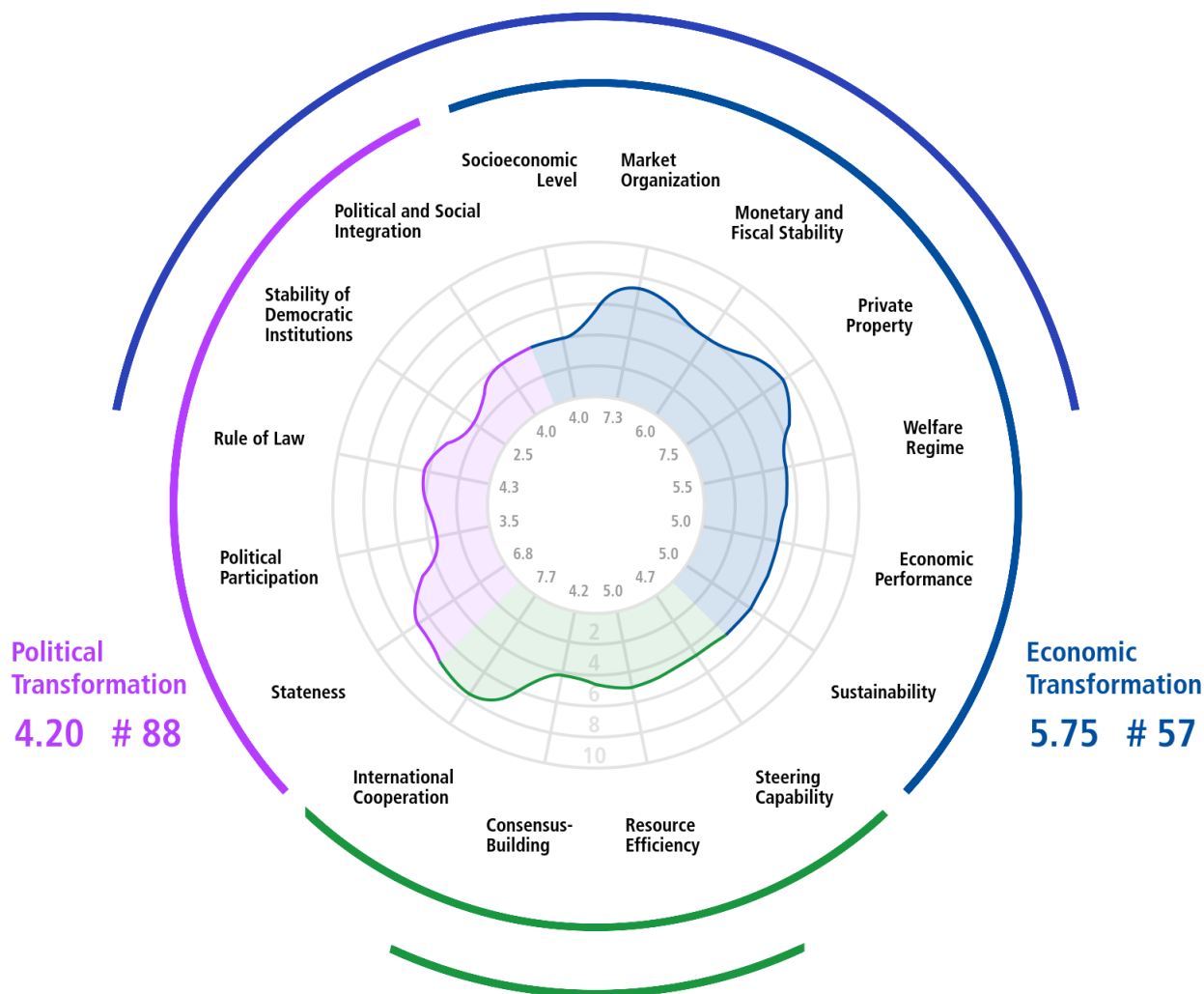


Jordan

Status Index

4.98 # 75

on 1-10 scale out of 137



Political Transformation
4.20 # 88

Economic Transformation
5.75 # 57

Governance Index

4.84 # 69

on 1-10 scale out of 137

This report is part of the **Bertelsmann Stiftung's Transformation Index (BTI) 2022**. It covers the period from February 1, 2019 to January 31, 2021. The BTI assesses the transformation toward democracy and a market economy as well as the quality of governance in 137 countries. More on the BTI at <https://www.bti-project.org>.

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Key Indicators

Population	M	10.2	HDI	0.729	GDP p.c., PPP \$	10356
Pop. growth ¹	% p.a.	1.0	HDI rank of 189	102	Gini Index	33.7
Life expectancy	years	74.5	UN Education Index	0.667	Poverty ³	% 2.0
Urban population	%	91.4	Gender inequality ²	0.450	Aid per capita \$	276.9

Sources (as of December 2021): The World Bank, World Development Indicators 2021 | UNDP, Human Development Report 2020. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.20 a day at 2011 international prices.

Executive Summary

In 2021, the Hashemite Kingdom of Jordan marked the centenary of its founding. But while the country has made considerable advancements in its first 100 years, it faces unprecedented challenges in the form of the COVID-19 epidemic, which has shone a light on the necessity for further reforms across the board.

On March 2, 2020, the Ministry of Health confirmed the first case of the novel coronavirus (COVID-19) in Jordan, altering the policy and priority landscape. On March 14, public gatherings were prohibited, schools suspended and borders closed. King Abdullah II issued a royal decree granting Prime Minister Omar Razzaz sweeping emergency powers to contain the COVID-19 threat. Jordan's 10.2 million inhabitants would be in lockdown until April 30, by which date the kingdom had made international headlines for having one of the harshest lockdown measures worldwide.

As of January 31, 2021, 326,855 people had been infected by and 4,316 people had died of COVID-19. However, this is not the complete picture. Similar to many countries around the world, Jordan will have to confront many mid-to-long-term ramifications, as a result of the ongoing pandemic.

One sector that offers an illustrative snapshot of the impact of COVID-19 is tourism. Over the last two decades, Jordan has developed a thriving industry, taking advantage of its rich history and vivid natural environment. In 2019, more than five million tourists visited the country, providing approximately 10% of GDP. In the first third of 2020, following the closure of Queen Alia Airport on March 17, revenue dropped almost 40% and is yet to recover. With a debt-to-GDP ratio of 96%, per capita income declining from \$9,471 in 2009 to \$9,241 in 2017, and the official youth unemployment rate rising from 28% in 2014 to 34% in 2019, there were no shortages of persistent and immediate challenges facing Jordanian policymakers prior to the arrival of COVID-19. And yet, despite this unprecedented new factor in Jordanian social, economic and political life, the period under review was also marked by continuity.

On September 27, 2020, as Jordan grappled with the coronavirus pandemic, the king dissolved parliament in order that parliamentary elections be held as scheduled in November. It came at a useful time with growing public frustration and discontent with the way Razzaz's government had handled the pandemic, especially regarding the application of emergency powers. On July 16, 2020, the country's Court of Cassation dissolved the Muslim Brotherhood, an organization that had been operating in Jordan since 1945. Later that same month, the teachers' syndicate, many of whose 140,000 members had been protesting against the government, was shut down and a number of its board members arrested. In December 2020, the Amman Criminal Court dissolved the syndicate, which had only been established in 2011 after years of lobbying.

With a little more than two years in the premier's chair, Razzaz tendered his resignation. Elections were held on November 10, 2020, to a turnout of 29.88%, the lowest in the last decade. No prime minister or government was elected. Instead, as usual, the king appointed a new man, this time Bisher al-Khasawneh, as prime minister and charged him with assembling a cabinet. While maintaining the scheduled electoral cycle was a positive sign of sorts for democracy, the processes behind it underscored the continuing absence of competition more than 30 years after parliamentary life was reinitiated by the late king, Hussein, in 1989.

The kingdom's semi-authoritarian essence can, therefore, be said to have survived the first 10 years following the eruption of the Arab Spring. The state controls the reform narrative as the regime has no real coherent opposition. COVID-19 to date has done little to alter this fact. Indeed, the state, through the Razzaz government, used the application of a state of emergency to liquidate the teachers' syndicate, formed after the events of 2011, and the Muslim Brotherhood.

History and Characteristics of Transformation

The Jordanian Hashemite Kingdom (Jordan) is a constitutional monarchy with a strong executive led by the king who rules and reigns. In the wake of King Abdullah II's ascension, succeeding his father, Hussein, in 1999, Jordan witnessed an acceleration of liberalization with the domestic economy opened up further to global market forces and deregulation. In King Abdullah II's first decade in power, a significant series of privatizations was completed: Arab Potash Company (2003), Jordan Phosphate Mines Company (2006) and Royal Jordanian Airlines (2007).

Macroeconomic reform has been central to the Hashemite agenda, with associated successes in GDP growth (despite fluctuations), central bank stability and energy diversification. More than 10% of energy production now comes from renewable sources. Private sector expansion has been considerable but remains too small to absorb the tens of thousands of university graduates that seek entry into the job market annually. As a result, unemployment has remained persistently high, especially among young Jordanians. In 2018, the official unemployment rate exceeded 18% and was upward of 30% for young Jordanians.

Political decision-making continues to be centralized. The king appoints the prime minister, the entirety of the Senate, judges to the kingdom's courts, and (since 2014 and 2016) the head of the General Intelligence Directorate (GID) and the army's chief of staff without the prior need for ministerial oversight. Decentralization changes made in 2015, while enabling greater public say in the composition of municipal and governorate councils, have simultaneously integrated these councils into the centralized hierarchy, as funding allocations remain centralized. Consequently, there is a sharp delimitation as to how empowered local government can be within the present architecture. Further, 2020 marked the second election in a row (after 2016) in which Jordanians could cast multiple votes in an open list electoral system after the removal of the single non-transferrable vote (SNTV). So far, however, this change, while welcome, has not resulted in more representative parliaments, as political parties remain weak and underfunded.

Internationally, Jordan has continued to serve as one of the main host countries for refugees from Iraq, Syria and (to a lesser degree) Yemen. While not a signatory to the 1951 Geneva refugee convention, the Ministry of Planning and International Cooperation reported 1.3 million Syrians and almost 90,000 refugees of other nationalities living in Jordan. Meanwhile, other sources have even spoken of approximately 1.6 million Syrians and 0.5 million Iraqis, next to 2.1 million Palestinians. While the large refugee camps pose a considerable strain on the Jordanian economy, they are also an asset for Jordan's recognition by the international community. After various Arab countries had embarked on a new path in relationships with Israel by late 2020, Jordan gained renewed attention as the traditional guardian of the "Haram al-Sharif" (Temple Mount) in Jerusalem. Given Jordan's delicate inner division between Transjordanians (or "East Bankers," those whose families lived east of the Jordan River after World War I) and Palestinians (those whose families lived west of the Jordan River and who form the majority now), the tutelage of the holy al-Aqsa Mosque and Dome of the Rocks has been more than just a symbolic privilege, it has been a cornerstone of the Hashemite's royal legitimacy.

The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 1 (worst) to 10 (best).

