

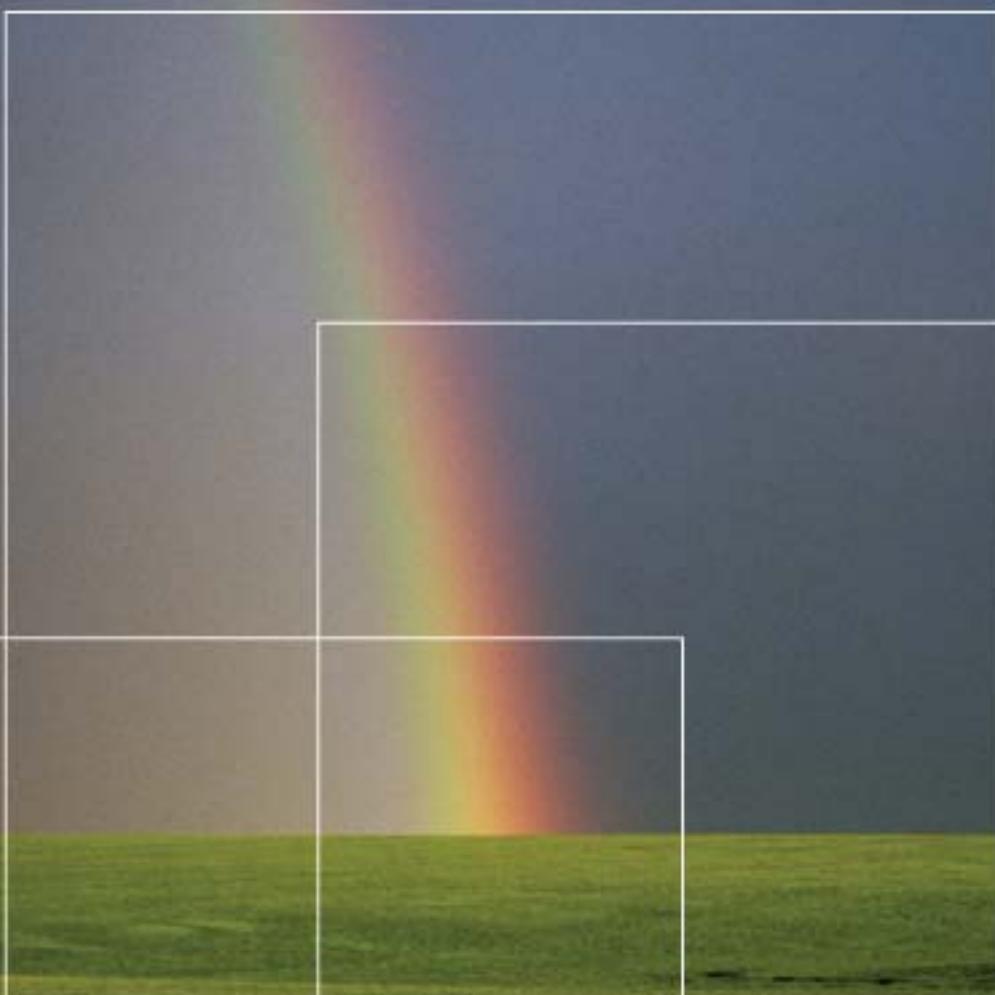


International  
Labour  
Office

# International Labour Office

## Decent Work Country Programme

# Jordan



DECENT  
WORK  
COUNTRY  
PROGRAMME



## **ILO Decent Work Country Programme**

**Hashemite Kingdom of Jordan**

*August 2006*

## **Introduction**

ILO Decent Work Country Programmes are based on integrating a combination of measures in the areas of employment promotion, rights at work, social protection and social dialogue based on country priorities, and commitment. The goals of these programmes are to support national initiatives aimed at reducing decent work deficits and strengthening national capacity to integrate decent work within social and economic policies. The implementation approach is through linking interrelated components and priority areas in order to improve synergies and eventually maximise impact.

The Decent Work Country Programme for Jordan has been developed based on close consultation and commitment of the social partners. It responds to current national priorities and supports the existing policy framework. It aims to address the challenges of increasing job opportunities, improving job quality, and raise labour productivity levels while maintaining economic growth. Jordan is one example of countries who are facing an accelerated pace of economic change brought about by globalization with the simultaneous opportunities and risks. Through liberalisation policies, Jordan has managed to sign several international trade agreements and successfully increase its exports and economic growth rates. Nevertheless, Jordan was not as successful in simultaneously creating quality jobs and reducing the unemployment and poverty levels. It is this decent work deficit that this programme aims to address.

## **1. The National Context**

### **Overview**

Jordan is a small middle-income country in the Arab region, with a population of approximately 5.2 million people living in a geographical area consisting of 89,342 km<sup>2</sup>, and a GDP per capita of \$2,106. Serious development efforts in the past thirty years have led to positive improvements in human development indicators, good achievements in education and life expectancy, and good living conditions including access to basic services.<sup>1</sup>

Jordan's economy is influenced by three factors: First it is intrinsically linked to the Gulf region as many Jordanians work in oil-producing countries and send remittances back home (about one-fifth of the GDP). Second, is regional political events such as the peace process during the late 1990s and the more recent escalation of the Israeli-Palestinian conflict and the war in Iraq (it is estimated that there are half a million Iraqis in Jordan). Third, is the accelerated pace of economic change brought about by global economic integration and liberalisation and reform policies. In a short time, Jordan had entered into an Association Agreement with the European Union, signed a Free Trade Agreement with the United States and successfully joined the World Trade Organisation. Through the establishment of the Qualified Industrial Zones (QIZs), total exports value tripled in the past 5 years<sup>2</sup>. Indeed, Jordan achieved a GDP growth rate of 6% during 2004 as compared to 4.9% in 2001<sup>3</sup>.

