

Pay Equity in Jordan

In line with its mission to enhance networking and communication by extending ties with international organizations working on gender issues, Al-Raida will be reprinting policy and issue briefs prepared by the International Labour Organization in its upcoming issues. The purpose of this joint venture is to promote research on the condition of women in the Arab world, especially with respect to social change and development, and to reach out to women and empower them through consciousness-raising. This brief below is reprinted with permission from the International Labour Organization Regional Office for Arab States published by ILO, 2010.

A Longstanding Commitment¹

Pay equity refers to the principle of equal remuneration for work of equal value. Although it is a fundamental right enshrined in the International Labor Organization's Equal Remuneration Convention, 1951 (No. 100), pay equity has remained largely unattained and women around the world continue to face pay discrimination (ILO, 2008).

Non-discrimination at work is a basic human right and thus should be pursued as an end in itself. The main benefit of implementing pay equity is recognition of women workers' rights, whereby their skills are recognized and their job tasks are accorded their true value, not only symbolically but in very concrete terms through pay adjustments (Chicha, 2008). Pay equity is a question of dignity and justice for women workers.

Jordan has a longstanding commitment to achieving pay equity. The Equal Remuneration Convention was ratified in 1966, and the Discrimination (Employment and Occupation) Convention, 1958 (No. 111) in 1963. In 1992, Jordan also ratified the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) which asserts the right to equal remuneration for work of equal value. However, despite the normative action taken and Jordan's policy pronouncements, the application of comprehensive measures to ensure pay equity for women remains challenged by significant obstacles.

Legal Provisions for Equal Remuneration in Jordan

As discussed above, Jordan has ratified several international conventions which assert the right to

Box 1 Defining Pay Equity

There are two types of pay discrimination.

- The first type occurs when different pay is given to the same job, for example to a woman and man police officer with the same qualifications, seniority, and responsibilities. This form of discrimination contravenes the principle of equal pay for equal work and is relatively easy to identify.
- The second type occurs when different jobs that have equal value are paid differently. When men and women perform work that is different in content but of equal value, they should receive equal remuneration. Around the world, women-dominated roles such as cleaning and clerical work are generally paid less compared to men-dominated roles of equal value (ITUC, 2008).

At the heart of the concept of pay equity is the fact that jobs traditionally done by women tend to be undervalued in the marketplace. Generally speaking, both in the labour market and in organizations, the most poorly paid occupations are those where women predominate, while better paid occupations are those dominated by men.

According to Chicha (2006, iii)

Pay equity is not about men and women earning the same; nor is it about changing the work that women do. Pay equity is about redressing the undervaluation of jobs typically performed by women and rewarding them according to their value.

Source: Chicha 2006

equal pay for equal value of work. In addition to these conventions, it is also worth noting that Section 23(ii)(a) of the Jordanian Constitution specifies that all workers shall receive wages appropriate to the quantity and quality of the work achieved. However, this does not explicitly prohibit pay discrimination that occurs in situations where men and women perform different work that is nevertheless of equal value, as the ILO's Committee of Experts on the Application of Conventions and Recommendations (CEACR) has pointed out. Moreover, there are no provisions in Jordan's Labor Law stating the principle of equal pay for equal value of work.

Extent and Nature of Gender Pay Gap in Jordan

The gender pay gap (GPG) is defined as the percentage difference between the average hourly earnings of women and men employees. In Jordan, the average monthly wage for a woman is JD 314 (US\$ 443) compared JD 364 (US\$ 514) for a man (Department of Statistics [DOS], 2010a)². After adjusting for the average number of hours worked by men and women, this represents a GPG of 7 percent. Jordan's GPG compares favorably to other middle income countries and even to advanced industrialized nations (ITUC, 2008). However, the low figure is misleading, since women in Jordan have low levels of labor force participation and tend not to participate in low-skill, low pay employment. Over 90 percent of

Jordanian women with secondary education or lower are economically inactive, while nearly two-thirds of Jordanian women with a university education are economically active (DOS, 2010b).³ Most of those in low-skill occupations are men (DOS, 2010a).

Hence, in evaluating the Jordanian GPG, it is important to take into account the fact that women employees tend to be more skilled than men employees. When skill level is taken into account, it becomes evident that women in Jordan are often paid much less than men. For example, women professionals in Jordan are paid a staggering 33 percent less than men professionals.

