Chapter 1.

Contextualising decentralisation reform and open government in Jordan

This chapter sets out the historical, political and administrative system in which Jordan’s decentralisation reform process is taking place. It places the approval of the 2015 Decentralisation Law and Municipality in the broader context of the democratisation process over the last decade and discusses the objective of the reform with a view to the economic (e.g. achieving economic resilience and a more balanced development across the country) and social (e.g. a young, diverse and dispersed population) realities. By referring to King Abdullah II’s vision of a political development process that starts at the grassroots level and key provisions in Jordan 2025, the Chapter carves out the leitmotif of the reform that is to improve economic conditions, deliver quality public services and encourage local economic development driven by a new culture of popular participation at the subnational levels of government.
Introduction

The Hashemite Kingdom of Jordan is located at the intersection of three continents, and is within the Middle East region, between the Gulf and the Levant. With a land mass of 89,320 km², Jordan is comparable in size to OECD countries such as Portugal and Hungary.

Despite the political turmoil in the region, Jordan has benefited from a stable political climate that is backed by strong financial and technical support from the international community, and its membership in regional (e.g. Arab League, Arab Fund for Economic and Social Development, Organisation of Islamic Cooperation) and international alliances (e.g. United Nations, International Monetary Fund, European Bank for Reconstruction and Development, Union for the Mediterranean, European Neighbourhood Policy). However, the war in Syria and Jordan’s proximity to the Iraqi border (Jordan shares a 375 km border with Syria and 181 km with Iraq) have resulted in a large influx of refugees, which has challenged the government to ensure the provision of basic public services to the second biggest number of refugees per capita in the world (UNHCR, 2015). The Kingdom is scarce in natural resources and heavily relies on foreign loans and aid. Fears of terrorist extremism have risen due to occasional attacks in the border regions and the city of Karak in 2016.

In this context, stability and security considerations compete with the ongoing political, institutional and economic reform. The strong dependency of the Jordanian economy on foreign resources calls for diversification and stimulation to create new job opportunities, in particular at the level of the governorates and municipalities with high poverty rates. Since even before the “Arab Spring”, Jordan has tried to face the complex challenge of reconciling traditional power structures with increasing demands from citizens for more open, inclusive and participatory policy making, and equal opportunities for all segments of society, including women and youth, in all spheres of life.

A new momentum for democratic reform

Jordan has come a long way in implementing democratic reforms since its recognition as an independent sovereign state in 1946 and the full withdrawal of British troops in 1957, despite recurrent backlashes. Home to Palestinian refugees from the 1948 Arab-Israeli fighting and the Six-Day War in 1967, Iraqi refugees since the war in 2003 and now Syrians, Jordan has been heavily affected by the consequences of the detrimental political events in a region that has seen short periods of peace and stability and continues to be shaped by major conflicts.

Since 1946, the political landscape in Jordan has seen alternating periods of political liberalisation reforms and moments when the freedom and opportunities available to political parties and organised interests have been cut back. The 1950s witnessed a proliferation of political parties, women’s and students’ organisations and charities, which culminated in a liberal Constitution in 1953 and the first Political Parties Law in 1955 under King Talal. However, with the dissolution of the parliament in 1956, and a coup attempt in 1957, political parties were banned until 1992, when a new Political Parties Law was approved. Martial law, which had existed since the Six-Day War in 1967, was lifted in 1991 in the midst of a new wave of political liberalisation (Hamid, 2016). The “one-vote” electoral law, introduced in 1993, encouraged voting in line with tribal affiliations and resulted in the boycott of parliamentary elections by several parties, in particular the Muslim Brotherhood. This organisation continued to exist as a charitable
organisation throughout the ban, which allowed it to expand its civil society networks and garner grassroots support (Identity Center, 2014). Following the death of King Hussein in 1999, his eldest son, Crown Prince King Abdullah II bin al-Hussein, succeeded to the throne. In June 2003, the first parliamentary elections were held under the new King. The first local elections since 1999 were held in July 2007, and parliamentary elections were held in the same year, which saw the withdrawal of the main opposition party, the Islamic Action Front (the political arm of the Muslim Brotherhood) over concerns about the integrity of procedures. This was replicated during parliamentary elections in November 2010 and January 2013, despite a new electoral law in 2010.

Although the last decade of political life in Jordan is characterised by a short lifespan of governments and parliaments, Jordan has achieved some remarkable results. In 2011, Jordan became the first Arab country to join the Open Government Partnership (OGP), which coincided with the “Arab Spring” that swept throughout countries in the Middle East and North Africa (MENA) including Jordan where people engaged in large-scale street protests, especially in Amman. As a response to this, between 2011 and 2012, four different governments were tasked by the King to carry out political reforms. The gradual approach to drive political reform forward resulted in a series of constitutional amendments (e.g. creation of the Independent Election Commission and a Constitutional Court) and parliamentary elections held under a new Law on Political Parties and Election Law, which were approved in 2015 and 2016 respectively. The objective of the reform process was underpinned by King Abdullah’s’s third discussion paper in 2013, in which he stressed that the “transition to parliamentary government will deepen through “successive parliamentary cycles” (King Abdullah II, 02 March 2013).

