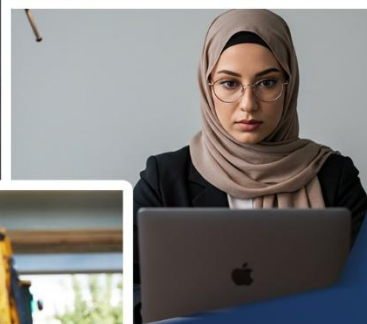




منتدى الاستراتيجيات الأردني
JORDAN STRATEGY FORUM

In Facts and Figures - An In-Depth Analysis of the Unemployment Reality in Jordan

July 2025



**Policy
Brief**



منتدى الاستراتيجيات الأردني JORDAN STRATEGY FORUM

The Jordan Strategy Forum (JSF) is a not-for-profit organization, which represents a group of Jordanian private sector companies that are active in corporate and social responsibility (CSR) and in promoting Jordan's economic growth. JSF's members are active private sector institutions, who demonstrate a genuine will to be part of a dialogue on economic and social issues that concern Jordanian citizens. The Jordan Strategy Forum promotes a strong Jordanian private sector that is profitable, employs Jordanians, pays taxes and supports comprehensive economic growth in Jordan.

The JSF also offers a rare opportunity and space for the private sector to have evidence-based debate with the public sector and decision-makers with the aim to increase awareness, strengthening the future of the Jordanian economy and applying best practices.

For more information about the Jordan Strategy Forum, please visit our website at www.jsf.org or contact us via email at info@jsf.org. Please visit our Facebook page at Facebook.com/JordanStrategyForumJSF or our Twitter account [@JSFJordan](https://twitter.com/JSFJordan) for continuous updates about Jordan Strategy Forum.



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Policy Brief: A concise document that presents evidence-based analysis and offers practical recommendations to address specific issues or challenges, helping decision-makers develop effective, fact-based policies.

To evaluate the study



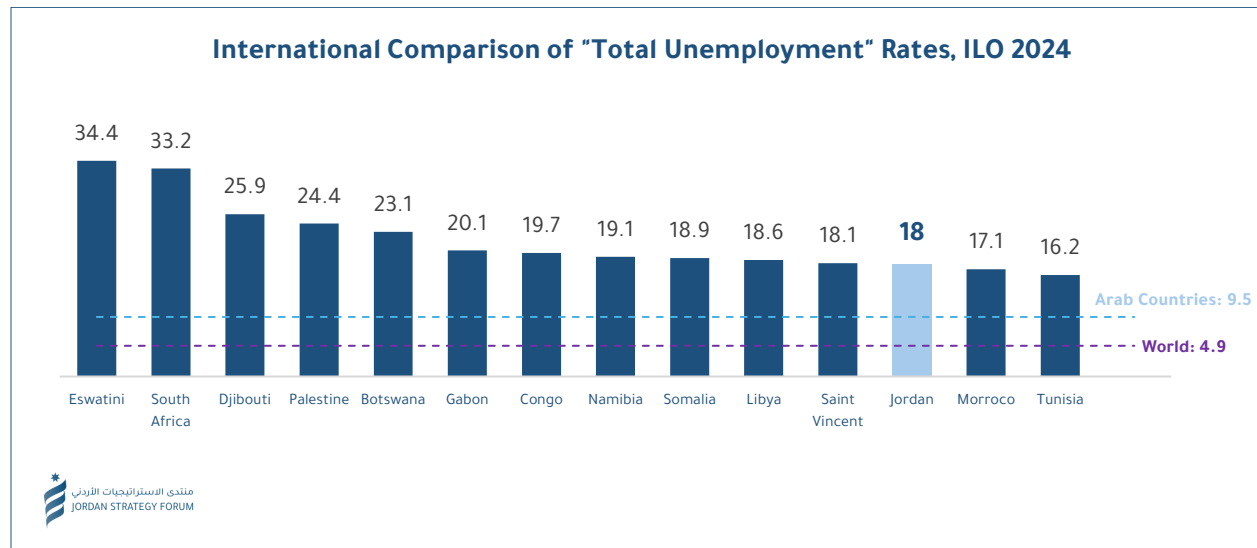
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Introduction

Unemployment is a persistent challenge which faces the Jordanian economy. There is hardly any published research paper, national policy, or a development policy that does not mention this challenge. Indeed, unemployment is often referred to as the **"economy's dilemma"** due to its close connection with living standards, social stability, and growth opportunities, especially among the youth and university graduates.

