

Jordanian Experience in Measuring Employment in the Informal Sector

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Jordanian Women in Statistical Portrait, 2007

Females currently constitute 48.5 % of Jordan's population (2007). Specifically, females constitute 2.773 millions with 37.4% of them under 15 years of age, and 26.6 % being school students.

Jordanian females have a rather low participation rate in the labour force. According to the Department of Statistics reports, only 14.7 % of Jordanian females are economically active. However, it is worth noting that 97.7 % of inactive females are housewives and students. In addition, 53.0 % of the female population aged between 15+ years are married and only 12.4 % of those married are economically active. Self-employed females constituted 2.4 % of total employed females, while employer females constituted less than 1.7%.

Over the last few decades, Jordan has witnessed a tremendous progress in the area of female education. Jordan boasts of having the lowest female illiteracy rates in the region at 11.6 % in 2007. Gender differentials in education levels and literacy rates are rapidly disappearing and access to education at all levels has nearly achieved gender parity.

However, statistics indicate a tendency among females to enroll in the arts stream (56.6%) versus the scientific stream (43.4 %) rendering them less likely to enter the computer and engineering related fields

Female Demographics

- 11.1 % of households are headed by females
- Singulate Mean Age at First Marriage for females reached 26.4 years in 2007
- 4.05 is the Average Household Size for Household headed by female.
- 7.6 % of females population were never married at the age 35 years and above

Participation of Females in Political Life

- Females share in the Upper House of Parliament has increased from 3 members in the year 1997 to 7 in the year 2007
- Females have made considerable gain in the Lower House of Parliament with an increase in percentages from 1.27 % of total Lower House members in 1993 to 6.4 % in 2007
- Females participation rate as members of professional associations is 27.8 %. It is noteworthy to mention that 5.6 % of them are members in the Councils of these associations
- Females constitute a minority (7.5 %) of the members of the Jordanian political parties founding committees.

Participation of Jordanian Women in the Labor Force

Current status

Both males and females have a basic role in the economic field. In spite of the increase in women's contribution to the labor market, it is still very small compared to that of women in other countries, whether developed or developing. Women's contributions differ according to particular economic activities, since many of them are largely dominated by men. On the other hand, the amount of their economic contribution is one of the most important criteria used to determine the qualitative gap of males' and females' participation in the labor force as well as the existence of employment discrimination on the basis of sex.

Educational and health conditions of Jordanian women have improved steadily over the past several decades. Regrettably, however, women's participation in the labor force and public life has not shown much corresponding positive change. In fact, women's participation in the labor force

and public life (i.e., in parliament, political parties, civic organizations, and decision making positions) remains low. This phenomenon is unusual given that many studies emphasize the generally strong correlation between women's improved health and education and increased employment. In Jordan, the support provided to increasing women's access to health and education appears to encourage them to enter the formal labour market. In general, women's social status remains secondary to men's and their capacity as productive citizen continues to be either overlooked or unrecognized.

The data in the table below shows a degree of inequality between males and females. It is clear that the situation in Jordan still needs a lot of effort to achieve equality between men and women. In looking at unemployment rates, the gap is also large because of the high level of unemployment among women at all levels. There is also a large difference between the crude economic participation rate of males and females (males:40.1%, females :9.3%), and that difference is similar when looking at the refined rate. The refined rate is also higher in urban areas. In rural areas, there is a higher rate of unemployment than in urban areas

Table 1 Selected economic indicators of those aged 15 and above

Indicators	Total %	Male %	Female %
On the national level			
Crude economic participation rate	25.0	40.1	9.3
Refined economic participation rate	39.8	64.4	14.7
Unemployment rate	13.1	10.3	25.6
On the urban level			
Refined economic participation rate	40.3	65.0	15.1
Unemployment rate	12.6	10.0	24.2
On the rural level			
Refined economic participation rate	37.5	61.6	13.0
Unemployment rate	15.9	12.1	34.0

Source: Dept .of statistics, Annual Report of the Survey of Employment and Unemployment in Jordan (2007)

Many of the challenges that face Jordanian women in terms of accessing labor force appear to be based on social and family attitudes about what women and men's roles in general. Therefore if Jordan wants to increase women's participation in the labor force, it will be necessary to address this issue from multiple perspectives. At the government level key actions needed to promote positive change include a review of labour laws that restrict women's employment and to eliminate social security laws based on the premise that women are dependents.

The government also needs to work closely with the private sector to assist companies develop equitable and fair human resource policies and practices. NGOs and the government need to work with female employees and with employers to create greater awareness of their labour rights and obligations and to advocate for change. Academic institutions could also be called upon to conduct further research in the key areas where there remain gaps about women's participation in the labor force and to provide expertise in the development and management to both the government and employers

Factors Affecting Women's Participation in the Labor Force

1. Government officials and other labour experts think that the official labour statistics are under-reporting women's participation in the Jordanian economy.
2. Jordan has highly progressive labour laws which protect women with regard to working conditions and maternity leave , but which in some cases, unintentionally

have led some employers discriminating against women's recruitment as a means of avoiding the cost of implementing these laws.

