

ERF Policy Brief

Wage Trends and Inequality in Jordan: 2010-2025

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In a nutshell

- Economic conditions and large migrant inflows have been shaping wage distribution and inequality in Jordan since 2010.
- Wages remained broadly stable between 2010 and 2025, with Jordanians earning more than non-Jordanians.
- Low-paid employment increased sharply by 2025, especially among non-Jordanian and informal workers.
- While median wages remained relatively stable throughout 2010-25, wage inequality increased, especially between 2016 and 2025.
- Inequality was particularly high among vulnerable groups such as non-Jordanian workers, older workers, workers with low skills and education, and those working in the informal private sector.

We acknowledge the financial support of the European Union; the International Labour Organization (ILO) through the EU-Madad funded project 'Towards an inclusive national social protection system and accelerating decent job opportunities for Syrians and vulnerable Jordanians'; the World Bank; UNICEF; UN Women; and the International Growth Centre (IGC) for the Jordan Labor Market Panel Survey 2025, on which this policy brief is based. The findings, interpretations, and conclusions expressed in this work are those of the author(s) and do not necessarily reflect the views of the World Bank, its Board of Executive Directors, or the governments they represent.

1. Introduction

The Jordanian labor market has undergone significant changes over the past decade, influenced by several factors. Real GDP stagnated broadly across almost all industries for most of the study's period (2010-25). This was partly attributed to external imbalances, including the implications of the global financial crisis in 2009, a shortage in energy supplies following the Arab Spring in 2011, and the eruption of the refugee crisis, primarily from neighboring Syria (Almajali, 2023; Malaeb and Wahba, 2018).

Between 2010 and 2019, real GDP growth in Jordan stagnated, with an annual growth rate ranging from 1.8 percent to 3.4 percent and an average of 2.4 percent. The outbreak of the COVID-19 pandemic in 2020 and associated lockdowns led to a sharp decline in the real GDP growth rate, which fell to -1.1 percent. However, a notable recovery occurred in the following year, with growth reaching 3.7 percent before stagnating again for the remainder of the period (World Bank, 2025).

Additionally, since Jordan is a resource-scarce and import-dependent country (Istaiteyeh and Najem, 2023), inflation dynamics are primarily driven by cost-push factors, most notably by fluctuations in oil prices rather than domestic demand pressures. The inflation rate was relatively high in the early 2010s due to high oil prices, but it fell sharply by 2016 with the collapse of oil prices. It increased again in 2018 following higher international oil and food prices, tax reforms, and the depreciation of the US dollar, to which the Jordanian dinar is pegged (Al-Tamimi and Jaradat, 2018). Inflation later declined during the COVID-19 pandemic before rising again after the Russia-Ukraine conflict, which pushed global prices higher.

Jordan is also a net receiver of migrants, including refugees, mainly from neighboring Arab countries. The gap between immigrant and emigrant flows is widening over time because of the steady increase in immigrant flows, particularly after the post-2011 influx of Syrian migrants to Jordan following the war in Syria. In 2010, before the war, the State of Palestine, the Syrian Arab Republic, Iraq, and Egypt were the top countries of origin, with shares of total immigrants of 52.7 percent, 18 percent, 14.4 percent, and 10.3 percent, respectively. Since 2015, Syrian migrants' share of the total migrant population steadily increased from 27.8 percent to 30.2 percent in 2024 (UNDESA, 2022). Nevertheless, it is noteworthy that after the fall of the Assad regime in December 2024, there has been an increase in both actual returns and intentions to return. Between

December 2024 and December 2025, the average number of UNHCR-registered refugees returning to Syria reached 13,633 (UNHCR, 2026).

These developments have raised significant questions about the equitable distribution of wages within the workforce. Understanding wage inequality is essential not only for assessing living standards but also for informing policies that promote inclusive growth and social stability.

In this context, this policy brief examines wage trends, distribution, and inequality in Jordan over the period 2010-25, accounting for the impact of the surge in migrant flows. The study draws on the 2010, 2016, and 2025 waves of the Jordan Labor Market Panel Survey (JLMPS) (OAMDI, 2026).

2. Wage distribution and trends in Jordan (2010-25)

The median real hourly wages in Jordan remained relatively stable from 2010 to 2025 for both Jordanians and non-Jordanians, as shown in Figure 1. For Jordanians, median real hourly wages increased slightly from JOD 2.2 per hour in 2010 to JOD 2.4 in 2016, then decreased to JOD 2.3 in 2025. Median wages for non-Jordanians were considerably lower than those for Jordanians and remained fairly stable over time at JOD 1.3 and JOD 1.4 per hour, respectively.

