





المجلس الاقتصادي والاجتماعي الأردني

Economic & Social Council of Jordan

The State of the Country Report 2021

## Executive Summary



# Introduction

The reviews of the State of the Country in 2021 cover a total of 21 sectorial reviews divided into eight parts: **First**, the macroeconomic sector which includes three reviews dealing with the topics of fiscal policy, monetary policy, and the business and investment environment. **Second**, the primary sector which deals with three reviews of water, agriculture and the environment. **Third**, the economic sectors, including three reviews, that deal with industry, trade and small and medium enterprises, followed by tourism and then energy. **Fourth**, the infrastructure sectors including three reviews, covering tele-communications, information technology, digital transformation and post, transportation, housing and infrastructure.

**Fifth**, Human resources which includes three reviews related to general education, higher education, labor market, employment, vocational and technical education and training sector. **Sixth**, social development (1) which includes two reviews, one for health and the other social development, women, family and children's affairs. **Seventh**, social development (2), which includes two reviews of culture and youth. **Eighth**, the reviews of the State of the Country 2021 conclude with the eighth part which covers political development and the development of the public sector, and includes two reviews, the first for political development and the second for the development of the public sector. The following is a brief summary of all themes and reviews.



## First, Macroeconomic Sector

Fiscal policy witnessed tangible developments during 2021, which were reflected in the increase in financial pressures on the treasury resulting from the rise in public debt and the public budget deficit. Despite the efforts made to improve the efficiency of local revenue collection, it still falls short of covering current and capital expenditures, or even financing new capital projects due to the limited fiscal space.

In this context, the review of the fiscal policy dealt with five main sections, started with the components of the state budget for the year 2021, and stopped at the general revenues of the central government, the problems related to local revenues in terms of the nature and structure of their sources, their reliance on indirect taxes that limit the equity of the tax system and multiplicity of legislative references granting tax exemptions and investment incentives. It also dealt with the public expenditures of the central government and problems related to public expenditures (current and capital), such as the lack of readiness of capital projects for implementation and current expenditures exceeding public revenues. In the following part, it discussed the deficit/savings items of the central government, the existing balance of public debt, the bond issuance plan, and government unit budgets. The review concluded this section by examining the most prominent financial reforms through the income and sales tax laws, and the economic reform program with the International Monetary Fund and the World Bank.

In the second section of the fiscal policy, the review dealt with the defects in the fiscal policy, the most prominent of which is borrowing to cover current expenditures (salaries), which is rarely proposed for capital projects with a productive value-added for the national economy, and the budget was unable to include sufficient capital allocations, to provide job opportunities, and to solve the problems of poverty, unemployment and the growth of current expenditures significantly. The review touched on the most important legislation, decisions and financial packages launched during the Corona pandemic, the most prominent of which were maintaining job opportunities, settling outstanding issues with taxpayers, waiving fees and fines, and supporting loan interests.

The Main Recommendations of the Fiscal Policy:

(1): Gradual reduction in the ratio of the public budget deficit to GDP after and before external grants, (2): developing and modernizing the tax system, (3): deepening the structure of tax justice and relying on direct taxes, (4): creating a gradual increase in capital expenditures to total spending through the government investment management institutionalizing. As for the public debt side, the review recommended the need (5): to establish a unit in the Ministry of Finance to enhance capabilities in the field of public debt management, forecasting financial targets, and managing potential financial risks, (6): Enhancing the transparency of public spending by disclosing sporadic or different spending items, and limiting capital expenditures to expenditures that lead to an increase in government capital formation, (7): Activating the window of the national registry for public investment projects to ensure that government projects to be included are reviewed in the annual budget of the state, verifying the possibility of its implementation, (8): That the general budget focuses annually on one or more of the leading sectors to lead economic growth, and the feasibility of capital projects becomes more accurate.

The second review within the macroeconomic part came about monetary policy, and the most prominent developments in the monetary and banking policy of the Central Bank indicate flexibility and a quick and proactive response to mitigate the repercussions of the Corona pandemic. As an expansionary monetary policy was followed by reducing interest rates and providing the necessary liquidity for economic activities, and strengthening the ability of economic sectors to face the negative repercussions of the pandemic. Monetary and banking indicators showed a tangible improvement in their performance during 2021. In light of the continuing economic challenges faced by the national economy, including a decline in economic growth, a rise in unemployment rates, a decline in the flow of foreign investments, a rise in the current account deficit, and inflationary pressures that the national and global economy is currently witnessing, the Central Bank has followed a contractionary monetary policy represented by raising interest rates.

The monetary policy review focused on several sections, the first of which is: monetary policy directions and the central bank's precautionary measures to confront the Corona pandemic. The second is the development of monetary



policy indicators. And the third: the most important developments in terms of the performance and durability of the banking system. Then the review moved in the fourth section to examine some macroeconomic variables related to monetary policy indicators. In the fifth section, it dealt with the financial market, and ended with providing a set of recommendations.

#### The Main Recommendations of the Monetary Policy:

(1): Continuity of containing internal and external structural imbalances (deficits in the general budget and current account), maintaining the attractiveness of the Jordanian dinar, maintaining the stability of the exchange rate, and achieving acceptable inflation rates. And focus on (2): removing administrative and financial obstacles to establishing small, medium-sized and micro-enterprises and pioneering projects, in addition to (3): Continuity of incentive policies to support economic growth and enhance financial and monetary stability. (4): Continuity of enabling medium, small and micro companies to obtain the necessary financing to carry out their business according to medium or long terms, and at appropriate interest rates through the programs of the Central Bank of Jordan. (5): Providing real economic incentives to the industrial sector, and enabling it to reduce production costs in the light of the high intensity of competition with global and regional markets (6): Expanding supervision over the finance sector by subjecting all financial institutions under the umbrella of the Central Bank. (7): Enhancing the independence of the Amman Stock Exchange and market institutions, providing them with the necessary support to implement their strategic plans, enabling them to attract and retain talents, and strengthening their financial position, (8): Providing incentives and facilities to encourage the listing of new companies on the ASE(Amman Stock Exchange).