Transformation Status

I. Political Transformation

1 | Stateness

The Jordanian state enjoys a stable monopoly over the means of coercion in the country. Yet, with long and remote desert borders to the northeast, east and south, Jordan is susceptible to smuggling operations, particularly operations focused on cigarettes, narcotics, synthetic drugs, cash and fuel. To the north, the border with Syria remains contested, and a Jordanian military presence is encamped along the border to prevent spillover from the civil war and limit the activities of smugglers. In April and November 2020, for example, attempts by smugglers to cross the border in the Northern Military Zone were thwarted by Jordanian military deployments. In the latter case, a search of the immediate area located 409 palm-sized sheets of hashish and 36,335 Lyrica (pregabalin) pills.

Terrorism threats are comparatively low. According to the Global Terrorism Index (GTI) 2020, Jordan ranked right behind Canada at 57th out of 138 surveyed countries.

While there are no military threats to the state in the form of organized militias and cartels, there are areas of the kingdom from which law enforcement agencies keep a distance. This includes some parts of the Jordan Valley where, according to anecdotal information, marihuana and other illicit substances are grown on farms. This is made possible by powerful individuals supported by extended familial and business networks. These social insulators have also prevented the law from being applied indiscriminately, with deaths in the kingdom still caused by illegal celebratory fire.

Question
Score

Monopoly on the
use of force

8

'06 '22 10



1

Apart from a small minority, all relevant groups within Jordanian society recognize and accept the legitimacy of the state. In contrast, citizenship remains a contentious subject. This is not so much because of the East Bank–Palestinian division within Jordanian society, but rather due increasingly to class divisions and inequalities in access to opportunities for different nationalities within Jordan. Two issues (perceptions of ethnic differences and socioeconomic opportunity), therefore, coalesce and increasingly stratify the lived experiences of Jordanians.

The current citizenship regime still stipulates that children are conferred citizenship through their paternal parentage under Jordanian law. Consequently, only children with Jordanian fathers are automatically granted citizenship whether born within the kingdom or not. Since 2007, this has inspired a campaign founded by the late Nimeh Habashnah to change Jordan’s constitution and the associated nationality law (Law 6-1954) to allow Jordanian mothers the legally sanctioned right to pass their citizenship to their children irrespective of the nationality of their husbands. To date the law has not been changed, although the state has provided a range of privileges, including access to education and employment, for the children of these unions.

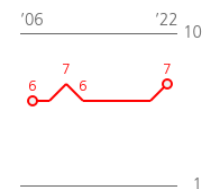
On October 28, 2020, the Court of Cassation issued a ruling that could assist campaigners. It ruled that the word “children” in Jordanian law refers to both males and females. Activists commented that the court’s ruling could provide a legal opening for Jordanian mothers to demand in court that they be able to transfer their citizenship to their children. At the time of writing, this had not yet been tested.

Jordan’s legal order is a mix of secular and religious elements. On one hand, the head of state (the king) must be a Muslim, while, on the other, the day-to-day operations of parliament see no dogmatic interference. Yet as a majority of members of parliament are Muslim, associated norms are often expressed in relation to lawmaking. Religious courts (both Shariah and ecclesiastical) continue to perform central roles in matters pertaining to personal status. Despite amendments in 2014, women still require the permission of a male guardian to marry, and individual women cannot travel abroad with their children without the permission of their children’s father, a male guardian or judge. Further, in the absence of completely secular civil marriages, unions between Muslim women and non-Muslim men are not recognized.

In other areas, the direct influence of theology and dogma on the legal order is minimal. For example, according to Article 5/B of the Law of Political Parties of 2015 (Law 39), political parties “cannot be formed on religious, sectarian, ethnic, or faction basis, or on discriminatory basis caused by gender or origin.” While the Islamic Action Front, Jordan’s largest political party, founded as an offshoot of the now dissolved Muslim Brotherhood, has a clear pro-Islam social, economic and political agenda, it cannot exclude non-Muslim members from its membership or organizing committees.

State identity

7



No interference of religious dogmas

6



Some temporary laws enacted to combat COVID-19 also saw their implementation influenced by religious sensibilities. On March 17, 2020, Jordan enacted the Jordan National Defense Law (Law 13-1992), which granted the prime minister broad emergency decision-making powers to combat the pandemic in the kingdom. One such measure was a nationwide lockdown that included Fridays. The lockdown was amended, under pressure from religious groups to allow Jordanians two hours to attend prayers, which repudiated the premise of a society-wide lockdown.

The Jordanian state possesses basic administrative structures that facilitate the provision of services. However, their distribution is not even. Access to education from primary through to tertiary, for example, is broad. Gross enrollment rates for male and female students vary, with primary the highest at 81.8%, followed by secondary (65.2%) and tertiary (34.4%). Private as well as public providers exist at all levels. While 86% of Jordanians have access to a piped network for water, nationwide distribution remains reliant on trucks and residential storage tanks. Water deliveries in urban areas are made weekly, with frequency decreasing the further one goes from the capital. Overall, 93% of Jordanians have access to a safely managed water source, although only 77.3% of existing sanitation systems are understood by UNICEF to be safely managed.

In relation to taxation, financial statements for both businesses and personal tax must be filed annually, and fines apply for non-compliance. Although tax law does not define residence for tax purposes, any entity registered in the kingdom is understood as being eligible for taxation. Personal income tax is calculated according to six levels of income from JOD 5,000 (approximately \$7,050) to over JOD 1 million (approximately \$1.4 million), with rates ranging from 5% – 30%.

In June 2020, the government of Omar Razzaz ordered a crackdown on tax evasion, which analysts and the government say has reduced government revenues by billions of dollars, although calculating the exact sum remains a disputed and speculative exercise. During the first half of 2020, tax authorities raided more than 650 companies in the largest anti-tax evasion campaign seen in decades. While generally seen as positive, some in Jordan have questioned the ability of the government to maintain the campaign, on the one hand, and wonder, on the other, whether the use of emergency powers (e.g., giving the Integrity and Anti-Corruption Commission greater powers) is part of a witch hunt.

The government has provided the core skeleton of internet infrastructure for the 6.78 million internet users recorded in 2020, with the number of internet users increasing 1.2% between 2019 and 2020. Regarding internet penetration, this suggests that 67% of the population had direct access to the internet in 2020. In comparison, 81% of people in Jordan had a mobile connection in January 2020.

The COVID-19 experience (especially the protracted lockdowns and the reallocation of public funds to limit the impact on communities of the coronavirus crisis) in Jordan has demonstrated that the state is able to enforce compliance, while

Basic
administration

6

'06 '22 10



1

simultaneously it has elucidated the limits of the state's ability to distribute services. Further, UNICEF data indicates that a wide range of services have been disrupted, including health care, WASH (water, sanitation and hygiene) and childcare services. A U.N. conducted survey in April/May 2020 found that 69.3% of those surveyed said they faced challenges accessing basic health care during the pandemic.

Successive Jordanian governments have committed funds (up to a quarter of the annual budget) and resources to support the large population of refugees (Palestinians, Iraqis and Syrians) in the kingdom. Syrians have been integrated into Jordan's public health care and education systems, a reality that continues despite the pandemic and the kingdom's economic downturn.

2 | Political Participation

Elections are a feature of Jordan's political system, with members of municipal councils, governorate councils and the lower house (Majlis al-Nuwāb) of the bicameral national parliament chosen in free ballots. National elections have been conducted regularly but not consistently, with polls in 2003, 2007, 2010, 2013, 2016 and 2020. The most recent elections on the local and governorate level were held on August 15, 2017.

Seat distribution for the Majlis al-Nuwāb is not representational across the kingdom, with Amman, Irbid and Zarqa constituencies (the three largest urban centers) allocated fewer seats than smaller more rural cities (e.g., Karak and Mafrāq). This historical practice has been part of the Hashemite regime's toolkit for gerrymandering the composition of parliaments and has resulted in the election of more predictable and compliant members of parliament through whom contentious legislation (e.g., the 1994 peace with Israel, the 2014 and 2016 personnel appointments, and 2016 deal to purchase gas from Israel) can be passed.

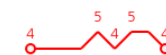
The most recent election, held in the midst of the COVID-19 pandemic on November 10, 2020, had unsurprisingly the lowest official turnout in decades, with 29.88% of eligible voters participating. Although there were allegations of suspect behavior, the overall operation of polling day is considered a success. The poor turnout, meanwhile, is an indication of societal apprehension given the highly contagious coronavirus and a lack of confidence in the established electoral process to produce parliaments capable of representing broad citizen (as opposed to personal and familial) interests.

The results mirror public turnout: 15 women were elected, all of them to seats reserved by quota for women, down from the 20 elected in 2016. The Islamic Action Front (IAF), the largest party of the opposition and best organized political party in Jordan, which put forward 41 candidates, lost half of its seats. While 100

Free and fair elections

4

'06 '22 10



1

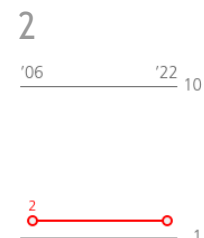
first-time members of parliament were elected, only 15% of members of parliament are under the age of 40, despite the majority of the population being under 35 years of age. Meanwhile, the civil current represented by the Ma'an (Together) List, which performed strongly in 2016, lost ground in 2020. The Civil Alliance Party, which had provided some organizational support to the list, disintegrated prior to the election, which contributed to Ma'an's poor showing. Yet, more than this, the worsening economic conditions may have further incentivized Jordanians to vote according to familial/tribal lines in the hope of acquiring access to state resources in the new parliament. Unsurprisingly, independent representatives with strong tribal backing dominate the new parliament.

Jordanian elections have been supervised by international monitors since widespread voter fraud was uncovered following the 2007 general election. The Independent Election Commission (IEC) has overseen the running of elections since its creation in 2012. There are also a number of very competent local monitors, such as RASED Jordan. But while members of the lower house are elected, their counterparts in the upper house (Majlis al-'Ayān) are royal appointees. The prime minister, who in turn nominates the cabinet, is also a royal appointee.

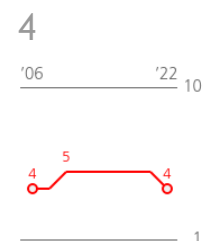
The effective power of elected officials to govern remains limited as a result of the hegemonic power of the executive, which is wielded primarily by the king. Government, therefore, exists outside of parliament, which has implications on the ability of elected officials to govern effectively. In short, they cannot. The government cabinet is appointed by the prime minister, who is in turn chosen by the king. Elected representatives in the Majlis al-Nuwāb participate in governing primarily by debating and passing legislation, the majority of which is introduced to parliament by the government. Once draft bills have been passed by the lower house, they proceed to the Majlis al-'Ayān for further debate. As a body composed of royal appointees, the Senate is a space in which the royal agenda is brought to bear on the legislative process. The unelected executive can also restrict the role of elected officials through state of emergency laws, such as those declared in March 2020 ostentatiously to allow the state to tackle the COVID-19 pandemic effectively.

