



**National Center for Human Resources Development
Amman, Jordan**

ETF Study Labor Market Functioning

The Case of Jordan

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LIST OF ABBREVIATIONS, ACRONYMS

Arab Fund For Economic and Social Development	AFESD
Active Labor Market Program	ALMP
Aqaba Specialized Economic Zone Authority	ASEZA
Balqa Applied University	BAU
Canadian International Development Agency	CIDA
Civil Service Bureau	CSB
Civil Service Council	CSC
Department for International Development	DFID
Department of International Development	DFID
Department of Statistics	DOS
Education Reform for Knowledge Economy	ERfKE
Electronic Labor Exchange	ELE
Employment Promotion Center	EPC
European Investment Bank	EIB
European Training Foundation	ETF
European Union	EU
Human Resources	HR
Human Resources Development	HRD
Informal Sector	IS
International Labor Organization	ILO
Islamic Development Bank	IDB
Japan International Cooperation Agency	JICA
Jordanian Dinar	JD
Kreditanstalt für Wiederaufbau	KfW
Labor Market	LM
Labor Market Information	LMI
Labor Market Policies	LMP
Ministry of Administrative Reform	MOAR
Ministry of Education	MOE
Ministry of Higher Education	MOHE
Ministry of Labor	MOL
National Center for Human Resources Development	NCHRD
Non-Governmental Organization	NGO
Qualified Industrial Zone	QIZ
Small and Medium-Sized Enterprises	SMEs
Social Partners	SP
Social Security	SS
Social Security Corporation	SSC
Technical, Vocational Education and Training	TVET
United States Agency for International Development	USAID
Vocational Education and Training	VET
Vocational Training Corporation	VTC

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BACKGROUND

The labor supply is influenced by multiple factors; these include: population size, age and gender distributions, family income level, level of education achieved, and the quality of education to name just a few. Unlike many other places in the world, Jordan has experienced some incredible success stories with regards these demographic factors, particularly in the field of education.

In the last thirty years, Jordan has seen the number of students reach more than 1.7 million in 2004, totaling nearly one-third of the entire population (32%). Similarly, illiteracy rates have declined to less than one-tenth of the Jordanian population (9.4%); however, despite these achievements, there exists serious gender gaps. More specifically, when examining the distribution of national illiteracy rates by gender, the majority of the illiterates occur in the female population. Further analysis on gender stratification in the Jordanian labor market will be discussed later in this study.

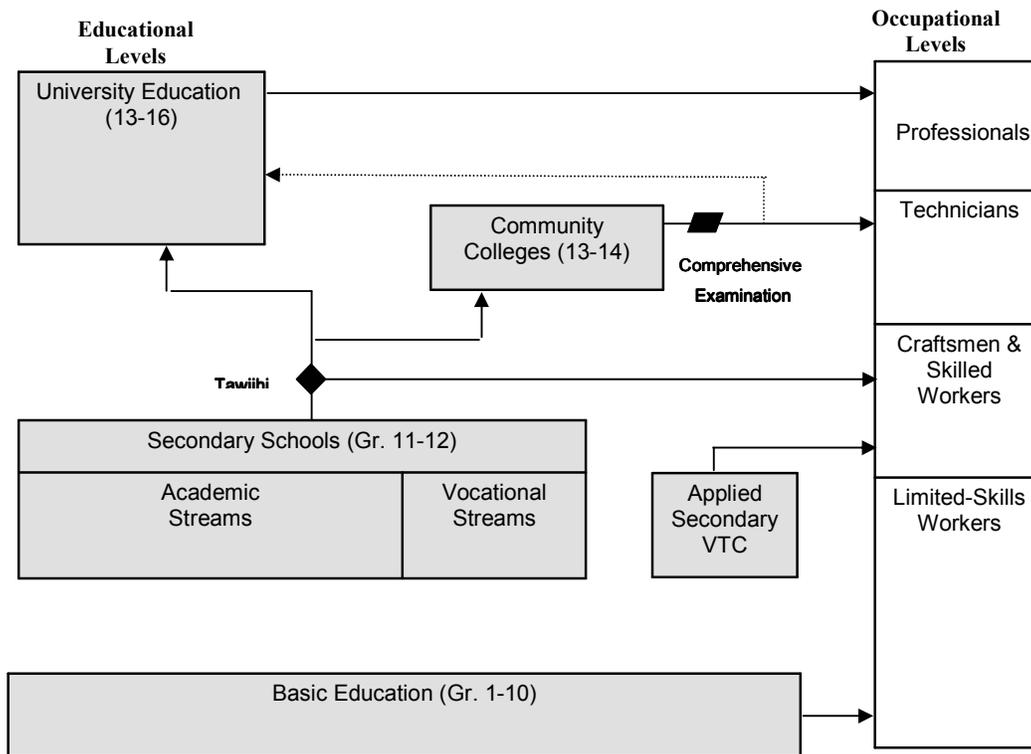
The basic education covers students between the first grade and the tenth grade, there are intentions to expand it to include pre-school. Students completing the basic education will advance to the secondary school system (grades 11 and 12), in one of two branches: an academic or vocational stream. The majority of Jordanian students (nearly two-thirds) advance into the academic stream. Students completing the secondary education interested in higher education (community colleges and universities) have to complete a standardized comprehensive general exam (Tawjihi), prior to doing so. A percentage of the community college graduates can join universities and complete their bachelor degrees. The vocational stream absorbs about 27% of the secondary education students, while the remaining 6% of the students will advance to the applied secondary education. The Vocational Training Corporation (VTC), a government institution, provides those students with the vocational

training they required before entering into the local labor market. The VTC is headed by a General Director, and has a board chaired by the minister of labor.

According to the statistical data regarding education and the labor market, there exists a strong, positive correlation between educational attainment and occupational level. Hence, as educational level increases, the occupational level also increases. The composition of the Jordanian labor force when examined by education attainment is as follows. Students dropping out the basic education system will either go through informal apprenticeships or join the labor market directly; in both cases, they will constitute the bulk of unskilled or low-skilled workers of the Jordanian labor force. Students joining the labor market after completing either: secondary education or applied secondary education (vocational school), comprise the craftsmen and skilled workers of the Jordanian labor force. Community college graduates will become the technicians and the university graduates will be the professionals. For more specific details regarding educational trends, proceed to further sections in this study.

Unfortunately, the Jordanian educational system doesn't officially recognize skills achieved through work experience or through formal training; therefore, workers at the lowest level of the occupational system are virtually immobile. Without the progression through formal educational channels, people are effectively excluded from entrance and access to higher occupational levels, despite any work experience that qualifies them to do so. Credentials are usually theoretical and based on abstractions, unlike experiential knowledge. Often times, the practical or applied knowledge one gains through informal educational channels are in greater demand than the knowledge gained through formal education. Clearly, there is a need for recognition of the value and importance of both educational channels.

The general flow of educational attainment and occupational level are depicted in the chart below. It illustrates the positive correlation between the two labor market indicators.



Percentages refer to Proportion of Graduates

Chart (1) Structure of the Jordanian Educational System

Students and graduates leaving the education system to the labor market are not the only source for labor supply in Jordan. Foreign workers compromise a huge portion of the local labor market. Hundreds of thousands of workers enter Jordan annually, from neighboring Arab countries.

Additionally, Jordan exports comparable numbers of workers to other neighboring countries. The net balance of imported and exported workers becomes virtually insignificant; however, the average educational level achieved for imported and exported workers differs significantly. The majority of imported workers come from the low or unskilled strata; while,

in contrast, the exported workers tend to belong to the upper levels of the occupational hierarchy. Further statistical data regarding these labor issues will be provided in later sections of this study.

