

# ERF Policy Brief

## Job Quality Has Improved for Jordanians Since 2016, But Signs of Vulnerability Remain

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### About the authors

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### In a nutshell

- Despite relatively slow economic and employment growth in Jordan in recent years, there are signs of improving job quality for Jordanians.
- Private sector wage employment is growing rapidly, especially among small and medium enterprises, and efforts to extend formalization of employment have borne fruit.
- There are however continuing barriers to women's employment, a greater intensification of work for those who are employed, and an increase in precarious forms of employment for low-income and low-skill workers.

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## 1. Introduction<sup>1</sup>

Jordan's economy has struggled to create enough jobs due to persistent regional instability and global shocks. Over the past decade and a half, growth has slowed significantly even as the population expanded rapidly following the influx of Syrian refugees since 2012. Although recent data shows a modest uptick in GDP and a slowing of population growth, aggregate labor market indicators are yet to recover. After falling steadily from 35% in 2010 to 26% in 2020, employment rates for Jordanians have remained at these low levels since then. The unemployment rate for Jordanians has declined somewhat from its peak of 24% in 2021 but remains fairly elevated at 21% in 2025.

The results from the latest wave of the Jordan Labor Market Panel Survey (JLMPS) show that the structure of Jordan's labor market has continued to be characterized by high degrees of segmentation between Jordanians and non-Jordanians. Jordanians are increasingly working in formal public and private sector jobs, while non-Jordanians continue to be concentrated in informal and precarious jobs. Efforts to extend social security to Jordanians have borne fruit and have increasingly reached groups of workers that were previously difficult to cover, such as those who work in micro establishment or outside of establishments altogether.

Comparing the 2025 wave of the JLMPS to the two earlier waves in 2010 and 2016, we can see that job growth in private wage employment has accelerated substantially for Jordanians. Employment growth was particularly strong in small and medium enterprises; a phenomenon we refer to as the emergence of the "missing middle" of the Jordanian economy. In terms of industries, employment for Jordanians grew the fastest in the information and communications sector, followed by utilities, accommodation and food services, transportation and storage, manufacturing and mining, and other services. All these sectors grew faster than average. The slowest growing sector was construction, whose employment actually declined from 2016 to 2025 for Jordanians, followed by wholesale and retail trade and education.

While employment appears to be intensifying through increased hours of work and the growth of overemployment – defined as work for more than 48 hours per week – other aspects of job quality are

moving in a positive direction. Besides the expansion of social security coverage, employment for Jordanians is becoming more regular, more likely to benefit from paid vacation and sick leave, and more likely to be covered by employment-provided health insurance. Nonetheless, a growing segment of the Jordanian workforce finds itself in more precarious employment outside fixed establishments, which has been growing rapidly, especially among poorer and less-educated workers.

## 2. The evolution of the structure of employment

As shown in Figure 1, the Jordanian labor market is highly segmented along nationality lines. Jordanians are increasingly concentrated in formal public and private sector jobs, whereas non-Jordanians are increasingly in informal wage employment both in and out of establishments. It is notable though that informal private wage employment outside establishments has grown substantially among Jordanians; a sign of growing employment precarity for some groups.

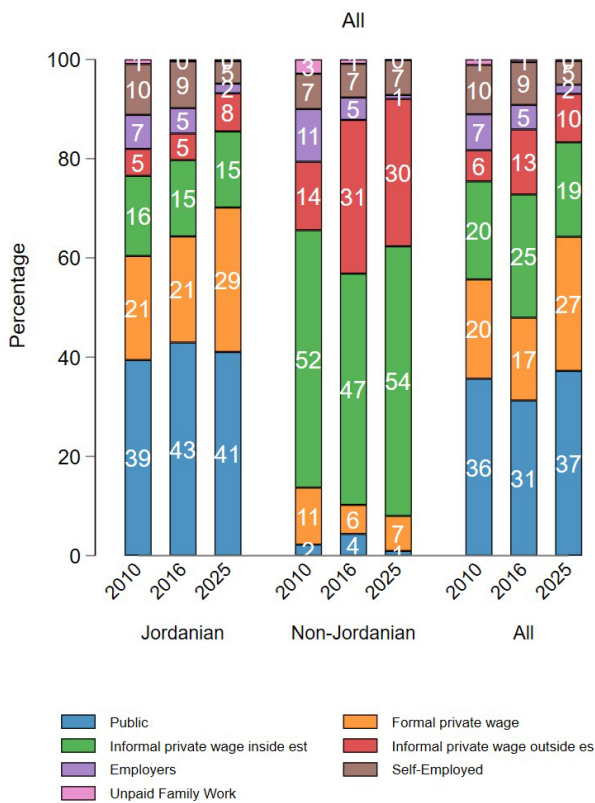
The Jordanian labor market is also highly segmented along gender lines, with women being strongly concentrated in professional occupations in education and health, and more likely to be in the public sector. It is also important to note that rates of growth of female employment have been substantially lower than for male employment. Both men and women have benefited from the rapid growth of employment in the information and communication sector, but women were disproportionately hurt by the slow employment growth education, health and public administration.

