



# Improving the Participation of Jordanian Women in Economic Life

## USAID Takamol

“Increasing the Participation of Jordanian Women in Economic Life” is the outcome of the Women’s Economic Participation Conference that took place in October 2016 (WEP16). The purpose of the report is fourfold i) to provide an updated account on the status of women’s participation in economic life, ii) to highlight the economic, social, and developmental importance of women’s economic participation, iii) to explore, in detail, the challenges women face on their road to economic participation, and most importantly, iv) to propose actionable interventions and recommendations on how to tackle those challenges and increase the participation of women in economic life.

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## Introduction

There are numerous social, political, economic, and cultural factors that contribute to female unemployment and economic inactivity in Jordan. From birth, female children are generally not expected to grow up to be financially independent. Throughout their education, they learn few of the skills demanded by the job market. When they do manage to find jobs after graduating, they face a myriad of obstacles which their male counterparts do not. Female employees, who already have a smaller selection of culturally ‘acceptable’ jobs to choose from, are discriminated against in the workplace, are paid lower wages, receive negligible benefits and maternity leave, and face a tradeoff between income from work and the high cost of childcare, which is not subsidized. Female entrepreneurs find it difficult to secure financing for their projects, as they either lack assets to use as collateral, or face stringent lending terms. Women who leave their jobs to tend to their reproductive responsibilities have little access to information on formalizing from home, and find it challenging to return to the job market. There are not enough women in decision-making positions to put these issues on the political agenda or to implement positive legal change.

*‘Women issues must be a concern for the entire society and not only for women. If we fail to make their issues societal issues, we will never progress.’*

*H.E. Musa Ma’aytah – Minister of Political and Parliamentary Affairs, WEP16*

*‘Improving the Participation of Jordanian Women in Economic Life’* is the outcome of the Women’s Economic Participation Conference of October 2016 (WEP16). The two-day conference, which was hosted by USAID Takamol and implemented by IREX, was held with the objective of identifying strategies for incorporating women into the Jordanian economy. It was the result of a series of issue-driven activities to identify and articulate a women’s economic empowerment national action plan. It incorporated the efforts of the government, the private sector, civil society, research and academic institutions, the media, and USAID. WEP16 was organized around four pillars, which USAID Takamol had identified as contributing factors to Jordan women’s low economic participation rates: limited will to put increasing women’s participation on the political agenda, limited access to finance, non-enabling environment for home-based businesses and startups, mismatch between job market demands and education outputs, and entry, re-entry, and exit of women to and from the labor market.

Prior to the conference, Takamol held a series of focus group sessions to inform the four pillars, give guidance on issues that need to be addressed, and enrich the discussions during the conference.

The first direct outcome of the conference was a list of commitments made by key partners and stakeholders, including EDAMA Association, Sisterhood is Global Institute (SIGI), USAID BEST, and USAID LENS, among others, to implement a national women’s economic participation action plan. The second outcome of WEP16, this report, has been written in light of the conference and of information gathered prior, in order to: i) provide an updated account on the status of women’s participation in economic life, ii) highlight the economic, social, and developmental importance of women’s economic participation, iii) explore, in detail, the challenges women face on their road to economic participation, and mostly importantly, iv) propose practical and actionable interventions and



recommendations on how to tackle those challenges and to increase the participation of women in the economy.

*'I am convinced that Jordan's future economic success is tied to actions that emanate from conferences such as today's, which seek practical means to open women's economic participation opportunities. With women owning businesses, pioneering technological breakthroughs, and driving competitive advances across many sectors, Jordan will emerge from this current crisis stronger and smarter.'*

*H.E. Alice Wells – United States Ambassador, WEP16*

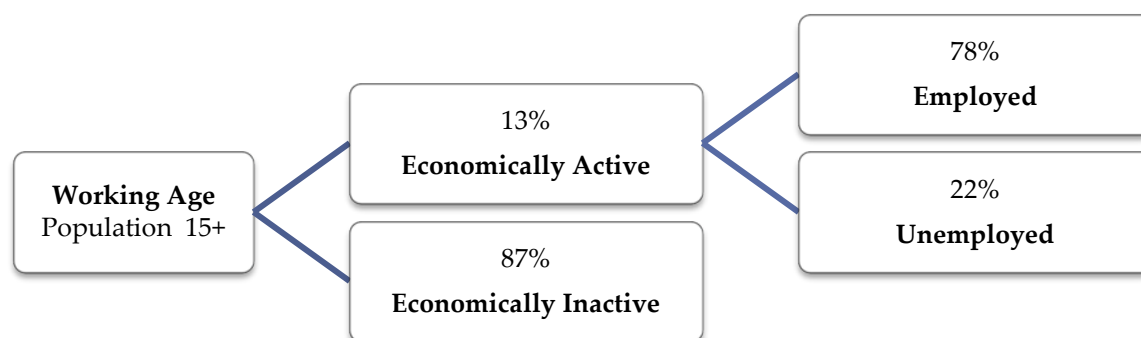
The report is broken down into four sections as follows. The first section discusses the participation of Jordanian women in economic life, and outlines some of the challenges women face in their efforts to join and stay in the labor force. The challenges that are discussed are the social and cultural biases against women, education and the school-to-work transition, the wide gender pay gap, the lack of available and affordable childcare, the shortage of jobs, and women's lack of mobility and access to information. The second section defines women's economic empowerment and presents a business and economic case on the gains of increasing female labor force participation, and estimates the opportunity cost of maintaining the status quo. The third section then explores each of the WEP16's four pillars in depth, explaining how each one serves as an obstacle for women but can also serve as an enabler for women to become economically active citizens. Finally, the fourth section presents recommendations on **immediate steps** that can be taken by relevant parties (government, civil society, political parties, businesses, etc.) that can quickly transform the role of women in Jordanian society from invisible to economically active.

*'Women in Jordan are mostly invisible! Invisible in that their interests are not a primary consideration in informing the decision-making... strategizing services or action plans. They are invisible to decision makers, community leaders, politicians, parents, other women, banks, service providers, educators and employers.'*

*Nermeen Murad – COP, Takamol, WEP16*

## Status of Women in Economic Life

Transitioning into economic life is a struggle and a very cumbersome process for most women – not only when they first attempt to enter as young females, but also at every juncture of their young and adult lives. It is an on-going chronicle of unrelenting challenges that makes it unworkable and unmanageable for the vast majority of women to contribute to society and to the economy in a meaningful way. While females have achieved parity in education with males, it is still very far from translating into equal economic rights and economic opportunities. Today, less than 13% of women of working age are economically active, an alarmingly low level by all measures and global standards. And among those who *are* economically active, unemployment soars to over 20%.



**Figure 1: The Structure of the Labor Market in Jordan**

Source: Department of Statistics

The situation is even further exacerbated among young women, where economic activity drops to less than 8% and unemployment surpasses 50%.

**Table 1: Economic activity and employment by gender**

	Male	Female	Gender Gap
Economic activity rate (age 15+)	59.7	12.6	47.1
Youth economic activity rate (ages 15-24)	36.8	7.8	29.0
Unemployment rate (age 15+)	10.1	20.7	-10.6
Youth unemployment rate (ages 15-24)	26.3	53.3	-27.0

Source: Employment and Unemployment Survey, 2014

Department of Statistics






Globally, Jordan is ranked as the second lowest performer on economic participation and opportunity, a drop from third lowest position last year. 'While improvements have been made on Educational Attainment and Political Empowerment since 2006, it is the world's second-least improved country on the overall Index as well as on the Economic Participation and Opportunity sub index.'<sup>1</sup> In fact, Jordan is among the countries that have seen a widening of more than 1% of their gender gap over the last decade, with a female labor force participation rate drop of 12%. 'The change in labor force participation has decreased alongside wage equality for similar work and parity in the gender breakdown of legislators, senior officials and managers.'<sup>2</sup>

The Global Gender Report assesses economic participation and opportunity by five factors. These include the participation of women in the workforce; equality of pay between men and women for similar work; level of income; number of jobs in senior positions; and number of professional and technical women workers. This overall ranking was primarily set back by the low participation levels of females in the labor force and the low income generated by working women.

<sup>1</sup> World Economic Forum, Global Gender Report 2015.

<sup>2</sup> Ibid.

**Table 2: Jordan's economic participation & opportunity global rank, 2016**

	Rank*	Female-to-Male ratio	0.00 = INEQUALITY	1.00 = EQUALITY
<b>Economic Participation &amp; Opportunity</b>	<b>138</b>			
Labor force participation	143	0.22		
Wage equality for similar work	78	0.64		
Estimated earned income	142	0.17		
Legislators, senior officials, and managers**	120	0.09		
Professional and technical workers**	111	0.51		

\*Ranking out of 144 participating countries worldwide.

\*\*Ranking out of 145 countries according to the 2015 report as information is not available in the 2016 report.

Source: World Economic Forum, Global Gender Reports 2015 and 2016.

The Global Gender Report asserts with the data it presents that countries with narrower gender gaps perform better economically than those with larger gaps, irrespective of the level and amount of resource availability. Therefore, there is a lost opportunity and a high economic cost when women have low economic participation rates. We will discuss the economic and business case for women's economic participation in the next section.

*'Jordan's GDP could increase by 40% if women's contribution was equal to men's contribution in the labor market'.*

*Dr. Omar Razzaz – Chairman, Jordan Strategy Forum, WEP16*

This alarmingly low level of economic participation and opportunity is reinforced by a myriad of challenges that women face in Jordan. These challenges are diverse, and some in fact are not unique to Jordan – particularly those related to maternity, childcare, and pay gaps among others. Those unique to Jordan, however, are challenges associated with social and cultural influences, and others attributed to gaps in education and training. There are also structural challenges that include the inability to access up-to date information on the job market and the opportunities it presents; the lack of reliable and 'safe' public transportation modes; and the dearth of accessible and affordable childcare services. Equally important, is the inability of the economy to generate the needed quality and quantity of jobs to absorb new entrants and re-entrants into the labor market every year. Moreover, the business climate is not conducive for business start-up and development, thereby making potential entrepreneurs hesitant to venture into the corporate world.

## Social and cultural challenges

Within society, women are bound by social values and cultural norms that hinder reaching a level where traditional gender roles are completely overcome. And some of these norms are attributed to religion (rightly or wrongly), making it especially arduous to contest. In fact, empowering women economically, challenges the many forms of patriarchy that are deeply embedded within the Jordanian





society. And those deeply rooted perceptions continue to emphasize the primary role of women as homemakers and care givers.

*'Social and cultural issues are the biggest obstacle there is. Many women I met say that if they worked, they may not be able to get married or balance their duties between home and at work.'*

*H.E. Majd Al Shweikeh - Minister of ICT and Minister of Public Sector Development, WEP16*

Earning income is therefore perceived among men and women alike as a secondary activity for women. It is only favored when the husband is unable to provide financially for his family. Jeopardizing the fulfillment of the primary role of women, by venturing into work, is therefore only justified by financial necessity.<sup>3</sup>

Social and cultural norms also dictate *how* and *when* women participate in economic life. The *how* comes into play when a female chooses what to study, where to work, and how far to grow and achieve at the workplace. The *when* comes into effect as women get married and have children. Once married, a female's prospects for participating in economic life diminish significantly. This reality is also reinforced by a private sector that continues to exhibit biases in its hiring and firing practices against married women and mothers. According to the Jordan National Employment Strategy (2011-2020), an estimated 60% of never married females obtain a job before the age of 30 compared with less than 30% of married females of the same age.

The traditional role of a woman in the Jordanian society is also reinforced by the educational system. According to a USAID Takamol review of Arabic and civil education textbooks for 4th grade students, the curriculum in Jordan is, even today, strikingly gender blind. It 'eclipses' the roles of women in development, and suggests that a woman's place is in the home, where she is to remain almost invisible. She is portrayed as passive, vulnerable, and in need of male guidance.

*'The obstacle begins from home... education... from how a person grows up not knowing their role in society. When there is equity in education and opportunity from home then a woman is ready and understands her equal responsibilities with the man.'*

*H.E. Majd Al Shweikeh - Minister of ICT and Minister of Public Sector Development, WEP16*

### Pay gap challenge

Employed women systematically receive less pay for performing the same work as their male counterparts both in the private and public sectors (even in sectors where women are dominant, such as education). Men working in Jordan's private sector earn on average 41% more than women. In the public sector, men earn about 28% more.

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<sup>3</sup> [jordan.unwomen.org/~media/field%20office%20jordan/.../ict-study-updatedtxt-4.pdf](http://jordan.unwomen.org/~media/field%20office%20jordan/.../ict-study-updatedtxt-4.pdf)

The gender gap also applies to non-wage benefits like paid expenses such as transportation, and health insurance, which many women are not entitled.<sup>4</sup>

*‘The problem of pay discrimination is a social problem where society does not see women’s contribution to the labor market to be on the same level or importance as that of men.’*

*H.E. Asma Khader – Lawyer and Human Rights Activist, WEP16*

The gender pay gap is partly due to the fact that Jordanian laws do not mandate equal remuneration for equal value of work.<sup>5</sup> Laws also discriminate against women in terms of permissible areas, times of work, and the ability to pass on their pension to their spouses and children as working males do.

*‘Not only do women deserve equal pay and pension to men, but they also need to have the opportunity to pass on their pension to their children, just like men do. As it stands, women are unable to do that and this is another element that needs to change.’*

*H.E. Asma Khader – Lawyer and Human Rights Activist, WEP16*

The tradition of undervaluing a woman’s work and qualifications are further reinforced by social and cultural biases against women.<sup>6</sup>

The large pay gap is also partly due to occupational gender segregation. Females are overrepresented in the education, health and social work sectors, in both the private and public sectors, while men mostly work in other sectors such as wholesale, and retail trade and manufacturing.<sup>7</sup> This overcrowding of women in some sectors reduces their productivity, thereby lowering their wages as well.<sup>8</sup> This is evident in the average pay gap in the education sector, which was estimated at 42% in 2013. Moreover, 27% of teachers in the sector received less than the minimum wage of JD190 per month.<sup>9</sup> Similarly, the gender pay gap stood at 41.3% in manufacturing and 27.9% in health and social work.<sup>10</sup>

**Table 3: Gender pay gap by major occupation**

Major occupation groups	Average wage per month per employee in JD		Gender Pay Gap
	Male	Female	
Legislators, senior officials and managers	1503	963	56%
Professionals	699	485	44%

<sup>4</sup> [http://www.ilo.org/global/about-the-ilo/newsroom/features/WCMS\\_213754/lang--en/index.htm](http://www.ilo.org/global/about-the-ilo/newsroom/features/WCMS_213754/lang--en/index.htm)

<sup>5</sup> Women, Business, and the Law, World Bank, 2016

<http://wbl.worldbank.org/~media/WBG/WBL/Documents/Reports/2016/Women-Business-and-the-Law-2016.pdf>

<sup>6</sup> [http://www.ilo.org/global/about-the-ilo/newsroom/features/WCMS\\_213754/lang--en/index.htm](http://www.ilo.org/global/about-the-ilo/newsroom/features/WCMS_213754/lang--en/index.htm)

<sup>7</sup> Jordan Department of Statistics

<sup>8</sup> Effects of gender inequality in employment and pay in Jordan, Lebanon and the Occupied Palestinian Territory: Three Questions Answered, Zafiriz Tzannatos, ILO

<sup>9</sup> A study on the gender gap in the private education sector in Jordan, ILO, 2013.

