



منتدى الاستراتيجيات الأردني
JORDAN STRATEGY FORUM

Social capital in Jordan: what is it? & what are the implications?

November 2024





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.

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To evaluate the study



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Table Contents

1.	Background:	4
2.	The Importance of Social Capital and Trust:	5
3.	Levels of Trust in Jordan: A look at the Arab Barometer Survey 2023/24	7
4.	Jordan's Results in the Arab Barometer Survey 2023/24 by Age, Gender, and Education:	9
5.	Jordanians' Perceptions of Economic and Social Conditions:	12
6.	Conclusion:	18
7.	The Government's Role in Enhancing Trust:	18

1. Background:

For centuries, economists, and others, have tried to understand why some countries enjoy the fruits of economic growth and development, while others realize volatile and decreasing growth rates. As one might expect, this on-going effort has led to the publication of a countless number of academic research papers, and numerous reports, policy papers, and documents by international organizations, and think-tanks.

The published effort places emphasis on many inter-related factors that could possibly explain the growth and development of nations. These include availability of natural resources, capital formation, research, and development activities (R&D), openness to trade, government policies (monetary, fiscal, industrial, regulatory, and others), political stability, geography, demographic trends, and others.

"Human Capital" is a field that has been studied extensively in economics. A better-skilled and more educated workforce is a prerequisite for higher growth. Indeed, human capital—an aggregate of attributes like skills, experience, training, intelligence, motivation, and initiative—determines how productive people are, particularly in their workplaces and generally in their societies.

"Social Capital" has also been a significant focus in economics. Due to its broad nature, the Organization for Economic Co-operation and Development (OECD) has identified various methods for conceptualizing and measuring it. One of these methods emphasizes the importance of "Trust and Cooperative Norms," which plays a key role in fostering collaboration within societies.

As far as the trusting interpretation of social capital is concerned, the OECD Guidelines include prototype surveys that others can use in their household surveys. Some of the major existing institutions which use surveys of citizens to measure trust include the **European Social Survey** (University of London), **General Social Survey** (University of Chicago), **Arab Barometer** (a partnership between Princeton University, University of Michigan, and the Arab Reform Initiative), and **the World Values Index** (Sweden). These institutions publish their survey results for many countries across the globe.

It is worth noting that Jordan has recently witnessed significant national efforts to enhance citizens' trust in the government, state institutions, and the national economy. These efforts are reflected in the launch of the Economic and Political Modernization Vision and the roadmap for public sector modernization.

In this context, **the Jordan Strategy Forum highlights "social capital" in Jordan by analyzing data from the "Arab Barometer"** to track the evolution of trust levels between people within Jordanian society and in state institutions over the years.

2. The Importance of Social Capital and Trust:

Many international organizations have highlighted the importance of social capital and trust within societies, including the following quotes:

- a. "The decline in trust and social capital is troubling not only because of its effects on social cohesion; it may also have economic implications. A substantial body of literature in cultural economics shows **that trust is a key ingredient for good economic performance**" (IMF).
- b. "**Greater trust in the government helps improve tax morale. Better governance improves willingness to pay tax.** Developing greater procedural justice, strengthening perceptions of impartial treatment of all citizens as well as ensuring broad and fair access to public services would improve trust to the government" (OECD).
- c. "**Trust in institutions is important for the success of many government policies,** programs and regulations that depend on cooperation and compliance of citizens" (OECD).
- d. "Trust in **government institutions could help to increase confidence in the economy by facilitating economic decisions,** such as on investment and consumption that foster economic growth" (OECD).

It is also important to mention some quotes from economists who have received the “Nobel Prize in Economic Sciences,” whose scholarly work discussed the relationship between trust and economic growth. Their studies ultimately concluded that there is a strong positive correlation between the two variables:

- a. “Development and use of **trust in one another’s** words and promises can be a very **important ingredient of market success**” (Amartya Sen).
- b. “**Virtually every commercial transaction** has within itself an element of trust, certainly any transaction conducted over a period of time. It can be plausibly argued that much of the economic backwardness in the world can be explained by the lack of mutual confidence” (Kenneth Arrow).

In a Nutshell:

- a. Trust reduces transaction costs. These costs are incurred in economic exchange and specialization and are associated with all sorts of business such as banking, insurance, wholesale, and retail trade or securing professional services from accountants.
- b. Trust facilitates coordination and cooperation between people, allows dilemmas / problems to be resolved collectively, reduces incentives for opportunism, and even reduces human egoism.
- c. Trust enables entrepreneurs to devote more time to innovation in new products or processes.
- d. Trust facilitates the implementation of effective policies, since public programs, regulations and reforms depend on the co-operation and compliance of citizens.

3. Levels of Trust in Jordan: A look at the Arab Barometer Survey 2023/24

The Arab Barometer launched its first public opinion survey in 2007. The eighth wave of the Arab Barometer (2023/24) stands as one of the largest publicly available surveys on citizen attitudes across the Middle East and North Africa (MENA) region, conducted since the onset of the COVID-19 pandemic and following the recent aggression on Gaza.

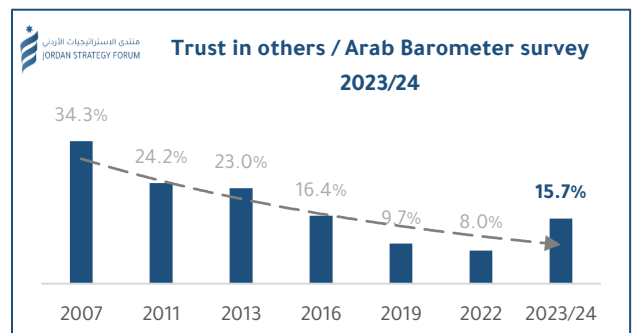
This wave included eight MENA countries: Tunisia, Morocco, Mauritania, Jordan, Lebanon, Palestine, Iraq, and Kuwait. The survey covered a wide range of economic, social, and political questions, including trust in various state institutions, government performance, economic conditions, international relations, the education and healthcare systems, migration, and more.

In this "Knowledge is Power" paper published by the Jordan Strategy Forum, the focus is on questions related to **"Trust Among People," "Trust in the Government and State Institutions," "Citizens' Living Conditions,"** and **"The Challenge of Migration."** A detailed analysis was conducted based on age, gender, educational level, and employment status.

The Forum also tracked the evolution of trust levels in Jordan over the years (2007-2023/24), with a particular focus on the results of the 2023/24 survey. This survey covered a representative sample of 2,400 individuals from various governorates across the Kingdom.

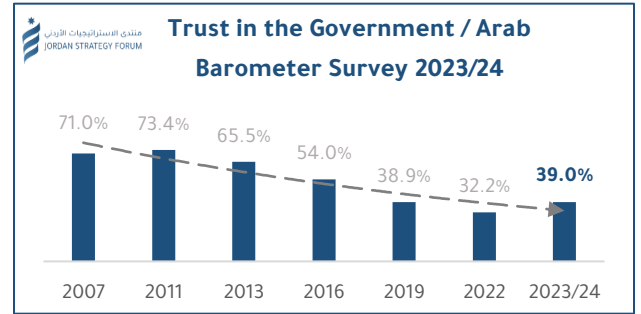
General Findings for Jordan from the Arab Barometer results:

Overall, there has been a clear improvement in trust levels across all aspects in Jordan when comparing the results of 2022 to those of 2023/24.

