Manzuma Sector Selection Study

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1.1. Introduction

Jordan faces significant economic pressures, with a rapidly growing population and a labour market that struggles to create sufficient decent employment opportunities. In early 2023, youth unemployment exceeded 46%, disproportionately affecting young women and men. While the Economic Modernization Vision aims to stimulate growth and job creation, challenges remain in aligning policies and market opportunities with the needs of marginalized groups, particularly refugees and women. At the same time, climate change and water scarcity continue to threaten agricultural and food-related value chains that are critical to the livelihoods of both refugee and host communities.

In response to these challenges, the International Labour Organization (ILO), through the Manzuma project funded by the Regional Development and Protection Programme for Jordan and Lebanon (RDPP III), promotes a shift from traditional supply-driven approaches towards a demand-driven strategy based on a Market Systems Development (MSD) approach. By focusing on high-potential sectors, the project aims to increase both the quantity and quality of jobs, particularly for youth and women. A key component of this strategy is supporting SMEs to overcome sector-specific constraints and align their growth with sustainable development pathways. Within this framework, the present report presents the findings of a sector selection study conducted by the ILO in collaboration with Canopy Lab. The primary objective of the study was to identify and prioritise three high-potential sectors with strong potential for employment and decent job creation for both Syrian refugees and Jordanians.

This sector selection study represents the crucial first step to inform Manzuma's project strategy to drive inclusive employment opportunities for Jordanians and Syrian refugees, especially youth and women. and refugee youth and women. Following this study, the project will carry out market systems analyses in the selected sectors to gain a deeper understanding of the specific constraints and opportunities they present. These analyses will form the basis for identifying and designing initial interventions for the Manzuma programme, as well as for selecting key partners to engage within selected sectors.

The sector selection process was highly consultative and evidence-based, leveraging existing data and analysis and first-hand data through consultation with different actors from the public and private sector in Jordan. Our methodology included an online survey, 22 semi-structured interviews and 76 secondary data sources, including market analysis reports and studies, economic and social statistics, contextual reviews, and other pertinent materials. Research informed by the AIMS Value Chain guidance, with sector selection based on three core criteria: relevance to national development goals and ILO priorities, growth potential in terms of innovation, employment, and competitiveness, and feasibility of achieving systemic change within Jordan's current economic and institutional context. The team utilized a combination of tools and methods, including an online stakeholder survey, 22 semi-structured interviews, and the review of 76 secondary data sources including market analysis reports and studies, economic and social statistics, contextual reviews, and other pertinent materials.

This report is structured as follows:

Section 1.2 introduces the study methodology

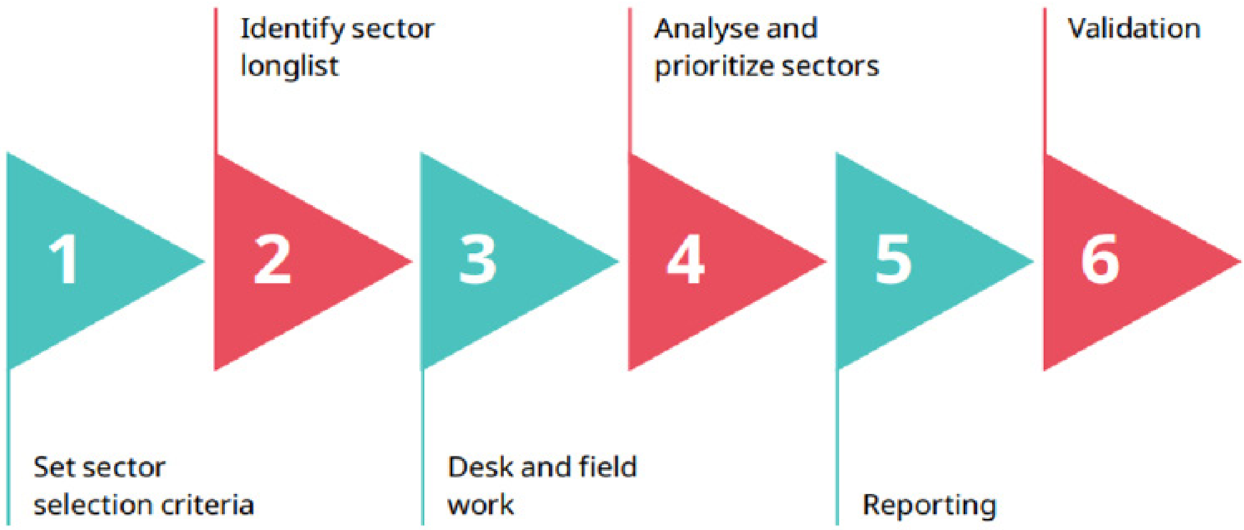
Section 1.3 provides a summary analysis for each sector

Section 1.4 provides conclusions and recommendations

1.2. Methodology

This study was informed by the ILO's Approach on Inclusive Market Systems in Fragile Contexts (AIMS) as well as the Guidelines for Value Chain Selection. The research and analysis process used during this study is set-out in the figure below and with details for each step articulated thereafter.

The following graphic illustrates the process.



1.2.1. Set sector selection criteria

The sector selection criteria was designed based on the ILO methodology using three over-arching: **relevance** to the target group, **opportunity** for the sector to grow inclusively, and **feasibility** for the project to drive change. These three criteria were then broken down further into sub-criteria. They are detailed in the table below.

Criteria	Criteria Details
Relevance	
1. Presence of target group	▶ To what extent are the target group and SMEs engaged in the sector? ▶ How do they participate in the sector (role, level, type of activities)
2. Employability	▶ Are Syrian refugees and youth Jordanians employable in the sector? ▶ Are they formal and informally employable in the sector, taking into account the legal barriers, cultural norms, skills and aspiration? ▶ Is there potential to integrate more refugees and youth in the sector?
3. Decent work barriers	▶ What barriers and vulnerabilities hinder the target group's and SME's access to the sector and to quality jobs? ▶ What are the major problems refugees and Jordanians face in the work they do in this sector?

Opportunity	
4. Growth Potential	▶ What is the estimated overall value of the market system? ▶ Is there potential for growth, both domestic and eternal in the sector? ▶ Are there strong opportunities for growth through technology upgrades or linking the sector to wider markets (regional, national, international) and investment? ▶ Can sector growth create opportunities for women and men?
5.Creation of better quality jobs	▶ What prospects does the sector offer for higher-quality job creation, especially for the target group? ▶ What is the potential and impact of addressing the most prominent decent work deficits in the sector
Feasibility	
6. Capacity and willingness of market actors	▶ Is there potential for collaboration among market actors to address key challenges? ▶ Are they willing and able to change business models or adopt new practices?
7. Level of market distortion	▶ Is the sector characterized by distortions (e.g., heavy subsidies, NGO dependency, fragmented regulations) that could hinder program success? ▶ To what extent is the market system conducive to the current political economy, and can change be made within the existing political situation?
8. Implementation feasibility	▶ Can the program realistically achieve and demonstrate results within its timeline and resource capacity?

1.2.2. Outline of sector longlist

Through initial review of existing data and research and government priorities and previous research and sector selection exercises, an initial **longlist of 10 high potential sectors** was identified for further investigation. These included:

- Small ruminants
- Vegetables
- Dates
- Garments
- Handicrafts
- Construction
- Food processing
- Restaurants and catering
- Gig economy
- Chemicals (including cosmetics, hand soaps and detergents)

It's important to note that several sectors were initially considered but ultimately not included as standalone industries in our longlist due to clear limitations when assessed against our selection criteria. We eventually decided to group several of these under a broader **"food industries"** sector, which allowed us to explore their potential as subsectors.

Here's a breakdown of the sectors that were reclassified or excluded:

- **Olive oil** and **dairy** were initially considered but were not included as standalone sectors. Instead, their potential was assessed as part of the broader **food processing sector.**
- **Date production** was considered important, but we had concerns about its inclusivity for Syrian refugees. However, date processing was identified as a promising subsector to explore due to its potential for value addition within the wider **food processing** sector.
- The **furniture sector** was previously a competitive sector in Jordan, but now suffers from high competition with imported goods and limited innovation capacity among small and medium-sized enterprises (SMEs), which constrains growth and job creation.
- **Automotive maintenance,** although it informally employs some youth, is characterized by saturated local markets and limited scalability, which reduces its feasibility for structured programmatic engagement.
- The **care sector** is heavily dominated by migrant workers and large job-matching agencies with limited feasibility to intervene at a systems level.
- The **pharmaceutical sector** is a pillar of Jordan's manufacturing export market but has limited relevance for refugee workers.
- The **renewable energy** sector Jordan has seen rapid growth, though the sector faces hurdles from restrictive regulations and licensing. Jobs are largely high-skilled, with limited potential for Syrian refugees and low-skilled Jordanians, but renewable energy will be considered as a cross-cutting supporting function in the analysis of selected sectors.

