

Labor Report On

Decent Work in Jordan 2011

“Gap between the international standards and the reality prevailing in Jordan”

By

Labor-Watch Jordan

An affiliate of:

**The Phenix Center for Economics and Informatics Studies
Amman – Jordan**

In Cooperation with

Friedrich Ebert Foundation

Report 5/2011

November 2011

Decent Work in Jordan 2011

“Gap between the international standards and the reality prevailing in Jordan”

Introduction:

The term “Decent Work” has been spotlighted within the framework of the continuous developments of the international labor standards as well as the efforts made by various international organizations interested in improving the labor conditions throughout the world. It came as a brief expression describing the ultimate labor principals and standards to be provided for all workers throughout the world. This concept may be summarized in brief by the fact that every person in the world has the right to be able to obtain a job which enables him to live with dignity.

The International Labor Organization (ILO), who represents the various production parties in the globe (Governments, employers and workers), has adopted a comprehensive definition of this term (Decent Work) as: *Productive work under conditions of freedom, equity, security, and human dignity, in which rights are protected and adequate remuneration and social coverage are provided.*

This has directed the Governments to intensify their efforts in order to secure job opportunities which provide decent life for the workers; various Governments were required to work to achieve the goals which lead to provide decent work for its workers. These goals were represented in creation of additional income (wage) generating job opportunities, expansion of the range of the social protection; uphold the social dialogue between workers and employers and the application of the basic labor principles and rights.

In this report, the Labor-Watch team will seek to analyze the actual application of the decent work standards in Jordan on two levels: the first is to examine the Jordanian labor legislations; such as the Jordanian Labor Law, Social Security Law and other labor relevant regulations, instructions and decisions; while the second level is to examine the actual application of the decent work standards no matter if these standards are mentioned in the relevant Jordanian legislations or not.

Securing job opportunities:

With regard to this standard, we can conclude that there is a gap between the demands of securing job opportunities for the Jordanians and high unemployment rates encountered by the Jordanian manpower; however, despite the fact that the number of job opportunities created by the Jordanian economy during the last five years was higher than the number of graduates of the vocational training centers, technical institutes and the universities, it is noted that the unemployment rates are still high rising at an annual rate of 12.5 -14%. The newly created job opportunities by the Jordanian economy during the last five years reached approximately 60 thousand jobs annually, while the universities and institutions graduated approximately 50 thousand annually.

This situation result from a serious discrepancy in the employment policies applicable in Jordan since decades; as a large part of the newly created job opportunities go to the migrant workers, which reached high levels during the past years and increased steadily to reach approximately 500 thousand workers most of them are Egyptians of whom two thirds only posses an official work permit from the Ministry of Labor, while the other third work without an official permission.

The migrant workers sector suffers lack of organization, in addition to the large numbers of them who work without permission, many of them work in economic sectors and activities other than those they are permitted to work in. Some work in unlawful economic sectors or suffer temporary unemployment and look for a job opportunity.

In addition, this situation resulted from the lack of coordination and alignment between the needs of the Jordanian labor market and the policies of vocational training and technical and university education; as well as the decline in the quality of graduates of our vocational training centers, technical instates and universities. The needs of the labor market and the newly created job opportunities are completely different than the skills owned by the new comers to the labor market in terms of the quality and level. The level of most of the graduates of these institutes and universities is in continuous decline; therefore, the unemployment rate among the youth is the highest. According to the figures of the Department of Statistics for the third quarter of 2011, the unemployment rate reached 13.1%, most of which is among the youth segments, especially in the age groups between 15-19 years and 20-24 years, where it reached 36.5% and 28.1% for each of them respectively.

The figures also showed that unemployment rates among the females are more than double that among the males; while the male unemployment rate reached 10.8%, that of females reached 22.8%. The percentage of the unemployed varied in terms of the educational level and gender reaching 20.9% for male holders of bachelor's degrees and above, against 61.5% for females.

In this regard, the step of the Jordanian government to develop a comprehensive employment strategy is considered a step in the right direction; the most important step, however, is the application of such a strategy, as many of the previous plans and work policies which were drawn earlier have not left any effect on the ground.

Decent Wage:

As regards the decent wage standard, which simply means that workers must receive against their basic work, wages which secure decent life for them; there is, however, a great gap between the wage rates obtained by most of the Jordanians and the ability of these wages to secure decent life for them.

According to the official figures issued by the Department of Statistics and the Social Security Corporation, the low wage rate for most of the wage earners is apparent, especially if the price level of commodities and services is taken into consideration; which led to widening the range of the poor labor. According to the figures of the Social Security Corporation, the average monthly wage in 2010 reached JD 393; whereas the workers in the public sector received an average monthly wage of JD 337, and the workers in the private sector received an average monthly wage of JD 415.