The third review within the macroeconomic part dealt with the business and investment environment, in five sections. The most prominent developments show the continued decline of the business and investment environment and its negative impact on the slowdown in economic growth, the rise in the unemployment rate and the deepening of the challenges facing the national economy. Perhaps the decline in investment levels over the past years clearly reflects these challenges, and the inability to take advantage of our legislative environment and possible attractions in the economy.

The first section of the review focused on the investment system and the business environment in Jordan from the point of view of the reality of investment, its developments and the reality of the business environment. In its second section, the review examined the obstacles facing the business and investment environment, flaws and poor performance, the most important of which are the high production costs, tax rates and the complexity of procedures. While the third section sheds light on government procedures, programs, directions and strategies to improve the business and investment environment, including the field of analyzing the budgets of the entities concerned with the business and investment environment.

#### The Main Recommendations of the Business and Investment Environment:

(1): Establishing an enabling environment to attract investment, ensuring the unification of investment benchmarks through a creative legislative environment, (2): restructuring government operations, simplifying procedures, activating e-government, and unifying the classification of the objectives of economic activities among them, (3): activating the role of the investment window for the purposes of simplifying procedures and granting authorities to representatives of government agencies in the window, and setting them with binding periods of time to respond to investors' requests and approvals (4): Strengthening the principle of follow-up and evaluation of government plans and procedures announced with regard to the business and investment environment, (5): identifying activities, sectors and projects with a priority to attract investment, taking into account the degree of economic complexity, the scale of investment, and the job opportunities created for Jordanians, in addition to the geography of investment and directing it to less fortunate areas. (7): Enhancing the technological component and research and development processes, (8): Raising the technical and human capabilities of those involved in dealing with investors, especially non-Jordanians.

### **Second: The Primary Sectors**

The primary sectors part covers three reviews of Water, Agriculture and Environment. It begins with a review of water that have witnessed tangible developments during the previous period in terms of the inadequacy of the water



projects that have been implemented to develop water resources and reach water security. There are still many challenges facing this sector, such as scarcity of resources, increased demand, depletion of resources, pollution, subsidized water pricing, and overexploitation of non-renewable water without focusing on the time of its depletion and the rights of future generations in these resources. The increase in population growth caused by the presence of a large number of refugees contributed to the deepening of the problem of water shortage.

The review of the water sector includes several sections, the first of which provided a general summary of the water sector; the second section covers water resources while the third section covers the economic, social and political challenges of the water and irrigation sector. In the fourth section, the review followed up on what was stated in the water strategy (2016-2025), then it conducted a reading of the flaws in the performance of this sector in the fifth section, the most important of which are the lack of water resources, their insufficiency and the lack of alternatives for them.

#### The Main Recommendations of the Water Sector:

(1): Raising the efficiency of water use in irrigation to provide fresh water for use in other purposes through the introduction of modern water-saving technology  
(2): Continuity and seeking to obtain rights of water shared with neighboring countries, which will alleviate the acute water crisis  
(3) Adopting water desalination in Aqaba and proceeding with the establishment of desalination projects as a strategic option to solve the water problem in Jordan by using modern technology  
(4): Develop radical solutions to the problem of water loss, both legal and technical,  
(5): addressing other challenges represented by intermittent pumping, and increasing per capita share of household uses and groundwater depletion.

The second review, within the primary sectors part, dealt with the agricultural sector, which has also witnessed important developments related to food security in light of the Corona pandemic. The agricultural sector has been given top priority as a result of its significant contribution to the continued flow of agricultural commodities to markets during the pandemic, and the strengthening of back and forward links with other economic sectors.

The review of agriculture comes in several sections. It started with a general summary of the sector, then provided a reading of the National Agricultural Development Strategy (2020-2025), and in the third section, it followed up on the achievements made in the development projects of the national strategy. In the fourth section, it highlighted the shortcomings in the performance of the Ministry of Agriculture and its affiliated institutions, most notably the lack of human cadres and weak financial resources.

#### The Main Recommendations Recommendations of the Agricultural Sector:

The recommendations in the field of the Ministry of Agriculture provided for (1): reconsidering the legislative system that governs the work of agricultural activities and its supportive activities, (2): liberalizing the agricultural production input market, (3): governance of inspection and control procedures for economic activities, (4) Aligning authorities with the main tasks of the ministry, and taking into account the non-duplication of powers with other ministries and institutions (5): training on modern agricultural technology and developing the agricultural extension system (6): Completing the agricultural database, and activating farmers' registration to transform the agricultural sector from a non- organized into an organized agricultural sector

(7): Developing internal marketing channels, and developing the quality of agricultural products traded in local markets to reduce the percentage of food losses, (8): Establishing agricultural industries complexes that achieve economic feasibility, (9): Orienting agricultural research to commercial agriculture, and introducing commercial varieties to the agricultural sector, (10): Develop agricultural research laboratories to grant certificates required by export markets, (11): raise the capital of the agricultural lending institution and expand its banking services, (12): activate the role of the cooperative union and make it come into existence; and review regulations that govern the work of cooperative societies, (13): Establishing a system of tax incentives for cooperative societies linked to investment, employment and creating job opportunities for Jordanians.