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<sup>1</sup> Jordan's Human Development Index (HDI) ranking is 90 out of 177 countries, as provided by UNDP 2005 Human Development Report.

<sup>2</sup> Industry, Trade and Investment Bulletin 4th Quarter 5005, Ministry of Trade and Industry <http://www.mit.gov.jo/portals/0/tabid/586/Industry,trade%20and%20investment%20b>

Despite the above however, poverty continues to be a major challenge for Jordan, as it affects approximately one-third of the total population. Continued priority needs to be placed on integrating within the global economy while at the same time bridging the decent work deficit and lifting people out of poverty. The current challenges for Jordan are therefore to ensure that economic growth is employment friendly in terms of the quantity and quality of jobs created while simultaneously significantly improving the productivity of its labour force to enable it to integrate in the competitive global economy.

### **Labour force and employment**

The Jordanian labour force is characterized by a young age structure due to the high population growth rates. Each year the Labour market needs to absorb 50,000 new people, which represents a major challenge. The workforce is projected to grow even faster in the future -- about 4 percent per year within 10 years<sup>4</sup>. These demographic factors also affect participation rates as only 40% of the population aged 15-64 is economically active. This means that one economically active Jordanian supports 4 other non-active family members. There is a marked gender imbalance as 67% of men participate in the labour force, while the figure for women is around 12%<sup>5</sup>.

Unemployment rates stand at around 15% with 56% of those unemployed below the age of 25 years. As much as 50% of the unemployed men have an education below secondary level while as much as 77% of unemployed women have an intermediate and university level education<sup>6</sup>. Major contributing factors to unemployment are the capacity of the labour market to generate new jobs, the inefficiency of information channels which coordinate labour market demand and supply and also the mismatch between labour market demand and the outputs of the education and training system. Additionally, however, behavioral and attitudinal dimensions play a role as many young people may shun manual and service jobs, especially those emerging new jobs in the new export zones. However, it is often argued that young people reject the available jobs due to their low quality in terms of pay, working conditions and security. Therefore, in addition to the issues related to unemployment per se, it is important to point out the extent to which available jobs are not quality jobs. For example, only 42% of the labour force is covered by the Jordanian social security system which means many workers remain unprotected in terms of health and old age benefits. Wages remain low and especially in relation to the inflation rates. However, the Government has recently increased the minimum wage by 20 percent, from 90 to 110 Jordanian Dinars (from \$127 to \$155 US Dollars).

Paradoxical to the high unemployment rates among Jordanians, and perhaps one of the underlying reasons for pushing down wages, are migrant workers who amount to as much as 20% of the Jordanian labour force. Many of these workers are from neighboring, mostly Egyptian and Syrian, Arab countries and who work in agriculture and

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<sup>3</sup> Jordan: Facts and Figures: <http://www.mop.gov.jo/uploads/Main%20Economic%20Indicators%20-%20June%2018%20%2006.pdf>

<sup>4</sup> European Training Foundation (ETF): Technical and vocational Education in Jordan: Areas for Development Cooperation. Report prepared for the European Commission in Amman, February 2006

<sup>5</sup> ILO: Global Employment Trends for Women, 2004, Employment strategy Department, Geneva. <http://www.ilo/public/english/employment/strat/download/trendsw.pdf>

<sup>6</sup> Department of Statistics (DoS): Employment and Unemployment Survey, May 2004, Jordan

construction. There are also domestic workers, who are mostly women from Sri Lanka and the Philippines, in addition to manufacturing workers, who are mostly Asian and comprise as much as 66% of total employment in Jordan's QIZs. Recently the working conditions in the QIZs have come under tremendous scrutiny following a report published by the American Based National Labour Committee on abusive working conditions and violations of labour rights<sup>7</sup>.

The new emerging jobs in Jordan are therefore mostly in manufacturing which has, for whatever reason, attracted more migrant than Jordanian workers. Nevertheless, the employment structure in Jordan remains to be dominated first by small private sector firms, which constitute 98% of all firms in Jordan, and second, by the public sector which employs 37% of the Jordanian labour force<sup>8</sup>.

As much as 94% of the private sector has 4 or fewer workers. It is estimated that the number of persons employed in these micro enterprises account for 46% of total private sector employment, and firms with 5–19 workers another 19%. In other words, micro-enterprises are responsible for almost half to two-thirds of total private sector employment in the country<sup>9</sup>. The structure of the private sector sharply limits the capacity to modernise the labour market in view of competitive pressures. Additionally workers in small enterprises have limited access to training and career development and a large number of them are not covered by social security. As for public sector employment, the main attraction is the job security and the fringe benefits.

Within the above context, Jordan is facing a series of challenges related mainly to a lack of a clear and coherent employment policy framework which has produced a situation where economic growth did not create quality jobs for Jordanians neither did it reduce unemployment and poverty levels. To sum up it can be said that Jordan currently faces three challenges: (i) generating sufficient new quality jobs for the burgeoning number of new entrants to the labour market, (ii) improving the skills and productivity levels of the labour force to support greater competitiveness of Jordanian enterprises as required by global economic integration and (iii) while responding to the needs for increased labour market flexibility, ensuring that parallel measures for social protection are in place especially for those workers who cannot adapt to the changing circumstances and skill requirements.