Upon comparing these figures with the poverty line in Jordan, we note the low level of these wage rates; whereas the preliminary figures of the poverty study for 2010 conducted by the Department of Statistic indicated that the absolute poverty line of the standard family of six persons (5.7) is approximately JD 350 monthly. Upon deeper review of the segments of the wage received by the wage earners in Jordan, the catastrophic situation is noted, as we find 25% of them earn JD 200 or less a month, and 53% of them earn JD 300 or less a month, while 77% of them earn JD 400 or less a month.

The matter becomes even worse upon looking at the minimum wage rate adopted in Jordan which is JD 150 a month, and is by far less than the absolute poverty line as issued by the concerned official authorities. Furthermore, many studies and reports point that many Jordanians obtain monthly wages which are lower than the already low minimum wage rate, which indicates clearly that most of the wage earners in Jordan are classified within the poor labor.

In this context, the step of the Jordanian Government to increase the wages of workers in the public sector is considered an important step and in the right direction, but is not enough to rectify the big discrepancy of the severely low wages of the public sector workers; the Government is demanded to increase the levels of wages of public workers by percentages which come closer to the decent wage concept which provides decent life for the workers; the Government has also to take a set of decisions to encourage and/or force the private sector to raise the wages of its workers.

Social Security:

The subject of social security for the workers takes a crucial place in the priorities of the international labor standards as well as the attention of the human and labor organizations throughout the world, being of the basic human rights which may not be override; therefore, providing the social security is one of the decent work standards, the subject of this report.

In Jordan, until now, unfortunately, the right of social security is not provided for all workers. The percentage of those registered in the social security by the end of 2010 reached only 57.4% of the workers; and is expected to reach approximately 60% by the end of 2011 due to the continuous application of the coverage expansion program applied by the Social Security Corporation during the past years. Furthermore, the coverage of the social securities provided by the Social Security Corporation is still not comprehensive in accordance with the international standards as stipulated in the relevant international conventions; health insurance is still out of coverage, unemployment insurance is still short of coverage.

It may be useful, in this regard, to list below the set of the international standards issued by the International Labor Organization covering the various social security issues and contained in five conventions whereby Jordan has not yet ratified any of them:

International Labor Organization Convention No. 102 for 1952 on the minimum standards of social security.

International Labor Organization Convention No. 121 for 1964 on employment injury benefits.

International Labor Organization Convention No. 128 for 1967 on old-age and survivors' benefits.

International Labor Organization Convention No. 130 for 1969 on medical care and sickness benefits.

International Labor Organization Convention No. 183 for 2000 on maternity protection.

Convention No. 102 on the minimum standards of social security is considered the most important convention among all; as it demands the provision of a set of social securities like medical care, whether covering the work injuries or the health insurance, unemployment benefits, old age benefits, maternity benefits, disability benefits, survivors' benefits upon death; while the other conventions address advanced levels of social securities.

In this regard, the levels of social security coverage vary from the social securities provided by the civil and military pension system for workers in the public sector, to other pension systems provided by professional associations; these systems provide a package of social securities which vary between one professional association and the other; like old age benefits insurance (pension salary), survivors' benefits, disability and health insurance.

The latest amendments introduced on 2010 to the Social Security Law in Jordan represented a step forward in terms of the various securities covered by the Social Security in Jordan; these amendments, however, still stand short of achieving the minimum social security standards as stipulated in the International Labor Organization Convention No. 102. Whereas the law covers benefits of work injuries, old age, disability, death and maternity, unemployment insurance is still short of coverage and the health insurance is out of coverage.

It is well known according to the lowest estimates that approximately 350 thousand worker in Jordan do not benefit from any form of health insurance; if their families are added, an approximately 1.4 million citizens in Jordan do not benefit from any form of health insurance.

Despite the reform amendments made to the Social Security Law last year through the temporary law endorsed by the Government, there are still some unfair aspects, as the rules of early retirement, which were recently cancelled, were applicable on the private sector workers registered in the Social Security Corporation and not applicable on the public sector workers (in both the military and civil bodies).

The expansion of the coverage of Social Security to include all the manpower requires big efforts and measures related to organizing the Jordanian labor market in two directions: The first is to obligate all institutions regardless of their size as well as the workers in the informal sector to register their workers and themselves in the Social Security and to intensify the inspection campaigns on establishments and work sites by the Ministry of Labor and the Social Security Corporation; and the second is to ensure the registration of those working in the unorganized sector, as well as organizing the migrants workers sector who are not registered in the Ministry of Labor.