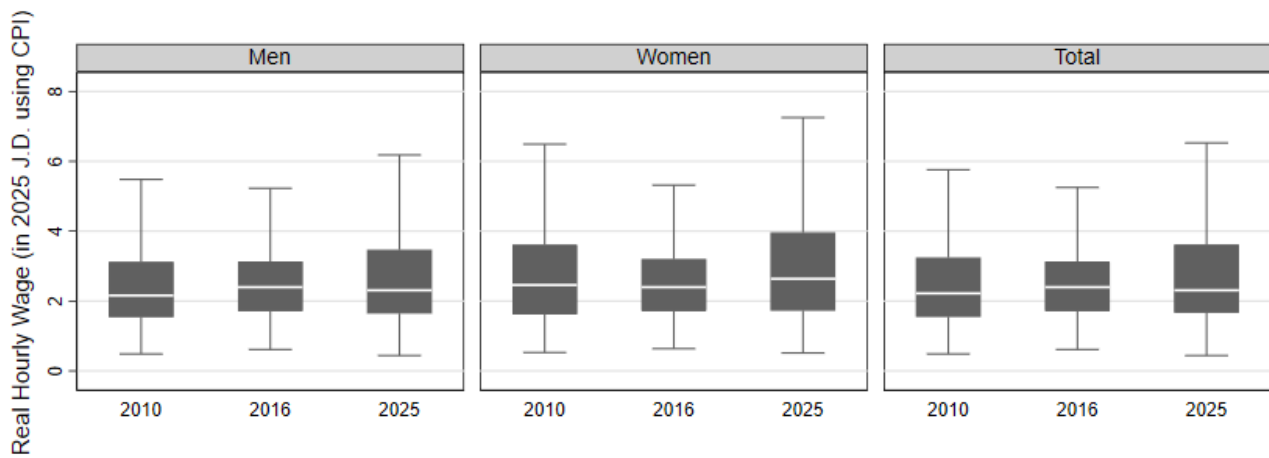
Major differences in median wages are observed across subgroups. There was also a monotonic increase in median wages with age, education, and skills, and a narrowing of the wage gap between education and skill subgroups over time. The wages of public sector workers were consistently higher in Jordan compared to those of private sector workers. This also raised rural workers' wages above those of their urban counterparts because most of them were employed in the public sector.

Relative changes in real hourly wages by wage decile for the periods 2010-16 and 2016-25, both overall and by gender group, are illustrated in Figure 2. During the first period, wages declined across all wage deciles, with the decline stronger in the highest-wage deciles, suggesting a reduction in overall wage inequality. However, inequality expanded notably during the second period. While all wage deciles experienced growth, the growth was sharper among the highest-wage deciles.

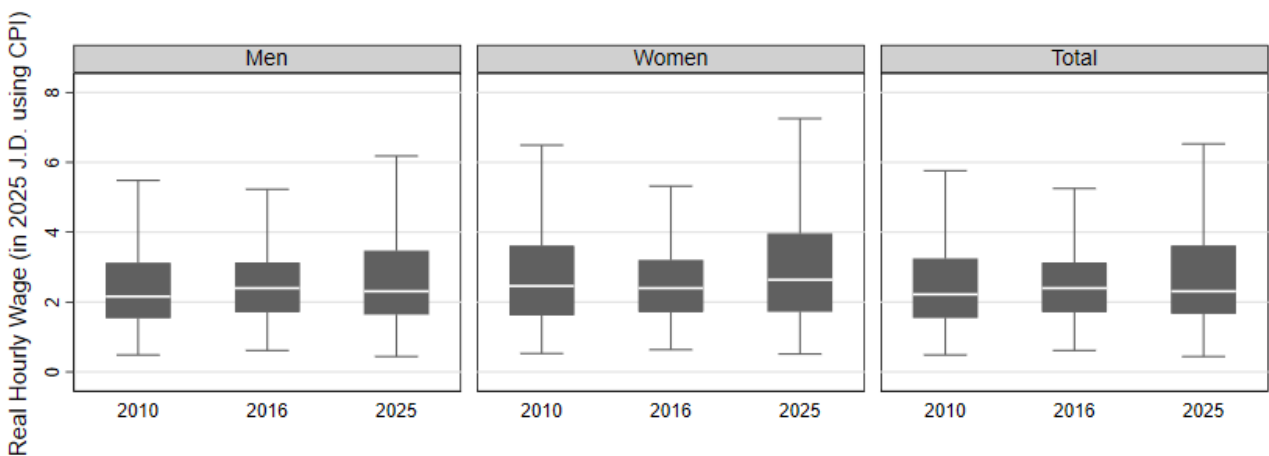


Figure 1. Distribution of real hourly wages (in constant 2025 prices) (primary jobs) by sex for Jordanians and non-Jordanians (2010-25)

