

WOMEN'S ECONOMIC EMPOWERMENT IN JORDAN

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Women's Economic Empowerment in Jordan, a National Priority

The Government of Jordan has strengthened its commitment in recent years to gender equality and women's social and economic empowerment through Jordan's Renaissance Plan 2019-2020 and more recently through the preparation of the Women's Economic Empowerment Action Plan under the Mashreq Gender Facility. Furthermore, the Jordan National Commission for Women is coordinating the development of the National Women's Strategy, encompassing the government's vision of women's empowerment and the national plans that address different areas of gender equality.

There is an unprecedented opportunity to support the Government of Jordan's explicit commitment to enhancing women's access to economic opportunities, by providing a combination of financial resources and technical assistance that will ensure these commitments



are turned into real results for Jordanian women and the society at large. While there are no silver bullets, there are many entry points and options to consider and this note presents some of them.¹

The note touches on societal and household level issues such as existing social norms; the enabling environment provided by the legal framework; specific constraints to women's economic activity that are pronounced in the Jordan context such as access to care provisions and transport; access to entrepreneurship and finance, with a focus on technology-enabled services; and what may be considered to attract more Jordanian women in the rural areas to engage in employment in the agriculture sector. Given the saturation of the public sector in terms of employment, the focus is specifically on areas in which the private sector may play a leading role.

The Problem: Women's Lack of Economic Opportunities in Jordan is Negatively Impacting Development

The lack of access to economic opportunities for women in Jordan manifests itself in low labor force participation rate (15 percent), high unemployment (23 percent) and a negligible entrepreneurship rate. Gender gaps in employment, in entrepreneurship and in access to finance entail substantial economic losses not only for the women, but also for households and the entire societies due to the underutilization of available human capital.

Adequate access to economic opportunities is essential for both men and women to live dignified lives and become active social agents.² Enhancing women's economic activity makes sense from both a micro and macroeconomic point of view. By providing women with access to paid work in the form of wages or entrepreneurial income will reduce poverty and expand the middle class by enabling households to count on more than one source of income

¹This brief summarizes findings from World Bank. 2019. *Jordan: Improving Women's Economic Opportunities, Select Entry Points for Policy Dialogue and Operational Interventions*. Washington, DC: World Bank Group.

²World Bank. 2012. *World Development Report: Gender Equality and Development*. Washington, DC: World Bank Group.

Basic Labor Market Indicators

	World	MENA	Jordan
FEMALE / MALE labor force participation rate (% of female/male population ages 15-64; modeled ILO estimate)	53.0 / 80.4	21.7 / 77.3	15.1 / 67.2
FEMALE / MALE unemployment (% of female/male labor force; modeled ILO estimate)	5.4 / 4.6	17.8 / 7.8	22.9 / 13.2
FEMALE / MALE youth unemployment rate (% ages 15-24; modeled ILO estimate)	14.7 / 12.2	38.9 / 22.8	54.7 / 32.5
Firms with female top manager (% of firms; 2013 Jordan, 2018 World & MENA)	17.9	5.4	2.4
Account at financial institution or with mobile-money-service provider, FEMALE / MALE (% age 15+, 2017)	64.8 / 72.3	38.0 / 56.8	26.6 / 56.3

Source: World Development Indicators. Data retrieved November 2019. Unless other year noted, year of reference is 2019.

In addition, excluding half of the population from economic and social life can be very costly. It has been estimated that the MENA region loses up to USD 575 billion in regional income due to the current levels of gender-based discrimination in laws, social norms and practices that constrain women's rights and opportunities. Women only generate 18 percent of GDP in the MENA region, compared to a world average of 37 percent. Increasing women's economic activity to the levels of men could boost regional GDP by 47 percent.³

Improving women's economic opportunities entails not only improving their access to the labor market and to entrepreneurship opportunities but also providing decent working conditions, including freedom from all forms of discrimination and harassment and access to decent wages -including equal pay for work of equal value, as well as training and promotion opportunities.

Key Obstacles to Women's Economic Participation and Select Entry Points to Address Them

Low female labor force participation can be attributed to both supply and demand factors. On one hand, Jordanian women do not supply their labor because of – among other factors - certain legal barriers, household and care responsibilities and lack of proper transportation solutions. These factors are closely interlinked with

restrictive social norms. On the other hand, there are not enough jobs in the labor market to attract women. Thus, facilitating women's access to work will require addressing both supply and demand side constraints.

