



Jordan: Background and U.S. Relations

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Summary

This report provides an overview of Jordanian politics and current issues in U.S.-Jordanian relations. It provides a brief discussion of Jordan's government and economy and of its cooperation in promoting Arab-Israeli peace and other U.S. policy objectives in the Middle East.

Several issues in U.S.-Jordanian relations are likely to figure in decisions by Congress and the Administration on future aid to and cooperation with Jordan. These include the stability of the Jordanian regime, the role of Jordan in the Arab-Israeli peace process, the possibility of U.S.-Jordanian nuclear energy cooperation, and U.S.-Jordanian military and intelligence cooperation.

Although the United States and Jordan have never been linked by a formal treaty, they have cooperated on a number of regional and international issues over the years. The country's small size and lack of major economic resources have made it dependent on aid from Western and friendly Arab sources. U.S. support, in particular, has helped Jordan address serious vulnerabilities, both internal and external. Jordan's geographic position, wedged between Israel, Syria, Iraq, and Saudi Arabia, has made it vulnerable to the strategic designs of its more powerful neighbors, but has also given Jordan an important role as a buffer between these potential adversaries. In 1990, Jordan's unwillingness to join the allied coalition against Iraq disrupted its relations with the United States and the Persian Gulf states; however, relations improved throughout the 1990s as Jordan played an increasing role in the Arab-Israeli peace process and distanced itself from Saddam Hussein's Iraq.

The United States has provided economic and military aid, respectively, to Jordan since 1951 and 1957. Total U.S. aid to Jordan through FY2010 amounted to approximately \$11.8 billion. Levels of aid have fluctuated, increasing in response to threats faced by Jordan and decreasing during periods of political differences or worldwide curbs on aid funding. On September 22, 2008, the U.S. and Jordanian governments reached an agreement whereby the United States will provide a total of \$660 million in annual foreign assistance to Jordan over a five-year period. For FY2011, the Administration is requesting \$682.7 million for Jordan in total military and economic aid.

Contents

Latest Developments	1
Overview	2
Domestic Politics and the Economy	2
The Hashemite Royal Family	3
Parliament, Constitution, and Elections	4
The 1993 Election Law	4
2007 Parliamentary Elections	5
2010 Parliamentary Elections	6
The Jordanian Muslim Brotherhood	7
The Military and Security Establishment	7
Reform	8
The Economy	9
National Budget and Debt	9
Water Shortages	10
Civilian Nuclear Energy Program	10
Current Issues in U.S.-Jordanian Relations	12
Promoting Peace in the Middle East	12
Opposition to Normalization	13
Reviving the Arab-Israeli Peace Process	14
Jordan-Hamas Relations	14
Terrorism	15
Allegations of Torture	17
U.S. Aid, Trade, and Military Cooperation	18
U.S. Foreign Assistance to Jordan	18
The Five-Year Aid Deal	18
Economic Assistance	18
Millennium Challenge Account (MCA)	19
Military Assistance	19
Trade	19
Free Trade Agreement	20
Qualifying Industrial Zones	20
Sweat Shop Allegations	21
Military Cooperation	21
Military Sales	21
Joint Exercises and Training	22
Other Activities	22
Jordan's Role in Afghanistan	23

Figures

Figure 1. Map of Jordan	2
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Tables

Table 1. Recent Foreign Military Sales to Jordan 21
Table 2. Annual U.S. Aid to Jordan Since the 1991 Gulf Crisis 24

