summed up as follows:

1. With respect to job creation, the past years have witnessed a significant decrease in the number of new job positions: In 2007, roughly 70,000 new jobs were created; in 2011, this figure had dropped to 55,000; and in 2013 it didn't exceed 53,000. By the first half of 2015, the number of new job positions had shrunk to less than 17,000¹. This decline has been owed to several factors. Notably, the diminished capabilities of the Jordanian economy, due partly to the political instability of the region and the looming presence of serious security concerns, resulted in increased energy prices and tax burdens, and in the termination of numerous job-creating industrial projects. Additionally, the deterioration of Jordan's job creating capabilities was exacerbated by structural imbalances in the labor market, and by a deep hiatus between labor market requirements and the education system's outputs (which total 100,000 to 120,000 new graduates yearly). It is also worth stressing that a large percentage of these scarce new job openings were claimed by migrant workers. As such, unemployment rates spiked over the past ten years, reaching 11 to 15 percent. The youth, however (i.e., those aged between 16 and 24), was hit

the hardest, with youth unemployment levels oscillating between 32 and 40 percent. Currently, Jordan's alarming unemployment rates are among the highest in the world.

2. Low wages have likewise proven to pose a serious challenge to workers in Jordan, especially taking into consideration the high prices of goods and services in the Kingdom. Together, low wages and high prices have led to increased poverty levels, as well as social imbalances and disparities. In fact, not only are the majority of workers unable to secure decent lives for themselves and their families with their current wages, their incomes fall significantly below the monthly amount to ensure personal financial stability in Jordan. According to official figures for 2015, released by the Jordanian Social Security Corporation, over 50.3 percent of workers in Jordan earned US\$564.1 per month or less, and 72.2 percent earned US\$705.2 per month or less. Conversely, only 6.8 percent reportedly earned US\$1,410.4 or more per month. These figures are most striking if we consider the national threshold for absolute poverty stood at US\$1,147.6 per person³, per year in 2010, and that this figure has surely risen over the past 6 years on account of inflation. Simultaneously, the monthly minimum wage remains at a meager US\$267.9, i.e., at nearly half the absolute poverty line. To make

matters worse, large numbers of workers earn below-minimum wages. Over the past years, this situation has been at the source of the majority of labor protests, through which workers' demanded from Government that the minimum wage be raised. However, successive governments have abandoned the commitments made by previous cabinets to raise the minimum wage, and when it finally seemed that one Government was going to go through with it, raising minimum wage by US\$42.3 to US\$70.5, big businesses intervened, and the move was halted.

1. On a somewhat related point, restrictions on Freedom of Association, namely on the creation and mobilization of trade unions, have also hindered efforts to promote Decent Work in Jordan. For nearly four decades, the number of official trade unions has stood at a meager 17, and successive governments have refused to make the necessary legislative amendments to allow for creation and recognition of new and independent trade unions. Meanwhile, official trade union membership accounts for a mere 5 to 10 percent of the national workforce. Such limitations clearly contradict Art. 16 of the Jordanian Constitution, where the right of Jordanians to form associations, trade unions, and political parties is enshrined. It contradicts a decision issued by the Constitutional Court in July

2013 which expressly upheld the rights of workers to form and join sector-wide unions. Finally, it contradicts the ILO's Convention on Social, Economic, and Cultural Rights, which Jordan ratified and included in the official Gazette in 2006 (thus making it an integral part of national legislation). The Convention, which was signed to protect the right of wage earners to organize themselves in order to engage in meaningful social dialogue, sought thereby to promote social balance. In fact, in the absence of such conditions, it seems quite clear that a country's social stability will forever remain compromised. And in the case of Jordan, where workers remain kept from exercising this right, this unsustainable situation is at risk of rupturing social cohesion at any moment, with disastrous consequences for all those involved.