### **Fundamental principles and workers rights**

A total of 24 ILO Conventions have been ratified including seven core Conventions (with the exception of the Freedom of Association Convention) and three priority Conventions (with the exception of the Labour Inspection (Agriculture) Convention)<sup>10</sup>.

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<sup>7</sup> National Labour Committee: "US-Jordan Free Trade Agreement: Descends into Human Trafficking & Involuntary Servitude", May 2006.

<sup>8</sup> DoS 2004.

<sup>9</sup> ETF, 2006.

<sup>10</sup> The core Conventions include: Forced Labour Convention (No. 29), Right to Organize and Collective Bargaining Convention (No. 98), Equal Remuneration Convention (No. 100), Abolition of Forced Labour Convention (No. 105), Discrimination (Employment and Occupation) Convention (No. 111), Minimum Age Convention (No. 138), and Worst Forms of Child Labour Convention (No. 182) and the The priority Conventions include: Labour Inspection Convention (No. 81), Employment Policy Convention (No. 122), Tripartite Consultation (International Labour Standards) Convention (No. 144).

The General Federation of Jordanian Trade Unions estimates that 30% of the workforce is unionized. Migrant workers, who are estimated to be around 300,000, are not allowed to join or form unions. During the summer of 2006 the Government has nevertheless taken some positive steps to encourage migrant workers to form their own associations.

An overall priority of the country is to improve compliance with international labour standards by upgrading the legal framework and strengthening law enforcement through improving the capacity of labour administration in general. Additionally, through the proposed establishment of the Economic and Social Council, tripartism will be institutionalized, thereby ensuring the use of social dialogue as a tool for labour market governance and the promotion of fundamental rights and principles.

### **Response to the Jordanian challenges**

Over the years Jordan has devised a number of strategies and national initiatives to deal with employment and poverty reduction challenges. Most recently, the National Agenda has been launched and endorsed by H.M. King Abdullah in late November 2005, which provides a holistic framework for social and economic development for the next decade. The National Agenda puts an equal emphasis between economic growth, effective poverty reduction and civil liberties. The first three national objectives of the Agenda are as follows:

- Jordan will develop a thriving economy, open to other regional and world markets;
- Jordanians will be prepared for lifelong learning and will work progressively in higher value- added occupations;
- The economy will absorb the growing inflow of Jordanian workers into the active population.

As such, one of the priority components of the National Agenda is job creation and skill development. The Agenda identifies challenges related to vocational training, namely, the sub-standard quality of training provision. The targets for this priority area are:

- Raising employability of the work force and provision of training based on market needs.
- Increasing flexibility and productivity of the labour market through flexibility in labour laws and establishing safety nets.
- Expanding the labour force and the size of the economically active population through replacing migrant labour with local labour, increasing employment of the disabled and women and formalizing the informal economy.

The Common Country Assessment (CCA) which is currently under preparation and the forthcoming United Nations Development Assistance Framework (UNDAF) for 2008-2012, aims to focus on poverty and employment. The issues of youth unemployment, female economic participation, the widening gap between labour supply and demand, and the rights of workers in the informal sector and in the Qualified Industrial Zones are some of the issues to be addressed. ILO's active participation in this interagency initiative, which takes into account the challenges highlighted within the framework of the National Agenda, is an important element of the proposed Decent Work Country Programme for Jordan.

## **Past Cooperation and Lessons Learnt**

Jordan has a long-standing relation with the ILO. During the past years, the ILO has continued its efforts to address Jordan's employment challenges through the implementation of a sizable technical cooperation programme, which amounts to a total of US\$3.67 million (Annex II). This includes areas such as strengthening the capacity of the Ministry of Labour and the social partners, eliminating the worst forms of child labour, creating decent jobs for women and men, providing actuarial services to the Social Security Corporation, developing SMEs, and promoting social dialogue among the social partners.

Many of the projects which are or were implemented in Jordan have been relatively successful in achieving their goals. Yet a critical mass of impact has not been sufficient due to the fact that linkages between these different interventions were often missing. Realizing that the goals for decent work are often inter-dependent, the current programme aims to focus on a multi-component integrated approach in order to build on past successes as well as achieve more effectiveness.

## **2. Country programme**

### **Programme goals**

The present Decent Work Country Programme adopts a multi-component package of interventions based on current national priorities. Some of the interventions are a continuation of previous efforts which will be adapted for more coherence within the overall integrated framework of the current programme. Other new initiatives are in direct response to discussions with constituents. The programme primarily aims at achieving the following inter-dependent goals:

- Promoting and operationalising ILO labour standards, in line with the Decent Work Agenda with focus on rights and needs of vulnerable workers;
- Creating opportunities for decent work through enhancing higher productivity levels and improved job quality;
- Strengthening the capacity of tripartite partners for improved service delivery, and social dialogue.