Contacts

Author Contact Information 25

Latest Developments

- **Peace Process.** In September 2010, King Abdullah II traveled to Washington, DC, for the launch of U.S.-brokered peace negotiations between the Palestinians and Israel. A month later, the king told Israeli Prime Minister Benjamin Netanyahu that “all unilateral actions that threaten peace, in particular the construction of settlements, must cease.”
- **U.S.-Jordanian Nuclear Cooperation.** In late September 2010, Jordanian officials publicly indicated that a possible compromise U.S.-Jordanian nuclear deal was on the horizon. Reportedly, Jordan has agreed to mine uranium but not enrich it. According to one Jordanian official, “We received a positive gesture from the U.S. administration, and we are hoping to reach a compromise and sign the agreement by the end of this year. . . . Our official strategic plan is not to enrich uranium now, but in the future this may change, so we will not give up our right to do so.”¹
- **Millennium Challenge Account Compact.** In September 2010, the Millennium Challenge Corporation approved a five-year, \$275.1 million compact with the Hashemite Kingdom of Jordan to increase the supply of water available to households and businesses in the cities of Amman and Zarqa. The compact also will help improve the efficiency of water delivery, wastewater collection, and wastewater treatment. If estimates hold true, the clean drinking water generated as a result of the MCC compact may be enough to supply almost 1 million Jordanian citizens with fresh water.
- **Rocket Attack.** In August 2010, several Chinese-made Grad-type rockets fired from Egypt’s Sinai desert struck the Jordanian town of Aqaba, killing a taxi driver and wounding four others. Israel, Egypt, and Jordan all have disagreed over the attack’s perpetrators. Israel and Egypt claim that Hamas may have fired the rocket intending to hit Israel, while Jordan claims that the attackers may have been from a branch of Al Qaeda based in the Gaza Strip.
- **Netanyahu Visit.** In July 2010, Israeli Prime Minister Benjamin Netanyahu made a surprise visit to Jordan for meetings with King Abdullah II. Reportedly, Netanyahu sought Jordanian support for direct Israeli-Palestinian talks, and both sides may have sought to improve relations in what has been a notably tense period. Several months earlier, King Abdullah II had stated in a *Wall Street Journal* article that “for the first time since my father made peace with Israel, our relationship with Israel is at an all bottom low. It hasn’t been as bad as it is today and as tense as it is today.”
- **Reaction to the Flotilla Incident.** The Jordanian government condemned Israel’s May 2010 raid on an aid flotilla attempting to break the Gaza blockade and said it was a “crime and clear violation of international law.” It has called on Israel to lift the Gaza blockade and has sought an investigation of the incident. After the raid, over 120 participants in the flotilla were sent by Israel to Jordan before being repatriated.

¹ “Jordan Sees Nuclear Accord with U.S. by Year-End,” *Reuters*, September 28, 2010.

Overview

Although the United States and Jordan have never been linked by a formal treaty, they have cooperated on a number of regional and international issues for decades. The country's small size and lack of major economic resources have made it dependent on aid from Western and friendly Arab sources. U.S. support, in particular, has helped Jordan deal with serious vulnerabilities, both internal and external. Jordan's geographic position, wedged between Israel, Syria, Iraq, and Saudi Arabia, has made it vulnerable to the strategic designs of its more powerful neighbors, but has also given Jordan an important role as a buffer between these potential adversaries. In 1990, Jordan's unwillingness to join the allied coalition against Iraq disrupted its relations with the United States and the Persian Gulf states; however, relations improved throughout the 1990s as Jordan played an increasing role in the Arab-Israeli peace process and distanced itself from the Iraqi regime of Saddam Hussein.

Figure I. Map of Jordan



Source: Adapted by CRS. (7/16/2006)

Domestic Politics and the Economy

Jordan, created by colonial powers after World War I, initially consisted of desert or semi-desert territory east of the Jordan River, inhabited largely by people of Bedouin tribal background. The establishment of the state of Israel brought large numbers of Palestinian refugees to Jordan, which subsequently annexed a small Palestinian enclave west of the Jordan River. The original "East Bank" Jordanians, though probably no longer a majority in Jordan, remain predominant in the

country's political and military establishments and form the bedrock of support for the Jordanian monarchy. Jordanians of Palestinian origin comprise an estimated 55% to 70% of the population and generally tend to gravitate toward the private sector due to their exclusion from certain public sector and military positions.²

The Hashemite Royal Family

Jordan is a hereditary constitutional monarchy under the prestigious Hashemite family, which claims descent from the Prophet Muhammad. King Abdullah II has ruled the country since 1999, when he succeeded to the throne upon the death of his father, the late King Hussein, after a 47-year reign. Educated largely in Britain and the United States, King Abdullah II had earlier pursued a military career, ultimately serving as commander of Jordan's Special Operations Forces with the rank of Major General. The king's 15-year-old son Prince Hussein is the designated crown prince.³

King Abdullah II (age 48) has won approval for his energetic and hands-on style of governing; however, some Jordanians, notably Palestinians and Islamic fundamentalists, are opposed to his policies of cooperating with the United States on issues such as Iraq and the Arab-Israeli peace process. According to one former Jordanian cabinet official, "He [King Abdullah] talks about information technology and foreign investment, but he doesn't really know his own people."⁴

The king appoints a prime minister to head the government and the Council of Ministers (cabinet). Typically, Jordanian governments last about 1.5 years before they are dissolved by royal decree. This is done in order to bolster the king's reform credentials and to dispense patronage to various elites. The king also appoints all judges and is commander of the armed forces.