The third review within the primary sectors was concerned with the environment, which witnessed tangible developments in the previous period as a result of the increasing interest in environmental issues and the increasing pressures on its elements, represented by the acceleration in the population increase, the increase in the urban area, the diversity in industries and the increase in the number of



industrial establishments, in addition to climate change. The Kingdom is facing major changes in the climate represented by changes in temperature, amounts of precipitation, the accelerated change in production and consumption patterns and the intertwining of relations between sectors, for example the intertwining of water, agriculture, energy and urban development sectors. This poses an imminent threat to the natural and human systems in the Kingdom, and requires strengthening the integration of environmental dimensions in various national policies, and in international, bilateral and multilateral agreements.

The environmental review includes several sections, the first of which covers the reality of the environment sector in Jordan, the second is a follow-up to the strategy of the Ministry of Environment (2020-2022), and the third is to identify weaknesses and defects in implementation and performance, the most important of which are the lack and decrease of allocated financial resources, the multiplicity of references, the overlapping of powers and the weak response of institutions and ministries.

#### The Main Recommendations Recommendations of the Environment Sector:

(1): Supporting efforts to achieve the desired level of environmental public awareness within the Jordanian society and at all social and cultural levels, (2): Regularly follow up on issuing various periodic reports related to the state of the environment in Jordan, (3): Strengthening the participation of civil society institutions, especially environmental associations in the formulation of decisions and instructions related to the protection and preservation of the environment (4): Addressing all environmental rights violations (environmental crime) (5): Inclusion of the citizen's right to a balanced environment and sustainable development within the state's general decisions and policies (6): Promoting participatory work between the Ministry of Environment and all educational authorities, (6): Enhancing participatory work between the Ministry of Environment and all educational authorities, (7): Implementing the international best practices related to purification plants near population centers, (8): Supporting the production of digital content in all its forms, and demonstrating the severity of environmental pollution.

### **Third: Economic Sectors**

The economic sectors part included three reviews. The first one dealt with industry and commerce and small and medium enterprises. The latest developments that swept this sector during the Corona pandemic indicate its paramount importance in creating strong front and back links among the various economic sectors, in addition to its high contribution to commodity and service production and added value, as well as its important role in employment. This sector has witnessed a significant decline in the number of registered companies during the pandemic due to the closure of many companies as a result of the decline in demand and sales. The review of this sector was carried out through several sections, starting with the economic performance of the industrial, the commercial and the small and medium enterprises sectors, in addition to the efficiency of these sectors combined, and the most important indicators of their competitiveness, namely: the index of restricting foreign investment, the index of economic complexity, and the index of energy cost. The results indicate a decline in the Kingdom's ranking in the index of diversification and competitiveness, an increase in the degree of restriction of foreign investment, a low efficiency of the use of local resources and a rise in energy costs. As for the second section, the review dealt with the strategic plans of the industrial and trade sector, its policies and the achievement achieved, to move in the third section to the government measures taken to confront the pandemic and move towards an economic recovery in 2021.

#### The Main Recommendations of Industry, Commerce, Small and Medium Enterprises:

(1): Stimulating national production and enhancing the share of national products in the local market, (2): Building a national strategy for export, which is able to prioritize markets and products for Jordanian exports, and contribute to raising the degree of commodity and geographical diversity of national exports, (3): Expanding the production base by building on technical and production capabilities in promising sectors that depend on local inputs, and working to attract investments to them, (4): Increase the fees and taxes relief in the far regions and parties to enhance attracting investment elements and create an attractive environment for investment that contributes to employing workforce and



reducing unemployment rates, (5): linking training and qualification programs for skilled workers in the private sector, which are in line with the needs of the labor market, and starting to teach and strengthen the role of the digital economy, and the profession of education and smart industries, (6): modifying the government procurement system and its decisions related to small and medium industrial companies, to raise the rate of price preference for Jordanian industries in government tenders that have a preferential export value, (7): Strengthening links among universities, research and development centers and the industrial private sector, (8): Developing vocational training centers to serve small and medium enterprises, including developing the educational system towards vocational education .

The second review of the economic sectors is the tourism sector, which has been affected negatively by covid-19 pandemic. The receipts of income from tourism sector have been reduced by 75% as a result of the complete closure of all tourist facilities. Further, many workers lost their jobs due to this closure. Covid-19 pandemic has also imposed a major shift in the tourism sector. In fact, the government expenditure on developing the infrastructure of the tourist sites is still in expedient for the actual need of the tourism sector in order to be revitalized again. Great efforts have been made to develop tourism industry in the country during previous years in order to ameliorate the tourism sector and attract foreign investments, because of its wide role in social and economic development and raising the standard of living for individuals to achieve sustainable development.

The review includes the following sections: analyzing the situation of tourism sectors for the years 2018-2020, the procedures followed to confront covid-19 pandemic in 2020, revising the national strategic plan for tourism, and the ministry strategic plan, as well as the projects and programs that have been implemented in 2020 by the ministry and department of antiques along with the tourism authority and analyzing the situation of tourism.

#### The Main Recommendations of the Tourism Sector:

(1): Encouraging Aqaba and Dead Sea hotels to make special offers on their prices and create competitive products, (2): Supporting debt rescheduling for the workers of the tourism sector, (3): Standardizing procedures and instructions of entry and exit for all border crossings in Jordan, (4): Supporting international tourism arrivals offices with a plenty of stimulus packages, (5): Establishing non-

conditional residency programs for businessmen from Arab countries in order to promote investment, (6): Granting the tourist facilities all the needed approvals in order to work through the Ministry of tourism, (7): Growing Interests in community tourism, and the small or medium investments funded and managed by the community, (8): Involving Community members in the preparation of plans for the development of tourism in their regions, (9): Increasing the efficiency of the infrastructure of roads leading to tourist sites, and devote attention to the quality of public services, (10) Preparing all tourist sites, and erect sign-boards that guide tourists, and explain historical information that shows the importance of the site.