<sup>10</sup> International Labour Office, Ministry of Labor and the Jordanian National Commission for Women, “Towards Pay Equity: A Legal Review of Jordanian National Legislation. 2013

Major occupation groups	Average wage per month per employee in JD		Gender Pay Gap
	Male	Female	
Technicians and associate professionals	504	416	21%
Clerks	446	365	22%
Service workers, shop and market sales workers	290	309	-6%
Craft and related trade workers	346	247	40%
Plant and machine operators and assemblers	321	198	62%
Elementary occupations	304	283	7%

Source: DOS, 2014

The large pay gap between men and women is dangerous as it serves as a disincentive for women to enter the workforce. Women face a tradeoff between income from work and the high direct and indirect costs associated with transportation and childcare services. The public transportation system is both inefficient and unreliable, and childcare services are expensive and mostly not within reach. *(these two critical enablers for workforce participation will be discussed in more length in the childcare and mobility challenge sections)*. As wage levels stand now, and given the many obstacles they face, many women are not motivated to work unless they are in need of income. Increasing wages for women would thus increase their labor force participation. One study suggests that if females and males achieved an equal distribution amongst the various occupations, were paid the same wages, and if discrimination against women was eliminated, female wages would increase by 61%.<sup>11</sup>

*‘Civil society, political parties, government women as well as young men and women need to lead this change and be responsible for implementing these changes.’*

*H.E. Asma Khader – Lawyer and Human Rights Activist, WEP16*

Notable efforts have been carried out to shrink the gender pay gap. Jordan ratified both the ILO Remuneration Convention, No. 100 and the Discrimination (Employment and Occupation) Convention, No. 111.<sup>12</sup> More importantly, a National Steering Committee on Pay Equity (NCPE) was established in July 2011 to implement the principal of equal pay for equal work and to enhance the participation of women in the labor market under equitable conditions.<sup>13</sup> As such, Jordan succeeded in improving its ‘wage equality for similar work pay’ from a rank of 92/145 in 2015 to 78/144 in 2016.<sup>14</sup>

However, despite these efforts, the gap still hovers at an average of 30%, and much work needs to be done to eliminate wage discrimination and mainstream pay equity.<sup>15</sup>

<sup>11</sup> Effects of gender inequality in employment and pay in Jordan, Lebanon and the Occupied Palestinian Territory: Three Questions Answered, Zafiris Tzannatos, ILO

<sup>12</sup> [http://www.ilo.org/global/about-the-ilo/newsroom/features/WCMS\\_213754/lang--en/index.htm](http://www.ilo.org/global/about-the-ilo/newsroom/features/WCMS_213754/lang--en/index.htm)

<sup>13</sup> A study on the gender gap in the private education sector in Jordan, ILO, 2013

<sup>14</sup> WEF gender report, 2016

<sup>15</sup> [http://www.ilo.org/global/about-the-ilo/newsroom/features/WCMS\\_213754/lang--en/index.htm](http://www.ilo.org/global/about-the-ilo/newsroom/features/WCMS_213754/lang--en/index.htm)

## Sexual Harassment Challenge

According to ILO Gender Consultant and SADAQA Campaign Co-founder, Reem Aslan, inequity does not just stop at unequal pay in the workplace. It also includes other challenges career women face such as, among many others, discrimination in the provision of other privileges at work, access to day care services and sexual harassment.

Families are averse to their daughters working in the private sector because of concerns over their safety and the likelihood of sexual harassment. Concern over sexual harassment of women in public transportation has been cited as one of the reasons for keeping women from active economic participation.

Article 29/A/6 of the Labor Law gives the employee the right to quit work without notice and still retain her/his legal rights for the termination of service as well as the damage compensation if the employer or the representative of the employer committed a sexual assault that is punishable by any national legislation. This article leaves other forms of sexual harassment as seductive behavior, sexual bribery, sexual coercion and sexual imposition unpunished

## Childcare challenge

An estimated 45% of women leave the workforce because of their inability to achieve a work-life balance, and provide the needed care for their children.<sup>16</sup> Women are also not entitled legally to flexible or part-time work schemes to help overcome this challenge. Childcare in Jordan is not accessible to many women, and if it is, it is generally expensive.

The root cause of the problem is that childcare services are not regarded as a public good. As such, this service is not supported with allowances or tax-break schemes. The government mandates certain private enterprises to provide this service at the workplace, however, government is not mandated to.

Article 72 of the labor law is the legal reference that regulates the provision of daycare services at the workplace. The article requires companies and organizations with 20 married female workers or more, and who have 10 or more children under the age of four to provide adequate daycare services at the workplace. While the objective of the article was to promote the participation of women in the workforce, the provision worked against this objective. Implementation was difficult for most companies, and many till today remain non-compliant with the article. Foremost, most companies do not see the financial viability of incurring additional costs to accommodate female workers. In fact, many cap their hiring of women at 19 to avoid having to set up a daycare facility on their premises. As such, article 72 became a catalyst to decrease women's economic participation as most employers make sure to hire less than 20 females to avoid the obligations stipulated by the law i.e. provide adequate daycare services. Many companies also do not have the space to accommodate this requirement, and do not want to deal with this additional operational venture. As such, many prefer to pay female

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<sup>16</sup> Jordan's Higher Population Council

workers a monthly stipend or an allowance as an alternative to running a daycare operation.<sup>17</sup> To revive article 72 of the labor law, the SADAQA Campaign worked with the Ministry of Labor and other stakeholders to establish an additional 25 day care centers at the work place.

Having daycare facilities on premises or near the workplace has many benefits for the companies and employees alike. It is regarded by the employees as a non-financial benefit that is equivalent to a raise in pay. It also improves productivity and attendance by employees by reducing tardiness, leave without pay requests, absences, and turnover rates. This was confirmed by a business case developed by SADAQA, which took the telecommunications sector as a case study. The study affirmed that companies that provide day care facilities increase employee retention and reduce job absenteeism. It also found that while companies fail to realize the financial viability of providing this service, it is estimated that companies in Jordan can in fact save between US\$150k to US\$200k per year if they do.<sup>18</sup> Most importantly, providing childcare services increases the participation of women in the workforce. During a panel discussion on education and job market entry and re-entry at WEP16, ILO Gender Consultant, Reem Aslan, stated that day care should be considered a public commodity and therefore the government must contribute to establishing it.

Moreover, and according to Jordan Strategy Forum Chairman and former head of the Social Security Corporation (SSC) Omar Razzaz, it was found that a majority of working women spend around four years in the labor market due to marriage or motherhood. They then either leave on their own because of the lack of child support and nurseries, or as a result of the discrimination of employers. This is one of the main reasons Maternity Insurance was introduced through the SSC as a way to address part of this problem.

### Job generation challenge

#### *Men are three times more likely than women to secure a newly created job*

The Jordanian economy was able to create close to 50,000 new jobs in 2014. The number of jobs created for women was substantially below that of men, reaching less than 12,000 compared with over 38,000 for men. This indicates a very sizeable gender gap of around 26,000 jobs.<sup>19</sup> In fact, this states that men are three times more likely than women to secure a newly created job. Men face far fewer restrictions on the types of jobs they choose to pursue, have far better mobility, and are able to access information on the job market through formal and informal channels, thereby significantly improving their chances of becoming employed.

While the slow growing economy continues to generate an average of 50,000 jobs per year, this number is not sufficient to absorb the number of entrants into the labor market every year. In 2015,

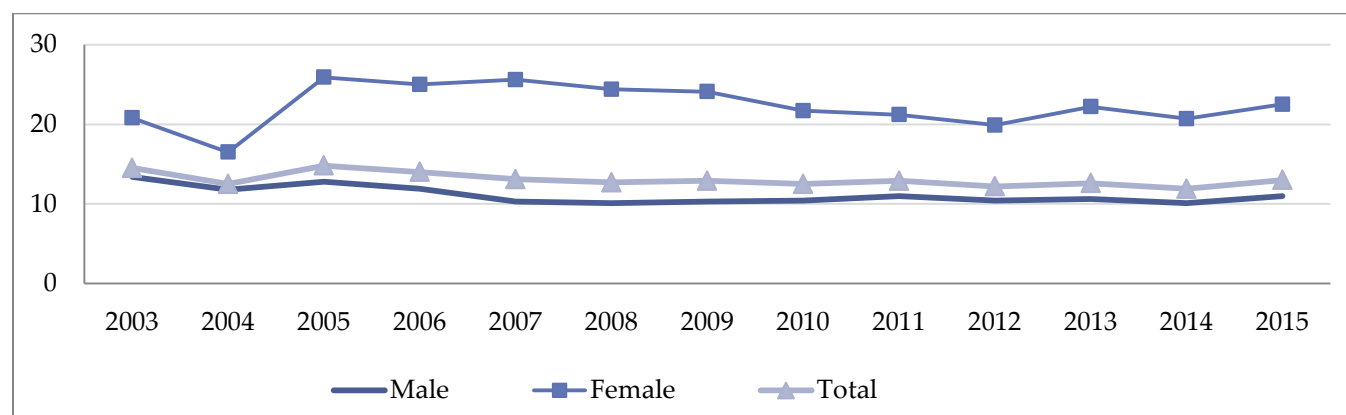
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<sup>17</sup> Value of Institutional Nurseries at the Workplace – ICT sector case study. SADAQA, September 2016.

<sup>18</sup> Ibid.

<sup>19</sup> Job Creation Survey, 2014. Department of Statistics.

unemployment for males reached 11% and for females around 23%. These rates are slightly higher in rural areas, where fewer job opportunities are available for both genders, reaching around 12% and 24% for males and females respectively.



**Figure 2: Unemployment by gender**

Source: Department of Statistics

Job generation took place in both the private and public sectors. However, the number of jobs generated by the private sector was more than double that of the public sector.

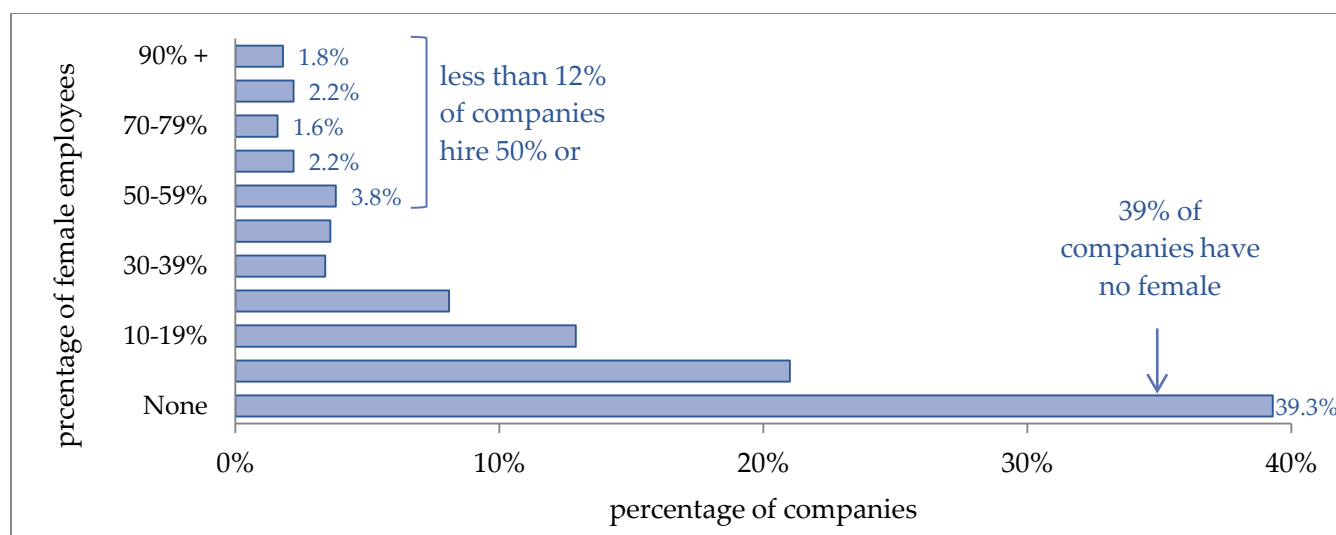
**Table 4: Jobs created for persons (aged 15+) by sector of work**

Sector	Male	Female	Gender Gap
Public	14,510.7	2,606.7	11,904
Private	22,583	8,845.2	13,737.8

Source: Job creation survey, 2014

Department of Statistics

In the private sector, females are poorly represented. It is estimated that close to 40% of private companies have zero female employees. Moreover, less than 12% of companies have 50% or more female employees.



**Figure 3: Percentage of female employees in private companies**

Source: Department of Statistics

There are a number of reasons attributed to this low representation of females in the private sector. Women in general prefer to work in the public sector, as it offers shorter working hours, and a safer, more stable, and culturally acceptable working environment. A study by the Ministry of Labor revealed that while the health sector is desirable as a field for women to be employed in, its long working hours prevent many from pursuing it.

For the majority of women, job stability is more important than career growth and development. The public sector also guarantees a spectrum of critical benefits including social security, health insurance, and maternity leave among others. Maternity leave in the public sector is set at 90 days, compared with only 70 days in the private sector as specified by the labor law. A number of violations have also been documented in the private sector including the refusal to renew a contract if the woman gets married or if her family obliges certain working hours or transportation arrangements.

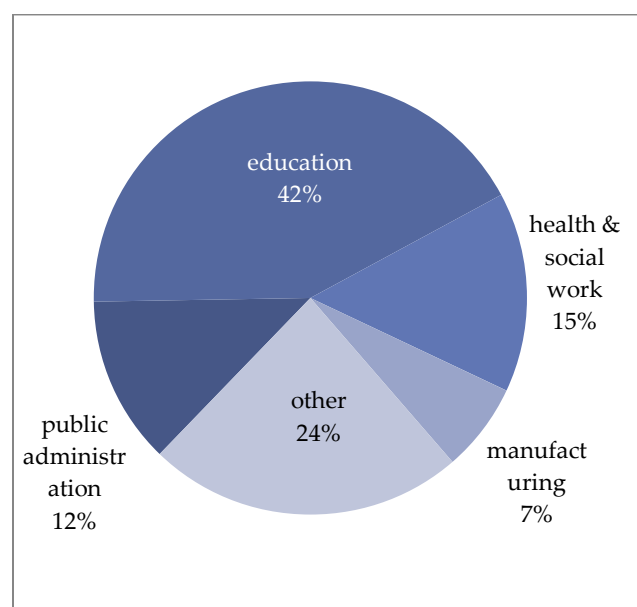
Some have also unlawfully fired a woman upon getting pregnant. Many violations continue to be prevalent in the private sector, and especially among the smaller establishments, as there are no clear legal references against discrimination in employment and occupation in the labor law that is currently in force. The law also continues to place restrictions on the type of activities women can do, in addition to times of work. Article 69 of the labor law gives the minister of labor the discretion to decide on the types of industries and businesses that women are prohibited to work in, in addition to the times when women can and cannot work. While the underlying objective is to 'protect' women from working in activities deemed 'dangerous' or 'unsafe' for them, this article is discriminatory and limits the right of women to choose their jobs.