One of the most important developments in the Jordanian labor market in recent years has been the dynamic growth of private wage employment, and in particular the emergence of the missing middle in the Jordanian economy. Private sector wage employment among Jordanians has grown at 4.4% per annum (p.a.) in 2016-25, more than twice the rate of overall employment growth (1.9% p.a.) and substantially faster than its growth rate in the 2010-16 period (0.5% p.a.). As shown in Figure 2, this growth was particularly rapid among small enterprises of 5-9 and 10-24 workers and among medium enterprises of 25-49 workers, a phenomenon we refer to as the emergence of the "missing middle" of the economy. It is also notable that employment growth in large enterprise of 100 or more workers has been quite anemic and that private employment growth outside fixed establishments, a particularly precarious form of employment, has also grown rapidly.

<sup>1</sup> This policy brief draws on Assaad and Khraise (2026), which uses data from the recently completed 2025 wave of the Jordan Labor Market Panel Survey to analyze the evolution of employment structure and job quality in Jordan..



Figure 1. The structure of employment by type of employment and nationality, 2010, 2016, 2025



Source: Assaad and Khraise (2026).

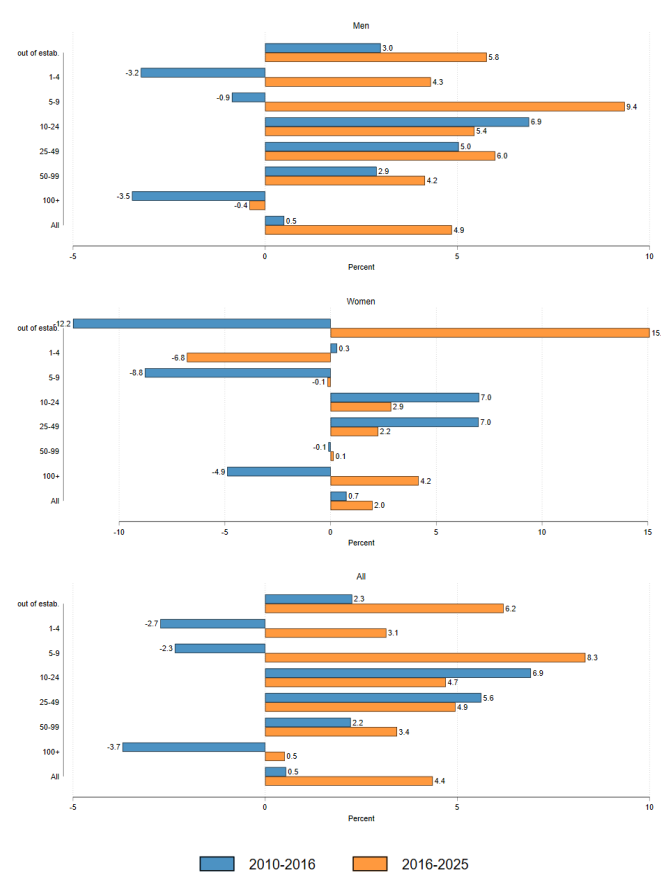
Among women, the growth of private wage employment was substantially slower than for men, and the pattern by establishment size was different. Their fastest employment growth was in large establishments. The more precarious employment outside fixed establishments also grew very rapidly for Jordanian women, but from a very small base.

### 3. The evolution of job quality

The two most important trends in the evolution of job quality in Jordan in the 2016-2025 period were the intensification of employment, as indicated by the rising share of overemployment, and the extension of social security coverage to more workers, particularly hard to cover workers, which likely led to improvements along other dimensions of job quality.

