Voices of Women in the Workforce
A policy paper on daily wage workers and female workers in the informal sector
Presented to the government by national organisations and public figures

Introduction

Workers in the informal economy in Jordan represent 48% of the total workforce in Jordan according to some estimates, in which women’s participation is considerable. Labour laws governing employment do not apply to the informal sector and in many cases the sector does not provide legal or social protection for its female and male workers.

Due to such determinants, informal economy workers, particularly women, face vulnerabilities, necessitating government action to prioritise social, economic and social protection policies and programs for female workers, whose labour market participation rate is already low, and is costing the government billions of dollars, and preventing her from economic empowerment and supporting herself and her family during COVID-19.

The low level of economic participation for women which stood in 2018 at 13.5%, compared to 54.3% for men in the last quarter of 2019 represents a key challenge in Jordan. In the same year, female unemployment rate increased to 24.1%, compared to 17.7% for males. Statistics also show a low economic participation in the formal economy by women who have not completed their high school education with a rate of participation for this particular segment standing at (around 4.2%).

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1 Reviewed by the International Labour Organisation (ILO)
2 Final quarter report on unemployment (2019), the Department of Statistic
3 Kasoolu S. et al., Female Labor in Jordan: A Systematic Approach to the Exclusion Puzzle, CID Working Paper 365 for Centre for International Development at Harvard University, October 2019

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Jordanian labour market challenges, including high unemployment rates as well as decent work deficits, directly impact women and women in sectors where women’s employment is high. This requires decision- and policy-makers to understand barriers to women’s labour market participation, and provide solutions, deliver programmes, and allocate the resources to address the problem.

The state and decision makers need to honour their commitments to acknowledge the central role of female employment in the economy, and provide sufficient protection for women, ensuring that policies adhere to the principles of decent working conditions, equal employment opportunity and non-discrimination. Government response to COVID-19 fell short from ensuring non-discrimination against women. Namely, tying the support offered by the National Aid Fund (NAF) to daily wage workers by being “the head of the household” is both problematic and discriminates against working women who are in reality the main and sometimes the sole economic provider in the household, but on paper her father or husband are recorded as such on official papers (The Family Book).

Some aspects of the informal sector are expected to be impacted temporarily, but other economic activities, which are mostly feminised, or associated with women, are likely to fail, collapse or completely disappear. The existing circumstances of social distancing will have ramifications for activities already considered of little importance, including paid care jobs (nurseries/day care/childcare, care for elderly, domestic support in households) jobs that are completely being ignored. Loss of such activities will exacerbate poverty, increase unemployment, impact the livelihoods of women and children, and lead to vulnerabilities and a rise in child labour.

Based on the aforementioned factors, and in order to avoid increased vulnerability of women, policymakers are urged to act on their commitments in this regard by taking into account the following:
a. The informal sector includes in addition to daily wage workers engaged in freelance work and irregular work such as agricultural and construction workers, as well as in the informal sector include activities such as entrepreneurs, freelance consultants, small enterprises, farmers, home-based businesses, cooperatives, projects serving local communities in the areas of agriculture, youth projects or rural marketing. Their activities need to be integrated into the existing system, and their role needs to be valued, understood and recognised by the government and society. This necessitates decisions enabling such groups to benefit from government support and services, with programs and policies with terms and conditions that do not necessarily apply to big companies and corporations.

b. Definition of “the head of the household” should be expanded to include a larger set of social categories, particularly women. The existing standards rarely recognise women’s role as economic providers, and exclude a majority of working women from government support.

c. The government should create programmes supporting women’s work in the informal sector, specifying their activities and assisting the activities and businesses that were mostly affected by COVID-19.

d. Defence ordinances no. 6 and 9, issued to protect daily wage workers and out-of-job male and female workers, should be perceived as a right and built on principles of empowerment and support through social security concepts, rather than aid or relief. Workers in the informal economy are productive individuals, with contributions to the national economy. Frameworks need to be developed ensuring that all workers in formal and informal sectors receive equal treatment.