1.2.3.Desk and field work

Desk research and **field data** were gathered for each longlisted sector to assess them against the selection criteria. Desk research involved reviewing previous sectoral analyses, value chain assessments, and market data from government, international NGOs (INGOs), and other development organizations. **Field research** was conducted between May and June 2025 with 29 key actors from government institutions, private sector entities, and international and local NGOs. An online survey was also circulated among business associations, networks and forums. These consultations provided critical insights into sectors' dynamics, key constraints, and the inclusion potential for the target group. The findings also helped differentiate between sectors that are saturated or declining versus those offering viable entry points for vulnerable populations. Following the completion of field research and the full application of the selection tool, **three priority sectors** were selected to be further assessed by the ILO team: Food processing, restaurants and chemicals.

1.3. Sector Analysis

This section presents the analysis of each sector against the evaluation criteria and concludes with a summary table outlining the scores assigned to each sector. The assessment is structured around a table containing the criteria and sub-criteria, complemented by brief narrative explanations that justify the scoring and highlight the key findings for the project team and technical staff.

1.3.1. Small Ruminants (Sheep and Goats) Market System

Criteria	Notes
Relevance	
1. Presence of target group	▶ In Jordan, there are approximately 1.4 million sheep and 850,000 goats[1] with over 35% of the country's small ruminant population concentrated in the northern region. However, the sector employs only about 3%[2] of the overall workforce and an even smaller proportion of refugees. ▶ The sector is notably fragmented, with limited formal SME development as producers largely operate as informal family businesses. ▶ The sector is female-inclusive, with women-led herding and dairy production along the entire value chain and earning small incomes from home-based dairy businesses, turning fresh milk into yogurt, labneh, and cheese using traditional methods
2. Employability	▶ This sector is highly accessible to Syrian refugees, especially women and youth as it aligns with their existing skills and government work permit policies allow them to work in the sector.
3. Decent work barriers	▶ Production costs account for 75% of total variable costs, leaving farmers very little flexibility to increase wages while remaining competitive with imported products ▶ Jordanians and Syrians workers are employed informally by small size family business also operating in the informal space.
Opportunity	
4. Growth Potential	▶ Over the past decade, the value of sheep and goat production has significant increased, from 361,622 thousand JD to $286 million in 2024. ▶ However, Jordan's goat meat exports have experienced significant decline, dropping from $249,166 in 2016 to $109,793 in 2019 (55% over 3 years). In 2021, Australia was the top sheep exporter, followed by Jordan, Spain and then Australia. However, since 1999, the supply of Jordanian sheep to countries such as Saudi Arabia and other Gulf countries has decreased 2.7% every year in line with a drop in demand for Jordanian sheep of 9.7% each year[3]. This decline led to a drop in prices for sheep within Jordan[4]. Exports seems to have slightly recovered but the export demand is still unstable. ▶ Water scarcity and high price of feed significantly limit the competitiveness and growth of small scale producers and of the overall sector.
5.Creation of better quality jobs	▶ The growth potential—and consequently the demand for labour beyond family-run operations—is constrained by the sector's overall limited prospects for expansion and fluctuating local and export demand.

1 Jordanian Ministry of Agriculture, 2022
2 FAO 2025, Jordan at a glance
3 Jordan Sheep Industry Outlook 2022-2026, Report Linked.com
4

Feasibility	
6. Capacity and willingness of market actors	▶ The Ministry of Agriculture has a mandate to improve the enabling environment for livestock development. There are many international organisations working toward value chain strengthening, including FAO and EBRD. ▶ Despite the willingness and capacity by key market actors within the supply chain to facilitate modernization of the sector, the sector is very fragmented, consisting of many small-scale producers.
7. Level of market distortion	▶ Government fodder subsidies provide some alleviation to the high cost of production for small producers ▶ Development actors are operating extensively in the sector, primarily in the provision of access to knowledge and skills to improve production practices.
8. Implementation feasibility	▶ The fragmentation of the sector, unstable market incentives and limited investment in technologies and infrastructures negatively impacts the feasibility for increasing productivity and reducing production costs in the duration of the programme.

Sector score:

- **Relevance: Moderate** – Jordanian and Syrian workers are employed in the sector but in most cases by small-scale family own business with limited labour demand.
- **Opportunity: Moderate** – The sector has historically been driven by exports to the Gulf countries; however, demand from these markets has declined significantly and remains unstable.
- **Feasibility: Low** – The sector is highly fragmented and the micro and informal nature of the livestock farms where refugees and Jordanian are employed, makes it difficult for the project to find clear entry points to create more and better jobs at scale.

1.3.2. Vegetables

Criteria	Notes
Relevance	
1. Presence of target group	▶ According to the Department of Statistics (2023), 44,928 male and 5,160 female non-Jordanians are employed in agricultural/crop harvesting work. In areas like Ramtha and Madaba, Syrian workers constitute 70% and 50% of the agricultural workforce, respectively. ▶ Vegetable farms are predominantly small-scale, family-owned farms cultivating under five hectares are prevalent, which limits scalability ▶ Women play a substantial role in agricultural activities, often exceeding male participation, particularly in managing small holdings, and are involved in weeding, harvesting, and crop processing. ▶ The sector also generates additional employment in processing, with notable market demand for products like tomato paste and sun-dried tomatoes.
2. Employability	▶ Agriculture is a significant livelihood activity for Syrian refugees. The Jordanian government's work permit policies allow for Syrians to work in the sector. ▶ Most vegetable farms are small-scale, family-owned operations cultivating under five hectares, which limits scalability of production and employment, and the ability to invest in improvements in decent work. ▶ A few fresh vegetable importers interviewed by the research team reported having established their own commercial farms employing around 500 workers. During peak demand periods, they supplement their production by sourcing from small-scale farmers. However, it remains unclear whether this model—and its scale—is an exception or is also adopted by other importers.
3. Decent work barriers	▶ Wages in the sector, especially on small farms, are extremely low. For example, farmers in Ramtha typically pay Syrian families just 1 Jordanian Dinar per hour. Previous studies have shown that 92% of women agricultural workers earn less than the minimum wage
Opportunity	
4. Growth Potential	▶ The vegetable sector is a significant contributor to Jordan's economic growth and a key source of revenue. ▶ The sector has achieved a high degree of self-sufficiency in many food commodities, meeting substantial domestic demand. ▶ Exports are a crucial component, representing 17% of total output, with a notable 15% increase in 2024. ▶ Despite national-level growth, profitability for small-scale, family-owned farms is low due to high costs for water, energy, and fertilizers. These smallholder farms also face challenges from limited access to technology and competition from cheaper imports from neighboring countries. ▶ The sector's growth is severely constrained by water scarcity and climate change, with only about half of its export potential currently realized (according to the World Bank). ▶ Opportunities for higher profitability and value addition are concentrated in food processing, but these are primarily accessible to large-scale operations.

5.Creation of better quality jobs	▶ The return on investment for agricultural activities within small holder farms are extremely low. Adoption of technology upgrades, such as water saving technologies could improve crop yields, and increase profitability for farmers over time but financial barriers prevent smallholder farmers from being able to make these investments. ▶ Several stakeholders in the sector have noted that opportunities for value addition and job creation are largely concentrated in food processing, while the production segment remains limited—primarily due to water scarcity and related constraints. ▶ Employment is seasonal, and often informal.
Feasibility	
6. Capacity and willingness of market actors	▶ The Ministry of Agriculture (MoA) actively collaborates with various public and private stakeholders, including the National Agricultural Research Centre (NARC) and other research institutions. The World Bank's ARDI programme is actively working to improve the coordination and organisation of the agrifoods sector through a "whole-of-government approach," involving multiple ministries and agencies. ▶ The National Plan of Extension Services (2024-2030) emphasizes multi-stakeholder engagement, including the private sector and cooperatives. 4
7. Level of market distortion	▶ In April 2025, MoA signed 20 agreements with investors to absorb surplus agricultural production and expand e-marketing platforms for agricultural products. ▶ NGOs, UN agencies and the World Bank have worked extensively in the sector, providing training as well as input and equipment subsidies
8. Implementation feasibility	▶ Significant investments have been in the sector by the government and development actors. These have focused on increased climate resilience ▶ The main opportunity for value addition and job creation is concentrated in processing, not field production. ▶ The pervasive, long-term impacts of water scarcity and climate change are significant hurdles that impact the long term resilience of the sector.