As shown in Figure 3, the share of Jordanian workers in overemployment, which the ILO defines as work for more than 48 hours per week, has grown from 32% in 2010 to 35% in 2025. The increase is noted among both public and private formal wage workers, who have lower shares of overemployment than informal workers and own account workers.

Figure 2. Average annual growth rate of private wage employment by in/out of establishments and establishment size and sex (Jordanians only), 2010-2016, 2016-2025



Source: Assaad and Khraise (2026).

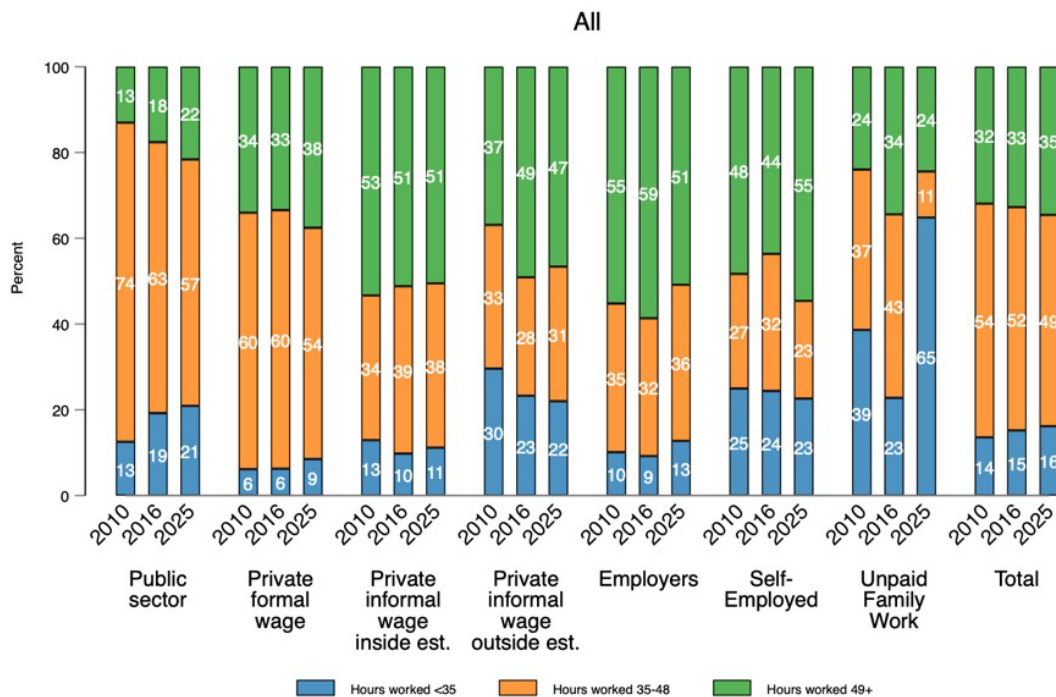
The share of Jordanian workers covered by social insurance has also increased. In Figure 4, we show that trend for Jordanian private sector wage workers by type of wage employment. What is notable in the figure is the substantial increase among hard to cover workers, such workers working outside fixed establishments and in micro and small establishments.

The increase in social insurance coverage or employment formality has had echoes on other dimensions of job quality, including access to paid vacation and sick leave and to employer-provided health insurance.

Another important dimension of job quality is workers' satisfaction with their jobs overall and with different aspects of their work. JLMPS results that Jordanian's satisfaction with their jobs has increased, with the share saying that they are fully satisfied with their jobs rising from 35% in 2016 to 39% in 2025. Employers and unpaid family workers tend to be the most satisfied, followed closely by public sector workers. The least satisfied by