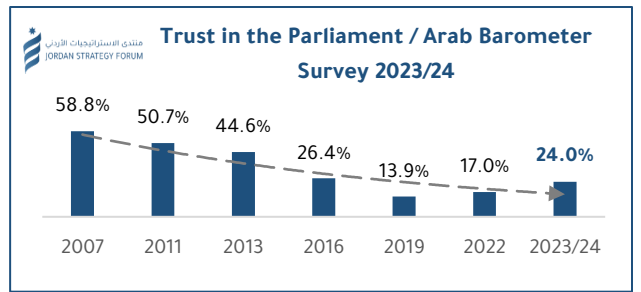


When Jordanians were asked about their **“Trust in Others,”** the percentage nearly doubled, rising from 8% in 2022 to 15.7% in 2023/24.

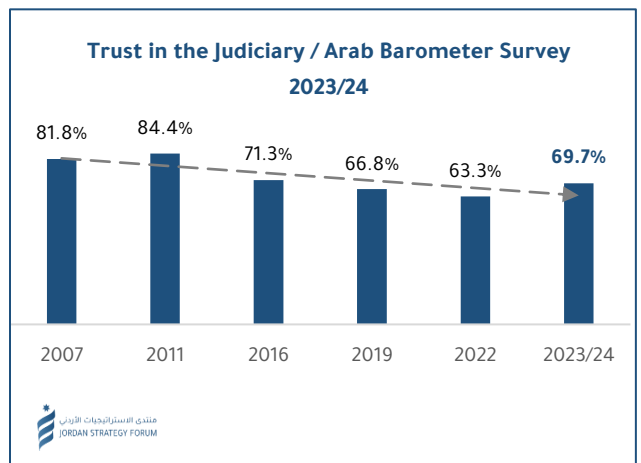
Regarding **“Trust in the Government,”** the responses were encouraging, with the percentage increasing from 32.2% in 2022 to 39% in 2023/24.



When asked about **“Trust in the Parliament,”** trust levels reached 24% in the 2023/24 survey, marking a significant increase compared to 2022. It is worth noting that these results were recorded prior to the parliamentary elections in September 2024.



As for **“Trust in the Judiciary,”** the percentage also rose to 69.7% in 2023/24, compared to 2022, maintaining its leading position as the state institution most trusted by Jordanians.

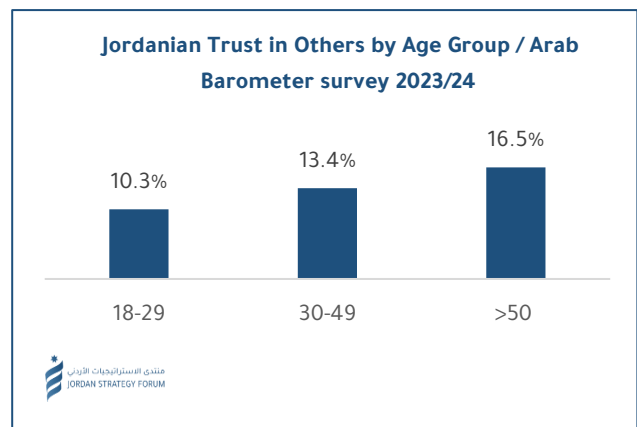
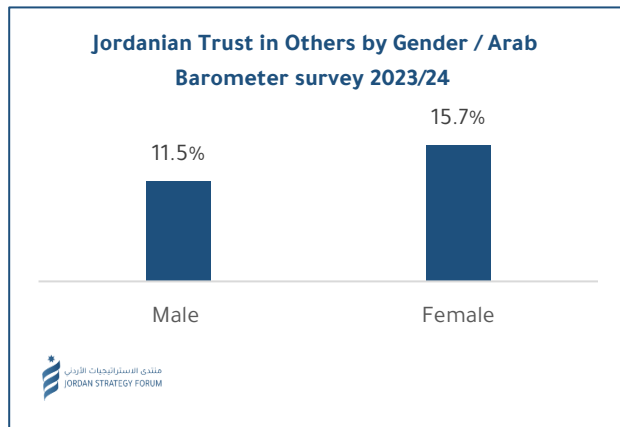


4. Jordan's Results in the Arab Barometer Survey 2023/24 by Age, Gender, and Education:

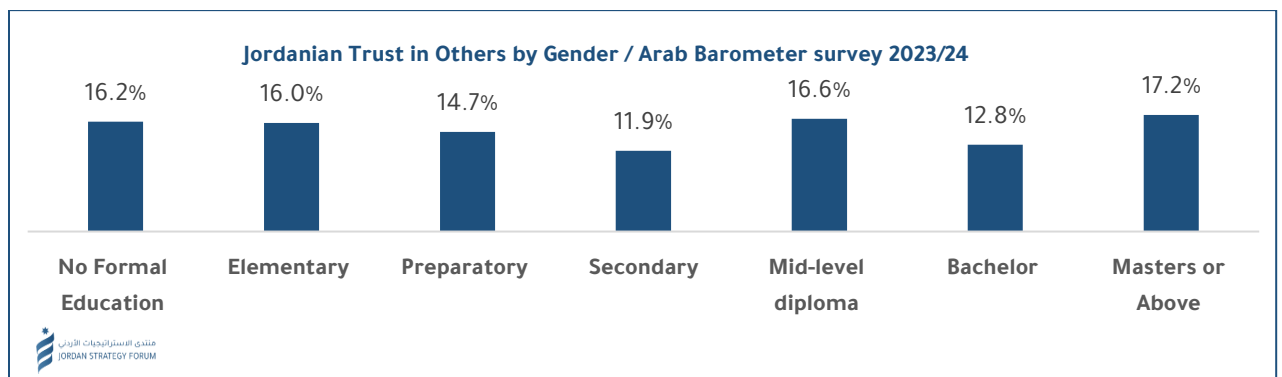
To gain a deeper understanding of trust levels within Jordanian society, the Jordan Strategy Forum analyzed specific survey results based on respondent categories, including age, gender, and educational level. The key findings of this analysis are as follows:

Jordanian's Trust in Others:

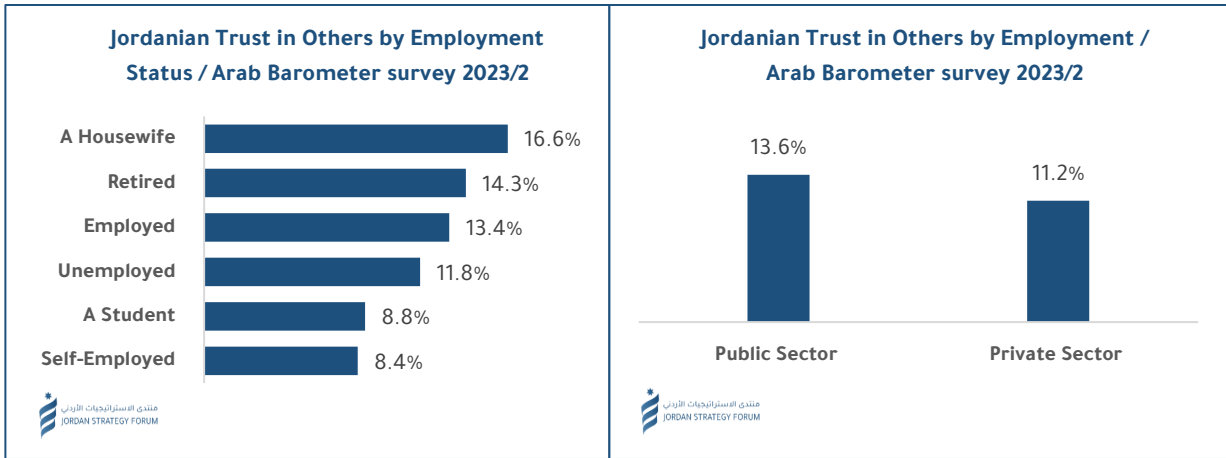
- Although "Trust in Others" is generally low among both genders, **females demonstrate higher levels of trust compared to males**. Similarly, trust in others remains low across all age groups, **with youth aged 18-29 recording the lowest level at just 10.3%**.