Sector score:

- **Relevance: High** – The vegetable sector is highly relevant as a source of livelihoods. It provides employment for tens of thousands of individuals, including Syrian refugees and women.
- **Opportunity: Moderate** – Despite recent export growth and strong domestic demand, the long-term opportunity for job creation is low. The sector is fundamentally constrained by severe water scarcity which is exacerbated by climate change. The primary production segment offers mainly seasonal, and informal work, with low returns on investment.
- **Feasibility: Moderate** – Given the sector's unrealised export potential, there are significant opportunities to create more jobs in the vegetable sector. However, this growth is primarily relevant for commercial farms. Even with government and donor support, the systemic challenges of water scarcity, land fragmentation, and a lack of access to finance for smallholders make it extremely difficult to transform the sector into one that provides a high number of stable, well-paying jobs.

1.3.3. Dates

Criteria	Notes
Relevance	
1. Presence of target group	▶ In the primary production phase, field-based activities such as pruning, pollination, and harvesting are highly seasonal and require limited labour input. This phase is relatively capital-intensive and mechanized, especially on large-scale farms ▶ On the other hand, date processing, which includes products such as date paste, syrups, or chocolate covered dates, requires manual labour, and offers greater potential for semi-skilled employment, particularly for women and youth. ▶ Women hold over 40% of the estimated 5,000 jobs in the date palm subsector
2. Employability	▶ The sector is largely dominated by Jordanians and is geographic concentration in the southern (southern Jordan Valley and Aqaba). There are few Syrians working in the sector.
3. Decent work barriers	▶ Primary production is relatively capital-intensive and mechanized, especially on large-scale farms, limiting employment opportunities for low-skilled labour ▶ Wages in the sector are extremely low. For example, farmers in Ramtha typically pay Syrian families just 1 Jordanian Dinar per hour, which is very low. Previous studies have shown that 92% of women agricultural workers earn less than the minimum wage
Opportunity	
4. Growth Potential	▶ The dates sector is a growing industry in Jordan. Date production tripled between 2007 and 2016. Annual production reached approximately 32,650 MT in 2021. ▶ However, domestic consumption of dates remains low, at approximately 2.38 kg per capita per year ▶ There is high export potential for the Medjool variety. Jordanian dates have carved out a niche in export markets. Cumulative exports of dates ascended to 16,280 tons in 2024, a 7% increase from 2023. ▶ Date paste and other processed date products offer integration opportunities into the food processing sector and potential for import substitution.
5.Creation of better quality jobs	▶ Opportunities for higher-quality job creation are primarily in the processing segment. Processing activities (e.g., date paste, syrup, filled and chocolate-coated dates) create year-round employment opportunities. These activities offer greater potential for semi-skilled employment, particularly for women and youth.
Feasibility	
6. Capacity and willingness of market actors	▶ The date sector is a strategic sector, particularly for export markets and is projected to continue growing ▶ The sector is prioritised under the Climate Smart Agriculture Plan by the Ministry of Agriculture.

7. Level of market distortion	▶ The government has provided specific subsidies for Medjool date production in order to ensure competitive prices of date products
8. Implementation feasibility	▶ There is potential to enhance productivity by encouraging farmers to invest in climate smart agriculture, including water saving technologies and pest control. However, these interventions will not necessarily yield greater employment opportunities. ▶ As noted above, date processing sector is a growing sector with increasing employment opportunities for the target group.

Sector score:

- **Relevance: Low**– Employment in the date sector is limited due to its capital-intensive and highly mechanized nature, with only short-term, seasonal labour needs. The production is geographically concentrated in southern regions outside the project's focus areas and does not specifically involve Syrian refugees, making the sector of low relevance for the target groups.
- **Opportunity: Moderate** – The date sector has shown strong growth and enjoys rising international demand for premium varieties like Medjool, offering some export potential and foreign exchange gains. However, domestic consumption remains low and production is geographically concentrated, which limits the sector's overall scale of opportunity—making it a moderate prospect.
- **Feasibility: Moderate** – While primary production offers limited prospects, stakeholders highlight the processing segment—such as date paste, syrup, and confectionery—as more viable for creating semi-skilled jobs, especially for women and youth. Date processing will therefore be considered as a sub-sector within food processing rather than a stand-alone sector.

1.3.4.Garments

Criteria	Notes
Relevance	
1. Presence of target group	▶ In 2019, the textile & garment sector accounted for 27% of industrial exports and employed 76,098 workers across 182 facilities. However, the sector is largely dominated by migrant workers[5] whom large manufacturers prefer for their perceived reliability and lower cost. ▶ It is consistently the highest employer within the industrial sector with 72,129 workers in 2023 across 988 enterprises (including leather), with migrants comprising three-quarters of the workforce.
2. Employability	▶ Syrian refugees and Jordanian youth are employable in the garment sector. Syrian refugees have been working in the sector since 2016, and their participation was encouraged through the Rules of Origin scheme. ▶ Despite efforts by the government and development actors to integrate more Jordanians and Syrians into the garment sector (eg, Satellite Factories), there has been little success owing to the long work hours and low pay.
3. Decent work barriers	▶ Migrant workers work substantial overtime, with an average of almost 60 hours per week, while Jordanians work fewer hours (average 42 hours/week). ▶ There is limited demand by Jordanians and Syrians to work in this sector.

5 ILO Better Work, 2020 https://betterwork.org/better-work-jordan-protecting-migrant-workers/

Opportunity	
4. Growth Potential	▶ The sector is on a strong growth trajectory. In 2024, the leather and garment industry achieved a record-high export growth of over 24% compared to 2023, reaching $2.4 billion, which accounts for 21% of total industrial exports. The sector's exports have grown by 136% in the last decade, directly bring foreign currencies like the U.S. dollar and the Euro into Jordan. This is a primary mechanism for building forex reserves. ▶ Jordan's garment exports benefit from Free Trade Agreements (FTAs) with about 52 countries, including the US, EU, Canada, and Arab countries. The US-Jordan FTA provides duty-free access to the US market. The EU relaxed rules of origin (RoO) are in place until 2030, offering access to the EU market. ▶ There are opportunities for Jordan to increase locally-designed and produced fashion brands. For example, there is growing demand in EU markets for Islamic wear, a niche market which Jordan has the workforce and capacity to produce and supply. ▶ The garment sector still faces challenges competing with other markets, such as Bangladesh, owing to high cost of inputs, transportation and energy in Jordan
5.Creation of better quality jobs	▶ There is potential for increasing and diversifying jobs within the garment sector through the creation of more skilled roles beyond factory production, such as production supervisors, fashion designers, and product developers. Such roles would benefit the sector by increasing locally-owned and produced fashion houses, and create jobs that are more attractive to Jordanian youth, particularly women.
Feasibility	
6. Capacity and willingness of market actors	▶ There is a strong track record by the government and development actors to improve working conditions and to enhance competitiveness of the sector. For example, the ILO Better Work Jordan programme, established in 2008, has considerably advanced coordination and the Decent Work Agenda in the sector with a particular emphasis on migrant workers' rights. ▶ The Economic Modernization Vision aims to create 149,000 jobs in the sector out of one million total jobs, with a focus on women and youth. ▶ The sector also attracts significant invest from foreign companies, including China and India taking advantage of Jordan's location and FTAs.
7. Level of market distortion	▶ The establishment of Qualified Industrial Zones (QIZs) and the US-Jordan Free Trade Agreement (FTA) provide duty-free access to the US market, which has been critical for the sector's growth. While beneficial, these incentives have created a dependency on trade agreements which are subject to change at any time. Termination or alteration of these agreements would pose direct threat to Jordan's forex reserves. ▶ The recent funding cut highlights the dependency of this work on donor funding.
8. Implementation feasibility	▶ The sector's reliance on low-wage, long-hour labour is a significant barrier for increasing employment among Syrians and Jordanians in this sector. ▶ Significant investment is needed into developing value-add production capabilities such as product design and branding.

- **Relevance: Moderate Low**- The garment sector is a high-volume employer and a key part of Jordan's industrial landscape. However, its relevance for domestic job creation is limited by its heavy reliance on migrant workers. While there is a target group of employable Jordanian and Syrian youth, they show limited interest due to long hours and low pay, which are significant barriers to decent work.
- **Opportunity: Moderate** – The sector is one of the pillars of the broader Jordanian manufacturing sector and benefits form established infrastructure through Qualified Industrial Zones (QIZs) and preferential trade agreements. It is however highly dependent on these agreements and faces concerns of competitiveness compared to Asian manufacturers. There is an opportunity to grow the sector which would improve overall GDP for Jordan. The sector demonstrates growth potential, evidenced by its record-high export growth and a decade of consistent expansion. Free Trade Agreements with major markets provide a clear path for continued growth. There is a specific opportunity to create more attractive jobs for Jordanians but moving into higher-skilled roles like fashion design and product development, which would also increase the sector's value.
- **Feasibility: Low** – Despite government and market actor willingness to improve the sector, the feasibility of increasing domestic employment is low due to fundamental barriers. The business model relies on low-wage, long-hour labour, which clashes with the expectations of Jordanian and Syrian workers. Significant investment is needed to shift the sector from basic production to a value-added model, and this work is dependent on foreign funding, which is subject to change. The sector's dependence on FTAs also presents a major risk.