The International Labor Organization (ILO) adopts a unified methodology for calculating the **"Total Unemployment Rate"** across countries. While its definition includes all residents of a country (citizens and non-citizens), many countries focus on measuring the unemployment rate among their citizens only.

Based on the ILO's 2024 figures, Jordan ranks **12th out of 187** countries in terms of the **total unemployment rate (18%)**. This observation reflects the depth of the Jordanian challenge compared to other nations. Indeed, Jordan's figure is nearly double the average of the Arab countries and about four times the global average.



Based on the official figures published by the Department of Statistics (DOS), during the 1st quarter of 2025, the total unemployment rate in Jordan stood at 16.6%. This figure includes an unemployment rate of 21.3% among Jordanians and 9.7% among non-Jordanians. This notable discrepancy between the two rates raises critical questions about the role of non-Jordanian labor and its impact on lowering the total unemployment rate at the national level.

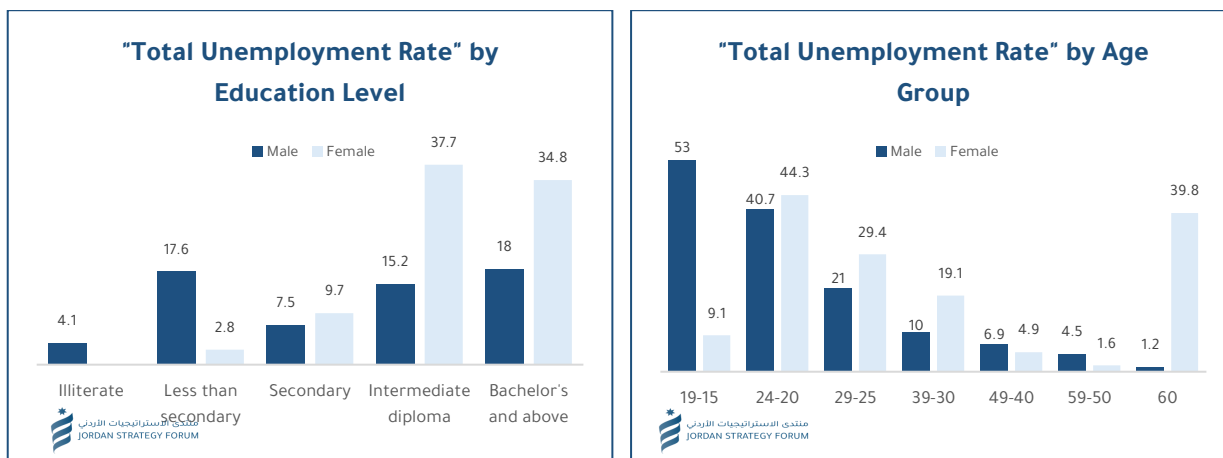
Relative to the above-mentioned observations, the objective of this Policy Brief, published by the Jordan Strategy Forum (JSF) is to provide a detailed analysis of the labor market in Jordan. The overall objective is to provide policymakers and decision-makers with a more accurate picture of the unemployment dilemma among Jordanians and how to address it.

- In section 2, we outline several observations about the total unemployment rate and its distribution among citizens and non-citizens.
- In section 3, we outline several recommendations whose objective is to reduce the unemployment rate among Jordanians.