- In terms of Education level, trust in others was **generally low across all respondents**, with similar levels of trust observed **across different educational backgrounds**.

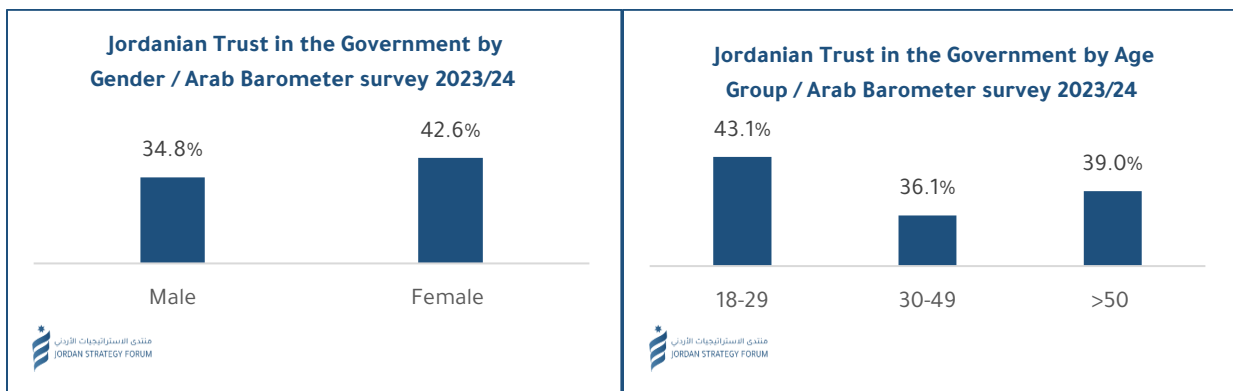


- Trust in "Others" is generally low across **all employment categories**. **Self-employed individuals and students exhibit the lowest levels of trust**, while trust among private sector employees is notably lower than that of public sector employees.

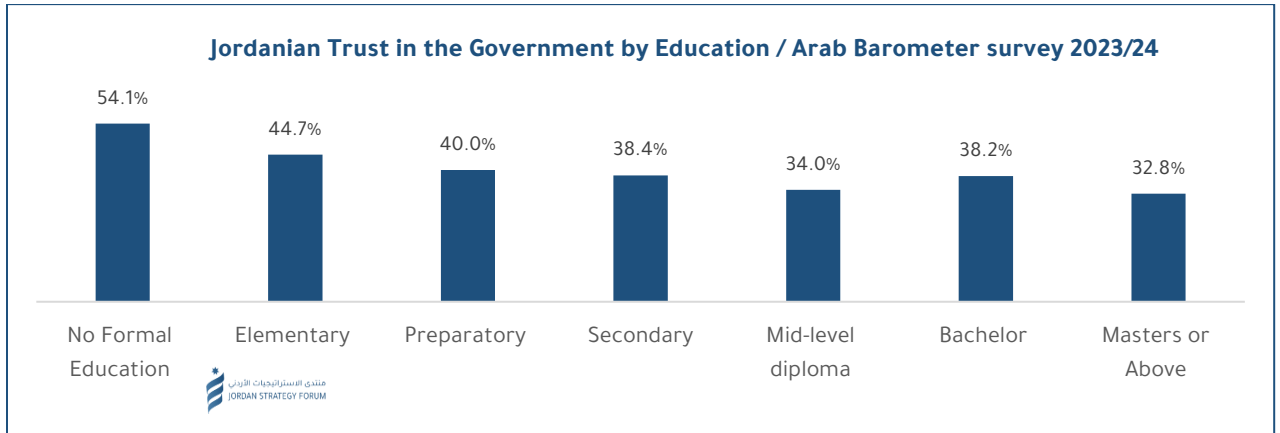


Jordanians Trust in the Government:

- Regarding levels of "**Trust in the Government**" by gender and age, females exhibited higher trust compared to males. It is also notable that trust in the government was highest among younger individuals aged 18-29, compared to other age groups. This trust level increased from 32.9% in 2022 to 43.1% in 2023/2024.

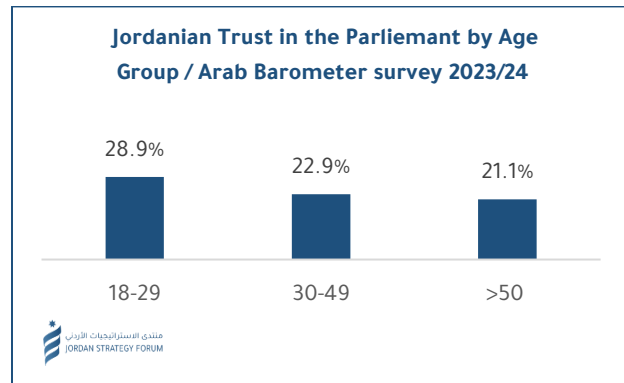
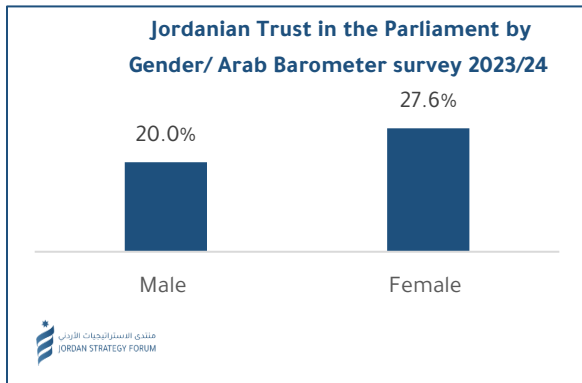


- By **educational attainment**, it is evident that "trust in the government" significantly declines as the level of education increases. Over half (54.1%) of respondents with no formal education expressed the highest trust in the government, while those holding a master's degree or higher reported the lowest trust level among all groups, at 32.8%.