The third review in the economic sectors is related to energy sector which has witnessed many aspects that reveal its fragility, and the circumstances that led to stop energy supplying. In fact, energy profile continued      The third review in the economic sectors is related to the energy sector which has witnessed many aspects that reveal its fragility, and the circumstances that led to the stop of energy supply. In fact, energy profile continued to be a major challenge for the national economy during the previous years as many different sectors increased their reliance on the crude oil, petroleum derivatives and natural gas to meet their needs. The energy sector –like many other sectors- has been affected by Covid-19 pandemic and the surrounding regional circumstances; due to the pandemic, some businesses and activities have been hampered, and the quality of the followed procedures has been reduced. This reveals the need to find a safe energy supply that has not been affected by price volatility. Despite the limited availability of the conventional energy resources –like oil and gas- in the country, yet the region is relatively rich of rare and radioactive elements, oil shale, solar and wind energy that have been partially invested. Energy sector has been audited through several sections, starting from the status of energy today and in the future, highlighting three important subtitles; figures and facts, comparison studies, performance analysis and repositioning. However, the second section follows up the process of executing the strategic objectives of the energy sector.

#### The Main Recommendations of the Energy Sector:

(1): Strengthen the role of Atomic Energy Authority in Jordan in developing the use of generation III and IV reactors from small-sized compact reactors, and following up the procedures of building the critical mass and its responsibilities, as to provide the services regarding to the atomic energy, (2): Pricing the petroleum derivatives



over a quarterly or seasonal period (summer and winter) and transparently declaring the rate of petroleum derivatives prices that are accredited in each period, (3): Structuring the price of electricity through a time-dependent pricing in order to increase the loads in the morning at the times when electrical energy production costs less, (4): Amending laws and instructions that regulate electrical energy sector, (5): Treating the accumulated debts of the electrical energy sector and governing them away from electricity tariff for ordinary consumers, (6): Assessing the prices of purchasing energy from renewal energy (for phase I and phase II) through negotiating with the responsible companies to adapt their stations, in order to keep the electrical system balanced, (7): Activating the third phase of renewable energy stations, (8): Standardizing the references in the energy sector through coordinating and participating in decision making, and obtaining implementable strategic plans.

#### **Fourth: Infrastructure Sectors**

Infrastructure sectors contains three review. The first review tackles information and communication technology, digital transformation and postal services. This sector is important as it is one of the main factors that empower the economy by operating manpower and developing electronic commerce. This sector also seeks to ease providing the citizens with the needed services fairly, and to reduce corruption. This sector is interlinked with the other different sectors, and it has witnessed a great challenge during covid-19 pandemic. Yet, it has a positive impact upon many businesses by harnessing the means of communication and information technology. This sector succeeded in responsiveness, easing businesses and continuing the educational process and delivery services, in addition to appeasing the citizens' requirements for procurement, payments and transactions that has been changed to be electronic.

This sector has been reviewed through the following sections: global and local indicators for the sectors of communication, and information technology and post, Follow up on effective policies and strategies and a summary of the telecommunications, information technology and postal status.

The Main Recommendations of the Communication, Information Technology and postal Services Sector:

(1): Introducing modern technology in mobile communication, in particular the fifth generation, (2): Providing suitable frequencies through the Communications Regulatory Authority in order to operate the fifth generation network and make it available for other companies of the sector to get benefits from, (3): Updating the communication law number 13 for 1995 and its modifications. Also, reviewing many of the systems that are emanated from the law and its modifications, (4): Providing larger spaces of the radio spectrum resources in order to establish and operate the services of the fifth generation, (5): Turning Jordan to be a center for information technology industry, (6): Incorporating the gradual electronic education, (7): Completing the project of the National Bandwidth Network (NBN), (8): Improving the competitiveness of information technology companies by innovation and self-developing for products and services, (9): Developing a strategy for the sectors that show high competitive ability in order to be examined and ameliorated, (10): Reviewing and activating the low of postal services, (11): Enabling courier companies to work upon a commercial basis following the example of private companies, (12): Sustaining debts consequences on courier companies that have been accumulated as a result of carrying the burdens to provide inclusive services during the previous ten years, (13): Re-examining the inclusive services of the postal sector in a manner that achieves justice for the company and helps to carry out its duties towards all regions of the Kingdom, (14): Establishing a department concerning with digital transformation, and empowering it financially and administratively, (15): Establishing a national council for Digital Transformation with the participation of the private sector, (16): Keeping pace with the Cyber Security Center for technological developments in this field, (17): Starting partnerships with Jordan universities in order to develop the specialization of Cyber Security, and to graduate competitive students with qualifications and abilities that keep pace with the local and global markets. As a general recommendation, the review recommends to redefine leadership as an economic concept that should be attached to the Ministry of Industry, Trade and Supply.

The second review of the Infrastructure sector tackles transportation sector. This sector has also witnessed several events that presented how fragile it is, and being exposed to conditions led to transportation suspension and delaying the



implementation of some projects. The transportation sector has been affected by the regional crises that decreased the movement of people and goods. In addition to the extreme population growth, whether in the normal or emergency situation, as a result of forced asylum, which increased the demand for transporting goods and passengers. The transportation sector plays an important role in encouraging investment, enhancing the competitiveness of the economy, along with providing all citizens with a safe and affordable transportation. This requires maintaining the continuity of transportation in all its forms to enhance economic and food security.

