JORDAN'S PROGRESS IN LABOUR REFORM

The Ministry of Labour
Hashemite Kingdom of Jordan

OCTOBER 2009

INTRODUCTION

- A middle-income developing country, Jordan has in the years before the global recession recorded strong GDP gains despite its limited natural resources and the difficult regional political environment. It has one of the youngest populations in the world, with a median age of 24, and an estimated population growth rate of 2.3% for 2009. These demographics require new jobs for an increasing number of new labour market entrants every year, and therefore the need to increase worker skills to support further productivity, market competitiveness, and overall long-term economic growth. Despite these challenges, the Government of Jordan successfully lowered the unemployment rate to 12.7% in 2008 from 14.8% in 2005. Given the impact of the global financial crisis, even more work remains to be done to create opportunities for the young and growing Jordanian population.

- In the last decade, Jordan has continuously demonstrated its strong commitment to economic, political and social reform through the steps it has taken to expand its international trade and investment relationship with the United States and other nations. The establishment of the Qualifying Industrial Zones (QIZs) in 1997 under the U.S.-Israel Free-Trade Agreement (FTA) spurred the growth of Jordan's apparel industry by providing Jordan with important duty-free benefits for apparel. In turn, the rapid growth in the QIZ program was instrumental in paving the way for the U.S.-Jordan FTA in 2001 - the first FTA ever to include labour obligations.

- Under the QIZs and the Jordan-U.S. FTA apparel exports from Jordan to the United States grew from some US $50 million in 2000 to US $1.25 billion in 2006. However, the rapid growth of the apparel sector also created challenges for Jordan's labour market, resulting in a large influx of guest workers, primarily from Asia. This development constituted a particular challenge for Jordan's labour administration institutions in effectively assuring compliance in the apparel sector.

- In response to the combined challenge of creating more jobs for Jordanians and ensuring worker rights for all workers in Jordan, in 2007 the Government adopted a comprehensive labour reform Action Plan.

MEETING INTERNATIONAL OBLIGATIONS THROUGH A THREE-PILLAR APPROACH

- Jordan is fully committed under the Action Plan to meet its international obligations. Under the Action Plan, the MoL has improved the labour framework through a three-pillar approach consisting of: (1) improving working conditions through enforcement and compliance assistance, (II) enhancing institutional capacity and (III) increasing employment opportunities. The MoL has taken tremendous strides in implementing and enforcing each pillar of this strategy, as illustrated by the following reforms:

  - Amendments to the 1996 Labour Code in June 2008 to extend protections to agriculture and domestic workers, increase fines for labour violations, prohibit forced labour, prohibit workplace harassment and abuse, and provide a statutory basis for the National Tripartite Consultative Committee.

  - Launch of the ILO Better Work Jordan Project and participation of 15 factories, employing 20,000 workers, with negotiations ongoing with additional 7 factories to join BWJ.

  - Enactment of a new anti-trafficking law and the establishment of the National Committee on Trafficking.

  - Provision of amnesty periods for guest workers without documentation and support infrastructure for migrant workers that need humanitarian assistance, including financial and legal assistance.

  - Implementation of the Satellite Factory Project by bringing factories to more accessible locations for Jordanian unemployed women. A number of apparel sector factories participate in this Project, increasing Jordanian employment in the sector this year by 350 more workers, of which 330 are women. Four more apparel satellite factories are close to begin operations.

  - Increase in the MoL's budget and staff, as shown in the following tables:

MINISTRY BUDGET (IN MILLIONS OF JD[1])

YEAR	CURRENT[2]	CAPITAL[3]	TOTAL
2006	2.213	0.876	3.089
2007	2.387	0.320	2.707
2008	2.575	4.450	5.025
2009	3.480	6.480	9.960
2010 (indicative)	3.382	3.685	7.067

STAFF

Year	Number of MOL Civil Service Staff	Number of Active MOL Civil Service Inspectors	Number of MOL Contracted Inspectors
2006	430	77	6
2007	452	77	6
2008	499	78	35
2009	534	81	62

- As illustrated by the above initiatives, the Government of Jordan remains committed to labour reform and to working in a transparent and accountable fashion with its domestic and international partners to further strengthen Jordan's institutions and laws in order to meet international labour standards. To read more about the comprehensive reforms made visit the Ministry's website at www.mol.gov.jo, or the Jordanian Embassy's website at www.jordanembassyus.org.

[1] The current conversion rate is: 1 Jordanian Dinar (JD) is equal to US $1.412.
[2] Current: Regular Operations: including salaries of civil service staff, electricity, telephone, building maintenance, etc.
[3] Capital: Funds from the Ministry of Planning or Finance earmarked for projects implemented by the MoL.

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