A. Jordanians

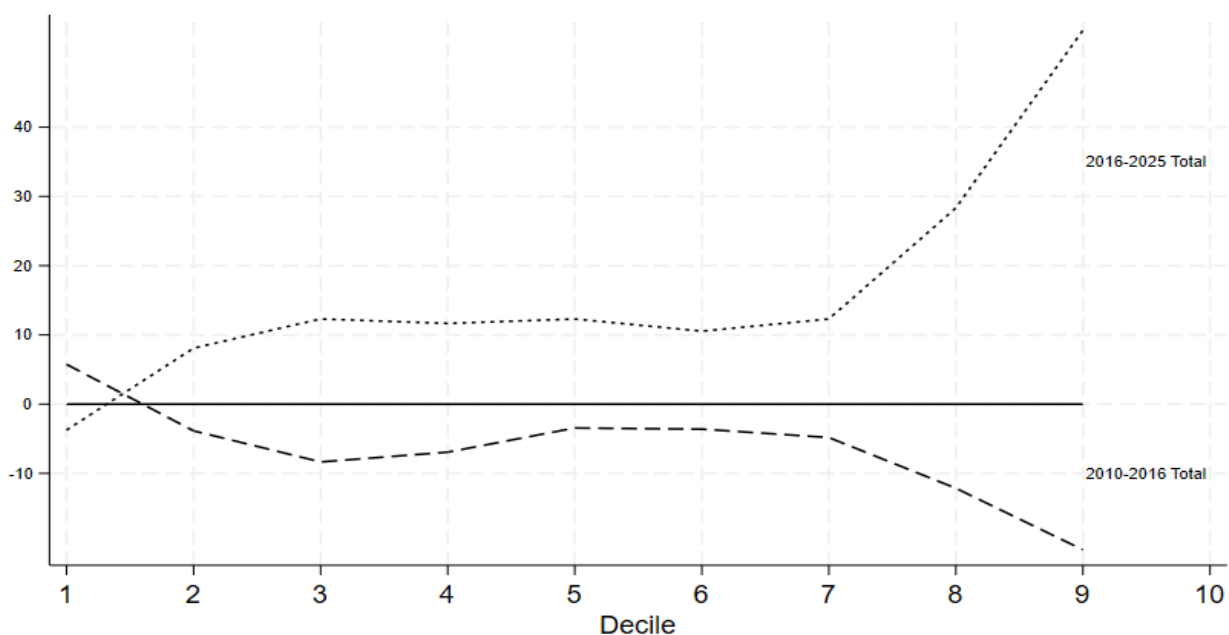


B. Non-Jordanians



Source: Authors' calculations based on the JLMPS (2010, 2016, and 2025).

Figure 2. Relative changes in real hourly wages (in constant Jan. 2025 prices) (primary jobs) by wage deciles



Source: Authors' calculations based on the JLMPS (2010, 2016, and 2025).



3. Minimum wages and working hours

Non-Jordanians were first subject to a minimum wage in 2017, initially set at JOD 150, which was below the JOD 220 floor that applied to Jordanians. By 2025, however, both groups converged to the same minimum wage of JOD 290. Between 2016 and 2025, the proportion of workers earning less than the minimum wage in Jordan increased substantially from five percent to 15 percent, particularly among non-Jordanian workers (see Figure 3).

It is noteworthy that when adjusting for working hours using a minimum hourly wage, the proportion of low-paid workers increased further, from 14 percent in 2016 to 28 percent in 2025, indicating longer working hours, particularly among non-Jordanian workers. This could be partly explained by the concentration of non-Jordanian workers in the private sector—especially in informal employment and domestic work—in which the median working hours for non-Jordanians reach 60 hours per week.