The priority areas of cooperation are the following:

### ***I. Creating decent jobs for men and women***

#### Outcomes

1. An employment strategy framework developed
2. National youth employment programme strengthened
3. Vocational training reform process supported
4. Public employment services revitalized
5. Small enterprises for job creation and poverty alleviation established

### ***II. Improving governance through administrative reform and social dialogue***

#### Outcomes

6. Labour administration strengthened

7. Labour law reformed
8. Employers compliance with international labour standards improved
9. A conducive environment for social dialogue promoted

### ***III. Enhancing social protection***

#### Outcomes

10. Legal and administrative mechanisms for migration management and protection of migrant workers rights created
11. Social security sustainability and compliance with international principles improved
12. Worst forms of child labour eliminated through improved capacity of key institutions

## **3. Priority areas of cooperation for the decent work country programme**

### **I. Creating decent jobs for men and women**

#### Outcome 1: An employment strategy framework developed

Despite the recognised need by all actors, there is no existing employment strategy. Jordan lacks a policy framework that would strike a balance between economic efficiency and labour protection. MOL employment policies are ad hoc, fragmented, mostly temporary in nature, and not deeply rooted in the ministries' bureaucratic apparatus<sup>11</sup>. Additionally the Ministry, which has been traditionally marginalized from all national social and economic policy making, is currently struggling to adapt and transform itself yet it lacks both the polices and the human resources to enable it to do so.

The ILO strategy for achieving this outcome is through providing support to the preparation of an employment strategy and to strengthen the capacity of the Employment Department within the Ministry to monitor and evaluate the implementation of the Strategy.

#### Outcome 2: National youth employment programme strengthened

Only one in 3 young Jordanians are working and young people are 3.3 times more likely to be unemployed than adults. Additionally young women are more likely to be unemployed than young men. During 2005, the ILO conducted the School to Work Transition Survey in order to identify the underlying factors behind young people's difficult labour market entry<sup>12</sup>. Among the results was young people's lack of readiness which is hampered by inadequate knowledge about the job market, lack of support services as well as inappropriate skills. Also, many young people are discouraged by the low quality of available jobs and their limited potential for career development.

In terms of policies and programmes, there is a national youth policy, which has a section on employment, in addition to many programmes supporting young people's economic integration. Many of these programmes target vulnerable young women and men and there are many success stories of empowerment at the individual and

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<sup>11</sup> ETF, 2006

<sup>12</sup> ILO: School to Work transition Survey Jordan. Geneva, forthcoming.

community levels. Nevertheless, such initiatives remain scattered and not sufficient. There is a need to provide improved linkages between all existing initiatives and to better integrate youth employment as a major element of the broader employment situation (e.g. improved working conditions, pay equity, access to microfinance, etc...).

To achieve this, the ILO will provide support at three levels. First, is supporting the policy development process through integrating youth employment concerns under the general employment strategy framework (Outcome 1). Second, is strengthening the social partners' capacity to develop specific actions to address youth employment and youth participation. The third is promoting economic integration of youth through local economic development as a pilot initiative to demonstrate how by empowering local societies, generating participation, social dialogue, and working with existing enterprises and government services, decent jobs can be created at the local level. Attention to young women's labour market integration will be a priority since they face more difficulties in labour market integration<sup>13</sup>.

### Outcome 3: Vocational training reform process supported

The Jordanian economy has to improve its competitiveness in order to be able maintain economic growth and international competition. One key area for success is the quality of the workforce which will require new skills and capacities. In fact, the productivity of the Jordanian labour force in general is quite low with a rate of -1.5 (In comparison: Egypt is 1.7%, Turkey is 2.6% China is 5.2 and the United States is 1.6)<sup>14</sup>. New skills are in short supply for the private sector to grow and modernise. Firms facing transformation require constant renewal of skills. This means workers who are more flexible, skilled and more adaptive to changes in their environment. Currently the technical and vocational training system in Jordan is facing several challenges which are hampering it from producing this adaptable and flexible work force.

The restructuring of the institutional framework for vocational training has been identified as a national priority area under the National Agenda. Taking this momentum, the European Commission (EC) is considering undertaking a Sector Policy Support Programme for 2007-2010, which will be in the range of 12 million Euros in assistance. As a preparatory step, the EC, through the European Training Foundation (ETF), assessed the system and concluded that essential conditions for moving the vocational training sector forward are not in place in order to facilitate a sector wide reform<sup>15</sup>.

As such, the ILO aims to complement the work for the EC through providing support to the Employment and Training Fund which has been set up at the Ministry to serve the job seeker and the employer through demand driven training and job placement. This support will be in the form of monitoring the quality of the training provided and through assisting in enlarging the number of enterprises that can benefit. Until now, beneficiaries were large employers who invest in training anyway, it is important to target smaller employers who do not invest in training. As for workers, an improved public employment services (Outcome below) will improve the institutionalisation and sustainability of this Fund.

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<sup>13</sup> *ibid.*

<sup>14</sup> ILO: Key Indicators in the Labour Market. Third Edition, [Http://www.ilo.org/public/english/employment/strat/kilm](http://www.ilo.org/public/english/employment/strat/kilm)

<sup>15</sup> ETF, 2006.

Another area of work concerns strengthening employers' involvement in training policy and programme development. This entails supporting the Jordanian Chamber of Industry as well as other employers' associations in improving their strategies and actions towards skills training.

#### Outcome 4: Public employment services revitalised

There are 23 public employment offices around the country which are responsible for placement of job seekers and collecting labour market information related to current and prospective labour demand and supply. Revitalizing these weak services had already been initiated through focusing on 6 offices under the ILO-Turin project: *Strengthening the capacity of the Ministry of Labour to generate employment and reduce poverty*. A second phase for this project will be sought in order to: continue this process to include all offices; streamlining labour market information in Jordan through liaising with all organizations involved in data collection and analysis; ensuring that data collection and analysis is sex segregated, strengthening the capacity for labour market analysis and the development of indicators on a systematic basis, and finally, improving capacity of staff so that these indicators are produced on systematic basis. Much of this work will be done with the national employment center, which has been set up for the Ministry under a USAID project to provide job intermediation services and labour market information and analysis.