Enhancing the social dialogue between workers and employers:

Among the basic standards of decent work is enabling the workers the right of collective bargaining with employers in order to defend their rights and improve their working conditions which implies enabling them legally and practically to organize themselves in trade unions to ensure the possibility of conducting the collective bargaining. In this regard, most of workers in Jordan are unable to organize themselves and are deprived the right to organize; as Ministry of Labor still rejects the establishment of new trade unions other than the official 17 trade unions which has not increased since three decades, despite the clear text of article (97), paragraph (A) of the Labor Law which stipulates that “Workers in any profession have the right to establish a trade union of their own in accordance with the provisions of this law and every worker in the relevant profession has the right to join if he meets the membership conditions”. The subject of trade union pluralism is still absent on the Jordanian field.

Despite the fact that Jordan had ratified the International Covenant of Economic, Social and Cultural Rights, which was published in the official gazette in 2006 and stipulates clearly the right of all workers to establish unions without any interference from any party. Furthermore, Jordan is committed to apply the provisions of the International Labor Organization convention No. 87 related to the freedom of association and protection of the right to organise, even though Jordan had not ratified the said convention because it is one of eight conventions constituting the International Labor Organization Declaration of the Basic Labor Rights and Principles which was endorsed in 1998 and all members in the International Labor Organization, including Jordan, were obligated to it.

These laws narrowed the area for the official labor and unionist movements in relation to the area available for labor and demanding worker groups in the Jordanian society which motivated hundreds of working sectors who are deprived the official organization right to organize themselves in groups and commissions outside the officially recognized trade unions. We have witnessed many groups who have organized themselves in independent trade unions to defend its rights and improve their working conditions; these groups have achieved benefits as a result of their struggles, strikes and sit-ins at work sites. There are also various preparatory committees who are undertaking the establishment of independent trade unions; and are presently working to formulate a union of the independent trade unions.

There is another discrepancy related to the group negotiations of which representatives of workers and their unions complained for long, which is the non-smooth and non-independent mechanisms of group negotiations. The law gives the Government the right to interfere in any stage of the negotiations which weakens the role of the unionists and strips them of their power elements among which the strikes are the most important. Therefore, most of the labor strikes implemented in Jordan during the last ten years were classified as illegitimate strikes according to the provisions of the Labor Law.

The latest amendments introduced to the Jordanian Labor Law in 2010 constituted a retreat in acquired rights of the workers in Jordan, especially those who benefit from no union organization, or has a weak union representation who does not meet their ambitions regarding the right of group bargaining which were prohibited by virtue of the law. In addition, the latest amendment constituted another offense on the independence of the unions, as it gave the Minister of Labor the right to dissolve the union if he finds that the union has committed a

violation of the law provisions or the regulations issued by virtue of the law or in case the union's bylaws included a violation to prevailing legislations.

What is urgently required is a radical amendment to the Jordanian Labor Law in the section of trade unions organization or the endorsement of a special law to organize the trade unions in line with the international labor standards, the core of decent work, allowing all workers in Jordan to organize themselves freely, without requesting the approvals of the Ministry of Labor, but merely to inform the official authorities accordingly; and recognizing the independent trade unions being formulated right now throughout the Kingdom. Furthermore, the ratification by the Jordanian Government of the International Labor Organization convention No. (87), related to freedom of association and protection of the right to organize, has become pressing now.

Applying the basic labor principles and rights:

In addition to the above mentioned standards of decent work, the applying of the basic labor principles and rights represents a basic aspect of the decent work aspects which include the standards shown in other parts of this report, like the freedom of organizing (unions' freedom), forced or compulsory labor, and the actual elimination of the child labor and the discrimination in employment and profession.

In brief, we note that the actual application of the mentioned basic labor principles and rights is very limited in Jordan; as the child labor phenomenon is still widespread; in this regard, there is still a big question mark on the circulated numbers of child labor in Jordan, because the official number resulting from a survey study conducted many years ago, which pointed that the number of child labor in Jordan is 33 thousand child, does not reflect anymore the fact of the widespread child labor working in various locations and components of the labor market.

Working children are exposed to many dangers during their work, like the heavy equipment dangers, loud noise, weak lighting, exposure to chemicals and work injuries due to their low physical capabilities in relation to the works they undertake; in addition to the fact that most of them work against very low wages which reach in average an amount of JD 50 – 80 a month, and for long working hours which reach 10 - 12 working hours a day; let alone the bad treatment and the psychological and physical humiliation they are subjected to during their work.

Whereas, the provisions of articles (73) and (74) of the Jordanian Labor Law No. (8) for 1996 and the amendments thereto are in line with the relevant international standards; as it forbids employing children and minors below sixteen years of age whatsoever, and forbids employing the minors below eighteen years of age in the hazardous works or health threatening works.

