

## The Charitable Sector and its Role in the Treatment of Unemployment and its Causes in the Hashemite Kingdom of Jordan

**Ahmad Areiqat**

Associate Professor  
Business Management  
Al-Ahliyya Amman University  
Jordan

**Sulieman AL- lawzi**

Professor  
Business Management  
Al-Ahliyya Amman University  
Jordan

**Ahmad Al Adwan**

Assistant professor  
Department of Marketing  
Al-Ahliyya Amman University  
Jordan

### Abstract

*This study aims at identifying the role of the charitable sector in solving the unemployment problems and causes in the Hashemite Kingdom of Jordan, where the literature indicated that there are high percentages of unemployment in the Kingdom due to many reasons such as; the lack for private sector cooperation in implementation of the Localization Policy, the absence of consistence between the academic disciplines and the labor market needs, many of Jordanian refuse to work in some professions such as services for example and that Jordanian society is governed by a culture that prohibit Jordanian woman to work in many sectors and this leads to decline the employment opportunities available for Jordanian women. Since the charitable sector is a main contributor in the economic and social development, it may play a significant role in solving the unemployment problems. Then the study presents a set of recommendations aiming at achieving the desired investment for charitable sector funds such as communication with charities around the world regardless the religion in order to improve the efficiency of charitable sector employees, establishing charity funds and distributing such funds in different segments in the Kingdom.*

**Keywords:** Charitable Sector, Unemployment, Hashemite Kingdom of Jordan

### Introduction:

The labor market in Jordan suffers from several problems such as: high rate of unemployment, where the latest statistics indicate to that the unemployment rate in the Kingdom during the first quarter of the ongoing year (2017) amounted 18.2%, where it was 13.1% for males and 33% for females (Alrai, Journal, jo). The report of the Department of statistics indicated that the unemployment rate rose by 2, 4 percentage points in the first quarter of 2017 compared to the same period of 2016. And by taking the gender variable into consideration, it becomes clear that the unemployment rate among males increased by 1.2 percentage points, and 9.3 percentage points among females compared by 2016. As for the unemployed, the results showed that the unemployment rate was high among university graduates, these are the individuals with a bachelor's degree or higher divided by the labor force for the same academic qualification, where it amounted 21.4% compared with other education levels. The report indicated that 53.8% from the unemployed total are from the holders of the general secondary and above, and 44.6% from those who hold less than general secondary.

The percentage of unemployed varied in terms of the educational level and sex, where it amounted 20.8% among males who holding bachelor and over, and 53.9% among females. Also the results showed that the unemployment highest rate was in the age categories 15-19 and 20-24 year, where it amounted 39.5% and 35.4% respectively. For the governorates, the highest rate of unemployment was in Ma'an Governorate (20.2%), and the lowest one was in Jerash Governorate (15.5%).

While the employed percentage was 35.1% from the total population of the Kingdom who are aged 15 years and more during the first quarter of 2017, where 58.4% from the male workers canted in the age category 20-39 years, while for females it amounted 64.4%. The report also showed that about half of workers have educational qualification less than general secondary, and 11.1% from those who are holding the general secondary, and 37.6% higher than the secondary level. 5.8% from the workers one working in primary professions, while the percentage of the craftsmen amounted 16%, and 16.6% for the profession specialists.

Moreover, the report showed that 60% from the female workers are working in profession specialists, and 31.7% are working in profession of technicians and assistant specialists. Also the report indicated that 27% from the workers are working in the sectors of public management, defense and social security, followed by the sector of wholesale and retail trade where the percentage amounted 15.1% in the first quarter of 2017. The male workers in public management and defense sectors amounted 24.29%, while in wholesale and retail trade the percentage was 16.9%. While for females 41.4% are working in teaching sector, and 12.7% in health and social service sectors.

And for the labor force (workers and unemployed), the results showed a significant variance in the labor force distribution according to the education level and sex, where 59.4% from the labor force total of males was less than secondary level, and 19.6% for the females. The results showed also that 55.4% from female's work force total are from bachelor holders compared with 21.6% for males.