Jordan in Brief	
Population:	6,269,285 (2009 est.)
Area:	89,213 sq. km. (34,445 sq. mi., slightly smaller than Indiana)
Ethnic Groups:	Arabs 98%; Circassians 1%; Armenians 1%
Religion:	Sunni Muslim 92%; Christian 6%; small Muslim sects 2% (2001 est.)
Literacy:	89% (male 95%, female 84%) (2003 est.)
GDP:	Per Capita \$5,300 (2009 est.)
Inflation:	1.7% (2009 est.)
Unemployment:	13.5% (official estimate); ca. 30% according to some unofficial estimates (2009 est.)
External Debt:	\$6.7 billion (2009 est.)
Sources:	U.S. Dept. of State; CIA World Factbook; Central Bank of Jordan; other U.S. and Jordanian government departments; The Economist Intelligence Unit (London)

² Speculation over the ratio of East Bankers to Palestinians (those who arrived as refugees and immigrants since 1948) in Jordanian society tends to be a sensitive domestic issue. Jordan last conducted a national census in 2004, and it is unclear whether or not the government maintains such statistics. Over time, intermarriage has made it more difficult to discern distinct differences between the two communities, though divisions do persist.

³ In July 2009, King Abdullah II named his 15-year-old son, Prince Hussein Bin Abdullah, as crown prince. The position had been vacant since 2004, when King Abdullah II removed the title from his half-brother, Prince Hamzah.

⁴ "Jordan's King Risks Shah's Fate, Critics Warn," *Los Angeles Times*, October 1, 2006.

Parliament, Constitution, and Elections

Jordan's bicameral legislature is composed of an elected 110-member lower house and an appointed 55-member upper house.⁵ Building on his father's legacy, King Abdullah II has supported a limited parliamentary democracy, while periodically curtailing dissent when it threatened economic reforms or normalization of relations with Israel. Overall, parliament has limited power. In theory, it can override the veto authority of the king with a two-thirds majority in both the upper and lower houses. A two-thirds majority of the lower house can also dissolve the cabinet with a "no confidence" vote. However, since both houses almost always have solid pro-government majorities, such actions are rarely attempted (once in April 1963). The constitution enables the king to dissolve parliament and postpone lower house elections for two years.⁶ The king also can circumvent parliament through a constitutional mechanism that allows provisional legislation to be issued by the cabinet when parliament is not sitting or has been dissolved. The king also can issue royal decrees, which are not subject to parliamentary scrutiny.

Overall, political parties in Jordan are extremely weak, as the moderately fundamentalist Islamic Action Front (IAF) is the only well-organized movement. Most parties represent narrow parochial interests and are composed of prominent individuals representing a particular family or tribe. There are approximately 36 small parties in Jordan, consisting of an estimated 4,100 total members.⁷

The 1993 Election Law

The opposition in Jordan routinely criticizes the law governing national elections. After Islamists made gains in the 1989 parliamentary elections, the government changed⁸ the rules to a "one man, one vote" system that gives citizens one vote regardless of how many parliamentary seats represent their district.⁹ When forced to choose just one representative, voters have typically chosen candidates based on familial or tribal ties—not on ideology. Reformers would like to see a mixed election system that provides for some proportional representation and allows parties to field lists of candidates. In addition, many reformers have called for changes to Jordan's electoral map, asserting that the government gerrymandered voting districts to favor candidates from rural tribal strongholds over urban areas where Islamists typically have more support.¹⁰

⁵ During the late 1970s and early 1980s, the parliament was suspended and legislative powers reverted to the government.

⁶ The king also is allowed to declare martial law and suspend the provisions of the constitution. See United Nations Development Program (UNDP), Programme on Governance in the Arab Region (POGAR), Historical Background of Jordan's Constitution, available online at <http://www.undp-pogar.org/countries/constitution.asp?cid=7>.

⁷ CRS interview with Jordanian lawmakers, May 2006.

⁸ The 1993 law was adopted during a period when parliament was suspended. It has never received the formal approval of parliament, raising questions over its constitutional legitimacy.

⁹ Under Jordan's system, electoral districts return several members to parliament, but a voter may vote for only one candidate. Seats are then awarded to as many of the highest-polling individual candidates as there are seats allocated to that district.

¹⁰ According to one study of Jordan's election law, "It is no coincidence that under-represented urban governorates have a large population of Palestinian origin, and that over-represented largely rural governorates are considered mainstays of support for the regime." See, David M. DeBartolo, "Jordan: Attention Turns to Electoral Law," *Arab Reform Bulletin*, published by the Carnegie Endowment for International Peace, Volume 5, Issue 3, April 2007. In Amman, each legislator represents about 95,000 people. In certain rural provinces, a legislator represents as few as 2,000 individuals.