The main challenge in determining GPGs is to distinguish between wage discrimination due specifically to gender and differentials in female/male wages that result from different labor market characteristics (hours worked, skills, experience, etc.). It is informative to compare hourly wages between men and women with broadly similar skill levels. Table 1 presents wages in Jordan by four broad skill levels, following the International Standard Classification of Occupations (ISCO-88).

Women employees in Jordan are paid less than men in the same skill category. There is a considerable GPG for employees at all skill levels. Importantly, almost half of employed women in Jordan are

Table 1
Gender Pay Gap by Skill Level in Jordan, 2008

Skill level	Corresponding ISCO-88 GPG category	Men's hourly wages (JD)	Women's hourly wages (JD)	GPG	Share of women employees	Share of men employees
1	Elementary occupations	0.91	0.84	8%		
2	Clerks, service workers and shop and market sales workers, craft and related workers, plant and machine operators and assemblers	1.02	0.83	19%	28%	54%
3	Technicians and associate professionals	1.54	1.25	19%	15%	10%
4	Professionals	2.48	1.65	33%	47%	17%

Source: DoS, 2010a.

professionals (skill level 4) and earn considerably less than men professionals. The average hourly wage for women professionals is 33 percent less than men professionals. A further 28 percent of women employees fall under “skill level 2” and earn 19 percent less than men in the same category.

It is worth noting that the low GPG in low-skill elementary occupations (“skill level1”) partially reflects the nature of the DOS Employment Survey, an enterprise-based survey that does not include data on domestic workers employed by private households. Domestic workers make up around three quarters of women employed in elementary occupations in Jordan⁴ and tend to earn less than other workers in elementary occupations. In 2008, the Government of Jordan raised the minimum wage for most economic sectors to 150 JD (\$211), with the exception of (women-dominated) employment in domestic work and export-processing zones (QIZs), for which the minimum wage remained at 110 JD (\$155). Thus, the exclusion of domestic workers from the Employment Survey leads to a significant overestimation of the average wage of women in elementary occupations, at 196 JD (\$277).⁵

Until recently, domestic workers in Jordan had been excluded from the provisions of the Jordanian Labor Law. In July 2008, the Jordanian parliament passed an amendment to the Labor Law that provides for the drafting of legal regulations that set forth the terms of domestic workers’ employment. These legal regulations came into force in October 2009.

Pay Equity and the Public Sector

Although there is a GPG in both the public and

private sectors in Jordan, the GPG in the private sector appears to be significantly larger. In particular, it is worth noting that the GPG for professionals in the private sector (41 percent) is much higher than that in the public sector (28 percent).

Despite this, it is important to note that there is gender-based discrimination in the wage structure of the public sector. Under the Jordanian Civil Service Regulations (No. 30 of 2007), a man employee is automatically entitled to a family allowance if he is married. However, a woman employee only qualifies for this allowance if she falls under one of the following categories:

- She is a widow
- Her husband is disabled
- She can prove that she is the family’s primary “breadwinner”

This creates a situation whereby women civil servants have a disadvantage with respect to their entitlement to family allowances and are often paid less for work of equal value.

Pay Equity and Gender Segregation

The above figures give an indication of gender-based pay discrimination among employees with similar levels of skills. However, skills are only one of the various dimensions that determine job value. Thus, the above analysis does not present a complete picture. In many countries, women are concentrated in low-wage economic sectors. Thus, it is important to look at levels of pay in sectors predominated by women.

Table 2
Gender Pay Gap by Skill Level in Jordan, 2007 (Private versus Public Sector)

Skill level	Private Sector GPG	Public Sector GPG
1	21%	2% (in favor of women)
2	25%	10%
3	23%	14%
4	41%	28%

Source: DOS, 2010a.

In Jordan, almost three quarters of women workers are concentrated in three economic sectors: education, manufacturing, and health and social work (DOS, 2010a). Because only 23 percent of workers are women (DOS, 2010a), they constitute the majority only in one sector: education (56 percent women) (DOS, 2010a). The health/social work sector also has a high proportion of women workers (49 percent women) (DOS, 2010a).