In regards to the concept of “demand” in the Jordanian labor market, there are numerous theoretical frameworks one can utilize while operationalizing this term. One method is to classify according to the ownership of the activity into public and private sectors. Another technique distinguishes labor demand by the size and structure of enterprising capital into formal and informal sectors. It is arbitrary and frivolous to debate which particular conceptualization exceeds the other. Rather, all of the frameworks are merely different ways of categorizing, organizing and comparing the information at hand.

Following the latter method, the Jordanian “formal sector” includes: the formal private sector, Ministries, departments governed by the Civil Service by Law, and the independent/semi-government institutions, each of which has its own legislations. The “informal sector” was defined according to the number of employees in the establishments; in addition, any corporation or organization whose hiring less than five employees were all grouped into the category of “informal sector”. Business registration is considered high in Jordan, for both the formal and informal establishments.

I- INSTITUTIONAL & REGULATORY FRAMEWORK

I-1 Institutions

1- The Ministry of Labor (MOL)

The implications revealed by this study, regarding the Jordanian labor market, include: The low economic participation rate is sparked by several things. Included in these are the following: the skewed age distributions, the large number of students per capita, the low female participation in the paid-labor market, and practice of early retirements within the public sector.

The low participation of females in the Jordanian labor market has several causes. Primarily, the imbalance of economic activities between the genders is due to limited access and opportunities afforded to women in the Jordanian labor market. In practice, not necessarily a reflection of Jordanian public policy, most Jordanian labor sectors remain unattractive to the female population. The demand for professional females in the Jordanian labor market is almost exclusively concentrated in the educational sector. More specifically, 41% of female working population is represented in the field of education. Contrastingly, males continue to dominate the Jordanian labor market in all the remaining sectors.

In the last decades, trade increased its weight in the economic activity, while agriculture and construction with public sector declined. Public sector remains one of the largest sectors, comprising of 39% of Jordanian workers. This sector is oversaturated; the amount of work available in the public sector is scarce, whereby increasing the competition of the already excessive labor supply.

Another problem plaguing the Jordanian labor market exists in distribution of labor. The capital city, Amman, accounts for more than a third of the national active population, both the employed and unemployed. Small firms (those with 1-19 workers) account for 65% of total private employment, excluding agriculture. The “informal economy”, employment existing outside legal and regularly frameworks, represents a substantial and active part of the private sector workforce.

Another skewing factor, distorting the Jordanian labor market, is the significant numbers of Jordanian labor expatriates, many of which hold highly-skilled and professional occupations. As mentioned earlier, non-Jordanian workers are overly represented in low-skilled and manual jobs and under-represented in highly-skilled and professional occupations.

Although there is no official statistic, some 350,000 Jordanians are estimated to be currently working abroad, mainly in the Gulf region. In comparison, it is estimated that approximately 200,000 foreign workers are employed mainly in the Jordanian “informal economy”.

Labor Market management is fragmented in Jordan at both policy and operational levels. There is more than one recruitment system in the public sector, one for the civil service employees and the other for the other public sector institutions. Labor compensations, financial and non financial rewards, vary a great deal from one system to the other, and sometimes within the same system where exceptions were made to bypass specific legislations. Up until recently, there existed three different formal systems by which retirement and pensions were dispersed; labor benefits of these kinds were subject to the specific legislations regulating the each following public domains: the civil service, social security, and the military.

The general consensus is that enormous changes need to occur within the current structure of the Ministry of Labor (MOL) if it intends to assume its role in the economic development of the country. The MOL currently has the numerous locations at its disposal, operating a network of 22 labor offices. However, despite their physical and geographical magnificence, they fail to offer any of the much needed employment services. Consequently, the expected responsibilities of labor market management, including: the collecting and tabulation of LMI, career guidance and counseling, referral to training, coordinating/managing retirement programs, employment restructuring due to privatization process, are effectively out of the hands and control of the MOL. The MOL licensed private employment agencies to facilitate Jordanians' employment from within and outside of Jordan. Testaments to this fact are more than 25 employment agencies were licensed in the last few years alone. In addition, the MOL currently lacks any employment insurance framework.

At present, the MOL offices are sparsely located, inadequately equipped and operate using outdated procedures. Frequently, their work procedures aren't integrated within even the most rudimentary information or communication technology support. The labor offices have inappropriate levels of employment services staff. Additionally, the MOL office system is not well utilized by its various clients: enterprise managers, the Chambers, and the unemployed. As a result of these, and many other endemic problems paralyzing the MOL, its services are rarely able reach the people who are in need of the advice and assistance, at the time they needed it.

In their most recent labor surveys, the Jordanian Department of Statistics (DOS) investigated the primary recruit method utilized by job seekers. The general trend for preferred recruitment methods was the same for both genders; however, gender did have a significant impact on the cumulative proportions of the preferred recruitment methods. For example, females chose to apply to the Civil Service Commission by more than 15% of the males surveyed. In contrast, males preferred on-site visitations by more than 15% of the females surveyed. Further details of the DOS recruitment method survey are summarized in the following table:

Table (2) Distribution of Jordanian Unemployed by First-Seeking Method in 2003

Activities	Male	Female	Total (%)
Reading, watching, responding to ads in newspapers, TV	12.7	13.9	13.0
Visit establishments and work sites	66.1	50.8	62.7
Seek assistance of relatives, friends...	13.2	8.6	12.2
Apply for work offices	3.5	5.2	3.9
Apply for Civil Service Commission	2.7	19.3	6.3
Other	1.8	2.2	1.9
Percentages	100	100	100

Source: Al Manar (Department of Statistics)

In conclusion, the DOS quarterly survey reveals the extremely low level of confidence the Jordanian public has in its labor offices of the MOL, accounting for a mere 3.9% of those surveyed preferring to utilize them.

2-The Civil Service Bureau (CSB)

In 1955, under the name of Personnel Department, a central department responsible for organizing personnel affairs at state's offices was established. CSB is an independent department; its director is directly attached to the prime minister. The primary goal in doing so was to improve public sector employees' capabilities and performance. CSB aims at developing public service with its human, bureaucratic, and legal dimensions based on the principles of justice, equality, and transparency.

A Civil Service Council (CSC) was formed outlining the overall policy for the CSB. Some of these highlights include: organizing and developing civil service committees, proposing legislation related to the civil service, reviewing the training programs for the government employees, furnishing the Cabinet with the recommendations related to: salaries, wages, promotions and bonuses for the public servants, and standardizing the criteria for evaluating the public offices' performance. The CSC is headed by The Administrative Development Minister, and an executive council. This council is composed of the following members: the Ministers of Finance, Labor, Higher Education, Education, Head of the Legislation Department, CSB President, and four additional people, each selected according to their personal capabilities.

Over the past ten years, CSB has experienced more than a 50% increase in their job applications. In 1992, the number of applicants to CSB totaled 77,625, while in 2003, that number rose to a record 168,133 applicants. The females accounted for 64% of these, as opposed to accounting for only 47% ten years ago. According to these statistics, women and their families tend to prefer governmental jobs. This tendency is most likely due

to the stability, security, and shorter working hours associated with governmental positions. There are approximately 140,000 employees are currently working in governmental departments.

In general, the strive towards gender equality in Jordan is improving, as demonstrated by the gender distribution of governmental appointees. In 2003, the percentage of appointed women was 48%, down from 51% in 2002. The Ministry of Education appoints the highest number of women, accounting for nearly 60% of the total appointments in 2004. This is followed by the Ministry of Health with 30% of last year's appointees being female.

For the year 2003, nearly 2,700 male and 2,500 female applicants are finally appointed. Due to limited available vacancies and the increasing number of graduates, the percentage of appointments is 3.1% of the total applicants. However, according to these statistics, gender continues to be a major factor in employment. Men continue to receive a larger portion of the labor market than women. The recruitment rate is nearly double for men than that of women. Obviously, the males benefit from their gender status, while females remain penalized for theirs. The unequal effect gender has on employment is significant. In 2003, the recruitment rate for males was 4.5%, compared to a recruitment rate for females of only 2.3%.