Social norms. A complex system of social norms involving the household, extended family, communities and society at large contributes to low rates of economic participation among women. Over 80 percent of Jordanians believe that when jobs are scarce men should have more rights to a job than women, and over 70 percent consider that men make better business executives than women.⁴ However, individual beliefs of Jordanian men and women are more progressive than what they expect society to think when it comes to women's employment, which provides an important entry point to build on to nudge more women into becoming economically active. For instance, 96 percent of

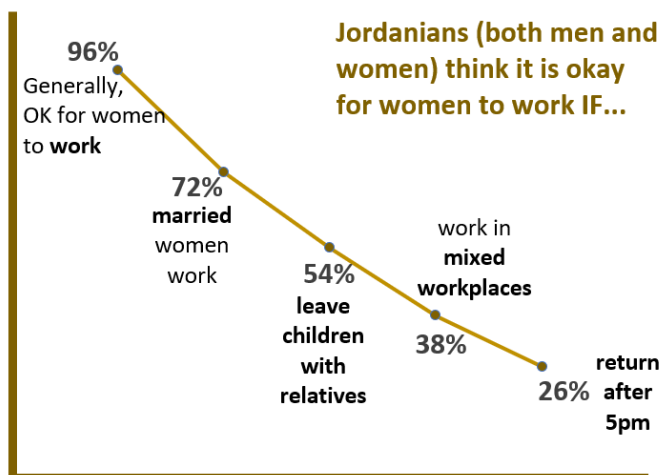
Jordanians believe – on a personal level - that it is acceptable for women to work, but at the same time they do believe that about a third of society finds it unacceptable for women to work (both in and outside the home). In addition, 60 percent of non-working women actually wants to work.⁵ While prevailing social norms and preferences cut across and influence the different constraints to women's increased economic opportunities, certain activities may contribute to the gradual change of restrictive attitudes and behaviors.

³ McKinsey Global Institute. 2015. *The power of parity: How advancing women's equality can add \$12 trillion to global growth*. McKinsey & Company.; Goldman Sachs. 2007. "Gender Inequality, Growth, and Global Ageing". Macro-level gains. In Global Economics Paper No. 154.; Aguirre et. al. 2012. "Empowering the Third Billion. Women and the World of Work in 2012". Booz and Company. These estimates reflect the gross impact on GDP of an increase in employment level and ignores dampening factors, such

as a potential drop in labor productivity and/or drop in average hours worked due to part-time employment.

⁴ Inglehart et al. (eds.). 2014. *World Values Survey: Round Six - Country-Pooled Datafile Version*: <http://www.worldvaluessurvey.org/WVSDocumentationWV6.jsp>. Madrid: JD Systems Institute.

⁵ World Bank. 2018. *Hashemite Kingdom of Jordan – Understanding How Gender Norms in MNA Impact Female Employment Outcomes*. Washington, DC: World Bank Group.



World Bank. 2018. Hashemite Kingdom of Jordan – Understanding How Gender Norms in MNA Impact Female Employment Outcomes. Washington, DC: World Bank Group.

- Conduct behavior change focused communication campaigns aimed at shifting men’s and women’s perceptions and aspirations around women’s roles in the household and in society. Identify positive role models. Engage with men and community leaders.
- Remove stereotypes in school curricula.

Legal framework. Since 2017, the Government of Jordan has enacted reforms related to flexible work arrangements, employer-provided child care and the removal of restrictions to women working in certain sectors and during certain hours. While these changes are likely to impact women’s economic participation in Jordan in the long run, enforcement mechanisms are required to facilitate their implementation by relevant government agencies. This is particularly the case for the removal of work restrictions, the institution of a Code of Conduct in addressing sexual harassment in the workplace and in public spaces and employer provision of child care.

- Raise awareness among women (and men) of their rights in the work force and of flexible work arrangements available to them.
- Explore new policies, such as the extension of retirement age for women to improve their access to assets and the introduction of parental leave for men.
- Promote new practices, such as the digitization of wage payments to minimize gender-based pay gaps, the introduction of quotas for women on

boards, and firm level reporting on gender indicators.

- Enact legal amendments to address decent work conditions, women’s mobility and women’s status as heads of households.
- Guide the private sector (manuals, advice and capacity building) on compliance requirements, improve the labor inspection process and enforce decent working conditions.

Care economy. Expanding investment in the care economy and closing gaps in service provision can yield a double dividend by increasing job creation, especially for women, while freeing time for other women to work. Improving access to care provision has proven to be effective in increasing mothers’ likelihood of working across several countries and in improving early childhood development outcomes.⁶ Child care and elderly care, in addition to domestic services, are underdeveloped sectors in Jordan. Policy measures and regulatory reforms are required for these important sub-sectors of the care economy to flourish, create jobs and contribute to economic growth.

- Public sector provision of child care services should be expanded, fiscal space permitting.
- Stimulate private provision of child care by enforcing employer’s obligation to provide child care services and granting them flexibility in terms of provision modalities, through relevant regulations.
- Streamline the regulatory framework for licensing and operating a child care facility for all types of child care providers, from large ones to NGO or family-run and micro providers. Private sector provision could be further promoted through well designed stimulus packages involving, as in other countries, fiscal incentives for different types and sizes of care provision.
- Conduct a market assessment on elderly care to capture level of investments needed and their potential returns and assess supply and demand for formal care services.
- Implement the National Health Strategy’s recommendations on home healthcare, starting with a rigorous costing exercise of such services in coordination with relevant syndicates. Industry standards should be put in place and carefully enforced.
- Support private provision of home care services through the improvement of the regulatory

⁶ Mateo Díaz, Mercedes; Rodríguez-Chamussy, Lourdes. 2016. *Cashing in on Education: Women, Childcare, and Prosperity in Latin America and the Caribbean*. Latin American Development

Forum. Washington, DC: World Bank and Inter-American Development Bank.

framework to cover a broader range of home care services and related professions. Time and cost of licensing care providers should be reduced to incentivize the entry of new players.