For all the aforementioned reasons, women continue to prefer working in the slower growing public sector.

Women also prefer to work in certain 'suitable' and traditional sectors. As such, we continue to see occupational segregation that locks women in the overcrowded, low salaried and slower growing

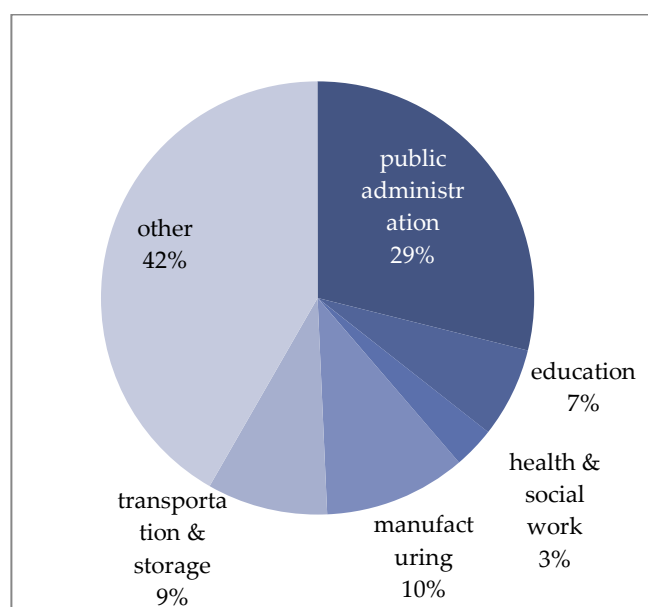


sectors of education, health and social services. Today, over 40% of women work in education, followed distantly by health and social work, and public administration at 15% and 12% respectively. While cultural and social norms partly dictate this inclination by women, other opportunities are not presenting themselves clearly to women because of the dearth of information of job market dynamics.



**Figure 4: Female employment by sector**

Source: Department of Statistics



**Figure 5: Male employment by sector**

As such, and given the aforementioned legal, social and structural challenges, the job spectrum for women is 'narrowed'. Sustaining the status quo will make it difficult to increase the participation of women in economic life.

An additional strain on job creation has been the influx of Syrian refugees into Jordan over the past five year, and the impact they've had on labor market dynamics. The extent to which Syrians have displaced Jordanians has been limited so far. However, we know that the economic activity of Syrians is higher than that of Jordanians, and since the economy is characterized by small informal enterprises, it is expected that Syrians will eventually infiltrate and dominate informal employment.<sup>20</sup>

**Table 5: Economic activity of Jordanians and Syrians**

	Economic Participation	Number of Workers	Number of Economically Active
Jordanian	37%	1,262,685	1,444,759
Syrian	48%	38,155	108,265

Source: MoPIC November 2013

<sup>20</sup> [http://www.ilo.org/wcmsp5/groups/public/---arabstates/---ro-beirut/documents/publication/wcms\\_364162.pdf](http://www.ilo.org/wcmsp5/groups/public/---arabstates/---ro-beirut/documents/publication/wcms_364162.pdf)



## Education and training challenge

It is well-known and documented that the low economic participation rate is incongruent with the educational attainment levels of females, particularly among those with higher education attainment levels. Latest statistics show more females enrolled in secondary and tertiary education (around 48% males and 52% females). It also shows that more females graduate with a university degree, comprising over 53% of the graduating student body.

*'Jordan's most educated group is also its least economically engaged.'*

*H. E. Alice Wells – United States Ambassador, WEP16*

At universities, women are seen to congregate more in the art disciplines, by a notable margin of around ten percentage points. However, there has been a growing trend of females pursuing scientific fields, with around 49% of students in science colleges being female. In the fields of medicine, pharmacy, and natural sciences, the number of females is more than double that of males. The latter tend to be more inclined to study engineering and computer sciences. In terms of vocational education, females lag significantly behind males, particularly in technical and industrial areas as indicated in the table below.

**Table 6: Salient education indicators by gender, 2014**

Indicator	Male	Female	Gender Gap
Illiteracy rate (ages 15+)*	3.7	9.8	-6.1
Children in kindergarten	51.6	48.4	3.2
Students in basic education	50.8	49.2	1.6
Students in secondary education	48.2	51.8	-3.6
Students in vocational (industrial) education	97.8	2.2	95.6
Students in vocational (agricultural) education	85.8	14.2	71.6
Students enrolled in universities	47.6	52.4	-5.0
science colleges	51.2	48.8	2.5
art colleges	44.6	55.4	-10.8
University graduates	46.8	53.2	-6.5

Sources: Ministry of Education and Ministry of Higher Education.

\*Employment and Unemployment Survey, 2014 - Department of Statistics.

Technical and vocational education is not an option for most females. Even those who pursue it, end up dropping out of the jobs market and joining the ranks of the economically inactive. A number of reasons explain this trend. Foremost, the current vocational training model is information-based and not demand-driven, nor competency-based. As such, it does not equip trainees with the needed employability skills, and presents minimal prospects for decent employment. The other main barrier is the deep rooted cultural values that continue to prevent women from pursuing this type of education and work.

*‘From our demand-driven vocational training program in 2011, 471 (or 63 percent) rejected the vocation sector jobs offered to them—jobs mainly in the garment industry, food manufacturing, hospitality and cosmetology. Further evaluation and in-depth focus group discussion revealed that the deep-rooted explanations behind their drop-outs were cultural constraints. In many cases a woman’s decision to join the workforce was made by the male members of the family.’<sup>21</sup>*

According to Dr. Raghda Al Faouri, Director of Policies and International Cooperation at the Ministry of Labor: ‘Based on all the studies we conducted at the MOL, and in cooperation with the National Center for Human Resource Development (NCHRD), it has been revealed that there is a large number of jobs in the vocational sector and the demand consists almost of 90% of the existing labor demand. However, there is a lack of vocational jobs for women due to the impending culture, the latter which needs to change in order for jobs to become available. And this change needs to start at schools and universities.

Higher education creates significant value for societies and economies because, theoretically, it prepares youth for entrepreneurship and employment. In Jordan, however, higher education has been insufficient to create such opportunities. One challenge is the inability of the economy to generate the quality and quantity of jobs needed to absorb the new entrants every year, and the many more who are unemployed (as discussed in the previous section). Another challenge is the growing mismatch between the output of education and the requirements of the job market. The educational system does not equip students with the experiences nor the skills needed for the job market. This compels many students to invest in additional training after graduation to improve their employability skills.

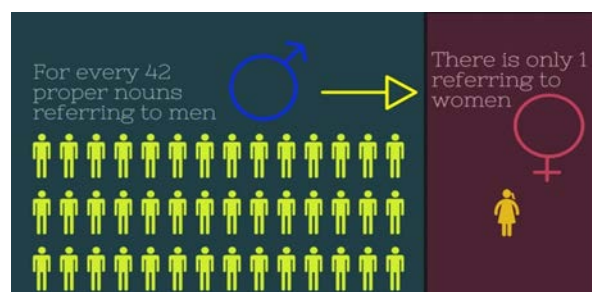
*‘It is very important to start early from schools, from universities, to connect theories to practice.’*

*Salam Kanaan – Country Director at Care International, WEP16*

Some of this training is expensive, and can be far from where these students reside, making it particularly difficult for females to pursue. This keeps untrained women at a disadvantage as they are far less employable. One more challenge is the lack of academic and career counseling at schools and universities to guide females in choosing their subjects and inform them about the evolving job market dynamic. Significant work has been done by the Ministry of Labor to solve the mismatch between supply and demand, with more yet to be done and efforts to be made in changing the culture too.

A sharply different picture, however, emerges in practice when examining the content of our school curricula: that text books not only reflect and reproduce culture, but also shape our gender identity. This may also contribute to the sharp decline in women’s economic participation in

Box: nouns referring to males and females in grades 4-6 curricula



Source: Dr. Wafaa Al Khadra

<sup>21</sup> <https://www.brookings.edu/blog/education-plus-development/2014/09/15/lifting-the-barriers-for-economic-progress-of-women-in-jordan/>

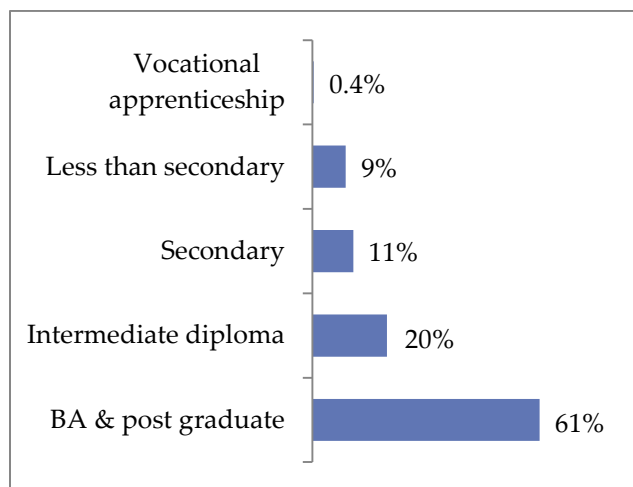
Jordan. Dr. Wafaa Al Khadra analysis of the “grammar of gender” in school textbooks of grades 4, 5, and 6, reveals a strikingly grim picture.

Men are identified either by their names or by their roles in society. On the other hand, women are strictly identified in terms of their relationship to men, for example as a wife or mother. Why is this significant to this discussion? By restricting women to their relational position to men, they can no longer be understood as independent actors. While men have unique identities and play active roles in society, women thus appear only as accessories to men; they are only given meaning through their relationship with men. As such, they cease to be independent actors, as their female agency becomes of a function the men to whom they are related.

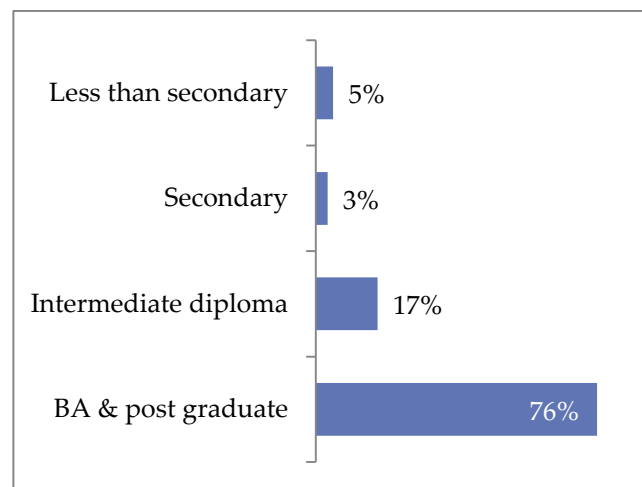
This negation of individual identity is further reflected in the use of nouns and proper nouns. For every 42 proper nouns referring to men, there is only one referring to a woman, and for every ten male nouns (such as fireman or lawyer in the masculine), there is only one female noun.

This inequality is further reflected in the types of verbs associated with men and women. While men are associated with acting and doing verbs, women are associated with the passive voice and static verbs. This distinction is also seen in the disproportionately high number of men as grammatical subjects and the correspondingly high number of women as grammatical objects. Women, then, are conceptualized as passive objects, capable only of receiving actions rather than initiating their own. This passivity, in conjunction with the erasure of unique female identities, runs in stark contrast to the numerous active identities offered to Jordanian boys. Thus, the language of Jordanian textbooks glorifies male agency at the expense of female agency.

**Educated women today are the most likely to seek a job and participate in the workforce**, with over 60% of paid employees having undergraduate and post graduate degrees. Naturally, females with high educational attainment levels also form the overwhelming majority of the unemployed female job seekers, estimated at 76% of the total unemployed female pool.



**Figure 6: Female paid employees by educational level**  
Source: Department of Statistics



**Figure 7: Female unemployed persons by educational level**



Investing in education succeeded in raising the educational attainment levels of females over the decades. However, expectations for better jobs and higher pay have also increased. This implies that the quantity of jobs created is not sufficient to tackle the chronic problem of female unemployment. It is also the type and quality of jobs that mostly matter.<sup>22</sup>

**Education-to-work transition** has therefore been very challenging for most women, especially for young females in the governorates. This transition period is also far more critical for females than males because if within the first two years after graduation a female does not find a job, she will most likely never work.<sup>23</sup> It is estimated that only 33.5% of youth transit immediately from education to employment, and those who do not transit immediately face a very long transition period of around three years. In general, the average length of unemployment and inactivity ranges between 22.1 months for males and 40.5 months for females. Long transition spells are due in part to low job creation rates and low propensity of youth to start a business.<sup>24</sup>

### Mobility and access to information challenge

Transportation is one of the key barriers that hinder women's entry and sustained participation in the workforce. At best, public transportation is characterized as unreliable, expensive, disorganized, disconnected, and as having limited geographical coverage. It causes grave hardships for commuters, and simply cannot be relied upon for effective and efficient mobility. The situation is further exacerbated in the governorates, and particularly in rural areas. The average commute time for a round trip is estimated at around 2.5 hours daily for persons residing on the outskirts of Amman, thereby prolonging a person's absence from home.<sup>25</sup> This is particularly critical for female workers, as it jeopardizes their ability to achieve a manageable work-life balance. The decision to become economically active is therefore profoundly impacted by the inability of women to move efficiently and safely to their workplace.

Lack of efficient mobility also has significant ramifications on the ability of prospective female workers to access information about labor market opportunities. As such, we continue to see most women unable to identify opportunities for work that are not necessarily advertised through traditional means. This means that they appear to be choosing to work in the over-supplied, low-paying traditional sectors.

The limited access to information about emergent and developing opportunities is in part attributed to the inability of females to move beyond their localities. Access to information is also hindered by cultural norms. 'Information tends to flow through informal networks, which tend to be male dominated. Even

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<sup>22</sup> Innovation through Education: Building the Knowledge Economy in the Middle East

<sup>23</sup> Jordan National Employment Strategy (2011-2020)

<sup>24</sup> Labour market transitions of young women and men in Jordan. ILO. June 2014.