When controlling for differences in educational attainment between the two genders, the negative effect on females remains consistent; in 2003, the recruitment rate among holders of a two-year college diploma among females was 0.9%, while for males it increased up to 1.9%. However, in general, the effect of educational attainment on employment is positive. The probability of employment increases with the more educational attainment a person receives. As evident from the statistics taken from the 2003 public sector employment records, approximately 50% of the applicants held a bachelor degree or more. Persons receiving a two-year

community college diploma comprised the second major portion of public employee applicants.

The net effect of educational attainment on employment can be clarified by the following statistic. In 2003, the overall recruitment rate for the public sector was 3.1%, of this percentage, persons holding a bachelors degree or more were one and a half times more likely to be employed than persons holding a two-year college diploma.

Recently, strong debates regarding the role, efficiency, and effectiveness of CSB and CSC have occurred. Serious issues were raised about the means utilized for improving the human resource and development strategies within the public sector. The quintessence of the debate as was raised by the Ministry of Administrative Reform regarding primary HRD strategy in the public sector. In an effort to publicize and address these issues, the Ministry of Administrative Reform (MOAR) published an assessment of the current human resources management practices in the public sector. In addition, the findings have led to the recommendation of a new a set of policies, aimed at improving their delivery in the country. The main findings were paraphrased in the following excerpts:

There is no doubt that development and management of human resources is a major pillar of the public sector reform. The new policy regarding human resources management and development aims at enhancing the quality of labor currently within the Ministries and governmental organizations through education, as well as to attract a new genre of labor capable of facing the present and future challenges ahead of them. Despite the major reforms Jordan has achieved in both: the economic and political arenas, the human resources sector has yet to witness the same level of advancement enjoyed by the other reform areas.

Thus, the currently applied human resources policies and procedures are significantly below the level of the aspired expectations. The reason for

these failures must be understood as a result of the absence of applied scientific methodologies while planning these policies. Therefore, under the current policy-making practices, it is no surprise that the Ministries and governmental organizations are hindered in the development of anticipating their future needs and from forecasting future and current trends. They are lacking the statistics, skills, and practical experiences needed to attain their objectives. Thus, the public sector endures a low level of performance and productivity and inflation of its staff.

Moreover, the majority of current recruitment, employment and promotion policies are based on a seniority/tenure system rather on merit-based one. These policies do not consider other requirements for job placement, such as: practical experiences, skills and abilities, nor the quality of education achieved.

As far as competency tests are concerned, they are made to measure the technical knowledge only, not taking into account practical or applied knowledge gained through experience. These tests aren't required for job candidates entering into either the medical or educational fields.

In regards to performance management policies, they operate within inflexible systems, preventing a dialectical approach centered on employee feedback; these current lack both the effectiveness and flexibility necessary to gauge important aspects of employee behavior, without focusing on their outcomes.

When tackling the issue of labor compensations and benefits, the current system assigns salaries based on knowledge qualification and seniority instead of focusing on the core requirements of the job and on the tasks and responsibilities assigned to it. Consequently, there are systematic barriers preventing promotion into managerial or supervisory positions. Without extended tenures, skilled and experienced newcomers are

effectively excluded from penetrating into high levels of authority; the only back-door or loop-hole is through general sub-contracting.

Another major problem plaguing the current system of compensation and benefits structure, in the Jordanian labor market, is the spiraling deficit incurred by unequal and inappropriate wage increases. This is a result of an internal pressure from unions and syndicates, not a reflection of methodological studies for employee cases.

Regarding the current system of training and development policies, they tend to rely on a supply basis, as opposed to a comprehensive analysis of the actual needs related to the job requirements. In most of the Ministries and governmental organizations, there are no annual plans tied to the strategic objectives of the organization; similarly, there aren't any effective mechanisms or tools capable of transferring that knowledge, nor a capacity to evaluate either the efficiency or competency of the training program itself.

In order to guarantee the success of the reform process, parallel to the preparation and implementation of general policies, the organizational structure of human resources within the public sector must be examined. A clear, comprehensive analysis of the current organizational framework must be established, prior to any future action. There is an urgent need to clarify the roles of policy-makers and the executive role of both: the Ministries and government organizations; these parameters should be defined to each human resources party concerned, according to a specified timeline/schedule encompassing future steps aimed at restructuring.

Challenges: *In conclusion, clearly, there are a number of serious challenges facing the human resources sector in Jordan. Quick overviews of the details are summarized in the following tables:*

Challenges	Notes
<i>Duality and interference of authority within the current structure for human resource management and development.</i>	<p><i>-Interference in roles between Civil Service Council and human resource policies management in the Cabin Council and the Civil Service Bureau.</i></p> <p><i>-Need to detach the role of policy making from the executive role of monitoring.</i></p>
<i>Weakness/frailty of institutional and managerial capabilities in Ministries and governmental organizations.</i>	<i>-No qualified capabilities in the human resources division.</i>
<i>Social structure/ cultural practices.</i>	<p><i>-Change resentment.</i></p> <p><i>-Spread of favoritism and instrumentality.</i></p> <p><i>-General work culture: considering getting a job as: the one's sole option, citizen's right, and the state obligation.</i></p>
<p><i>Limitation of financial resources.</i></p> <p><i>Defects in the structure of labor compensation and benefits.</i></p> <p><i>Defects in the structure of labor compensation and benefits, continued.</i></p>	<p><i>- Low salary levels.</i></p> <p><i>-Low investment in the human resources training and development programs.</i></p> <p><i>-Salary differentiation not based on job's nature, responsibilities or requirements.</i></p> <p><i>-Compensation is based on seniority and level of educational attainment.</i></p> <p><i>-Low basic salary comparing to the whole compensation salary payment package.</i></p>

	<p><i>-No scientific methodology to implement: incentive plans, raises promotions, etc. (usually such plans and raises are given according to some un-systematic pressure groups)</i></p>
<p><i>Private sector competition in attracting competence.</i></p>	<p><i>-Salaries of equivalent public and private sector positions differ significantly, particularly in high-ranking and specialized jobs. Public sector under compensates when compared to the private sector.</i></p>
<p><i>Weakness of objectives-setting and performance thereof.</i></p> <p><i>Weakness of assessment and evaluation procedures.</i></p>	<p><i>-Ministries and governmental organizations aren't committed to setting strategic plans; there are weaknesses of measurement and evaluation tools.</i></p> <p><i>-Not linkage being made from the individual performance to organizational performance.</i></p>
<p><i>Weak link between job requirement and organization structure.</i></p>	<p><i>-Weak efforts in planning for the needs of human resources, and failures in connecting organizational needs with job requirements.</i></p>
<p><i>No replacement and succession plans.</i></p>	<p><i>-Little concern by Ministries and governmental organizations in preparing replacement and succession plans, particularly in leadership roles. Without a development and implementation of these plans, the major gaps between skills and performance</i></p>

	<i>levels will continue to increase.</i>
<i>Weak connection between training and career paths.</i>	<i>-No effective training plans consistent with the needs and requirements of the jobs/work associated with them.</i>
<i>Inefficiency of monitoring and auditing roles.</i>	<i>-Weakness of management monitoring systems, more emphasis placed on financial audits. -Very little precautions taken against trespassers.</i>

It is important to remember that the above mentioned initiatives adopted by MOAR are in the inception phase, and it is still too early to anticipate their impact on HRD in the public sector. However, track record of the MOAR during years since its establishment indicates very low performance, lack of vision, authority and strategic planning.

