

ERF Policy Brief

From Pressure to Prosperity: Can Jordan Translate Demographic Change into A Dividend?

Caroline Krafft, Ragui Assaad
and Nouf Abushehab

About the authors

Caroline Krafft is an Associate Professor at the Humphrey School of Public Affairs at the University of Minnesota.

Ragui Assaad is Professor and Freeman Chair for International Economic Policy at the Humphrey School of Public Affairs at the University of Minnesota. He is an ERF Research Fellow.

Nouf Abushehab is a PhD Student at the Department of Economics at Trinity College Dublin.

In a nutshell

- Jordan's population growth has slowed over 2016-2025
- The total fertility rate in Jordan has dropped from 3.4 births per women in 2016 to 2.4 births per woman in 2025
- Jordan's population is increasingly educated, women more so than men for recent cohorts
- These demographic trends provide an opportunity for Jordan to capture a demographic dividend – but only if the labor market can deliver decent work
- Jordan's efforts to align education and human resources development under the 2026 Education and Human Resources Development Law are an important step towards aligning labor supply and labor demand
- These efforts need to be informed by more and better data to inform policymaking

This policy brief is an output of a project funded by the International Growth Centre (the IGC): "Jordan Labor Market Panel Survey 2024 Data Collection" ERF gratefully acknowledges the generous financial support provided by the London School of Economics and Political Science toward the implementation of the project.

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

Jordan has struggled with worsening labor market outcomes over the 2010 to 2025 period. For instance, labor force participation rates have dropped from an already low 44 percent in 2010 to 38 percent in 2025. Yet demographic trends in Jordan show promise for a long-run turnaround, if Jordan can take advantage of a possible demographic dividend. There are two key demographic shifts that are fueling this demographic potential: diminishing labor supply pressures and an increasingly educated population.

This brief draws on Krafft, Assaad, and Abushehab's (2026) analysis of the Jordan Labor Market Panel Survey (JLMPS) 2010, 2016, and 2025 waves (OAMDI 2026; Krafft, Assaad, and Ragab 2026) to explore the long-term demographic drivers of labor supply in Jordan. The brief also discusses the policies that will be needed to translate Jordan's demographic opportunity into a demographic dividend.

Population growth in Jordan has slowed, with the working age population remaining stable at 5.8 million adults aged 15-64 over 2016 to 2025. The total fertility rate (TFR) has fallen from 3.4 births per woman in 2016 to 2.4 births per woman in 2025. Thus, on the demographic front, there are no new labor supply pressures. In future decades there will be appreciably less pressure on the labor market from new entrants.

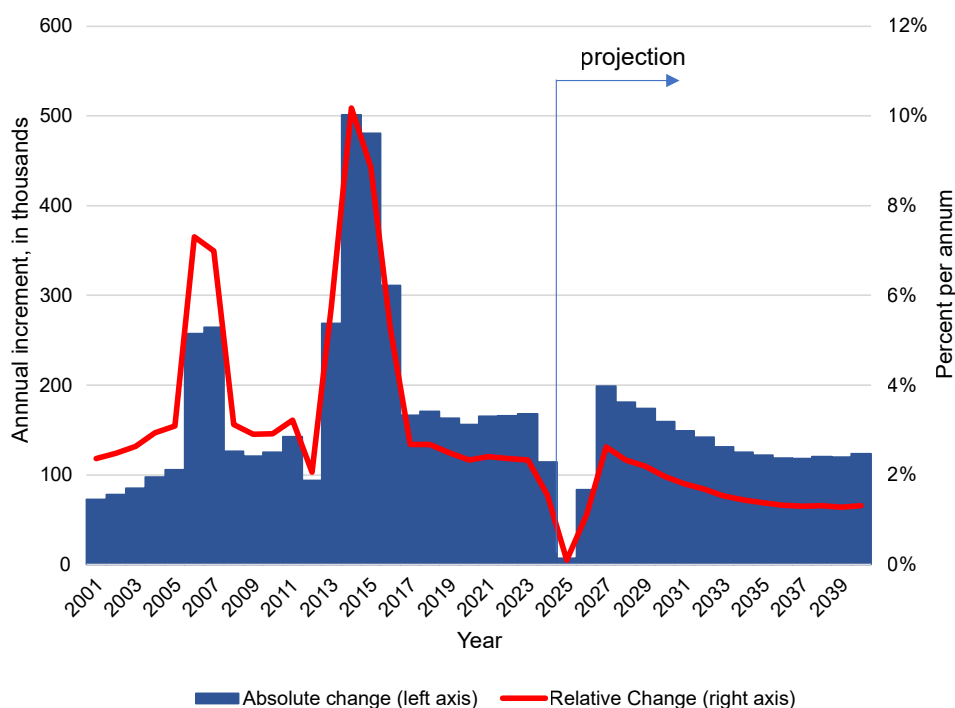
At the same time, Jordan's population has become increasingly educated. Women's average years of schooling has exceeded men's for some time. Recent cohorts have attained higher levels of education, for instance more than 30 percent of recent cohorts have completed university education. Jordan thus has a highly educated labor supply, with long-term reductions in pressures from labor market entrants.