[http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms\\_245876.pdf](http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_245876.pdf)

<sup>25</sup> <http://www.iyfnet.org/sites/default/files/library/Y4F-transportStudy-EN.pdf>

with the advent of online job search programs, females with no direct access to the internet will be at a disadvantage vis-à-vis males who can more easily frequent internet cafés.’<sup>26</sup>

*The decision to become economically active is therefore profoundly impacted by the inability of women to move efficiently and safely to their workplace.*

## The Economic/Business Case for Economic Empowerment of Women

### Defining economic empowerment

A woman is economically empowered when she has the ability to make and act on her own economic decisions, and the ability to succeed and advance economically. For that, a woman needs the skills and resources to compete in a modern economy, as well as fair and equal access to economic institutions. This includes access to quality formal education and vocational training, as well as equal access to financing and loans. In order to have the power and agency to benefit from economic activities, a woman must also have the ability to make her own decisions, to act on those decisions, and to control her economic resources and the profits from her economic activities.<sup>27</sup> This is only possible if she feels safe and free from the threats of harassment and violence, and if she is respected by her family, employer, coworkers, and the society as a whole.

*‘Economic empowerment increases women’s access to economic resources and opportunities including jobs, financial services, property and other productive assets, skills development and market information.’ - OECD<sup>28</sup>*

It is also important to note, however, that economic empowerment of women does not have to translate to all women pursuing the same path. Some women may choose to join the corporate world as professionals; others may choose to work from home, while some may choose not to work at all. <sup>29</sup> **The essential component here is to give women the knowledge, tools, and power to make their own decisions.**<sup>30</sup> Economic empowerment is a right in itself, and is recognized as a prerequisite for sustainable development.

For Jordan to be sufficiently equipped for today’s economy, its women must have facilitated connections to finance, digital literacy, science and technology among others. They must have control

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<sup>26</sup> Jordan National Employment Strategy (2011-2020)

<sup>27</sup> <http://www.icrw.org/files/publications/Understanding-measuring-womens-economic-empowerment.pdf>

<sup>28</sup> Ibid.

<sup>29</sup>

[http://www.icrw.org/sites/default/files/publications/BSR\\_ICRW\\_Building\\_Effective\\_Womens\\_Economic\\_Empowerment\\_Strategies%20.pdf](http://www.icrw.org/sites/default/files/publications/BSR_ICRW_Building_Effective_Womens_Economic_Empowerment_Strategies%20.pdf)

<sup>30</sup> <http://www.oecd.org/dac/gender-development/womenseconomicempowerment.htm>



of resources, lands, and markets. And they must have equal rights and equal opportunities as breadwinners, businesspersons, and leaders.

Additionally, one of the most prevailing challenges that prevent women to join the labor market is agency i.e. the capacity of an individual to act independently and to make their own free choices. A guardianship system still applies whereby a male relative acts on behalf of an unmarried woman under the age of 30 (whether divorced, widowed or single), and she is considered his economic dependent. As a result many women cannot work because their guardian made this choice for them.

### The business case for incorporating women

Studies show that when businesses incorporate women into their business model and core operations, productivity, profits, returns on investment, and brand loyalty all improve significantly. Achieving a more diverse workforce allows a company to unlock growth potential and to increase gender equality in society as a whole.

*'Promoting gender inclusiveness is not a matter of fairness, but in fact can have a significant impact on the financial performance of companies across different sectors of the economy.'*

*Julia Nsheiwat – US Presidential Deputy Envoy, Former Deputy Secretary of State, WEP16*

It is important to note, however, that the business case for companies to advance women's economic power requires businesses to treat women as independent economic agents (as suppliers, contractors, employees, consumers, and members of society), not just as beneficiaries of services. Documented corporate gains range from improvements in productivity to boosting employee retention. They can be summed as follow:

- *Improves productivity*

It is estimated that eliminating discrimination against female workers and managers, and allowing women to enter certain occupations or sectors where they are not usually welcome, could increase productivity per worker by 25-40%.<sup>31</sup>

- *Improves financial performance*

Having women on the board and in leadership positions improves a company's profits and return on investments (ROI). According to Credit Suisse, companies with one or more women on the board deliver higher average returns on equity, lower gearing, better average growth, and higher price and book values over the course of a few years. Companies with top quartile representation of women in executive committees in general perform better than companies with no women at the top, by some estimates with a 47% average return on equity.<sup>32</sup> In emerging markets, 34% of private sector leaders reported increased profits as result of pursuing women empowerment efforts.<sup>33</sup>

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<sup>31</sup> Credit Suisse "Gender diversity and corporate performance," 2012

<sup>32</sup> McKinsey & Company. "Women Matter 2013"

<sup>33</sup> Ibid.



- *Creates positive branding, marketing, and signaling*

Today, many consumers are interested in knowing how their products are made, and how the people who made them were treated. It is thus highly advantageous for companies to show that their transactions actually benefitted women in the supply chain.<sup>34</sup> Moreover, having more gender diversity signals that a company is already doing well; countries with less discrimination and more equality are better for doing business. Gender equality also creates positive branding and press.

- *Provides access to more markets and improves brand ambassadorship*

Female employees better position companies to serve untapped female consumer markets, particularly those in which there is a high degree of gender segregations. As employees, women are seen as having superior customer service skills in the retail sector as well.<sup>35</sup> As customers, brands that target women and engage female customers can reap higher sales and attract stronger brand loyalty.

- *Boosts employee retention*

When female employees become more satisfied with how their company embraces and supports equity and gender diversity in the workplace, this boosts their overall job satisfaction, and makes them more likely to remain working with the same company. Studies also show a link between retaining female employees and supporting external women's empowerment programs.<sup>36</sup>

- *Leverages business resources and experts*

Incorporating women into the business automatically expands the pool of talent that a company can leverage, increasing the quality of its talent and thus improving its performance. Diversity in the talent pool increases the probability of generating a more creative, informed, and accurate answer to a particular problem. Companies with more diverse leadership skills and capacities are better positioned to reflect the consumer and are more risk averse. Diversity also enhances corporate governance<sup>37</sup> and promotes innovation and a supportive environment.<sup>38</sup> This is particularly important in a highly interconnected and rapidly changing world, where organizations and countries must adapt strategies and innovate in order to remain relevant and competitive.<sup>39</sup>

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<sup>34</sup> Making the Business case: women's Economic Empowerment in Market Systems Development, USAID, March 2015

<sup>35</sup> Making the Business case: women's Economic Empowerment in Market Systems Development, USAID, March 2015

<sup>36</sup> Ibid.

<sup>37</sup> Women, Work, and the Economy: Macroeconomic Gains from Gender Equity" IMF, 2013

<sup>38</sup> Making the Business case: women's Economic Empowerment in Market Systems Development, USAID, March 2015

<sup>39</sup> Lauren Leader-Chivee, "New Study: Diversity Drives Serial Innovation", October 2013 and Deloitte, "Waiter, is that inclusion in my soup? A new recipe to improve business performance", 2012

([http://www.deloitte.com/assets/Dcom-](http://www.deloitte.com/assets/Dcom-Australia/Local%20Assets/Documents/Services/Consulting/Deloitte_Diversity_Inclusion_Report_V4_Nov_2012.pdf)

[Australia/Local%20Assets/Documents/Services/Consulting/Deloitte\\_Diversity\\_Inclusion\\_Report\\_V4\\_Nov\\_2012.pdf](http://www.deloitte.com/assets/Dcom-Australia/Local%20Assets/Documents/Services/Consulting/Deloitte_Diversity_Inclusion_Report_V4_Nov_2012.pdf))

## The socioeconomic case

*'Engagement of women improves the quality and not only the quantity of GDP.'*

*H.E. Jawad Anani – Deputy Prime Minister, WEP16*

The opportunity cost of excluding women from the economy is extremely high, both qualitatively and quantitatively. The participation of women in Jordan in economic life is second to last in the world. This indicates that half of the population resource is not utilized to its full potential. As such, it has adverse socioeconomic repercussions on the economy and the welfare of women and their families.

*'Jordan's visionary investment in its women is going unrealized.'*

*H.E. Alice Wells – United States Ambassador, WEP16*

There have been a number of documented socioeconomic benefits of increased levels of female economic participation. The most salient include:

- *Boosts GDP*

*'If the Jordan Vision 2025 plan of raising women's participation in the labor market to 24% is realized, experts estimate Jordan's annual GDP would grow by 5%.'*

*H.E. Alice Wells – United States Ambassador, WEP16*

According to a study by the ILO, if men and women in Jordan participated equally in the labor market, the result would be an estimated US\$8 billion GDP gain. To attain this amount, the participation of women would have to increase by 55 percentage points, given that the economic participation of women in the workforce is the second lowest in the world today.<sup>40</sup>

Other regions have also proven economic gains as a result of increased female participation. According to the World Economic Forum, greater female participation in the U.S. workforce in has accounted for a quarter of its current GDP (which boasts the highest nominal GDP of the world)<sup>41</sup>. As for Europe, similar studies indicate that an important driver of economic growth in the last decade is the reduction of the male-female employment gap.<sup>42</sup> Reducing the gender employment gap in the MENA region by just 20% would boost its GDP by around US\$159 billion. If women were to participate in the labor force at the same rate as men, the resulting potential GDP gain for Jordan would amount to USD 8 billion per year (21% increase). Moreover, if women had better access to entrepreneurship, GDP would increase by another US\$ 2.6 billion, or by 7%.<sup>43</sup>

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<sup>40</sup> Effects of gender inequality in employment and pay in Jordan, Lebanon and the Occupied Palestinian Territory: Three Questions Answered, Zafiris Tzannatos, ILO

<sup>41</sup> <http://reports.weforum.org/global-gender-gap-report-2015/the-case-for-gender-equality/#view/fn-16>

<sup>42</sup> Credit Suisse "Gender diversity and corporate performance," 2012

<sup>43</sup> Effects of gender inequality in employment and pay in Jordan, Lebanon and the Occupied Palestinian Territory: Three Questions Answered, Zafiris Tzannatos, ILO



Additionally, regional income losses associated with the current levels of gender-based discriminatory social institutions are estimated at US\$575 billion in the MENA region.<sup>44</sup>

- *Bolsters growth*

Economic growth is positively correlated with the share of female workers in wage employment [for several reasons]<sup>45</sup>; particularly due to reduction in the share of high-risk financial transactions that are usually conducted by male traders.<sup>46</sup>

- *Creates stronger and larger supplier networks*

Women entrepreneurs provide jobs, training, and increased wages to other women, which creates a larger pool of empowered women in global supply chains.<sup>47</sup>

- *Creates jobs*

One woman can create over 1000 jobs in one year.<sup>48</sup> Due to its ageing population, by 2040, Europe is expected to face a shortfall of 24 million workers if the participation rate for women remains constant. If it rises to that of men, the shortfall drops to 3 million.<sup>49</sup>

- *Improves and creates more cohesive communities*

Women's economic empowerment strengthens women's agency, which is good in and of itself. Studies also show that when a business implements policies to increase female participation, gender inequalities actually decrease in its community as well.<sup>50</sup> Moreover, as women become more economically independent, they also become more significant consumers of goods and services, including for the majority of purchasing decisions of the household (women make up almost 80% of consumers' buying decisions).<sup>51</sup> The combined impact of growing gender equality and women's spending priorities could lead to higher household savings rates and different spending patterns, positively affecting sectors such as food, healthcare, education, childcare, apparel, consumer durables and financial services.<sup>52</sup>

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<sup>44</sup> ILO and ADV. "Women and labour markets in Asia – Rebalancing for Gender Equality", 2011

<sup>45</sup> World Bank

<sup>46</sup> Coates and Herbert, 2008

<sup>47</sup> The Business Case for Women's Economic Empowerment: An Integrated Approach, Dalberg Global Development Advisors, ICRW, WITTER Ventures

<sup>48</sup> The Business Case for Women's Economic Empowerment: An Integrated Approach, Dalberg Global Development Advisors, ICRW, WITTER Ventures

<sup>49</sup> Credit Suisse "Gender diversity and corporate performance," 2012

<sup>50</sup> Making the Business case: women's Economic Empowerment in Market Systems Development, USAID, March 2015

<sup>51</sup> The Economist, A Guide to Womenomics <http://www.economist.com/node/6802551>

<sup>52</sup> Goldman Sachs Global Markets Institute. "The Power of the Purse".

- *Benefits children and families*

Women's economic participation benefits children in the household, mainly through expenditure on items that benefit children. When women earn income, they reinvest 90% of it in their families, while men only reinvest 30-40%, and they are more likely to invest in the education and health of their children. This boosts social and economic outcomes for communities.

## *The Four Pillars of Economic Participation*

The various political, economic, and social factors contributing to female unemployment and economic inactivity in Jordan which have been outlined thus far in the report are highly interdependent and self-reinforcing. They are also rooted in Jordan's social and cultural norms, where patriarchal and misogynistic ideas and traditions are deeply entrenched.

These contributing factors have been organized into four pillars in order to provide a structure for this report and to provide a framework through which economic participation can be enhanced. The four pillars are: i) putting the economic participation of women on the political agenda, ii) improving women's access to finance, iii) supporting and growing female-led businesses and start-ups, and iv) facilitating market entry, exit and re-entry. Each of these pillars contains structural barriers to women's economic participation, which can be transformed into enablers. In order to fully incorporate women into the formal economy, an integrative approach treating each of these pillars as a building block should be adopted.

### *Pillar 1: Entry, Exit and Re-Entry*

As elaborated in the previous sections, women face grave difficulties entering the job market. Few succeed in entering, and of those few who succeed, many drop out soon after. Marital status tends to be a predictor of employment: 60% of females who are not married obtain a job before the age of thirty, compared with less than 30% of married women the same age.<sup>53</sup>

Despite the fact that many Jordanian women are highly educated, chronic unemployment starts from the moment they graduate. This is due to an educational system that does not equip graduates with the knowledge and skills demanded by the job market; lack of access to information on job market dynamics and opportunities; and dearth of quality and quantity job generation among many other factors.

*'We need to make it possible for women to migrate from their homes to the workplace.'*

*H.E. Jawad Anani – Deputy Prime Minister, WEP16*

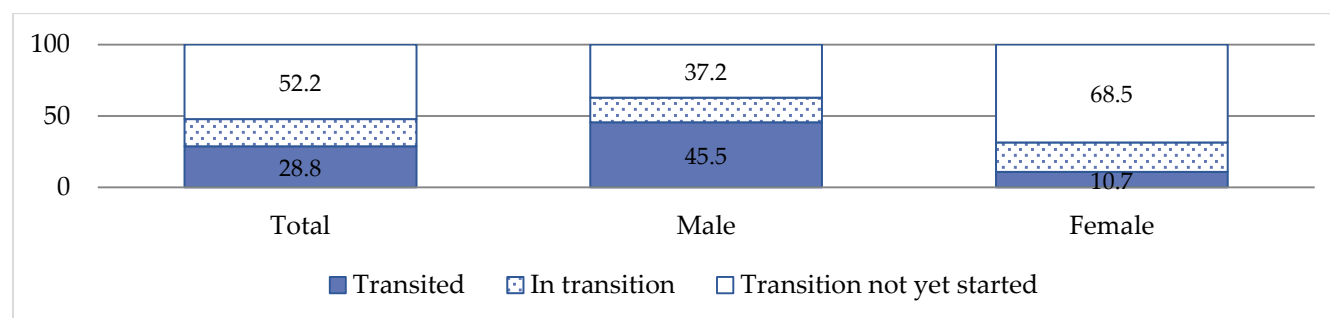
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<sup>53</sup> Jordan National Employment Strategy (2011-2020)

Across the nation, only one third of youth transition immediately from education to employment due to low job creation rates and low propensity of youth to start a business. This is highly damaging to the economy, as those who do not move directly from education to stable and/or satisfactory employment face an average transition period of 2.7 years.