The constitution enshrines freedom of association for all Jordanians "within the limits of the law" (Article 16). Therein, legislation is essential in giving this constitutional stipulation life. It is here where Jordan's present experience falls short. On March 17, 2020, the Razzaz government implemented a state of emergency. Since then, rights groups both inside and outside Jordan have voiced concerns about its application, which limits people's freedom to assemble. The kingdom entered and subsequently exited a series of lockdowns during the course of 2020 and early 2021. By mid-2020, Jordan had become renowned for having one of the most comprehensive lockdown policies in the world. While this achieved low rates of community transmission, it has negatively affected poor Jordanians and those dependent on day-wage labor.

Effective power to govern



Association / assembly rights



Most notably, this has had a disastrous impact on the teachers' syndicate. Established in 2011 after decades of lobbying successive governments, the syndicate began protesting in July 2020 against the government's failure to implement an agreed pay increase, which had been negotiated between the syndicate and the Ministry of Education. State authorities responded by raiding syndicate offices on July 25, arresting 13 board members and liquidating the syndicate. The Carnegie Protest Tracker defines the kingdom as "partly free."

Similar to freedom of association, the freedom to express opinions is guaranteed in the constitution provided that expressions do "not go beyond the limits of the law" (Article 15). There are a number of long-standing taboo topics. For example, the king cannot be criticized, while any criticism of a member of the royal family is risky, unless facilitative societal conditions exist, as was the case with public criticism of Queen Rania in 2011.

There have been detentions and arrests of vocal critics of government policy in general as well as in response to the COVID-19 pandemic. A gag order, for example, was imposed by the state attorney general in July 2020 on reporting of the banning of the teachers' syndicate. The gag order extended to social media as well as conventional media. Other critics of government policy have also been harassed. In April 2020, the general manager and news director of Roya TV, Fares Sayegh and Mohamad al-Khalidi, were arrested after a program aired on the station that included a group of laborers criticizing the government's lockdowns. The laborers had complained that the government lockdowns were the reason for why they could not feed their families. Both Sayegh and al-Khalidi were released three days later.

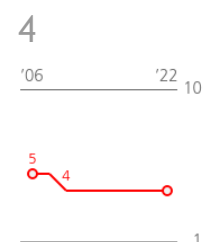
Popular cartoonist Emad Hajjaj was arrested on August 26, 2020, for publishing a cartoon lampooning the peace compact between Israel and the United Arab Emirates. Although he did not mention the United Arab Emirates' leader – it is a red line in Jordan to attack the heads of Arab states – his interjection into the normalization process was deemed contentious enough to warrant the setting of an example. He was released four days later amid local and international outcry.

3 | Rule of Law

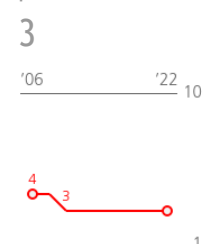
The state of emergency declared in March 2020 enabled the government and the executive (the prime minister in this instance) to rule with minimal checks and balances from the judiciary. Meanwhile, the International Center for Not-For-Profit Law has voiced concerns over the application of emergency laws from the suspension of newspaper sales in March 2020 to the arrest and detention of citizens believed to be breaking curfews.

The pandemic aside, an important consideration regarding checks and balances concerns the relationship between the Constitutional Court and the parliament. The 2011 amendments that facilitated the creation of the Constitutional Court in 2012

Freedom of expression



Separation of powers



granted Constitutional Court judges the ability to nullify laws legislated in parliament that are deemed unconstitutional. However, the amendments did not grant parliament any authority over Constitutional Court decisions nor a say in who is appointed to the Constitutional Court. This further advantaged the king over the parliament in settling constitutional matters.

Jordan's constitution establishes provisions for three categories of courts: civil, religious and special courts. Civil courts include magistrate, appeals and cassation courts as well as courts of first instance and courts for major felonies. Religious courts, both Shariah and ecclesiastical, handle cases related to personal status. The special court category includes Jordan's State Security Court and land settlement court. Tribal courts were officially abolished in 1976. However, tribal tribunals and legal customs (e.g., "Jalwa," the banishment of extended families as collective punishment for the convicted crimes of one family member) are still utilized in the kingdom and can make their way into regular court jurisdictions. All court hearings are judge-only, as there are no jury-based courts in Jordan. Defendants are appointed a lawyer by the court before which they appear if they cannot afford to provide their own.

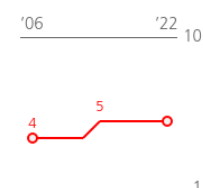
Article 97 of the constitution guarantees judicial independence. However, this stipulation exists alongside the reality that all judges of civil and Shariah courts are royal appointments. This means that the king can intervene in judicial affairs, although the appointment process is overseen by the country's High Judicial Council. Notably, there exists no body, including the Judicial Council, through which judicial independence is guaranteed in practice. Open royal interventions are rare, however.

Jordan has launched a number of anti-corruption campaigns and established several anti-corruption institutions, most notably the Integrity and Anti-Corruption Commission (JIACC), which has had its competencies strengthened by amendments to the Integrity and Anti-Corruption Commission Law that were approved by the cabinet in June 2020. For example, the JIACC is now able to initiate investigations relating to money-laundering and negotiate settlements with perpetrators if laundered money is returned according to the stipulations of the Economic Crimes Law.

In 2019, the JIACC recorded 948 investigations, of which 277 were passed on to the public prosecutor. The commission's work increased in 2020, with 1,289 investigations conducted by the end of October, although only 150 were referred to the public prosecutor. Consistency remains a challenge as public officeholders are rarely at the center of these investigations, especially if they enjoy a degree of royal favor. As such, there is no systematic prosecution of officeholders who are suspected of having abused their positions.

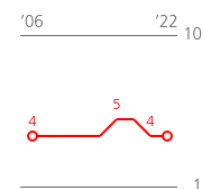
Independent judiciary

5



Prosecution of office abuse

4



In 2018, news broke of what would become known as the Qadhiiyat al-Dukhan case (the smoke case). In the case, it was claimed that Jordanian businessman Awni Yousef Mutee masterminded a counterfeit cigarette production and smuggling operation, utilizing two free trade zones in al-Zarqa and al-Muwaqqar, between 2006 and 2018. Prosecutors allege that tax evasion from the scheme alone was worth \$760 million.

In the wake of public outcry, then Prime Minister Omar Razzaz requested that the case be handled by the State Security Court, which in 2019 indicted 54 Jordanians including Widah al-Hamoud, a former Head of Jordanian Customs. The trial remains ongoing despite numerous setbacks, including the need to repatriate wanted individuals from abroad and the death of defendant Yousef Antoun Khazam, a Lebanese national, mid-trial.

Civil rights are guaranteed by the constitution in principle, but in practice are framed and limited by legislation, meaning that in reality rights become more akin to privileges that can be granted and removed when politically expedient. The pandemic has further highlighted this. Redress is a complicated issue in Jordan precisely because the constitution gives parliamentary legislation a central role in forming rights.

Women remain subject to a number of discriminatory practices that owe much to societal regulation and cultural norms. In Shariah courts, for example, which adjudicate personal status disputes, a woman's testimony is not equal to that of a male co-national. Homosexuality, while not illegal under existing law, remains stigmatized in socioreligious terms and individuals can be charged with disturbing public morality.

A U.N. report noted that the actions of the Jordanian government against the teachers' syndicate are "a serious violation of the rights to freedom of association and expression." Yet, while the government operates within the contours of the state of emergency justified by the COVID-19 pandemic, there are few avenues through which to pursue redress. Access to the Constitutional Court, whose establishment in 2012 was greeted with some optimism, is difficult for individual citizens. In practical terms, this makes it difficult for individual citizens to seek redress for government decisions.

Civil rights

5

'06 '22 10

5

1

4 | Stability of Democratic Institutions

Officially, Jordan is a constitutional monarchy with delineated roles for the executive, legislative and judiciary. Democratic institutions exist at multiple levels. Local municipal councils are composed of members who are directly elected, although mayors remain appointed. Elections also occur at the governorate level for the composition of governorate councils. At the national level, general elections decide the make-up of the lower house, but not of the Senate whose members are royal appointees. In practice, therefore, the delineation of roles, powers and responsibilities are blurred, with these elected and non-elected bodies existing within the context of a semi-authoritarian state and a powerful executive. Inevitably, this has an impact on performance.

The capacity of the lower house to operate as the crucible of democratic governance delimited by the following factors. First, the prime minister is appointed by the monarch, not by parliament or popular vote. A constitutional amendment passed in 2011 stipulates that the king must consult with parliament on his selection of premier. However, this requirement is largely theoretical. Hani al-Mulki (2016 – 2018), Omar Razzaz (2018 – 2020) and now Bisher al-Khasawneh (2020 – present) were all appointed without parliamentary consultation. All incoming governments are required to seek a vote of confidence from the parliament. Second, government cabinet members are not required to be members of parliament, meaning that the government exists separate from democratic institutions and, therefore, to a degree of public scrutiny.

At the municipal level, citizens elect the members of their municipal councils, although mayors of significant municipalities such as the Greater Amman Municipality (GAM) are appointed by the king. There are 101 municipalities in Jordan. However, despite the enactment of a new municipalities and decentralization law in 2015, which was in effect for the 2017 elections, municipal councils remain hamstrung in their ability to facilitate and empower local decision-making. The package of decentralization legislation enacted in 2015 does not represent a return to what was arguably the high-water mark for Jordanian municipalities, the Municipality Law of 1955, which bestowed upon municipal councils the prerogatives of tax collection, urban utilities (e.g., water, electricity and garbage collection) and social services.

Many of these have been stripped from councils in the intervening decades and were not returned in the 2015 laws. For example, municipalities do not collect taxes nor manage water distribution (now the prerogative of the Ministry of Water and Irrigation). Similarly, electricity provision is handled by the Jordan Electricity Authority and local transportation is managed by the Ministry of Transport. Instead, municipalities coordinate local concerns with central government and private sector service providers.

Performance of
democratic
institutions

2

'06 '22 10

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Structural limits on democratic performance aside, the democratic institutions and procedures that do exist are recognized as legitimate by major domestic stakeholders. However, questions concerning how these institutions should evolve and how much power they should be able to wield persist. There remains widespread mistrust of political parties and members of parliament, and doubts about whether they're able to function as powerholders, which lends some public consent to the established semi-authoritarian order. In particular, even prior to the 2011 uprisings, the king has been a vocal advocate of the seemingly inevitable democratization of the country. However, although he has been a staunch supporter of greater democratization, including the goal of establishing a system of parliamentary government, the king has simultaneously taken steps that seem to impede the emergence of this objective. The constitutional amendments of 2014 and 2016, which grant the king the unilateral authority to appoint the heads of the army and GID without parliamentary or ministerial oversight, is evidence of this tension.

New decentralization and municipalities laws were approved in 2015 (laws 41 and 49), which devolved some powers from Amman to the governorate councils. However, this does not include the power to allocate funds, which remains centralized. As such, the two laws preclude the possibility of further decentralization within the existing framework, as the governorate councils have in practice been centralized.

