

# **Aspects of Migration and Development in Jordan**

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**Aspects of Migration and Development in Jordan**

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**List of abbreviations and acronyms**

AFP Agence France Presse

b billion

CBJ Central Bank of Jordan

GDP gross domestic product

ICI Irbid Chamber of Industry

JAF Jordan Armed Forces

JTRC Jordanian Training and Recruitment Corporation

JEA Jordan Engineers Association

JOD Jordan dinar

m million

MoL Ministry of Labor

NLC US National Labor Committee

PETRA Jordan News Agency

QIZ Qualifying Industrial Zone

SSC Social Security Corporation

USD US dollar

# Discussion Paper

## Aspects of Migration and Development in Jordan

### I. Introduction

Due to expansion of the public sector, high rates of economic growth, and demand for Jordanian workers in regional labor markets, Jordan enjoyed almost full employment from the mid-1970s to the early 1980s. This resulted in labor shortages in some job categories and paved the way for importing migrant laborers, particularly Arabs, to work mainly in unskilled and semi-skilled occupations.

That prosperity did not last long, however, and unemployment began to rise in the mid-1980s due to slow growth of the regional labor market and the gradual return of Jordanian expatriates from the Gulf countries (though there was no parallel mass departure of migrants from Jordan). Economic crises in the late 1980s and regional conflicts also contributed to an increase in unemployment.

Additionally, high population growth rates in earlier periods began to have an impact on unemployment in the country. Jordan's population has risen tenfold in the past fifty years, to close to over 5.5 m today. This was because of huge net immigration, especially Palestinian, and high fertility coupled with low mortality rates. However, fertility began to fall in the 1980s due mainly to widespread access to family planning methods and higher levels of female education.

These factors contributed to a significant decline in population growth rates, from 4.4% annually in 1979–94 to 2.8% in 1999–2000 and less than 2.5% today, which is still high by international standards. Nevertheless, projections are that Jordan's population in 2015 will reach 7 m, while the share of the population of working age will rise to over 60%. This increases the need for employment creation substantially; the economy has to

provide over 60,000 new jobs per annum for the next five years and 70,000 annually in the decade after to absorb new entrants into the labor market and prevent further unemployment, which today stands at around 170,000.

In an effort to create jobs outside the public sector, Jordan has engaged in economic reform (including structural adjustment and liberalization) over the past fifteen years, which has helped the country's growth. This has been especially evident since 2003, with the economy still doing well today.

Partly as a result of restructuring and a more liberal system, Jordan's real gross domestic product (GDP) grew by 6.4% in 2006 (having averaged 7.3% in the past three years); the country's foreign and internal indebtedness decreased last year to less than 73% of gross domestic product, from close to 84% in 2005; and the deficit in the government's budget fell to 4.4% of the GDP in 2006 from 5.3% last year.<sup>1</sup>

Such a broadly positive reform outcome coupled with steady growth over the past few years nevertheless hides variations in economic performance. For example, resolving the unemployment problem was one of the main goals of the reforms adopted by Jordan in the early 1990s. However, despite state efforts to implement reform and achieve higher growth rates to create jobs, unemployment is still high, and remains in double-digits.

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<sup>1</sup> Central Bank of Jordan (CBJ) *Monthly Bulletin* March 2007

**Table 1: Jordanian Unemployment Rate, Selected Years and Target for 2015 (%)**

1982	6.5
1986	13.1
1995	15.3
1996	12.8
2000	13.7
2004	12.5
2005	14.8
2006	14.0
2015	6.8

Source: Jordan Department of Statistics; target for 2015 from Jordan's official "National Agenda of Political and Socio-economic Reform" 2005

Low growth-elasticity of employment in Jordan does not augur well for a policy of cutting joblessness by raising the rate of GDP expansion. There is indirect evidence that the impact of growth on job-creation has become weaker in some industries due partly to computerization and other forms of mechanization, though there is insufficient research on this topic and no firm data is available.

While Jordanians continue to enter labor markets outside the country with a significant benefit to its balance of payments, a large number of foreign workers live in Jordan, though their remittances are less than inflows from Jordanian emigrants. According to Jordanian Ministry of Labor (MoL) figures, the number of guest workers stands at 314,000, and there are around 100,000 foreign laborers working in the country illegally, particularly in certain sectors, namely agriculture, construction, tourism, and social and personal services.