2. In spite of amendments made to the Social Security Act, most recently in 2014, which abolished the distinction between national workers and migrant workers by accounting for all workers with legal status in the country, the number of people covered by social security in Jordan is still slim, accounting, at best, for two-thirds of the workforce, with the number of insured workers rounding 1.2 million. Even if one takes employees covered by pension systems, or by other types of civilian and military insurance, into consideration, there remain large

swathes of uninsured workers. Needless to say that in the informal sector, which is rapidly expanding, the situation is all the more dire. With respect to social security, the recent amendments mentioned above represent a significant step forward. However, even with such amendments, social security in Jordan still falls short of the standards set forth in the ILO Convention No. 102. In addition, the limited inclusion of health insurance under social security, which is currently under discussion among the Board at the Social Security Corporation, has also proved to be a contentious issue. In 2014, social security contributions were increased by 3 percent, as proposed by the Social Security Corporation, which justified the increase with promises of a broader inclusion of health insurance under social security. In the end, not only was this increase, which was perceived as too costly by employers and workers both, enforced, it ultimately wasn't accompanied by a better inclusion of health insurance.

1. Another obstacle to the application of Decent Work standards in Jordan has been the weak enforcement of relevant legislation. Broad swathes of the workforce remain vulnerable to violations of their rights, and many continue to earn below-minimum wages. Delays in salary payments are also frequent, with some workers receiving their paychecks as

late as the seventh day of the following month, and the right of workers to annual and sick leaves is commonly infringed upon. In many sectors, employees are forced to work more than the 8 daily hours stipulated by law, often without being paid overtime. Regarding occupational safety and health, it is also lacking, with violations common among small and medium-sized enterprises and, most critically in the informal sector, where large numbers of workplace accidents are reported yearly, resulting in numerous deaths and injuries among workers. According to official figures, in 2015 alone 135 died as a result of workplace accidents – not accounting, of course, for unreported incidents.

2. Despite numerous efforts made by the official authorities, and others, towards better rehabilitation of people with disabilities, and their integration into the labor market, employment levels among such persons remain very low, especially in the private sector. Whereas in the public sector – in the ministries, state institutions, public universities, and municipalities – 1 percent of workers are disabled, in the private sector the numbers of such workers are almost negligible, and are far from meeting the quotas stipulated by national law.

3. Finally, child labor remains a widespread practice in the Jordanian

labor market. According to ILO statistics, an estimated 100,000 children are currently employed in Jordan – approximately half of them Syrian. In addition to being particularly vulnerable to health risks, child workers earn very low wages, averaging between 50 and 80 JOD per month. They commonly work long hours (10 to 12 a day), and are subject to mental, verbal, and physical abuse in the workplace.

Recommendations

In light of these issues, it is imperative that both the Government and other public agencies and institutions take into consideration the challenges faced by workers in Jordan in the course policy drawing and implementation – especially in the case of economic policies – and that they increase their efforts to improve working conditions in Jordan, as per Decent Work standards. This can be achieved, namely, by:

- Focusing on the establishment of productive, job-creating projects to stimulate employment, particularly among the youth.
- Focusing on vocational education and training, and redeveloping the structure of university courses so as to better tailor them to the needs of the labor market.
- Introducing the necessary amendments to the Labor Code to strengthen social dialogue and thus

promote a better understanding, and fairer negotiation, between workers and employers. Those articles already contained in the Labor Code should also be enforced, which pertain to and encourage fair and comprehensive social dialogue.

- Revising wage policies while adequately accounting for the social dimension. These should be tailored from a redistributive standpoint, as opposed to being focused on mere cost reduction.
- Review labor laws concerning trade union organization, so as to enable all workers to form and join trade unions and thus effectively defend their interests in a fair and democratic fashion. Workers in the public sector should likewise be permitted to form and join independent trade unions.
- Expanding the social security system to include all workers, and enable them to enjoy their fundamental right to basic healthcare.
- Developing and enforcing labor legislation in order to preclude workers' rights violations and promote decent working conditions.