4. Wage Inequality

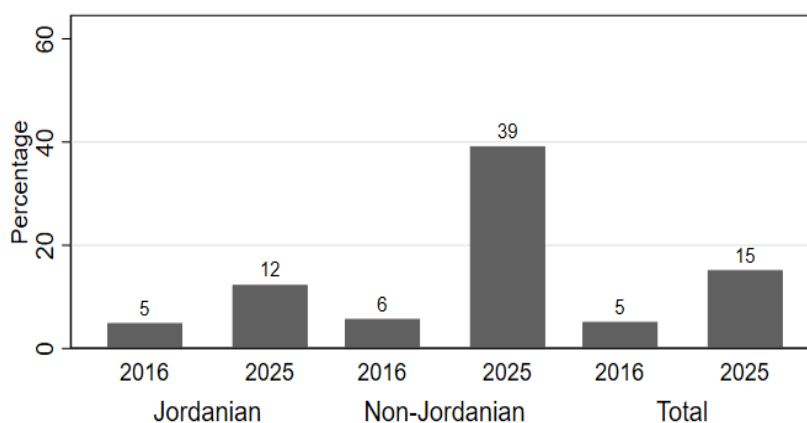
Wage inequality, as measured by the Gini index, fluctuated over time, declining from 41 in 2010 to 33 in 2016 before rising again to 40 in 2025, with the same

pattern observed across all subgroups (see Figure 4). Wage inequality in 2025 was higher among non-Jordanian workers, workers aged 55 and above, and workers with basic education. It also decreased with the skill level of the occupations. It was highest in the informal private sector, followed by the public sector, and lowest in the formal private sector.

Additionally, wage inequality around the median wage reveals that workers at the 10th percentile earned around 50 percent of the median wage in 2010 and 2016, and 40 percent in 2025. The value at the 90th percentile was more than twice the median wage, with a slight decline to 1.9 times the median wage in 2016, but increased sharply to 2.5 times in 2025.

Disparities in wage inequality within groups are depicted in Figure 5, which plots hourly wages by wage decile for subgroups by sex, nationality, and sector. It implies that women earned more than men, largely reflecting employment selection that concentrates women in higher-skilled jobs. Also, non-Jordanian workers earned substantially less than Jordanians and were largely concentrated in low-skilled and informal employment. Sectoral differences further show that public sector workers earned the highest wages across most of the wage distribution, while informal private sector workers consistently earned the lowest wages.

Figure 3. Percentage of workers receiving below the minimum monthly wages (primary jobs) by nationality (2010-25)