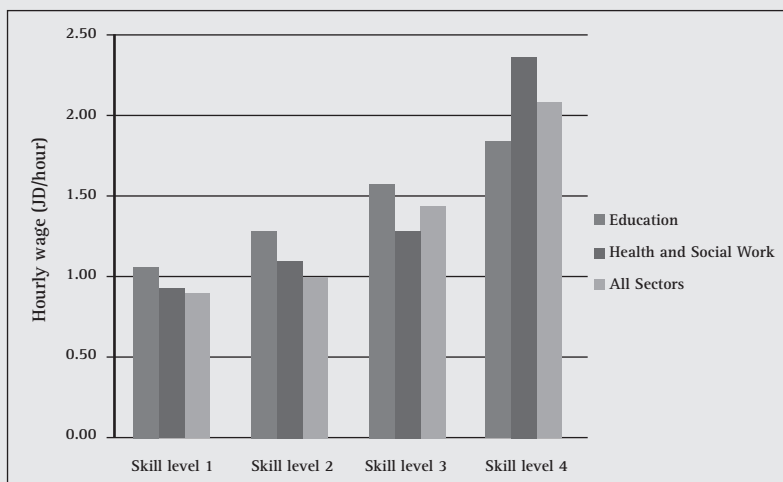
In Jordan, contrary to many other countries, wages in feminized sectors do not have particularly low wages (see Figure 1). However, initial analysis reveals a GPG within feminized sectors. Women professionals employed in the educational sector earn one third less than men professionals in this sector. This large pay gap presents a considerable challenge, given the high proportion of women employed as education professionals. Almost 80 per cent of women employed in the educational sector are professionals, and one third of all employed women in Jordan are educational professionals (DOS, 2010a).

Significant pay differentials are also evident in the field of health/social work where women earn 30 per cent less than men. The GPG is especially pronounced amongst professionals (31 percent

and technicians/associate professionals (20 percent) (DOS, 2010a). There are also high pay differentials in the manufacturing sector, where women earn 37 percent less than men. This high figure is partly due to the concentration of women in lower skilled manufacturing jobs. Even when skill level is accounted for, women earn considerably less than men in this sector (DOS, 2010a). Women manufacturing professionals earn 21 percent less than men. Women in skill levels 2 and 3 in the manufacturing sector earn 36 percent and 37 percent less than men respectively (DOS, 2010a).

Although Jordan has made enormous strides towards achieving gender parity in education there are important differences in educational choices between men and women. Gender segregation in education may lead to gender segregation in occupations, and could be related to lower levels of pay among women. On the one hand, the country has achieved gender parity in enrolment at both basic and secondary levels of education (MOE, 2009), while women higher education students now outnumber men students. However, in 2007-2008 over half the women in universities (53 percent) were in educational sciences, humanities, and health and social services compared with 28 percent of men.

Figure 1
Wage levels in feminized sectors in Jordan, 2008



Source: DOS, 2010a.

Good Practices in Promoting Pay Equity

Governments across various regions have adopted different strategies aimed at promoting pay equity with mixed results. In order to support an evidence-based policy-making process, this policy review will focus on experiences from countries where the effectiveness of pay equity policies has been rigorously evaluated.

Importantly, the implementation of effective pay equity policies involves the establishment of comprehensive legislative and institutional frameworks. The establishment of such frameworks in Jordan will require several phases over a substantial period of time. In the short term, it is possible for Jordan to adopt selected aspects of the policies described below. Policies to promote pay equity can broadly be categorized as belonging to one of three models (Chicha, 2006).

Model 1

The first model is exemplified by policies adopted in Canada and Sweden. This model involves tackling the three elements of pay discrimination:

- Comparing women-dominated jobs with men-dominated jobs for the same employer or in the same establishment.
- Evaluating these jobs using a gender-neutral method of analytical job evaluation.
- Estimating the pay gap between these jobs.

In Canada and Sweden, employers are legally required to undertake this process with clear timeframes pre-established for every phase. If the process reveals a discriminatory pay gap, this must be rectified through pay increases within a specified period.

Model 2

Under the second model (e.g. UK and the Netherlands), the government provides employers with detailed guidance on using job evaluation to inform pay practices. However the implementation of this guidance is voluntary. Studies conducted on the efficacy of the voluntary model have found it to be ineffective in reducing pay discrimination (Chicha, 2006).