While the crude economic participation rete labor force attributed to the total population amounted 27%. While the revised economic participation rate (labor force – population of 15 years and more) amounted 40.5% in the Kingdom, 63% for males and 18.3% for females for the first quarter of 2017, compared with 35.7% for the Kingdom and 58.5% for males and 12.5% for females for the fourth quarter of 2016. The employment and unemployment survey included a sample of 16,000 families distributed on all the Kingdom governorates, representing urban areas, rural areas and regions. It should be noted that the surveys of employment and unemployment are carried out every quarter and provide data that reflect the reality of the whole quarter (January, Fetruary and March), and the individual is asked it he is looking for work during the four weeks preceding the interview, according to the international recommendations adopted in Jordan.

### ***The Study Significance:***

The Islamic sharia has organized the life of people, it ordered people to good deeds based on obedience to God, and worship him close to him “Blessed and Exalted”, and willing to meet him in the afterlife, what greatest the prophet Muhammad peace be upon him when he said “if the son of Adam died, his work was cut off, except of three; a charity is going on, or a knowledge that benefiting from it, or a good boy calls for him, and the ongoing charity is the grant that the donor seeks from God the reward, so that people may benefit from it for a period of time, and the donor will have a reward from God for the duration of its stay. The charitable sector is considered one of the most important aspects of ongoing charity, because it combines the good in this life and reward in the hereafter. In this life the charitable sector is considered as an important tributary of development in different fields; scientific, economic, cultural and social, so the whole nation benefits from it. And the actor gets good calls from the beneficiaries even after the death, while the reward is given in the hereafter from God Almighty. Where the Almighty Said “Take from their money a charity that cleanses them and Prays them and pray to them that your prayer is tranquility for them and Allah Hearer Knowing.” (Tawbah, 103). From here we can find that the importance of this research is that it encourages the increase of funds of the charity sector and improve investment in a form that pleases God and fulfills some of the aspirations of the nation towards prosperity.

### ***Research Objectives:***

- 1- To highlight the role played by the charity sector in the development of Islamic Society economically, scientifically and socially.
- 2- To make recommendations calling for increasing the number of Waqf Providers and expanding the awareness of those who manage the Islamic Waqf towards the investment of the funds of charity sector in order to grow and to achieve the desired goals according to Islamic sharia.

### ***Problem statement:***

The problem of this research takes the following statement "In order to reduce the unemployment rate in Jordan, the charitable institutions should adopt the mechanisms of optimum investment that consistant with sharia".

### ***Methodology:***

This research was conducted according to the descriptive approach through data collected from the books and published previous researches whether in the libraries or on the internet.