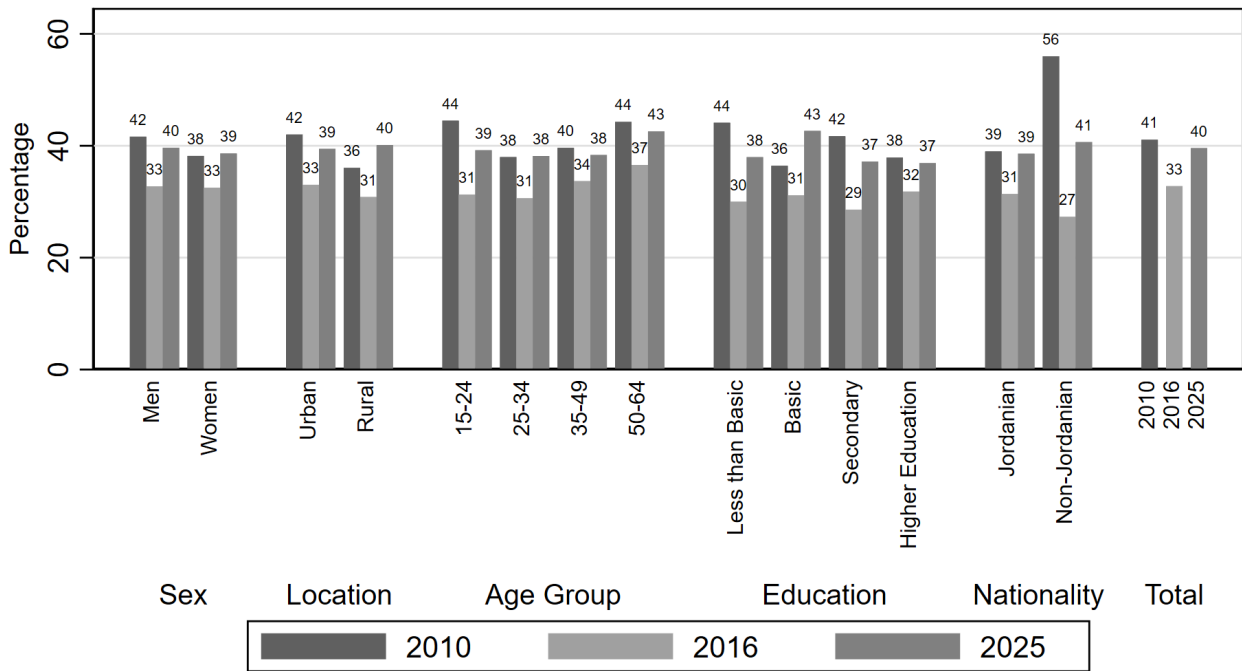


Source: Authors' calculations based on the JLMPS (2010, 2016, and 2025)

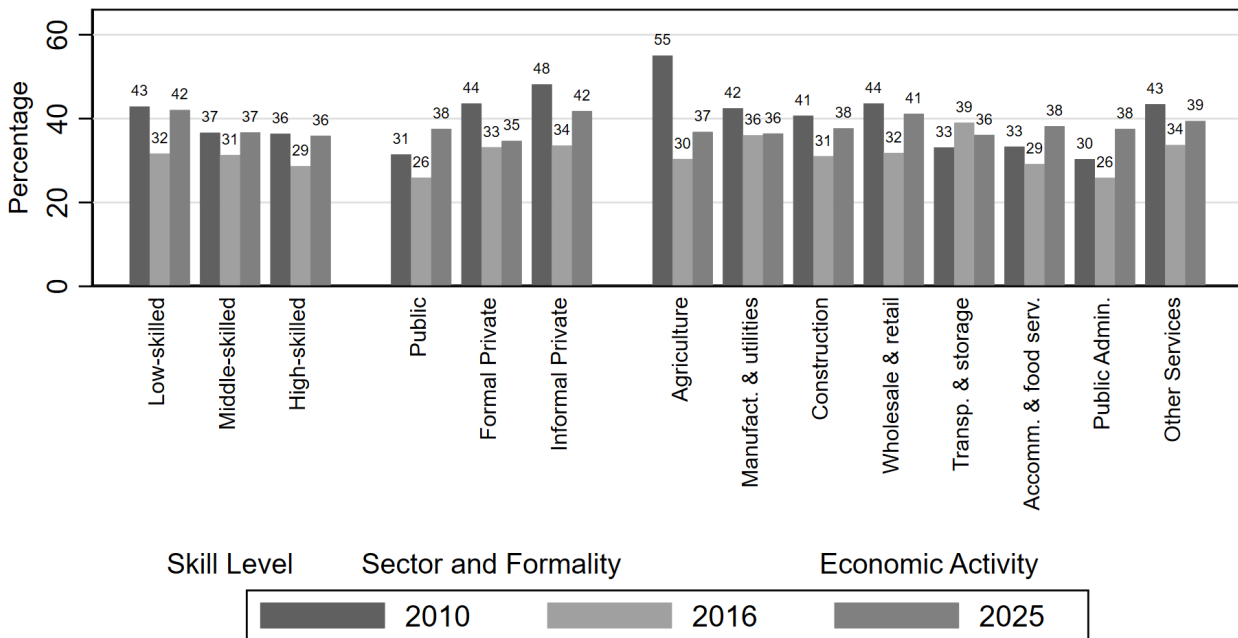


Figure 4. Gini index of hourly wages for primary job (2010-25)