What will it take to translate this demographic opportunity into a demographic dividend? Ensuring there is enough labor demand to generate high-wage, high-skill, decent jobs must be paired with ensuring the education and training systems deliver in-demand skills, not just credentials.

2. Diminishing population pressures

According to UN population projections, the growth rate of Jordan's working age population (aged 15-64) has declined from a peak of 10 percent per annum (p.p.a.), at the height of the Syrian refugee influx in 2014, to almost 0 p.p.a. in 2025, when Syrians began to return to Syria (Figure 1). The continued return of Syrian refugees to Syria may further ease population pressures (Krafft and Tamim 2026; UNHCR 2025). The growth of the working age population is projected to temporarily increase to 2.6 p.p.a. by 2027, only to

Figure 1. Actual and projected annual absolute (increment in thousands) and relative (percent per annum) change in Jordan's working age population (aged 15-64), 2001-2040



Source: Authors' calculation from World Population Prospects, 2024 revision (UN Department of Economic and Social Affairs, Population Division 2024).



gradually decline to 1 p.p.a. by the late 2030s. This translates into an annual increment to the working age population of 200 thousand in 2027, gradually declining to about 120 thousand in the late 2030s.

Jordan continues to have a youthful population structure, but the youth share in the population has declined. While 58 percent of the population was aged 0-24 in 2010, this share was 48 percent in 2025.

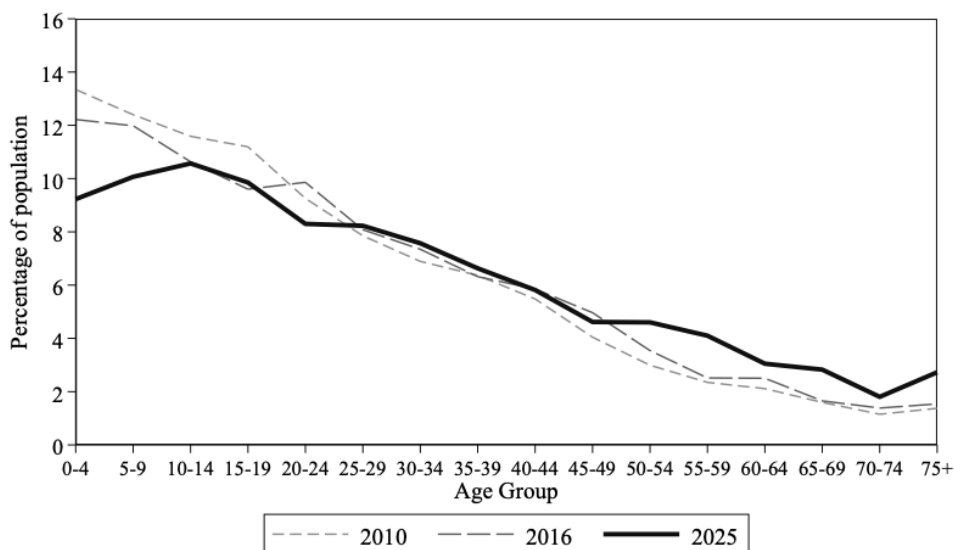
Figure 2 shows the most notable shift in the age structure in 2025 was a fall in the percentage of the population in the youngest age group, aged 0-4, relative to previous years (from 13 percent in 2010 to 9 percent

in 2025). There were also relatively fewer 5-9-year-olds and 20-24-year-olds in 2025 compared to previous waves; the latter group is particularly pertinent in terms of near-term labor market pressures. The trends in terms of fewer younger children are currently affecting health and education systems but will take some time to impact the labor market.