1. Some Observations on the Total Unemployment Rate and its Distribution:

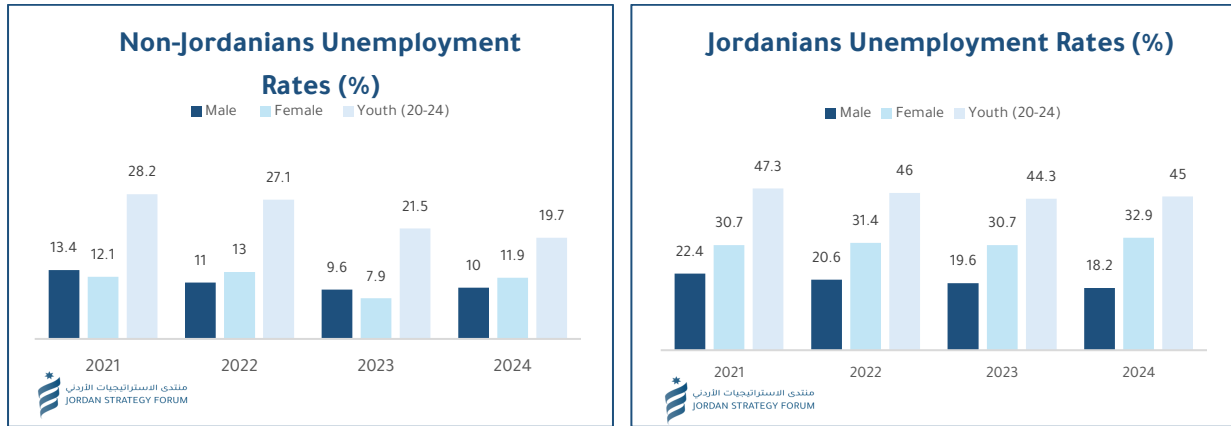
1.1 Total Unemployment Rate and its Distributions:

- During the 1st quarter of 2025, the total unemployment rate is equal to 16.6%. Among Jordanian and non-Jordanians, this rate is equal to 21.3% and 9.7%, respectively. However, in terms of age and education distribution, the published rates are more challenging.



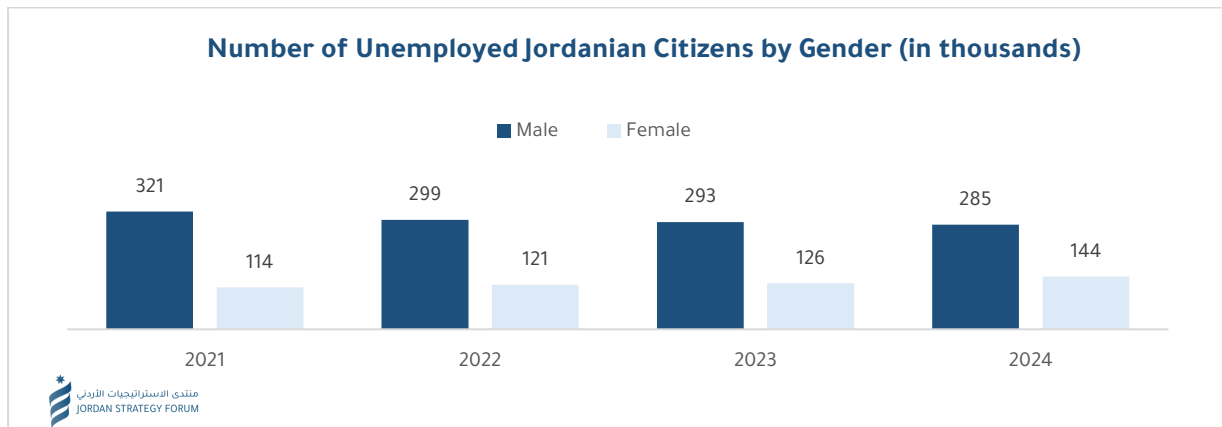
Source: Department of Statistics database, Employment and Unemployment Statistics, 2025

- Over time, the unemployment rates reflect a downward trend. Indeed, during the past four years, for Jordanians and non-Jordanians, these rates decreased by 2.7 and 3.0 percentage points, respectively. The decrease in unemployment among Jordanians was largely due to a 4.2 percentage points drop in male unemployment, 2.3 percentage points drop among youth (20-24 years old), and a 2.2 percentage points increase among unemployed females.



Source: Department of Statistics Database, Employment and Unemployment Statistics

- The unemployment rate among Jordanian males and females stood at **18.2% and 32.9%**, respectively. However, the absolute numbers reveal a different picture. While the number of the male unemployed is equal to **285,000** individuals, the female unemployed individuals is equal to **144,000**. In other words, the unemployment challenge among Jordanians is more significant for males than females.