The approval of the 2015 Decentralisation Law and Municipality Law comes at a time of increasing momentum for democratic reform. In his Speech from the Throne to parliament on 15 November 2015, the King declared that the new legal framework shall act “as a cornerstone for broadening the role and responsibilities of local administrations in our governorates. These laws are also crucial for deepening citizens’ participation and empowering them to contribute towards identifying their priorities, in addition to formulating a future vision for their areas’ development plans and distributing developmental gains more equally and effectively (King Abdullah II, 15 November 2015).”

**Achieving economic resilience and a more balanced development**

Since 2012, Jordan has been classified by the World Bank as an "upper-middle income" country due to steady growth rates of between 4% and 8% during the years 2000s. Following the onset of the global financial and economic crisis, the first half of the years 2010s has seen significantly lower levels of growth, averaging around 2.6% between 2010 and 2015 according to data from the World Bank. This is due to, among other aspects, a decline in remittances and foreign grants and increasing oil and commodity prices amidst the economic slowdown in Europe and Gulf Council countries. Over the 2010-2015 period, GDP per capita declined by 0.6% on average, while it increased by 1.4% in the MENA region. Although the country has suffered a drop in tourism and the collapse of trade with Iraq and Syria, the announcement of investments in large-scale infrastructure projects (e.g. the Red-Dead Sea Canal and the national rail network) has raised hopes that economic resilience could be enhanced.

Despite its strategic location at the intersection of Europe, Africa and Asia, Jordan’s economy suffers from structural challenges. For instance, in light of weak private sector
activity, the OECD SME Policy Index recommends Jordan to improve the regulatory framework to support entrepreneurship and SME development, in particular in non-energy-intensive and high-technology sectors, and continue efforts aimed at building a knowledge economy (OECD, 2014a). On a similar note, to spur private sector development, the World Economic Forum refers to the need to remove bureaucratic obstacles, strengthen investor protection and improve access to credit and the tax system (World Economic Forum, 2014). Moreover, Jordan is extremely scarce of water, energy and arable land. With the third lowest water resources in the world, only around 3% of arable land, and energy (97%) and food (81%) consumption that is largely satisfied by imports, the economy is vulnerable to external shocks, in particular to the fluctuations in international commodity prices. The situation is exacerbated by increasing consumption needs due to the influx of large numbers of refugees fleeing the war-torn areas in Syria and Iraq. In the water sector, OECD analysis has pointed to the uncertainty surrounding the institutional and legislative framework for water and private sector participation as a major impediment to private sector activity (OECD, 2014b).

In 2010, 14% of the population was considered poor according to national poverty lines affecting both the rural (16.8%) and urban (13.9%) populations. According to Jordan 2025 (Inform, 2015a), the country’s ten-year national strategy, poverty remains a national challenge and is more pronounced the further a governorate is located from Amman, which stresses the urgency that disparities between governorates must be reduced.

The Executive Development Programme 2016-18 acknowledges the large variations in local economic development between regions and governorates, especially between the governorate centres, Badia and rural areas (Government of Jordan, 2016). It highlights
that regular and up-to-date evidence on development is lacking, and there is little research on local investment opportunities, as well as limited capabilities of and co-ordination among bodies working in local development. The reduction of the development disparities between the governorates is an explicit objective of the decentralisation reform.

The considerable disparities in economic weight across the territory go along with a challenging macroeconomic environment. The twin deficit of a negative fiscal (-3.6% of GDP in 2015) and current account balance (-9.0% of GDP in 2015)\(^8\) has put a major strain on the economy and restricts the policy options available to the government. The chronic trade deficit is acknowledged to be “one of the most important challenges facing [Jordan’s] national financial position” in Jordan 2025 (Inform, 2015a).