3. Declining fertility

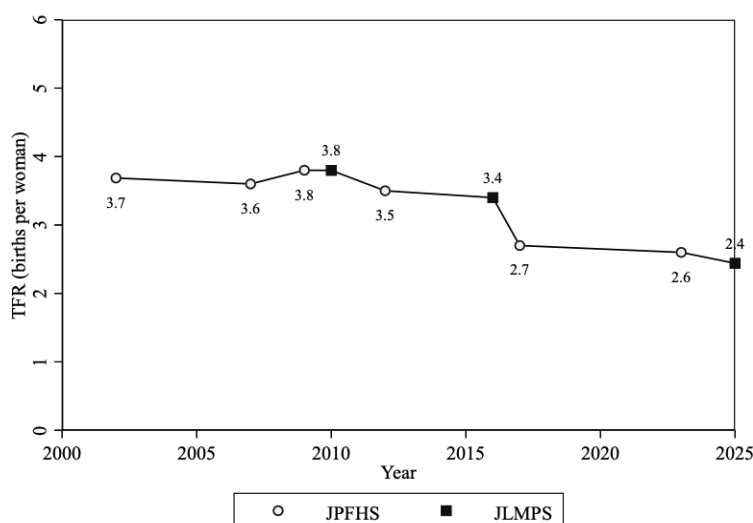
Jordan is once again progressing in its demographic transition after a period of fertility stall. Figure 3 shows the TFR in Jordan from 2000 to 2025 based on the JLMPS and data from the Jordanian Population and Family

Figure 2. Population structure of Jordan (percentage in five-year age group), 2010-2025



Source: Authors' calculations based on JLMPS 2010-2025

Figure 3. Total fertility rate (TFR, births per woman), 2002-2025



Source: Authors' calculations based on JLMPS 2010-2025 and JPFHS (Department of Statistics (DoS) [Jordan] and ICF 2024)

Notes: Based on the three years preceding each survey.



Health Survey (JPFHS) (Department of Statistics (DoS) [Jordan] and ICF 2024).¹ In 2025, Jordan’s TFR has reached the lowest rate to date, of 2.4 births per woman. This is a considerable decline from the 3.6-3.8 births per woman found over the 2002-2010 period. Jordan had remained in a fertility stall through 2016 (TFR of 3.4) (Krafft et al. 2021). However, since the 2017 JPFHS fertility has been much lower; 2.7 births per woman in 2017, 2.6 births per woman in 2023, and 2.4 births per woman in 2025. In the long term, this trend will affect demographic pressures that shape labor market entry trends.

4. Rising education

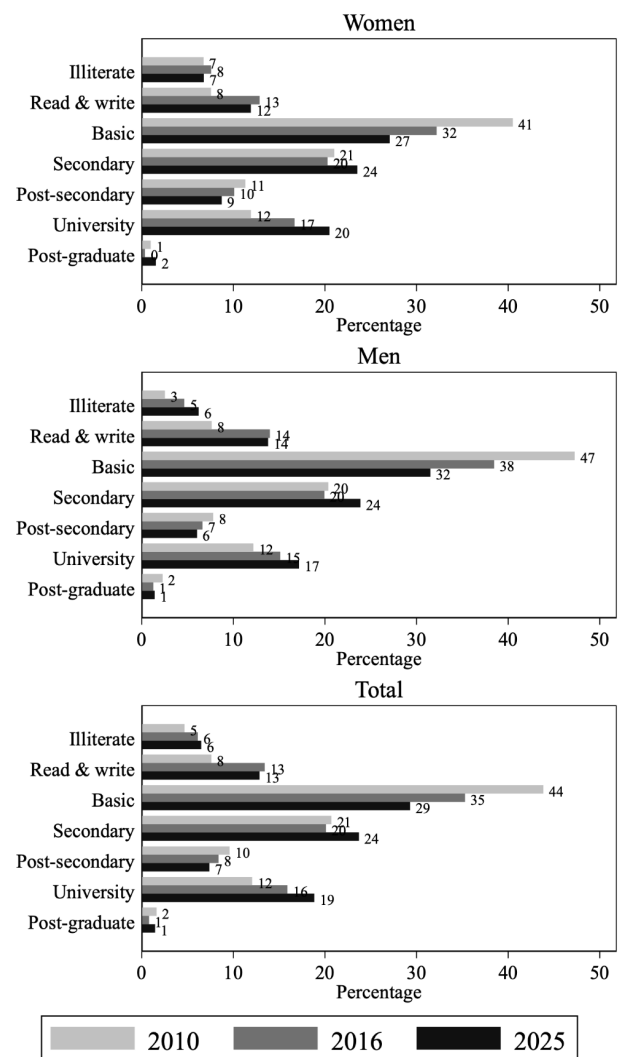
Jordan historically invested in education (Assaad and Saleh 2018). Even cohorts born in the 1960s averaged nine years of education. Younger cohorts born in the 1990s have around 12 years of education on average. While there was an almost two-year gap in years of education in favor of men over women for those born around 1960, educational attainment by sex converged by mid-1970s cohorts, and a gap developed in favor of women who, in the youngest cohorts have, on average, nearly two more years of schooling than their male counterparts.