I-2 The Labor Legislations

1- The labor law symbolizes the main labor legal apparatus in Jordan; it came in 142 articles and 12 sections, providing details on the rights and responsibilities of each both: employers and the workers equally. Additionally, it specifies the relationships between the employers and the workers, covering the following major issues:

1. *Chapter I: Preliminary*
2. *Chapter II: Labor Inspection*
3. *Chapter III: Recruitment and Careers Guidance*
4. *Chapter IV: Contracts of Employment*
5. *Chapter V: Vocational Training Contracts*
6. *Chapter VI: Collective Agreements*
7. *Chapter VII: Protection of Remuneration*
8. *Chapter VIII: Organization of Work and Leave Time*
9. *Chapter IX: Occupational Safety and Health*

10. Chapter X: Work Injuries and Occupational Diseases

11. Chapter XI: Trade Unions and Employers' Associations

12. Chapter XII: Settlement of Collective Labor Disputes

The following articles of the labor law provide a reasonable explanation for the legal set-up regarding the labor relationships:

- The Ministry shall be in charge of the organization of the labor market and of careers guidance, and shall draw up the necessary guidelines for the promotion of jobs and recruitment opportunities for Jordanians within the Kingdom and abroad, in cooperation with the appropriate bodies.
- Private employment offices may be established upon authorization by the Minister. Their conditions of establishment, objectives, functions and methods of management, as well as their supervision by the Ministry shall be set out in regulations that shall be issued for that purpose. The Minister may determine the fees charged by such offices for their services.
- Public and authorized private employment offices shall be the sole intermediaries empowered to recruit or facilitate the recruitment of workers within the Kingdom or abroad. The Minister may close down offices violating the provisions of this section and bring judicial proceedings against them. Convicted violators shall be fined no less than two hundred and no more than one-thousand Jordanian Dinars and/or shall be sentenced to a minimum of thirty days in prison; offices found to be acting in violation of the provisions of this section shall be closed down, and all their assets relating to employment activities shall be confiscated.
- Non-Jordanian workers shall only be employed upon authorization by the Minister, or his duly mandated representative, provided that the work they undertake requires expertise and skills unavailable or insufficient within the

Jordanian workforce. In such cases, priority shall be given to Arab experts, technical specialists and workers.

- Non-Jordanian workers shall obtain a work permit from the Minister, or his duly mandated representative, before being brought into the country or entering employment. Such work permits shall be valid for a maximum of one year and may be renewable on an annual basis.
- The Ministry shall collect a fee from the employer for the issuance or renewal of the work permit of a non-Jordanian worker. Such a fee shall be received as public revenue, and its amount shall be fixed by statute.
- Contracts of employment shall be drawn up in Arabic and in two copies at least; each party shall keep a copy. If no such contract is made, the worker may establish his rights by all legal means of evidence.
- A worker employed for an indefinite duration shall be considered in service until his employment is terminated in accordance with the provisions of this code. If a worker is employed for a specified period, he shall be considered in service throughout that period.
- A contract of employment shall be considered terminated if:
 - Both parties agree to terminate it;
 - The duration of the contract has expired or the work itself has been completed;
 - The worker dies or is no longer capable of working due to a disease or disability certified by the medical authority.
- An employer may dismiss a worker without notice, if:
 - The worker assumes false identity or submits false certificates or documents with the purpose of acquiring a benefit or causing prejudice to others;
 - The worker fails to fulfill the obligations stipulated in the contract of employment;
 - The worker commits a fault causing the employer considerable material damage, provided that the employer notifies the

appropriate bodies of the accident within five days from the date on which he learns of its occurrence;

- The worker, in spite of receiving two written warnings, fails to observe the internal regulations of the establishment, including safety regulations;
 - The worker is absent from work without good cause for more than twenty days intermittently, during any one year, or for more than ten consecutive days, provided that, prior to the dismissal, written notice is sent to his address by registered mail and published, at least once, in a daily local newspaper;
 - The worker discloses work secrets;
 - A court, in a final judgment, finds the worker guilty of a criminal offense or a misdemeanor involving dishonorable or immoral conduct;
 - The worker is found at work in a manifest state of intoxication or under the influence of any drugs or psycho-tropic substances, or if he has committed, at the workplace, an act violating principles of moral conduct;
 - The worker strikes or insults the employer, the manager in charge, a superior, a fellow worker or any other person in the course or on account of work.
-
- Any employer having ten or more workers in his employment shall, to organize work in his establishment, draw up internal regulations stating daily and weekly work and rest periods, work offenses, and penalties and measures taken to that effect including dismissal, as well as the manner in which such measures are implemented and any other details relevant to the nature of the work of the establishment. Such internal regulations shall be submitted to the Minister for ratification and shall be in force from the date of ratification.
 - Normal working hours shall be eight hours a day and shall not exceed in any one week forty eight hours over a maximum of six days,

excluding meal breaks and rest periods. Working hours shall not exceed that limit except in cases stipulated by this code.

- Workers in any trade may organize themselves in a trade union in accordance with the provisions of this code. Any worker in such trade shall have the right to join the trade union if he fulfills membership conditions.
- Trade unions shall work for the following objectives:
 - Protect the interests of workers in the trade and defend their rights within the framework of this code;
 - Provide health and social services to members and set up clinics, social welfare organizations and consumer associations for their benefit;
 - Raise the professional, economic and cultural level of workers.
- A trade union may set up subsidiary branches within the Kingdom. Rules and procedures governing the relationship between the trade union and its branches shall be determined in its statutes.
- Upon consultation with the Ministry, the General Confederation of Trade Unions shall draw up its statutes and those of the trade unions. Trade union statutes shall include:
 - The name of the trade union and the address of its head office;
 - The objectives for which the trade union is founded;
 - Admission and expulsion procedures;
 - The manner in which union branches shall be established in various regions of the Kingdom and conditions for the creation of their committees as well as the procedures of the latter;
 - The number of members on the administrative board and their term of office, board election procedures, frequency of board meetings, the manner in which board vacancies are filled and the board's terms of reference;
 - Members' rights and obligations and cases where disciplinary measures may be taken, including fines and expulsion;

- Services and financial assistance provided to members on an ad hoc basis, including participation in covering costs of medical treatment and legal representation;
- Conditions and procedures subject to which officers and employees of the union may be appointed and dismissed;
- Procedures regarding the trade union's assets, accounting books and financial statements;
- Procedures to convene the trade union's general assembly in regular and extraordinary session.

Although the labor law is considered comprehensive and well-enforced in the formal sector (with the exception of work permits for foreign workers), it still suffers from major inflexibilities. More specifically, problems continue to persist in the following areas: hiring and firing procedures, the distribution of the working hours within the working days and working weeks, sexual harassment, and the official holidays.

The firing procedures principally limit the power of the employers to lay off uncontrollable, irresponsible, and hasty workers easily. In addition, in most cases, it obliges employers to compensate the fired workers financially. These practices make real impediments in increasing the efficiency of the labor market. It is widely understood that labor courts are biased towards workers against employers in Jordan; judges consistently stood by workers, falsely assuming that they are the weak side of the equation.

The allocation of working hours is another huge problem for some sectors, especially that of tourism. The nature of the work conducted in these sectors requires workers to spend longer working hours daily than specified by the law. Sometimes the work requires the same number of hours as stated by the law, but separated over two shifts: one lunch time and the other dinner time. These types of cases can't be handled with sufficient flexibility in the labor law.

The minimum wage is a widely prevailing issue in the labor market. The MOL inspections, and follow up law enforcement, has brought about a wide tolerance in that regard including the foreign workers, but private employers both in the formal and informal sectors are in favor of foreign workers; consequently, they have managed to twist the law in several occasions, increasing the amount of foreign workers without work permits by an incredible 30%.

The second important law in the labor market is the Social Security Law, controlling the pension and other work insurances for workers locals and foreigners in the labor market. The Social Security Corporation (SSC) was established in accordance with the provisional Social Security Law No.30 of 1987. In early 1980, the Corporation began its operations, focusing initially on two types of insurances:

- Insurance against work injuries and occupational diseases.
- Insurance against old age, disability and death.