The challenging macroeconomic conditions are mirrored by weak private sector activity, unemployment levels and low economic participation rates among all groups in society. In 2014, only 67% of men were economically active compared to 75% in the MENA region and 77% in the group of upper middle-income countries.\(^9\) The job challenge is somewhat more acute for women, as Jordan displays one of the lowest female labour force participation in the world (16% compared to 22% in MENA countries and 57% in upper middle income countries).\(^10\) As in many MENA countries, young job seekers, especially well-educated graduates, are disproportionally affected by the lack of economic opportunities as well as limited opportunities to shape (labour market) policy outcomes in their favour as noted by the OECD report “Youth in the MENA region: How to bring them in” (2016). According to data from the Department of Statistics, the unemployment rate for young men (15-24) in 2014 was 39% in the Aqaba Governorate, for young women in the Mafraq Governorate it was around 79%.\(^11\) The absence of economic opportunities translates into low levels of economic inclusion (see Figure 1.2). The lack of job prospects has led many Jordanians to seek employment opportunities elsewhere, in particular in Saudi Arabia, the United Arab Emirates and Kuwait (Inform, 2015a).
A young, diverse and dispersed population

According to the 2015 Census, conducted by the Department of Statistics, the population stood at 9.5 million, including 6.6 million Jordanians and 2.9 non-Jordanian residents. Among the non-Jordanian residents, most come from Syria (1.26 million residents of which around 655,000 were registered refugees with the United Nations Refugee Agency [UNHCR] in January 2017), Egypt (636,000), and residents from the Palestinian Authority without a national ID (634,000). Iraqi nationals account for 131,000 residents (of which 61,000 were registered refugees with the UNHCR in December 2016). Jordan hosts the second largest number of refugees in relation to its national population in the world, only surpassed by Lebanon (UNHCR, 2015). This has contributed to increasing consumption needs of water, land, energy and infrastructure, and hence pressure on the access to basic education, health and other services, in particular in the northern governorates of Irbid and Al Mafraq that border Syria, and the adjacent governorates of Zarqa and Amman which host large refugee communities.

The Human Development Index positions Jordan at 86 out of 188 countries and territories (UNDP, 2015b). On the three dimensions of human development measured by the Index (long and healthy life, access to knowledge, decent standard of living), Jordan has significantly improved over the last decades. For instance, between 1980s and 2014, life expectancy at birth increased by 7.8 years, mean years of schooling increased by 6.8 years and Jordan's Gross National Income (GNI) per capita increased by about 24.1% (UNDP, 2015a).

With a median age of 22.5 years in 2015, Jordan’s population is one of the youngest in the world, even when compared to other countries in the MENA region, and even more
so when compared to Latin America and the Caribbean (29.2), Northern America (38.3) and Europe (41.7) (United Nations, Department of Economic and Social Affairs, Population Division, 2015). Although Jordan has one of the highest educational attainments in the Arab world, the Arab Human Development Report 2016 notes that more than 55% believe that their economic prospects will decrease in the future. Support for gender equality and civic engagement in this age group are among the lowest in the Arab world. In light of the objective of the decentralisation reform, this age composition requires the Government of Jordan to provide adequate tools and mechanisms through which all age groups, including young men and women, can participate in the development process.

Moreover, the population is distributed very unevenly across the Jordanian territory. The major governorates of Amman (4 million), Irbid (1.77 million) and Zarqa (1.36 million) together host around 75% of the population, while the remaining nine governorates account for only 25% (The Jordan Times, 2016). According to the perception of government and civil society representatives from the impoverished areas in the south and other remote areas, government attention has focused on the major governorates, in particular Amman, at the expense of addressing the specific demands of less-populated regions. Living outside the centre of government attention has therefore had detrimental implications for the accessibility of public services.

In line with the global trend, urbanisation has progressed rapidly in Jordan. In 2015, the share of the rural population among the total population was 16%, down from 33% in 1985. Urbanisation has advanced somewhat slower in Middle East and North African countries in which the share of the rural population decreased from 47% to 36% over the same period. The growing urban population in Jordan has caused new challenges for managing scarce resources (e.g. water), addressing environmental degradation and discussing changing socio-cultural conditions.

The political and administrative context: Jordan’s government system

**Strong powers vested in the King and a limited policy-making role for the parliament**

Jordan is a monarchy with a parliamentary system recognised in the Constitution adopted in 1952. It mandates the separation of the executive, legislative, and judicial branches of government, with the King holding extensive legislative and executive prerogatives (Hashemite Kingdom of Jordan Constitutional Court, n.d.).

The Throne of the Hashemite Kingdom is hereditary to the dynasty of King Abdullah Ibn Al-Hussein, who is a 41st generation direct descendant of the Prophet Muhammad and passes in a direct line from the throne holder to his eldest son. The King, whose prerogatives are anchored in Article 28-40 of the Constitution, is the Head of State and the Supreme Commander of the Land, Naval and Air Forces, while being immune from any liability and responsibility (Article 30 of the Constitution). The King appoints the Prime Minister and the Ministers and may dismiss them. He appoints the members of the Senate and its Speaker and may, due to an amendment to the Constitution in 1974, dissolve the Senate or relieve any Senator of membership. The powers vested in the King are exercised by Royal Decree, which needs to be countersigned by the Prime Minister and the Ministers concerned. He ratifies and promulgates the laws, and directs their enactment as may be necessary for their implementation. In his relation to the parliament,
the King is entitled to issue orders to hold elections and may dissolve the Chamber of Deputies.