These investments have led to low rates of illiteracy among Jordanian adults aged 25-64 (6 percent, per Figure 4). As of 2025, 29 percent of Jordanian adults had a basic degree, 24 percent a secondary degree, 7 percent a two-year post-secondary degree, 19 percent a university degree, and 1 percent a post-graduate degree. Among recent cohorts (not shown), around 30 percent are obtaining university degrees; women are more likely to obtain higher education than men.

Jordan thus has a highly educated population – but is struggling to take advantage of its investments in human capital. For instance, only half of employed young men and three quarters of employed young women with higher education are in jobs that require higher education (Assaad et al. 2021). Some youth skills exceed job requirements – such as for literacy or computer skills – while other skills fall short, such as for customer service (Assaad et al. 2021). Only 41 percent of all the employed are fully satisfied with the match between their qualifications and their jobs (Assaad and Khraise 2026). Jordan is thus struggling to translate education into decent work that leverages its human capital.

¹The TFR when restricting to Jordanians only is either the same or within 0.1 births per woman of the total.

Figure 4. Educational attainment (percentage), by sex, Jordanians, ages 25–64, 2010, 2016, 2025



Source: Authors’ calculations based on JLMPS 2010-2025

5. Translating demographic shifts into demographic dividends

Lower fertility, slower population growth, and rising education levels are promising trends for Jordan’s labor market to experience a demographic dividend, especially in the long term. However, a key challenge is translating demographic opportunity into a true dividend. For this to happen, Jordan’s increasingly educated population must find high-skilled, high-productivity, decent jobs. Currently, Jordan is struggling with low labor force participation, high unemployment, and symptoms of mismatch between the educated population and the jobs available (Assaad et al. 2021; Krafft, Assaad, and Abushehab 2026; Assaad and Khraise 2026).

Fundamentally, Jordan requires stronger labor demand, which rests on a supportive macroeconomic environment



and facilitating private sector growth. Jordan has been making progress in this regard. Private sector wage employment for Jordanians grew at a rate of 4.4 p.p.a. from 2016 to 2025, more than twice the rate of growth of overall Jordanian employment (1.9 p.p.a.) (Assaad and Khraise 2026).

Jordan is also undertaking an important effort to better align human capital and labor market needs with its 2026 Education and Human Resources Development Law, establishing “a unified Ministry of Education, Teaching and Human Resources Development, intended to oversee all stages of education, from early childhood to higher education and vocational training” (Khatatneh 2026).

However, Jordan will face important challenges in aligning the education system with labor demand without more and better data on the labor market. Jordan’s Employment and Unemployment Survey (EUS) does not capture key information on issues such as wages and skills. Although collected quarterly, the EUS microdata that do exist are only publicly available through 2018 (OAMDI 2025). Enterprise surveys have limited coverage and lack detailed data on workers and their wages.