- Create new work force trainings and skills certifications to be offered in nursing schools, vocational training centers and universities, especially for semi or non-medical care workers to expand the pool of qualified care workers.
- Attract foreign investors in child care and elderly care services and offer incentives to set up operations in Jordan and drive up quality standards.

Entrepreneurship technology and finance. In Jordan, only 19 percent of businesses are co-owned by women and not even three percent of firms has a woman as the top manager.⁷ In addition, few women are businesses owners: in 2018, only four percent of working women were employers or own account workers compared to 13 percent of working men.⁸ In a nutshell, businesses owned by women tend to be rare, small, seasonal, informal and home-based, confined in low productivity activities and with limited access to markets.

- Support the formalization and access to larger formal markets for micro-enterprises and home-based businesses with a potential to grow beyond subsistence. Further streamline the regulatory framework for home-based businesses.
- Design and provide a package of policies and support services to women entrepreneurs to foster entrepreneurship spirit, improve managerial practices and business networks through a suite of trainings, mentoring and networking activities, delivered through public knowledge stations to be turned into incubators, private incubators, vocational training centers, and universities.
- Provide women entrepreneurs in all sectors with incubation services, considering the introduction of quotas in the public knowledge stations. In addition to classic business incubation, for example, kitchen incubators may be a relevant service to offer to the many women in the food sector in Jordan.
- Support women's access to technology through e-commerce platforms, as they have the power to improve access to markets by enabling sales without having to travel. The ecosystem for e-commerce should be improved through, notably, better logistics and expanded digital payment services.

- Improve women-led businesses' access to markets by expanding their information and knowledge regarding public procurement processes. Consider a quota for women-owned/led firms in public procurement contracts.
- Set up special equity funds that support women-led businesses' access to finance. Special guarantee funds could be put in place for lending to women, access to digital finance could be expanded in rural areas with women supported to act as payment agents. For women to build their credit history through microfinance, the Credit Bureau could be allowed to record smaller loans. Information about lending terms and conditions should be improved to remedy the observed default rate among women borrowing at microfinance institutions.



Transport. Lack of safe transport options can translate into girls missing schools, women not looking for jobs far away from their homes, giving up their jobs or being unable to access health or childcare services. A significant share of women and youth in Jordan report that they reject job offers due to lack of transportation.

- Improve public transportation by expanding coverage, quality and safety of services is critical to women's economic participation. Investments are underway, by the Government of Jordan, to expand transportation services by introducing new modes of transport in response to large numbers of commuters for work and study.
- Address concerns of harassment in public transport, by women and their families, through the implementation of the recently developed Code of Conduct for the transport sector.
- Facilitate the employment of more women in the sector, especially by large operators or women as ride-sharing drivers.

⁷ World Bank Enterprise Survey. 2013-14 data.

⁸ Jordan Department of Statistics. 2018. Labor Force Survey.

Agriculture. In rural areas, only three percent of women engage in paid agricultural work,⁹ driven by the need to generate income and meet household expenses.¹⁰ Foreign workers dominate the sector, but Jordanians are open to working in agriculture under the right circumstances.¹¹ Over half of the women engaged in agricultural activities are below the age of 40, are likely to be married with children and with low levels of education.¹² They mostly work 22 days per month and 7 hours per day, earning, on average, between JD 105 and 142 per month.¹³

- Enhance employment conditions to attract more Jordanians to fill in the labor shortages gap. Start by regulating employment in the agricultural sector through issuing implementation regulations to the Labor Law and enforcing decent working conditions through inspection and advisory service to the employers. Subsidizing the provision of mobile child care solutions is another way to attract women in agriculture and improve early childhood development in rural areas.

- Enact sectoral policies to develop post-harvest logistics and supporting investments in agricultural technology will create good quality jobs for women in sorting, grading and packaging activities.

To learn more, see the publication World Bank. 2019. ***Jordan: Improving Women's Economic Opportunities, Select Entry Points for Policy Dialogue and Operational Interventions.*** Washington, DC: World Bank Group. Authors: Meriem Ait Ali Slimane, Jonna Lundwall, Komal Mohindra, Nato Kurshitashvili, Shereen Abbadi and Ola Hisou.

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The Notes do not necessarily reflect the views of the World Bank, its board, or its member countries.

⁹ Department of Statistics, Labor Force Survey, 2018.

¹⁰ UN Women. 2018. *Women's Participation in the Agricultural Sector, Rural Institutions and Community Life.*

¹¹ Razzaz. 2017. *A Challenging Market becomes More Challenging Jordanian Workers, Migrant Workers and Refugees in the Jordanian Labour Market.* International Labour Organization; p 8.

¹² UN Women. 2018.

¹³ Ibid. Note: JD 105-142 is equivalent to approximately USD 150-200.