3. Jordan's social security laws tend to be based on the premise that women are dependents as opposed to independent economic actors in their own right . In some cases this perception has led to women and men receiving different benefits, particularly if they are married.
4. There is considerable discrimination against married women in terms of recruitment and promotions as it is generally believed that they will not be as committed to their jobs as married male employees. This is due to women generally being expected to be responsible for all family care regardless of whether they work outside the home or not .
5. This discrimination takes the form of asking personal questions related to marriage and pregnancy plans during job interviews, systematic harassment in some cases to encourage newly married female employees to quit, and the allocation of most training and promotion opportunities to male staff.
6. Women tend to predominate in paid occupations that are closely under-represented at the management level.
7. While it is presumed that women are the majority of informal worker, with anecdotal information indicating that women work in Jordan as unpaid rural and petty trader, it is considerable difficult to accurately account for the extent of female labor force participation in the informal economy. Microfinance surveys indicate that women run 63 percent of informal enterprises. Published DoS estimates place informal sector activity at 12 percent of overall economic activity, while world Bank data place such activity at 19.4 percent. Some DoS officials believe that it may be closer to 40 percent. Such discrepancies in data clearly point to the need for further research at a minimum to understand the different methodologies for estimating the nature and extent of the informal sector and assess the negative and positive effect it creates on women 's lives. This is a key area requiring further analysis for four major reasons; without an accurate picture of economic activity in the informal sector it is difficult for policy makers to design effective intervention; the rights of women worker in the informal sector are un protected ;government does not benefit from any revenues earned in the informal sector ;and women enterprises in the informal sector are hamstrung in their ability to grow their enterprises through lack of access formal capital with adverse consequences for the economy as a whole.

Jordanian Survey on Measuring Informal Employment and Employment in the Informal sector

The growing in formalization of the economy which caused a rise in the number of women who work - in the informal sector has raised the need to measure informal female labor force participation and the share of home-based and informal female entrepreneurship among all socio-economic groups. While the slow, or even negative, growth of formal sector employment opportunities, combined with a rapid and significant growth in the urban labour force, economic stabilization and restructuring programmes, and the question for increased flexibility and deregulation of the economy have had detrimental effects on men and women alike, women have been increasingly pushed into informal activities.

The number of women and their economic contributions to the sector are likely to be underestimated because they engage in home-based work activities which are the most difficult to document. In many developing countries, the vast scale and rate of growth of the informal sector presents a dilemma and a challenge for governments, social partners and the civil society alike. A challenge, as it absorbs a large and growing fraction of the labour force, and provides a "safety

net" for the poor, finding themselves excluded from formal employment and income opportunities.

This survey focused on Women in Informal Work & Home–Based Entrepreneurship in Jordan (2008). As a part of MENA study aimed at providing useful analytical findings on women participation in informal economy and home-based entrepreneurship as well as in the other selected countries of MENA region. With this aim specific set of data collected, through on purpose household surveys, and then analyzed using a variety of quantitative tools.

Survey Management

This stage had a variety of overlapping operations from preparation of work plan and time-table, timely recruitment and training of the survey staff, and distribution of tasks and work areas. This stage also includes the preparation of concepts and definitions; finalization of documents such as translation of the World Bank questionnaire, instruction manuals; preparation of a system for data processing, including the editing and coding systems; preparation of electronic execution programs and implementation procedures regarding data entry, verification and debugging for cross-tabulation purposes.

The supervisory and executive levels of survey staff were selected according to their past experience in censuses and surveys, familiarity with geographic areas, and educational qualification.

Definitions Used in the Survey

1. Home -based Economic Activity

Activities that take place within the confines of individuals' home, or if they take place outside the home, the individual is not in charge of management of the specific office -space, store, workshop, factory, or the home of a customer in which the activity takes place.

Thus a home-based economic activity will include using one's home as office, or workshop. It will also include using one's home as the main center where customers/clients contact the individual. The definition is inclusive of using the following sources as the primary means of contact with the customers: home-phone (including cell phone) and email (primary location of the computer or laptop is at home). For example a plumber may work at the customer's homes, but his/her main source of contact will be from home, phone, or cell phone. A freelance editor may work temporarily in the office of her/his clients. But the main source of contact for the specific job in which s/he is working now, and for the future jobs will be through phone or her/his personal email.

2. Informal Economic Activity

An informal economic activity is defined as an activity that results in production of legal goods and/or services (legally tradable and non-criminal), but the enterprise in which it is produced is not legal (not registered, not paying taxes) or the enterprise in which it is being produced is legal (registered, paying taxes) but does not provide social benefits for employees and/or owners.

3. Informal Employment

"Informal employment" refers to the informality of employment relations, irrespective of whether or not the enterprise itself is informal. The concept that is broader and more inclusive than that of "employment in the informal enterprise" (ILO, 2002). Two broad categories of informal employment relations can be identified: informal entrepreneurs/employers and informal workers.