Jordan would benefit from a substantial re-design of its establishment survey to capture detailed data on employment by sector, occupations, the skills and education they demand, the wages they garner, and vacancies (see, for example CAPMAS (2025) and CAPMAS (2026)). Furthermore, capturing wages, education, and skills requirements in the EUS could provide an additional source of information on where high-wage, high-skill jobs are and which ones are growing. Together, this information could feed into labor market information systems as well as education planning.

One model for disseminating such data is an occupational outlook (see, for example, Ministry of Planning, Economic Development, and International Cooperation 2025). Better information can inform planning and overcome weak signals from the labor market (Assaad et al. 2018). Ultimately, such data to inform planning can help Jordan translate its demographic opportunity into a demographic dividend.

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 Paper Series No. 1827.
- Assaad, Ragui, Caroline Krafft, and Djavad Salehi-Isfahani. 2018. “Does the Type of Higher Education Affect Labor Market Outcomes? Evidence from Egypt and Jordan.” *Higher Education* 75 (6): 945–95. <https://doi.org/10.1007/s10734-017-0179-0>.
- Assaad, Ragui, Caroline Krafft, Maia Sieverding, et al. 2021. *Youth Transitions to Adulthood in Jordan: High Aspirations, Challenging Realities*. UNICEF.
- Assaad, Ragui, and Mohamed Saleh. 2018. “Does Improved Local Supply of Schooling Enhance Intergenerational Mobility in Education? Evidence from Jordan.” *World Bank Economic Review* 3 (1): 633–55.
- CAPMAS. 2025. *Annual Bulletin of Employment, Wages, and Hours of Work Statistics 2024*. Nos. 71-12213–2024. Central Agency for Public Mobilization and Statistics. <https://www.capmas.gov.eg/publications/15>.
- CAPMAS. 2026. *Labour Demand and Labour Market Skill Needs Bulletin 2024*. Nos. 71-12233–2024. Central Agency for Public Mobilization and Statistics. <https://www.capmas.gov.eg/publications/190>.
- Department of Statistics (DoS) [Jordan] and ICF. 2024. *Jordan Population and Family and Health Survey 2023*. DoS and ICF.
- Khatatneh, Ahmad. 2026. “Lower House Discusses 2026 Education, Human Resources Development Law.” *Jordan Times*. <https://jordantimes.com//news/local/lower-house-discusses-2026-education-human-resources-development-law>.
- Krafft, Caroline, Ragui Assaad, and Nouf Abushehab. 2026. “The Evolution of Labor Supply in Jordan through 2025.” Economic Research Forum Working Paper Series No. 1823.
- Krafft, Caroline, Ragui Assaad, and Sara Ragab. 2026. “Introducing the Jordan Labor Market Panel Survey 2025.” Economic Research Forum Working Paper Series No. 1822.
- Krafft, Caroline, Elizabeth Kula, and Maia Sieverding. 2021. “An Investigation of Jordan’s Fertility Stall and Resumed Decline: The Role of Proximate Determinants.” *Demographic Research* 45 (19): 605–52. <https://doi.org/10.4054/DEMRES.2021.45.19>.
- Krafft, Caroline, and Abdulrazzak Tamim. 2026. “Syrian Refugees in Jordan: Demographics, Labor Market Outcomes, and Wellbeing through 2025.” Economic Research Forum Special Working Paper Series No. SWP 2026-8.
- Ministry of Planning, Economic Development, and International Cooperation. 2025. “Occupational Outlook.” <https://occupational-outlook.mped.gov.eg/>.
- OAMDI. 2025. “Harmonized Labor Force Surveys (HLFS).” EUS various years - Department of Statistics (DOS), The Hashemite Kingdom of Jordan. Egypt: Economic Research Forum (ERF). Version 1.0 of licensed data files. OAMDI. <http://erf.org.eg/data-portal/>.
- OAMDI. 2026. *Labor Market Panel Surveys (LMPS)*. Version 1.1 of Licensed Data Files; JLMPS 2025. www.erfdataportal.com.
- UN Department of Economic and Social Affairs, Population Division. 2024. “World Population Prospects 2024 Online Edition.” <https://population.un.org/wpp/>.
- UNHCR. 2025. “Situation Syria Regional Refugee Response.” <https://data.unhcr.org/en/situations/syria/location/36>.