The prerogatives of the government are outlined in the Articles 41-61 of the Constitution. The Council of Ministers is entrusted with the responsibility of administering all affairs of the State, internal and external, unless specified otherwise by the Constitution or by any other legislation to any other person or body (Article 45). Every Minister is responsible for the conduct of all matters pertaining to his Ministry (Article 47). The current government was sworn in on 28 September 2016 and is composed of 29 ministers, 27 of which are male (7% of Ministers are women compared to an OECD average of 29% in 2015) (OECD, 2015). In a government reshuffle in January 2017, five ministers were replaced. Unlike in most OECD countries, the cabinet in Jordan is not formed on a party basis (e.g. mandate to form a cabinet is given to the party or coalition of parties that obtained the most votes), instead it is appointed by the King. However, the Council of Ministers is collectively responsible before the Chamber of Deputies in respect of the public policy of the state, and each Minister holds individual responsibility for his or her portfolio. The Chamber of Deputies can force the Council of Ministers or an individual Minister to resign through a motion of no confidence. In practice, however, parliamentarians loyal to the government and the King of East Bank and rural origin tend to dominate the parliament over urban, Palestinian-Jordanians and supporters of the Muslim Brotherhood. According to Freedom House, the dominance of parliamentary representatives loyal to the government and the Royal Court has been sustained by previous electoral laws and the practice of gerrymandering (Freedom House, 2016).

Jordan has adopted a bi-cameral parliamentary system in which the National Assembly consists of a Senate whose members are appointed from among former high-level political figures from the government, parliament, judiciary or retired military, and a House of Representatives whose members (130) are elected in general direct elections for a term of four years. Both Houses have the right of legislative initiative, provided that the draft law is proposed by at least ten Senators or Deputies (see Articles 62-96 of the Constitution), however, the Chamber of Deputies cannot enact laws without the assent of the appointed Senate. According to the Government of Jordan, the decentralisation reform will help to upgrade the role parliament plays in shaping the policy agenda in Jordan. In the current system, parliamentarians are frequently approached by citizens or (interest) groups from local constituencies hence limiting its function as policy makers or, collectively, as an effective oversight body of government action (Jamal Shakir Al-Khateeb, 2010). The tribal affiliations of most parliamentarians, many of which rely on the support of their tribe in running for parliamentary elections, risk favouring narrow interests over the general interest. In this context, ensuring inclusive stakeholder consultation and engagement along the policy cycle is of particular concern.

The government, including the Prime Minister, is responsible before the Chamber of Deputies both collectively and individually in respect of the affairs of each Ministry (Article 51, Constitution). The Integrity Plan 2012 defines three main oversight agencies with an independent legal status: the Audit Bureau, the Anti-Corruption Commission and the Ombudsman Bureau. Together with a number of other (state) institutions, they are tasked with regulating different sectors of the integrity framework (Inform, 2012). The Audit Bureau exercises independent administrative oversight of state revenues and expenditures of governmental ministries, departments and agencies, public institutions, municipal boards, boards for corporate services and the Greater Municipality of Amman and corporations with a government share of more than 50%. For each fiscal year, an
annual report is prepared and presented to parliament. Since 2006, the Jordan Integrity and Anti-Corruption Commission (JACC) has been tasked with investigating corruption, undertaking measures to prevent corruption, and educating the public against corruption hazards with a view to increasing citizens' trust in government institutions and consolidating the values of justice, integrity and ensuring equal opportunities. JACC publishes an annual report on its website. The Jordanian Ombudsman Bureau (JOB) examines complaints from individuals relating to any decree, procedure, practice or any act of refusal by public administration, and publishes an annual report. In 2006, as part of wider modernisation efforts, the Ministry of Public Sector Development developed a Code of Conduct to establish ethical standards, rules and basic principles for public offices and officials. A review of its implementation conducted by the OECD in 2010 identified six priorities to strengthen its implementation such as appointing an administration body and clarifying the legal basis and enforcement procedures (OECD, 2010).