#### Outcome 5: Small enterprises for job creation and poverty alleviation established

Small enterprises make up the large majority of the private sector. The sector also employs a disproportionate share of the female labour force. Great progress has been made in establishing a viable market for financial services, both through micro-finance institutions and commercial banks. It exists (except for a few exceptions) and thrives on grants and subsidized funds from the government and donor agencies. The micro-finance sector in Jordan caters to the lowest segment of the market with an objective of alleviating poverty. Its domain is developmental rather than commercial. These micro projects are universally vulnerable to unsustainable flows of income with no empirical evidence of creating a visible impact on employment creation while contributing to poverty alleviation to a certain extent.

Between subsistence and commercial financing lies a huge market of Small and Medium Enterprises (SMEs) or a "Missing Middle" which largely remains underserved. The strategy for the ILO is to address the needs of the "Missing Middle" in conjunction with nourishing an entrepreneurship culture especially among the Jordanian youth. The approach will be to review/enhance programmes on 'Start and Improve your Business' (SIYB), 'Expand your Business (EYB)' and to establish the Jordan Agency for Development of Enterprise (JADE) which entails the reorientation of the existing Development and Employment Fund (DEF) by phasing out its micro credit component and developing a new niche of SME financing and provision of support services, which has an immense sustainable employment potential, especially for women.

## **II: Improving governance through administrative reform and social dialogue**

#### Outcome 6: Labour administration strengthened

Currently, labour administration is quite weak at the Ministry which hinders its ability to develop policies, monitor working conditions, mediate labour conflict and enforce labour

legislation. For example the changing employment patterns in Jordan, especially after the establishment of the QIZs and the increasing numbers of migrant workers were not met with an improved performance of the labour inspection mechanism. Reported violations of workers' rights, and in particular migrant workers' rights, are in effect due to an inadequate and under-resourced labour inspection mechanism. The Ministry, with the help of two ILO projects is in the process of reforming the legal and institutional framework for labour inspection and upgrading the skills and capabilities of its officials<sup>16</sup>.

Therefore, in addition to the on-going ILO support, the strategy is to focus on 2 areas. The first is to strengthen the capacity of labour inspection to ensure compliance with labour standards and Jordanian law in addition to effective enforcement due to the specific conditions of workers in the export zones. This will be through developing a specialized inspection team/unit within the Ministry to address the specific concerns of the QIZs. Additionally is to strengthen the labour dispute mechanism which has received some focus through the ILO-US DOL project. It is important to build on the momentum created by both these projects.

The second area is to promote gender mainstreaming in the functions of the Ministry's departments. The Ministry has recently created a working women's department and there is an on-going initiative by the Jordanian National Commission for Women to jointly develop a gender mainstreaming strategy for the Ministry. The ILO's approach is to provide technical support for this process ensuring that all efforts related to the modernization of the Ministry address gender concerns and have a gender representation. The long term objective is to improve the Ministry's ability to support the integration of women in the labour market and remove the obstacles which they face.

#### Outcome 7: Labour law reformed

The current labour law was adopted in 1996 and does not adequately include provisions that address the rapidly changing labour environment. Labour Law reform was envisaged under the ILO US DOL. The proposed reforms will bring the Jordanian labour code more in line with international standards. While this provides the Government with an opportunity to consider conventions, such as C87, there is another trend to introduce labour market flexibility as a means to improve productivity and which is in the form of less rigid hiring and firing laws<sup>17</sup>. A National consultative body, which will be assisted by national and international expertise, consisting of 30 members has been established to work on Labor legislation reform under the said project. This was simultaneously paralleled with capacity building activities to improve the effectiveness of the social partners' participation in this process. The ILO strategy would be to maintain the momentum created by seeing this labour law reform through even if the ILO-USDOL project life span terminates beforehand. Additionally, after the labour law reform process, efforts will be needed in order to ensure that Jordanian workers and employers are knowledgeable of the new law in order to be effective in enforcing it. In parallel, the

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<sup>16</sup> This is through the earlier mentioned ILO-Turin project strengthening the capacity of the Ministry of Labour to generate employment and reduce poverty and the ILO US –DOL project and the ILO –USDOL project on strengthening the social partner's capacity for promotion of social dialogue in Jordan. The later project aims to improve the: environment for labour relations and establish a .sustainable and effective social dialogue mechanism, primarily through the Economic and Social Council.

<sup>17</sup> Labour market rigidity is one of the factors cited in the National Agenda for the low productivity levels of Jordanian labour. The Agenda suggests that this restricts employers in hiring and firing and hinders their motivation to invest in training.

new labour law will require institutional changes and enhanced capacity, within the Ministry of Labour.

Outcome 8: Employers compliance with international labour standards improved

This outcome is interlinked with Outcomes 6, 7 and 10. Currently, and especially as a result of reports of migrant workers violations of rights, there is a need to improve working conditions through promoting employers' compliance with international labour standards and national labour law as a basis for building socially responsible export strategies in the QIZ. This is related to promoting corporate social responsibility and initiating the project 'Better Factories Jordan' which will focus on institutionalising the reforms needed (labour law, inspection, licensing, awareness raising, codes of practice, etc) to ensure monitoring, enforcement and employers' compliance with labour standards.