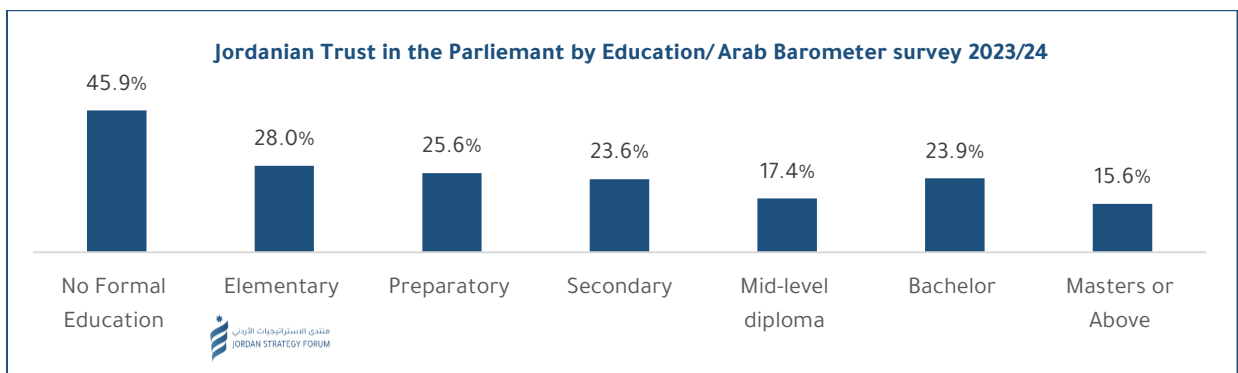


Jordanians Trust in Parliament:

- As for levels of **trust in the parliament** by gender, females demonstrated higher trust compared to males. Additionally, the youth group (18-29 years old) reported the highest level of trust in Parliament compared to other age groups.



- It is also observed that trust in Parliament **declines significantly as the level of education increases**

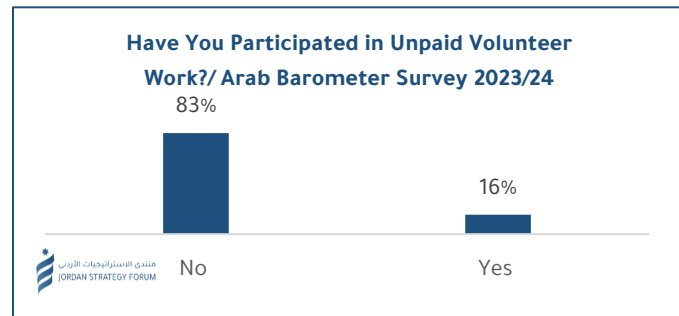


5. Jordanians’ Perceptions of Economic and Social Conditions:

No one can deny that the trusting levels in “Others”, “Government”, and in “Parliament” are low in Jordan. To shed some further light on this observation, it is useful to consider the answers to some of the survey questions which are directly / indirectly to trust.

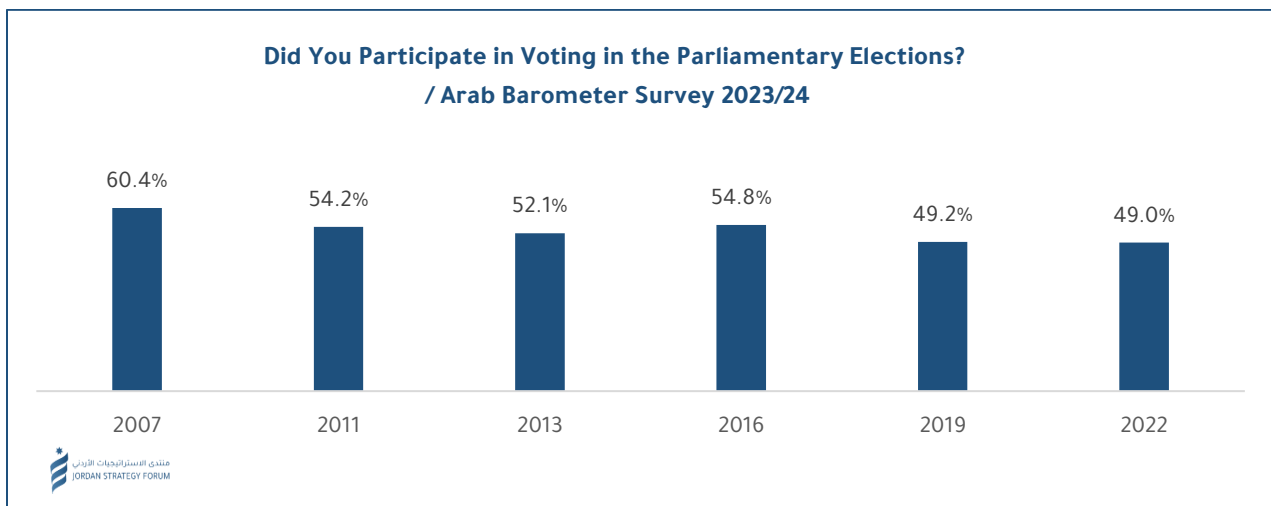
Social Responsibility:

The results revealed that **83% of respondents had not participated in any unpaid volunteer work.**



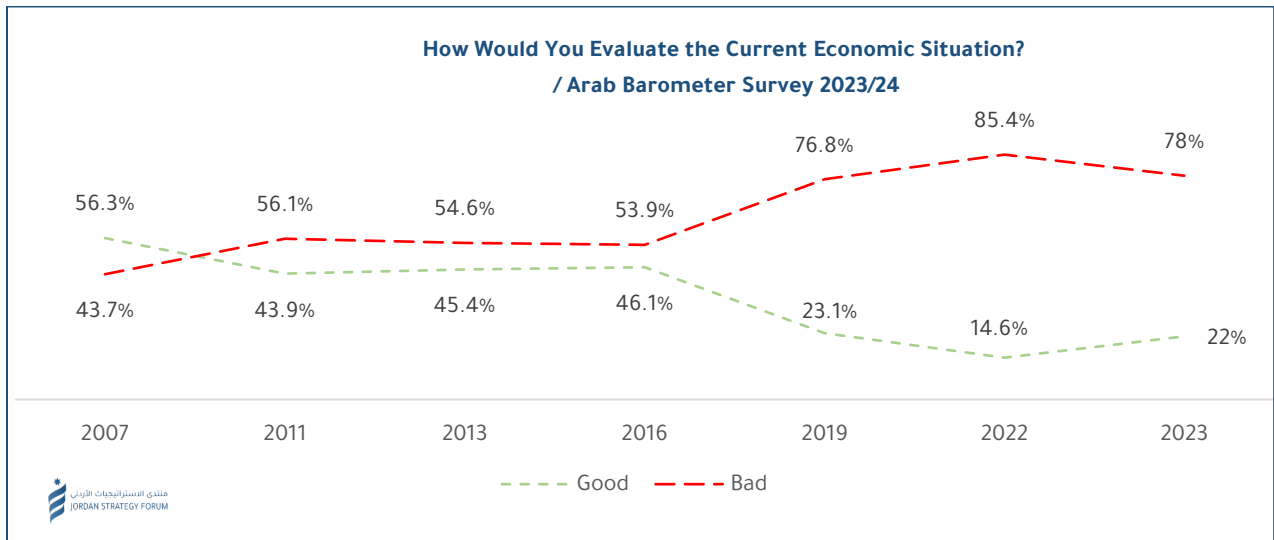
Political Participation:

The rate of political participation through voting in parliamentary elections decreased from 60.4% in the 2007 public opinion survey to 49% in 2022. Notably, the 2023/2024 report did not include this question.