*'Such protracted periods of unemployment can lead to consequences that go well beyond forgone earning and the missed opportunity to gain valuable work experience. Long-term unemployment may lead to the erosion of occupational skills; it raises the probability of being unemployed in later years and produces a wage penalty.'*<sup>54</sup>

The percentage of males who have transitioned from school to work (45.5%) is four times that of females (10.7%). Moreover, the percentage of young males who have not even started their transition (37.2%) is almost half that of females (68.5%). Females tend to be delayed in their transition from education to the workplace due to spectrum of challenges including lack of access to information on the job market, and inability to find a 'suitable' job among others. Young men are also likely to work and earn money during the transition period, unlike young women.<sup>55</sup>



**Figure 8: Youth education-to-work transition stage by gender (%)**

Source: ILO

A woman who does not find a job within the first two years of graduating will most likely never work.<sup>56</sup> This places an additional financial burden on families who decide to provide their daughters with additional training to tailor her skillset to the demands of the job market. Many jobs are also considered unacceptable or unsuitable for women, such as construction, accommodation, or jobs that require late working hours. This discourages women who are qualified for such jobs from entering the job market. Women are limited in their choice of career to the few sectors which are traditionally considered 'suitable,' such as education, health, and welfare. This automatically reduces the employment opportunities available. Men, who are not subjected to the same social limitations, are able to choose from a much wider range of sectors and thus have more opportunities for securing a job, and in a shorter period of time.

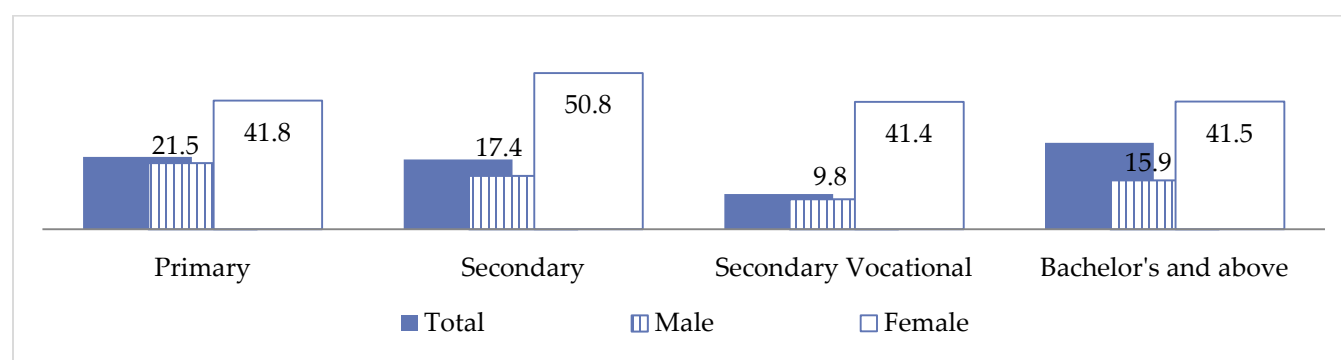
<sup>54</sup> Labour market transitions of young women and men in Jordan. ILO. June 2014.

[http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms\\_245876.pdf](http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_245876.pdf)

<sup>55</sup> Ibid

<sup>56</sup> Jordan National Employment Strategy (2011-2020)

Women are disadvantaged in their ability to find work across all educational attainment levels. This is damaging as it sends a signal to women that education is not a sound investment as it does not increase chances of finding employment. 'Still, work opportunities for young women are limited to what is considered appropriate "female" occupations (mainly in the public sector, and these tend to require higher education. Female early school leavers are not likely to be found among the unemployed, but rather among the inactive, as families would not approve of them working in low-skilled, mixed occupations.'<sup>57</sup>



**Figure 9: Youth unemployment rate by completed level of education (%)**

Source: ILO

The job search methods used by women are mostly traditional. For example, women tend to inquire directly at the workplace, or ask relatives and friends for open positions, as opposed to searching online for job opportunities due to lack of mobility and in some instances online connectivity. They also very rarely pursue the option of seeking financial assistance to start a business. There is a high sense of risk averseness due to the many unknowns that surround starting a business venture.

*'We need to encourage women to start businesses. As private sector leaders, even at the micro-level, women create jobs opportunities for other women. Women-owned businesses hire women nine times more often than male-owned businesses.'*

*H.E. Alice Wells – United States Ambassador, WEP16*

**Table 7: Job search methods pursued by females**

Job search method	Employed	Unemployed
Asked friends, relatives, acquaintances	45.3	42.2
Inquired directly at workplaces	37.8	72.2
Placed or answered job advertisements	15.6	35
Registered at employment center	13.8	34.1
Took a test or interview	11.1	5.2
Other	4.6	0

<sup>57</sup> Labour market transitions of young women and men in Jordan. ILO. June 2014.

[http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms\\_245876.pdf](http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_245876.pdf)

Job search method	Employed	Unemployed
Waited on the street to be recruited for casual work	1.8	4.9
Sought financial assistance to look for work or start a business	1.3	0.6
Applied for permit or license to start a business	0.9	0.4
Looked for land, building, equipment, machinery to start own business	0.1	0

Source: ILO

The dearth of jobs is not the only challenge. Finding a 'suitable' job is another. Many unemployed youth reject jobs presented to them, and for a variety of reasons. The most cited reasons include: low pay, inappropriate working conditions, and waiting for a better opportunity. Females were mostly concerned about inappropriate working conditions, low pay, and family disapproval. Males were mostly concerned about low pay and the work not being exciting enough. No male was concerned about family approval.

**Table 8: Unemployed youth who rejected a job offer by reason (%)**

Reason for job rejection	Total	Male	Female
Inappropriate workplace conditions	19.8	10.8	27.9
Low pay	40.7	57.5	25.8
Family does not approve of the offer	8.6	0	16.3
Waiting for a better opportunity	10.1	9.3	10.8
Long working hours	5.4	2.4	8.1
Other	6.5	6.4	6.6
Job does not meet the academic qualification	2.4	0	4.6
Work is not exciting	6.4	13.6	0

Source: ILO

Unemployed youth in general prefer jobs that require higher skills (professionals and service workers, as opposed to craftsmen). Unemployed males tend to look for jobs as professionals or service workers, and to a lesser extent as craftsmen, tradesmen, or other elementary occupations. By contrast, the majority of females want to be professionals or clerks, and very few want to work in low-skill jobs such as crafts and trades.

**Table 9: Unemployed youth by preferred occupation (%)**

Occupation sought	Total	Male	Female
Professional	33.4	16.8	53
Clerk	11.2	6	17.3
Service worker, shop and market sales worker	26.9	39.8	11.5
Technician and associate professional	7.9	6	10.1
Elementary occupations	7.4	9.3	5
Craft and related trades worker	8.2	13.3	2.1
Skilled agricultural and fishery worker	0.8	0.9	0.6
Legislator, senior official and manager	0.2	0	0.3
Plant and machinery operator and assembler	4.2	7.8	0

Source: ILO



The few females that enter the labor market drop out soon after, and for the various aforementioned reasons. While many women prefer to sustain a work-life balance by maintaining lower engagement levels during childcare years, they are unable to do so because of the structural difficulties, in addition to the lack of part-time and flexible-hour working options, given that the laws in force and the prevailing business practices do not support these options. It is important to note, however, that an amendment request to the labor law was made by the Minister of Labor to allow for flexible and part-time work. It is currently awaiting cabinet approval.

*‘Pre-school care is costly, domestic helpers are expensive, and public transportation does not exist, combined with a minimum wage of 190 Jordanian dinars [US\$270 a month]. Naturally, women feel it is more economically viable to stay at home.’*

*H.E. Asma Khader, Lawyer and leading human rights activist, WEP16*

When it comes to re-entry, women who have spent extended periods of time outside the job are again put at a disadvantage. Their skills, which may not have been demanded by the job market to begin with, are rendered more obsolete. Furthermore, they lose access to their professional networks, making the job-search even more difficult. Focusing efforts on facilitating re-entry into the market is essential, given that many women who leave the market to tend to their families and homes wish to return after their children have grown up.<sup>58</sup>

## Pillar 2: Startups and Business Growth

Women entrepreneurship is a critical element of economic growth and development. It enables women to take part in economic life, thereby increasing income, building wealth and reducing inequality between men and women. Women also tend to spend their income on their children’s nutrition, health, and education. As such, when their income rises, the welfare of their families improves, and they become better positioned as catalysts for development. Enabling women is basically ‘smart economics’.

*‘Women have a high inclination to Pay it Forward.’*

*Tamara Abdel Jaber – small business owner, focus group participant*

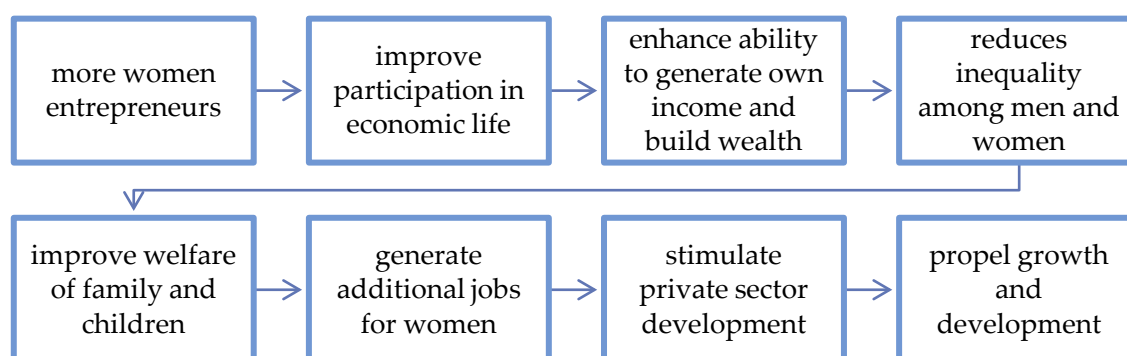
Equally importantly, women entrepreneurs tend to generate more jobs for women because they are more likely to employ women. More specifically, it is estimated that in a female-owned company in Jordan, there are over 1.8 female employees for every male employee. On the other hand, in a male-owned company, there are 3.11 male employees for every female employee.<sup>59</sup> However, the average number of jobs created by a woman owned business in Jordan remains to be low compared with other

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<sup>58</sup> [http://www.policy-network.net/pno\\_detail.aspx?ID=4977&title=The+economic+case+for+female+labour+market+participation#\\_ftn1](http://www.policy-network.net/pno_detail.aspx?ID=4977&title=The+economic+case+for+female+labour+market+participation#_ftn1)

<sup>59</sup> [http://planipolis.iiep.unesco.org/upload/Jordan/Jordan\\_NHDR\\_2011.pdf](http://planipolis.iiep.unesco.org/upload/Jordan/Jordan_NHDR_2011.pdf)

countries (Jordan 6 compared with 19.3 in Tunisia).<sup>60</sup> Ultimately, the overall benefits include stimulating private sector activity, and propelling growth and development.



**Figure 10: Impact of improved women entrepreneurship**

Women-owned businesses in Jordan are typically characterized as being micro and small in size. They are also mostly concentrated in the personal and services sectors, in addition to non-durable manufacturing, wholesale and retail trade. The majority of women-owned businesses in Jordan started formally outside the house, as these businesses were either acquired or inherited.<sup>61</sup>

Women entrepreneurs face a number of challenges – some of which are not unique to women including but not limited to, access to finance, access to markets, hiring and retaining competent and skilled employees, lack of training, mentorship and technical support, cost of doing-business, and bureaucratic hurdles. Women-owned businesses, however, tend to be disproportionately impacted by the aforementioned factors because of their small size and all the other vulnerabilities that surround them.

*‘Instead of spending 80% of my time growing the business, and being creative, I end up wasting all my time dealing with regulatory hurdles and doing business challenges.’*

*Lina Hindaileh – Owner of a chocolate factory, focus group participant*

Because women need to balance their time at work with their obligations at home, they spend less time on average running the business compared with men.<sup>62</sup> Women also have low levels of professional affiliation and networking capabilities because of their small size and the few women represented on boards of business associations and chambers of industry and trade. These networks provide critical sources of information that support business growth. They also provide lead on contracts, market information, logistical support and distribution channels, as well as linkages to supplies. As such, women miss out on many opportunities that enable them to plug into the various supply chains. This

<sup>60</sup> IFC

<sup>61</sup> <http://www.ifc.org/wps/wcm/connect/dda55d8048855d278dfcdf6a6515bb18/Jordan+report.pdf?MOD=AJPERES&CACHEID=dda55d8048855d278dfcdf6a6515bb18>

<sup>62</sup> Ibid.



translates into limited access to markets and limited engagement in international trade – all exacerbated by the difficulties they face in accessing finance.

*‘Women have ideas, but they need support. They need access to training programs, mentors and one-on-one advisory support.’*

*Lina Hindaileh – Owner of a chocolate factory, focus group participant*

Women also face high and differentiated barriers when compared to male entrepreneurs, including a legal system that discriminates by gender and subsequently lessens access to resources and economic opportunities. Moreover, women’s ability to build relevant work experiences and receive business training is far more limited when compared to that of males due to restrictions on mobility and the demands on their time exerted by their families. This *time constraint* impacts the duration and type of experiences women realize; it also impacts their learning, and the sector and choice of activity they venture into. Male entrepreneurs generally have a more expansive prior-work experience that they bring to their businesses. Males also have more wage sector experience, which places women entrepreneurs at disadvantage. We continue to see today a gap in human capital between the two genders in areas such as management and financial literacy. Not only does this impact success and growth, but also impacts the choice of business activity.

The systematic access to mentorship opportunities and contacts is also lacking. This access is important because it provides vulnerable entrepreneurs, such as women, with important information on regulatory and business operations, thereby further enabling their success and growth.

Women residing in areas outside Amman and other cosmopolitan cities tend to be more risk averse and less entrepreneurial. The stakes are higher for them because of the limited opportunities they have in their localities and the far less support they can tap into. This includes training, mentorship opportunities, access to markets, access to finance and more. They also face far more social restrictions, and enjoy less access to market information and professional contacts.

*‘We need to support women who have that special sparkle in their eyes, and have that innate desire to start a business. This support has to be in their own locality.’*

*Lina Hindaileh – Owner of a chocolate factory, focus group participant*

The ecosystem for entrepreneurial support in the governorates is nonexistent. And the preconceived notion among potential entrepreneurs is that they need to sell in the large markets (example Amman) in order to succeed.