Outcome 9: A conducive environment for social dialogue promoted

This outcome is placed within Jordan's current reform and democratization process and the serious efforts which are needed to bring it in line with international Labour standards and obligations especially those under the existing labour codes of the signed international trade agreements. Independent and strong workers and employers' representatives, in addition to other civil society members, would contribute to good governance, transparency and a fair and productive labour market. Efforts until now have been through the US DOL project which aimed to create the appropriate institutional and legal environment for economic and social policy making and to institutionalize social dialogue among the social partners.

Within this context the ILO's approach would be to continue with this process through 2 levels. The first is to continue strengthening the capacity building of the Jordan Chamber of Industry and the General Federation of Jordanian Trade Unions in order to establish their independence, increase their representation and improve services to their members. The second is through the establishment of the Social and Economic Council which will institutionalize the process of democracy through dialogue, ensure transparency of policy development through the participation of representatives of social partners and civil society, and help in placing employment more prominently in social and economic policies.

## **II. Enhancing Social Protection**

Outcome 10: Legal and administrative mechanisms for migration management and protection of migrant workers' rights created

There are 300,000 migrant workers in Jordan. As much as 54,077 of those work in the (QIZ) and approximately 50,000 are domestic workers. The remaining number mostly works in agriculture and construction and come from neighbouring Arab countries. While Jordan's labour law does not discriminate between Jordanian and migrant workers, there are increasing reports of violations and abuse of migrant workers rights. The government has taken some measures to improve the protection of migrant workers rights and has developed an *Action Plan for the management of labour migration and the protection of migrant workers in Jordan*. This Action Plan is based on the International Labour Organization non-binding multi-lateral framework on labour migration. It has elements relating to the following areas: institution strengthening, law enforcement, prevention, protection of rights and improvement of working and living conditions. The

action plan addresses the specific needs of women workers and highlights awareness raising especially in the area of trafficking issues. The strategy of the ILO will be to assist the government of Jordan to implement this integrated action plan.

Outcome 11: Social security sustainability and compliance with international principles improved

Social security coverage for workers remains low as only approximately 42% of the labour force is covered by the Jordanian social insurance system. In addition, at the moment only pensions are provided by the social security legislation while the insurance branches covering short-term benefits, such as sickness, maternity and unemployment benefits, are still not implemented. This leaves the majority of Jordanian workers (ca. 58%) and their families without any income support in case of the occurrence of old age, invalidity or death and leaves all of them without any financial support in case of the occurrence of one of the above short-term contingencies. The Social Security Department of the ILO has long-standing collaboration with the Ministry of Labour and the Social Security Corporation (SSC) of Jordan and is assisting in the social security reform process.

Support will be provided through three general areas. The first is to ensure the financial sustainability of the existing social security system through improving the actuarial capacities within the SSC which will enable the staff to use and maintain the actuarial model of the SSC<sup>18</sup>. Second, is to study the scope and costs for establishing a maternity protection scheme. Currently, the full costs for maternity leave, which is borne by employers gives rise to discrimination with the perception that women workers cost more than men. As such the Government is considering alternative methods for financing. The third area is to encourage Jordan's compliance with internationally accepted social security principles. This will be through the ratification of Convention No. 102<sup>19</sup>. The process for this is already underway and Jordan will be the first Arab country to ratify this Convention.

Outcome 12: Worst forms of child labour eliminated through improved capacity of social partners and key institutions

The ongoing programme on the "Elimination of the Worst Forms of Child Labour in Jordan" was developed to assist the Government to adapt its policies and enhance the capacity of key institutions to include the issue of child labour in their programmes, and to monitor child labour incidences in order to combat it.

The ILO will continue the implementation of this programme through capacity building of its national counterparts and the execution of sub-programmes to be implemented by concerned ministries, non-governmental organizations, and workers' and employers' organizations. A National Policy and Programme Framework (NPPF) will be developed and submitted to the Government for adoption. The ILO will develop Phase II of the project with the primary objective of supporting the NPPF through the implementation of

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<sup>18</sup>A technical cooperation project "Actuarial Consultancy 2005-2008", which the Ministry of Labour and the Social Security Corporation (SSC) of Jordan have signed with the ILO Social Security Department (SEC/SOC) in 2005 aims at improving the actuarial capacities within the SSC, and includes an actuarial review, training of SSC staff to enable it to use and maintain the actuarial model of the SSC, and finally a second actuarial review to be carried out jointly by SSC staff and SEC/SOC.

<sup>19</sup> Social Security (Minimum Standards) Convention, 1952.

a Time-Bound Programme on the Elimination of the Worst Forms of Child Labour in Jordan.

#### **4. Implementation and management**

This programme will be primarily managed by the ILO regional Office for Arab States in Beirut, with support and close coordination from different technical departments in ILO's Headquarters and the ILO International Training Center in Turin. In order to ensure the successful implementation of this programme, it is proposed to have a Chief Technical Advisor who will work in Jordan to develop, implement and monitor this programme. The different 11 outcomes of this programme are highly interdependent. As such, there is a need for a full time person who has the responsibility and overall vision to ensure that these integrated outcomes are successfully interlinked during implementation. Additionally, other international and national experts will be sought for specific outputs throughout the programme. The ILO will continue its cooperation with other international agencies in the country in order to strengthen partnerships and synergize outputs. Some of these agencies are the UNDP, the World Bank, the EC Delegation, ESCWA, and UNIFEM.