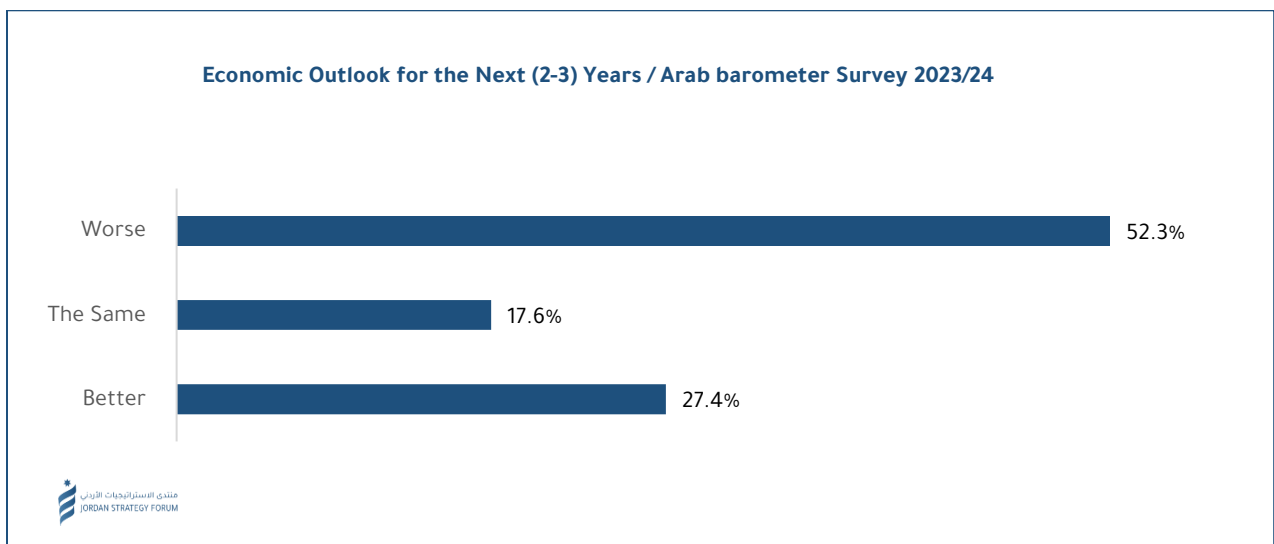
General Economic Condition:

The results showed a **decrease in the percentage of respondents who believe that the “current economic situation” is bad**, from 85.4% in the 2022 public opinion survey to 78% in the 2023/2024 survey.



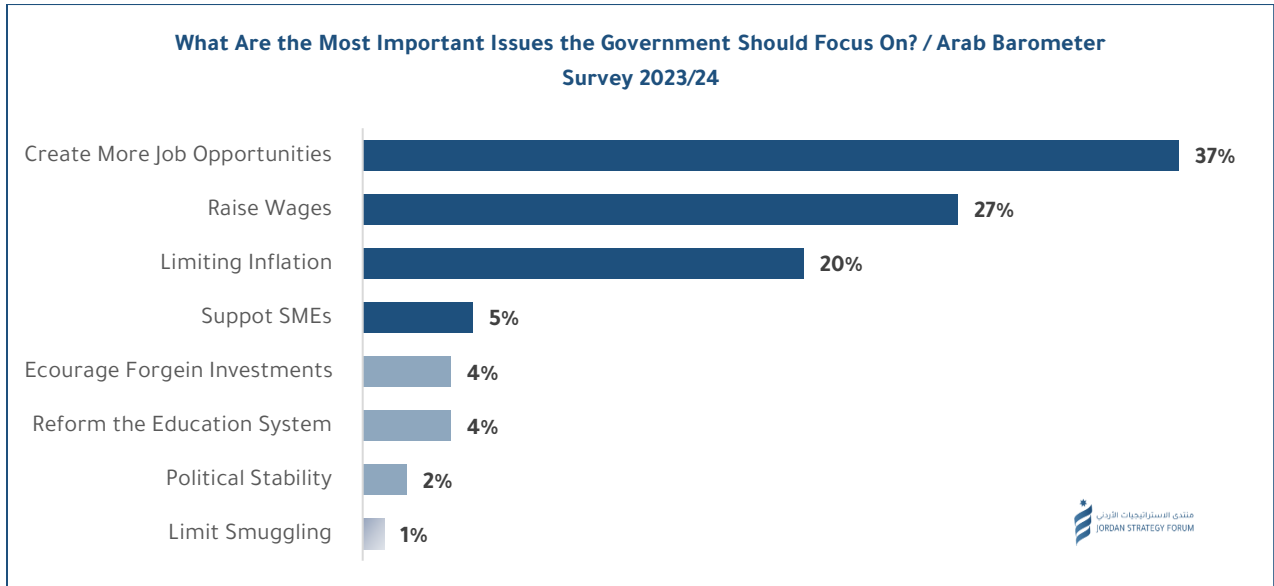
Economic Outlook:

The results of the 2023/2024 survey showed that respondents are not optimistic about the economic situation in the coming years, with 52% indicating that the situation will be “worse.”



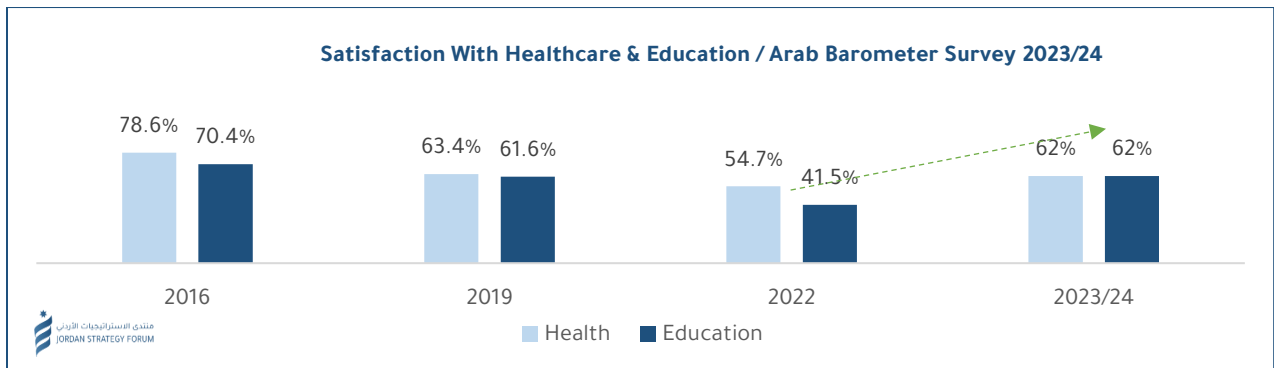
Key Issues the Government Should Focus On:

According to the 2023/2024 survey, respondents believe that creating job opportunities, raising wages, and reducing inflation are the key issues the government should focus on.