Although the institutional setting is similar to control frameworks in most OECD countries, a 2013 OECD assessment concludes that in the Jordanian cases, it suffers from a lack of co-ordination between and within the institutions, and a lack of clarity regarding individual mandate and jurisdiction (OECD, 2013). Another challenge for accountability and social cohesion identified by Jordan 2025 is that “wasta” is deeply anchored in the Jordanian and other societies in the region and is supposed to frequently occur in the interaction with government officials and the way in which economic and social issues and conflicts are dealt with (e.g. renewal of documents, hiring decisions) (Inform, 2015a)." According to a survey conducted by Transparency International in 2016, 75% believe that corruption rose in the 12 months prior to the survey, and 61% feel that the government is doing badly in fighting corruption (Transparency International, 2016a). However, in the same perception-based survey, Jordan scores the lowest bribery rates for public service use among nine Arab countries, while, due to perceived increasing requests for bribes and petty corruption, Jordan lost twelve places compared to the previous year in the 2016 edition of Transparency International’s Corruption Perceptions Index (57th of 178 countries) (Transparency International, 2016b).

According to the Constitution, the Judicial Power is autonomous and independent (Article 97: judges are subject to no authority other than that of the law in the exercise of their judicial functions; and Article 101: courts are open to all and free from any interference). The legal system is based on a combination of principles of civil law and Shari’a law. The court system is divided into religious courts (sub-divided into Shari’a courts and tribunals for non-Muslim religious communities), and civil courts that exercise jurisdiction over all persons in all civil and criminal matters. The King appoints the Court of Cassation’s chief justice, whereas the other judges are nominated by the Judicial Council, an 11-member judicial policy-making body whose members are approved by the King. Special courts, appointed by the Court of Cassation, decide in case a dispute arises between two religious courts or between religious and civil courts (ACRLI, 2004).
Individual freedoms and rights granted by the Constitution

The revision of the traditional approach of centralised policy making towards a bottom-up process is the key objective in the reforms Jordan has been leading in the last decade. The new approach relies on local civil society organisations (CSOs) and citizens and their active participation in the identification of service needs and policy priorities. To fulfil their new role, citizens need to understand the implications of the new legal framework and must rely on (democratic) rights and freedoms without any undue interference.

The Constitution guarantees the rights and duties of the citizens of Jordan in Articles 5-23, including equality before the law and freedom of religion (Article 6), personal freedoms (Article 7), freedom of speech and press (Article 15), freedom of association and political parties (Article 16), and the right to elect parliamentary representatives (Article 67). The Constitution stresses that municipal and local council affairs shall be administered by municipal or local councils in accordance with special laws (Article 121). These are basic rights, but indispensable for creating a culture of more open and participatory governance at the local level. Article 6 (ii) holds that the government is requested to ensure equal opportunities to all Jordanians, and emphasises the principles of inclusiveness and fairness that should guide decision makers. With a view to the integrity of official appointments to government offices and government-attached institutions, or
any municipal office, the Constitution promulgates that hiring decisions should be made on the basis of merit and qualifications (Article 22). The limits to the rights granted by the Constitution concern the freedom of the press and publications, as limited censorship on newspapers, publications, books and broadcasts affecting public safety and national defence can be imposed in the event of the declaration of martial law or a state of emergency.

While the recent constitutional amendments from 4 May 2016 did not affect any of the rights and duties outlined above, the changes have further concentrated power in the King at the expense of the Council of Ministers. In particular, they grant the King the sole power, without any countersignature by the Prime Minister or Ministers concerned, to appoint key figures in the political apparatus, for instance the Crown Prince, the Regent, the Senate Speaker and members, the Chairman and members of the Constitutional Court, the Chief Justice, the commander of the army, and the heads of Intelligence and the Gendarmerie. There has also been criticism about the short timeframe of a process that did not provide sufficient opportunity for the public to voice their opinions on the amendments (Obeidat, 2016).

**Administrative organisation and challenges: The rationale for reform**

Jordan is a highly centralised state. The centralisation of political power and administrative organisation dates back to the 1920s, when Transjordan was under the control of the British mandate (Ababsa, 2013).

Local governance has operated on two complementary administrative levels: governorates and municipalities. The Kingdom is organised into 12 governorates (Ajlun, Aqaba, Balqa, Al-Kark, Mafraq, Amman, Tafilah, Zarqa, Irbid, Jarash, Ma’an, and Madaba), each headed by a governor who is appointed by the King through the Ministry of the Interior. The governor and related bodies, who act as the executive organ for carrying out cabinet decisions at the local level, are essentially an extension of central government and are supervised by the Ministry of the Interior. The municipal system is composed of 100 municipalities and breaks down into four sub-categories, which reflect their different size: governorate centres (11 plus Greater Amman Municipality, GAM), district centres (with a population of over 15 000), caza centres (with a population of between 5 000 and 15 000) and a fourth category for all other municipalities (Ababsa, 2013). Mayors and municipal councils are directly elected and supervised by the Ministry of Municipality Affairs, except for the mayor of GAM who is appointed by the King. GAM and the Aqaba Special Economic Zone are managed independently, under the Prime Minister.