The objectives of the programme will be pursued through developing new technical cooperation projects (Annex II), technical advisory missions, training, and seminars for information dissemination and capacity building. ILO seed money will be used for the preparatory work required and to mobilize funds from donor agencies. The Ministry of Labour will also allocate funding for the implementation of some of the activities to be launched within the framework of the programme. The ILO and the national counterparts will continue to seek further funding, bearing in mind the priority concerns of the constituents and the potential donors. Established relations with bilateral donors, such as the United States, France, the United Arab Emirates, AGFUND, and the Islamic Development Bank, will be strengthened through partnerships in areas that match their priorities. Additional funding will also be sought from UNDP resources within the framework of the CCA/UNDAF for 2008-2012.

The Government and the social partners will make available their respective expert staff to coordinate the work to be carried out by the international experts. They will also provide the necessary premises and required logistic support. The tripartite constituency confirmed their commitment to undertake the follow-up necessary to achieve the expected results.

#### **5. Performance monitoring and evaluation arrangements**

This is expected to be a three-year programme. Throughout its life span implementation will be reviewed on a regular basis with the constituents using interactive methods. The missions of the ILO experts and their internal reports will be used as part of the monitoring process. RO-Beirut, in conjunction with the resident CTA, will assess programme achievements and delivery with the constituents in Jordan on an annual basis. The Decent Work Country Programme implementation plan will be regularly assessed internally where adjustments can be made to adapt to the changes. This is necessary, in order to improve the implementation and ensure the programme consistency and response to on-going national priorities. In addition, each technical cooperation project under the programme will include specific provisions for performance monitoring and evaluation arrangements.



## ANNEX I

### Jordan's DWCP at a glance

Country priorities	Country outcomes	Main inputs (ILO strategy)	Primary outputs	Targeted partners other partners
<b>Creating decent jobs for women and men</b>	<u>Outcome 1:</u> Employment strategy framework developed	Developing an employment strategy. Strengthening the capacity of the employment department at the MoL to implement and monitor strategy.	Draft employment strategy submitted to the Government for approval and adoption by Parliament.	Ministry of Labour. National committee of social partners and other relevant actors
	<u>Outcome 2:</u> National youth employment programme strengthened	Supporting policy process through integrating youth as part of employment strategy. Strengthening social partners' capacity to address youth specific concerns. Promoting local economic development and integration of youth in an underserved region.	Employment strategy integrates youth specific concerns. Social partners have programme for youth participation and economic integration. A pilot project on LED for Zarqa formulated and under implementation.	Ministry of Labour, Ministry of Youth, Higher Council for Youth, Jordan Chamber of Industry, General Federation of Jordanian Trade Unions, local level councils and civil society organizations
	<u>Outcome 3:</u> Vocational training reform supported	Supporting the Employment and Training Fund in terms of quality and accreditation of on the job training. Strengthening employers' involvement in training policy and programme development	Trainees meet occupational standards are accredited and have access to a range of jobs. Proportion of small employers benefiting from Training and Employment Fund is expanded. Employers and workers' organizations are involved in training policy, content and delivery.	Ministry of Labour, Vocational Training Corporation, Employment and Technical-Vocational Education and Training, Jordan Chamber of Industry, General Federation of Jordanian Trade Unions.

Country priorities	Country outcomes	Main inputs (ILO strategy)	Primary outputs	Targeted partners other partners
	<p><u>Outcome 4:</u> Public employment services revitalised</p>	<p>Improving service delivery of all employment offices in job referral and placement, career counselling and collection of labour market information. Strengthening and unifying labour market information and improving capacity of staff to develop indicators on systematic basis</p>	<p>Services provided by public employment services and by the National Employment Centre improved through the number of successful job placements. Electronic labour exchange is functional between employment offices the National Employment Centre and the Ministry Labour market information related to current and prospective labour demand and supply and indicators are produced and disseminated on a systematic basis</p>	<p>Ministry of Labour Public Employment Services National Employment Centre, Department of Statistics, National Centre for Human Resources Development</p>
	<p><u>Outcome 5:</u> Small enterprises for job creation and poverty alleviation established</p>	<p>Providing technical assistance to the Ministry of Labour and the Development and Employment Fund (DEF).  Designing and implementing a technical cooperation programmes tackling the provision of financial and non-financial support services to SMEs.</p>	<p>Business Management training programmes (SIYB and EYB) targeting small entrepreneurs are enhanced and made sustainable.  The Jordan Agency for Development of Enterprise (JADE) established to replace DEF.</p>	<p>Ministry of Labour. Jordan Chamber of Industry and other employers' associations. Development and Employment Fund (DEF). SMEs in Jordan. Non-governmental organizations.</p>
<p><b>Improving governance through administrative reform and social dialogue</b></p>	<p><u>Outcome 6:</u> Labour administration strengthened</p>	<p>Strengthening the capacity of labour inspection and enforcement mechanisms to ensure compliance with labour standards and effective enforcement Supporting the newly established women's department especially through the gender mainstreaming strategy</p>	<p>Labour inspection is effective and enforcement mechanisms are strengthened  Working women department is functional and effective in monitoring gender equality at work</p>	<p>Ministry of Labour. Jordan National Commission for Women</p>