1.3.5.Handicrafts

Criteria	Notes
Relevance	
1. Presence of target group	▶ According to sector estimates from the Ministry of Tourism, Jordan had more than 300 officially registered souvenir shops employing over 800 workers in 2019. Several of these shops source their products from informal artisans or bulk imported products. ▶ Sector is structured around three producer types (National Strategy): 1. NGO & Cooperative Projects: Socially driven, limited market access, home or center-based production; 2. Micro and Small Enterprises: Registered, 2–20 employees, with better market access and growth potential; 3. Individual Artisans: Informal, mostly women ▶ Most Syrian refugee artisans engaged in the sector, especially women, operate informally from home-based micro business.
2. Employability	▶ Sector runs largely informally which makes it highly suitable for home-based work, especially for women. ▶ Requires low startup capital which makes the sector accessible to vulnerable groups. ▶ The sector suffers from a lack of coordination and information, limiting the networks and capacity for artisans to sell their products at fair prices.
3. Decent work barriers	▶ A handicrafts by-law requires 70% of goods in souvenir shops to be produced in Jordan. However, the lack of enforcement of this law negatively impacts the demand for Jordanian artisan products. This inhibits demand and income generating opportunities for local artistans.

Opportunity	
4. Growth Potential	▶ In Jordan, the crafts sub-sector contributed 11% of the value added within the creative industries in 2018 According to estimates from a study on Jordan's Orange Economy[6], the creative economy contributed approximately 2.4% of Jordan's GDP in 2018. ▶ The demand for handicrafts is closely linked with trends in tourism. ▶ The "Made in Jordan" brand and e-commerce platforms such as SouqFann have the potential to boost revenues in the handicrafts sector.
5.Creation of better quality jobs	
Feasibility	
6. Capacity and willingness of market actors	▶ Active representer: Jordan Handicrafts Association. The JHPTA has a long history in the conservation of Jordanian handicrafts and plays a big role in supporting the producers of these handicrafts. Its members include hundreds of handicraft producers and merchants. The association provides training, marketing assistance, and advocacy for the handicrafts sector in Jordan ▶ Some initiatives (from primary sources): Projects like IKEA–Jordan River Foundation, SEP Jordan (in Jarash Gaza Camp) and UNHCR (via MADE51- Refugee Shop) connect Syrian artisans with guaranteed private-sector buyers. These partnerships bypass barriers by acting as intermediaries between refugee artisans and large companies.
7. Level of market distortion	▶ The sector is heavily supported by development actors through vocational training and entrepreneurship promotion initiatives. This includes: like the Jordan River Foundation (JRF), UNHCR, and CARE create platforms (e.g., fairs, bazaars, online shops) that facilitate indirect private market access. These often include private sector buyers (e.g., hotels, retailers, exporters) as partners or customers.
8. Implementation feasibility	▶ The sector is informal and fragmented. Given its heavy reliance on subsidized support, introducing more market-driven interventions at scale is challenging.

Sector score:

- **Relevance: Moderate** – The handicrafts sector is highly relevant for job creation, particularly for vulnerable groups like women and refugees. Its informal nature and low startup costs make it a very accessible entry point for home-based work. It directly taps into traditional skills and provides a flexible income source that aligns with the needs of individuals who may not be able to participate in the formal labour market.
- **Opportunity: Low** – While there is a link to the growing tourism sector, the opportunity for scalable growth is limited. The market is saturated with low-cost, mass-produced imports, and there is a lack of enforcement for regulations that should protect local artisans. The demand for authentic, high-quality "Made in Jordan" products remains a niche market, and the overall sector's contribution to GDP is small. This makes it challenging to create a large number of stable, high-income jobs.
- **Feasibility: Low** – The feasibility of creating a robust, market-driven handicrafts sector is low. It is currently highly dependent on subsidised support from NGOs and development programmes, which often bypasses the need to compete in the open market. This dependency prevents the development of sustainable business practices and market linkages. Without a shift to a more competitive, market-based approach—which would require significant changes and investment in product quality, design, and marketing—the sector will likely remain fragmented and unable to generate a substantial number of higher-quality jobs.

6 Orange Economy: Definition and Measurement – The Case of Jordan (International Journal of Cultural Policy, 2022.

1.3.6. Construction

Criteria	Notes
	Relevance
1. Presence of target group	▶ While most industry subsectors contribute less than 1% to total employment, the construction sector accounted for 6% of male employment in 2021[7]. However, this figure likely underestimates informal employment,[8] as an estimated 60–70% of construction work occurs in the informal economy. ▶ The construction sector is one of the main sectors employing Syrian refugees in Jordan, with tens of thousands of work permits issued under flexible permit schemes since 2017. ▶ Syrian men are informally employed in the sector as well as migrants from Egypt and Syria and, to a lesser extent, from Southeast Asia. Women participation is very limited. ▶ The Jordan Chamber of Industry estimated in 2024 that 2,600 formal enterprises operate in Jordan's construction sector mainly in urban areas, but detailed data on the types, numbers, and sizes of MSMEs are lacking. Estimating the significant proportion of enterprises and workers operating in the informal space remains challenging.
2. Employability	▶ Jordanian workers typically hold mid- to high-skilled positions, though their overall numbers are limited—even in the informal sector—while the majority of the workforce is engaged in low-skilled, daily wage jobs, often filled informally by Syrians, other refugees, and migrant workers. ▶ Syrian Refugees: exemption from work permit until July 2025; after that it will become costly.This will affect the employers decision to employ them
3. Decent work barriers	▶ Poor Occupational Safety and Health (OSH) practices, poor working conditions, wage irregularities, and no social protection. ▶ Average annual compensation per paid employee in Building completion and finishing has increased from 5,464 in 2020 to 9,154 in 2023 (DOS Jordan- Construction Survey). Interventions in this sector have the potential to improve the working conditions of a large portion of informal workers
	Opportunity
4. Growth Potential	▶ Despite the decline of the broader industry sector (excluding manufacturing), the construction sector continues to present encouraging performance indicators with an annual production output of nearly USD 2.4 billion corresponding to approximately 2.2 per cent to Jordan's GDP in 2023[9]. Continuous need for housing and public works. Interviewed stakeholders noted that public infrastructure projects in Jordan are scarce due to high public debt, with SMEs struggling to compete against larger or better-connected firms for the limited opportunities available. ▶ SMEs play a crucial role in the subsector of private housing and infrastructure construction where most of market demand lies. SMEs are the ones primarily employing workers and executing construction projects within subcontracting frameworks. ▶ Recent contextual changes in Syria opens new venue for cross border value chains interventions, especially with regards to import of construction material and reconstruction of Syria.

7 "Construction Challenge in Jordan", Market Research Jordan, consulted in August 2024

8 Ibid.

9 Growth, Macroeconomic Policies and Employment: The impact of macroeconomic and trade policies on employment generation in Jordan", ILO 2023.

5.Creation of better quality jobs	▶ As most jobs are project-based, SMEs keep their regular workforce to a minimum to avoid year-round overheads, which they report not being able to cover and/or which would significantly reduce their already limited profit margins during the breaks between construction projects. ▶ Typically, only the owners and one or two engineers have full- time or part-time contracts that include social security coverage, while the rest of the workforce is hired on an informal, semi-formal, project-based, or daily basis. ▶ The challenging business environment, high costs of materials, and limited market size results in slim profit margins for SMEs, the primary employers in the sector. Consequently, SME owners often cut overheads and avoid investing in worker skills and retention.
Feasibility	
6. Capacity and willingness of market actors	▶ The sector seems to offer a fertile foundation for collaboration with public authorities, as it has been the focus of several initiatives from the Government of Jordan., including the affordable housing incentives implanted from 2000 to 2019. ▶ Government interest in the sector is further evidenced by recent investments in improving the accuracy and updating statistics for the construction industry, as well as planned public tendering reforms. ▶ Recent contextual changes in Syria opens new venue for cross boundary value chains interventions, especially with regards to construction material and reconstruction
7. Level of market distortion	▶ A recent ILO study[10] highlights that market incentives—especially for SMEs and other private sector actors—are constrained by the current business environment, particularly due to unfair and illegitimate procurement practices that significantly limit both profit margins and access to projects in the sector.
8. Implementation feasibility	▶ Business incentives for creating more and better jobs are severely limited by structural challenges in the business environment, making it difficult to achieve transformative and scalable results without addressing these issues. ▶ As noted in the above-mentioned ILO study, tackling these structural challenges requires sustained medium- to long-term engagement and strong policy-level involvement—beyond the scope of a two-year pilot project. ▶ The same study identifies potential areas to reduce production costs and enhance competitiveness, profit margins, and opportunities for decent job creation—particularly through improvements in construction materials, energy and technology efficiency, and occupational safety and health (OSH) productivity.