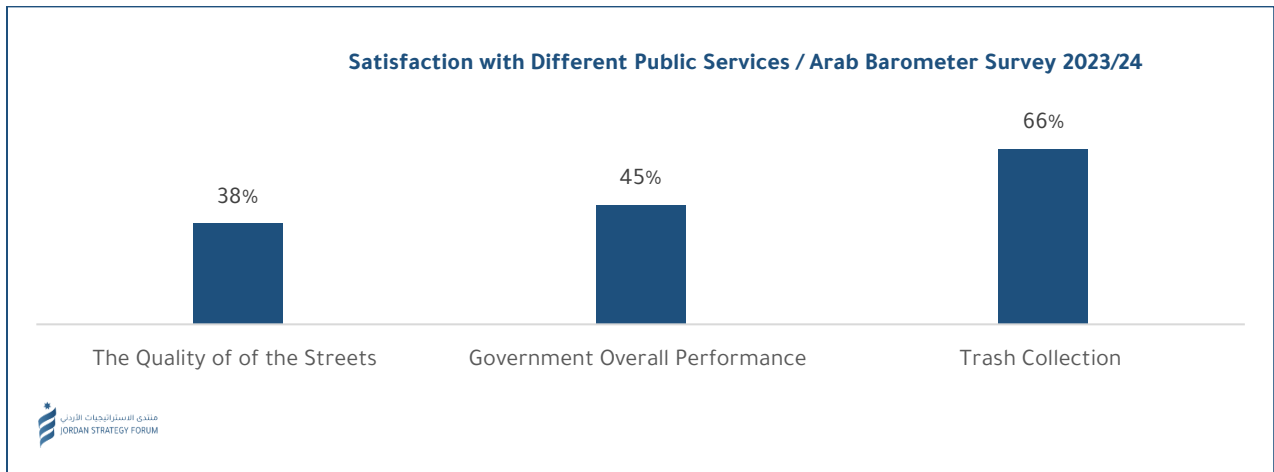
Education and Healthcare:

The percentage of respondents who expressed satisfaction with education and healthcare in Jordan showed a significant increase in the latest survey compared to the previous one, which may reflect a tangible improvement in these services from their perspective.



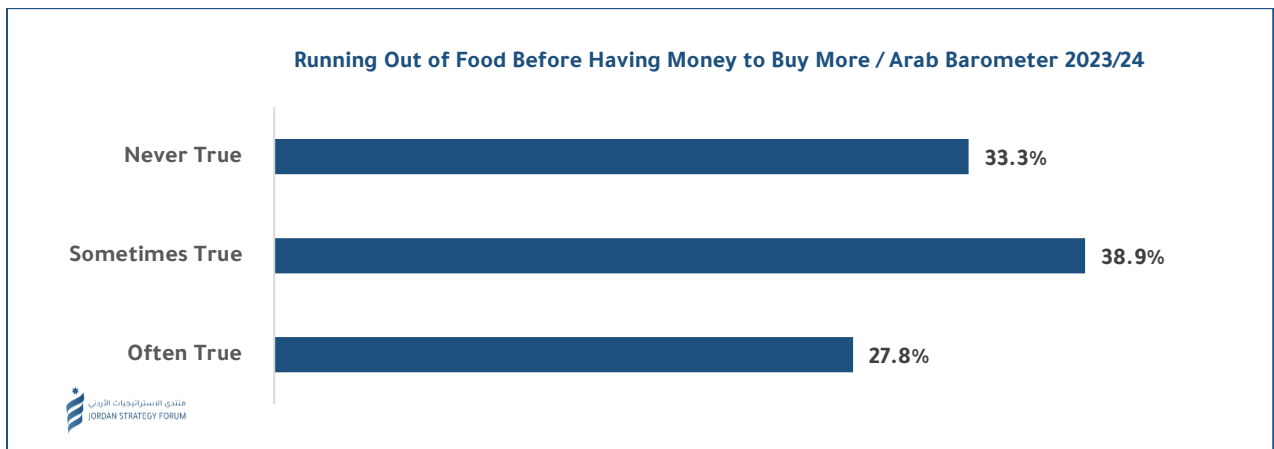
Public Services:

38% of respondents were satisfied with the quality of roads, less than half (45%) were satisfied with public sector services, and two-thirds of respondents were satisfied with waste collection services.



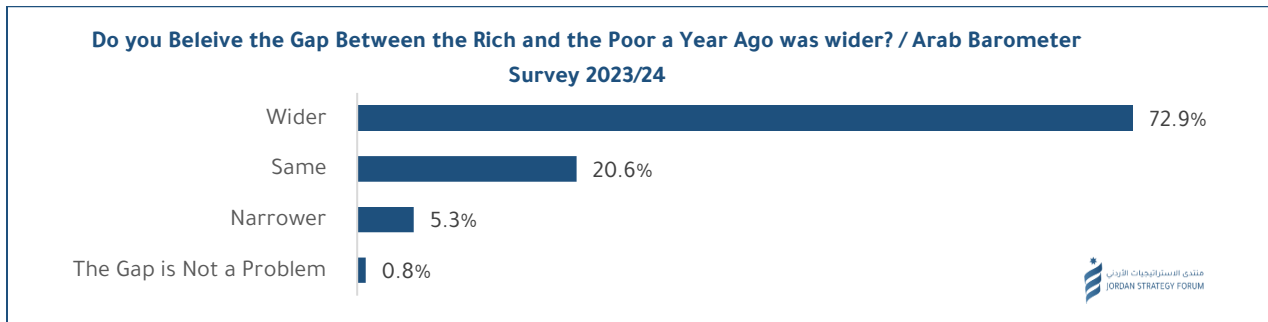
Food Availability:

When respondents were asked whether they worry about "running out of food before having money to buy more," 67% of them expressed concern (sometimes or often) about this.



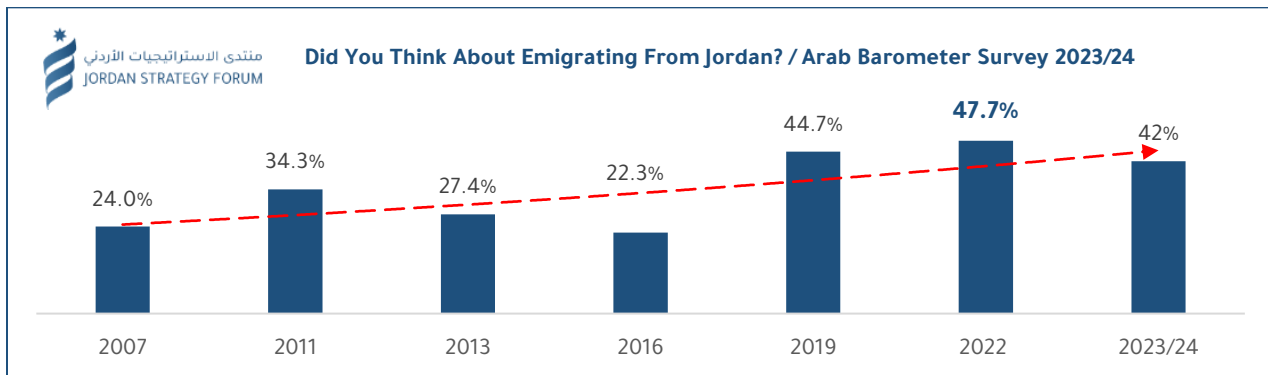
Gap Between the Poor and the Rich:

Approximately three-quarters of respondents (72.9%) believe that the gap between the rich and the poor has widened in the 2023/2024 survey compared to the previous round (2022), while 20.6% the gap remained the same.



