Economic Empowerment Policies for Women in Jordan: A Focus on Amended Laws

Amal M. El-Kharouf, Ph.D., Professor at the Center for Women’s Studies, University of Jordan

Despite Jordan’s recent achievements in development, the country’s gender gap for economic participation is significant: it was ranked 138 out of 153 countries in the World Economic Forum’s 2020 ratings for this sector.\(^1\) The estimated cost associated with the lack of women’s participation in the labor market in 2013 amounted to about 11 billion dinars, or 46% of Jordan’s gross domestic product (GDP).\(^2\)

The lack of representation of women in Jordan’s economy is especially surprising given their high levels of educational attainment. Jordanian women have seen significant educational progress: females had the highest enrollment rates in secondary schools and universities in 2018,\(^3\) an important shift from rates in the 1990s.\(^4\)

However, the economic participation rate for women was just 15.4% in 2018, compared to 55.9% for men.\(^5\) This contradiction reflects Jordan’s failure to invest in half of its human capital, thereby impeding development in a country where the workforce—in the absence of natural resources—is one of its most important assets.

### REASONS FOR THE LOW PARTICIPATION OF WOMEN IN THE LABOR MARKET

Several reasons may account for the low participation of women in Jordan’s labor market, including the lack of social programs supporting women’s employment, the lack of opportunities in the labor market, and the presence of social norms and pressures that dissuade women from seeking employment.\(^6\) Around 25.6% of women and 15.7% of men in Jordan believe that work affects a woman’s ability to care for children, especially in the absence of supportive policies and services such as nurseries and sufficient maternity leave.\(^7\)

Early marriage can complicate this issue and further limit women’s access to the labor market, if they end up raising children at an early age. The percentage of married women under the age of 18 reached 13.4% in 2017.\(^8\)

Lastly, there are simply fewer economic opportunities available for women. In recent years, Jordan has suffered from weak GDP growth that typically has not exceeded 2%, and the unemployment rate reached 19% in 2018. Of the total unemployed population, 28.9% were females, while 16.4% were males. Therefore, even when there is job creation, these opportunities mostly favor males. This issue persists even among highly educated women: the percentage of unemployed men who hold a bachelor’s degree or higher is 25.6%, but the unemployment rate for women who hold a bachelor’s degree or higher is 78%.

### AMENDING LAWS RELATED TO WOMEN’S WORK

Between 2000 and 2018, many of the laws related to women’s workforce participation in Jordan were reformed, including the social security law, the labor law, and the civil service system.\(^9\) The sections below outline some of these changes.
Social Security

The new social security law allowed both female and male owners of small businesses consisting of fewer than five employees to gain access to social security benefits. This enhanced the social and economic protection of working women, especially for those working in small establishments such as sewing and secretarial labor. Further, the law stipulated that anyone—including women—who engaged in domestic work in their own households could be insured, whereas before, only wage workers could receive insurance. Due to this law, women can now receive old age, disability, and life insurance benefits, thereby ensuring their social protection and pension salaries. This was a substantial gain for women.

The new law also introduced maternity insurance to protect insured female workers, especially in the private sector. This encourages the employment of women and discourages employers from ending women’s jobs in the event of marriage or pregnancy. A woman who receives a retirement or disability pension can also combine this pension with a pension entrusted to her by her parents. Her share can be disbursed in the event that she is not working, regardless of her age.

The most important advantage granted to women by the new social security law was the right for widows to combine their wages with those they receive from their deceased husband. In the previous social security law of 2001, a widow was only allowed to combine her wages with no more than 50 dinars from her deceased husband. The new law was an important qualitative shift in providing economic and social protection for working women. The new law further stipulated that the salary of a deceased woman should be inherited in full by all beneficiaries, including her husband, just as it would be for a man. The previous law required that the deceased woman be the sole provider of the heirs in order for them to inherit her salary. The new law also stipulated that a woman can inherit her deceased son’s salary, even if she is not married to her son’s father.

Additionally, the new social security law gave immunity to funds due from social security, except for debt from alimony and the social security institution, whose funds are not to exceed a quarter of the total debt. It also allowed women to seize part of their ex-husband’s retirement pension as alimony.

Labor

The Labor Law of 1996 included important changes that affected women. For example, female employees were given the right to maternity leave for 10 weeks with full pay, instead of six weeks with half pay, as was the case before. Pregnant women were also promised job security through the right to leave their positions for one year without pay. Female employees were guaranteed an hour a day to breastfeed their babies during the first year after birth, and employers were banned from dismissing a woman during pregnancy or maternity leave. Each working spouse was also given the right to obtain a one-time leave of up to two years without pay to accompany their spouse to work outside of Jordan. Finally, jobs that place restrictions on women working at night, such as factory work, were clearly identified.