*‘The model should not be that to succeed you need to be part of the global economy. The mindset is all for globalization and not for growing local markets that support microbusinesses in their localities.’*

*Nisreen Haram – Home-based business owner, focus group participant*

Municipalities have traditionally failed to play the role of the micro and small business enabler by streamlining business registration and licensing processes, particularly for homebased businesses, and



also creating the needed infrastructure to support local market development. Access to local markets is gravely challenged by poor infrastructure and today's unsystematic zoning regulations particularly in the larger cities.

*'Zoning regulations have destroyed the concept of the local market. These markets are critical for micro business growth and development. This model of a local market that serves local residents can still be developed in the governorates.'*

*Nisreen Haram – Home-based business owner*

With the passing of the new municipalities' law, and the concrete steps taken towards decentralization, municipalities are expected to play a critical role in propelling business growth and cementing public private partnerships. The time is now opportune to develop the role of municipalities as key enablers for business growth and development in their own localities. This is particularly critical for women entrepreneurs who suffer from limited mobility and access to market information. Women need to be able to succeed in their own localities before they grow into the larger markets.

### *Home based businesses*

Establishing a formal business from home is a key enabler for women to overcome the structural challenges that they face when or if they decide to venture into the labor market. It facilitates more work (less commute time), and allows for flexible working hours – thereby permitting them to tend to their family obligations and remain economically active. Moreover, running a business from home requires minimal overhead costs, which is direly needed during the lean start-up years. Homebased businesses also facilitate the testing of business ideas before launching them into the wider market.

*'Supporting home-based businesses can provide a critical boost: giving women the flexibility they need to work and providing families with a needed cash infusion. A typical Jordanian home-based business earns between 100 to 300 JD per month, almost all of which go into the family's earnings in order to meet their livelihood needs. According to USAID analysis, home-based businesses could collectively contribute more than 10 million JD directly to the national economy and 40 million JD indirectly'.*

*H.E. Alice Wells – United States Ambassador, WEP16*

**The concept of a formal homebased business has not gained traction in Jordan.** Despite the fact that legal instructions were issued by the Greater Amman Municipality (GAM) in 2010 to legalized the formation of homebased businesses, only 12 home-based licenses were renewed in 2015, and 19 during the first four months of 2016. An assessment carried out by Al Jidara for USAID Takamol revealed several challenges that partly explain these low figures. This assessment was based on in depth discussions with current and potential 'homepreneurs', in addition to interviews with key GAM personnel. It was found that registering a home business continues to be a very cumbersome process. The licensing process was found to be lengthy, taking up to eight weeks at times, and tedious, requiring many repetitive steps such as multiple home inspections and approvals by both the local and central committees. Applications were cited to be frequently delayed or put on hold for unknown

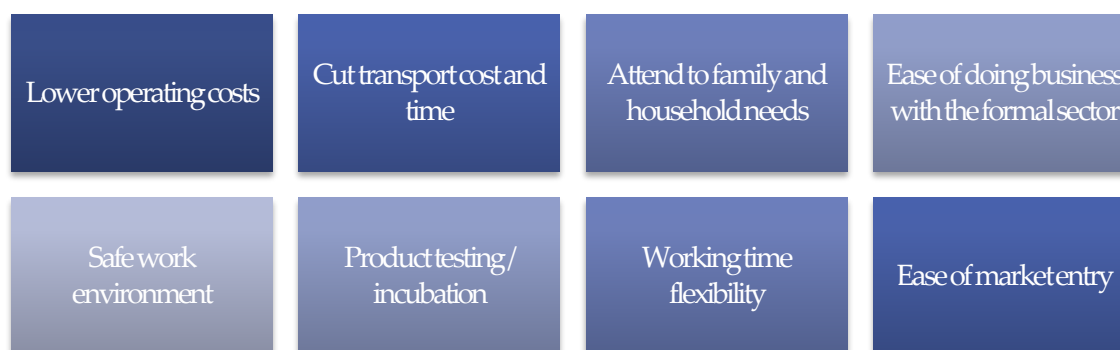
reasons. The assessment also found, however, that applicants lacked the complete understanding of licensing requirements, conditions, and the fees that must be paid. They had trouble following up on the progress of the permit, as GAM failed to notify applicants of the progress, requiring them to frequently visit GAM in person. Likewise, GAM employees lacked the knowledge of licensing requirements, conditions, and the application process. There are no official steps for licensing a home-based business, no clear criteria for approving licenses, and no consistency in the use of standard application forms.

*‘Jordan’s public sector—from municipal to central authorities—need a fundamental shift in how they view home-based businesses. Too often the regulations and administrative burdens imposed upon a would-be entrepreneur force unnecessary delay and add considerably to the cost of the establishing the new business.’*

*H.E. Alice Wells – United States Ambassador, WEP16*

Today, 60% of home-based businesses are registered as sole proprietorships, while 40% as limited liability corporations. They work primarily in professional services (70%) and food processing (28%). Most home-based business owners are males (62%) with a university degree (83%).

Homepreneurs revealed that the reason they chose to formally license their businesses from home was to lower start-up and operational costs. Having a homebased business allowed them to cut down on operating expenses, such as rent. It also saved them time and money by not having to commute back and forth to work. It also allowed them to maintain a flexible working schedule and thereby enabled them to tend to their families and household needs. It also gave them the space to work in a safe environment where they could test and incubate their products and services at their own time. Moreover, it facilitated work with the formal sector and entry into the market.



Source: survey of current formal homebased businesses in Amman

**Figure 11: Factors prompting the establishment of home-based businesses**

**Homebased businesses can in fact be considered as one of the key tools that can be employed to quickly and effectively boost women’s economic activity levels.** The social and economic ramifications are immense, particularly if those businesses are formalized. Foremost, they improve the level of income, and subsequently the welfare of family and children. Secondly, they create jobs for men and women in their localities. Third, they stimulate private sector activity, boost its contribution to GDP, and propel growth and development.

Homebased businesses therefore begin with part-time engagement, and have the scope to expand into full-time businesses as the market for them grows and develops. They are a wellspring of economic activity, and if provided with the right environment to flourish and grow, they can be an effective engine of growth and job generation.

### Formalization

The high levels of business entry and operations costs have resulted in a large informal sector in Jordan. These include cost of registration and business licenses, in addition to taxes and random fees. It is estimated that the informal sector contributes to around 10% of GDP, and employs around 44% of total employees. Females also comprise 11% of the total informal labor.<sup>63</sup>

The low participation of women, also, in the informal sector is an indicator that women prefer partaking in economic activities that are formal, and provide decent work conditions that are comparable to what the public sector offers.

The cost of informality is high, as informal economic activities are not taxable and do not enter into national accounts. Informality is basically a lost opportunity for the economy. A conducive business climate that is highly supportive of micro and small businesses is critical for their formalization. The formalization of homebased businesses can also be a key conduit to formalization.

## Pillar 3: Access to Finance

The financial system in Jordan does not support women-owned businesses, mainly due to the difficulty of accessing formal sources of funding such as loans. We know that women are relatively well banked, but they have less access to commercial lending. Only 33% of bank account owners are female, but only 19% of commercial loans are awarded to women.<sup>64</sup> One of the most cited reasons for the rejection of loans is lack of sufficient collateral.

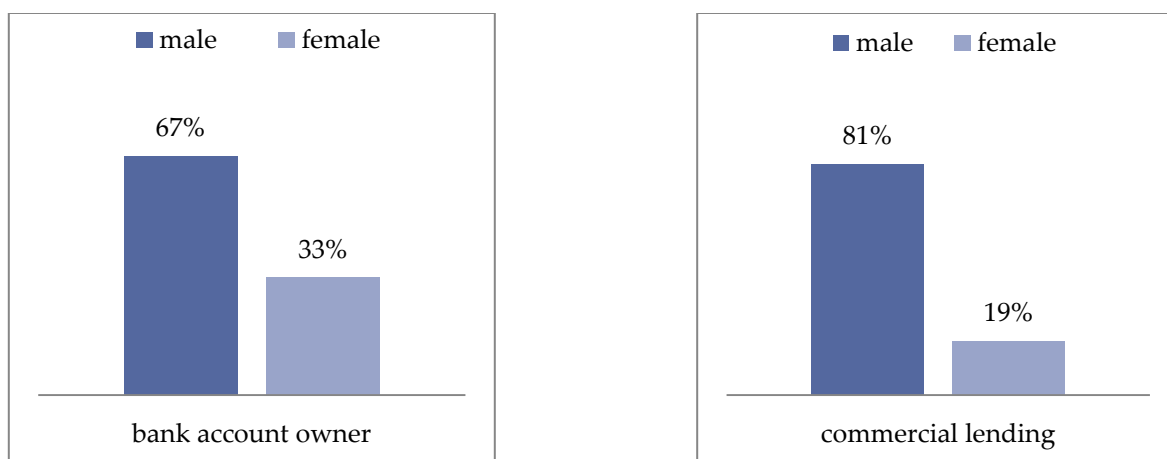
*'Most women entrepreneurs who approach us do not own assets; those who do are mostly very skeptical and reluctant to use it as collateral. Cost of financing is therefore high for them.'*

*Lending institution – focus group participant*

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<sup>63</sup> MOPIC

<sup>64</sup> Association of Banks in Jordan



Source: Association of Banks in Jordan

Women in Jordan, by design, own fewer assets than their male counterparts due to unequal inheritance and economic rights laws, which hinder their ability to acquire assets such as land.<sup>65</sup> Inheritance laws in Jordan are biased against females, thereby reducing a woman's access to family assets and in turn her ability to access financial services. Moreover, cultural norms around what is permissible and acceptable for a woman to do, how mobile she is on her own, and with whom she can interact and cooperate, all contribute to limiting a woman's ability to access formal financial services.<sup>66</sup>

*Women disproportionately face financial access barriers that prevent them from participating in the economy and from improving their lives – World Bank<sup>67</sup>*

The lack of financial and management literacy also prevents many women from gaining access and benefiting from financial services. Women generally have less knowledge than males about financing options and financial products; they also have weak business planning, financial management and accounting skills. Moreover, their limited professional networking capacities, which are critical for generating work and growing the business, further diminishes their access to finance.

Women who *do* own enough collateral still have limited access to financial products due to the more stringent lending terms that are experienced by females. This is primarily the case because most women do not have the needed business track record. Women are generally offered financial services with higher interest rates, and shorter term loans, making the cost of financing high. There is also a limited range of financial products extended by banks that meet their evolving business requirements. As a result, women look to informal sources of funding including family, friends, and microfinance institutions in some cases. This tends to prevent their business growth, and puts them at a disadvantage compared with male business owners.

<sup>65</sup> EBRD

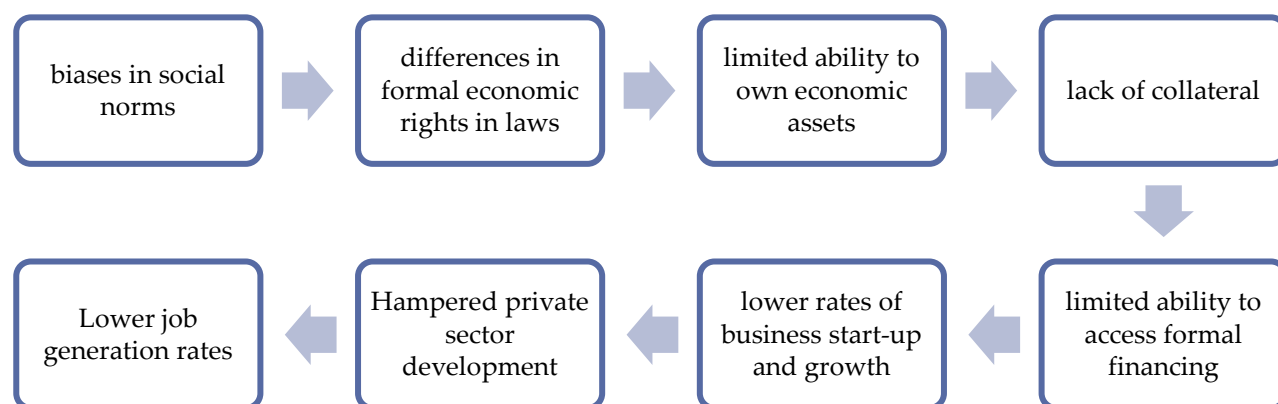
<sup>66</sup> <https://www.cgap.org/blog/mind-gap-women-and-access-finance>

<sup>67</sup> <http://www.worldbank.org/en/results/2013/04/01/banking-on-women-extending-womens-access-to-financial-services>

A study conducted by the IFC concluded that 59% of women-owned firms in Jordan sought financing. The majority did not receiving financing from a formal institution. 62% of women who sought finance, only 32% received it.<sup>68</sup>

*'Women have extremely good business ideas requiring larger loans, but they face discrimination in accessing such loans, with the result that their businesses collapse because they are forced to purchase inferior equipment or materials.'*<sup>69</sup>

A financial system cannot enable access for women unless it operates within a strong and equitable legal system and an enabling business environment. Women must also be able to form strong networks and have timely access to information to fully utilize the services available to them. Limited access to formal financing stems mainly from biases in social norms. These biases have translated into differences in formal economic rights in the laws, thereby limiting the ability of females to own economic assets, and narrowing her options to access formal financing. This is important, because limited access to financing does not only marginalize the role of women in economic life, but it also hampers business start-up and growth rates, private sector development, and job generation.



**Figure 12: Impact of limited access to finance on businesses and job generation**

Financial inclusion is also very important for combating poverty and achieving inclusive economic growth. When individuals are an integral part of the financial system, and have unhindered access to its services, they are better able to invest in education and training, start and grow a business, manage business risks, and overcome most financial shocks. In fact, better access to financial services helps reduce income inequality, and accelerates economic growth.