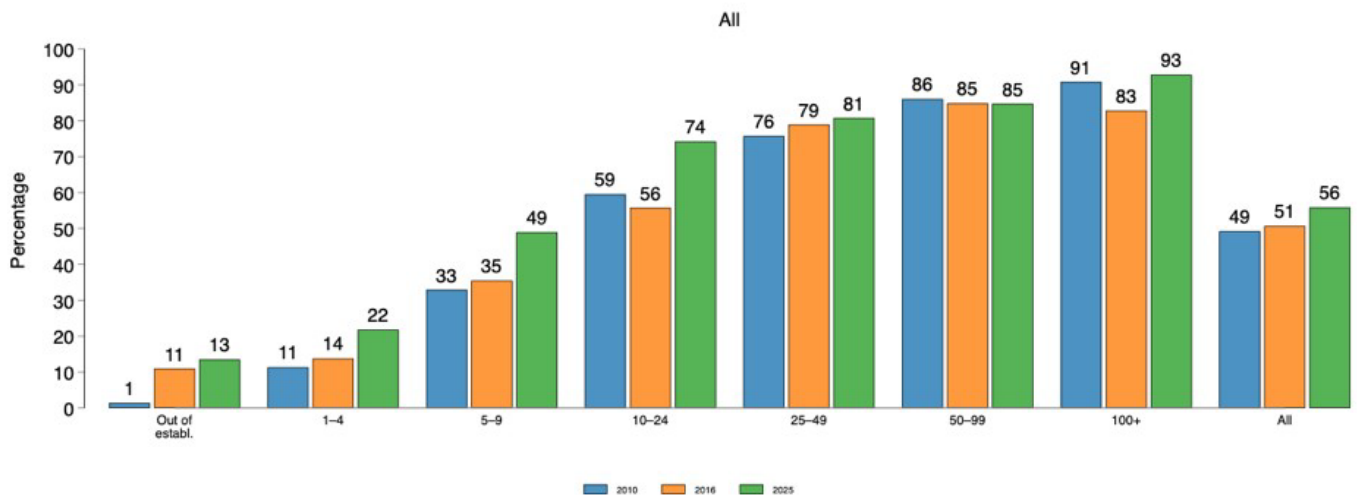


Figure 3. Distribution of employment by category of weekly work hours and type of employment (Jordanians only) 2010, 2016, 2025



Source: Assaad and Khraise (2026).

Figure 4. Share of private wage workers covered by social security, by in/out of establishments and establishment size (Jordanians only), 2010, 2016, 2025



a long shot are informal private wage workers outside fixed establishment, reflecting the very precarious and unprotected nature of these jobs. Informal wage workers as a group are the only group of workers who have experienced an average decline in job satisfaction over time.

#### 4. Conclusions and policy implications

Although employment rates in Jordan have continued to be constrained by slow economic growth, there are signs that the structure of employment for Jordanians has shifted in ways that are conducive to improving job



quality. While the Jordanian labor market continues to be highly segmented along nationality lines, with non-Jordanians relegated to informal and precarious employment, Jordanian workers are experiencing increased formalization of employment as job opportunities in the private sector increasingly shift toward small and medium enterprises. Employment growth was particularly healthy in the information and communications sector, utilities, and accommodation and food services, and to a lesser extent in transportation and storage, manufacturing and mining, and other services. This appears to be especially true in the ICT sector, where employment growth has been concentrated in formal private wage work. It should be noted however that there is also rapid growth of precarious forms of employment among some segments of the Jordanian population, namely informal employment outside fixed establishments, a form of employment that used to be the exclusive purview of non-Jordanian workers.

Besides the change in employment structure, the improving quality of employment in Jordan can be attributed to successful efforts by the government to extend social security coverage to groups of workers that were previously hard to cover, including informal worker outside fixed establishments, and workers in micro and small establishments. This extension of social security coverage appears to have positively affected access to other employment benefits, such as access to paid vacations and sick leave, and employer-provided health insurance.

Important labor market challenges remain. Jordan has the world's second lowest employment rate among women, and the gender gap in access to employment has grown in recent years. Women's employment has been growing much more slowly than that of men, partly because they are more concentrated in the slow growing public sector and care economy sectors. Women's employment is growing rapidly in a few industries such as accommodation and food service and information and communication, but these industries still make up a very small share of female employment in Jordan. One major barrier to women's employment in the private sector is the length of working day, which is not reconcilable with their heavy unpaid care responsibilities. An increasing share of Jordanian private sector workers are working more than 48 hours per week, making impossible for married women, in particular, to take up these jobs. The government should strive to encourage employers to provide opportunities for part-time work and flexible work arrangements. This can be done by reducing the fixed costs of employment by, for example, specifying

the minimum wage and the minimum insurable wage in hourly terms rather than in monthly terms. At the moment, the incentives to employers appear to be to intensify employment by increasing the length of the work week when demand increases rather than by creating new jobs.

### *References*

Assaad, Ragui and Lina Khraise. 2026. "The Evolution of the Structure of Employment and Job Quality in Jordan: 2010-2025." *Economic Research Forum Working Papers Series No. 1827*.