5 | Political and Social Integration

The contemporary political party system was established in 1992 when political parties were legalized after more than 20 years of martial rule. Since then, the law governing how political parties are structured and what functions they can perform has been amended several times, most recently in 2015. There are 48 political parties currently registered in the kingdom, 47 of which participated in the 2020 elections. Jordan's political parties possess neither the financial means, nor the social capital or connectivity required to aggregate societal interests into coherent and competitive party ideologies and policy platforms.

Consequently, all parties struggle to acquire and sustain a nationally constituted membership and voting share. The sole exception could be the Islamic Action Front (IAF), but even it relies on local kinship and candidates' personal connections for electoral success. This remains the case even following the removal of the single non-transferable vote (SNTV) and its replacement with an open list model in 2016. Voters cannot elect a list, but rather individuals from a list, meaning that candidates from the same party invariably compete against each other.

As a result, familial and tribal social networks function as important sources of electoral capital. This has been proven in every electoral cycle, most recently in 2020 when all parties lost seats and vote share. This includes the IAF, which

Commitment to democratic institutions

3

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Party system

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suffered from widespread disillusionment within Jordanian society following the deregistration and liquidation of its parent organization, the Muslim Brotherhood. Because the IAF is registered with the Ministry of Political and Parliamentary Affairs, it is able to continue operating, despite the ban on the Muslim Brotherhood.

Cooperative associations have a rich history in Jordan, dating back to the early years of the kingdom. They include trade unions and professional syndicates, and sporting and religious associations, among others. For example, the Orthodox Educational Society has, since 1957, provided a range of educational services, such as university scholarships, to Jordanians of all faiths.

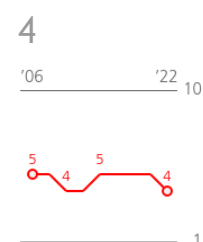
Within Jordan, there are both official and unofficial/independent unions. The former refers to groups that are officially registered, while the latter refers to groups that are technically illegal as they are unregistered. Invariably, this complicates the ability of labor to organize and to mobilize in order to advance working conditions. The professional syndicates, right down to the university level, have internal elections for their boards.

Jordan's engineers, doctors and lawyers' syndicates have proven to be influential in policymaking, and thus positions within them are fiercely contested. However, while influential, there are distinct limitations as to how much syndicates can push government. The liquidation of the teachers' syndicate, which represented some 140,000 members, in 2020, after waging a protest movement against the Razzaz government, demonstrates that mediating between society and the political system is a precarious game.

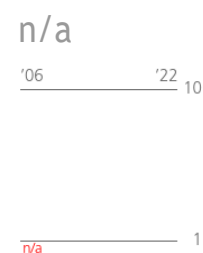
As a semi-authoritarian political system, it is necessary to note from the outset that there are no established democratic norms or practices comparable to those observed in more fully fledged democracies. However, this is not to say that approval of democratic norms and procedures does not exist.

The International Republican Institute asked Jordanians in 2019: "to what extent [do] you think each of these systems would be suitable for Jordan?" The question listed five systems: a system governed by Islamic law without political parties or elections; a parliamentary system in which nationalist, left-wing, right-wing and Islamist parties compete in parliamentary elections; a government that provides for the needs of its citizens without giving citizens the right to participate in the political process; a strong authority that makes decisions without considering electoral results or the opinions of the opposition; and a parliamentary system in which only nonreligious parties compete in parliamentary elections. The first two options each received the highest level of support ("completely suitable" or "suitable") from 49% of respondents. Interestingly, the third and fourth options were considered by a majority of respondents (52% and 56%, respectively) to be "not suitable at all for Jordan," suggesting that there is a reasonable degree of underlying support for democratic norms in Jordan.

Interest groups



Approval of democracy



Support for existing realities, however, illustrates a pessimism concerning the state of democratic procedures in the kingdom. The most recent and fifth installment of the Arab Barometer (2019) survey shows that a dramatically smaller percentage of Jordanians trust the government than 10 years ago. Overall, 38% of surveyed Jordanians say they have “a great deal or quite a lot of trust in the government,” a decline by almost half compared to 2010. Similarly, the Konrad-Adenauer-Stiftung’s Regional Program Political Dialogue South Mediterranean (KAS PolDiMed) 2020 survey found that fewer than a third of Jordanians (23%) have confidence in political parties and 37% trust the parliament. The survey was recorded before and after the November 2020 elections.

In Jordan, there is a broad array of local and international civil society organizations. These range from environmental groups (Royal Society for the Conservation of Nature) to millennial organizations for sustainable development (I-DARE for Sustainable Development). Yet, more concrete social capital has historically been formed within familial and kinship associations. In part, this is a consequence of the long period of martial law during the last century when many social and political organizations found their operations curtailed by royal agency. Further, Jordanian society remains traditional in so far as familial, tribal and personal relationships play a more important role in the ways citizens navigate their day-to-day relations with the state than institutionalized identities such as citizenship. More than 30% of Jordan’s population identifies with an East Bank–Bedouin background, according to the UNHCR. This figure does not include tribes (and clans within them) who have been urbanized for more than a century, such as the Ghassasinah clans in Karak.

Within these networks and relationships, there is a substantial degree of social capital and self-organization. Employment opportunities are often accessed through family connections, while difficulties with the police can sometimes be smoothed over by reference to a family member within the state apparatus. Class is an increasingly important factor, as individuals need to belong to prominent families within prominent tribes in order to maximize their opportunities.

Tribes and familial networks have adopted greater significance politically given the low levels of trust in political parties. KAS PolDiMed’s findings show that only 23% of Jordanians say they trust parties “fully, a lot, or somewhat.” Therefore, familial history is called upon as a trust-building element during election campaigns at all levels, whether municipal, governorate or national.

Social capital

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II. Economic Transformation

6 | Level of Socioeconomic Development

Significant and persistent inequalities exist in Jordan. The proportion of Jordan's over 10 million population living in multidimensional poverty is small at around 0.4%, according to the UNDP. Nevertheless, the income share of the richest 10% of the population is greater at 27.5% than the income share of the kingdom's poorest 40% of population, which stands at 20.3%. These wealth disparities are not new but are structurally engendered and reflected in Jordan's position in the lower half of the global Human Development Index (HDI), with a ranking of 102 out of 189 countries. However, with an HDI score of 0.729, Jordan is well located broadly within the index, although Jordan's score drops to 0.622 when inequality is factored in and the overall loss in HDI due to inequality is 14.7%.

Jordan's Gender Inequality Index (GII) score has improved from 0.667 in 1995 to 0.450 in 2019, although it has changed little in the years since 2017, suggesting a more rigorous social and policy approach is required to induce further improvements.

With 326,855 infections and 4,316 deaths as of January 31, 2021, the COVID-19 pandemic has left a heavy mark on the kingdom, despite several lockdowns, which have negatively affected socioeconomic opportunities. This is especially concerning given the struggles of many Jordanians were facing prior to the emergence of the epidemic. An assessment from the UNDP released in May 2020 revealed concerning signs about the capacity of Jordanians to weather the COVID-19 storm without substantial assistance. Of the more than 12,000 Jordanians surveyed 6.8% said they had maintained their employment post-lockdown. Furthermore, of the participants who were employed prior to the onset of the epidemic, 58.6% reported having lost all of their income.

Regarding opportunity, a significant proportion (21.9%) of respondents reported that they did not have access to the internet, which they identified as necessary for work or education. Because Jordan has entered and exited a series of lockdowns during the course of 2020 and early 2021, poor or nonexistent internet access risks impeding people's ability to recover from the epidemic.

Question
Score

Socioeconomic
barriers

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Economic indicators		2017	2018	2019	2020
GDP	\$ M	41409.0	42932.1	44502.9	43697.7
GDP growth	%	2.1	1.9	2.0	-1.6
Inflation (CPI)	%	3.3	4.5	0.8	0.3
Unemployment	%	15.8	16.3	16.9	18.5
Foreign direct investment	% of GDP	4.9	2.2	1.9	-
Export growth	%	1.7	0.9	6.5	-35.8
Import growth	%	2.5	-6.6	-3.1	-18.2
Current account balance	\$ M	-4392.8	-2962.8	-1003.5	-
Public debt	% of GDP	76.0	75.1	78.0	88.0
External debt	\$ M	30051.5	31925.2	33481.6	38016.1
Total debt service	\$ M	1865.9	2251.8	3343.1	3107.9
Net lending/borrowing	% of GDP	-2.5	-1.5	-3.3	-
Tax revenue	% of GDP	14.8	14.9	14.8	-
Government consumption	% of GDP	17.4	17.1	17.3	18.4
Public education spending	% of GDP	3.2	3.0	3.0	-
Public health spending	% of GDP	3.6	3.8	-	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	4.8	4.6	4.6	5.0

Sources (as of December 2021): The World Bank, World Development Indicators | International Monetary Fund (IMF), World Economic Outlook | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database.

7 | Organization of the Market and Competition

Improving market-oriented competition has been a hallmark of King Abdullah II's reign. According to the World Bank's "Doing Business" report, Jordan jumped from 104 out of 190 countries in 2019 to 75 by the end of 2020 for ease of doing business. In so doing, Jordan ranked among the three most improved countries globally for the first time.

This was achieved through three main policy areas. First, the legal rights of lenders and borrowers were strengthened, and a unified, geographically centralized framework for securing transactions was implemented. Second, the kingdom's outdated insolvency law was amended, making it easier for viable but liquidity deficient firms to reorganize and restructure. Third, an electronic payment filing system for labor taxes was introduced, reducing the time spent on fiscal compliance. As part of this, the number of payments per annum to be paid by businesses was cut from 23 to nine. For starting a business, the kingdom ranked 120 out of 190 countries, with the number of days (12.5), number of procedures (7.5) and cost (23.3% of per capita GNI) open to further improvement.

Under the terms of Jordan's import and export law, the government can impose prohibitions or restrictions on imports for reasons of public safety, health risks, environmental concerns or protection of national resources, or if required by U.N. security council resolutions. The International Labor Organization (ILO) released a study in May 2020 that found 55% of surveyed employees said their employment was temporary, irregular or seasonal in nature. While this is distinct from informal employment, which the ILO study suggests encompasses 35% of surveyed citizens, the two figures together illustrate the extent of precarious work that exists in the labor market.

Jordan introduced a competition law in 2002 (approved in 2004) and is a member of the International Competition Network (ICN) and the Multilateral Investment Guarantee Agency (MIGA). A competition directorate within the Ministry of Industry and Trade monitors the application of the competition law. The state remains active in sustaining subsidies and price fixing arrangements. Although these continue to be reduced, they remain important politically and so will foreseeably be retained for the mid-to-long term. Foreign ownership is permitted across all sectors, except those of a sensitive nature. For example, non-Jordanians cannot own in part or in full security service companies, customs services or bakeries of any kind. Other industries, including newspapers and maritime maintenance, require up to 50% domestic ownership.