The review presented four main sections and a number of sub-headings, as the following; an overview of the transport sector, the impact of the Covid-19 pandemic on the transport sector and the performance indicators of the sector, government procedures, a series of governmental measures to support the transport sector, and the support provided to the sector by social security, the procedures of the Central Bank, the support provided to the transport sector in cooperation with the Ministry of Tourism, and the follow-up of government work through the implementation plan of the national transport strategy, the strategic plan for road safety, along with the indicative executive program of the government, transportation priorities in the last two governments, and linking strategies to budgets.

#### The Main Recommendations of the Transportation Sector:

(1): Giving the Ministry of Transport a leading and coordinating role, and focusing on the transformations that occur for the transport sector, especially in operating and developing comprehensive cross-sub-sector strategies. (2): Directing government funding towards intercity- mass transit projects. (3): Insisting on the necessity of developing performance indicators to measure the objectives contained in the strategy in accordance with what is stated in the budget law, and to develop follow-up plans. (4): Activating the legal provisions regarding the individual operators. (5): Monitoring the budgets allocated to implement the national strategy for road safety, and following up on the process of implementation. (6): Attention must be given to intelligent transport systems that direct current projects. (7): Institutionalizing coordination between those concerned with the management of public transport, especially the transport of passengers and goods, with regard to the relationship of Transport Regulatory Authority with the municipalities.

The third review within the infrastructure sectors is housing and infrastructure. This sector has undergone many developments in the past years as a result of the increasing population and successive migrations, which imposed a huge pressure on the infrastructure due to the irregular distribution of population in rural and urban residential communities. Great efforts have been made in the field of housing and the infrastructure sector during the previous years to achieve one of the sustainable development goals which is related to making cities safe, resilient and sustainable. This has a major role in social and economic development, and raising the standards of living for individuals to achieve sustainable urban development. The rapid growth and urbanization processes witnessed by the Kingdom during the past decades have caused a problem in providing adequate housing for low-income people, the erosion of infrastructure and social services, in addition to other environmental, economic and social problems, and the emergence of informal housing areas that led to a deterioration in the general environment due to the high rates of overcrowding. In addition, Covid-19 pandemic imposed a major shift in the work of the housing and infrastructure sector and led to a change in its priorities. In fact, the government funding for infrastructure is still disproportionate to the actual demands of the sector in light of the growing population.

The sector was reviewed through the following five sections: the entities concerned with the housing and infrastructure sector (the Ministry of Public Works and Housing, the Ministry of Local Administration, the Greater Amman Municipality, and the Public Corporation for Housing and Urban Development), the imbalances in the performance of the parties concerned with the housing and infrastructure sector, most importantly of which are, the weak coordination between municipalities, the lack of qualified cadres, the absence of comprehensive planning and the multiplicity of references.

### The Main Recommendations of the Housing and Infrastructure Sector:

(1): Developing the foundations used in drawing urban growth strategies by adopting a policy of holistic spatial planning for infrastructure. (2): Establishing an information system for population, employment, infrastructure services, economic activities and land use. (3): Monitoring, designing, implementing and evaluating the programs and projects of the municipality, in order to enable the municipality to carry out the tasks efficiently. (4): Building capacity and upgrading



competencies for municipality workers. (5): Following a periodic system for the maintenance of facilities belonging to government entities. (6): Amending the residential land use system and studying the integration of adjacent cities and villages into larger municipalities that are capable of improving services in their regions. (7): Defining a single government reference to guide and regulate investment in the housing sector. (8): Developing housing production and paying attention to product quality during the construction stages of housing projects. (9): Providing a sustainable source for financing housing projects, and supporting housing finance directed to the deserving groups. (10): Providing organization classes for small spaces. (11): Encouraging housing cooperative associations to produce housing that meet the housing needs of diverse groups of income. (12): Developing local building materials, providing cheap alternatives, and raising their quality level in the local market. (13): Updating the National Housing Strategy for 1989 and working on issuing a strategy that keeps pace with developments and changes.

#### **Fifth: The Human Resource Sector**

The human resources includes three reviews, the first one deals with public education, which has also witnessed many developments during the previous years as a result of the increase in the number of population and refugees, which created great pressures on the quality of education and its outputs. The educational system was exposed to a state of imbalance between the increasing number of students and the establishment of schools. Covid-19 pandemic imposed a major shift in the work of the public education sector and led to a change its priorities. The pandemic revealed some weaknesses related to governance, management and readiness to face emergency crises administratively and academically. The pandemic has negatively affected the educational system, with educational losses amounting to approximately 30%. Despite the contribution of the pandemic to the development of the administrative aspect related to providing educational technology tools for students in all areas, however, no development and improvement occurred in the technical aspects of distance learning. In addition, the efforts to benefit from technology in education are still limited, as 21% of schools do not have Internet services, because of the poor funding they receive. Indeed, what the government spends on education is still not commensurate with the actual needs of the sector in light of the increasing number of students.

The sector has been reviewed in seven sections: the Ministry of Education's response to the suspension of public education institutions on March 15, 2020, the sustainable development goals, the Ministry of Education's strategic plan (2018-2022) and its ability to deal with risks and threats, the risk management strategy and confronting the suspension of schools due to the pandemic, the programs implemented by the Ministry to face emergency conditions, the implementation of distance education, and identifying weaknesses in the executive plans and programs of the Ministry of Education.