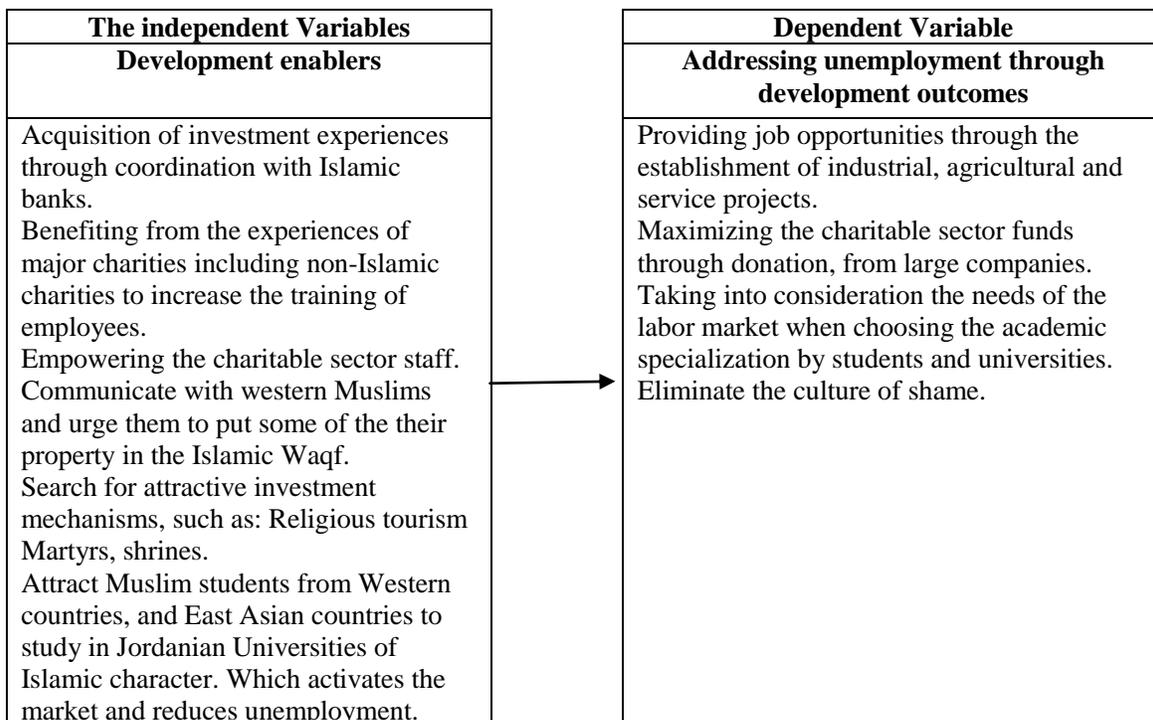
**Research hypothesis:**

This research bases on one hypothesis which is: Creating Islamic investment tools for the funds of the charitable sector enables it to play its role in economic, social, scientific development in order to addressing the unemployment problems and its causes. This hypothesis will be tested through reviewing the literature that illustrate the situation of charitable sector in the State of Islamic Caliphate.

**Research Model:**

As long as this research is descriptive one, then the variables that contribute in increasing the role of charitable sector in economic, social and scientific development will become the independent variables, while the outcomes of development and unemployment addressing will become the dependent variables. Therefore, the research model will becomes as follows:

**Theoretical framework and previous studies:**



In a study conducted on Saudi Arabia (Ben Abyan, 2011) pointed out that the roots of the problem of increasing foreign labor was in three axes:

- Demand elements: requirement of labor market, especially the private sector.
- Supply elements: outcomes of education and training system.
- Legislations governing the labor market.

And due to imbalance among these three axes, the problem arose and was execrated by several factors:

1. The basis of the development chosen by the state and how to plan such projects.
2. Social factors as nepotism and cronyism in the employment.
3. Economic factors related to salaries and wages and the standard of living.
4. Legislative factors such as the legal provisions for the recruitment of foreign workers.
5. The lack for actual coordination between teaching and training institutions.
6. WTO accession results.

Also, the increase of foreign workers in the Kingdom of Saudi Arabia may lead to several negative effects such as; increased crime rate, drugs smuggling, fraud and unethical practices, while the most negative economic effects is the large increase of remittances outside the country (Kitani, 2017).

- 1- The role of charitable sector in social development.

Islam calls for the establishment of an Islamic society dominated by solidarity among members of society, and social justice, where God said "O mankind, indeed we have crated you from male and female and made you peoples and tribes that you may know one another, Indeed the most noble of you in the right of Allah is the most righteous of you.

Indeed, Allah is Knowing and Acquainted." (Al-Kharat, 13) and the saying of the prophet, peace be upon him "no one of you is believer even he loves for his brother what he loves for himself."

Then the social justice and solidarity are from the attributes of Islamic Sharia, which means that all Muslims are living in Peace which helps them on the worship of God.

Poverty, unemployment and illiteracy are social diseases that need to be addressed, which requires adequate financial support and moral support. For example, if a donor grants abuilding as a donation or as a Waqf to establish a school, this may achieve good benefits for the society, through elimination of illiteracy, and creating job opportunities in terms of teachers needed by the school, which contributes in reducing the unemployment and poverty, in this regard (Mansour, 2006) Pointed out that the charitable sector contribute in providing social security and economic and social Stability, and provide the state treasury with money that must be invested in development projects that benefit the general community. Also the charitable sector has a role in spreading love and moderation in society, and works to fight selfishness and stupidity among donors of endowment, hatred and envy among vulnerable. As (Abu Ghada, 2005) pointed out that the charitable sector has contributed to the creation of a thriving civilization of moral character and desirable behavior. From the examples on the modern social role of the charitable sector is the establishment of many investment funds for endowments, economic and religious in Kuwait, and in the field of Social development, the fund of charitable sector for social care was established. To meet the social needs of beneficiaries such as granting salaries to patients, students and orphans (Abu Ghada, 2005).