Source: Department of Statistics Database, Employment and Unemployment Statistics

1.2 The Size of the Non-Jordanian Labor Force: JSF Estimates

To explain the decline in the total unemployment rate, it is worth noting that the JSF looked at the equation used by the DOS:

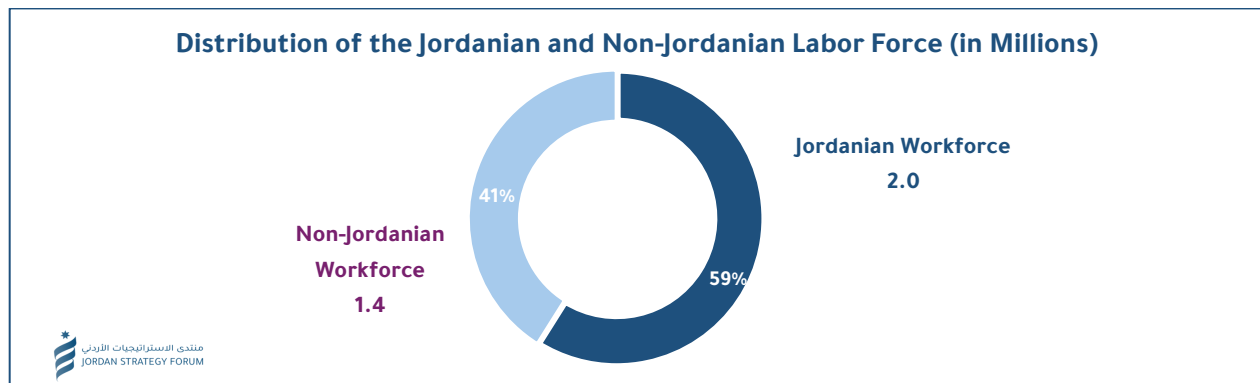
$$\text{Total Unemployment Rate} = \frac{\text{Numbers of Unemployed (Jordanians + non-Jordanians)}}{\text{Labor Force* (Jordanians + non-Jordanians)}}$$

*Labor Force = Employed + Unemployed

Due to the lack of official data on the non-Jordanian labor force, we relied on available figures and estimation ratios to approximate its size. This approach provides a deeper understanding of the labor market in Jordan, including the underlying reasons for the disparity in unemployment rates between Jordanians and non-Jordanians, as well as their respective impact on the total unemployment rate.

Based on the unemployment rate equation and the 2024 data from DOS, the following observations are made:

- The total unemployment rate stood at 16.8%. Among Jordanians and non-Jordanians, this rate is equal to 21.4% and 10.3%, respectively.
- The **total Jordanian labor force is estimated at around 2.01 million individuals** (1.58 million employed persons, and 430,000 unemployed).
- Based on these figures and ratios:
 - o In 2024, **the non-Jordanian labor force is equal to approximately 1.42 million individuals**.
 - o The number of **employed non-Jordanians is estimated at about 1.28 million**, while the number of unemployed non-Jordanians is around 147,000 individuals.

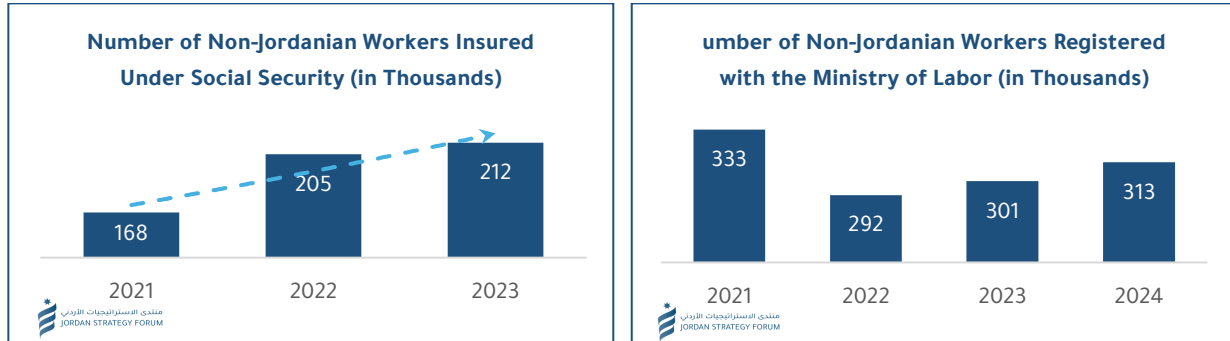


Source: Jordan Strategy Forum estimates based on the Department of Statistics database (2024).