### The Main Recommendations of the Public Education Sector:

(1): Developing and preparing curricula to discover, develop and direct students' abilities in basic skills related to languages and mathematics. (2): Establishing a functional system for teachers called the Educational Corps Regulation, similar to the Diplomatic Corps Regulation. (3): Transition towards electronic digitization in the development of curricula for academic, professional, and technical tracks, activities and related content, school exams and tests, and the integration of educational technology means. (4): Seeking to build the capacities of workers in the field of digital education, and use of consultants and specialists in this field. (5): Providing digital materials and educational tools for people with special needs and learning difficulties. (6): Involving and educating parents in order to integrate them into the distance education team. (7): Providing Internet services for the areas where internet is not available, in order to keep pace with the requirements of distance learning. (8): Activating the educational endowment plan with the aim of directing donors and philanthropists to build schools in the areas in need, thus reducing the acute shortage of the ministry's infrastructure.

The second review within the human resources, deals with the sector of Higher Education and Scientific Research. This sector has witnessed many developments during the previous years as a result of the increasing numbers of the educational institutions and students. This caused great pressures on the quality of education and the required competencies and their outputs for the labor market. There is a surplus in the number of graduates from all disciplines, reached nearly 70,000 students in 2021, which increased the problem of unemployment in the economy. Moreover, the sector has also witnessed a decline in scientific research and innovation during the past decade as a result of the poor funding for scientific researches and the failure to make optimal use of the available



resources. Indeed, the government financial allocations on education are still disproportionate to the actual demands of the sector in light of the increasing number of students. In general, Covid-19 pandemic imposed a major shift in the work of the Higher Education sector and led to a change in its priorities. During the pandemic, universities had financial difficulties resulting from the prevailing economic situation as a result of closures, suspension of face-to-face education and postponement of payment of tuition.

The sector of Higher Education and scientific research was reviewed through the following sections: the reality of higher education, the strategic plan of the ministry (2019-2021), and the national strategy for human resources (2016-2025). The most important challenges facing the sector are the administrative slack, the increase in the financial deficit and indebtedness of universities, the low quality of education and the weakness of scientific research. The highlights of the recommendations are divided into several areas.

#### The Main Recommendations of Higher Education and Scientific Research Sector:

(1): Maximizing the role of boards of trustees in public and private universities by building an integrative relationship with the Higher Education Council so that the role of the Council is supervision, control and guidance. (2): Transparency when hiring the members of the Higher Education Council, boards of trustees, and university leaders. (3): Working to obtain the stability and sustainability of legislation regulating academic work at the university and sector levels. (4): Amending the bases of unified admission to achieve justice and encourage enrollment in technical education in accordance with the National Strategy for Human Resources (2016-2025). (5): Providing financial and technical support for graduate students at Jordanian universities to devote themselves to carrying out their research and innovations. (6): Linking the new specializations developed by Higher Education Council with the market need. (7): Measuring the administrative and academic performance of universities and colleges using Baldrige Standards to ensure educational outcomes and to provide the opportunity for many graduates to obtain a job that suits their qualifications in the local, regional and global market.

The third review in the human resources deals with the labor market, employment, and the vocational and technical education and training sector, which has been witnessing a chronic structural imbalance in both supply and demand sides

of local labor. Despite all the efforts made by the concerned authorities in developing this sector, it still suffers from weakness and slowness in achieving the goals set to move it towards development, modernity and keeping pace with the requirements of the market and various industries.

The absence of the effective participation of the private sector in the development of a vocational education system (based on the requirements of the labor market) has led to a widening gap between the needs of the private sector and the available skills of the graduates. The imbalances that the labor market suffers from have also been increased by the presence of large numbers of immigrant workers and the reluctance of the Jordanian workforce to work in those sectors, in which expatriate workers are attracted, the limited number of job opportunities created, the local economic situations, waves of forced migration, in addition to the low wages, and the lack of alignment of their qualifications with the needs of the labor market.

The sector was reviewed through the following five sections: the labor market and employment sector (which included the reality of the labor and employment market, plans, strategies and programs supporting the labor market and employment sector), the vocational and technical education and training sector, and the achieved objectives of the National Strategy for Human Resources Development (2016-2025). Finally the conclusion and recommendations part.

#### The Main Recommendations of the Labor Market, Employment, and the Vocational and Technical Education and Training Sector:

(1): Working on developing stable implementation plans based on the roadmap of the National Strategy for Human Resources Development (2016-2025). (2): Making structural changes in the labor market with regard to market efficiency and required skills. (3): Qualifying those who are able to work, enabling them to obtain suitable jobs, and matching skills with the requirements and needs of the labor market. (4): Providing the necessary data about the labor market. (5): Regulating the informal labor market and expatriate workers. (6): Providing the appropriate work environment for graduates of the technical sector in terms of salary scale, job hierarchy, and related incentives, in addition to changing the social stereotype of this sector and activating a range of professions for Jordanians. (7): Activating the law regulating professional work, which helps in regulating the relationship between the worker and the employer. (8): Linking the national



qualifications framework with the labor market. (9): Building an electronic platform for vocational education that contributes to interactive e-learning for all vocational and technical education and training service providers. (10): Establishing an observatory for future professions to identify future professions and required skills. (11): Restructuring the Vocational Education Department to keep pace with recent developments in the vocational and technical education and training sector. (12): Directing international donors and supporters of vocational and technical education and training to vocational secondary education to promote it. (13): Equipping the workshops and laboratories with modern devices and equipment, and expediting their completion to keep pace with the technological development in the field of various industries. (14): Establishing and activating the graduate student follow-up system in every institution providing vocational and technical education and training. (15): Create professional business accelerators for creativity and innovation through service providers. (16): Encouraging investment in the employment, vocational and technical education and training sector to meet the needs of the labor market. (17): Activating the role of professional associations and the private sector to participate in decision-making in the labor market. (18): Transforming private community colleges into technical education colleges.