Sector score:

- **Relevance: High** – The sector holds the potential of improving the working conditions of a large portion of informal workers engaged in low-skilled daily jobs. The sector is however less relevant for women and Jordanians.
- **Opportunity: Moderate** – While the subsector of private construction is driven by high demand in the private housing construction, structural challenges identified by the ILO concerning unfair competition and procurement practices, limits considerably the margin and ultimately market share available to SMEs where most of the informal workers are currently engaged. The reconstruction of Syria is opening new market opportunities.

10 ILO 2024, " A Market Systems Analysis on SMEs' business incentives to contribute to social insurance schemes in Jordan »

- **Feasibility: Low** – Structural challenges mentioned above restricts the scope for quick wins and pilots since longer and policy-level engagements are more suited to address underlying constraints in the sector. However, emerging opportunities in Syria may offer venues to bypass some of these challenges.

1.3.7. Food Processing

Criteria	Notes
Relevance	
1. Presence of target group	▶ The sector employs over 50,000 people and is a priority for government job creation initiatives.[11] It's also home to a large number of small and medium-sized enterprises (SMEs), which make up 70% of registered companies. ▶ The food processing sector is notable for its high participation of both Jordanian and Syrian workers, particularly women. ▶ The sector provides a crucial avenue for employment, especially for women, although this is often informal. Many Syrian women have successfully established micro, home-based food processing businesses. This allows them to work from home, supplying local shops and restaurants, which is often a more viable option than formal employment.
2. Employability	▶ The sector has a high participation rate of both Jordanian and Syrian workers. ▶ The informal nature of much of the work provides flexible, home-based opportunities, especially for women ▶ Syrian workers, in particular, are known for their valuable skills in traditional food items like sweets and dairy, which are in high demand. ▶ The sector offers accessible jobs in production and packaging, as well as entrepreneurship potential for those with limited capital. ▶ The contributions of many informal workers, especially women, are often not captured in official statistics, despite being a core part of the workforce.
3. Decent work barriers	▶ Informality, high turnover, lack of social protection. ▶ Female workers in the sector often face higher work deficits, including higher rates of informal employment, lack of access to social security (in particular maternity coverage), and challenges related to gender pay gaps and safety concerns during long commutes.
Opportunity	

11 Ibid.

4. Growth Potential	▶ The food processing sector continues to play a key role in driving the country's economic growth of the country with a contribution of 6.3% of Jordan's GDP and annual production output of approximately 5.1 billion USD.[12] In 2016, the sector accounted for 10.2% of Jordan's total industrial exports with Arab markets representing around 75% of the sector's exports, and Iraq and Saudi Arabia being the largest importers of Jordanian processed food exports followed by the US and Europe[13]. ▶ Increase demand for "ethnic Arabic products," particularly among the Arabic communities residing in the U.S. Europe as well as Australia. ▶ High production costs and challenging business environment in Jordan reduce margins and negatively influences SMEs' appetite for growth. ▶ High demand domestically Jordan imports approximately 98 per cent of fresh and processed food[14] due to its limited agricultural production linked to water scarcity). ▶ Innovation in packaging and processing (e.g., drying, freezing) shows promise. ▶ Potential for agro-processing linkages (agriculture, post-harvest, clearer in olive oil, dairy, dried tomato and dates)
5.Creation of better quality jobs	▶ Unique opportunities for female job creation and inclusion. ▶ Absenteeism among workers has been reported by SMEs as a significant challenge with regards to employment as it impacts production and delivery. Better-established SMEs and larger companies have mitigated this issue through formalization and improved working conditions. This offers potential entry points for the project. ▶ SMEs—which employ the majority of informal workers—tend to be risk-averse and hesitant to pursue growth, which negatively impact demand for more and better-skilled labour. This is largely due to a challenging business environment, low competitiveness in both local and export markets, and narrow profits margins[15].
Feasibility	
6. Capacity and willingness of market actors	▶ The sector has historically attracted significant attention and support from the Jordanian Government, not only as a critical export driver but also as a means for import substitution. ▶ Challenges in the business environment (taxes, contract enforcement, administrative procedures, unfair competition) seems to push SMEs to maintain the status quo and be risk-averse, avoiding growth to steer clear of potential challenges. This influence their willingness to pursue innovation. ▶ The Jordanian government, in partnership with international organizations, has prioritized it in the Economic Modernization Vision and the Food Security Strategy 2021–2030.
7. Level of market distortion	▶ Several past initiatives from government and development actors, often with some duplication in the areas of intervention (labels, trade fairs, safety and hygiene practices). ▶ Many NGOs continues to support micro home-based processing, especially as part of women vocational training and entrepreneurship support.

12 "Processed Food, Agriculture and Animal Husbandry Sector Study" Jordan Chamber of Industry, July 2018.
13 "Jordan's Food Processing Sector Analysis and Strategy for Sectoral Improvement", GIZ, 2019.
14 According to data from January 2024 from the U.S. International Trade Administration.
15 This is further analysed in the research cited in ref.22.

8. Implementation feasibility	▶ Offer diversified opportunities (spans 11 subsectors). ▶ Quick wins possible. ▶ The project can build on past initiatives and investments to strengthen the sector while identifying new venues to stimulate growth and decent job creation.

Sector score:

- **Relevance: High** – The food processing sector is highly relevant for job creation in Jordan. It is a significant employer and is a key focus for government strategies to boost employment. The sector's fragmented nature, dominated by SMEs and micro-enterprises, makes it highly accessible for both Jordanian and Syrian workers, particularly women. This includes informal, home-based businesses that provide crucial income-generating opportunities. The high participation of women and refugees underscores the sector's importance as an inclusive employer.
- **Opportunity: High** – The sector shows relatively strong market demand, both domestically and for export, compared to others in Jordan. Removing barriers to competitiveness and encouraging SME investment in growth and innovation could open access to ready market opportunities, including emerging high-end niche segments.
- **Feasibility: High** – Despite challenges in the business environment and heavy support from donors, the project can build on past interventions and on the strong willingness of different actors in the sector to identify and support low-hanging fruit interventions that stimulate growth and decent job creation.

1.3.8.Restaurants and catering (food services)

Criteria	Notes
Relevance	
1. Presence of target group	▶ 53,488 employees in 2019 (4% increase from 2018), new records: 48,140 individuals in 2023, of which 18,584 in restaurants ▶ High presence from youth and women (especially in kitchen work). Syrians and Syrian cuisine is particularly renowned and appreciated by Jordanians. ▶ Very SME- and micro-heavy: >1,200 classified restaurant/café members in the Jordan Restaurant Association (JRA), indicating a large base of small operators. Other Data on formal SMEs? ▶ The sector includes numerous self-employment and micro-scale, home-based kitchens run by both refugees and Jordanians. These activities are often not captured by formal statistics, as they operate informally and sell directly to consumers or supply local shops, restaurants, and catering businesses.
2. Employability	▶ The sector is attractive for refugees and low-skilled workers as it provides entry-level jobs, flexible hours, informal work arrangements in a high variety of jobs. These include front-of-house roles (waitstaff, housekeeping, stewarding): Typically filled by Syrians; require service-oriented skills; Back-of-house roles: Include high-demand positions like restaurant managers (mostly Jordanians) and executive chefs (especially in specialized cuisines such as Italian and Japanese). ▶ Youth and women are concentrated in services. Some cultural barriers (safety concerns and social norms) for women engagement in some segments (esp. restaurants in hotels); low female participation in the formal sector; only 9% overall and 10% in MSMEs (MoTA 2017);

3. Decent work barriers	▶ High informality due to complex work permit procedures and limited legal employment options ▶ Health and safety risks are medium compared to other sectors, mainly stemming from kitchen-related hazards such as burns, cuts, slips, and prolonged exposure to heat, as well as risks linked to food handling and hygiene compliance.
Opportunity	
4. Growth Potential	▶ The sector is boosted by growing domestic demand and by linkages with the tourism sector. The tourism sector recorded 3.29 million visitors in the first half of 2024 — an 18% increase compared to the same period in 2023. In the first quarter alone, arrivals grew by 13% year-on-year, indicating strong potential for increased spending on food and beverage services[16]. ▶ Lack of official statistics but actors in the sector signal an strong cultural demand for eating out and appreciation of local and Syrian cuisine. The sector is historically driven by urbanization and youth demographics. Consumer trends favour fast-casual, local cuisine. ▶ Shift toward delivery platforms, street food, and home-based models signals adaptive growth. Growing use of digital delivery (e.g., Talabat), interest in cloud kitchens, and informal micro-entrepreneurship is further expanding local consumption. ▶ Services employment rebounded strongly post-COVID; accommodation & restaurants posted the highest employment growth in 2022 (+29%)[17], consistent with sector recovery.
5.Creation of better quality jobs	▶ Sector offers strong potential for entry-level formal jobs in roles like waitstaff, baristas, cooks, and delivery, especially for youth and women. With targeted upskilling (hygiene, customer service, English), many of these roles can become more stable and better paid. ▶ Employers report unmet demand for mid-level roles such as restaurant managers and quality control staff, as well as for service roles including waiters, chefs, and baristas. However, it remains unclear how much additional labour this already crowded sector can realistically absorb. ▶ The Greater Amman Municipality is currently easing HBB licensing (food requires JFDA approval), improving formal pathways in Amman[18]. This could potentially open improved supply to B2B channels (shops, catering), expanding market reach, at least for Amman-based businesses.
Feasibility	

