

Reform and Development in Jordan: Toward an Arab Renaissance

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Brief Analysis

Jordan's commitment to reform and modernization is not a reaction to pressure or influence from others, but rather an understanding that Jordan, like all Arab countries, requires reform in order to accommodate the rising requirements of its young populace.

Jordan's population is growing at a rate of 2.4 percent annually, with 23 percent of Jordanians entering the labor force over the next ten years. To accommodate these growing numbers and the requisite requirement for work, Jordan's economy must grow at a rate of 8 percent annually with 100,000 jobs created each year. Without such economic progress, Jordan risks alienating many young people.

Attracting Investment, Creating Jobs

Jordan must pursue an economic reform policy that will attract private capital and stimulate job creation. Jordan's economy has improved over the years; growth last year was a relatively impressive 7.5 percent. Two years ago the unemployment rate was 15 percent, but according to a survey taken in 2004, unemployment was reduced to 12.5 percent.

Private investors, however, still view investment in Jordan as risky because of Jordan's debt level and the perceived instability of the region. The country's domestic and external debt is nearly equal to its gross domestic product (GDP). If Jordan is able to reduce its debt, the country's investor ratings will improve. (Although external debt is still high, it has decreased from 180 percent of GDP in 1989.) Yet, no matter what reforms Jordan makes, the perceived risks associated with regional instability will continue to act as a deterrent to potential investors, a reality that highlights the importance of making progress on the peace process.

Educational Reform

Educational reform in Jordan has been very successful over the past five years. In 1999, King Abdullah created the Educational Reform for the Knowledge Economy Project, which has triggered a stunning transformation in the kingdom's education sector. Positive changes include making kindergarten the norm for all Jordanian children, abolishing double shifts in most schools, and wiring all schools with broadband internet. Major advancements have also been made in the content of learning and in curriculum reform, with a focus on e-learning as well as efforts to standardize and digitize the math, science, history, and Arabic curricula.

Reform of the education sector has involved a public-private partnership, with many local and international companies supporting Jordan's efforts. Although primary education is important, Jordan must also focus on vocational training to ensure that Jordanians are trained in relevant skills that will enable them to find jobs after graduation.

Administrative Reform and Decentralization

Administrative reform in Jordan is a complex undertaking. Because historically, the public sector has been the

country's primary employer, it has proven difficult to convince Jordanians that the private sector should provide jobs for the majority of the population. In an effort to reduce bureaucratic inefficiency, the government has created the Ministry for Government Performance, which holds other ministries accountable to their mandates. In addition, the king has taken on the tough challenge of military pension reform and succeeded in implementing a policy that is fairer, more equitable, and more cost efficient.

Currently, a royal commission is assessing an initiative that seeks to divide Jordan into southern, central, and northern districts in the context of fiscal and administrative decentralization. This initiative would also allow more open participation in the political process for grassroots elements in society. But in order for the plan to succeed, the districts must have proper funding and mechanisms in place to ensure accountability and transparency at the regional level.

Political Reform

The National Agenda, created by King Abdullah, institutionalizes Jordan's political reform process and enshrines his vision of modernization, development, and reform. To lead this initiative, the government created a steering committee and eight additional committees composed of experts tasked with assessing the issues of political inclusion, fiscal reform, economic reform, judicial reform, educational reform, investment and privatization, gender issues, and social concerns. Each committee will produce a report on its findings by September 2005. Then, the onus will be on the government to create a budget reflecting the priorities articulated in these reports.

Reform must be expressed in a budget that provides the appropriate resources to implement specific reform initiatives. Jordan can achieve all the accountability and transparency in the world, but unless it has a budget that allocates the funding needed to implement reform, the average Jordanian will neither see nor feel change. At the moment, the major variable in the Jordanian budget is the price and subsidy of oil. Without special assistance from Jordan's friends and allies, this could prove to be a major brake on the reform process. Similarly, limitations on the extent to which the government can carry out political reform will persist in the absence of a solution to the Palestinian question that addresses the issues of land, people, and refugees.

Redrafting Press and NGO Laws

Jordan continues to struggle with reforming its press laws. In an encouraging development, an independent body called the Higher Council for the Media recently issued its first report evaluating press freedom in Jordan. Although the report did not give government high marks for press freedom, the very fact that this council exists indicates that the right institutions have been established to provide objective opinion on the necessary changes in press law.

The Jordanian government is also trying to improve the environment in which nongovernmental organizations (NGOs) operate. Currently, all NGOs operating in Jordan must be registered with the Ministry of the Interior or the Ministry of Social Development, a policy that can result in unnecessary restrictions. A new draft law is being prepared that will ensure the proper role for NGOs in Jordanian civil society.

Implications of Successful Reform

Reform is the best antidote to radical politics. Historically, the Islamic Action Front (IAF), the main opposition party in Jordan, has gained substantial grassroots support in poorer communities and on university campuses. The IAF runs on a platform that says "Islam is the solution." For a long time, this platform resonated with many Jordanians because no one else provided them with a vision of hope for a better life and future.

But recent government successes in implementing economic, health, and educational reform have benefited communities across Jordan, especially those poorer sectors from which the IAF traditionally receives support. Jordanians are beginning to realize that their government is committed to implementing reform that will increase

their freedoms and improve their standard of living. This will undoubtedly take a bite out of the political appeal of the Islamists.

This Special Policy Forum Report was prepared by Julie Sawyer.



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