### **Sixth: Social Development (1)**

The social development (1) includes two reviews, the first of which is concerned with social development, women's affairs, the family and children, which have been witnessing many developments during the previous years in terms of being affected by the Covid\_19 pandemic and the negative repercussions that accompanied it in terms of the high number of cases of domestic violence. Works have been done to update sectoral and institutional plans and strategies. The role of women in all aspects of life has also been activated and protected, especially their participation in political life, as it is the gateway to promoting women's participation in all other fields. In fact, there were important reform steps that have been taken in the field of women's rights and social justice, and on achieving gender equality in rights and duties. The review addresses the following five sections: the effects of the Covid-19 pandemic on the social development sector, women's, family and children's affairs, the follow-up to national strategies for social

protection, women's affairs, family and children's affairs, including the national social protection strategy (2019-2025), sectoral strategies and their updates, and the national plan to reduce marriage of minors under 18 year (2018-2024), the national strategy for the elderly (2018-2022), the national strategy for women (2020-2025), weaknesses in performance and implementation, and finally the recommendations.

#### The Main Recommendations of the Social Development Sector:

(1): Completing and approving the Social Work Law. (2): Expanding the use of the term social protection instead of national aid to give priority to the human rights aspect of government support for marginalized groups. (3): Adopting a law on the rights of the child. (4): Developing plans and procedures to reach children, the elderly and patients who are unable to report cases of violence. (5): Developing the national strategy for the Jordanian family, in addition to developing national plans of action for early childhood and childhood. (6): Adopting the Juvenile Law. (7): Developing the "Juvenile Justice" strategy. (8): Making a comprehensive review of all legislation related to gender equality and the elimination of discrimination. (9): Generalizing not to use or threaten preventive detention, as this prevents female victims from reporting violence. (10): Resorting to flexible work in terms of the place of work or the division of work hours to meet the needs of female workers who take care of others.

The second review within the social development (1) deals with the health sector, which has shown success in addressing the pandemic. Despite the many achievements of the Jordanian health sector and its advanced position and cohesion in the face of the pandemic, it still suffers from many challenges and problems that must be confronted to avoid the decline of the medical services, and to ensure a safe recovery from the pandemic. Among the most prominent of these challenges are the absence of a unified national reference for the governance and leadership of the health system, the delay in achieving universal and equitable health coverage for people, the high costs of health care and the high percentage of health spending, and the duplication of government health insurance programs, the ineffective use of available resources, the difficulty of retaining trained human cadres and reducing their migration, the health system's focus on secondary and tertiary health care at the expense of primary health care and public health programs, the weak implementation of strategic health



plans projects and programs, along with the weak control over health care quality in the public and private sectors. Despite the efforts and achievements that have been made, the health sector still needs reforms that enable it to safely exit from the Corona pandemic, preserve its accumulated gains and keep it in an advanced position. This reform process must be comprehensive and cover the seven components of the health system as mentioned by the World Health Organization, which are: management / governance, financing, human resources, medical technology, medicine and information systems, digitalization, health service delivery and community participation.

The review has been conducted in several sections, the first of which is the epidemiological situation of the Corona pandemic in Jordan: response, challenges and future prospects. The second is to monitor progress in implementing health legislation and strategic health plans. The third is the recommendations and the future vision, the most prominent of which is that the required reform process for this sector must be comprehensive and cover the seven components of the health system as mentioned by the World Health Organization.

#### The Main Recommendations of the Health Sector:

(1): Creating a single administrative and reference umbrella under which official health service providers are included, preventing duplication of health service provision and financing, controlling health spending and achieving justice. (2): Activating the Higher Health Council, preserving its independence, and supporting it administratively and technically to carry out its functions specified by law. (3): Reorganizing the health sector to raise its readiness and ability to deal with national health crises by following a proactive model. (4): The actual application of the policy of decentralization to expand the participation of middle, lower and peripheral departments in the Ministry of Health in the planning process, decision-making and the management of human and financial resources. (5): Finding a mechanism to link the establishment of hospitals and health centers with each other. (6): Stimulating and supporting the local pharmaceutical industries, especially in the field of vaccines and the manufacture of preventive supplies, and helping them to open new markets. (7): Accelerating the procedures for registering the local drug. (8): Requiring all official health sectors to purchase medicines and medical supplies through unified procurement in the Central Tenders Department. (9): The necessity of activating and implementing

the national plan to reduce antimicrobial resistance. (10): Accelerating the computerization program of health centers and government hospitals. (11): Requiring service providers in the private health sector, especially in clinics, health centers and hospitals, to use a unified program for the electronic medical record. (12): Accelerating the computerization program of health centers and government hospitals. (13): Prioritizing the health system to move from a focus on curative medicine, costly medical technology, and medical subspecialties to a public health model. (14): Providing health services to citizens and residents in their homes, especially for patients with chronic diseases, the elderly and people with special needs, family planning services, vaccination, and conducting periodic examinations. (15): Finding an effective and strict transformational system to make primary health care the main entry point for receiving health services. (16): Establishing mechanisms for self-control over the quality of health services provided to patients. (17): Controlling horizontal and vertical expansion in government hospitals. (18): Developing a stable and long-term strategy for contracting with other government health sectors and the private health sector. (19): Establishing a functional system for the health professional corps, similar to that of the diplomatic corps.

## **Social Development (2)**

The community development (2) includes two reviews. The first deals with the culture sector through four sections, the culture sector in Jordan during Covid-19 pandemic, the follow-up and evaluation of the cultural development plan (2017-2021), the size of its achievement, and the identification of defects and weaknesses in performance with regard to governance, institutional work, and weak cultural production and publication.