The above-mentioned figures indicate that non-Jordanian labor represents a significant portion of the labor market, and their unemployment rate is considerably lower than that for Jordanians. Indeed, this is the reason behind the total unemployment rate being less than the rate for Jordanians only.

Within the same context, the data shows that the number of employed non-Jordanians is equivalent to approximately 80% of the total number of employed Jordanians. In other words, **for every 10 Jordanian workers, there are about 8 non-Jordanian workers**. This observation implies that the local labor force faces intense competition from migrant workers in the labor market. In addition, the estimates suggest that the **number of employed non-Jordanians is more than three times the number of the unemployed Jordanians** in the labor market.

It is also worth noting that, according to the Ministry of Labor statistics (2024), the number of registered non-Jordanian workers is around 313,000 individuals. Meanwhile, the number of non-Jordanian workers registered with the Social Security Corporation in 2023 is around 212,000 individuals.

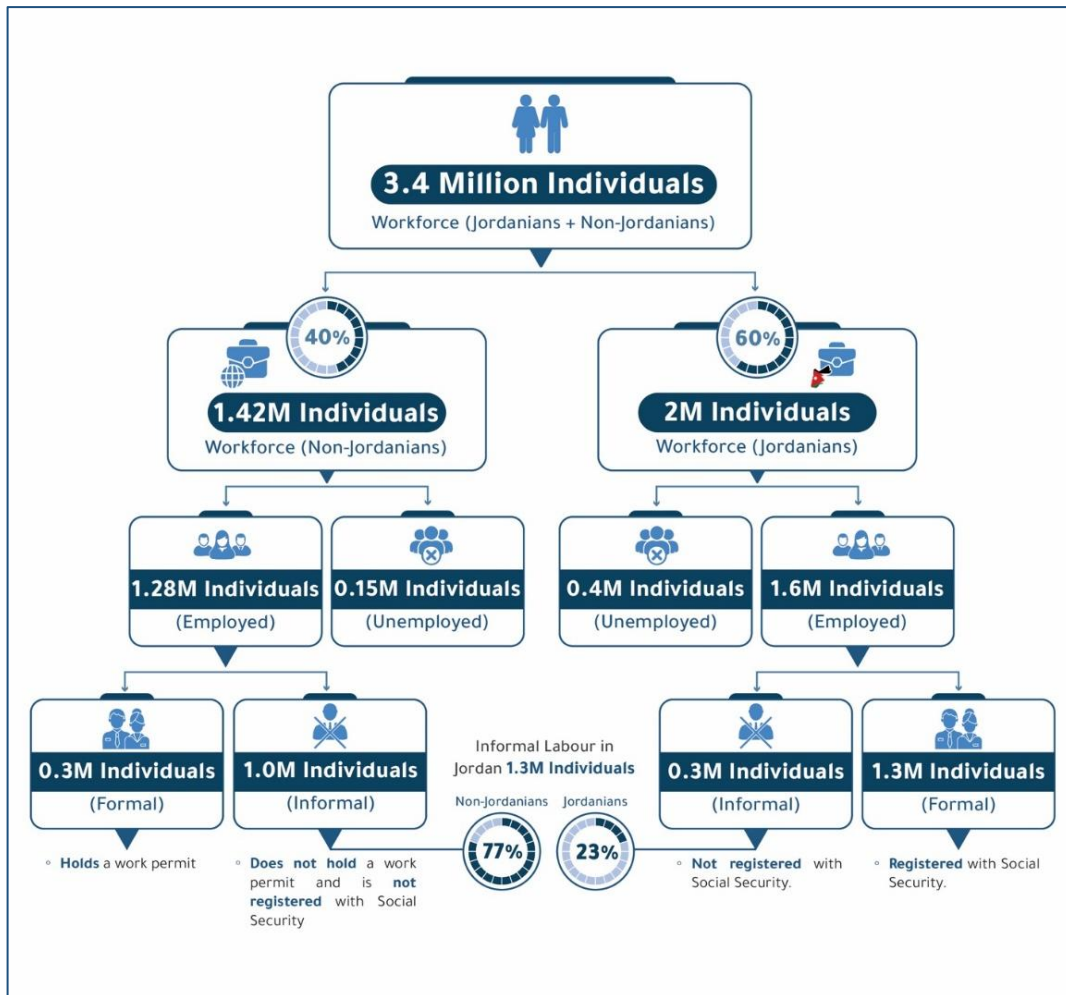


Source: Annual Report of the Jordanian Ministry of Labor (2024) and Annual Report of the Social Security Corporation (2023)

Based on the Ministry of Labor's figures about the registered non-Jordanian workers, and the JSF's estimates of the total size of the non-Jordanian labor force, **over one million foreign workers are effectively working in the labor market but outside the formal economy** (not registered with the Ministry of Labor or the Social Security Corporation). On the other hand, based on the number of Jordanian workers who are not socially insured, **the number of informal Jordanian workers is estimated at around 300,000 individuals**.

Based on the above-mentioned figures, the JSF estimates that the informal labor force in Jordan makes up 43% of the total employed population. However, **the non-Jordanians who work in the informal sector account for about 77% of the total. In other words, this proportion is nearly three times the size of the informal Jordanian workforce**. In addition, most of these individuals who work in the informal sector are highly concentrated in specific sectors such as agriculture, construction, trade and restaurants, and services. These observations indicate the presence of structural imbalances in regulating the labor market, as well as weak oversight systems and limited inclusion in social protection frameworks.

Labor Force Distribution Map in Jordan - 2024



Source: Jordan Strategy Forum estimates based on data from the Department of Statistics (2024), Social Security Corporation (2023), and the Ministry of Labor (2024).