## **II. Arab Immigration**

Counting legal and illegal workers, as well as the unemployed and those outside the labor market, the number of non-Jordanian Arabs living in the kingdom could be close to a million. About 72% of guest workers in Jordan are Arabs, mainly Egyptian, while Iraqis probably comprise the largest proportion of the Arab migrant non-working population in

the kingdom. The rest of this section discusses aspects of the presence in Jordan of members of these two nationalities.

*Egyptian Workers*

Because of the proximity of the two countries and their general affinities at many levels, large numbers of Egyptians come to Jordan, many in search of employment. More than 216,000 Egyptians work in Jordan, about 69% of the kingdom’s non-Jordanian workforce, but many are also in the country in other capacities, some of them illegal. Table 2 shows Egyptian arrivals in and departures from Jordan in recent years, with the difference between the two representing persons from Egypt who have stayed in the kingdom.

**Table 2: Egyptian Arrivals in and Departures from Jordan, Selected Recent Years (000s)**

	2000	2003	2006	2007 (until June)
Arrivals in Jordan	215	410	724	1172
Departures from Jordan	193	339	558	1154
Net arrivals	22	72	116	18

Source: CBJ *Monthly Statistical Bulletin* various issues

To try to control this phenomenon in light of chronic Jordanian unemployment, Jordan and Egypt signed an agreement in March 2007 to regulate the entry of Egyptian workers, based on the needs of the kingdom’s labor market. The memorandum of agreement specifies the sectors in which Egyptians can work, in addition to requiring them to undergo compulsory medical tests. The memo stipulates that Egypt will also be required to keep a database of all laborers seeking employment in the kingdom, to which Jordan

should have access. In addition, Amman should provide Cairo with the list of laborers selected for employment after their work permit fees are paid.

To regularize the status of Egypt's guest workers and put the agreement into effect, the MoL in April temporarily suspended the entry of Egyptian workers into the country and offered a grace period to those already in Jordan to rectify their status, either by applying for new work permits or switching to vocations in which they are entitled to work. They are also required to produce certificates stating they have no prior criminal convictions.

The ministry issued close to 68,000 permits during the initial grace period of 15 April - 31 May. However, because of the huge number of applications, the ministry was still issuing permits in early June. Due to the large number of Egyptians seeking to renew their documents, the ministry then decided to issue permits to all Egyptian laborers currently in the country if they submit their papers before 21 June. Only those currently not under contract to work for any particular employer or whose work permits had expired were eligible to apply for a new permit, according to MoL regulations.

During the whole, extended grace period, the ministry issued close to 77,000 work permits to Egyptians, the majority for residential building security guards, which the ministry has now reclassified to “cleaners.” The MoL in June 2007 also introduced a USD250 fee for Egyptian workers entering the country, refunded once they obtain a work permit. The workers will be given one month from the date of entry in which to obtain a license to work, or will be asked to leave the country. The ban on Egyptian workers entering the country ended at the beginning of July. Egyptians then wishing to work in Jordan had to hold professional certificates in accordance with stipulations of the agreement.

The MoL formed an advisory commission to follow up on the implementation of the agreement with Egypt. Headed by the ministry’s secretary general, the commission includes representatives from concerned associations and the chambers of trade and commerce. The commission will list the needs of each sector, including professions and

number of employees required, reviewable on a monthly basis in collaboration with the concerned sectors.

Is such a focused and interventionist policy towards Egyptian migrants into Jordan going to succeed? Industrialists and farm owners in Jordan say that replacing foreign laborers with Jordanians should be a gradual process as there already is a shortage of cleaners, porters, and farm workers in the kingdom, most of these jobs filled by Egyptians. It is difficult to make the switch overnight; the Zarqa Chamber of Industry was urging the government to be flexible about implementing an agreement with Egypt until adequate numbers of Jordanians in the appropriate categories become widely available.