Violations to which many sectors of the wage earners in Jordan are subjected are still increasingly widening; abuses on work relevant laws are increasing, as the inspection campaigns undertaken by the Ministry of Labor are still not able to eliminate the abuses and violations committed by many employers, especially in the small and medium size establishments, and workers in the illegitimate sector. Ultimately, the abuses and violations are that many segments of the wage earners in Jordan (local and migrant workers) earn monthly wages that are less than the minimum wage rate, which is JD 150; many of them receive their monthly salaries as late as the seventh day of the following month (salary entitlement) as

stipulated by the Labor Law, Article (46). In addition, many workers do not receive their rights in the annual, sick, official or even the emergency leaves.

There are widespread abuses, as well, related to the working hours, many workers are still working over the eight hours stipulated by the Jordanian Labor Law, Article (56). Furthermore, conditions of health and occupational safety are absent in many of the small and medium size establishments and the workers in the illegitimate sector. In addition to the absence of the job stability in the cases of tens of thousands of workers, whereby an employer can dismiss them without due reasons, because the legal articles related to the termination of the employment contract, workers dismissal and arbitrary dismissal are still short. Many Jordanian workers suffered of the facilities provided by the Law, Articles (25, 26, 28 and 31) to actions of dismissal of workers; the legislator, has not bridged this gap in the Labor Law as demanded by the various civil society organizations, especially the trade unions. As long as these gaps remain in the Jordanian Labor Law, the door will remain open for many abuses and violations against the wage earners; and it will remain a threat to the stability and job security beside the other threatening factors.

Conclusions and Recommendations:

In conclusion, we note that there is a gap between the international standards constituting the decent work concept, and the reality of labor conditions in Jordan, whether in the field of matching between the Jordanian labor legislations and the basic labor principles and rights as well as the international labor standards, or in the field of the application thereof on the ground. There are many legal provisions which are identical with the international labor standards, but are modestly applicable in reality. Therefore, the report recommends the following:

1. Activation of the Jordanian labor market, through concentrating on manpower absorbing projects, in order to accommodate more manpower and increase the economic participation rates of the citizens.
2. Creation of a decent work environment to encourage the Jordanians to join as well as to encourage women to join and continuo therein.
3. Amendment of the Jordanian Labor Law in the field of trade unions' organization or the endorsement of a special law to organize the unions' activity in line with the international labor standards whereby all workers in Jordan are allowed to organize themselves freely without requesting the approvals of the Ministry of Labor, but merely to inform the official authorities accordingly, and adopting the concept of unions pluralism.
4. Raise the wages levels to become more matching the high level of prices of commodities and services and the connection thereof with the inflation rate.
5. Raise the minimum wage rate to take into account the absolute poverty line adopted in Jordan of JD (350) for the standard family of (5.7) persons and the connection thereof with the inflation rate annually.

6. Improve the effectiveness of the inspections measurements followed in the Ministry of Labor and the Social Security Corporation and other concerned institutions to ensure the application of the minimum limits of labor rights provided for by the Jordanian labor legislations.

7. Reorganization of the migrant workers in terms of the professions they are allowed to engage in.

8. Reconsideration of the contents of the training programs provided by the Vocational Training Corp. and increase of its financial allocations; as well as the prequalification of university graduates holding the first university degree to provide them with skills they need to activate their scientific qualifications, and qualify them to acquire jobs needed by the labor market.

9. Reconsideration of the legal provisions in the Labor Law which facilitate the arbitrary dismissal, as well as increasing the compensations for those arbitrary dismissed.

10. Improving the mechanisms of group negotiations and granting the trade unions more independence and reduce the Government's interference therein.

11. Cancellation of the legal article which forbids conducting collective bargaining between workers who have no union representation with employers, as well as the cancellation of the legal provision which give the Minister of Labor the authority to dissolve the trade union without resorting to the judiciary.

12. Ratification of the International Labor Organization Convention No. (87), related to the unions' freedom and protection of the right to organize, as well as allowing the workers to establish their own trade unions and adoption of the principle of unions' pluralism.

13. Ratification of the following International Labor Organization Conventions: International Labor Organization Convention No. 102 for 1952 on the minimum standards of social security; Convention No. 121 for 1964 on employment injury benefits; Convention No. 128 for 1967 on old-age and survivors' benefits; Convention No. 130 for 1969 on medical care and sickness benefits; Convention No. 183 for 2000 on maternity protection.

14. Expansion of the types of social insurances covered by the Social Security Corporation in Jordan to include the health insurance, as well as correction of the mechanism of unemployment insurance and the cancellation of discrimination in rights between the participants (both in the private and public sectors) and the enlargement of the social insurance covered segments.