The danger of this imbalance lies in the fact that a **large segment of non-Jordanian workers is seizing a significant share of job opportunities in the labor market, while not contributing effectively to public revenues**. Most of these workers are not subject to income tax and do not participate in the social security system. **At the same time, these workers benefit from indirect subsidies**, particularly subsidized goods such as gas cylinders, electricity, water, and exemptions from sales tax on essential goods and services. In other words, these workers place additional financial burdens on the treasury. In addition, the fact that a large portion of their income is transferred abroad, their contribution to the local economy through private consumption is limited. Based on the latest available data from the Central Bank of Jordan (CBJ), the amount of official outward remittances is estimated at around JD 361.3 million (2024).

Financially and economically, the reality of the labor market in Jordan confirms that current policies are inconsistent with the priorities of national employment, tax justice, efficiency of public spending, and the proper allocation of economic resources.

2. Recommendations and Proposed Solutions

The JSF calls for an **urgent need to intervene in the labor market and address the hitherto existing imbalances**. This intervention includes a thorough examination of the underlying causes behind the growing size of the non-Jordanian labor force, which now constitutes nearly half of all employed individuals in both the formal and informal sectors. In addition, a reassessment of the official figures and statistics with greater accuracy and transparency is urgently needed.

The Forum also believes it is necessary to **reset the balance of the labor market and direct its gains inward rather than allowing them to flow abroad**. This can be achieved by reviewing policies related to the regulation of foreign labor, activating mechanisms to integrate them within the formal framework, and rationalizing their presence in line with national priorities for employment and productivity.

Regulating the labor market through **formalizing the existing informal labor and gradually limiting its expansion** are considered key steps toward creating more job opportunities for Jordanians and reducing the high unemployment rates among them. In addition, the JSF recommends the adoption of a set of complementary interventions in the medium and long term and these include:

1. Enhancing Incentives for Employing Jordanians: Provide temporary tax and employment incentives for companies and institutions that increase their employment of Jordanians, particularly in sectors with low wages or a shortage of local labor. This includes supporting on-the-job training programs.

2. Strengthening Oversight of the Informal Economy: Expand regulatory tools and enforce penalties on entities which employ unregistered or informal labor. Adopt digital solutions to track and classify this workforce to integrate them in the formal economy.

3. Enhancing Transparency in Data and Statistics: Publish more frequent and detailed reports on the composition and distribution of the labor market to support evidence-based policymaking.



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