Country priorities	Country outcomes	Main inputs (ILO strategy)	Primary outputs	Targeted partners other partners
	<u>Outcome 7:</u> Labour law reformed	Providing technical advisory services for revision of the labour code. Supporting the Jordanian workers and employers in disseminating the necessary knowledge to their constituents about the new law Supporting the Ministry in making the institutional changes in order to be better enabled to enforce the law	Labour code revised with the active participation of workers' and employers' organizations. Awareness raising campaigns are undertaken to improve workers and employers awareness of new laws Institutional capacity building of the Ministry staff is undertaken	Jordanian Parliament. Ministry of Labour. Jordan Chamber of Industry. General Trade Union Federation.
	<u>Outcome 8:</u> Employers compliance with international labour standards improved	Initiating the project 'Better Factories Jordan' which will focus on implementing the reforms related to: new labour law, inspection, licensing, enforcement etc) in addition to awareness raising, corporate social responsibility and developing and implementing codes of practice.	Better Factory Project is developed and implemented on a tripartite basis	Ministry of Labour, Ministry of Industry and Trade, General Federation of Jordanian Trade Unions, Jordan Chamber of Industry as well as other employers' associations who work in the export zones.
	<u>Outcome 9:</u> A conducive environment for social dialogue promoted	Strengthening the capacities of workers' and employers' organizations to more effectively represent the interests of their constituency Establishing and operationalising the social and economic council	Workers' and employers' organizations provide better services to their constituency, and actively participate in policymaking exercises.  Transparency of policy development through the participation of representatives of social partners and civil society is enhanced.	Jordanian Parliament. Ministry of Labour. Jordan Chamber of Industry, General Federation of Jordanian Trade Unions, civil society organizations.

Country priorities	Country outcomes	Main inputs (ILO strategy)	Primary outputs	Targeted partners
<b>Enhancing Social Protection</b>	<b>Outcome 10:</b> Legal and administrative mechanisms for migration management and protection of migrant workers rights created	Supporting the Government in implementing the <i>Action Plan for the management of labour migration and the protection of migrant workers in Jordan</i> .	Migrant workers have better access to <i>protection</i> through available services and complaints mechanisms; <i>Prevention</i> measures are in place through better migration management. <i>Prosecution</i> of employers and recruiters who violate migrant workers rights is undertaken. <i>Awareness</i> , regarding migrant workers rights and especially those related to forced labour and trafficking is improved. Migrant workers can form labour associations	Ministry of Labour, Ministry of Trade and Industry, Ministry of Interior, Ministry of Foreign Affairs, relevant Embassies, Jordan Chamber of Industry. General Federation of Jordanian Trade Unions, civil society organisations
	<b>Outcome 11:</b> Capacities of Social Security Corporation strengthened	Implementing the ILO -SSC project on improving actuarial capacities  Undertaking a study on the scope and costs for establishing a maternity protection scheme.  Ratifying Convention No. 102.	Technical Capacity to ensure social security sustainability is improved A Cabinet decision to establish a Maternity Fund which is co-financed by Government, employers and workers is taken. Jordan is the first Arab State to have ratified and is implementing C.102	Ministry of Labour, Social Security Corporation, Chamber of Industry, Jordan, National Commission for Women
	<b>Outcome 12:</b> Worst Forms of Child Labour Convention (No. 182) applied	Developing and implementing Phase II of the programme to support the National Policy and Programme Framework.	National programme and policy framework formulated and approved by the Government. Phase II of the project is implemented	Ministry of Labour. Ministry of Social Development. Ministry of Education. Jordan Chamber of Industry, General Federation of Jordanian Trade Unions Jordanian Hashemite Fund for Human Development. Department of Statistics. National Council for Family Affairs. Civil society organizations

## ANNEX II

### ILO technical cooperation programme

#### Ongoing projects

##### **National Programme for the Prevention and Elimination of Child Labour in Jordan** (US\$1 million, US Department of Labour)

The goal of the programme is to contribute to the elimination and prevention of child labour in Jordan. Technical assistance is being provided to Jordan through a focused Country Programme Approach for a period of three years. The programme is expected to be completed by 2007.

##### **Strengthening the Capacity of the Ministry of Labour to Generate Employment and Reduce Poverty**

(US\$886,083, three installments received from the Italian Government)

The project, which is being implemented by Turin Centre, aims at contributing to the national efforts for public sector reform. The project is expected to be completed by December 2006.

##### **Establishment of a Community-Based Rehabilitation Training Centre**

(US\$90,000, AGFUND)

The project is designed to enhance the training capacities of community workers through assistance to the National Council for Welfare and Rehabilitation of Disabled Persons and Mutah University. The project is expected to be completed by December.

##### **Strengthening the Social Partners Capacity for Promotion of Social Dialogue in Jordan**

(US\$1.4 million, US Department of Labour)

The project aims at creating an enabling labour relations environment for economic development and social stability through the promotion of social dialogue at the national, sectoral and enterprise levels and strengthening of labour administration. US\$632,000 are left under the project which is expected to be completed by July 2006. Phase II, with the possibility of financing from the European Union, is under preparation.

##### **Actuarial Consultancy: 2005-2008**

(US\$296,388, Social Security Corporation)

The project focuses on the development of actuarial capacities within the Social Security Corporation in Jordan, namely for the provision of actuarial support to policymakers in the reform of the national social security system. The project is expected to be completed by 2008.

#### Pipeline project

##### **Establishment of the Jordan Agency for Development of Enterprise**

(\$1,243,012; Development and Employment Fund)

### **Proposed technical cooperation projects**

With the participation of the national counterparts, the ILO will work towards the formulation of the following technical cooperation projects:

- Improving legal and administrative mechanisms for migration management and protection of migrant workers rights in Jordan
- Better factory Jordan: Strengthening labour inspection and employer responsibility of compliance with international labour standards.
- Strengthening the social partners capacity for promotion of social dialogue in Jordan– Phase II.
- The national policy and programme framework of the elimination of the worst forms of child labour in Jordan – Phase II.
- Strengthening the capacity of the Ministry of Labour to generate employment and reduce poverty –Phase II