16 According to recent data shared by the Ministry of Tourism : https://qazinform.com/news/tourism-in-jordan-sees-18-surge-in-visitor-numbers-revenues-reach-jd2167-billion-d11778?utm_source=chatgpt.com

17 DANIDA, “Labour Market Profile Jordan – 2023/2024”

18 https://jordantimes.com/news/local/licence-amendments-facilitate-amman-home-based-businesses?utm_source=chatgpt.com

6. Capacity and willingness of market actors	▶ High willingness to engage, hospitality sector often partners with vocational schools and donor projects. Chambers and tourism associations active. ▶ New initiatives to ease licensing of HBBs in Amman demonstrate willingness and readiness from institutions to provide venues for small businesses to better contribute to formal employment and growth in the sector. ▶ Active actor: The Jordan Hotel Association (JHA) works closely with government agencies such as the Ministry of Tourism & Antiquities to shape sector policies and secure support during economic challenges, in addition to Jordan Investment Commission (JIC) ▶ The research team survey highlighted that Actors are open to innovation/change and that there is a demand for an harmonised framework to improve the sector.
7. Level of market distortion	▶ The sector is governed by multiple overlapping authorities, MoTA, municipalities, JFDA, Civil Defense, causing confusion, high compliance costs, and might hindering formalization/. These actors currently struggle to engage with and reach the multitude of informal and micro-economic units that characterize the sector, many of which have stronger incentives to remain under the radar rather than participate in formal initiatives. ▶ Licensing and registration procedures vary by location and are costly and time-consuming, especially for MSMEs and home-based businesses. ▶ Moderate level of donor involvement (e.g., GIZ, EBRD, ILO) with potential for complementary programming, especially on training, MSME support, and employment inclusion. More intense support is provided to HBBs as part of vocational training initiatives. ▶ Opportunities for coordination to avoid duplication and align with the National Tourism Strategy 2021–2025 and Economic Modernization Vision 2033.
8. Implementation feasibility	▶ The current growth of the sector provides a near-term window to initiate change and demonstrate results with short-cycle interventions. ▶ The high level of informality, driven by complex and costly licensing procedures, is a major barrier to implementation ▶ The multitude of overlapping authorities (Ministry of Tourism, municipalities, JFDA) creates confusion and high compliance costs, which actively hinders the formalization and implementation of new initiatives. ▶ The sector has a track record of collaboration with market actors and international organizations, providing a foundation for new projects. The existence of multiple past initiatives means new programs can build on lessons learned and work to harmonize a fragmented system.

Sector score:

- **Relevance: High** – The food services sector is highly relevant for job creation in Jordan, as it is a significant employer and an accessible entry point to the labour market. It has a high participation rate of youth, women, and refugees, and its SME- and micro-heavy structure, including home-based businesses, provides flexible, informal work opportunities.
- **Opportunity: Moderate**– The sector has strong growth potential, driven by a recovering tourism industry and high domestic demand for dining out. The rise of digital platforms, delivery services, and entrepreneurial ventures like home-based kitchens shows its adaptability. Despite labour demand reported by the employers, the sector's capacity to absorb further workers remains unclear.

- **Feasibility: Moderate** – The feasibility of creating widespread decent work is moderate. While government and industry actors are willing to engage and have implemented new policies to formalize businesses, the sector remains heavily informal. The main challenge is overcoming complex and costly regulations that discourage formalisation.

1.3.9. Gig Economy

Criteria	Notes
Relevance	
1. Presence of target group	▶ Jordan's ICT sector includes around 2,000 companies and over 40,000 workers. the workforce is 99.9% Jordanian, and the sector faces a saturation of ICT graduates, roughly 7,000 annually[19], many of whom remain underemployed. ▶ International outsourcing trends are shifting due to increased data protection laws and localization pressures (e.g., Saudization), making global platforms more competitive and harder to penetrate for emerging freelancers.
2. Employability	▶ Actors interviewed reported a high representation of young Jordanian workers and an exclusion of women, although female entrepreneurs in other sectors (e.eg food processing, food services) do engage with digital platforms and use digital services and technologies in their business operations. Syrian refugees are not allowed to work in the sector although some of them to so informally.
3. Decent work barriers	▶ Significant decent work deficits that are difficult to address given the sector's reliance on "independent" work arrangements. ▶ Key issues include lack of fair pay, poor working conditions, absence of formal contracts, and limited worker representation. In 2023, the Fairwork project rated eight major digital platforms operating in Jordan 0 out of 10 against its fairness principles[20], while the ILO has highlighted persistent gaps in social insurance coverage for platform workers.
Opportunity	
4. Growth Potential	▶ The ICT sector is a key driver of Jordan's economy. Its revenues have grown tenfold since the early 2000s, with ICT services contributing a significant percentage to the country's GDP. The sector is projected to continue its strong growth trajectory. ▶ The sector benefits from a large, tech-savvy youth population, high internet penetration, and strong domestic demand for digital services. Regionally, Jordan is a key exporter of ICT services and digital content, with Jordanian companies generating a significant portion of Arabic online content. ▶ The government has prioritized the digital economy and is actively implementing strategic initiatives like the Economic Modernization Vision and the Youth, Technology, and Jobs (YTJ) project. These efforts, combined with a robust startup ecosystem and a growing number of incubators and accelerators, attract both local and international investment. ▶ Investments in IT infrastructure and digital transformation across industries offer promising opportunities for the sector to expand and create more high-value jobs.

19 Int@j. (2025). Jordan's ICT sector revenues grew tenfold since 2000. The Jordan Times.

20 https://fair.work/en/fw/publications/fairwork-jordan-ratings-2023/

5.Creation of better quality jobs	▶ The sector benefits from a large, tech-savvy youth population, high internet penetration, and strong domestic demand for digital services. Regionally, Jordan is a key exporter of ICT services and digital content, with Jordanian companies generating a significant portion of Arabic online content
Feasibility	
6. Capacity and willingness of market actors	▶ There is a high level of willingness among government and international actors to address key challenges. The government's Ministry of Digital Economy and Entrepreneurship (MoDEE) is actively engaged through projects like the YTJ, which involves collaboration with CSOs and private companies to train individuals for gig work. . The fact that major tech platforms are operating in Jordan and engaging in discussions with organizations like Fairwork suggests a capacity for collaboration, even if they have not yet adopted fairer practices.
7. Level of market distortion	▶ The market is not characterized by heavy subsidies or NGO dependency in the way other sectors might be. ▶ However, it is distorted by a lack of an adequate regulatory framework. The regulatory vacuum surrounding gig work has allowed significant decent work deficits to flourish. ▶ The sector is currently challenged by a disconnect between its rapid, private-sector-led growth and the slow pace of government regulation to ensure worker protection.
8. Implementation feasibility	▶ It is possible to achieve and demonstrate results, but it would require a clear and focused strategy. ▶ The lack of social protection are well-documented by organizations like Fairwork and the ILO. Projects would need to focus on implementing specific, short-term interventions that address these known deficits.