Market
organization

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Competition policy

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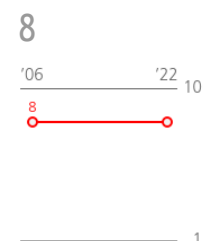
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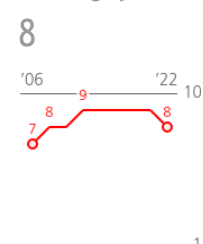
Trade liberalization and the further integration of the kingdom into the global economy is an avowed priority of King Abdullah II. An indication of this is the score awarded to Jordan in the KOF Globalization Index, which in 2018 was 73.4, a little behind Israel's 76.88. As a member of the WTO, Jordan complies with WTO tariff statutes. Import tariffs between 0% and 30% remain on a range of products on the basis of the cost, insurance and freight (CIF) value. Its most recent (2019) simple average MFN is 10.1%. Import limitations exist for certain manufactured goods, while the state regulates others such as fresh milk, tomatoes and salt. Licenses are required to import some chemicals, medicines and telecommunications equipment. The state does what it can within the statutes of its international agreements – which include several bilateral free trade agreements (including USA 2001/2010, EFTA 2002, Singapore 2004, Canada 2008) in addition to the EU Association Agreement (2002) and the Agadir Agreement (2007) – to facilitate and protect domestic agriculture and manufacturing. Further, in January 2020, the Jordan Investment Commission (JIC) instituted an investor grievance bylaw, which allows investors with grievances regarding decisions made by government agencies to file complaints and seek resolution.

Liberalization of foreign trade



Historically, banking is one of Jordan's most significant sectors, with the combined assets of the sector totaling \$79.5 billion at the end of the third quarter of 2020. To bring the sector in line with international standards, the central bank of Jordan moved toward providing a framework for the full implementation of Basel III regulation in 2018. As part of this, banks in Jordan need to sustain a capital conservation buffer of 2.5%, in addition to 2.5% as a countercyclical capital buffer. As in a number of other countries, the COVID-19 pandemic has complicated the timeframe for the complete implementation of Basel III.

Banking system



The pandemic also challenged day-to-day lending and capital ratios. In the first half of 2020, the capital-adequacy ratio was 17.9%, which is higher than the rate mandated by the central bank. During the same period, the share of non-performing loans equated to 5.4% of total loans, a slight upward trend on the 5.2% at the same time in 2019. Hard budget constraints include above all Jordan's debt levels, which have remained stubbornly high over the last two decades, and – after shrinking in recent years – look to be expanding once again to absorb spending and income losses related to the pandemic. Public debt increased 6.6% in the first six months of 2020 to \$45 billion, resulting in debt increasing above the 100% ceiling to 101.8% of GDP.

8 | Monetary and fiscal stability

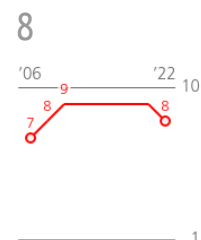
The central bank of Jordan handles monetary policy with operational independence. Consisting of eight members, the board is chaired by the bank's governor who is appointed by the king. The current governor, Ziad Fariz, was appointed in January 2012. The Jordanian dinar (JOD) remains pegged to the U.S. dollar, which helps to keep the currency value stable (albeit CPI inflation reached 4.5% in 2018, before contracting to 0.8% in 2019), while keeping costs of living in the kingdom high in comparison to neighboring countries. The Jordanian Department of Statistics reported in October 2020 that the general consumer price index (CPI) for the previous month increased by 0.10%, reaching 101.00 points compared to September 2019.

Despite securing loans from the IMF to service the widening hole in its debt ceiling, Jordan needs to continue to search for further loans, which – the longer the pandemic continues – will increasingly restrict its ability to recover quickly from the crisis. It is unlikely that a consistent policy package will be deployed given the volatile domestic and global environment. This will undoubtedly challenge monetary stabilization.

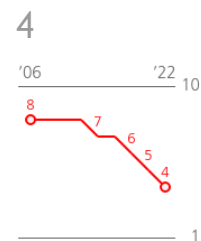
Jordan's budget, similar to its pre-COVID-19 circumstances, will require international support moving forward. In January 2020, the kingdom secured a \$1.3 billion four-year loan from the IMF to service a debt that has grown steadily since then as the country's economy contracts. Through 2020, the parliament, when it was sitting, demonstrated a distinct apprehension to passing new taxes, which will be necessary to boost domestic revenues. Toward the end of 2020, ratings organization Fitch affirmed Jordan's BB- credit rating, acknowledging the country's vulnerable fiscal situation.

The kingdom is not eligible for the World Bank's Debt Service Suspension Initiative (DSSI), which means it will have to find other means of servicing its loans. The 2021 budget, whose details were introduced to and debated by parliament in early 2021, expected domestic revenues to be JOD 7.8 billion. Based on these figures, domestic revenue will be insufficient to cover the cost of government services and interest payments on existing loans given public debt increased 6.6% in the first six months of 2020 to \$45 billion, which resulted in debt increasing above the 100% debt ceiling to 101.8% of GDP.

Monetary stability



Fiscal stability



9 | Private Property

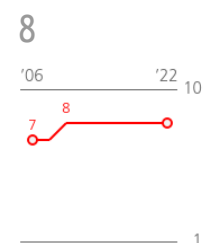
The protection and regulation of private property rights is well established in domestic law and is supported by Jordan being signatory to the Paris Convention for the Protection of Industrial Property and the World Intellectual Property Organization. The kingdom's legal framework is consistent with international standards for copyrights, phonographs and performances in addition to the Trade Related Aspects of Intellectual Property Rights (TRIPS). Jordan was ranked competitively by the International Property Rights Index (IPRI) in 2020, ranking seven out of 15 regionally and 42 out of 129 globally. Previously, Jordan ranked fifth out of 18 MENA countries and 42 out of 128 countries globally, demonstrating the country's overall stability in this area.

Jordan's Department of Lands and Survey (DLS) is the responsible authority for property registrations. No transaction of land is deemed legal if it is undertaken without approval from the DLS. There are some important exceptions where other agencies, such as the Jordan Valley Authority (JVA) and the Aqaba Special Economic Zone Authority (ASEZA), take a leading role. For example, the ASEZA is responsible for land transactions and zoning in Aqaba. Meanwhile, the DLS has assisted the JVA in mapping property boundaries registrations. Title deeds have now been issued for tenant farmers. All privately owned land plots in the largest city, Amman, are mapped, as are all privately held land plots across the economy. Transactions of land sales, registrations and acquisitions are burdened by rigid legal structures, long in-person procedures, and, in some cases, nepotism. Familial or private relationships with DLS staff improves transaction times.

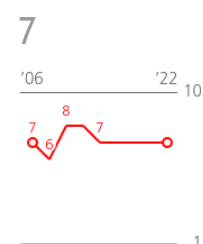
Article 11 of the constitution asserts that "no property of any person may be expropriated," except in cases where public utility demands it and a "just compensation" is provided. Private companies are both permitted and protected under a series of laws, including the Jordanian Companies Law of 1997 (most recently amended in 2017), the Investment Law of 2014 and the Public Private Partnership Law of 2014. Additionally, as Jordan is a WTO member, foreign investors in the country are able to seek external arbitration for settlements.

Privatization is a contentious subject in Jordan and one where public discontent persists. It is an area, however, which continues to be viewed as important in securing the economic future of the kingdom. As such, it continues to be advanced. In January 2020, lawmakers approved the new Public Private Partnership (PPP) Law, making it easier for local and external actors to provide private sector investment. Alongside this, a new PPP unit was established to better identify such investment opportunities. The Jordanian Action for the Development of Enterprises (JADE), a three-year project that ended in 2020 and was co-funded by the European Union, is an example of government action seeking to meet the market. In total, JADE supported 119 local startups, providing business support, incubator services and more than 20 mentors.

Property rights



Private enterprise



10 | Welfare Regime

Jordan possesses a social safety net system, which comprises different government and non-government actors, in addition to local and international providers, whose resources and ability to provide effective and consistent assistance varies. Employment type is an important variable in the quality of the social security available. For members of the Jordanian military, a separate scheme for both active servicemen/women and veterans exists. It is broad, depending on rank and other less-institutional factors, such as clan and political expediency. Packages include health and hospital care, pensions and education. Furthermore, it is attractive because access may be distributed beyond individual servicemen/women to their families.

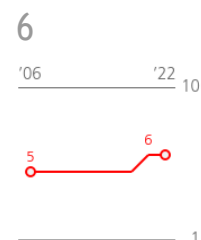
Informal (i.e., familial, clan and tribal) safety nets exist, which intersect with more formal models, owing to the continuing importance of *wasta* in Jordanian society. For the large refugee populations (notably from Palestine, Iraq and Syria), the non-government sector performs an indispensable role. This sector includes religious groups, international agencies (e.g., Amnesty International), UNRWA in the Palestinian refugee camps and UNHCR in the case of the Syrian refugee population.

The coronavirus pandemic has further complicated this picture, owing to a series of state-wide lockdowns that made it difficult, if not impossible at times, for people to sustain their personal networks, visit sick or injured family members or friends, and offer others the level of support that would be feasible under normal conditions.

In March 2020, the government launched the *Himmat Watan* (“Nation’s Effort”) initiative, as a centralized depository for domestic and foreign donations to assist the government in combating the epidemic. Managed by former Prime Minister Abdul Karim al-Kabariti, the fund had assisted more than 250,000 households by the end of May 2020.

Meanwhile, in April 2020, Jordan’s Social Security Corporation (SSC) announced three programs, *Tadamun* (“Solidarity”) I, II and III, to ensure employment stability. *Tadamun* I covered institutions and sectors of society that were already being served by the SSC. Gazan refugees and vulnerable Jordanians would receive employment assistance. Employers would pay 20% of salaries, provided these were between JOD 165 and JOD 500 (approximately \$230–700) per month, and the government would cover the remaining 80%. However, for this to occur, the original salary would, by agreement, be temporarily halved in order to reduce costs to businesses. In contrast, *Tadamun* II targeted companies that were not already served by the SSC and would pay eligible employees JOD 150 (approximately \$210) per month. *Tadamun* III enabled eligible participants to receive advance payments and, where applicable, temporary unemployment credits from the SSC.

Social safety nets



Jordan's statistical achievement in the sphere of life expectancy at birth – 74 years overall, 76 years for female citizens and 72 years for male citizens in 2018 – indicates a degree of equality within Jordanian society. In terms of literacy, Jordan has performed strongly for a long time, with the rate reaching 98.12% for adult men and 95.16% for adult women. Gross enrollment rates for male and female students vary, with primary the highest at 81.8%, followed by secondary (65.2%) and tertiary (34.4%). The gross enrollment rate falls substantially for the final two years of secondary education and a gender disparity appears, with female students outnumbering their male counterparts. The female to male enrollment ratio is 1.0 (primary), 1.0 (secondary) and 1.2 (tertiary).

While at the national level, there is a high percentage of gross enrollment, this obscures disparities that exist regionally. The number of out-of-school students (OOS) in the Mafraq governorate, for example, is more than double the figure in Amman. For Syrian refugee children, it is worse with almost 20% of both female and male school-age children not enrolled.

