GENERATING INCLUSIVE, PRIVATE SECTOR-LED GROWTH
JORDAN

Jordan’s economy benefits from its well-educated population, strategic location, world-heritage tourism sites, and a reputation for stability in a turbulent region. However, the global economic crisis, regional instability, and more recently the global pandemic, have resulted in economic contraction, double-digit unemployment, and a growing government debt.

Jobs are not being created fast enough to absorb a young, growing, and educated workforce. Businesses in Jordan face a challenging regulatory environment and limited access to capital and services that could support innovation and growth. Inclusive, private sector-led growth is essential for generating sustainable jobs for Jordan’s youth, increasing tax revenues to finance much-needed economic reforms, and decreasing Jordan’s dependence on foreign aid.

USAID works with the Government of Jordan as it pursues reforms to improve private sector competitiveness, increase participation of women in the economy, and expand economic and employment opportunities across the Kingdom to strengthen Jordan’s political and economic stability.

AREAS OF FOCUS

ADVANCE GOVERNMENT OF JORDAN ECONOMIC REFORMS
USAID is supporting the Government of Jordan as it implements reforms to create a better business enabling environment, reduce the regulatory barriers and red tape that prevent startups and small and medium businesses from thriving, and improve tax administration to bolster the government’s financial sustainability.
RAISE PRIVATE SECTOR COMPETITIVENESS

Jordan’s future economic growth depends on the competitiveness of its private sector. USAID provides technical assistance to the private sector to help identify new export markets and attract investment. Training programs provide youth with the skills to fill vacant jobs, boost employment opportunities, and support private sector growth.

INCREASE ECONOMIC PARTICIPATION BY WOMEN

Jordan’s female workforce is its largest untapped asset. Less than one-fifth of women in Jordan participate in the economy, one of the lowest rates in the world. USAID works with the private sector and government to address barriers to employment for women, such as lack of transportation and childcare and inflexible work arrangements, trains women in skills to prepare them to meet the economy’s demands, and provides access to resources to establish and expand businesses.

NOTEWORTHY ACHIEVEMENTS

- Jordan jumped ahead 29 places on the World Bank’s 2020 Doing Business Report from 104 to 75, making it the second most improved business climate worldwide from the 2019 rankings. USAID helped the Government of Jordan introduce two of three reforms that led to this improvement: the modernization of the tax system and the development of a collateral registry to allow businesses to access credit more easily.
- Since 2018, USAID’s market-driven training and employment program has trained and placed 1,300 youth into full-time positions in sectors such as the garment, automotive, and retail industries. In 2019, the Jordan Hotel Association took on full management of the Pathways to Professionalism program, offering nationally certified on-the-job training for hospitality professionals in more than 30 hotels throughout Jordan.
- USAID facilitated Jordan’s use of the Jordan-U.S. Free Trade Agreement, with trade between Jordan and the United States increasing from 568 million USD in 2001 to more than 3 billion USD in 2019. International trade agreements help Jordan’s businesses access new markets and grow. These opportunities translate into increased economic productivity and expanded employment for the people of Jordan.
- USAID helped the Government of Jordan introduce a new income tax law in 2019. Income tax, which increased 12 percent from 2019 to 2020, now makes up roughly 20 percent of Jordan’s total public revenue. The income tax has proved to be one of the most resilient government revenue streams during the COVID-19 crisis.