The provisions of the law are applicable to all workers who are over the age of sixteen, without any discrimination as to nationality, and regardless of: the duration or form of contract, the nature and amount of wage, and whether the work is to be performed inside or outside the Kingdom. Insurance with the SSC is compulsory for employers hiring five and more employees. More recently individuals in the military become members of the SS system, and individuals in smaller establishments and Jordanian expatriates could voluntarily enroll in the scheme. Nevertheless, the percentage of persons contributing to the social security of the labor force is estimated at 47%, with a majority of 53% of the Jordanian labor force vulnerable, outside of the SS system. Consequently, a high percentage of self-employed and persons working in the private informal sector are neither enrolled in a pension system nor in any kind of insurance scheme.

II- SOCIAL PARTNERS

There are four main categories structuring the work relations within the Jordanian labor market, each of which having a unique set of characteristics and legislative implications with regards to the government, the employers and the workers/employees. The first organizational category consists of corporate employers exclusively. The second type of Jordanian human relations organizational framework combines both the employers and the employees. The third kind of labor relations structure is based on an association between different employers across the same economic sector. The fourth and final organizational category influencing human relations within the Jordanian economic marketplace are distinguished by their worker/employee exclusive memberships: otherwise known as labor unions.

The following sets of tables will list all of the established organizational groups currently active in Jordan according to their membership category described above.

(1) Organizations whose members are employers only:

#	Organizational Name	Location
1	Amman Chamber of Industry	Amman
2	Zarka Chamber of Industry	Zarka
3	Irbid Chamber of Industry	Irbid
4	Jordanian Federation of the Chambers of Commerce	Amman
5	Jordanian Construction Contractors Association	Amman
6	Jordanian Businessmen Society	Amman
7	Jordanian Banking Society	Amman
8	Club of Female Owners of Business and Professions	Amman
9	Land Transport Federation	Amman
10	Jordanian Hotels Society	Amman
11	Tour and Travel Agents Society	Amman
12	The Society of Jordanian Insurance Companies	Amman

13	Antique and Souvenir Shop Owners Society	Amman
14	Garage Owners Federation	Amman
15	Jordanian Exporters Society	Amman
16	Private Hospitals Society	Amman
17	The Society of Information Technology (INTAJ)	Amman
18	Jordanian Farmers Association	Amman
19	The Industrial City of Sahab Investors Society	Amman
20	Jordanian Publishers Federation	Amman
21	The Society of Jordanian Exporters of Fruits and Vegetables	Amman

(2) Organizations whose members are both employers and workers/employees:

#	Organizational Name	Location
1	Jordanian Engineers Association	Amman
2	Jordanian Medical Association	Amman
3	Jordanian Pharmacists Association	Amman
4	Jordanian Bar Association	Amman
5	Jordanian Dental Association	Amman
6	Jordanian Veterinary Association	Amman
7	Jordanian Agricultural Engineers Association	Amman
8	Jordanian Journalists Association	Amman
9	Jordanian Geological Association	Amman
10	Jordanian Artists Society	Amman
11	Jordanian Writers Association	Amman
12	Federation of Jordanian Literature Authors	Amman
13	Teachers Club	Amman
14	Jordanian Investors Society	Amman
15	Society of Jordanian Accountants	Amman
16	Association of Jordanian Nurses and Midwives	Amman
17	Association of Abstract Artists	Amman

19	Jordanian Critics Association	Amman
20	Jordanian Economists Society	Amman
21	The Jordanian Chemical Society	Amman
22	Society of Monetary Professionals	Amman
23	Jordanian Computer Society	Amman

(3) The Employer Associations:

#	Association Name	Location
1	Employers Association of Cargo Goods, Clearance Offices, and Freight Companies	Amman
2	Association of Electricity and Electronics Dealers and Merchants	Amman
3	Association of Gas Distributors	Amman
4	Employers Association of Printed Press	Amman
5	Employers Association of Jewelry Dealers and Merchants	Amman
6	Employers Association of Wholesaler Agricultural Products	Amman
7	General Association for Cement and Constructional Concrete Industries	Amman
8	Employers Association of the Commerce of Processed Foods	Amman
9	The Association of Restaurant Owners	Amman
10	Employers Association of Female Hairstylists	Amman
11	Employers Association of Mining and Refinements	Amman
12	Employers Association of Mechanics	Amman
13	Employers Association of Jordanian Truck Drivers	Amman
14	Employers Association of Dental Laboratories	
15	Employers Association of Textile Factories	Amman
16	Employers Association of Taxis and Passenger Cars	Amman
17	Employers Association of Private Schools	Amman
18	Employers Association of Car and Service Parts	Amman

	Dealers	
19	Association of Textile Merchants	Amman
20	Association of the Agricultural Product Merchants	Amman
21	Employers Association of Barbers	Amman
22	Association of Shipping Agents and Sea Transportation	Amman
23	Employers Association of Banana Distillers	Amman
24	Employers Association of Glass, Mirror and Frame Merchants	Amman
25	Employers Association of Electronic and Electrical Amusement Centers	Amman
26	Employers Association of Olive Oil Pressers	Irbid
27	Association of the Merchants of Medical, Scientific and Laboratory Materials	Amman
28	Association of Jordanian Bee Farmers	Irbid
29	Employers Association of Bakeries	Amman
30	Association of Stationary and Book Merchants	Amman
31	Employers Association of Private Cultural Centers	Amman
32	Employers Association of Offices of Land-Surveyors	Amman

(4) The Labor Unions:

#	Union Name	Location
1	Public Union of Municipality Employees	Amman
2	Public Union of Private Education Employees	Amman
3	Public Union of Textile Industry Employees	Amman
4	Public Union of Tourism and Air Transportation Employees	Amman
5	Public Union of Health Service Employees	Amman
6	Public Union of Railway Service Employees	Maan
7	Public Union of Printing, Copying, and Photography Employees	Amman
8	Public Union of Construction Workers	Amman
9	Public Union of Public Service Employees	Amman
10	Public Union of Electricians	Amman

11	Public Union of Mechanics and Land Transportation Employees	Amman
12	Public Union of Accountants, Bankers, and Insurance Employees	Amman
13	Public Union of Seaports and Customs Employees	Ramtha
14	Public Union of Store Employees	Amman
15	Public Union of Processed Food Employees	Amman
16	Public Union of Petroleum and Chemical Company Employees	Zarka
17	Public Union of Miners and Refinery Workers	

The impact that these associations have on the labor market and the welfare of their members could be summarized in the following:

1. There is a tripartite representation in the board membership of the Social Security, VTC and the national committees to answer all the queries of the International Advisors around the international criteria and of the Committee assigned to develop the labor law. This representation is tripartite and equal in number of members, and the same applies in the labor disputes on the organization's level.
2. Labor organizations can call for strike and go on strike as a means of dispute settlement. In the caption below square, there is an announcement of a recent call for strike by the Jordanian Press Association (JPA).

Al Rai Daily October, 4 th 2005.	إعلان صادر عن نقابة الصحفيين دعوة الزملاء للاعتصام
	إلى الزملاء أعضاء الهيئة العامة لنقابة الصحفيين الكرام
	ضمن البرنامج التصعيدي الذي أقره مجلس النقابة احتجاجا على توصية لجنة الأجنحة الوطنية بإلغاء إلزامية العضوية في نقابة الصحفيين قرر مجلس النقابة دعوة الزملاء أعضاء الهيئة الهامة لنقابة الصحفيين إلى اعتصام سلمي أمام رئاسة الوزراء في الساعة الحادية عشرة من صباح هذا اليوم الثلاثاء 2005/10/4 يرجى من الزملاء المشاركة في الاعتصام
	طارق المومني نقيب الصحفيين

**Announcement from the Jordanian Press Association
A call for fellow members for a protest sit-in**

As a part of the escalation program consented by the JPA's council
And in protest against the National Agenda recommendations
To cancel mandatory membership in the JPA

The JPA's Council invites fellow members to conduct a peace protest sit-in in front of the
Prime Ministry today Tuesday 4/10/2005 at 11:00 a.m.

