

RESEARCH BRIEF

FEMALE LABOR IN JORDAN: A SYSTEMATIC APPROACH TO THE EXCLUSION PUZZLE

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CID Faculty Working Paper No. 365
October 2019

The Problem

Labor market exclusion of Jordanian women is among the highest in the world: globally, they have the 5th lowest employment rate, the 4th lowest participation rate, and the 5th highest unemployment rate. Female exclusion has been persistent over the past 30 years, despite expansionary and recessionary cycles of the economy, and women's increased participation in higher education.

Breaking Down the Problem

The drivers of low female employment rates vary with educational attainment. The first major issue is that Jordanian women with high school education or less have extremely low rates of labor force participation: 15 times lower than that of men with less than a high school degree, and 13 times lower than that of women with a university degree. The gap between male and female participation steadily narrows with increasing levels of education, with no significant difference at the post-graduate level. However, the second key issue is that unemployment is high for all women, especially women with a university degree. These two strands of the problem have different potential root causes, which we explore below.

Figure 1: Labor Force Participation Rate

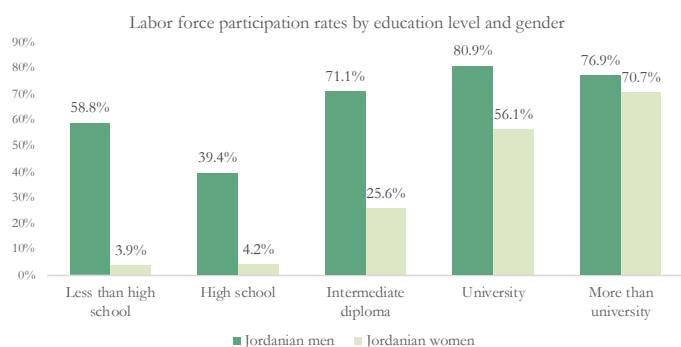
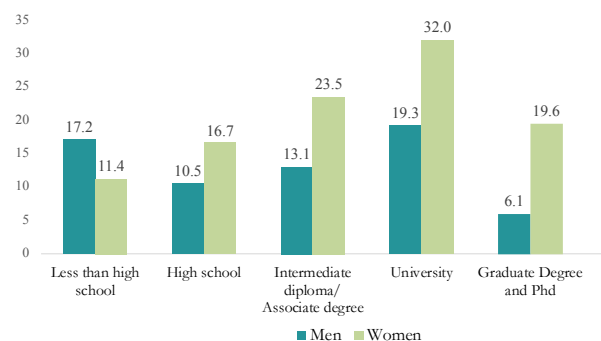
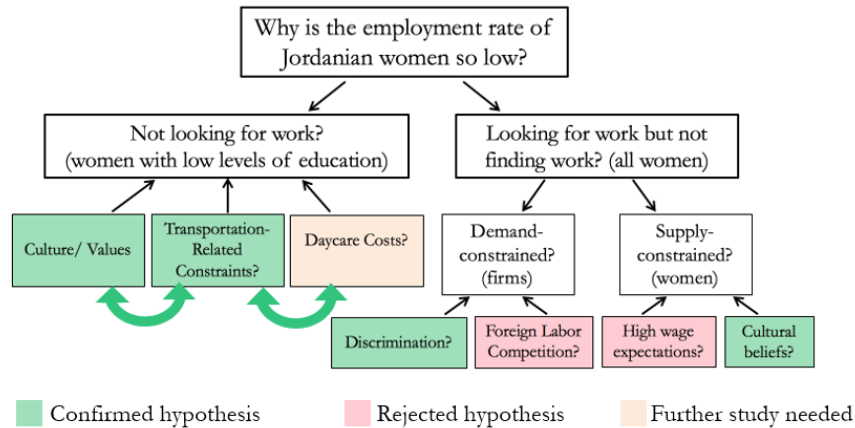


Figure 2: Unemployment Rate



Source: 2018 Employment and Unemployment Survey

Analytical Framework and Summary of Finding



The low participation problem:

- Traditional attitudes towards the role of women in society may be hindering the participation of women with low levels of education.
- Public transportation constraints are a contributing factor to low participation.
 - Women with high-school education or less tend to rely twice as much on public transportation as a mean to getting to work compared to more educated women.
 - We find a strong and significant negative correlation between commuting times and labor market participation by district for women with high-school or less.

The high unemployment problem:

- Women have wage expectations that are similar to observed equilibrium wages.
- We find no evidence that foreign women outcompete Jordanian women in the market: they self-segment into very different types of jobs.
- Women's employment is concentrated in the public sector, which is more likely to offer fair wages, a more flexible working environment with shorter commute times, and to be attuned with cultural attitudes around "appropriate" work for women.
- Public sector jobs cannot keep pace with the increasing number of women coming out of the tertiary education system in Jordan, particularly within the context of fiscal consolidation.
- Jordan's private sector is small, undiversified, and decisively discriminates women – there is a significant and large gender wage gap in the private sector.

Policy Implications

- Improve the quality, accessibility, safety and reliability of the public transportation system.
- Continue emphasis on expanding educational attainment, taking into account the arising training mismatch.
- Promote legislation aimed at eliminating gender-based discrimination and sexual harassment in the workplace and in public spaces.
- Foster growth in high-paying knowledge-intensive business services to expand opportunities for women in the private sector: These industries include – in addition to education and healthcare – finance and insurance; professional, scientific and technical activities; as well as information, communications and technologies.
- Increase coordination among actors in the field.

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