For example, a survey carried out by the UK government indicates that compliance with the

Box 2 Gender Neutral Job Evaluation

The undervaluation of women's work can be demonstrated and eliminated by assessing the economic value of different jobs through the use of gender-neutral job evaluation systems. These evaluation systems usually compare jobs using four dimensions:

Skills: The qualifications, skills and knowledge required to perform the job. This is measured by factors such as the experience, ability, education, and training needed. Importantly, this refers to what is required for the job, not the qualifications/skills individual employees may have. For example, two secretarial jobs could be considered equal even if one of the job holders has a master's degree in mathematics, since the degree is not relevant to the requirements of the job.

Responsibility: The degree of accountability required to perform the job. For example, a salesperson with the duty of determining whether to accept customers' personal checks has more responsibility than other salespeople.

Effort: The amount of physical, mental, or emotional exertion required to perform the job. For example, a factory worker's job may require greater physical effort than a teacher's while teaching may require greater emotional effort. A gender-neutral job evaluation takes all forms of effort into account when assessing effort levels.

Working Conditions: This encompasses two factors: (1) physical surroundings like noise, temperature, fumes, and ventilation; and (2) occupational safety and health hazards.

Source: Chicha, 2008.

government's Code of Practice on Equal Pay is very limited. In the sample under consideration, three quarters of respondents were unable to state the average earnings of men and women in their organization. Only 11 per cent of organizations declared that they had carried out a complete Equal Pay Review (Adams et al, 2006). This low level of compliance led the British Equal Opportunities Commission to conclude that the voluntary approach has proved a failure and that a new approach is required (EOC, 2006).

Model 3

The third model (e.g. France and Switzerland) seeks to correct pay discrimination but focuses on results rather than gender neutral job evaluation. In France, for example, organizations with 50 employees or more are required to negotiate agreements on equality at work between men and women. An annual report comparing the situation of men and women in the organization must be submitted by employers and made available to works councils' members or to union representatives. The report must include figures disaggregated by sex and job category (classification table) based on the following elements:

- Remuneration range
- Average monthly remuneration
- Number of women in the 10 highest-paid positions

The first two indicators provide a general insight into pay discrimination, but do not specifically relate to the value of corresponding jobs. The third indicator illustrates how difficult it is for women to attain the highest positions, but tells us nothing about pay discrimination in jobs of equal value.

A major limitation of this approach is that it does not involve revaluing occupations in a gender neutral manner (Aebischer and Imboden, 2005). The valuation of jobs using only formal qualifications and occupational classification as criteria is problematic because it excludes other important competencies related to the value of a job. For example 'feminine' jobs, such as childcare and nursing, often require good caring skills, a competency which this methodology does not take into account. Research shows that only an examination undertaken specifically to identify

sex-based pay discrimination is likely to produce a significant outcome (Marry & Silvera, 2005).

Studies evaluating the effectiveness of this policy option have found a low level of compliance among employers. It has been argued that this low level of compliance is related to the lack of a precise methodological framework provided, as well as lack of support from a specialized equality body (Chicha, 2006).

Policy Options

An international review of policies promoting pay equity reveals that the most effective approach to reducing pay discrimination is the Swedish/Canadian model. This model places specific and time-bound requirements on firms to improve pay equity. Implementation of such a model requires a comprehensive legislative and institutional framework to be established. Instituting such a model in Jordan will require time and should be undertaken in several phases.

In the short-term, elements of the above-described policies could be adapted and implemented in Jordan. This can be done through pilot projects on the firm and/or sectoral level. The sectoral pilot approach has proved successful in improving understanding of pay equity issues and raising awareness of pay discrimination in Portugal, where the ILO and EU carried out a joint project in the restaurant and beverage sector.

On the national level, a starting point could be the formulation of a tripartite action plan on pay equity. The Jordanian social partners have already committed to the formation of a National Committee on Pay Equity (NCPE) whose role it will be to develop and oversee implementation of a national action plan to promote pay equity.