Appreciate of our colleagues their participation.

**Tareq Momani
JPA President**

3. Professional organizations are politicized; political issues are usually superseding professional issues, which bring these organizations into direct conflict with the government.
4. Even though, the key personnel in these organizations are consulted by the MOL top administration, still they lack the organization, the legal and information infrastructure for them to be effective in the decision making.

III- LABOR MARKET POLICIES & MEASURES

III-1- Labor Market Policies (LMP)

Labor market policies comprise active and passive labor market programs.

Active labor market programs include:

- Direct employment generation (promoting small and medium enterprises, public works).
- Labor-exchange or employment services (job brokerage, counseling) linking supply with demand for labor.
- Technical and vocational training, skills-development programs (such as the training and retraining of labor).

Passive labor market policies include: unemployment insurance, income support, and a legislative framework that should strike a balance between economic efficiency and labor protection. In the following six sub-sections, detailed examples of Jordanian labor market policies will be discussed and evaluated.

1. Since the government of Jordan participation in the IMF and World Bank Economic Adjustment program in the late 1980s, and because of privatizing many public sector projects or selling the government shares in other projects, unemployment and poverty were the two top priority in Jordan and still so today. In 1997, the government adopted a social productivity program, parallel to the economic adjustment program. The project aimed to enhance the economic productivity of the Jordanians as a means for creating more jobs, increasing people's income, and alleviate absolute and abject poverty. The project has four major components:

Training and employment support; national aid fund support; microfinance; and infrastructure development. The MOL was one player among many in-running this project, Ministry of Planning was the focal ministry behind the project design and implementation. The project implementation took about 5-6 years and was replaced by a new project: Enhancing the Productivity Program (EPP), which to a certain extent has similar themes and components to its predecessor, except the training and employment component, and still going until now. MOL role in this project is unknown.

2. The two main institutions responsible for the development and implementation of the employment policies in Jordan are the MOL and the CSB. The MOL is authorized by the labor law to guide and lead the national employment programs, and supported by 22 Labor Offices stretching all over Jordan. CSB is also mandated by its legislation for the following issues: human resource development in the public sector, and designing and implementing employment policies that would raise the efficiency and equity among government workers. The National Center for Human Resources Development (NCHRD) is the think-tank institute that develops the

national HRD strategy, conducts policy based research and studies, build LMI and LM indicators, and acts as a catalyst in the HRD fields.

3. Employment Procedures: Employment procedures can be summarized in the following:

1- Receiving, checking and entering employment applications into the computer, classified according to the scientific qualification, province and sex.

2- Issuing competitive statements comprehensive of all job seekers according to the standards specified by the basics and regulations of selecting and hiring employees; seniority in graduation and efficacy of the scientific degree.

3- Receiving statements of employment vacancies coming from: ministries, divisions, and governmental institutions. There are two different promotional protocols used in Jordan; the first follows a process of elimination, based on a single factor, while the second follows a more competitive and rigorous two-staged process of elimination. A brief description of the two promotional protocols are as follows:

Single-Staged Promotions:

These are direct promotions via competitive statements for vacant employments, in the amount of one individual for each single employment. These types of promotions primarily exist in positions found in the Ministry of Education and vocational jobs in the Ministry of Health.

Two-Staged Promotions:

It is dedicated for the rest of the divisions in which ten individuals will be eligible for promotion for one single

vacant employment. The first stage of this process is a formal exam, accounting for 80% of the success of this type of promotional process. These individuals compete by achieving the top score on exam. The top three scorers of the exam will then proceed onto the second stage of the promotional protocol, whereby the remaining seven will be eliminated. The second stage of this process is determined by personal interviews, which accounts for the remaining 20% of the promotional process. The remaining three individuals must meet individually with the appropriate members of the designated governmental division; following the comparison of the responses of the three interviewees, the designated government division will then choose the most qualified person among the three to receive the promotion.

4. The current MOL employment policies are ad hoc, fragmented, mostly temporary in nature, and not deeply rooted in the ministries bureaucratic apparatus. The Ministry's two main activities are regulating the foreign employment in the country, by issuing and renewing the work permits for the foreign workers, and monitoring the application of work safety measures. Regulating the foreign employment captures most of the MOL and LOs daily work, where some people get cynical about this role by MOL and call it the "Ministry of Foreign Employment". The following sections will high light the main active and passive employment policies that have taken place in Jordan, during the recent years.
5. The employment role of MOL, as stated before, is marginal; due to the fact that neither the Ministry's headquarter nor its LOs in the different governorates collect information directly from the

employers in their areas about their vacancies, new openings, and fail to follow up the economic development and expansions in these areas. Few job seekers endeavor at the LOs for finding jobs, mainly among the low educated and unskilled workers. LOs lack proper equipment and systems, timely, up-to-date, and accurate LMI are missing, their staff and resources should be strengthened.

6. The MOL is the sole ministry responsible for controlling and managing the foreign labor in Jordan. It employs a variety of measures by which to achieve these means. The MOL begins by determining the occupations open for foreign workers in specific economic activities, issuing and renewing the labor permits for those workers, conducting a routine inspection for employers to make sure that employers are abiding by the law. Unemployment is high and stagnant, its annual rate perpetuating around 14% for several years. About one-fifth of the unemployed are university graduates. Therefore, in an effort to reduce unemployment and to open more opportunities for professional Jordanians in the gulf countries the government appointed labor attaché in each of the GCC countries and Libya.

III-2 Labor Market Measures

1- Active Labor Market Measures

- **Direct Employment Generation:** Promotion of both small and medium enterprises, and public works. In 1989, the Jordanian government established the Development and Employment Fund (DEF) to provide the technical and financial supports for small and medium enterprises on solid ground, and to establish the institutional arrangement necessary to promote the entrepreneurship, creativity, and

self employment, as a means for reducing unemployment and increasing employment and productivity in the private sector.

The DEF has the following lending strategies:

1- Direct lending: includes studying, evaluating, financing and providing support services for projects, through the following different types of loans:

- a. Household loans: for housewives and people with special needs, the loan ceiling is JD 1500.
- b. Individual registered loans: for skilled, craftsmen, and professional workers to start their own business, the loan ceiling is: JD 10,000.
- c. Collective loans: for a group of partners to establish a medium size project, the ceiling is JD 15,000 for each partner and 100,000 for the whole loan.
- d. Project upgrading loans: finance existing project which can meet the lending requirements of the fund, up to 25% of the project's capital.
- e. Pilot projects: funding creative projects and utilize local resources in poor and high unemployment areas. The loan ceiling is JD 40,000 with 9% interest for 6 years. Feasibility study is required and training for the project owners and workers could be provided by the EPP.

2- Indirect lending: provide loans for NGOs and institutions that have the capacity, the geographical distribution, and the financial sufficiency to refinance the targeted groups at their areas. Three types of loans are offered by these intermediaries: micro (JD 150-250), small (JD 6000), and NGO financing.

The DEF like most other development programs established in the developing countries has had many difficulties. The majority

of the challenges are fiscally-oriented, threatening the viability and sustainability of the fund itself; these problems include: incompetent utilization of agricultural loans, low payback rates, failure to reach target group, and failures to significantly reduce unemployment and poverty.

