

Unpacking Narratives Around Western Boycotts and Unemployment in Jordan

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Brief Analysis

Given the politically charged nature of this issue, it is important to scrutinize unemployment numbers carefully, assessing the latest data in the broader context of Jordan's economy over the past several years.

In its [first quarterly report \(https://mota.gov.jo/ebv4.0/root_storage/en/eb_list_page/quarterly_review_-_q1_2024_en.pdf\)](https://mota.gov.jo/ebv4.0/root_storage/en/eb_list_page/quarterly_review_-_q1_2024_en.pdf) for the year, the Jordanian Department of Statistics (DOS) announced that the country's unemployment sits at 21.4 percent, unchanged from the previous quarter and reflecting a 0.5-point decrease from the first quarter of the previous year. Although this represents a minor dip in unemployment, the report has subsequently generated a large domestic media buzz in the context of the war in Gaza and has sparked a vigorous discussion around the extent to which boycotting Western products has impacted the Jordanian economy.

Since the outset of the war in Gaza, a boycott campaign of Western companies perceived of as complicit or supportive of Israel has emerged both across the Arab world and elsewhere. In Jordan, NAMA Strategic Intelligence Solutions' May 2024 poll finds that 83.1% of Jordanians currently boycott products due to the war in Gaza, up from 81.3% when asked in November 2023. This trend and its relationship to Jordan's overall economic health—always a major topic of discussion—has driven different interpretations of this latest unemployment data.

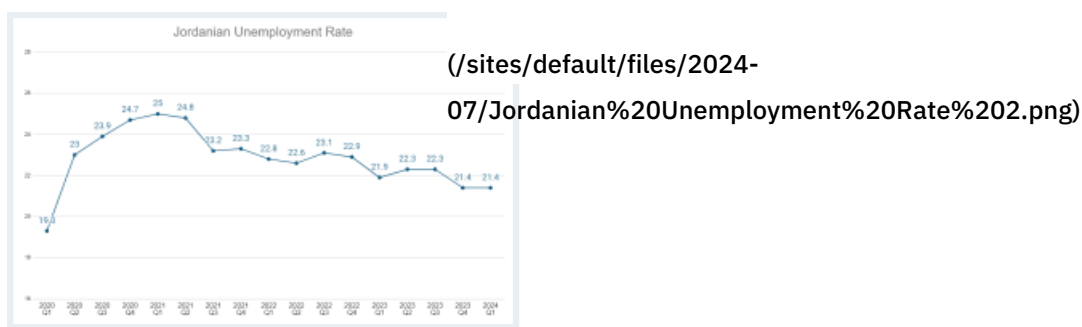
While there are those who continue to warn of the negative impact the campaign has had on the Jordanian economy and especially on unemployment, others have celebrated the DOS statistics as a sign of the campaign's success. The argument is that even if many Western companies have temporarily or permanently shuttered in recent months, the DOS numbers demonstrate that local factories and companies have stepped into these markets and hired the furloughed Jordanians.

Given the politically charged nature of this issue and the ways in which various sides have seized upon the data, it is important to evaluate the newest unemployment numbers with scrutiny, looking especially at this latest data in the broader context of Jordan's economy over the past several years. When expanding the aperture of the conversation

around this issue, these numbers highlight that the ongoing process of economic recovery from COVID-19 may be just as or even more pertinent in influencing Jordan’s unemployment rate, while worrying signs suggest that some of Jordan’s most economically vulnerable have in fact been negatively impacted.

COVID Recovery

First, the current economic state of Jordan cannot be extricated from the ongoing effects of COVID-19 pandemic, which proved devastating to Jordan’s economy. DOS statistics demonstrate a spike in unemployment from 19% in Q4 2019 to a high of 25% in Q1 of 2021 during COVID-19. In a period when many Jordanians faced significant financial hardship, the unemployment rate could have even been higher had the Government of Jordan not enacted **Defense Order No. 6 of 2020 (<https://jordantimes.com/news/local/pm-issues-defence-order-no-6-stipulating-labour-rights-under-defence-law>)**, which served—inter alia— to protect workers from heavy pay cuts or arbitrary terminations. However, since the Government lifted lockdown measures in Q3 2021—marking the beginning of the country’s economic recovery phase—the country has experienced a 1.8 percentage point **decrease (<https://tradingeconomics.com/jordan/unemployment-rate>)** in unemployment numbers.



Since the beginning of this recovery period, Jordan appears to be on the right track in terms of gradually returning the country’s unemployment rate to its pre-COVID levels, with an average 0.5 percentage point quarter-on-quarter decrease between Q3 2021 and Q3 2023. A slight increase in optimism is also reflected in Jordanian public opinion, as seen in NAMA’s May 2024 national survey. Then, 34% of Jordanians described the state of the national economy as “very good” or “somewhat good,” marking a 7-percentage point increase from the 27% that was recorded by NAMA in a poll conducted two years earlier.