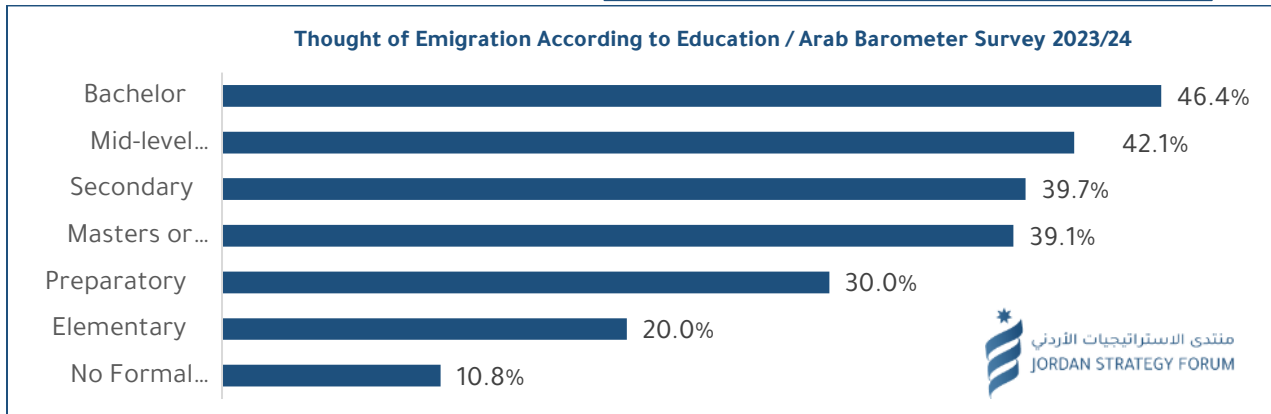
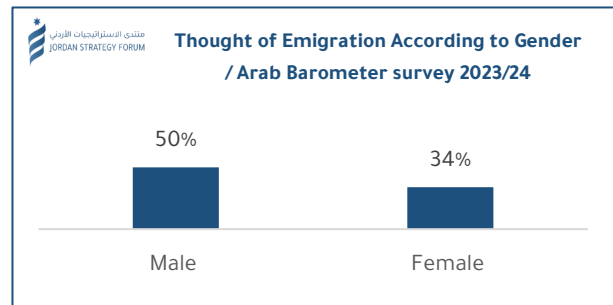
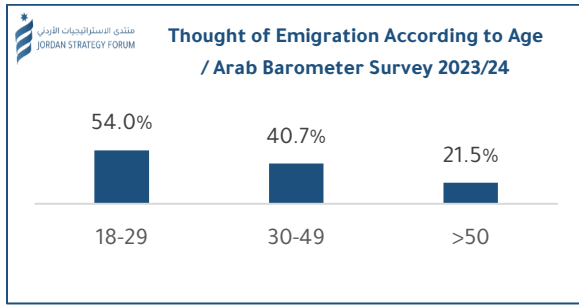
Emigration From Jordan:

In response to previous questions, 42% of respondents reported that they had considered emigrating from Jordan. This percentage has shown a steady increase over the years, although it declined in the 2023/2024 survey, potentially reflecting some optimism among respondents.

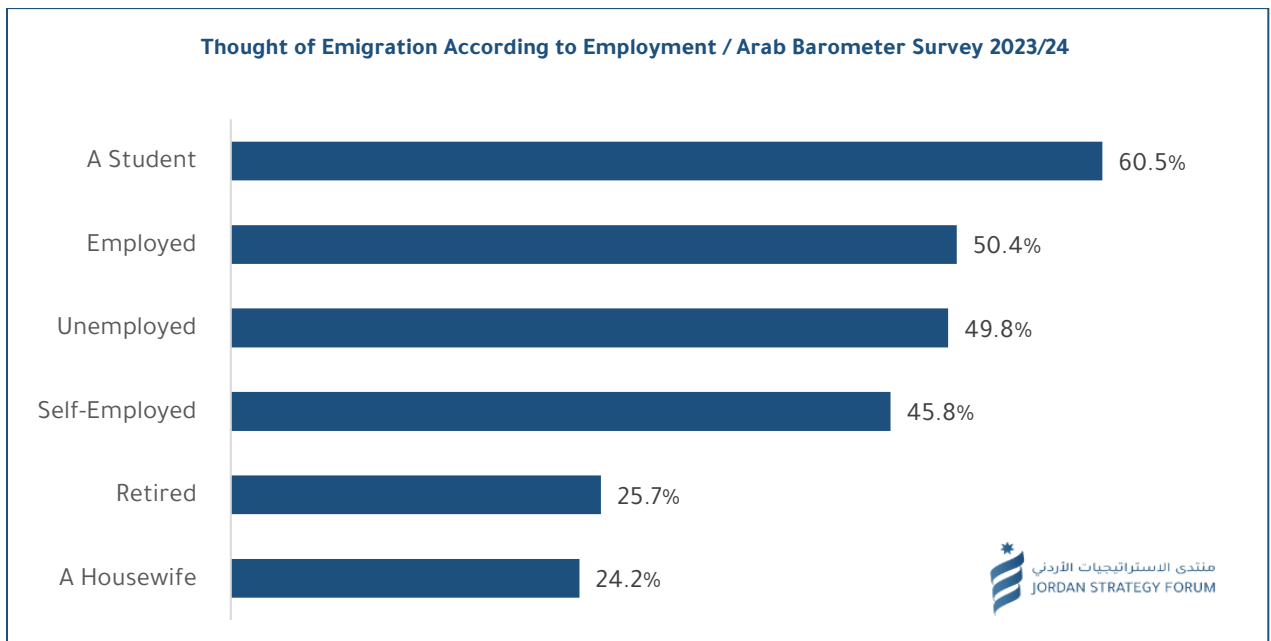


Focusing on the desire to emigrate, the results of the Arab Barometer survey for the 2023/2024 period reveal that this issue is more concerning than previously thought. The forum's analysis highlighted the following observations:

- **More than half (54%) of young people aged 18-29** are considering emigration.
- **Half of males (50%)** and a **third of females (34%)** are **considering emigration**.
- Additionally, those with **higher levels of education** are more likely to consider emigration compared to those with lower levels of education.



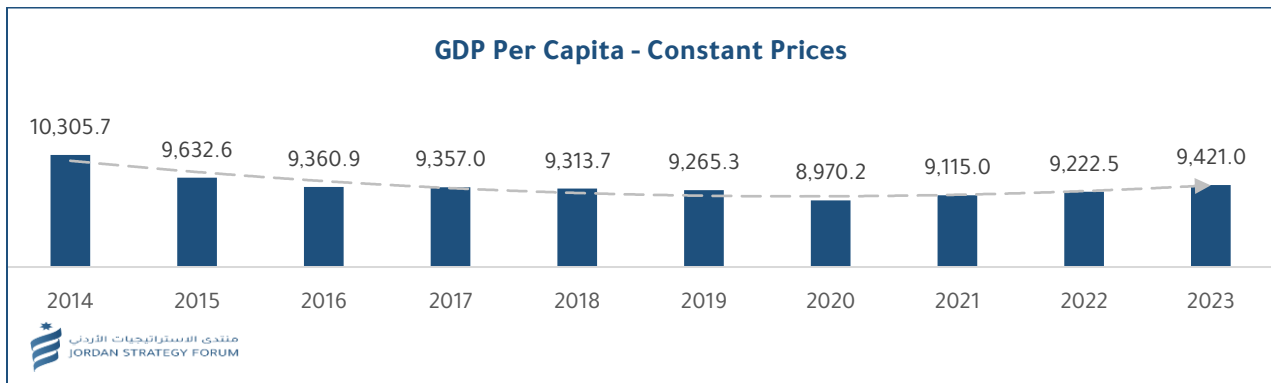
The highest percentage of respondents considering emigration were students (60.5%), followed by employees (50.4%), unemployed individuals (49.8%), and self-employed workers (45.8%).



6. Conclusion:

It can be concluded from the above that **trust levels among Jordanians are generally low, whether in "Others," the "Government," or even the "Parliament."** Additionally, perceptions regarding various issues directly or indirectly related to trust are predominantly negative. Consequently, it can be stated that the level of social capital in Jordan is very modest.