In their evaluation reports, the donors funded the DEF activities stipulated the exact nature of the DEF failures, claiming that it was incapable of fulfilling its duties and obligations. Rather than dismantling the fund, the Jordanian government chose to restructure it and provide the additional funds necessary for its activities. Consequently, these efforts have resulted in high growth rates for the DEF. In the span of one fiscal year, between 2002 and 2003, the DEF increased its total lending capacity by an extraordinary 30%. A comprehensive evaluation for the DEF's activities is currently underway, and will be discussed nationally.

- **Labor Exchanges and Career Counseling:** 63% of Jordanian job seekers make direct visits to the establishments and work sites, running from door to door looking for a job, 13% read and watch job advertisements in the media, 12% seek assistance of relatives friends and personal contacts, and more than 6% wait for the government job through queuing at the CSB waiting list. Job brokerage at the local labor market is not clear, non of the government involved institutions delivering this service professionally at the national level, and the private employment agencies provide their brokerage services for Jordanians searching for work in the GCC countries.

In an effort to develop a nationalized recruitment service, Jordan has embarked on two new pilot projects: Al-Manar project at NCHRD, and the National Employment Center (NEC) at the MOL.

Al-Manar is funded by the Canadian government, has three main components: HR information database which has the LMI as part of it, Electronic Labor Exchange (ELE), and Career Counseling. Al-Manar in cooperation with Aqaba Economic Specialized Economic Zone Authority (ASEZA) has developed the Employment Promotion Center (EPC) in Aqaba to mediate between job seekers and employers in the region.

The EPC has developed LMI database for available vacancies and job seekers, and appointed a career counselor to provide employment and career counseling for job seekers. In addition the EPC will promote and operate the ELE system for Al-Manar in ASEZA, a system that is bilingual, Arabic and English, which is an electronic employment service that matches people to work and work to people. The system offers a checklist for employers to create a profile of their available vacancies, identify the skills and educational qualifications they are looking for job seeker create a similar profile using the skill checklist to identify their skills and qualification. The ELE the informational profiles to create a job match.

Based on the identical framework and systems logic, the employment center of Amman, run by the NEC, provides the same type of services as EPC. However, the primary difference between the two pilot projects is in their employment scopes. The Amman center has a more extended labor market in comparison to the Aqaba center. NEC has successfully connected the local and regional labor markets electronically. However, despite all the significant developments made by the Al-Manar and NEC, it is premature to assess the long-term effects on the Jordanian Labor Market.

- **National Training Project**

Quantity not quality is the single best categorical phrase capable of describing the current status of the Jordanian labor market. Over-saturated with low educated and unskilled foreign workers, yet exports the highly qualified professionals to GCC's. Ironically, Jordan suffers from a huge domestic unemployment rate, although it continues to import hundreds of thousands of foreign workers, with equivalent academic and employment profiles!

One casual explanation for this situation attributed attitudinal factors as the primary reason for high Jordanian unemployment rates. According to the explanation, Jordanian youths refuse the "under-qualified", employment opportunities in Jordan out of resentment; unemployed Jordanians refuse to accept the majority of the mundane jobs made available to them out of embarrassment and shame. This "shame culture" has effectively hijacked the local labor market, whereby spawning further increases the demand for foreign labor.

In 2002, in an effort to resolve these issues, the Jordanian government, in cooperation with the Vocational Training Corporation (VTC), the Jordanian Armed Forces, and the private sector established an ambitious national training project executed by MOL. This project offers two major training specializations: one for the military and the other for general vocational needs. Under the initial military aspect of the project, it offered a three-month training program in the military training centers, made optional for females and compulsory for males. The purposes of this part of the training program was to counsel trainees and teach positive attitudes, strengthen work ethics, and emphasize the importance of the national legacies.

During the vocational training aspect of the project, the trainees merely sharpened the skills picked up from the army training centers. The fundamental difference between the two aspects was the JD 80 monthly salaries allotted to the trainees of the vocational training. However, driven by supply rather than demand, this VTC coordinated program was technologically unsound virtually useless. After three years, with a drop-out rate of almost one-third, this national training project collapsed in 2005.

2- Passive Labor Market Measures

As described in earlier portions of this labor market study, Jordan has neither unemployment insurance nor income support schemes. However, Jordan does have legislative framework which includes provisions on minimum wage, working hours, labor contacts.

■ Vocational Training System (TVET)

It is widely recognized that a performing technical and vocational education and training (TVET) system is at the heart of a strong economy. It is for precisely this reason that TVET reform has been given the top priority at the national level. At the most senior levels of government, it is recognized that if Jordan is to be competitive in the global economy, it must have a well-trained workforce and an industry-driven training system that is flexible, responsive, comprehensive, accessible, and gender sensitive.

In addition to private providers, there are three public providers of TVET in Jordan. The Ministry of Education (MOE) provides TVET through a secondary level stream offered in 200 schools with a variety of programs, in the fields of: industry, nursing, hotels, home economics, commerce, and agriculture. The Vocational Training

Corporation (VTC) offers a vocational training apprenticeship model through approximately fifty vocational centers around the Kingdom, with more than a hundred programs, mainly to graduates who don't qualify for secondary education. Al Balqa' Applied University (BAU) administers national public (28) and private (25) community colleges that provide education in practical fields. Consequently, students are capable of pursuing a bachelor's degree and/or entering into the labor market.

Although each of the TVET delivery systems operates independently of each other, the entire sector is characterized as inadequate. None of the delivery systems successfully coordinate their programs between the qualifications necessitated by the local economy and the training skills offered in the different vocational streams. It is for this reason that TVET continues to be perceived as the 'last resort' educational option. While the three delivery providers share many of the same characteristics, such as insufficient industry liaison, rigid and overly bureaucratic management and administrative systems and lack of program relevance and flexibility, each has unique issues that need to be addressed.

The MOE vocational system faces the ongoing challenge of establishing effective linkages to the labor market. Programs generally aren't responsive to industry's needs; the curriculum is overly academic and often outdated. In addition, their instructors lack both practical and current work experience. Similarly, the teaching methodologies, approaches, and tools aren't gender sensitive. Consequently, students are insufficiently prepared to enter into the workforce.

With respect to the difficulties and challenges facing the VTC, although an industry-institution delivery model is used, a high level industry planning is all but absent. Effective performances of the VTC system are seriously hampered by systemic restraints. Students who enter the system are of the lowest academic standing of all TVET students; they enter these programs with no chance of upward mobility. The system, which was intended to be semi-autonomous, is in fact significantly weakened by government restrictions and inefficient processes. In addition, the VTC fails to adequately address gender issues in their recruitment strategies.

Unfortunately, the evaluations of the BAU model have proven to be less effective than expected. Although originally designed to lead the reform in national vocational training programs, the BAU continues to impose a rigid academic model on colleges, which effectively widens the gap between educational and technical/industrial demands. The colleges managed by BAU are competing to offer more associate degrees rather than industrial expertise. Hence, the gap between technical training at the certificate and associate degree levels remains a serious problem.

Another fundamental problem plaguing the BAU model is the overly-centralized system of management; consequently, the administrative and financial processes are a barrier to the colleges' ability to provide flexible and innovative responses to industry needs. Overall, the planning at BAU is insufficiently guided by Labor Market Information (LMI) and gender disaggregated data.

Overview of issues facing the TVET system

There are two fundamental, systemic-level underlying issues that must be addressed concurrent with any proposed reform initiative; these include:

- 1- TVET lacks an overarching vision at the highest level of government that would serve to guide and coordinate reform initiatives
- 2- There exist many persistent national systemic barriers to the creation of a TVET system that is industry driven, competency-based, flexible and responsive; such as the pervasiveness of the academic model, bureaucratic civil service processes, highly centralized financial processes and lack of performance management systems.