Job Losses among the Vulnerable

There is some evidence that boycotts have cut jobs inside of Jordan. The Jordan Labor Watch had warned in November that 15 thousand Jordanian workers were at risk of losing their jobs. Reports highlight that the tourism and service sectors experienced diminished demand over the past few months, reflecting negatively on job security. The Jordanian Ministry of Tourism and Antiquities (MOTA) reports a 1.6% decrease in the total number of workers in the hospitality and tourism sector by the end of Q1 2024. More specifically, there is a 2% decrease in the total number of workers in hotels, compared to a 2.6% decrease among those working in travel agencies, and a 2.2% decrease among those working in tourism restaurants.

While there are not any comprehensive reports on the actual total number of individuals who lost their jobs because of the boycott campaigns, the head of the Jordan Labour Observatory Ahmed Awad estimated that the number could reach **fifteen thousand Jordanians (<https://www.newarab.com/news/15000-jordanian-jobs-line-amid-israel-boycott>)**. Sectoral indicators seem to validate these estimates. MOTA’s Q1 2024 report highlights that the fast-food chains experienced an 85% decrease in revenues due to the boycotts. Even though the unemployment rate decreased by a 0.5 percent over the past 12 months, it is thus likely that the rate would have fallen even more had the boycott campaigns not been this widespread. As of yet, there are not any studies that explore the extent to which

local factories and companies employed Jordanians who lost their jobs due to the campaigns. But while some have pointed to the DOS statistics as indirect evidence of job growth in response to the boycotts, anecdotal reports suggest that many local Jordanian establishments responded to the shifting nature of supply and demand in the workforce by either lowering salaries of their current employees or increasing hours to accommodate the increased demand on their products.

DOS figures lend credence to this hypothesis. When analyzing the educational attainment of individuals working in Q1 2024 versus Q4 2023, there is a 1.5 percentage point decrease in the number of workers who completed secondary education or less, suggesting that individuals with lower education attainment have indeed had their work prospects worsened by the boycott campaigns. This segment of society enjoys fewer opportunities in a service-oriented economy such as Jordan. With many Western fast-food chains and retail stores experiencing heavy decreases in demands, individuals with lower education attainment are more at risk of dismissals or wage cuts, as their ratio to those with higher education attainment is 2 to 1. The ratio becomes 3 to 1 when looking at support sectors, such as transportation and delivery, which has not only been impacted by the boycotts, but the latter of which has also been targeted by the boycott campaigns. Recent calls have been urging Jordanians to boycott one of the largest food delivery companies in Jordan—Talabat—which has provided thousands of young Jordanians with a much-needed lifeline at a time when their opportunities are shrinking, leaving them in a more vulnerable economic position in a country lacking an adequate social safety net.

NAMA's polls likewise suggested that this is the unfortunate reality. Despite the modest increase in Jordanians who have a positive outlook on the economy, there is indeed an increase in the percent of Jordanians who describe their household financial conditions as “unable to cover their expenses and face difficulties making ends meet”—from 64.3% in NAMA's August 2023 poll to 70.3% in May 2024. When analyzed in terms of their educational attainment, over three quarters of those who responded as such had achieved a secondary school education or less. NAMA's poll also suggest a worrying level of female economic insecurity, as 54% of respondents who expressed difficulties in covering their expenses were women. This was also evident in DOS' data, as there is a noticeable and concerning increase in the unemployment rate among women, which increased by five points between the fourth quarter of last year and the first of this year.

Conclusion – Boycotting as a Form of Political Participation

An in-depth analysis of the percent of Jordanians who reported boycotting products because of the conflict in Gaza reveals similar trends seen in how Jordanians demonstrate their political participation. A 2022 poll by NAMA found that Jordanians tend to engage politically in the same vein as they do socially. While their participation appears as civic, it is rather driven by non-choice-based demographic identities in which societal costs associated with participation, or abstention, are paramount. Similarly, over two-thirds of Jordanians who reported currently boycotting products appear as conformist. They indeed boycott because of the war in Gaza, but the societal costs associated with not boycotting is a catalyst in their decision, let alone the ignominy they would face otherwise, a fate many local establishments faced when they decided not to participate in the general strike that took place on December 11, 2023.

Further anecdotal evidence suggests that many service establishments who engaged in the general strike did not compensate their workers for the day, as vulnerable workers paid the price for choices that were not necessarily theirs. Ultimately, the boycott campaigns will continue for as long as the war continues, if not beyond. While local Jordanian establishments are gaining grounds, they are yet to bridge the employment gap. Equally important is the fact that Jordan owes much of its economic resilience to foreign investment, particularly from the West. With an average of nearly 50,000 new entrants into the labor force and an average of 32,000 new jobs created every year, there is a compounded 38% annual deficit in the number of jobs needed to prevent the unemployment rate from

increasing, let alone attend to the already 418,400 unemployed Jordanians. As a result, Jordan has a difficult challenge ahead that potentially can only be addressed by inviting, not repelling, more foreign investors. ❖

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