The Jordanian economy (and people) has been suffering from modest real economic growth rates, high and persistent unemployment rates, high and persistent budget deficits, high and rising public debt, and many others. Which have led to a declining GDP per capita / PPP (constant international \$).



Source: World Bank Data

7. The Government's Role in Enhancing Trust:

Trust matters. Particularly trust in **"public institutions"** (government), as it is an essential ingredient of social and economic progress, one should ask one simply question: What drives trust in the government?

Based on the Framework, developed by the OECD (Building Trust in Public Institutions: Main Findings from the 2021 OECD Survey on Drivers of Trust in Public Institutions / June 2022), the drivers of trust are:

- 1. Public Governance Factors:** The drivers of trust encompass government competence (responsiveness, reliability, openness, integrity, and fairness).

Competence	Responsive	<ul style="list-style-type: none"> • Provide efficient, quality, affordable, timely and citizen-centered public services. • Develop an innovative and efficient civil service that responds to user needs.
	Reliability	<ul style="list-style-type: none"> • Anticipate needs and assess evolving challenges. • Minimize uncertainty in the economic, social, and political environments.
Values	Openness	<ul style="list-style-type: none"> • Provide open and accessible information so the public better understands what the government is doing. • Consult, listen, and respond to stakeholders, including through citizen participation and engagement opportunities that lead to tangible results. • Ensure there are equal opportunities to be part of and participate in the institutions of representative democracy.
	Integrity	<ul style="list-style-type: none"> • Align public institutions with ethical values, principles, and norms to safeguard the public interest. • Take decisions and use public resources ethically, promoting the public interest over private interests while combating corruption. • Ensure accountability mechanisms between public institutions at all levels of governance. • Promote a neutral civil service whose values and standards of conduct uphold and prioritize the public interest.
	Fairness	<ul style="list-style-type: none"> • Improve living conditions for all. • Provide consistent treatment of businesses and people regardless of their background and identity (e.g., gender, socio-economic status, racial / ethnic origin).

2. **Cultural, Economic, and Political Factors:** These drivers encompass social preferences, expectations, socio-economic background, and values. In other words, the broader cultural, family, political, social, and economic environment are all important in influencing individual attitudes towards others and towards the government.
3. **Government Perception of Government Action in Intergenerational and Global Challenges:** This encompasses Perceptions of government commitment to and effectiveness in addressing long-term challenges.

The drivers of the trusting level in the government are multifaceted. These drivers can be seen in the OECD's framework. However, no one can argue that **"public governance"**, in its institutional setting and performance dimensions, is not the **INSTRUMENTAL DRIVER**. The importance of public governance becomes clearer if one looks at the components of governance that capture **"what citizens expect from government"**.

1. **Citizens expect the government to be reliable:** Any government should minimize uncertainty in, primarily, the economic environment of its citizens.
2. **Citizens expect the government to be responsive:** Any government should provide accessible, efficient, and citizen-oriented public goods and services that effectively address the needs and expectations of the public.
3. **Citizens expect the government to be open and inclusive:** Any government should adopt a systemic, comprehensive approach to institutionalizing two-way communication with all stakeholders. The government should be transparent, accountable, and engaging.
4. **Citizens expect the government to act with integrity:** Any government should align government and public institutions with broader principles and standards of conduct that contribute to safeguarding the public interest while preventing corruption.
5. **Citizens expect the government to be fair:** Any government should treat citizens and businesses in its policymaking and policy implementation processes in a fair manner.

TO SUM UP, we all hope that the Economic Modernization Vision and the Public Modernization Plan will prove to be focal / trigger points for all stakeholders to cooperate and succeed in their implementation. Indeed, their successful implementation should improve the trusting levels in the government, as well as in parliament and each other. After all, **“trust matters for economic activity and GDP growth. Countries with higher levels of trust tend to have higher income”**.

The Jordan Strategy Forum, in this context, urges all stakeholders, including citizens, to view national visions as a starting point for positive changes in Jordan’s socio-economic fabric and society at large.

Furthermore, both current and future governments must strive to be “credible,” “responsive,” “open and inclusive,” “act with integrity,” and “fair.” This is the only way to sustain high levels of trust in public institutions

Key Findings for Jordan in the Arab Barometer Survey 2023/24

Human Capital: Norms, shared values, and social dimensions that strengthen societal performance and facilitate mutually beneficial cooperation.

Trust and Cooperative Norms play a key role in Social Capital

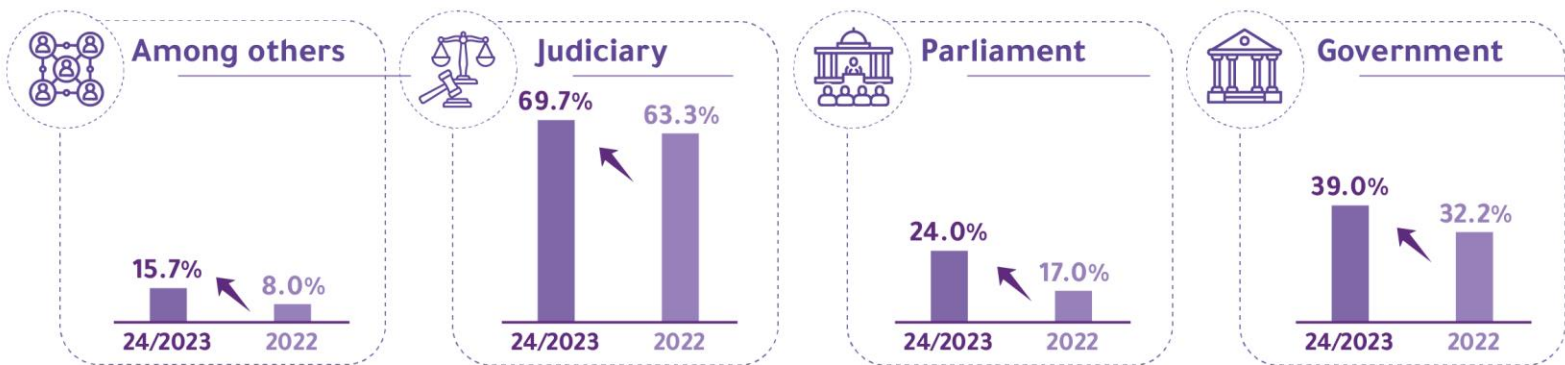


Human Capital



Countries that have higher trust levels have higher incomes

The level of trust and perceptions of Jordanian youth in the Arab Barometer survey



These percentages **remain weak** despite their improvement compared to the previous year.

73%
think the gap between the poor and the rich has widened

45%
are satisfied with the public services

62%
are satisfied with education and healthcare

78%
think the current economic situation is bad



More than half (54%) of young people aged 18-29 are considering emigration



higher levels of education are more likely to consider emigration



42% considered emigrating from Jordan

Levels of Trust Among Jordanians According to the Arab Barometer

The latest Arab Barometer survey (2023/24) revealed a **notable improvement in levels of trust and general perceptions among youth** compared to the previous survey conducted in 2022

age group 18-29 years:

%9

Improvement
in trust in the
parliament



%10

Improvement
in trust in the
government

It was the age group with the highest levels of trust



%9

Decrease
in the desire to
emigrate



%4

Improvement
in trust in others



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