Outside the industrial or services sectors, farm owners in Jordan who employ Egyptians did not object to replacing them with Jordanians, but noted bad experiences in the past with local workers who could not tolerate the working environment or commit to working hours on farms. Jordanians shun work in the agricultural sector due to the tough conditions; on the other hand, over 72,000 agricultural work permits go to Egyptian workers annually (though not all of them work in this sector, so ministry inspectors have started a campaign to ensure adherence to employment rules.<sup>2</sup>)

### *Iraqi Migrants*

Another recent migration issue to emerge in Jordan has been that of the large number of people coming from Iraq to stay temporarily in the kingdom. The Iraq war has displaced Iraqis to neighboring and other countries, including Jordan. However, contrary to the perception provoked by their high-profile presence, Iraqis who fled to Jordan are not to blame for the kingdom's economic problems. "It is important to emphasize that the Iraqis in Jordan are not responsible for most of the economic challenges Jordanians are currently facing," said a report published in mid-2007 by the Center for Strategic Studies at the state-run University of Jordan. "It is unsurprising that many Jordanians would associate the very visible arrival of almost a million Iraqis in Jordan with the serious

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<sup>2</sup> "3,000 work permits allocated for Egyptian day workers" Jordan National News Agency (PETRA) 10 June 2007

economic issues that arose, at the same time, as a result of the Iraq war more broadly,” the report said.

On the other hand, Jordan’s sheltering of Iraqis, estimated by the government at 350,000-400,000, was costing around USD1 b a year. The United Nations High Commission for Refugees said nearly 750,000 have fled to Jordan, which has commissioned a survey to determine the exact number of Iraqis on its soil.<sup>3</sup> In any case, Iraqis in Jordan have had an impact on the national budget, since some of them have enrolled in Jordanian schools, used Jordanian hospitals, and consumed government-subsidized fuel and water. This added a burden to Jordan’s 2007 budget.

At the same time, Iraqi investment in Jordan since 2003 has been significant, but Jordan’s economic growth over the past three years appears to be due largely to other factors. Iraqi capital coming into the country pales in comparison to investment from other Arab sources. Iraqi capital in manufacturing in Jordan has been one of the factors behind that sector’s rapid growth, but not a decisive one. On the other hand, the construction sector, often associated with major Iraqi investments, actually contributed relatively little to Jordan’s overall economic growth. Iraqis currently have over JOD200 m invested in the Jordanian stock market, and they have companies in Jordan with a registered capital of over JOD100 m.

All this indicates that while there were some adverse economic ramifications because of the Iraq presence in Jordan, their presence was also associated with positive outcomes that resulted from their direct investment. The fact remains however that Jordanians exaggerate the Iraqi presence in Jordan and the impact of the war on the kingdom’s economy both in terms of its negative and positive effects.

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<sup>3</sup> “Study absolves displaced Iraqis of blame for Jordan's economic Problems” Agence France Presse (AFP) 5 July 2007

### III. Foreign Labor

Non-Arab migrants to Jordan have also become more prominent in the economy since the late 1970s, but especially so for the past decade in the case of workers in the Qualifying Industrial Zones (QIZs), which are a special form of extraterritorial economic arrangement whose exports to the US are tariff-free by US decree. QIZs so far exist only in Jordan and Egypt, but could also operate in Palestine.<sup>4</sup>

The QIZ model offers duty-and quota-free access to the US market for products manufactured by “qualifying” enterprises located in enclaves designated by the United States Trade Representative. Products must meet certain criteria to qualify under the program; the primary requirement for a product to qualify for QIZ benefits is that Jordanians and Israelis must share in appraised value, with possible input by the US or the Palestinians, such that a manufacturer located within the Jordanian QIZ must provide at least 11.7% value added, a minimum of 8% (7% for high-tech goods) must be provided by Israeli manufacturers, and 15.3% (16.3% for high tech goods) may come from either Jordan, the US, Palestine or Israel. Currently there are 13 QIZs in the country. Because of the QIZ deal and the Jordan-US Free Trade Agreement, signed in December 2001, Jordan’s exports to the US, mainly garments, have soared from a meager USD13 m in 1999 to over USD1.4 b last year.

At the same time, most labor in QIZs continues to be non-Jordanian: the zones employ more than 52,000 foreign workers, representing 70% of the total QIZ labor force. Although generally their position had not been controversial, over the past year or so

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<sup>4</sup> The US House of Representatives in March 1996 began considering an amendment to the US-Israel Free Trade Area Implementation Act of 1985 to give the US President additional proclamation authority, which extended the US-Israel free trade area to include products of the West Bank, the Gaza Strip, or a QIZ between Israel and Jordan or Israel and Egypt. The bill went to the House Committee on Ways and Means, which in its report stated, “Duty-free treatment for goods produced in the added zones could assist in supporting the peace process, increase employment, and stimulate the economy of the region.” According to the rationale of the legislation, extending the free trade area to QIZs would also produce tangible economic benefits for Jordan and Egypt, the two Arab states that had signed peace treaties with Israel, “thereby broadening support for the peace process within these countries.” The House passed the bill by voice vote in April 1996, and the Senate passed it unamended unanimously in September 1996. The bill became law in October 1996. Egypt’s QIZ privileges came in late 2004.