An informal entrepreneur/employer is the owner of a private unincorporated enterprise that has some or all of the following characteristics: not registered, not regulated, not paying taxes, not receiving social protection for the owner, and not providing social insurance for its employees. In most countries firm sizes with less than five or ten employees are not required to provide social insurance for owners and employees. They are informal.

A worker is considered to be informal if by law or practice s/he is not subject to some or all of the following formal rights/obligations: national labor legislation, income taxation, pension, unemployment benefits, healthcare, advance notice of dismissal, severance pay, paid annual or sick leave, maternity leave, daycare facilities, etc. These conditions may exist for employment relationships that are not legally regulated or protected. Thus informal income-generating activities can be inclusive of informal employment within both formal and informal sectors.

Sample design

The objective of the survey is to include diverse socio-economic groups in Greater Amman. Greater Amman was stratified into five major socio-economic strata¹. Each stratum represents a distinct and dominant socio-income category within Amman. The five strata are representative of a large segment of population ranging from the lower to the upper-end of socio economic levels. The five strata divided into five quintiles within the city. For each socio-economic category considered as a single stratum, and is representing 20 percent of the city's population.

A two-stage cluster stratified sampling method, in the first stage 70 clusters were selected within each stratum. Then in the second stage a systematic random sample of 10 households were selected from each cluster.

Training of the Team

A classroom-training program for the survey staff was held in the survey headquarter. The program focused on survey objectives, data collection procedures, confidentiality of data, and how to deal with households and overcome difficulties. The program also included a detailed explanation of the questionnaire inputs, concepts and instructions related to data collection and field editing. A 10 days training programme includes:

- Lectures on the topic under consideration and the objectives of the survey.
- Lectures on definitions and concepts used in the survey.
- Practical sessions to improve interviewing skills through practicing on how to ask questions and record answers, play roles, make interviews, short examination and field practice.
- Specific session with visual aids on how to fill out the questionnaire.

Field Work Stage

The sample households visited and relevant data were collected during June 2008. The fieldwork organized in a way that ensured complete control, accuracy and consistency of field logistics to obtain high quality data.

Both, the controller and the supervisor of each team were responsible for editing each questionnaire thoroughly, including the missing information, inconsistency between answers, inconsistency accounting information.

¹ These five socio economics strata depend on 17 variables based on household and individual level at the same time

The completed questionnaires were edited daily in the field for completeness and consistency and making sure that all sample households were visited.

Data Validation and Processing Stage

The organization of questionnaires is an important step in the data processing stage. Hence, the questionnaires were ordered, labeled and stored in a special archive in a way that facilitates easy and quick handling for subsequent processes. A special record shows the progress of work in all sample areas, as well as the flow of questionnaires between the office processing staff and the computer processors.

The completed questionnaires were sent to the Data Entry Division in the form of batches and returned to the liaison officer in the same way after completing data entry process. The data were entered in a way that prompt mechanical editing can be made via entry screens, where focus was placed on completeness of data and whether the coded values lie within the valid range. During data entry, the consistency checks were applied to ensure that the keyed data are consistent with each other as well as with other variables.

Quality Control Measures:

The quality of data were confirmed using several methods such as:

- Selecting and training qualified field staff.
- Conducting one day pilot survey for the purpose of testing the questionire in the feild
- Field editing (done by the team supervisor and controller).
- Field checking (done by the office supervis or).
- Office editing and data entry including 50% re-entry, editing and cleaning.

Preliminary Results

Results of the sample implementation indicate that 3,500 households were planned for field study. The field staff was successful in 3480 of the sample households, for a 99.6%. In the interviewed households, 366 Home based enterprises were identified and interviewed with a response rate 100%.

Stratum	Sample size	Completed field work				Response rate
		w/o H.B.	w/ H.B.	Total	Rejections	
1	700	843	117	960	4	99.4
2	700	862	106	968	3	99.6
3	700	866	72	938	2	99.7
4	700	869	50	919	1	99.9
5	700	941	21	962	4	99.4
Total	3,500					

The preliminary results of the survey shows that the refined economic participation rate for both male and female in Greater Amman was 71% and 22% respectively. Table 2 shows that male and female refined economic participation rate was higher than the rate obtained from the Employment and Unemployment Survey (A survey carried by the Department of Statistics since 1980's to collect data on labor force and economic characteristics of the population).

These results emphasized the need for determining the extent of unmeasured female labor force participation and investigate the main characteristics of unaccounted workers as a result of the slow, or even negative growth of formal sector employment opportunities, combined with a rapid and significant growth in the urban labour force, economic stabilization and restructuring

programmes, and the question for increased flexibility and deregulation of the economy which have had detrimental effects on men and women alike, women have been increasingly pushed into informal activities.

Table 2: Refined Economic Activity Rate by Kind of Survey and Sex

Kind of Survey	Refined Economic Participation Rate, 2008	
	Male	Female
Employment and Unemployment	66.0	16.0
Measuring Employment in the Informal Sector	71.0	22.0