However, such statistics elucidate only part of the picture. A NAMA Strategic Intelligence Solutions study from 2018 reported that only 7% of Jordanians believed that equality exists to a large extent in the country. Outside of Amman, these numbers become even more pronounced. To the south, in the governorates of Aqaba, Tafileh, Ma'an and Karak, 48% of respondents said that equality did not exist. In the northern governorates of Irbid, Ajloun, Mafraq and Jerash, 30% of people polled answered similarly. In Jordan, it is accepted that there is discrimination when applying for public sector jobs, with better connected members of prominent East Bank families having an advantage. For non-citizens, employment is increasingly difficult with local unemployment rates already high. As part of the Jordan Response Plan, Syrian refugees have been given work rights, although these remain limited. Rates of day-wage labor remain high in the agricultural and building sectors.

One of the most disappointing and telling statistics, which highlights that more work is required from both government and society to address inequality, concerns female participation in the labor force. According to the World Bank, in 2020, Jordanian women composed just 18.2% of the total working population. Even though, for example, female students outnumber their male counterparts in many bachelors' degree programs, their ability to acquire degree-related work post-university remains stymied. Similar examples abound, with women under-represented in parliament, municipal councils and on judges' benches. Further work beyond quotas is required to improve equality of opportunity across genders.

Equal opportunity

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11 | Economic Performance

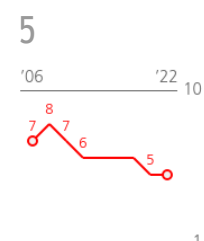
Twenty-one years into the 21st century, Jordan's economy retains many of the semi-rentier characteristics with which it left the 20th century. Despite high economic growth rates since 2000 and an increase in GDP per capita (PPP) from \$9,628 in 2009 to \$10,517 in 2019, the economy remains reliant on foreign aid to meet its persistent budget deficits. The IMF has estimated that overall GDP will decline by 3% in 2020, but will rebound by 2.5% in 2021, as the country and the region begins to emerge from the COVID-19 pandemic. This, of course, assumes that 2021 will be markedly different from 2020, which cannot be ruled either in or out.

Bringing the official unemployment rate down over the course of 2021 will be essential to Jordan's recovery and longer-term prosperity. By the end of 2020, it had increased 4.8 percentage points on 2019 figures to 23.9%. It is important to recognize, however, that these official figures have been criticized in the past for being too generous and it is within reason that the true figure is closer to 40%. According to Jordan's Department of Statistics, inflation (CPI) increased in 2020, with the index for October reaching 101.29 (an increase of 0.02 points on the same time in 2019). This occurred primarily as a consequence of price increases for basic commodities and foodstuffs, including vegetables, dairy products and eggs.

Jordan has been running current account deficits for the past several quarters. By December 2020, Jordan's current account deficit reached \$1.2 billion. Public debt remains a difficult challenge given the immediate costs Jordan needs to bear in order to combat the coronavirus crisis. Once foreign aid contributions are factored into the analysis, the kingdom's deficit remains at \$2.89 billion. On top of this, the 2021 budget, which is expected to total JOD 9.93 billion or 31.2% of GDP, will be "the most difficult for Jordan ever," as stated by Finance Minister Mohamad al-Ississ.

On the subject of revenues, the 2021 budget papers estimate domestic revenues will reach about JOD 7.8 billion, excluding foreign grants, which themselves are expected to reach JOD 577 million in the budget law. This will produce a shortfall for which a solution will need to be found. Gross capital formation has declined over the last 10 years, according to the IMF. In turn, this has undermined economic growth, which averaged 2.25% between 2010 and 2019, markedly lower than the 6.5% witnessed between 2002 and 2009. Per capita income has also declined, in part due to rapid population growth.

Output strength



12 | Sustainability

Environmental concerns remain significant immediate and long-term challenges for Jordan. However, they receive comparatively little attention from policymakers. Four areas of particular importance are water scarcity, wastewater management, land degradation/desertification and energy dependency. According to meteorological forecasts, by 2035, Jordan's available water reserves are expected to shrink by 30%.

With around 63% of the population connected to the public sewer system, further improvements can be made in collecting and recycling gray water for, among other uses, agriculture. Jordan is one of the driest countries on Earth with some 4% of its total landmass suitable for agriculture. Thus, greater political will needs to be applied in order to secure existing water reserves and recycling opportunities beyond short-term solutions. One such option involves drilling seven new wells into the Disi, a fossil water aquifer to the south of Amman, which experts say is the last source of fresh groundwater in the kingdom. While this may provide some breathing space, it is no alternative to a more integrated policy framework.

Jordan imports over 90% of its energy and in the past has relied on subsidized petroleum from Iraq. The high level of petroleum imports is equivalent to approximately 10% of GDP. As such, it is important for the kingdom to become more self-reliant, as regional instability can increase prices significantly from one month to the next. To this end, in July 2020, then Energy Minister Hela Zawati released the 2020 – 2030 Energy Strategy, which outlined a framework for increasing local electricity generation from 15% in 2019 to 48.5% by 2030. Part of this involves increasing the share of renewable energy production from 11% in 2020 to 14% by 2030. Considering the availability of sunlight and wind in Jordan, the urgency of the problem, and the fact that Jordan raised increased renewable energy production from 2% to 11% between 2015 and 2020, the new renewable target is unambitious at best. Interestingly, the strategy does not include nuclear energy, which has been part of the discussion for the past two decades, albeit without any concrete steps having been taken.

Jordan has a long history of providing education to its citizens, evidenced by its high literacy rates and the employability of its graduates. However, this history needs a fresh policy approach as the kingdom moves further into the 21st century, as has been recognized in the "Vision 2025" statement. Vision 2025 notes several areas that need to be addressed. For example, public expenditure per student is low; school infrastructure varies across the kingdom; primary and secondary curricula and teaching methods are outdated, with little value placed on critical thinking; and teacher training needs to be improved. However, Vision 2025 offers few detailed methods to tackle these challenges.

Environmental
policy

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Education policy /
R&D

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In the most recent U.N. Education Index, Jordan ranked 102nd in the world, with a score of 0.667. The kingdom dropped 39 places in the U.N. Human Capital Index, from 76 in 2018 to 115 in 2020, largely due to current education rates. Of the 15 Arab states included in the U.N. data, Jordan has the fourth lowest average number of school years (10.5). Tellingly, although public expenditure on education sat at 3.6% of GDP in 2020, expenditure on R&D is 0.4%, lower than Qatar (0.5%) and Morocco (0.7%). It is unlikely, therefore, that Jordan will be able to nurture its intellectual potential through domestic means, with students and entrepreneurs forced to move abroad to advance their skills and seek opportunities, which in turn could lead to a brain drain.

An ongoing and unforeseen difficulty has been the coronavirus pandemic, which continues to have a profound impact on Jordan's governance capacity. The Ministry of Education developed a series of online platforms so that students could continue learning while schools were closed between March and June 2020, and again from September 2020. Free internet services were offered to marginalized communities to assist in online learning.

Governance

I. Level of Difficulty

Geography is a permanent structural constraint on the Hashemite Kingdom of Jordan, especially in terms of its high aridity (upwards of 75%), water scarcity and the absence of valuable natural resources (aside from phosphate). Policymakers must, therefore, think more strategically in order to ensure Jordan's prosperity and more resources need to be allocated to managing environmental realities. Logistics is another structural hurdle given that the majority of the population inhabits the northeast corner of the country, whereas its only seaport, Aqaba, is located in the far south, 333km away from the capital. This is problematic given infrastructural deficiencies. The King's Highway, the main north–south artery requires an upgrade and is a target for demonstrations from some of the southern tribes. Public transport within and between cities is minimal.

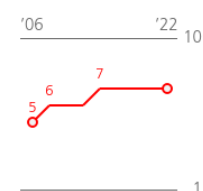
Geopolitically, Jordan is subject to direct regional pull and push factors by neighboring Iraq, Saudi Arabia, Israel and Syria. As all of these states enjoy particular advantages over Jordan in terms of population, military composition, size and/or resources, Jordan's regional diplomacy must be handled with care. Economically and socially, refugees from neighboring conflict countries hosted by Jordan place a large burden on the Jordanian population.

Jordan has a long history of active civil society organizations (CSOs). The Jordanian Muslim Brotherhood, founded in 1945, was one of the oldest such organizations before being dissolved by court order in 2020. However, an accompanying civic culture of active citizen participation within CSOs has been missing. It is this activity that facilitates greater citizen contribution in social and political life outside of elections and parliamentary structures.

Thus, civil society in the main is dislocated from the wider political discussions in the kingdom. Recent studies have illustrated that CSOs are generally unable to engage in legislative advocacy, which could potentially see greater community input in the legislative process. Beyond financial constraints and their ability to access members of parliament, CSOs are often impeded from “being political” by law. The Civil Society Law 51/2008 requires all CSOs to be registered with the respective ministry whose responsibilities align most closely with the organization. CSOs are correspondingly prohibited from engaging in activities beyond those associated with their registration. Doing so can result in political pressure and

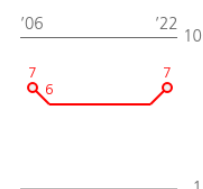
Structural
constraints

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Civil society
traditions

7



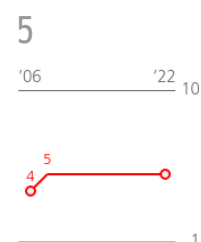
liquidation. The disbandment of the Muslim Brotherhood in 2020 has had a chilling effect on CSOs and demonstrates that the government will act against CSOs that overstep the established boundaries. As such, this has done little to promote civil society participation and activism.

In general terms, Jordan is a model of tolerance in a region often associated with intra-civil conflict. Religious tensions (between the Christian minority and the Muslim majority) are few but they do exist and occasionally rise to the surface. This is not to say there are not cleavages, however. Frictions exist between tribal and non-tribal populations as well as between Jordanians of East Bank and Palestinian origin. The latter is a nuanced issue, and no simple generalizations should be made in relation to it. Historically, Jordanians of Palestinian origin have been discriminated against with regards to employment, especially in the upper echelons of the military, security services and public sector. In the face of this, citizens with Palestinian origins came to be very active in Jordanian business circles. In the drive toward nonlinearization since the ascension of Abdullah II, business leaders have become just as important to the regime and its survival as the traditional military elite.

The result of this has been increasing friction because of the role (real or imagined) ethnicity has played in this development. This is part of a wider source of conflict around class and wealth disparities, including those within tribal and clan networks. Because Jordan's economic performance over the past two decades has not diffused economic wealth and opportunity as broadly as hoped, upward social mobility as a point of friction grows in significance. The coronavirus pandemic has done nothing to diminish this, especially with access to quality education curtailed.

Another area of potential conflict relates to the ability of the Hashemite regime to manage the needs not only of its citizens but also its non-citizen population. Analyzing data from the UNRWA, UNHCR and the Jordanian government, Jordan's registered refugee population consists of approximately 2.1 million Palestinians, 0.5 million Iraqis and 1.6 million Syrians. Together these groups constitute almost half of the resident population within the kingdom. Although not solely responsible for their well-being, Jordan must dedicate time and resources toward this end. Post-COVID-19, with financial resources scarce globally, this could become more difficult and result in conflict if not handled deftly.