Sector score:

- **Relevance: Low**– The gig economy is legally inaccessible for Syrian refugees. However, this sector is very relevant for host communities, with a workforce that is 99.9% Jordanian. While it aligns with the preferences of young Jordanians for flexible work, the market is oversaturated with ICT graduates, many of whom are underemployed.
- **Opportunity: Low** – Although the gig economy is expanding globally and demand is rising in developing countries, including Jordan, the sector is highly saturated with limited capacity to absorb new workers, and available jobs are typically low-quality, lacking stability or career progression. However, Jordan is competitive in providing IT services In GCC markets.
- **Feasibility: Low** – Tackling decent work deficits in the gig economy would require systemic reforms—like redefining independent contractor status, improving platform regulation, and extending social protections—that are unrealistic to achieve within a single project’s timeframe

1.3.10. Chemicals

Criteria	Notes
	Relevance
1. Presence of target group	▶ According to the Jordan Chamber of Industry, the chemicals sector comprised 754 firms employing 17,424 workers in 2023, with a labour intensity of approximately 23 employees per enterprise.[21] ▶ According to 2018 data reported by the ILO[22], Jordanian workers account for 81 percent of the worker force, Syrians account for 11 percent, and from the total workforce females account for approximately 30 percent. The research survey confirmed that many SMEs reported their workforce as made up of Syrian refugees up to 30%, women up to 30%, youth up to 60% ▶ Syrian refugees are informally employed in the sector in in low- and semi-skilled positions such as machine operation, packaging, and maintenance. ▶ Informal employment is widespread, particularly through formal and informal subcontracting arrangements whereby larger manufacturers outsource work to small "craft" workshops, which made up around 75% of all businesses in the sector, that extensively hire Syrians and women, often informally. ▶ Updated data on companies in the sector are limited but data from 2026 from the Jordan Chamber of Industries, counted 640 formal manufacturing companies (including SMEs) in the sector. ▶ Syrian-owned businesses have also emerged as investors and producers
2. Employability	▶ Refugees (Syrians) are legally employable in the manufacturing sector, including soaps and detergents, under Jordanian labor law exemptions that allow them to work without a permit until mid-2025. ▶ Many are already formally employed in larger enterprises or informally engaged in micro or home-based production, especially in roles such as machine operation, packaging, and daily labor. ▶ Requires specialized skills to grow, limiting broader access (in-demand jobs: Machine operators, lab technicians, packaging workers, sales staff, and quality control roles). ▶ Larger detergent companies offer relatively decent jobs, formal contracts, training (e.g., chemical safety), and stable income; However, most MSMEs in the sector lack formal HR systems, relying on informal labor without social security, consistent safety standards, or advancement pathways. ▶ Women and youth face additional decent work challenges, including long commutes, absence of childcare, gendered job segregation, and limited flexibility.

21 **Amman Chamber of Industry (2025).** Economic indicators.

22 ILO, 2020 « Skills for Trade and Economic Diversification (STED) in the Chemicals and Cosmetics Manufacturing Sector ».

3. Decent work barriers	▶ Refugees (Syrians) are legally employable in the manufacturing sector, including soaps and detergents, under Jordanian labor law exemptions that allow them to work without a permit until mid-2025. ▶ Many are already formally employed in larger enterprises or informally engaged in micro or home-based production, especially in roles such as machine operation, packaging, and daily labor. ▶ Requires specialized skills to grow, limiting broader access (in-demand jobs: Machine operators, lab technicians, packaging workers, sales staff, and quality control roles). ▶ Larger detergent companies offer relatively decent jobs, formal contracts, training (e.g., chemical safety), and stable income; However, most MSMEs in the sector lack formal HR systems, relying on informal labor without social security, consistent safety standards, or advancement pathways. ▶ Women and youth face additional decent work challenges, including long commutes, absence of childcare, gendered job segregation, and limited flexibility. ▶ Many available jobs are low-paid and physically demanding. Youth and refugees often end up in unstable or informal roles, such as daily wage labor or packaging, without contracts or social protection. ▶ Women work primarily in management and technical roles ▶ Youth in particular face gaps between their education and the market's technical needs, especially in areas like machine operation, industrial maintenance, and formulation. ▶ High fixed investment required for industrial upgrades. ▶ Labour barriers (survey): job mismatch, poor transport/childcare, low wages, gender-based challenges

Opportunity	
4. Growth Potential	▶ Chemical fertilizers are export flagships, accounting to approx. 11 per cent of national exports[23]. ▶ Interviews with sector actors highlighted the emergence of a niche local market for organic fertilizers, driven by demand from smallholder farmers and the comparatively lower cost of organic products relative to chemical fertilizers. The segment is currently largely overlooked by large companies and is instead primarily served by small producers. ▶ The detergents sub-sector demonstrates moderate potential, supported by stable domestic demand and some regional market opportunities, including shifts in consumer preferences following the 2023 Gaza war and related boycott movements. However, after a period of rapid expansion, growth appears to have stabilised and innovation remains limited. The sub-sector includes around 110 detergents producers within the broader chemicals industry. ▶ Exports of cleaning and personal care products to markets such as Saudi Arabia, Iraq, Libya, and Palestine are on the rise, reinforcing the sector's strategic relevance. National branding potential exists. ▶ There are well-known companies like Jordan Chemical Industries Co. (Hypex), Lamis Detergent Company, National Detergent Industrial Co., Giant Industrial Group, Al-Nisr Chemicals, and Sigma Detergents supply most HH with essential cleaning and personal care products and maintain steady exports to neighbouring countries. ▶ The cosmetics sub-sector demonstrates moderate potential, supported by stable regional demand and Jordan's unique competitive advantage in Dead Sea–based products. During the fieldwork, it was observed that although the cosmetics sector is growing, with a niche export market and expanding product lines, it remains relatively small (~USD 25M), and constrained by intense competition, particularly from Dead Sea products produced in Israel.
5.Creation of better quality jobs	▶ According to ILO projections[24], fertilizers and other chemical products are expected to generate over 2,500 direct formal jobs, 7,300 indirect jobs, and 11,690 induced jobs through related consumer spending, with women anticipated to fill 21% of these positions. ▶ Although the sector is relatively capital-intensive and generates fewer direct jobs per dollar of export, it offers significant indirect employment opportunities. Each direct job is estimated to generate an additional 2.6 indirect jobs in related sectors such as logistics, ICT, and trade.[25] ▶ The subcontracting of SMEs and small workshops across the sector could offer valuable entry points to harness and enhance their job creation potential, particularly for vulnerable and informal workers, including refugees and women. ▶ Larger firms, such as Sigma and Spartan, offer formal contracts, social security, and training (e.g., in chemical handling or quality control), showing that better job models exist and could be scaled.

23 According to DoS data of 2024 reported here : https://jordantimes.com/news/business/6-products-account-57-national-exports-2024?utm_source=chatgpt.com

24 See ref. 46

25 GIZ (2021). Value Chain Analysis of the Chemicals Industry in Jordan.

Feasibility	
6. Capacity and willingness of market actors	▶ The Chemicals and Fertilizers sector enjoys advantageous government policies, including tax exemptions on many production inputs and sales tax relief for key subsectors. ▶ The sector is represented under the Jordan Chamber of Industry (JCI) and specifically by the Jordan Detergents Committee, which acts as a platform for advocacy and dialogue. ▶ Some collaboration platforms exist, particularly among women-led enterprises. ▶ The Economic Modernization Vision 2033 explicitly prioritizes green and biodegradable cleaning products, encouraging innovation in sustainable practices. ▶ Detergents/hand soap: Industry structure: Highly fragmented with ~70 detergent companies (2018); few are medium or large-sized ▶ Investment barriers: Lack of meaningful export support or promotion; Fragmented and conflicting regulations among ministries. ▶ Private sector consultations confirm investor interest, especially, in fertlizers and detergents ▶ The dominance of a few large firms that set the rules of the game in the sector can significantly limit opportunities to engage directly with SMEs and informal workers reliant on subcontracting arrangements. However, the soap and detergents segment may be more accessible and manageable for such engagement.
7. Level of market distortion	▶ While supported by initiatives from the ILO and GIZ, the sector has received relatively less attention and subsidy compared to others, potentially offering more space to launch innovative, market-led interventions. ▶ The sector is not a major focus for direct humanitarian assistance or NGO programs, unlike food or agriculture. ▶ There is no dependency on NGO-led subsidies or aid, and most firms operate fully within the private sector. ▶ Jordan's Economic Modernization Vision 2033 and the Investment Environment Law indicate political will to support the sector, esp. green cleaning products.
8. Implementation feasibility	▶ Consultations with actors in the sector seem to suggest a willingness to innovate and changes are expected to yield quick results and impact ▶ The presence of organized industrial zones, anchor firms (e.g., Sigma, Spartan), and industry associations (e.g., JCI committees) provides ready-made platforms for engagement

Sector score:

- **Relevance: Medium** – The sector provides employment for Jordanians and, to a lesser extent, Syrian refugees, with women holding a modest share of jobs, particularly in the soap and detergents segment. SMEs and small workshop are subcontracted by large firms and are the one employing the target group, often informally.
- **Opportunity: High** – Fertilizers and other chemical products are projected to generate significant job growth. Strong export performance, rising regional demand, and opportunities in the more accessible segments (soaps, cosmetics, detergents, organic fertilizers) position the sector well for market-led expansion.

- **Feasibility: Medium to High** – The sector has received relatively less donor attention compared to others, leaving room for innovative interventions. However, the dominance of a few large firms, restrictive employment regulations, and the unclear feasibility to influence subcontracting arrangements between SMEs and large firms may constrain the ability to engage widely across the value chain.