There were further changes made to the labor law in 2008. The law originally excluded agricultural workers, domestic workers, and members of the employer’s family. Such exclusions had a dramatic impact on women, especially those living in rural areas, who make up a high percentage of these excluded groups. The 2008 amendment to the labor law aimed to include these groups, which in turn affected the social security law, as these groups became eligible for social security. An amendment was also developed to imprison or fine an employer if an employee was sexually harassed during work. Previously, the law would close the institution if an employee was sexually harassed at work, but the new amendment acknowledged that it was better to punish the employer, as closing the institution would harm the rest of the employees.

In 2019, the law was amended again. These changes allowed for the children of Jordanian women married to foreigners.
to work without a permit. It also provided for the adoption of a flexible work system, whereby workers could work from home, have flexible hours, and be held accountable based on the quality of their work and their attendance. It enforced rules to prevent wage discrimination based on gender and stiffened the penalties for such discrimination. It provided paternity leave for three days after a worker’s wife gave birth, and lastly, required that nurseries or daycares be available at the workplace for all employees with children. It did not limit childcare services based on the number of male or female employees, whereas the previous law only offered childcare services to female workers.

Retirement

The Civil Retirement Act of 2018 permitted a woman to combine her salary with the salary of her husband or her parents. This law also stipulated that a family member of a deceased woman can inherit her salary without conditions. Previously, the law only allowed family members to inherit the deceased woman’s salary if they were incapacitated or unemployed. Mothers can now also benefit from their son’s salary without conditions, whereas previously a mother was required to be widowed or divorced. The new law rescinded a previous rule that required a woman’s retirement salary to be cut off upon marriage, only returned to the woman upon her husband’s death or divorce, and permanently taken away in the event of a second marriage. Finally, the new law extended the retirement conditions for female employees. Originally, male employees were allowed to retire after 25 years of acceptable service, and female employees were required to retire after 15 years. The new law extended this timeline for women, allowing them to retire after 20 years.

RECOMMENDATIONS

Despite these important legal changes, women have not been able to participate in the Jordanian economy at a level that matches their educational achievement. The Organization for Economic Cooperation and Development (OECD) estimates that achieving gender parity in labor force participation rates would increase developed countries’ GDP by 12% over the next 20 years, and that this trend would be even more pronounced in emerging markets. Therefore, the participation of women in the labor market meets the goals of comprehensive development. However, in Jordan, this change requires strong political will. Jordan should implement more ambitious policies that change standards and transform gender relations in society and work, thus addressing structural inequality. Certain policies have had a significant impact in countries where women suffer from discrimination and restrictions to the labor market. These include:

- Reforming the pension system and strengthening legal care for women.
- Improving job benefits and tax exemptions for workers with lower wages, regardless of gender.
- Increasing access to appropriate childcare.
- Promoting women’s political participation and encouraging women to take positions of leadership.
- Activating government policies related to parental leave, including the availability of flexible and part-time work and the right to equal pay.
- Encouraging female entrepreneurs to start businesses. Research has shown that woman-owned companies have higher growth in annual sales than male-owned companies. These firms generate jobs, as female entrepreneurs tend to employ women at higher rates than their male counterparts.
- Developing the public transportation network to make it safer and more convenient for women to travel to work.

Jordan should implement more ambitious policies that change standards and transform gender relations in society and work, thus addressing structural inequality.
ENDNOTES


12. Ibid.


ABOUT THE SERIES

This brief is part of a series on “Women’s Grassroots Mobilization in the MENA Region Post–2011.” The briefs were presented at workshops in Rabat, Morocco and Amman, Jordan in February and March 2020 hosted by the Moroccan Institute for Policy Analysis and the American Center for Oriental Research and involving scholars and activists from Morocco, Tunisia, Lebanon, Turkey, Palestine, and Jordan. The workshops were funded with the generous support of the Kelly Day Endowment as part of the Baker Institute’s program on Women’s Rights, Human Rights and Refugees.

AUTHOR

Amal M. El–Kharouf, Ph.D., is a professor at the Center for Women’s Studies at the University of Jordan in Amman and an author of several books. Her research interests include population growth, factors influencing the employment of women, women’s affairs, and women and development.

See more issue briefs at: www.bakerinstitute.org/issue-briefs

This publication was written by a researcher (or researchers) who participated in a Baker Institute project. Wherever feasible, this research is reviewed by outside experts before it is released. However, the views expressed herein are those of the individual author(s), and do not necessarily represent the views of Rice University’s Baker Institute for Public Policy.

© 2020 Rice University’s Baker Institute for Public Policy

This material may be quoted or reproduced without prior permission, provided appropriate credit is given to the author and Rice University’s Baker Institute for Public Policy.