there have been several incidents, highlighting problems with these migrant workers employed in the QIZs. For example, 430 Bangladeshi workers went on an illegal strike at a QIZ factory in August 2007 but did not give the legally stipulated 15-day notice to their employer, so incurring fines of JOD50 per worker for the first day of the strike and JOD5 for each day after that. The MoL quickly intervened, focusing on this illegality, and asserting that the workers owed money to the state, not the company, even if strikers reached a deal with the employer. The MoL also pledged to supply the factory with Jordanian workers to replace foreign ones.

The strike was the latest in a series of similar moves by foreign workers in QIZs this year, and the second by the same group in 2007. Most strikes have ended in favor of the workers, with employers caving in, fearing increased losses because of work stoppages. However, in all cases, the workers went on strike without duly notifying employers and worker demands were often inconsistent with terms in their employment contracts.

The same group had gone on strike in March to pressure the company to lower the amount for food and accommodation deducted from their wages from JOD33.5 to JOD20. The employer agreed after four days and the employees signed a new contract incorporating the changes.

However, in late July 2007, after learning that workers in another garment factory succeeded in pressing their employer to cancel the deduction, they followed their example. The original group went on strike again, refusing to go back to work unless they received the same treatment as their peers. They also set a list of other demands, some legitimate, including water coolers in their hostel, better food quality, and air conditioners. However, some see other conditions set as illegitimate: in addition to waiving the food and accommodation deduction, the workers want overtime work to be in US dollars instead of Jordanian dinars, a demand that violates the contract.

The workers and their employer eventually reached a settlement under which the company would deduct JOD10 (instead of JOD20) from each worker, while it would pay

a total of JOD2000 a month for all workers to buy and cook their own meals. The company also responded to other demands that included reducing working hours from ten to eight, and providing drinking water to the employees. The employer agreed to pay them the July salary with that for August, but withheld the payments to settle the issue of fines to the ministry.

The employer of the striking Bangladeshi workers said the MoL blocked a deal between the company and its employees by insisting on fining the workers for their “illegitimate” strike. However, the ministry said it had not instructed the QIZ firm to freeze the agreement. After a deal, officials from the ministry told the company to freeze workers’ wages because they owed fines to the state, affirming that the MoL would collect the fines from the workers irrespective of any agreement reached with the company.

The workers’ circumstances then became even more difficult, while the company failed to renew the residence and work permits of 400 of them, of whom 100 had completed their three-year contracts. The delay led to accumulating fines on the employer, estimated to exceed JOD500,000. Jordan textile union officials were then in talks with the MoL to reach a settlement that would enable workers who have completed their contracts to return to their country. The same officials also blamed the workers for not consulting the union before they went on strike, underlining that their act was against the Labor Law.

These and similar incidents re-enforced the impression that insufficient knowledge of labor rights and duties were among problems facing workers in the QIZs. To help them cope, a two-year project by the Queen Zein Al Sharaf Institute for Development set out to increase worker knowledge of their rights according to Jordanian Labor Law, under the USAID-funded MASAQ Rule of Law project.

The project established a permanent consultation unit in Sahab, home to a QIZ, east of Amman, to receive workers’ complaints, and trained male and female volunteers on the Labor Law and the skills needed to receive workers’ complaints and find solutions to deal with them. The unit provides free legal consultation for workers and job seekers as well

as conducting awareness sessions on worker rights and entitlements. Over the course of the past two years, the unit dealt with 42 cases, with most complaints related to low wages and lack of medical coverage.

In addition to the shortcomings uncovered during the MASAQ project, in May 2006, a report by the US National Labor Committee (NLC) criticized violation of workers' rights in some of the QIZs. The NLC report detailed violations in 28 establishments and claimed that employers had stripped tens of thousands of foreign laborers working in the zones of their passports, trapped them in involuntary servitude, and forced some to work without sleep.