Under the multi-level governance system that existed in Jordan before the 2015 reform, municipalities lacked the authority to formulate policy and identify service needs autonomously. The central level has kept a firm grip on the allocation of budgets to the lower administrative layers, moreover, the municipal level traditionally suffers from a lack of resources and self-generated revenues, which leaves many indebted with the Cities and Villages Development Bank, or dependent on grants from donors and the central government (see Chapter 2). The limited role for governorates and municipalities in local development has resulted in a lack of opportunities for local communities – local CSOs, citizens and other non-governmental stakeholders – to shape the national planning and development process. With little space provided for participation in the assessment of needs and definition of priorities, public satisfaction levels have declined over the past decade across all major areas of service delivery, which is impacting the daily life of
Jordanians, according to Jordan 2025. The detachment of planning from the service needs on the ground, exacerbated by the lack of a culture of monitoring and performance evaluation, has resulted in increasing dissatisfaction with local government performance (Al-Qds Center for Political Studies, 2016).

The challenge of reducing the gap between the planning and delivery of services, as well as centralised policy making and public participation, coexists with the need to increase overall government performance. Jordan’s public sector is one of the largest in the world, and suffers from overemployment. According to Jordan 2025, the civil service accounts for 20% of GDP. Moreover, public sector salaries and pension obligations account for 27% of annual government expenditure, which restricts the fiscal space for public investments. The decentralisation reform can increase the performance of the government, provided that it eliminates unnecessary double structures and improves coordination across and within the different levels of government. At the same time, the reform adds new institutions – elected councils at governorate and local level – with additional resource needs (see Chapter 2). It will be critical for the new administrative system to operate efficiently and effectively in order not to worsen the already difficult situation of the public sector and, very importantly, because its performance will shape citizens’ perception and trust in the new public officials and institutions.

In 2002, the number of municipalities was consolidated through mergers down from 328 municipalities to the present system of 100 municipalities. The municipal law adopted in 2007 reintroduced the elections of the mayor and the municipal council (except for GAM), which was replaced by state-appointed local committees in 2002. In 2006, the King established a high-level committee, which proposed to divide the territory into a Northern, Middle and Southern region, each with a regional parliament formed by elected local representatives. However, the plans were dropped over concerns that such a reform could undermine the state’s future unity (Identity Center, n.d.).

The 2015 Decentralisation Law and Municipality Law, which lay out the King’s vision of a political development process that starts at the grassroots level, are expected to make a significant contribution to the democratisation agenda in Jordan. The reform acknowledges that political development in Jordan should strengthen bottom-up approaches through which CSOs, citizens and other non-governmental stakeholders shall participate in the assessment of service needs and the identification of policy priorities, rather than being “passive” recipients of political decisions made in Amman. The ideological roots of the reform go back to 2005 when King Abdullah II announced his plans to widen the public’s role in decision making in his Address to the Nation, stressing that: “[a]s political development is the gateway to the full participation of all segments of the grassroots and civil society institutions in the various aspects of the development process, I assert here that political development should start at the grassroots level, then move up to decision-making centres, and not vice-versa” (King Abdullah II, 26 January 2005).

**The 2015 laws: A new legal framework for decentralisation and/or citizen engagement**

As will be further explained in Chapter 2, decentralisation is a gradual process by nature and describes a transfer of public functions from higher tiers to lower tiers of governance. Decentralisation reform can take the form of a transfer of civil servants and public functions to lower layers (administrative), the devolution of fiscal resources and
the power to generate revenues (fiscal), the devolution of decision-making powers (political), or, as in most cases, a combination thereof.

The key feature introduced by the 2015 Decentralisation Law (DL) and Municipality Law (ML) is the creation of elected councils at the governorate level that shall enjoy financial and administrative independence (Art. 6 DL) and at the local (sub-municipal) level (Art. 3 ML). Upon the recommendation of the Minister of the Interior, a maximum of 15% of the members of the governorate council can be appointed, provided that at least one in three is a woman (Article 3 DL); all members of the local councils are elected by popular vote. For the creation of local councils, a decree by the Minister of Municipality Affairs is required, who also determines the boundaries of the local councils and the number of its elected members (at least five). Under the new legal framework, the municipality shall be managed by a municipal council composed of a chairman, the heads of local councils, and a number of members of local councils who won the highest number of votes, except for Aqaba Special Economic Zone Authority (ASEZA) and Petra Tourism Developmental Authority (Article 3 ML) which are designated special economic zones managed under the Prime Minister’s Office. In essence, where local councils are created, the so far directly elected municipal councils are transformed into indirectly elected bodies. The Minister may, with the approval of the Cabinet, appoint two additional members to each Municipal Council who enjoy the same rights of elected members (Article 69 ML). The Greater Municipality of Amman is an exception as 25% of the council members and the Mayor are appointed.