e. Therefore, ordinances no. 6 and 9 that were designed for the informal sector (self-employed workers and day wage workers), then male and female workers should be treated equally through the Social Security Corporation (SSC), and not through the Ministry of Social Development or the National Aid Fund (NAF).
f. The SSC should employ its maternity insurance fund, which provides protection for female workers and women in general, to enhance services offered to working women and not be used for any other purpose.

g. A major global recession is expected, with ramifications for Jordan, where the economy might shrink, with increased unemployment. The role of social security in protecting workers needs to be strengthened, expanding it beyond benefits for retirement, unemployment, employment injury, and maternity leave to ensure safety and protection of workers under any circumstances. Moreover, the maternity fund is a commitment by the government to prevent discrimination against women in the world of work by shouldering the burden of maternity leave, this commitment should not be withdrawn at these times or post COVID-19.

h. A significant rise in unemployment globally in the wake of COVID-19 is likely. Jordan is not immune to this, which requires prioritised policies and strategies as well as allocated resources, to contain the impact on the labour market, mitigate the problems of the informal sector, and minimise job losses, projected to exceed 80,000.

i. COVID-19 will affect work behaviours and create new working patterns as well as lifestyles, deepening the existing structural problems.

j. Labour issues connect the economy with social justice social cohesion and security. This connection should be strengthened by developing a national inclusive framework and a comprehensive action plan for socio-economic advancement.
Key recommendations

Jordan is facing unprecedented challenges threatening the economy as well as employment opportunities in both the formal and informal sectors. The country, however, can tackle these challenges and seize vital opportunities to overcome the crisis in accordance with the following recommendations:

1. The NAF constitutes a safety net for poor families unable to work. It is the SSC that should provide the required protection for female and male workers, including the daily wage workers and those in the informal sector.

2. The SSC should establish a fund for daily wage workers and out-of-job non-covered workers, providing them with wages during COVID-19 through the unemployment fund, full and partial exemption from subscription fees, and coverage until the end of the year. SSC enrolment can be scheduled at a later stage, with gradual insurance coverage. Funding can be secured through external donors, government donations, and the “Himmat Watan” fund. This would ensure the SSC enrolment of 48% of workers who are currently not covered by the SSC umbrella.

3. As for the formal sector, economic justice necessitates compensation of all female and male workers impacted by COVID-19 through the Unemployment Insurance Fund (UIF). The workers should directly receive their payments as stipulated by law. Disbursement of compensation benefits pursuant to the law ensures justice for all, provides workers and their families with decent living standards, eases the burdens of business owners, guarantees market liquidity, and enhances purchasing power. The UIF should receive additional funding to help carry out its duties (existing assets stand at JOD 250; projected cost estimated at JOD 390).

4. The government should take initiative, prioritising SSC enrolment for women in daily wage workers and out-of-job women, particularly those in the care economy and women running small businesses.
5. The government, through the Ministry of Social Development programmes, should develop special programs to support women working in the care economy and caregivers in daycares, elderly centres and organizations supporting people with disabilities.

6. Working women are entitled to maternity insurance fund benefits, and the 25% fund surplus should be allocated to support and protect working women. Reallocation of the surplus for other purposes constitute a violation of the rights of female workers, whether self-employed or daily wage workers, who are the most deserving of such support.

This policy paper has been prepared and presented to the government stakeholders by:

SADAQA
Worker’s House
Women in Business Arabia
Arab Women Organization
Jordanian Women’s Union
Alliance for Alleviating Violence and Harassment in the World of Work
Phenix Center for Economic Studies
Ibda’a Al Balqa’a for Training
AlBayouda Agricultural Cooperation
Mary Kawar – Former Minister of Planning
Senator Sawsan Majali—Head of Labour and Development Committee
MP Khaled Ramadan – VP Labour, Social Development, and Population Committee
Laila Naffa
Nour Emam
Nisreen Alami
Hania Barqawi