In response to the above and other allegations, the MoL in 2006 developed a detailed action plan to address the situation and increased inspection teams. Partly as a result, the NLC's report at end-2006 acknowledged that there had been substantial improvements in up to 80% of the QIZs but that problems remained. "Overall, progress continues, but serious cases of human trafficking and wage and hour violations persist in garment factories," the NLC said late last year, a conclusion re-iterated in the subsequent, latest report on the kingdom.<sup>5</sup>

On the other hand, some firms operating in the QIZs are subcontractors that do not have solid manufacturing foundations. Such investors are valued as key to employment and growth, but often they mask exploitation and immoral practices towards migrants under the pretext of efficiency. Business, in terms of investments and exports, should not be at the expense of standard labor practices. However, there is a question as to whether stricter measures would push investors to relocate to Egyptian QIZs, for example.

Declining Jordanian QIZ exports seem now to reflect this shift. For example, figures revealed by the northern Irbid Chamber of Industry (ICI) confirm serious problems at QIZ manufacturers in that part of the country. At the heart of the problem, reflected in a

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<sup>5</sup> NLC "U.S.-Jordan Free Trade Agreement: Progress on Worker Rights, but Much Remains to Be Done" 30 March 2007 [www.nlcnet.org](http://www.nlcnet.org)

drop of almost USD24 m in exports from the Irbid governorate (province) during the first half of this year, is a cutback in orders from buyers abroad. These, especially from the US, are shifting their purchases to other countries that are becoming more competitive.

Despite the healthier investment climate and good infrastructure in the kingdom, high costs are harming industrialists who find better profitability in Egypt, where the US extended QIZ privileges in late 2004. Also blamed for the downsizing or relocating of foreign investors are unstable labor regulations among other changing government policies.<sup>6</sup> The MoL dismisses these complaints, and claims that consistent regulations cover foreign workers in the country, pointing to the “golden list” of compliant companies operating at QIZs. The MoL says that it promptly meets requests and needs of around 40 QIZ firms found to be in no violation of laws and regulations. These firms, out of about 120 in the QIZs, were on this list for showing adherence to Jordanian rules and abiding by work and cultural standards.

Behind the more than 9% drop in Irbid region exports from around USD258 m<sup>7</sup> during January-June 2006 to just over USD234 m in the first six months of this year is downsizing due to a fall in buying orders. The largest drop was in garment and textile exports, which fell by close to 10% to over USD219 m during the first half of this year from just under USD243 m during the same period of 2006. ICI figures showed that exports in June 2007 alone fell by more than 15% to almost USD41 m from over USD48 m in June 2006.

Local industrialists expected exports from Irbid to continue dropping during the coming months without quick remedial action to stabilize labor issues and satisfy demands to boost competitiveness. The main casualties of Jordan having lower competitiveness than Egypt are the small factories, whereas large plants are just cutting back.<sup>8</sup>

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<sup>6</sup> Ghawi S “Figures expose serious problems at Irbid’s QIZs” *The Jordan Times* 5 July 2007

<sup>7</sup> Total Jordanian exports during the same period were around USD2.8 b

<sup>8</sup> ICI “Monthly Bulletin” July 2007

More recent ICI figures further emphasized this trend, as industrial exports from Irbid governorate amounted to just over USD334 m during the January-August period of this year, 8% lower than the almost USD364 m recorded during the same period in 2006. ICI data showed that exports of clothing dropped by close to 9% or just over JOD30 m in January-August 2006. This category accounted for about 94% of total exports from the Irbid region.<sup>9</sup>

The ICI also attributed the drop to reduced orders to QIZs from buyers abroad. These are in particular shifting to QIZs in Egypt where labor, power and other industrial inputs cost about 20% less than in Jordan. Factories operating in accordance with the QIZ agreement in the Irbid area are working below capacity, but as things are now, it seems that exports may drop even further.

Possible remedial action to reverse the downward trend could be by using more Jordanian clothing accessories in QIZ output to enhance competitiveness, but some feel that it may now be too late to redress the situation. A decline in purchase orders from abroad may prompt investors to relocate; garment and textile industries need only a slight profit edge to lure them into shifting production bases.

Even if the problem of lack of Jordanian QIZ competitiveness is resolved, the issue of migrants in these areas will not suddenly disappear. Jordanizing labor at QIZ garment factories overnight is not possible; even if it were, there is no guarantee that local workers would cause fewer problems or be more cost-efficient than migrants. Jordanians in large numbers are not yet willing or trained enough to work in such industries, making their possible involvement a gradual process.