It is to be stressed that, while an important step in the democratisation of public life in the country, the two laws do not result in a significant transfer of responsibilities from the Amman to the governorates or municipalities, or in the devolution of fiscal resources to them (see Chapter 2). In fact, the functions of the elected governorate council, as identified in Article 8 of the DL, suggest that they will mainly act as consulting bodies. For instance, they will be tasked with approving the draft strategic and executive plans of the governorate, its budget and the development and service projects referred by the Executive Council. Moreover, they will discuss reports on the implementation of plans, projects, and programmes to be implemented by the (deconcentrated) directorates. The elected members are further invited to propose the establishment of investment projects, develop recommendations to improve the performance of government departments and public institutions inside the governorate, and to propose solutions to ensure better service delivery.

Similarly, in line with the King’s vision of a grassroots approach to the national development process, the elected local councils are tasked with proposing development projects and contributing to the preparation of strategic and development plans of the municipalities based on the identification of needs in co-operation with civil society organisations (Article 6 ML). Their work is then submitted to the municipal council. The local councils shall fulfil various tasks in identifying the location of public sites (e.g. public and vocational schools; places of worship; course of water, electricity and gas distribution network; public hospitals and health facilities), and exercising monitoring and control functions (e.g. public markets, roads maintenance, street cleaning, lightening, public transport stops, restaurants, cafes and other public amusements).

The creation of the elected governorate and local councils as foreseen by the DL and ML has created strong expectations among civil society and the private sector that public participation in policymaking and service delivery processes will increase, as well as their transparency and accountability. In his Designation Letter to the Prime Minister in
September 2016, the King stressed that “enhancing people’s participation in the
development-related decision making process […] contributes to the development and
capacity building of governorates, ensuring fairer distribution of development gains.”
However, given the lack of a major transfer of actual competencies and powers to the
subnational layers of government, the label “decentralisation reform” may be misleading.
The engagement narrative provided by the Royal Court and the government may more
adequately reflect the main intention of the reform, that is, to strengthen public
participation and scrutiny in the national planning and development process.

At the same time, the two laws do not specify how a bottom-up approach is expected
to be implemented in practical terms. As discussed in Chapter 4, so far, the creation of
local councils reduces the distance of citizens to their elected representatives, which may
result in a better representation of local citizens’ needs and better tailored public service
delivery that responds to the individual needs of local communities. What remains to be
defined, however, is the future interaction between the local councils and CSOs and
citizens in the identification of service needs and policy priorities, and the chain of
command across the different layers of government (local, municipal, governorate,
central) to ensure that citizens’ considerations are reflected in the final version of the
development plan.

There is hence a need to reconcile the expectations among CSOs and citizens and the
actual role, tools and mechanisms available to them and to the newly elected public
officials in the governorate and local councils, possibly ahead of the first local elections
under the new legal framework. The reform process offers a unique momentum to
empower civil society and citizens and hence foster democratic principles and a culture of
openness, transparency, accountability and inclusiveness at the community level. In this
sense, the reform could contribute to improving government performance and moving
forward the broader open government and democratisation agenda based on a new
impetus from the local level.

The first local elections under the new legal framework are expected to take place in
August 2017, which ties the government to a tight schedule to accurately disseminate the
content of the DL and ML and for the finalisation of the relevant by-laws.

**Jordan 2025: Placing citizens at the heart of the development process**

Jordan 2025, the country’s long-term national vision, features more than 400 policies
or procedures that “should be implemented through a participatory approach between the
government, business sector and civil society” (Inform, 2015a). The King’s letter from 29
March 2014, which precedes the Vision, stresses that the economic blueprint should be
based, among others, on the principle of enhancing local governance and implementing
decentralisation, and be rolled out in a way that ensures a “just distribution of
developmental dividends by giving priority to governorates’ development programmes.”
Jordan 2025 stresses the need to “improve the welfare of citizens and the basic services
provided to them, and to create a balanced society where opportunities are available to all
and the gap between governorates is bridged.”

As shown in Figure 1.4, and in line with the objective of the 2015 Decentralisation
Law and Municipality Law, Jordan 2025 places citizens at the centre of the development
process.
The Strategy acknowledges that active civic engagement and political participation are indispensable for a democratic culture at the local level to emerge. Moreover, by explicitly seeking to advance the principles of participation, transparency and accountability, Jordan 2025 strongly supports Jordan’s open government agenda. This is further reinforced by parallel efforts to foster the fair representation of citizens (2016 Electoral Law, which largely presents a return to the 1989 election law) and the creation of political parties (Law of Political Parties of 2015, No 39) (Independent Election Commission), with a view to cutting back on the influence of the tribal affiliations that have tended to dominate political, social and economic life in Jordan until the present day.
Structure of the strategic assessment

At the request of the Government of Jordan, this report provides a strategic assessment of three distinct but interlinked public governance areas, which will be critical determinants of the success of the ongoing reform and along which the subsequent chapters are organised:

1. The role of the centre of government in driving decentralisation reform in Jordan.
2. Enablers for effective public service delivery at the local level.
3. The impact of the decentralisation reform on Jordan’s open government agenda.