<sup>68</sup>

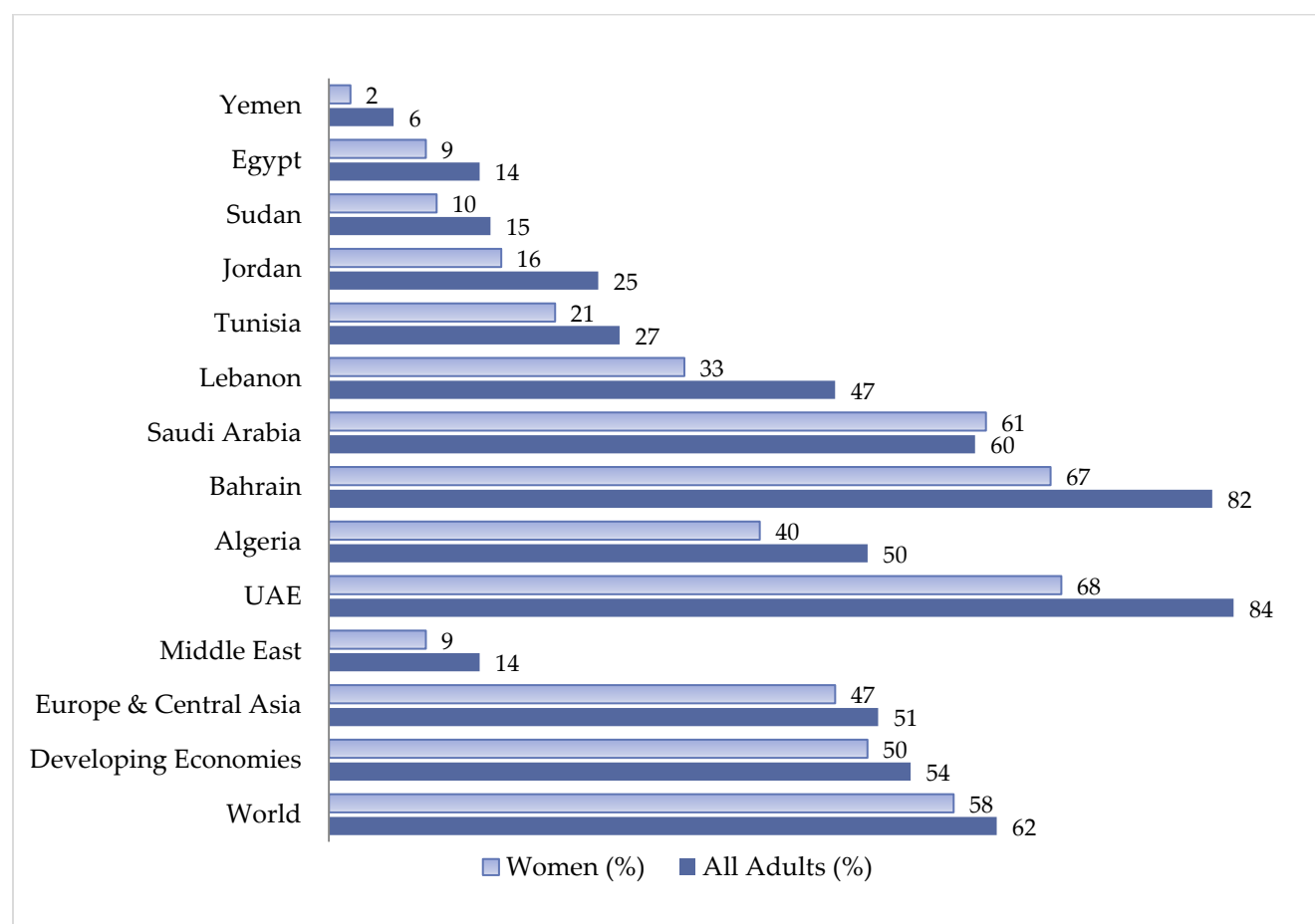
[http://www.ifc.org/wps/wcm/connect/a4774a004a3f66539f0f9f8969adcc27/G20\\_Women\\_Report.pdf?MOD=AJPERES](http://www.ifc.org/wps/wcm/connect/a4774a004a3f66539f0f9f8969adcc27/G20_Women_Report.pdf?MOD=AJPERES)

<sup>69</sup> <https://www.ifad.org/documents/10180/8551f293-2573-417d-908a-d1841359df57>

*'Access to accounts and to savings and payment mechanisms increases savings, empowers women, and boosts productive investment and consumption. Access to credit also has positive effects on consumption—as well as on employment status and income and on some aspects of mental health and outlook.'*<sup>70</sup>

According to Findex, account ownership is the first step toward financial inclusion. In Jordan, bank account penetration is low among adults (25%) and much lower among women (16%) as mentioned earlier. The low economic activity rates, and high employment in the informal sector explain these low levels given that wage employment is a critical factor in opening an account.

When compared with regional averages for both adults and women, at 14% and 9% respectively, we find that Jordan fares relatively well. The regional average, however, is mainly pulled down by the low penetrations rates in Egypt and Yemen as shown in the figure below. We find Jordan's rates are surpassed by those in Algeria and Tunisia, two countries with similar income per capital levels to those of Jordan's. The rates in the GCC countries however, are significantly higher, given the higher level of wealth in those countries.



Source: The Global Findex Database, 2014

**Figure 13: Account Penetration in Select Regions and Countries**

<sup>70</sup> <http://documents.worldbank.org/curated/en/187761468179367706/pdf/WPS7255.pdf>

Women-owned SMEs are also often in the services sector. As such, banks have difficulties quantifying their output and valuing their collateral. Women-owned businesses are also vastly concentrated in the less profitable sectors, compared with the male-dominated highly profitable businesses such as mining, oil and gas, manufacturing, electricity, construction and transportation, etc.. Moreover, the accounting and financial statements of micro and small business are most of the time not very transparent, thereby making them risky borrowers and subsequently not so attractive to potential lenders.

The launch of the credit bureau will significantly improve financial inclusion for individuals and women-owned businesses in Jordan. To-date, only 15 banks have disclosed information to the credit bureau, with the remaining 10 other banks to disclose by the end of 2016. The credit bureau in Jordan will be able to provide participating lending institutions with valuable information on the credit standing of individuals and companies, including any outstanding legal issues, or any financial commitments. The bureau is also anticipated to include information from the telecommunication companies and utilities.

Governments, multilateral and bilateral programs also have an important role to play in facilitating private sector involvement and access to finance for women entrepreneurs. The Central Bank of Jordan in specific has been very keen on boosting lending to SMEs, making around US\$1.4 billion available to SME lending programs. The Jordan Loan Guarantee Corporation is also working to expand its services.<sup>71</sup> To date, however, these programs have been limited and ad hoc in nature.

The wide availability of micro lending has made it possible for women in rural areas and poverty pockets to gain better access to finance. However, growth and startup needs go beyond micro loans. The problem is acute for women who want to either grow sustainable businesses or start new micro, small and medium-sized enterprise and cannot approach regular banks. The micro lending model is expensive and does not meet the financing needs of small businesses in terms of cost, and repayment schemes.

In sum, women face a number of barriers that limit their ability to access funding for their businesses.<sup>72</sup>

- Concentration in smaller businesses in services sector, home-based and informal
- Lower returns and value
- Less training and work experience
- Fewer connections and access to professional networks
- Microfinance option
- Limited support of IFIs and government
- Limited range of custom-tailored financial products
- Limited sources of equity and angel investment funds
- Weak business and investment climate
- Lack of credit information (credit bureau)
- Differences in formal economic rights in laws

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<sup>71</sup> <http://www.venturemagazine.me/2016/06/facilitating-finance/>

<sup>72</sup> IFC



## Pillar 4: On the Political Agenda

*'Economic independence is the key to women empowerment.'*

*H.E. Musa Ma'aytah – Minister of Political and Parliamentary Affairs, WEP 16*

A key contributor to women's economic participation is an enabling environment where public goods, such as childcare are provided, and women's equal access and equal rights are protected by the laws in force. Many of the current obstacles to female participation in the economy are exacerbated by legal vacuums and biases that make it difficult for women to have the same opportunities, freedom to make economic decisions, and incentives to join the labor force as men.

There are no references to equal opportunities between men and women in the constitution. Chapter 2, Article 6 of the Jordanian Constitution ensures nondiscrimination and equality, but does not mention gender. Specifically, the clause states that: 'Jordanians shall be equal before the law. There shall be no discrimination between them as regards to their rights and duties on grounds of race, language or religion.' Therefore, despite the fact that all citizens are equal in the eyes of the law, it is not equally applied. In fact, Jordan is the country with the highest number of sex-specific legal provisions in the region, after Saudi Arabia.<sup>73</sup> Many of the obstacles to female economic participation are exacerbated by this lack of gender equality before the law.

In order for women to be economically empowered, they must have the power and agency to benefit from their economic activities and to control their economic resources and profits.<sup>74</sup> This is only possible if women feel safe and free from the threats of harassment and violence, and if they are respected by their families, employers, and coworkers. Many of the family and inheritance laws in Jordan take away from women's capacity to become independent economic agents. For example, the law does not list clear penalties for domestic violence, nor does it protect women from domestic violence by their spouse, or from sexual harassment in the public sphere. Marital rape is not criminalized, and a wife cannot file a complaint against her husband. The legal age for marriage is 18, but the law does not penalize child marriage. Moreover, married women do not have the same rights to apply for a passport, to pass on citizenship to children, to become head of household, to choose where to live, to get a job without permission, and to travel outside the home, as a married man.<sup>75</sup> The combination of existing family laws makes women vulnerable to abuse. This is troubling as some women might avoid entering the workforce or taking certain jobs out of fear of disapproval and/or abuse from family members or spouses. Inheritance laws are also biased towards male members of the family, leaving women with fewer assets, and less wealth to empower her economically and ensure her financial inclusion.

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<sup>73</sup> Women, Business, and the Law, World Bank, 2016

<http://wbl.worldbank.org/~media/WBG/WBL/Documents/Reports/2016/Women-Business-and-the-Law-2016.pdf>

<sup>74</sup> <http://www.icrw.org/files/publications/Understanding-measuring-womens-economic-empowerment.pdf>

<sup>75</sup> Women, Business, and the Law, World Bank, 2016

<http://wbl.worldbank.org/~media/WBG/WBL/Documents/Reports/2016/Women-Business-and-the-Law-2016.pdf>



Other laws more directly debilitate a woman's economic empowerment and ability to participate in the economy. It is difficult for mothers who cannot afford childcare to work, as childcare is not tax deductible, and the government does not provide a child allowance. This is the case because the government does not consider childcare as a public good that generates social and economic gains. In addition, women are not legally entitled to flexible or part-time work schemes. When women *do* work, they systematically receive less pay for performing the same work as their male counterparts, as the law does not mandate equal remuneration for equal work. It is also difficult for women to get hired, as the law does not mandate nondiscrimination based on gender in hiring.<sup>76</sup> Hiring managers can legally refuse a candidate simply because she is a woman. There is no quota for women on corporate boards, chamber of commerce/industry, or relevant business associations. This makes companies less like to have a female-friendly environment, to hire more women, and pursue pro-women policies.

However, because the participation and representation of women in policy and decision-making positions is exceptionally low little has been done to push the women's agenda as a top national priority, and so women continue to be unequal in the eyes of the law. Today, Jordan ranks 123 out of 144 countries in women's Political Empowerment according to World Economic Forum's Global Gender Gap Index (GGGI).<sup>77</sup>

*'There have been notable improvements. More women are winning competitively. This is positive but not enough. It is not sufficient to put laws in place. We need the society to believe in those laws. This is how we get results'*

*H.E. Musa Ma'aytah - Minister of Political and Parliamentary Affairs, WEP 16*

The lack of representation of women in government and decision-making positions makes it difficult to change the status-quo. The institutional and legislative framework in Jordan is patriarchy-informed; women are expected to interact with the state through a male relative/guardian, usually a father, husband, or brother. There is not a single woman on the constitutional court. Women constitute 11% of the Cabinet (never exceeded 15%, putting it at 103/144 in 'women in ministerial positions' in the GGGI), 12% of the Parliament (ranking it 111/144 for 'women in parliament' in the GGGI), 4.3% of Chambers of Industry, and 0.6% of the Chambers of Commerce, 18% of judges, and 22% of lawyers.<sup>78</sup>

**Table 10: Gender gap in policy and decision-making positions, 2014**

	Male	Female	Gender Gap
Ministerial cabinet	88.9	11.1	77.8
Diplomatic corps at all levels	81.2	18.8	62.4
Ambassadors	93.3	6.7	86.6
Upper house of parliament	88.0	12.0	76.0
Lower house of parliament	88.0	12.0	76.0
Local councils	72.2	27.8	44.4
Labor unions	78.0	22.0	56.0
Professional union boards	88.3	11.7	76.6

<sup>76</sup> Ibid.

<sup>77</sup> Global Gender Gap Report, WEF 2016

<sup>78</sup> DOS 2014

	Male	Female	Gender Gap
Professional unions	65.3	34.7	30.6
Political parties	69.8	30.2	39.6
Chambers of industry	95.7	4.3	91.4
Chamber of commerce	99.4	0.6	98.8

Source: Department of Statistics, 2014

There is currently no serious effort to strategize at the top level to engage government, political parties, and professional associations in addressing Jordan's weak performance on women's economic and political participation global indices. Efforts are fragmented, and female priorities are not considered political or relevant to national priorities. It is for these reasons that laws and policies work against, and not for, women.

For example, if more women were in decision-making positions, they could work on providing affordable childcare services, and address the weak public transportation system in an effort to encourage female employment. Additionally, these women would lead several initiatives critical for enhancing economic rights of women.

## Recommendations and Next Steps

Thus far, the report has outlined the various social, economic, and cultural factors which encompass gender norms, the legal framework in Jordan, and the structure of the economy. It has explained how these factors influence the incentives and opportunities for women to join the economy, their preferences, and their ability to participate in economic life. This section will provide recommendations on transforming some of these structural barriers into enablers.

Unfortunately, the sociocultural values which underlie women's economic exclusion are deeply entrenched in the Jordanian culture and thus will take a long time to effect change in a meaningful way. Other structural challenges such as instituting and providing an efficient public transportation system also take time and effort to change. However, by creating an enabling social, economic, and institutional context through short-to-medium term actions, such as bridging the gender wage gap, providing childcare services, facilitating education-to-work transition, and enforcing nondiscrimination in the workplace, will increase female participation in a notable manner. Over time, sociocultural norms can, and will, adjust, and the more challenging structural problems can be tackled more easily.

### Provide access to reliable and affordable childcare services

#### 1. AMEND ARTICLE 72 OF THE LABOR LAW

The current wording of the article does not support women's participation in the workforce, and does not support changing perceptions about women's role in society. Specifying the number of workers to 20 also excludes 98% of companies in the country from complying with the article. It is therefore recommended to **amend the article to make compliance linked to the number of children and not to the number of female workers at each organization**. This serves two objectives. Foremost, it removes the disincentive companies currently have from employing women. Secondly, it enforces the principle that men and women are equally responsible for childcare. The amendment is also recommended to **include alternative options for the organization, other than directly providing childcare services on premises** as this has proven to be logistically difficult for most. These alternatives could include paying a monthly allowance to cover the cost of childcare; or enabling companies within close proximity to pool resources to establish a daycare facility that is nearby to all.<sup>79</sup>

#### 2. BRAND DAYCARE AS A PUBLIC GOOD

The government and the private sector must view childcare services as a **public good** that generates social and economic returns. It fundamentally supports efforts to improve women's economic participation in economic life, and therefore generates significant economic gains. It also re-enforces gender equality in the economy as a national requirement. As in the case with any public good,

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<sup>79</sup> SADAQA study recommendations

providing it necessitates that both the private and public sectors share the financial burden of providing it. The brunt of childcare service provision should not be solely borne by the private sector. The provision of childcare services by the private sector is purely a financial decision. As such, **the government must provide financial incentives for companies that comply with article 72 of the labor law**, in order to lower the costs of setting up and running childcare facilities on their premises. **Incentives could be in the form of tax breaks.**<sup>80</sup>

### 3. ESTABLISH A NATIONAL NGO OR A NON-PROFIT COMPANY FOR CHILDCARE SERVICES

Establishing a non-profit company or an NGO at the national level will be needed to facilitate the systematic proliferation of childcare services throughout the country. The concept is to have a national entity with the following mandate:

- Ensure that all working families have access to safe and affordable childcare services.
- Establish nurseries close to residences of working families, and particularly in geographic areas where the employment of women is high.
- Develop a set of quality and operational standards with which nurseries must comply.
- Build a franchising scheme to ensure that collaborating nurseries (franchisees) are replicating the same operational model which ensures the provision of quality, safe and affordable childcare services.
- Collaborate with CBOs and municipalities throughout the country to provide adequate spaces where childcare facilities can be established.
- Support companies that are mandated to establish daycare services on their premises with technical and operational expertise. Monitor adherence to quality and safety regulations.
- Provide companies that cannot logistically or operationally run a daycare facility on their premises with other viable alternatives. This includes finding nearby nurseries that the companies can outsource this service to, or developing a voucher system whereby employees can use those vouchers to redeem daycare services at any nursery of their choice (ex. near residence and not work)
- Work closely with the Ministry of Social Development to ensure the efficient and effective registration and licensing of nurseries wherever and whenever needed.
- Develop an efficient and effective monitoring and evaluation system.
- Publicize stories and successful models of companies that have established daycare facilities.
- Conduct research and publish periodic studies on the socioeconomic value and impact of providing childcare services. Publish information generated from the monitoring and evaluation process to inform policy and decision making.
- Raise awareness about the importance of women's economic participation.