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At the same time, Jordanians are unwilling to take up other occupations, such as domestic help, a field of activity in the kingdom dominated by non-Arab migrants.

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<sup>9</sup> Ibid September 2007

One problem in this area has been selling visas to foreign workers, which is proving to be a profitable illegal business. Such being the case, there is need for guarantees and for financial and administrative controls to deal with companies considered non-compliant with rules and regulations. This would help regulate the market and ensure a better reputation for Jordan in terms of labor standards.

To that end, the MoL plans to impose a notary guarantee of JOD1,000-2,000 on prospective employers of foreign domestic helpers. The decision is part of several recommendations the MoL referred to the state Legislation Bureau for review before it goes for approval to the Cabinet. If the proposals pass, the government will amend regulations for recruitment agencies dealing with non-Jordanians accordingly.

The reason for introducing the guarantee is to protect the rights of workers, due to existing violations by some sponsors and agents with regard to domestic helpers' wages. Around 95 of the 102 recruitment offices in the kingdom are legal, while the estimated number of helpers holding legal work permits stands at 60,000, with only just over 600 working illegally, according to the Non-Jordanian Domestic Recruitment Offices Owners Association's.

The new instructions will regulate this sector by imposing penalties and increasing the effectiveness of the MoL's control and supervision to address loopholes in existing regulations. To that end, the ministry has formed a committee to review regulations and deal with flaws in the system; amendments will also include raising the bank guarantee required of recruitment offices to JOD50,000-60,000.

The MoL has also issued a multi-lingual booklet that details the rights and duties of foreign workers under Jordanian law. In addition, the ministry started in July 2007 to include a hotline number on work permits in case of migrant complaints; the MoL also plans to establish a notary office at its headquarters, in addition to certifying a

standardized contract for recruitment agencies to ease formalizing contractual arrangements for migrant workers.<sup>10</sup>

#### **IV. Jordanian Migration**

Jordan has exported labor to the Gulf and Saudi Arabia since the 1970s, which has partly relieved unemployment and acted as a counterweight to high population growth. Though this trend slowed in the 1980s and reversed in the early 1990s, it picked up again during the last five years. Approximately 350,000 Jordanians are working abroad, mainly in the Gulf, many of them highly skilled professionals.

This represents a net financial gain for the country in the short term, but the sustainability of the situation may be questionable because of regional and international instability. For example, Jordanian emigration to Iraq has fluctuated strongly since 2003 because of security developments there; today the migration balance between the two countries is in reverse after a massive influx of Iraqis into the kingdom while the number of Jordanians in Iraq shrinks.

Arrivals of Jordanian in and departures from the country may be a proxy for net emigration; as seen in Table 4. This is considerable.

**Table 3: Jordanian Arrivals in and Departures from Jordan, Selected Years (000s)**

	2000	2003	2006
Arrivals	1599	1401	2671
Departures	1627	1533	2755
Net departures	28	132	84

<sup>10</sup> Hazaimah H “Ministry to streamline domestic helpers sector” *The Jordan Times* 18 September 2007

Source: Central Bank of Jordan *Monthly Statistical Bulletin* various issues

Prominent among Jordanian expatriates are the engineers, of whom more than 12,000 of the country's 68,000 are working in Gulf countries, mainly in the architecture and construction sectors, according to Jordan Engineers Association (JEA) figures. In addition, including non-Gulf states, more than 20,000 Jordanian engineers currently work abroad, of whom about 80% continue to pay JEA fees.

To enhance links between its members at home and outside, the JEA holds regular fora for expatriate engineers in the Arab world and Europe to develop a relationship and assist them in problems they may encounter while abroad. The JEA has opened several liaison offices, including in Qatar, the UAE and Saudi Arabia, to facilitate communication between the association and its members in order to keep them updated on the services the JEA provides. Expatriate Jordanian engineers have generally contributed to the economies of countries where they work, which in turn increases the demand for Jordan's professionals.

Apart from such steps, links between the country and Jordanian expatriates include the possibility of their benefiting from social security. The Jordanian Social Security Law compels employers of establishments in all formal activities that employ five or more people to register them with the Social Security Corporation (SSC) and contribute a proportion of their remuneration to the Social Security Fund. This scheme covers both Jordanians and non-Jordanians. Those enrolled in the program amount to about a third of the total workforce and 15% of the total population.