Based on OECD instruments and principles, and good practices from OECD and MENA countries, the report provides actionable policy recommendations to turn the new legal and policy framework into practice. There will be a focus on how the reform can deliver on the promise to create a better performance of government across the different levels and to move forward in Jordan’s open government and democratisation agenda.

Notes

2. The 2015 Political Parties Law facilitated the creation of new parties by reducing the threshold of members required for registration from 500 to 150 and shifted the authority to license and supervise parties from the Ministry of Interior to the Ministry of Political and Parliamentary Affairs. The law abolished the foundation of parties based on religion, ethnicity, race, or gender.
7. The Jordan Badia constitutes 80% of the Hashemite Kingdom of Jordan and comprises the predominantly arid and semi-arid and less populated areas of the Kingdom. The Jordan Badia is divided into the Northern Badia, the Middle Badia and Southern Badia. The Badia is home to Bedouin livestock breeders, many of whom live a nomadic lifestyle (The Hashemite Fund for Development of Jordan Badia, www.badiafund.gov.jo/en/node/310).
1. CONTEXTUALISING DECENTRALISATION REFORM AND OPEN GOVERNMENT IN JORDAN – TOWARDS A NEW PARTNERSHIP WITH CITIZENS: JORDAN’S DECENTRALISATION REFORM © OECD 2017


13. The discrepancy between the official numbers of Syrian refugees disseminated by the UNHCR and by the Government of Jordan can be explained by the fact that there are, de facto, two groups: first, foreign workers and business owners with a residence and work permits living in Jordan before the outbreak of the war in 2011; and second, the actual refugees from the ongoing war (Bertelsmann, July 2016, Facts on the European Dimension of Displacement and Asylum: Jordan, www.bertelsmann-stiftung.de/fileadmin/files/BSt/Publikationen/GrauePublikationen/EZ_Factsheet_Jordan_07_16_ENG.pdf).


16. Answers received during two fact-finding missions conducted by the OECD in May and July 2017 and meetings with the Network of Civil Society Organisations for Open Government at the Local Level in Jordan.


18. The only exception dates back to 1956 when King Hussein asked the party leader of the party who won the majority of votes to form a cabinet. The coalition cabinet only lasted for six months before it was dismissed by the King and political parties were dissolved and banned until the early 1990s (Obeidat, 2016, Jordan’s 2016 constitutional amendments: A return to absolute monarchy? www.constitutionnet.org/news/jordans-2016-constitutional-amendments-return-absolute-monarchy).


22. The term wasa stems from the Arabic root for “middle” or “medium” and describes the phenomenon of using “connections” to find job, government services or other favours to circumvent bureaucracy or bypass the system as a whole. The effects of wasa may be both positive (e.g. lower transaction costs, reduce the problem of asymmetric information) or negative (e.g. individuals are placed or promoted to positions beyond their technical, educational or professional capacities and capabilities), and is a phenomenon that exists through similar concepts in other cultures and regions of the world (Ramady, 2016).

23. OECD work on multi-level governance addresses both vertical and horizontal dimensions. The “vertical” dimension refers to the linkages between higher and lower levels of government, including their institutional, financial, and informational aspects. The “horizontal” dimension refers to co-operation arrangements between
regions or between municipalities (www.oecd.org/regional/regional-policy/multi-levelgovernance.htm).

24. In various discussions with public officials and civil society representatives, the lack of a decentralised chain of decision making was also deplored with regard to the internal operations of ministries and other public institutions, in particular when it came to routine procedures and instructions that had to be sent up the chain of command instead of being delegated to middle-level managers.

25. The Executive Council is chaired by the Governor and is composed of the Directors of the (deconcentrated) Executive Directorates and Service Administrations in the Governorate, the Deputy Governor and provincial heads, two District Administrators, and the Governor’s Assistant for Development Affairs. If any, Directors of development and industrial zones in the Governorate are also part of the Executive Council and so may, by a maximum of three municipal executive directors in the governorate, be nominated by the Minister of Municipal Affairs. Special additional conditions apply in the governorate of Aqaba and Ma'an (Article 4).

26. It must be noted that the analysis presented in this report builds on the available evidence in December 2016. Given that the reform process is advancing in parallel, and that many of the concrete procedures are yet to be defined, the assessment and recommendations reflect the progress achieved to this point.
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