## ***2- The Role of Charitable Sector in Economic Development:***

The investment of charitable sector funds in investment projects contributes to the advancement of development in the whole Islamic community, especially when building relationship between the charitable sector and private sector, which enjoys by investment experience greater than of public sector, in order to invest the funds of charitable sector and to development it in form that ensure the continuity of serving the targeted purposes. Where the charitable sector contributed to the economic competition legally permissible through the economic projects supporting, which played a key role in the continuation of endowment projects (Abdullah, 2005). As the charity sector is a kind of investment because it means devoting the fixed assets to produce benefits, returns, and fruits, therefore it becomes of a development nature because it is no permissible to sell it and transfer the price of the sale to consumable materials, as it is not permissible to destroy it and disable the old one (Qahf, 2008). The importance of charity sector lies that it aims to develop an independent third sector distinguished from both the private and public sectors, where this sector carries the responsibility of implementation of several activities that are not from the government specialization or the private sector which seeks to the profit firstly and last, the activities of the charitable sector fall within the framework of righteousness, benevolence, compassion and cooperation, not for individual profit. In this regard (Zaatari, 2010) Pointed out that charitable donations especially Waqf affect in the economic development, and this requires the horizontal expand in system of charitable sector in terms of expansion of the assets of the endowment such as real estate and other movable funds, as well as the vertical expansion in terms benefiting from the development of Waqf assets in order to reap their economic returns to be used to satisfy some of the community needs. Also, the charitable sector is considered as an important tributary to the state budget, where the Forum of Charitable sector jurisprudence Issues, the fourth held in the Kingdom of Morocco 2009 recommended the following:

- The indirect support to the state budget is allowed from charitable sector funds through two ways:
- Supporting the activities that are from the purposes of charitable sector, and achieve the donor's conditions in many fields such as teaching, healthcare and helping the needy, and this would reduce the burden of the state budget.
- Waqf providers receive applications from government agencies and study these applications to consider spending on the aspects that are consistent with Sharia and far from haram and suspicious, to achieve the purposes of charitable sector.
- The forum recommended that direct support to the state budget is not allowed, in order to maintain the independence of the charitable sector except Waqf funds according to donor's conditions.

## ***The role of charitable sector in scientific and cultural development:***

The Islamic Waqf who is an important aspect of charitable sector has played a key role since the stability of Islamic state in supporting the teaching process, through the establishment of the Regular school in Baghdad (459 H), including reservoirs, supervisors and library. The government these days has spent a lot of money to teach the students and to buy valuable books from the Waqf Funds.

One of the most prominent manifestations of the support of the scientific movement by the charitable sector in the Islamic community, the Mustansriya School which was established by the Abbasid Caliph Al-Montasser in God in Baghdad in 923 Higi, which IbnKatheer Said about it "No such school was built in this world". And it served as an

Islamic endowment according to the four schools of thought. It also included a sheikh of medicine, as well as ten Muslims working in medicine and an orphanage. Since it was an Islamic endowment, it generated a good income, so it was said that the price of hay was enough for the school and its teachers. In addition to Al Thaheria school which was established by Zahir Baybars in Damascus 662 H, and Mansouriya School which was established by Al Mansour Bin Qalawun in Egypt in the year 683 H, and Sultan Qaitbay School in Mecca in 884 H, which contained 72 classrooms (Forum of Arab Dora, 2008).

Al Omrani (2010) pointed out when talking about the role of the charitable sector in supporting scientific research that there are many manifestations to direct Waqf on scientific research, such as libraries, books to help students and researchers, monthly participation records for new donors who add new books to the library, in addition to computer software that include a number of books and researches, and exploiting the funds of the charitable sector in the establishment of research institutions, these institutions ensure payment of employees' salaries who are working in them, in addition to pay rewards to scientific committees, and scientific arbitration, and to provide specialized scientific encyclopedias as a useful service for researchers.