In 2001, a new measure was passed allowing individual Jordanians working abroad to enroll in state social security. To that end, the SCC continues to call on Jordanians working abroad to subscribe to old age, disability, and life insurance under the voluntary contribution scheme. The SSC regularly urges expatriates to seize the opportunity, which would provide them and their families with more stability and security, especially since many of them do not have insurance in the countries where they work. Under the

subscription regulations, expatriate Jordanian men aged of 16-60 and women 16-55 are eligible to subscribe to old age, disability, and life insurance.

To strengthen these efforts, the corporation is currently working on creating a “mobile social security office” to enable Jordanians working abroad to subscribe to the insurance system. The mobile office will operate in accordance with a work schedule that entails traveling to several countries, accompanied by specialists and technical experts.<sup>11</sup>

## **V. Conclusion**

Although Jordan has achieved higher economic growth rates and attracted a considerable number of foreign investments, this has not helped create job opportunities for Jordanians as hoped. This reality poses a serious challenge, one that necessitates looking for new solutions to the problem of joblessness.

To help address this issue, the MoL has formed an advisory committee comprising public and private sector representatives to determine the needs of the labor market and draw up plans to replace foreign workers with Jordanians.<sup>12</sup> However, as there are obstacles to regulating or otherwise addressing aspects of inward or outward migration, which in turn relate to unemployment, other solutions to joblessness could include training accompanied by attempts to make gradual changes in the work ethic.

The reality of unemployment and recruitment compels linking policies regarding the latter with other strategies, including in such areas as investment and education among others. A step towards regulating the labor market and setting policies that would reduce unemployment, find jobs for the local workforce and enhance the quality of work includes the promotion of vocational training.<sup>13</sup>

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<sup>11</sup> “SSC calls on expatriates to join voluntary contribution scheme” PETRA 21 July 2007

<sup>12</sup> “58,000 work permits issued since May 18” PETRA 26 May 2007

<sup>13</sup> “Symposium focuses on local recruitment policies” PETRA 26 July 2007

An indication that Jordanians shun working in certain sectors is evident in the younger generation's rejection of technical and vocational sectors, for which the state calls for formulating plans to make such fields more attractive. The proportion of Jordanian students who enrolled in vocational training courses last year stood at less than 5%, while over 95% joined universities and higher education institutions.

To counter this trend, a project announced in 2007 on HM King Abdullah's initiative under which the Jordan Armed Forces (JAF) will train unskilled civilians for jobs in the construction sector, including teaching trainees how to be committed to work and discipline. The first phase of the project will cover the construction sector (and bakeries hope to be included in the second phase).

The project seeks to replace guest workers with local labor in the construction sector, which has been booming recently with large-scale developments underway in Aqaba, Amman and the Dead Sea. Trainees will undergo a three-month military course, in addition to another three months of vocational training with the state Vocational Training Corporation. After they complete the courses, they will receive on-the-job training for two years in major construction companies.

King Abdullah issued directives to the JAF in May 2007 to start recruiting unskilled civilians and train them in professions needed by the construction sector, which could attract over JOD50 b worth of investments over the next five years. As a result, the Jordanian Training and Recruitment Corporation (JTRC) plans to begin training civilians in construction work in November 2007. The JTRC, established in July 2007 with a capital of JOD100,000, held its first board meeting, under the prime minister, in September. The JTRC is working in cooperation with the MoL, the JAF and private business, represented by the Jordan Contractors Association to provide the necessary workforce for the sector.

The JTRC has a JOD18 m budget for this year; the first group of trainees will comprise 1,500 individuals, while the second will consist of 2,500. Recruits will receive a JOD191

monthly salary, in addition to medical insurance, social security, accommodation, and transport. Jordanians currently represent only half the work force in this sector.<sup>14</sup>

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Whether such innovative measures, coupled with better observation of and stricter controls on migrants coming into the kingdom on the one hand and an enhanced interaction with Jordanian expatriate workers on the other, will help resolve the country's unemployment remains unclear. However, there is obviously increased awareness of migration issues and their links with the country's economic development. That in turn is pushing Jordan towards new steps in an attempt to meet rising expectations driven by globalization. On the other hand, the same global forces mean that Jordanian borders will have to stay open to migration - into and out of the country - and that will inevitably make the task of state intervention tougher.

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<sup>14</sup> "JCTR to begin training in November" PETRA 12 September 2007