Conflict intensity



II. Governance Performance

14 | Steering Capability

The extent to which governments themselves set and maintain strategic priorities is limited, because they are unable to design, implement and alter strategic priorities in a unilateral manner. Executive authority is divided between the prime minister (a royal appointee and the head of the cabinet) and the king. Political parties do not form governments and have never achieved a parliamentary majority sufficient to govern. Strategic priorities are instead developed primarily by the royal court and the king's inner circle.

Day-to-day policy priorities, however, are often dependent on the leadership within ministries, with shifts in direction occurring as a result of personnel changes. Campaigners for children born to Jordanian mothers and foreign fathers have regularly complained that agreements negotiated with individual ministers need to be renegotiated when the ministers are replaced.

The task of government is to execute. Abdullah II, for example, is active in setting policy agendas and has been the strongest advocate of Jordan's market trajectory since his ascension. Domestic actors aside, because Jordan is reliant on foreign aid, the capacity of local actors to maintain priorities is limited by default, as the aid conditions of donors need to be factored into planning. Consequently, international actors, including the IMF and World Bank, are involved in strategy and policy setting. This can be seen in Jordan's Vision 2025, which builds on previous Privatization Evaluation Committee and Governorates Development Strategy findings, among others.

The ongoing pandemic has complicated the situation. Although Jordan had some success in preventing widespread community transmission in 2020 through the use of societal lockdowns, this prioritization has not prevented the virus from maintaining a foothold well into 2021.

Placing aside the question of whether a government's policy agenda is its own, governments in Jordan have been able to implement policy platforms. The recent success in increasing renewable energy production from a mere 2% in 2015 to 11% in 2020, an increase that was achieved over the course of three different administrations (Abdullah Ensour, Hani al-Mulki and Omar Razzaz), is illustrative of this. The removal of subsidies is another policy area where successive administrations have experienced success, albeit at a glacial pace. As part of Jordan's first Structural Adjustment Program (SAP) with the IMF in 1989, subsidies were supposed to be removed from all commodities. It took almost three decades for this to occur, which is indicative of the policy's unpopularity.

Question
Score

Prioritization

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Implementation

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During the same period of time, governments have referred to the importance of creating jobs and reducing unemployment. This is a key platform of the Vision 2025 plan, but this desire has not been matched by success. The objectives of the National Employment Strategy (2011 – 2020) were left unfilled and the Vision 2025 program has had to make-up extra ground. Officially, unemployment has not dropped below 10% in more than two decades – and that is assuming the official rate can be relied upon, with the unofficial rate often being close to double the reported figure. With less than five years remaining for Vision 2025 and in the midst of a pandemic requiring unforeseen expenditure, it is unlikely that effective implementation will be achieved.

Owing to the way in which governments are formed in Jordan, little institutional learning occurs and the compass guiding recent governments remains the same regardless of the individuals who hold ministerial portfolios. This is not to say that there is no flexibility, however, as all governments over the past 30 years have been involved in an external/internal double act.

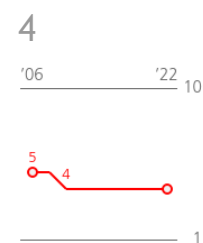
Decision-makers turn, on the one hand, toward the liberal world order for financial assistance and aid to keep the stalling economy afloat. Simultaneously, they work to maintain a public sector that is excessively large for a country of Jordan's size in order to keep unemployment down. This is done contra to the market reforms requested by donors. Analogously, these same decision-makers maintain a tight grip on political authority, despite speaking about democratization at home and abroad.

Jordan's response to COVID-19 has been managed by the National Committee for Epidemics, and the National Center for Security and Crisis Management (NCSCM). Both offer expertise and data that is used in the formulating of policy responses. The former, for example, assesses the epidemiological state of the country and uses this data to inform recommendations.

15 | Resource Efficiency

Efficiency is a complex concept to measure in Jordan. On the one hand, the state continues to persevere on a shoestring budget and has done so since its inception, suggesting a degree to which decision-makers understand the limits of state capacities. However, on the other hand, there is a lot of inefficient expenditure, which maintains the fiscal precariousness of the kingdom. There is little publicly available information regarding the personnel expenses of government officials relative to the quality of services they provide. Anecdotal evidence from everyday Jordanians suggests that there is very little efficiency in this regard. Low public trust in politicians is a reflection of this. Politically motivated dismissals have been a central characteristic of the Jordanian political system, creating more inefficiencies.

Policy learning



Efficient use of assets



There has been a tendency to appoint individuals to positions based on “wasta” (kinship) and personality rather than on experience. This is not to say that all members of the public service are incompetent, however, as many Jordanians with education from foreign, especially American and British universities, can and do obtain employment as public servants. Yet, for many, their appointment can be attributed to personal and familial networks.

Budgetary resources is an area where greater efficiency and transparency needs to be developed to improve outcomes and public trust in political decision-making. Budgets are rarely if ever balanced. Furthermore, deficits are serviced by additional borrowing, resulting in an unmanageable level of debt. In 2020, the budget deficit exceeded 100% of GDP. There is no effective auditing of real-time government spending. Detailed budget papers are not made public. Furthermore, when CSOs attempt to acquire expenditure information from ministries, they are often met silence or delaying tactics.

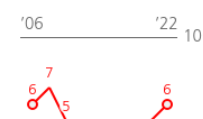
The professional rationality of public administration in Jordan coalesces around stability and clientelism. For this reason, budget deficits remain a persistent feature of Jordanian governments. There is greater incentive to placate sectors of the citizen population with public sector employment and other state-funded assistance than there is to tighten budgetary expenditure. Engaging in the later would cause substantial harm and distress to citizens, which could open the door to insurrection. Decentralization, which had been a discussion topic in Jordan for more than a decade, was finally implemented with the introduction in 2015 of new decentralization and municipalities laws. In 2017, Jordanians voted in elections under this new decentralization model for the first time. Promising greater empowerment to local communities at the municipal and governorate levels, decentralization was promoted by the king as an important step toward freeing up the national parliament to focus on national as opposed to local issues. This hope has not yet been fulfilled, however, as the current model further integrates governors into the existing, centralized hierarchy based in Amman. Little if any functions (e.g., budgetary allocations) have yet been devolved to the municipal level.

The key principle of coherency and coordination around which government policy coalesces is the survival of the Hashemite regime. On an issue-by-issue basis, Jordan has had mixed success. The Jordan Response Plan, which addresses the plight of Syrian refugees in the kingdom, and involved multiple local and international agencies, is an example of a coordination success. A key weakness of it, however, has been its reliance on external funding, which has not been sufficient to cover the costs of the different programs.

Another area that demonstrates a degree of coherency regards the country’s coronavirus response. Jordan moved quickly and early: isolating travelers in Dead Sea hotels, locking down the country, mandating the wearing of face masks in

Policy
coordination

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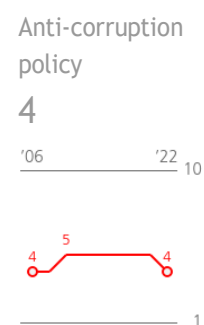
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public, equipping the Ministry of Health with available resources to organize hospitals and clinics, and mobilizing the army to enforce curfews and distribute government aid. These measures increased public goodwill in the government for several months. However, health associated maneuvers of this nature were soon joined by more politically motivated ones, such as the government attacks on the teachers' syndicate, and harsh crackdowns on demonstrations from the middle of 2020. Successive government responses of this nature dissolved public goodwill at a time when there was a unique opportunity to develop a new model of government–society relations based on transparency and explanation.

Corruption and the perception of it continues to undermine public trust in government processes. In 2020, the Integrity and Anti-Corruption Commission updated its strategy for the next five years. In addition, since 2004, the Jordanian Anti-Corruption Commission (JACC) has been responsible for uncovering corrupt practices and prosecuting the individuals involved. The JACC amalgamated with the Audit Bureau in 2016 to form the JIACC. Yet, transparent, publicly available audits of state spending remain limited. Among other things, this leaves the door open to further corruption or, at least, heightened public perceptions that corruption exists.

In recent years, however, greater steps have been taken to curb opportunities for corrupt practices. For example, Jordan has now adopted more than 40 e-services in the Ministry of Justice, Ministry of Industry and Trade, and Ministry of Social Development. The use of e-service platforms enables improved oversight and recordkeeping. Furthermore, public and media access to information has improved with plenary sessions in the parliament now livestreamed on YouTube and Facebook. This has resulted in greater public awareness of proceedings, vote results and general debate.

The Basel Anti-Money-Laundering Index (AMLI) measures a country's susceptibility to money laundering and terrorist financing. It provides a score between one and 10, with 10 indicating the highest susceptibility to corruption. In an indication of Jordan's struggle with corruption, the kingdom scored 5.96 in 2020, up from 4.84 in 2019. The country's global rank on this index has also worsened, with Jordan now ranked 35 out of 141 countries, with Afghanistan in number one position and Estonia at 141.



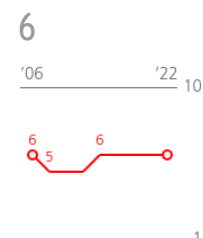
16 | Consensus-Building

Jordan continues to face challenges in achieving consensus on the details of democratization and marketization. The chief agents of the state, including the king, publicly advocate for both, arguing that they are the twin pillars of Jordan's future prosperity. Simultaneously, actions undertaken by political actors in the domestic arena render the complete adoption of both impossible. This is because little to no consensus exists on what both terms mean in practice for Jordan. At present, a fully-fledged democracy within a constitutional monarchy is unlikely to emerge, predominately because there is no consensus over who should exercise executive authority if not a Hashemite monarch. This is indicative of the low level of public trust in the ability of parliament to operate as the key organ of government.

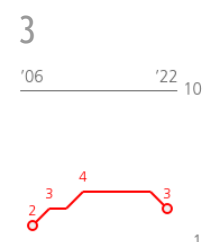
For the Hashemite regime, neoliberalization has been both a means for reforming its semi-rentier economy, while simultaneously enabling it, a small nation on the world stage, to build the multilateral and bilateral relations necessary to sustain a rent-based sociopolitical order. It is this order which assists in the maintenance of the regime. Many of Jordan's political parties (regardless of ideology) assert that, although a market-oriented economy is here to stay given the global climate, the state has a moral obligation to intervene in the economy to ensure fundamental citizen needs are met. Other groups, including the military veterans' association, would support both marketization and democratization provided that these aims do not take away from what they perceive to be their legitimate position in Jordan's social hierarchy.

The only domestic actor capable of co-option is the state. As such, reformers and anti-democratic actors have to operate within an environment framed by the state and the Hashemite regime. Jordan is a semi-authoritarian state in which all collective and individual actors of strength share a dependency on the state. The teachers' syndicate, for example, required state recognition in order to be established in 2011 and its ability to function necessitated that this recognition be maintained. When the syndicate was dissolved at the end of 2020, it was an acknowledgment that the syndicate had pushed too hard against the government (an agent of the state) and needed to be disciplined. Inasmuch as the Muslim Brotherhood can be considered a reform-oriented association, the same applies to its dissolution in 2020 after almost 70 years of operation. In the context of the COVID-19 pandemic and the prospect of further regional instability, the majority of Jordanians are cautious of pushing too hard for reform.