The overall issues that should be addressed at the national, institutional, and program levels are summarized as follows:

1- TVET problems at the national level

- Absence of a vision for TVET.
- Absence of a vehicle for creating a vision for TVET and leading and coordinating the growth and development.
- Absence of strategic planning for the sub-sector.
- Unclear differentiation between social and economic goals assigned to the overall TVET system.
- Labor market and institutional performance information is not being utilized for program planning.
- Insufficient coordination among the TVET providers to address accessibility, transferability and accreditation issues.
- Inadequate involvement of private sector/industry in the planning and delivery of TVET.
- Unattractive image of TVET and poor promotion of TVET as a viable educational alternative.
- TVET environment lacks incentives and spirit of competition.

- Gender needs/considerations are not taken into account.

2- TVET problems at the institutional level

- Insufficient flexibility, innovation and responsiveness.
- Weak institutional autonomy.
- Overly bureaucratic and centralized management, administrative and human resources practices.
- Inadequate gender sensitive policies and practices.
- Inadequate recognition of and connection to workplace experience.
- Little consideration of life long learning strategies.

3- TVET problems at the program level

- Weak industry participation in program planning, curriculum design review and delivery.
- Insufficient use of flexible models for program delivery such as co-op education.
- Program focus continues to be on the academic rather than the applied.
- Insufficient gender sensitive measures in recruitment and program delivery.
- Instructors/trainers lack relevant, current and recurrent workplace experience.
- Weak vocational guidance and student support, job counseling and placement with weak consideration to gender-based differences.

IV- REFORM INITIATIVES

The reform process in the HRD has already started few years back, led by strong political will and personal support by his Majesty King Abdullah, enforced by the consensus by Jordanians on the urgency to improve the quality of education system, strengthen the role of the private sector

significantly in HRD planning, management and financing and to increase the efficiency and the delivery of the TVET providers.

The reform process covers both the demand side and the supply side of the labor market. On the demand side there are several donor funded projects opting to; improve the legal, administrative and institutional build up to lay down the ground for systematic ,constructive and sustainable partnership among the labor market key stake holders; enforce the international labor market standards; improve the quality and efficiency of employment services.

Leading the way of the supply side of these reform processes is the Ministry of Education (MOE), heading a major reform program in the basic and secondary education; this project is funded by several international donors, costing about half a billion US dollars. The Ministry of Higher Education runs another reform project funded by the World Bank. Currently, there are several different types of reform projects currently underway. In the following sub-sections, a brief description of each of these projects will be provided.

IV-1-Training and Employment Project

This is a new initiative proposed by the current minister of labor, based on generating extra funds by imposing a significant increase on the work permits fees paid by foreign workers. The additional funds collected by MOL will be deposited in special fund and used to provide demand driven training for the unemployed. Training will be coordinated with employers, who will be in charge of providing on the job training and responsible for offering jobs for their trainees. This initiative still under construction, although is expected to be under operation in the coming days.

IV-2-The Social Dialogue Project

This project is supported by the ILO, aims to provide the technical support for MOL to improve the social dialogue procedures; one aspect is to enhance the group negotiations at the levels of institutions, sectors and at the national level. Additional technical support will be used to increase the capacity for the MOL. The remaining funds will be applied towards the enforcement and implementation of the basic principles and rights and activate the bi and tripartite consultations and discussions between employer associations and labor unions.

The projects identified the following areas of cooperation among the social partners:

- Improve the labor legislations that are inconsistent with the basic agreements and the principles of declaration.
- Support the efforts working to expand the coverage of the labor law to include the agriculture and improve labor conditions through enhancing labor inspection and social dialogue.
- Work to improve employment and work conditions for women and men at the Qualified Industrial Zone (QIZ).
- Build the technical and sustainable capacities for the employers and workers associations to promote the social dialogue, bi-partite and tri-partite negotiations.

IV-3-Child Labor Project

This project is supported by the ILO and aims to protect and limit child labor; rehabilitate the working children; and to build a national strategy for alleviating the child labor in Jordan. The project signed MOUs with the MOL, MOE, Ministry of Social Development, Amman Chamber of Industry, Labor Unions and Yarmouk University, to qualify these institutions and create child labor units; formulate the project steering and technical

committees; and taking away and rehabilitating 2500 working child from the labor market and support 500 families.

IV-4- Education Reform for Knowledge Economy (ERfKE)

Program Objective

The objective of the Education Reform for Knowledge Economy (ERfKE-1) Program is to transform the education system at the early childhood, basic and secondary levels to produce graduates with the skills necessary for the knowledge economy. This broad objective will be realized through judicious implementation of the ERfKE-1 which is supported by GOJ and nine international partners including the World Bank.

Program Components

Component 1: Re-orient Education Policy Objectives and Strategies through Governance and Administrative Reform. The first component is designed to provide a redefinition of the vision and associated policy objectives of the educational system that will enable the required transformation to meet the emerging needs of the knowledge economy. This component comprises five sub-components: (i) a redefined vision and comprehensive integrated national education strategy; (ii) revised governance, management, and decision-making mechanisms to achieve and support an education system that delivers basic skills, core competencies and essential learning for the knowledge economy; (iii) an Education Decision Support System (EDSS) to facilitate efficient policy analysis and effective system management as well as to promote transparency; (iv) comprehensive and coordinated educational research, policy analysis and monitoring and evaluation activities; and (v) effective management and efficient coordination of educational investments directed towards reform efforts. In addition to the five sub-components this includes the creation of an “Innovations Fund” to promote school based innovations.

Component 2: Transform Educational Programs and Practices for the Knowledge Economy. The second component aims to transform teaching and learning processes to achieve learning outcomes consistent with the requirements of the knowledge economy. This component has three sub-components: (i) development of new curriculum and enhanced learning assessment frameworks; (ii) professional development of MOE personnel; and (iii) provision of required resources to support effective learning.

Component 3: Support Provision of Quality Physical Learning Environments. The third component intends to ensure adequate provision of structurally-safe school buildings and improved learning environment. This component has two sub-components: (i) replacement of structurally unsafe and overcrowded schools; and (ii) upgrading existing schools to support learning in the knowledge economy through the provision of computer and science labs.

Component 4: Promote Readiness for Learning Through ECE. The fourth and final component envisages enhancing equity through public provision of KG II in the low-income areas of the Kingdom. Its four sub-components aim at: (i) an enhanced institutional capacity for ECE; (ii) a cadre of early childhood educators; (iii) increased access to KGs for the poor, and (iv) parent and community participation and partnership (public awareness and understanding).

Program Cost

The total ERfKE-1 program size is estimated to be about US \$380 million of which World Bank's share is US \$120 million in the form of a soft loan mainly allocated to support civil works, goods and equipment, training and technical assistance. Other bilateral donors have given substantial contributions in technical assistance and training areas, among others. The Government of Jordan is the largest contributor to the program.

Monitoring and Evaluation

The National Center for Human Resources Development (NCHRD) is charged with the responsibility of the monitoring and evaluation activities (inputs) under the Education Research, Monitoring, Evaluation and Policy Development sub-component of Component 1 of the ERfKE-1. NCHRD has the overall responsibility and accountability for the evaluation of the whole ERfKE-1 project. NCHRD will manage the evaluation process, execute and coordinate all monitoring and evaluation activities through all phases of implementation of the project. An amount of \$ 2.0 million was allocated for this sub-component.

International Stakeholders in the Program

- International Bank for Reconstruction and Development (IBRD)
- Arab Fund for Economic and Social Development (AFESD)
- Canadian International Development Agency (CIDA)
- Department for International Development (DFID)
- Kreditanstalt für Wiederaufbau (KfW),
- European Investment Bank (EIB),
- Islamic Development Bank (IDB)
- Japan International Cooperation Agency (JICA)
- United States Agency for International Development (USAID)

The ERfKE-1 reform project started implementation in August 2003, and expected to be completed by June 30, 2008. The project is currently in the mid-term stage.