1.3.11. Selection summary

Key Findings Across All Sectors

Across all sectors analysed, common themes can be observed that impact employment dynamics and the feasibility of decent work and job creation for the target group:

- **Informality is pervasive across all sectors analysed,** especially in sectors where there is high female and refugee participation. Informality offers flexible access to work, but at the same leads to decent work deficits including low wages, lack of social protection, and job security.
- **High economic growth in a sector does not always necessarily translate to quality jobs for the target group.** For example, the garment sector while big in scale and volume, has limited Jordanian and refugee participation. Food-related industries, however, offer high potential for creating accessible, decent work, but will not drive large scale job creation in terms of overall employment numbers.
- **Climate-related adversities, including water scarcity** is a major cross-cutting constraint, especially in food and manufacturing industries. This limits long-term growth and profitability, affecting the feasibility of creating sustainable, well-paying jobs in current growth-oriented sectors. This necessitates a strategic approach that not only diversifies the economy but also strengthens food security by focusing on water-efficient, high-value crops and processing, rather than on traditional, water-intensive agriculture.
- **The Role of Regulation and Policy:** The feasibility of interventions is heavily influenced by the regulatory environment. Sectors with fragmented or complex regulations, like food services, struggle with high informality. Conversely, sectors with clear government prioritisation and a willingness to engage, like the Chemicals sector, offer a more fertile ground for effective project implementation.

Rationale for final sector selection

The table below summarizes the scoring of each sector against the selection criteria, using a traffic light system (low, medium, high). It is important to stress that this is not an absolute ranking of sectors, but rather an assessment tailored to the Manzuma project—specifically in terms of relevance, opportunity, and feasibility for its objectives, scope and target groups. This means that while a sector may score low within this framework, it could be considered of higher potential for other projects or initiatives with different goals, resources, or target populations.

The scoring identifies food processing as the clear frontrunner, with additional promising opportunities in fresh vegetable and date processing, as well as moderate potential in parts of the chemicals sector (particularly soaps, detergents, and cosmetics) and selected segments of the food service industry.

Sector	Relevance	Opportunity	Feasibility
Small ruminants	Moderate	Moderate	Low
Vegetables	High	Moderate	Moderate
Garments	Low	Moderate	Low
Food processing	High	High	High
Chemicals (inc. cosmetics, detergents)	Medium	High	Medium
Handicrafts	Moderate	Low	Low
Construction	High	Moderate	Low
Gig economy	Low	Medium	Medium
Restaurants and Catering (Food services)	High	Moderate	Moderate

Food Industries: An engine for job creation

Manzuma will prioritize the **Food Industries** as a merged sector to create a unified and holistic, supply-chain approach to job creation. The project made this decision to maximise the impact of the strong interconnections between agricultural production (ie fruits and vegetables), food processing (ie, dairy, pastes, canning, confectionaries), and food services (restaurants and catering). It allows us to move beyond siloed interventions and address challenges and opportunities from farm to table.

The rationale for this holistic approach is supported by our analysis:

- **High Relevance for Target Groups:** The food industries are a cornerstone of livelihood for Jordanians, youth, and Syrian refugees, especially women. The sector's fragmented nature, with numerous home-based businesses and small-scale farms, offers accessible entry points for vulnerable populations. This makes it a highly inclusive sector where interventions can directly benefit the project's target groups.
- **Strong Economic and Export Potential:** The sector is a major economic driver, contributing significantly to GDP. While agriculture is constrained by water scarcity, there is high potential for increased exports of high-value fruits and vegetables, which also have strong links to food processing. By focusing on products like confectionaries, pastes, canned food, and other processed goods, the sector can leverage high domestic demand and expand into profitable export markets.
- **Feasibility and Innovation:** The food industries are ripe for innovation. The project can build on existing government and donor initiatives aimed at modernising the sector. By fostering linkages between agricultural producers and food processors and by leveraging the growing food services sector, the project can create a more resilient and efficient value chain. The high willingness of market actors to engage and the potential for quick wins through targeted interventions (e.g., streamlining licensing for home-based businesses) make this a highly feasible and impactful area for a holistic project.

Chemicals: A Strategic Sector with opportunities to unlock emerging niche subsectors

The Chemicals sector is selected as a secondary priority for the project, based on its strong strategic alignment with Jordan's economic goals and its potential to provide quality jobs.

- **National priority sector for economic development:** The chemicals sector, particularly sub-sectors like fertilizers and detergents, is a national flagship industry. It is a major export driver, contributing to a significant portion of Jordan's national exports. The government views this sector as a strategic asset for economic growth and has prioritized it under the Economic Modernization Vision.

- **Job Opportunities for the target group:** The sector provides jobs for both Jordanians and Syrian refugees, particularly in manufacturing and production roles. While larger firms often offer formal employment and better working conditions, the sector's subcontracting to smaller workshops creates opportunities for informal workers, including Syrian refugees and women.

- **Significant growth in domestic and regional markets:** The sector is characterised by strong regional demand, especially for Jordanian detergents and personal care products. This, combined with the presence of well-established benchmark firms and a less-crowded donor landscape, makes it a promising area for interventions that can lead to meaningful job creation and improved working conditions.

Restaurants and catering (food services): Leveraging increasing demand to boost women's and home-based business inclusion

The food services sector is selected as a complementary area of engagement for the project, based on its growing demand, strong linkages with tourism and food processing, and its potential to support women's economic inclusion.

- **Strong demand and linkages with tourism and local food systems:** The sector continues to benefit from increasing domestic consumption, urbanisation, and tourism recovery. Restaurants, catering services, and food delivery activities also create important synergies with local food processing and agricultural value chains.

- **Accessible opportunities for women and home-based businesses:** Compared to many other sectors, food services offer relatively accessible entry points for women entrepreneurs and workers, particularly through catering activities and women-led home-based businesses, which are among the project's primary target groups.

- **Potential for targeted pilots and quick wins:** While the sector may not justify a full sector-wide approach, targeted interventions and rapid action research could identify scalable business models and partnership opportunities capable of generating inclusive employment and strengthening market linkages.

Moreover, alongside sector-specific interventions, the project will explore cross-cutting areas that influence multiple targeted sectors. This includes unpacking challenges, opportunities, and business incentives linked to supporting functions, the regulatory environment, and business development services – such as access to inputs and raw materials, packaging, market intelligence, energy and technology efficiency, marketing, and compliance with standards and certification. Identifying venues to address these systemic issues and have the potential to enhance competitiveness and job creation across the Jordanian Industry sector.

The project will also adopt a broader regional perspective, recognising the growing interconnections between markets and value chains across Jordan, Syria, and Lebanon. Exploring cross-border complementarities— including Jordan's role in logistics, standards, processing inputs, and regional trade—may create additional opportunities for resilient and scalable employment generation linked to evolving regional economic dynamics.

1.4. Conclusions

This sector selection exercise was designed to identify the most promising value chains in Jordan that can drive inclusive growth, particularly for MSMEs and vulnerable groups including Syrian refugees, women, and youth. The process involved a detailed scan of sixteen sectors, drawing on both secondary research and primary consultations with key stakeholders. Through this participatory and evidence-informed process, three sectors were prioritised based on their potential for employment generation, MSME growth, and the feasibility of market systems development interventions: (1) Food Processing; (2) Restaurants and Food Services; and (3) Chemicals, particularly soaps, detergents, and cosmetics.

The sector selection process for the Manzuma project highlights a strategic balance between concentrating efforts in sectors with the greatest immediate potential for large-scale job creation and exploring targeted opportunities in complementary or emerging areas. Food processing stands out as the primary sector for intervention, consistently ranking high in relevance, opportunity, and feasibility. Its established base of SMEs, strong domestic and export demand, and proven capacity to absorb both Jordanian and Syrian workers (including women) make it a natural anchor for both short-term impact and long-term transformation.

Food services, while more fragmented and informal, benefit from strong linkages with tourism and clear synergies with food processing, especially through home-based, women-led enterprises. Strategic, targeted pilots in this sector could deliver early wins, support market formalisation, and strengthen value-chain connections. The chemicals sector, particularly the niche segments of soaps, detergents, and cosmetics, offers a manageable entry point into an industry otherwise dominated by larger firms. These sub-sectors combine SME presence with growing regional demand and some innovation potential, including Jordan's niche competitiveness in Dead Sea–based products. While growth in some segments appears to be stabilising, targeted interventions could still support SME upgrading, improved working conditions, and medium-term employment generation.

The analysis confirms that while some sectors face structural barriers, such as high informality, regulatory complexity, or concentration of market power, others offer fertile ground for market-led interventions that can generate decent work at scale. A targeted approach that prioritises high-potential sectors, while selectively pursuing opportunities in medium-potential niches, positions the Manzuma project to maximise impact within its operational timeframe and resource capacity.

The next phase of this work should focus on conducting in-depth market systems analyses of the three prioritised sectors, as well as identifying cross-cutting supporting functions, systemic constraints, and emerging opportunities that affect multiple sectors. This will include analysing market incentives, supporting services, regulatory dynamics, business relationships, and potential leverage points for systemic change. Particular attention should be given to areas such as access to inputs and raw materials, packaging, technology and energy efficiency, market intelligence, standards and certification, and business development services.

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