Consensus on goals



Anti-democratic actors



There are a number of significant cleavage points in Jordanian society, but to date the state has demonstrated an ability to manage them. A well-established and recognized division is that between citizens of East Bank and Palestinian origin. Further divisions involve religious (Muslim vs Christian), tribal and regional (north vs south) affiliations as well as legal status (citizen vs non-citizen refugees or guest workers).

Underpinning the state's success in mitigating these potential conflict points has been domestic stability (relative to the region). This has enabled successive Hashemite regimes to trade support and loyalty for benefits and privileges. Concerning the East Bank/Palestinian division, one of the key components of this established social compact is the division of labor: public sector employment for the kingdom's East Bank population, and predominately private sector employment for the kingdom's population of Palestinian origin.

Since the ascension of Abdullah II in 1999, there has been a role reversal in this social contract. With a marketization agenda, the significance of business elites, and capital producers and accumulators has grown in the eye of the regime to the comparative detriment of the established tribal and military guard. More acutely, the division looks to be morphing into more of a class or at least socioeconomic cleavage, as the state's ability to distribute largesse is reduced owing to the conditions imposed on external grants, loans and aid. The danger, however, is that this socioeconomic division can be interpreted ethnically.

Inasmuch as the political process involves participation in decision-making, civil society at large has an insignificant role. With agenda-setting centralized in the hands of the royal court, the prime minister and the cabinet, civil society has historically struggled to consistently influence decisions. When considered expedient by the regime, CSOs are given space to participate in and contribute to dialogue on policymaking. Some, especially those whose economic vision is congruent to that of the regime, are more influential in these sessions than others. The Talal Abu-Ghazaleh International Organization is one illustration, having been selected to participate in discussion sessions concerning the next phase of the National Integrity and Anti-Corruption Commission's strategy in 2020. The Jordan Strategy Forum (JSF) is another example of a CSO that has been able to participate in policy discussions, having hosted the minister of finance, Mohamad al-Ississ, several times in 2020 regarding the state's ongoing response to the COVID-19 pandemic.

Cleavage /
conflict
management

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Civil society
participation

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Although the Hashemite monarchy acts as a unifying element in Jordanian society, its ability to bring about reconciliation between victims and perpetrators is limited. The sociopolitical structure of the kingdom sustains cleavages between those who benefit and those who do not benefit from the policy agenda of the regime. Similarly, the international relations of Jordan can impose limits on reconciliation.

The case of First Sergeant Ma'arik al-Tawayha serves as an example. In 2017, al-Tawayha was sentenced to life in prison for shooting dead three American soldiers at the King Faisal Airbase in al-Jafr (southern Jordan) in 2016. Al-Tawayha, who maintains his innocence, argues he thought the base was under attack as the Americans refused to stop at the entrance gate. Under such circumstances, he argued he was merely doing his job. Jordanian authorities initially believed his recollection of events, angering their U.S. counterparts. Footage was hidden until leaked online. Both Jordan and the United States opened separate investigations into the shootings. Upon his arrest and later conviction, al-Tawayha's tribe, the Howeitat, one of the largest in Jordan, issued a statement: "Is Arab blood cheap and American blood more worthy? This is an unjust ruling."

There is understandable frustration in Jordan over U.S. foreign policy in the eastern Mediterranean, whether it be the invasion of Iraq or the continual support for Israel over the Palestinians. The case of Ma'arik al-Tawayha highlights the limited ability of the king (or any government official) to achieve reconciliation in a complex environment composed of a matrix of overlapping and at times contradictory relations.

17 | International Cooperation

International partners have been essential to Jordan's long-term strategy since before its independence in 1946. A key concern with regards to planning and implementation, which has a long history in Jordan, is that policymakers tend to be reactive rather than proactive. Additionally, it has proven difficult for foreign technical expertise to be adopted and reproduced by Jordanians.

An ongoing example of this is the renewable energy sector. Jordan's mega-solar projects have been reliant on technical and financial assistance from international partners. Shams Ma'an, a 52.5-megawatt solar farm in Ma'an is a collaborative energy asset involving Jordan's Kawar Energy investment group, Nebras Power from Qatar and the U.S. Trade and Development Agency (USTDA). As part of a grant process organized by USTDA, First Solar from Arizona provided the generation equipment, in addition to the construction experience, to make Shams Ma'an a reality. In September 2020, USTDA announced a new partnership with Kawar Energy. The partnership involved a feasibility study to examine how U.S. cloud technology, when paired with battery storage, could improve efficiency in the

Reconciliation

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Effective use of support

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Jordanian solar power sector. In what is a highly technical sector, there is a pattern emerging of utilizing existing international knowledge rather than developing local knowledge and research, which could make Jordan a leader and knowledge exporter.

COVID-19 has also presented challenges that reveal domestic utilization of resources from international partners. The Ministry of Health has had to take on unprecedented responsibilities from preparing educative societal awareness materials to providing guides and resources to hospitals and clinics in order to care for COVID-19 patients. The kingdom's existing agencies, the National Committee for Epidemics, and the National Center for Security and Crisis Management (NCSCM), have leaned on international guidance and assistance. On April 28, 2020, the World Bank approved, as part of its COVID-19 Strategic Preparedness and Response Program, a \$20 million project to assist Jordan in handling the epidemic.

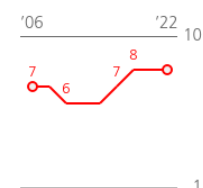
Jordan is in principle a reliable international partner. For example, Jordan has been a key partner in the post-9/11 "War on Terror," providing security and military assistance, including intelligence gathering and sharing, and has allowed specialist counter-insurgency training within its borders. This has extended to the Syrian civil war and the battles waged by external forces against the Islamic State (IS) group. Similarly, Jordan's commitment to humanitarianism and international support for refugees is manifest in its continuing role as a host for Syrian refugees displaced by the war. The majority of whom live among Jordanians in the community rather than in camps and thus utilize state resources, such as electricity, water and gas.

Jordan is a member of the Open Government Partnership (OGP). Since 2011, Jordan has agreed to implement five commitments, as outlined in the latest (fourth) action plan. These are to enhance partnerships and dialogue between the public sector and civil society, develop and enhance the application of Government Open Data Policy, foster national dialogue to achieve political reform, unify and develop the national human rights violation complaints mechanism, and institutionalize enforcement measures for the Access to Information Law. Yet, in all of these areas, substantial change has yet to be made.

Inter-Arab trade remains weak when compared with intra-regional trade. However, this reality aside, Jordan is an active regional player. Jordan is a member of the League of Arab States and the Agadir Agreement (along with Morocco, Egypt and Tunisia), and has maintained its peace agreement with Israel despite internal pressure. While Jordan has been at peace with Israel since 1994, Jordan has been cautious about the recent warming of ties between Gulf states and their Western neighbor given the possibility that Gulf Arab support for Israel could result in pressure being applied to Jordan to settle Palestinians in its territory.

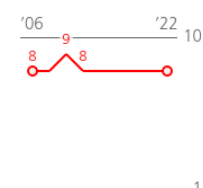
Credibility

8



Regional cooperation

8



Geopolitically, Jordan has pursued a more independent regional policy in response to the Saudi-led Gulf embargo against Qatar. After Saudi Arabia, the United Arab Emirates, Bahrain and Egypt – some of Jordan’s most important regional allies and aid donors – severed relations with Qatar in 2017, Jordan followed suit only to then restore ties in 2019, naming a new ambassador for the first time in two years.

By the end of 2019, almost 200 Jordanian companies had established partnerships and alliances with Qatari counterparts, demonstrating a desire from both sides to strengthen their relationship. Despite the importance of its relationship with Saudi Arabia, Jordan refused to join its war in Yemen, and has instead pursued warmer relations with Turkey and Qatar, key rivals of Saudi Arabia. Interestingly, despite being one of the first to warn of the impact of growing Iranian influence in the eastern Mediterranean as early as 2004, Jordan has kept the Iranian embassy in Amman open. Signaling its willingness to keep communication channels open, despite the changing regional landscape.

Jordan has been involved militarily in Syria, especially at the end of 2014 following the murder of Lieutenant Muath al-Kasasbeh by IS forces. More recently, the kingdom has been involved in intelligence gathering and has hosted foreign military installments.

Strategic Outlook

Jordan entered its 100th year in 2021, and many of the issues and regional balancing acts that emerged in its first 10 decades remain. 2020/2021 will always be remembered for COVID-19 and the unprecedented changes the pandemic has forced upon societies globally. And yet, in some key ways, the more things change in Jordan the more they stay the same. Democratic development has stalled, as political parties remain underfunded and struggle to gain a foothold in parliament. The prime minister continues to be appointed by the king and the government cabinet is still without a strong contingent of members of parliament. Fiscally, the debt-to-GDP ratio remains unsustainable, and domestic production and economic growth is forecast to struggle, which will necessitate further borrowing in order to provide the organs of government with enough capital to function.

Simultaneously, COVID-19 could be a game changer. Jordan is facing the prospect of a substantial loss of foreign aid, as international donor countries look to tighten their budgets and direct support inward toward their own domestic recovery. Such a scenario could spur decision-makers to make hard calls regarding the democratic trajectory of the kingdom. More fastidious oversight of public funds may be necessary in conjunction with an unprecedented level of government openness, transparency and honest communication with citizens. This is especially important given the worsening socioeconomic conditions in Jordan, and the growing numbers of citizens and non-citizens experiencing precarity and poverty.

In terms of foreign relations, Jordan's relationships with the European Union and the new Biden administration in the United States will continue to be pivotal. Internal EU politics may complicate the relationship, however, depending on how the bloc grapples with the challenge of populism in Europe. The rise of China offers opportunities for Jordan, especially in tourism. Between 2018 and 2019, the number of Chinese tourists visiting the kingdom increased 20%. Regionally, the immediate future is convoluted. The civil war in Syria continues, but it looks increasingly likely that Assad will survive and preside over the reconstruction of the war-battered country. Jordan could gain from positioning itself smartly in this context, while also unburdening itself of the responsibility of hosting one million displaced Syrians. It is also possible, however, that the war continues, and Jordan will be called upon to continue its current role.

The balance of power in the region is also being contested, with a Saudi-led coalition challenging Iranian and Turkish influence, which is causing a headache for policymakers in Jordan. So far, Jordan has endeavored to navigate a middle path. Complicating this is the personal relationship between King Abdullah II and Saudi Arabia's Crown Prince Mohammed bin Salman. The two are not close and this may create problems for Jordan. While the warming of relations between Israel and a number of Gulf states may insulate Jordan from domestic and external criticism of its own peace treaty with its Western neighbor, decision-makers are nonetheless wary that a new regional environment could increase pressure on the kingdom to absorb Palestinian refugees into its citizen body.