Today, SADAQA is best positioned to assume this role.

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<sup>80</sup> Value of Institutional Nurseries at the Workplace – ICT sector case study. SADAQA, September 2016.

## Narrow the gender pay gap

A number of measures need to be adopted to narrow the gender pay gap:

1. Address all legal provisions that prevent the enforcement of and compliance with wage equity.
  - *Amend labor law to:*
    - Apply to unpaid workers and all contributing family workers, in order to include a sizeable segment of the population that is currently working in the informal economy, and notably women.
    - Add a specific provision that addresses the principle of 'equal remuneration for work of equal value of work' as stipulated in article 23 of the constitution, and include sanctions against any party that fails to abide by this principle.
    - Remove specific restrictions on women in terms of working time, sectors and tasks.
  - *Amend Social Security Law to equalize retirement age for men and women and enable women to pass on pension to spouse and children in the same manner men do in order to reduce the wage gap between them.*
2. Reduce market distortions that make the public sector the sector of choice for women, by ensuring that the private sector offers similar benefits and equal pay.
3. Curb repeated violations that are occurring in some sectors, which include obligating female workers to sign receipts proving they have received full wages while receiving less. There have been many documented cases in this regard, and particularly in the education sector.
4. Ensure that employers pay female employees at least the minimum wage, and that they pay them their salaries and bonuses as per the contract signed between both parties.
5. Ensure that employers pay female employees duly for overtime work, and grant them their holiday time as per the law and employer-employee contracts.
6. Take necessary administrative and legislative measures to fight forced labor and other forms of exploitation that women usually face in the workplace.
7. Raise awareness among women regarding their right for equal pay, and improve negative perceptions among women, which hold that their income is complementary and not necessary.
8. Support sector-level interventions that address the remuneration gap and equal pay, as each sector has its own challenges and dynamics.

## Narrow the achievement gap, and create a more equitable and non-discriminatory working environment for women

Jordan needs more women in decision-making positions to engage the government, political parties, and professional associations in changing Jordanian laws to help it work for, not against, women, and to improve Jordan's weak performance on women's economic and political participation global indices. This, in turn, will foster a more welcoming environment where women feel supported by the law in their pursuit to become equal members of society and participants in economic life.

1. Assess the ability of women and their skill levels to be promoted into senior and management positions, and provide the needed support to enable them to make that leap. Provide mentorship and training schemes for women seeking leadership positions in a systematic manner.
2. Address perceptions among women, through dialogue and awareness, which hinder their willingness to actively pursue senior and management positions, especially in the private sector. Ensure a sustained career progression towards management by accelerating the use of flexible working hours and other work-life balance programs.
3. Examine the potential for women to be employed by the highly skilled and highly tradable sectors such as ICT and pharmaceuticals, which exhibit higher job growth rates than other traditional sectors.
4. Institute quotas for women in publically traded companies, in addition to the boards of the chambers of industry and trade.
5. Add specific provisions prohibiting discrimination in the workplace and enforcing equal pay for equal work to the Labor Law, and create a mechanism to enforce those provisions.
6. Amend the penal law to criminalize all forms of sexual harassment in the workplace and public places.
7. Do away with restrictions on the sectors women can work in and the times they are allowed to work.
8. Ensure that employers grant their female employees minimum fourteen weeks maternity leave, as required by the Maternity Protection Convention No. 183 ILO 200.
9. Ensure that employers are not terminating or refusing to renew contracts with employees simply on the basis of pregnancy or marriage, as per the law.
10. Ensure that employers are providing childcare if they employ over twenty female employees, as per Article 72 of the Labor Law

## Enhance business support for women entrepreneurs

### 1. SIMPLIFY AND ENHANCE THE PROCESS OF ESTABLISHING HOME-BASED BUSINESSES

Enable an efficient mechanism for online registration and licensing. Approvals for professions that have no impact should be granted swiftly. GAM can be a key pilot that can be rolled out to other municipalities. GAM needs to conduct a full review of its standard operating procedures (SOPs) and standard application forms for clarity and redundancy (ex. reduce the number of required inspections), and train GAM employees on how to use the new forms. GAM could also introduce an online system for licensing, develop a service card to clarify requirements for interested applicants, and conduct targeted awareness sessions for potential applicants and GAM employees.

### 2. ESTABLISH HUBS OR BUSINESS INCUBATORS IN EACH GOVERNORATE

Through such hubs or incubators, women can have access to a wide range of services that are critical for business growth and development. Some of these include access to market information, professional networks, training, mentorship, and market leads.

It is essential for female entrepreneurs to have facilitated access to professional networks and to a supportive ecosystem, both of which provide access to information and capacity-building opportunities that are essential for successful growth. These hubs also give entrepreneurs access to mentors and contacts who are knowledgeable about regulatory and business operations, distribution channels and suppliers, logistical support, and other market information. They also give entrepreneurs the opportunity to have a lead on contracts.

IRADA offices, which currently extend limited business support services can be developed to offer the full slew of services needed by startups and businesses particularly for women in the governorates.

### 3. DEVELOP THE ROLE OF MUNICIPALITIES TO SUPPORT WOMEN ENTREPRENEURSHIP AND BUSINESS GROWTH

Municipalities need to play an enabling role in supporting women entrepreneurship in their own localities. They can ensure that they have friendly policies, quality services, and efficient procedures. This can be done through several avenues:

- Ease business registration and licensing process, particularly for those established at home.
- Become a venue for business support, both financial and non-financial. Provide training and mentorship programs to current and potential entrepreneurs. Host business and professional networking functions. Provide internet access and working stations.
- Develop a local market outlet for producers of various goods. This can be a permanent market or a weekly market that can be used to attract domestic and potentially foreign tourists. By



building the needed infrastructure for setting up a local market, current and potential producers will have the incentive to expand and develop.

- Improve access to information on market opportunities, and act as a liaison between the various suppliers and producers along the supply chains to widen opportunities presented to entrepreneurs.
- Give priority to locally made products and services in their procurement policies and regulations.
- Encourage greater interaction between the formal and informal economies, and put in place a systematic plan to get more informal businesses to formalize. This can be achieved by instating a business friendly climate.
- Institute a program for on-the-job training and internship programs for prospective entrepreneurs and graduating students. This provides them with some work experience that will equip them with important business related skills.
- Institute a working relationship with IRADA offices to ensure that current and prospective entrepreneurs make use of their services.

## Improve access to finance

Gender gaps in property and economic rights put women at a disadvantage in credit markets, and limit their abilities to access finance for their businesses, both at the set up and operational stages. Moreover, financial institutions remain traditional and risk averse, relying mainly on name lending, and on assets and collateral in their lending schemes. Therefore, lack of sufficient collateral is why lending institutions are apprehensive about extending loans to women entrepreneurs.

### 1. SUPPORT BANKS TO EXPAND RANGE OF PRODUCTS AND LENDING SCHEMES TO WOMEN

Financing women-owned businesses is an untapped market that can be very lucrative for the banking sector. A number of measures need to be taken to expand those lending programs:

- Implement innovative screening mechanisms in order to reduce the cost of lending and improve the quality of the bank's loan review process. Adopting a computer-generated credit scoring system help achieve both objectives.
- Utilize the information provided by the credit bureau to assess the credit worthiness of women entrepreneurs.
- Train loan officers to identify clients capable of growing their businesses, particularly clients who do not have sufficient collateral.
- Expand the range of products currently offered by banks in order to meet the needs of female entrepreneurs. This includes flexible repayment schemes, and longer payment periods.
- Increase account ownership by females from the current low level of 16%, and increase volume of deposits by current female depositor to improve their access to loans.

## **2. ADDRESS FINANCIAL NEEDS BEYOND MICRO LOANS**

Micro lending has been successful in Jordan, and it is widespread. However, growth and startup needs go beyond micro loans. The problem is acute for women who want to grow sustainable businesses and for those who want to start new micro and small businesses and cannot approach regular banks. The bridge between micro lending and traditional banks is large and the gap needs to be narrowed. Micro lending institutions need access to cheaper funds in order to meet the needs of this segment. Banks can also service this segment if they have access to cheaper funds, or loan guarantee schemes.

## **3. EXPAND BUSINESS SKILLS AND FINANCIAL CAPABILITY TRAINING FOR WOMEN**

Capacity building in terms of preparing financial statements and business plans, as well as improving financial literacy and management training, is shown to have positive impact on business growth and development. This is particularly true for women-owned businesses given that they bring less work and wage experience to their businesses when compared to their male counterparts.

Accounting and financial statements of small businesses are often not transparent, making them risky borrowers and thus less attractive to lenders. Women in such businesses are more likely to lack financial statements and properly maintained books of accounts, putting them at a disadvantage.

Expanding outreach and capacity development through online platforms could be a lucrative option given the limited mobility many women face. Online training can also be cost effective and can allow women flexibility in access.

## **4. EXPAND GOVERNMENT, MULTILATERAL AND BILATERAL PROGRAMS**

The government, in close collaboration with donors and financial institutions must work on expanding lending program and improving policies that address SME lending in order to reduce the credit gap. Particular focus must also be made for expanding the financial inclusion of females. Such programs must also be carefully assessed and rigorously evaluated to ensure that they promote the most efficient and most cost effective manner of expanding access to finance for SMEs.<sup>81</sup>

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<sup>81</sup> <https://www.poverty-action.org/sites/default/files/publications/English.pdf>

## Support education-to-work, and back-to-work transition

### 1. INSTITUTE A NATIONAL PROGRAM FOR EDUCATION-TO-WORK TRANSITION

This is a critical and pressing need. It will benefit all Jordanian youth, and more importantly will have a significant impact on improving the participation of females in economic life. Effective transition programs begin at high school, and stay on even after the person is first employed. These programs combine studying with training and work. They effectively prepare students not only for their first full-time job, but also for continued learning and career progression throughout their working years. Such programs also integrate innovative approaches to mentorship and apprenticeship, whenever relevant.

School-to-work programs primarily have two components: school-and-work, and school-for-work. The school-and-work component allows students to work while studying, which equips them with relevant on-the-job training and skills, making their transition swift after graduation. This is particularly applicable for students that pursue vocational training. The second component works on equipping students with employability skills.

*‘Historically, colleges and universities have not been held accountable for the employability of their graduates. They are considered to be part of the socio economic ecosystem and should be concerned with what happens to students after they graduate.’*

*Dr. Rebecca Ward, IREX, WEP16*

Engaging with students at an early age has been proven to generate more positive outcomes, and help youth achieve a successful transition to employment and self-sufficiency. Evidence has shown that early labor market experience generates long-lasting effects, narrows the transition gap, improve prospects for employment, and prospects for higher earnings.

### 2. SUPPORT BACK-TO-WORK TRANSITION

This is also another important transition for women. Focusing efforts on facilitating (re-)entry into the market is essential, given that many women leave the market (or never enter in the first place) to tend to their families and homes wish to (re-)enter after their children have grown up.<sup>82</sup> Many women will need guidance and training to improve their employability skills.

Both transitions can be instituted through the ‘ForUs.jo’ portal that is housed and operated by the King Abdullah Fund for Development (KAFD). The portal was developed with a much greater objective in mind. It was established to facilitate dialogue, promote inclusion, and voluntary work; to strengthen the building of a national identity that transcends all narrow affiliations; and to build relevant life and employability skills. The portal is designed to engage youth starting from grade 8, to their first full-time job, and then throughout their working years.

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<sup>82</sup> [http://www.policy-network.net/pno\\_detail.aspx?ID=4977&title=The+economic+case+for+female+labour+market+participation#\\_ftn1](http://www.policy-network.net/pno_detail.aspx?ID=4977&title=The+economic+case+for+female+labour+market+participation#_ftn1)

## Systemize the generation of information on gender gaps

The systematic generation of information will be important for policy and decision makers. It enables government and relevant entities to measure and quantify progress, and identify obstacles. Suggestions include:

1. **Develop a Gender Index** that measures:
  - a. Gaps in outcomes and not in policy issues.
  - b. Participation intensity and participation impact (quantity and quality of participation). The objective is to identify the issues that hinder the intensity and impact of women's participation in economic life.
2. **Carryout systematic information campaigns** on:
  - a. Spectrum of job opportunities for women other than tradition routes.
  - b. Stories of successful entrepreneurs and role models who were agents of positive change in their communities.
3. **Collect data in a systematic manner** on:
  - a. Viable economic participation alternatives during transition period and options that can help women transit faster from school to work and return to the workforce after a period of inactivity. These viable options should be informed by sufficient analysis of labor market re-entry requirements including a clear demand-supply picture.
  - b. Detailed collection of data on the multiplicity of obstacles facing young women in their attempts to enter the labor market, or in their daily work life. The nature of such barriers changes widely from urban to rural areas, from city to city, and from one sector to the other.
  - c. Sectors of interest in vocational training for women. Need to clearly understand the limitations and think outside the box. (ex. Plumbing is viewed as a track pursued by males. This can be marketed to women because their clients will be stay-at-home females during the day).
  - d. Information guide for starting a business. Develop accessible and simplified information guides to business start-ups defining the processes required to start and operate a business. The guide has to include registration and licensing requirements, but also guidance and technical support on management, marketing, accounting and compliance among others. A web portal or a smartphone application could replace traditional guides and allow for easy modification and update.
  - e. Quantify impact of the status quo on the economy in a periodic manner and quantify the impact of policies or interventions on economic participation outcomes using action-oriented research through engaging the academia and the research centers. This will also encourage experimental approaches in the design of policies and interventions and help in the identification of the most cost effective methods.