Consultation with the Jordanian partners has yielded the following recommendations for promoting pay equity in Jordan:

1. Create a strong institutional framework for action on pay equity. Effective action to promote pay equity requires a strong institutional framework. The social

partners in Jordan have already committed to the formation of a NCPE whose role it will be to develop and oversee implementation of a national action plan on the issue.

2. Formulate evidence-based policies. The knowledge base on pay discrimination in Jordan is underdeveloped. Studies and surveys on pay discrimination are needed to facilitate the development of evidence-based policies.

3. Raise awareness of pay equity issues in Jordan. An awareness-raising campaign can pave the way by improving understanding of pay equity issues and creating momentum for further action. In particular, an awareness-raising campaign should aim to:

- Raise awareness of pay equity as a core labor right among ILO constituents and the general public.
- Raise awareness of the need for a pay equity article in the Labor Law among government decision makers and employers.
- Raise awareness of the business case for pay equity.

4. Working towards amending legislations to provide for equal remuneration for work of equal value. Although Jordan has ratified several international conventions stating the principle of equal pay for equal value of work, there are no provisions asserting this principle in the Labor Law. Moreover, provisions in the Constitution are narrower than the principle as laid down in the Equal Remuneration Convention. In the words of CEACR, this “hinders progress in eradicating gender-based pay discrimination against women at work”.

5. Promoting pay equity in public sector employment. The government can take the lead in pay equity promotion as “best practice” employer in the public sector. Given that almost half (47 percent; DOS, 2009a) of women employees work in the public sector, the direct impact of this alone would make a large national impact. Moreover, fair wages in the public sector can impact on the wage rates of private sector employees. Guidelines for implementing pay equity measures are set out in the ILO’s Equal

Remuneration Recommendation, 1951 (No. 90).

6. Organizing women and men workers for pay equity. Workers’ organizations have an important role to play in promoting pay equity by:

- Engaging women workers to increase their representation in the membership and leadership of trade unions.
- Raising awareness of pay equity issues amongst union members and collective bargaining teams.
- Negotiating and bargaining for pay equity. An internal union action plan to promote pay equity is an important starting point.

7. Engaging employers’ organizations in pay equity issues. It is important to engage private sector employers on the issue of pay equity. Drafting an Employer’s Code of Practice on Equal Pay could be one way to engage with employers on this issue. The British experience with the voluntary Code of Practice on Equal Pay suggests that it has limited effectiveness in terms of actually reducing pay discrimination, but it can be a useful tool for raising awareness. Private sector organizations with an interest in adopting the Employers’ Code of Practice on Pay Equity should be identified and provided with technical support.

8. Ensure all women workers receive the minimum wage. Anecdotal evidence from the media and Jordanian labor inspectors suggests that many women teachers do not receive the minimum wage. Ministry of Labour’s Women’s Work Directorate and the Jordanian trade unions perceive this as major challenge to achieving pay equity in Jordan.

9. Ensuring gender-responsiveness of education, training, guidance, and counseling. Measures to tackle gender segregation in the labor markets need to be introduced early in the lives of women and men.

10. Ensuring gender-responsiveness of official Jordanian wage data. Wage data need to cover domestic workers employed by private households in order to provide an accurate picture of pay equity in Jordan.

ENDNOTES

1. The ILO has prepared the following policy brief on pay equity in Jordan in partnership with the Jordanian National Commission for Women.
 2. Wage data are from Jordan's Employment Survey 2008, which contains information on both Jordanian and non-Jordanian workers.
 3. All data from Jordan's Employment and Unemployment Survey refers only to Jordanian nationals.
 4. Author's calculations based on figures from Ministry of Labour (MOL) (2009) and Department of Statistics (DOS) (2010a). Official figures indicate that about 45,000 migrant women and 12,000 migrant men were employed as domestic workers in 2009.
 5. The Government of Jordan's reasoning behind the lower minimum wage set for domestic work and export processing zone sectors is the fact that workers in these sectors often receive free food and accommodation. This is considered a wage element both under Jordanian law and according to the definition of remuneration in C100. Yet all workers may receive non-monetary emoluments financed by employers, such as transportation and food. Ideally, comparisons for pay equity should include the full meaning of remuneration. But available wage data does not permit that.
 6. With the possible exception of skill level 3 in the health/social work sector, and skill level 4 in the education sector.
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