### The Main Recommendations of the Cultural Sector:

(1): Creating a unified organizational umbrella for institutions working in the cultural sector. (2): Establishing the Supreme Council of Culture as an independent body. (3): Issuing the cultural strategy with the full participation of the sector's parties. (4): Activating the Culture Support Fund. (5): Reviving and developing creative sabbatical projects, the cultural creativity camp and the digital museum. (6): Supporting the Amman International Book Fair. (7): Reconsidering the Ministry's publication policy.



The second review within the social development (2) deals with the youth sector, which constitutes a real opportunity for the future to provide qualified manpower in various economic sectors to support the economy, its development and growth. Young people aged (15-24) constitute 20% of the population. Despite of the increase in the category of young people, the challenges ahead are still prominent, with the unemployment rate among them reaching more than 50%, which indicates a lost opportunity for the economy by taking advantage of their capabilities. Among the reasons that exacerbated the high rates of unemployment among young people is the low rates of economic growth and the limited new job opportunities and the external shocks that the economy has been exposed to, in addition to the previous policies and procedures. This indicates an urgent need to evaluate previous policies and measures and revitalize efforts to eliminate youth unemployment.

The youth review comes in six sections, which are, respectively: an overview of the youth sector, the role and achievements of the Ministry of Youth (during the pandemic at the level of regions and directorates), following-up to the National Youth Strategy (2019-2025), in addition to the institutional strategy of the Ministry of Youth (2021-2024), weaknesses, and performance deficiencies.

#### The Main Recommendations of the Youth Sector:

(1): Preparing a plan for training, rehabilitation and continuing education to raise the efficiency of the functional staff in the ministry. (2): Creating a unit for training and continuing education, a section for national guidance and intellectual security, and a section for people with disabilities in the ministry. (3): Reactivating the Youth and Sports Movement Support Fund. (4): Approving certificates for workers in establishments that include fitness centers through the Youth Leadership Development Center. (5): Opening academies in the governorates for various games and resettling them in the facilities of the Ministry of Youth. (6): Activating the role of the Youth Leadership Development Center. (7): Establishing an integrated youth city with international standards in partnership with the private sector. (8): Rehabilitating youth hostels and marketing them as tourism with a systematic plan, and developing, rehabilitating and training the cadre working in youth hostels. (9): Providing transportation for youth centers and building and strengthening the scientific and practical capacities of workers in youth centers. (10): Merging the neighboring youth centers and young women and dispensing

with the rented centers by using the nearby schools. (11): Establishing national camps for Jordanian youth of expatriate children in cooperation with Jordanian embassies. (12): Studying the Ministry's programs concerned with combating extremist ideology and combating the scourge of drugs in cooperation with Public Security and the concerned authorities. (13): Empowering youth politically by activating the role of the Ministry's political institute, supporting it, supplying it with qualified cadres, and supporting its programs. (14): Developing advanced and specialized programs to qualify effective youth leaders in all governorates by providing them with the necessary training.

#### Seventh: Political Development and the Development of the Public Sector

The political development and the development of the public sector includes two reviews. The first deals with political development through six sections, which are, respectively: political development in Jordan, its stages and development, follow-up of plans and strategies, flaws in performance, the royal committee to modernize the political system, and finally the conclusions and recommendations.

#### The Main Recommendations for the Political Development Sector:

(1): Develop a national strategy for political development and democratic empowerment that represents a reference for all plans and efforts related to political action. (2): Implementing a comprehensive review of curricula and courses related to national culture and citizenship, and creating a mechanism for periodic evaluation and follow-up of the knowledge and skills acquired by students in this field. **In parallel:** (3): Empowering teachers and developing their skills and knowledge in issues of identity, citizenship and democracy. (4): Transforming the content of the national education subject in Jordanian universities to include topics related to citizenship and democratic empowerment.

The second review within the community development (2), deals with the development of the public sector, which showed the weak response of the public sector and its readiness to work remotely during the pandemic, due to the lack of appropriate emergency plans. The image is still unclear regarding the restructuring and development of the public sector, and this is evident in the large number of decisions and their cancellation with every government change. In order to achieve the desired real administrative development, successive governments must have mandatory public sector development



plans. Despite the achievements that have been made in the field of public sector development, there are still many challenges, the most prominent of which are the absence of a comprehensive strategy for public administration, the weakness of the implementation process of programs and plans, the weak follow-up of government performance, the absence of a clear basis for the government follow-up system, dispersion and discontinuity, and the reversal of some executive plans and decisions that are adopted, the multiplicity of bodies responsible for development, and the lack of consistency in appointing the body entrusted with following up on administrative development.

The public sector has been reviewed in several sections: an overview of the performance of the development of the public sector since 2000 (plans and strategies), deficiencies and opportunities for improvement in performance and implementation, improvement of government services and procedures, and the role of the relevant agencies (Civil Service Council, Civil Service Bureau, Institute of public administration), and restructuring the government apparatus.

#### The Main Recommendations of the Public Sector:

- (1): Institutionalizing the process of strategic management of the public sector (strategic planning and follow-up of government performance) based on specific, clear and measurable indicators in accordance with the international practices.
- (2): Restructuring the institutional development units in the departments to ensure their effectiveness.
- (3): Unifying the references civil service policy in the relevant institutions.
- (4): Evaluating the experience of the Civil Service Bureau and transforming its roles from executive to supervisory.
- (5): Strengthening the role of the Institute of Public Administration and restoring its financial independence.
- (6): Adoption of the principle of professional corps for all professional sectors such as education, health and other sectors.
- (7): Public Sector Governance.