### **Conclusion:**

According to the previous debate we can conclude that the charitable sector in general, and Islamic Waqf in particular has a great role and benefit in the different fields of comprehensive development, because it is an economic tributary for the state budget, and it enables the Islamic community in the establishment of institutes, charities and scientific institutions which have a big role in teaching and learning the Islamic nation by Islamic culture that is able to keep pace with the new development. In addition to the reward of doing well, in afterlife from God.

From here, the hypothesis of this research takes the following statement "The creation of investment instruments in accordance with Islamic Sharia for the money of the charitable sector enables it to play its role in economic, social, scientific and cultural development, and contributes to addressing the problem of unemployment and its causes. And according to the previous studies mentioned earlier we can accept this hypothesis.

### **Recommendations:**

In order to activate the role of the charitable sector in comprehensive development and reduce the spread of unemployment, the researcher recommends the following:

- 1- Communicate with charities around the world, even those who are non-Islamic in order to increase investment skills among the workers in the Jordanian charities, and the Ministry of Waqf to invest their funds in accordance with Sharia and to achieve the goals of economic and social development.
- 2- Coordination with Islamic banks in the Islamic world to benefit from their investment experiences.
- 3- Communicate with Muslims of Western countries to increase the number of the donors of Waqf, and engage them in search for ways that increase the effectiveness of the charitable sector in Islamic states.
- 4- Holding cultural seminars to promote the spirit of cooperation among Muslims, and encourage them religiously on the charitable sector, such as ongoing charity.
- 5- Establishing funds for Waqf as in Kuwait to reduce unemployment.

### **References**

Holy Quran.

Al Aklbi, Turkey, Reasons of unemployment in Jordan and its relationship with personal estimates, future Blog, 6.3. 2009.

Al-Jubeir, Ahmed, Saudization of Banking Jobs. Al Riyadh Newspaper, Volume 15224, 2010.

Al Dosari, Adel bin Shaheen, Strategies and Mechanisms of Jobs Localization in the Labor Market, the Second Meeting of employment and Saudization, 29-30 December 2002, Chamber of Commerce of Riyadh.

Fadel, Soloman, The rate of Unemployment in Saudi Arabia Reaches to 65%, Arab Institute for Research and Strategic Studies, 2008.

Al Kess, Raymond, Unemployment Rises to 10.5% in Saudi Arabia, Arabian Business Journal, 2008.

Al-Gosaibi, Ghazi bin Abdul Rahman, Unemployment rate among males and Females, Aswaq Newspaper, 2007.

Al-Haran, Muhammed bin Abdullah, Towards a suggested model for Localization of jobs in Saudi Private Sector (T. Model) the Journal of the University of King Abdel Aziz for economic and management, 2004.

Arabian Business. A study illustrates the Unemployment Percentage in Saudi Arabia According to Some of demographic Variables, Department of Public Statistics in Saudi Arabia, 2008.

Abu, Gahada, Hassan (2005). The Charitable Sector and its Role in Scientific and cultural Development, Journal of Sharia and law, vol 22.

- Omrani, Abdullah (2010). The Role of Charitable Sector in Supporting the Scientific Research, the Wet site of Imam Muhammad bin Saud University.
- Hassan, Nubi Muhammad (2005). Understanding the Charitable Sector and the Architectural Theory. Contemporary Formulation, Awqaf, Volume 8.
- Zatari, Alaeldin (2010). The Economic Role of Waqf, Research to the Project of Supporting the role of Scientists in Development. Blog of D.rAlaEldinZatari.
- Abdullah, Tariq (2005). The support of charitable Sector to the State Budget, methodological Implications and Objective conditions. Awqaf, Volume 8.
- Curve, Munther (2008). The Economic Role from Islamic Perspective. [www.kantakji.com](http://www.kantakji.com).
- Mansour, Salim Hani (2006). The Charitable Sector and its Role in Social Development. Research Presented to the Second conference of Awqaf in Saudi Arabia.
- Alanezi, Abdullah, Jobs Localization and its Impact on the Quest for Talent in the Saudi Banking Industry. BBS Doctoral Symposium. 2009.
- Fakeeh, Manal, Saudization as a Solution for Unemployment: the Case of Jeddah Western Region. University of Glasgow, Business School, May 2009.