A. Demographic characteristics



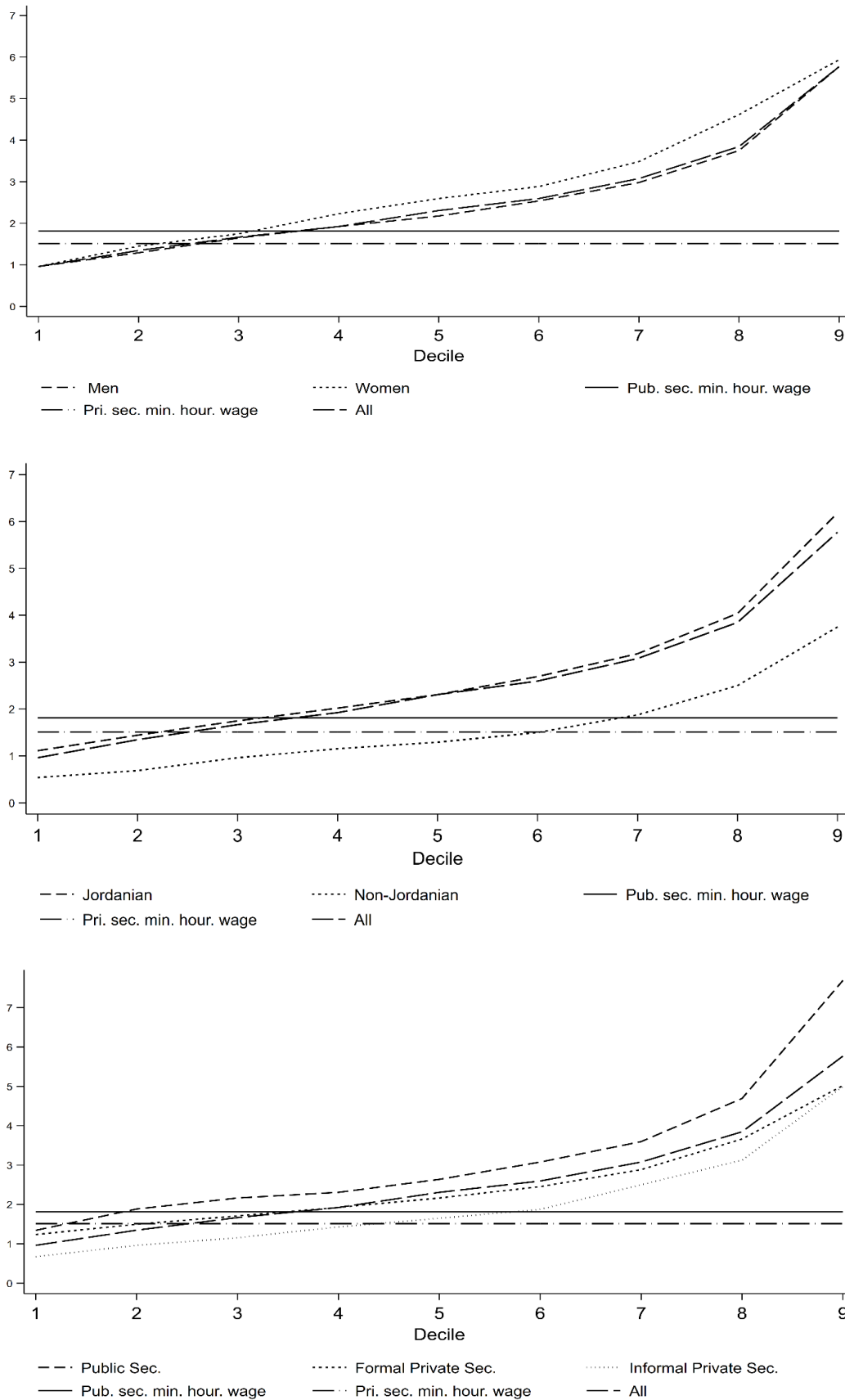
B. Job characteristics



Source: Authors' calculations based on the JLMPS (2010, 2016, and 2025).



Figure 5. Hourly wages deciles by sex, nationality, and sector of employment in Jordan (2025)



Source: Authors' calculations based on the JLMPS (2010, 2016, and 2025).



5. Conclusion and policy recommendations

While the findings suggest that wages were relatively stable over the study period, wage inequality remains a major challenge, particularly following its large increase between 2016 and 2025. Considerable differences in wage inequality persist across subgroups of nationality, gender, location, education, skill level, and employment sector. Groups vulnerable to high levels of inequality include non-Jordanian workers, older workers, workers with low skills and education, and those working in the informal private sector.

Despite efforts to legislate and update the minimum monthly wage in Jordan, wages have not evolved at the same pace. Thus, strengthening labor market regulation and law enforcement should be a key priority. Furthermore, legislation must account for sectoral variations in working hours and the enforceability of the law, especially in the private sector.

Additionally, since informal private-sector workers consistently experience low wages and high levels of inequality, policies should target the expansion of formal employment opportunities and facilitate the transition to formal employment.

Last but not least, given the concentration of non-Jordanians in low-paid jobs and the existing wage gap between Jordanians and non-Jordanians, policies need to target the integration of migrants into the formal segment of the labor market to ensure that they are covered by labor market regulations as a way to ensure fair competition with Jordanian workers.

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