2007 Parliamentary Elections

On November 20, 2007, approximately 989 candidates vied for 110 seats in the Chamber of Deputies, parliament's lower house. Pro-government candidates won an overwhelming majority while the IAF secured just 6 seats (it only fielded 22 candidates), down from 17 in the 2003 election. The official turnout rate was 54%,¹¹ though the opposition believes that voter registration rolls were manipulated, ballots were stuffed, and vote buying was rampant. According to one anonymous voter, "I gave my vote in exchange for JD10 [\$14 est.]. I voted and all my sisters did and we went back home with JD40 [\$56] in total."¹² Jordanian authorities did arrest several individuals accused of vote buying. The authorities prohibited non-governmental organizations from monitoring the election.

In the months prior to the election, the IAF had announced that, despite any significant changes to the electoral law, it would participate in the November election. When asked why the IAF has decided to participate after boycotting the July municipal elections,¹³ one spokesman remarked that "the party that boycotts loses an important forum. The Islamists want to have the important forum which parliament provides." Reportedly, the IAF decided to participate after the prime minister pledged to hold a clean election in exchange for the Islamists limiting the number of candidates they would field. Other reports suggest that some prominent IAF members wanted to boycott the election, but were overruled by pro-government moderates.

Approximately 199 female candidates ran in November; seven won. Under a quota system,¹⁴ six seats are reserved for women, nine for Christians, and three for the Circassian and Chechen minorities.¹⁵ Only one woman, a dentist named Falak al-Jamaani, won outside the six-seat quota system. Al-Jamaani is an incumbent lawmaker who won a quota seat in the 2003 polls. Tujan Faisal, Jordan's first female member of parliament (served from 1993 to 1997), had her candidacy rejected by the government due to a 2002 military court conviction in which the government accused her of slandering Jordan's image and accusing officials of corruption. Although King Abdullah II pardoned Faisal, a vocal critic of the royal family, her previous conviction was used to justify the rejection of her candidacy. Faisal responded by saying, "They do not want lawmakers who enjoy popularity and fight corruption in Jordan. They want pro-government legislators. The authorities are ready to do anything to prevent me from running in the elections."¹⁶

¹¹ A 51% minimum turnout is required for a legal parliamentary election in Jordan.

¹² "Disproportionate Democracy," *Al-Ahram Weekly*, 22-28 November 2007, Issue No. 872.

¹³ The July municipal elections marked the first time that voters elected all municipal council members (half of whom were previously selected by the king), with the exception of the capital Amman, where all were elected and support for the IAF is particularly strong. The IAF seemed poised to participate in the election only to withdraw hours before the polls opened.

¹⁴ A six-seat quota for women was established prior to the 2003 parliamentary election. According to Jordanian officials, women comprise only 4% of cabinet ministers and 7% each in upper and lower house. In addition, women make up only 14% of the labor market. However, Jordan now has 48 female judges compared to none in 1996.

¹⁵ In the 2003 election, not a single female candidate won outside of the quota system.

¹⁶ "Jordan's First Woman MP Barred from Seeking Re-election," *Agence France Presse*, October 23, 2007.

2010 Parliamentary Elections

In late 2009, King Abdullah II dissolved parliament two years before scheduled parliamentary elections. A month later, he appointed 43-year-old Samir al Rifai as the new prime minister. Shortly thereafter, Al Rifai formed a new cabinet, and the king instructed Rifai to implement economic reforms, hold new parliamentary elections in 2010 under a new election law, and clamp down on corruption.

In May 2010, the king passed by royal decree (with cabinet approval) a new temporary electoral law to govern parliamentary elections set for November 9, 2010. The law makes minor modifications to the 1993 electoral law without addressing the fundamental grievances of opposition critics, who charge that the old and new laws both favor rural, pro-royal constituencies over urban, Islamist-leaning areas. The Jordanian Muslim Brotherhood's political party, the Islamic Action Front (IAF), has threatened to boycott the elections.

The new law raises the number of lower house seats from 110 to 120. Of the 10 new seats, six are allocated for women under the existing quota system (raising the number of quota seats from 6 to 12), and the remaining four are distributed to districts representing the cities of Amman, Zarqa, and Irbid. The government claims that by adding seats to underrepresented urban areas, it is responding to calls for reform. The government also claims that the new law stiffens penalties for election-related violations, such as using money to influence voting.

The new electoral law preserves the "one-man, one-vote system." It also creates 45 electoral zones, which in turn contain a total of 108 sub-districts, with each sub-district sitting one member of parliament. The remaining 12 seats are set aside for the women's quota. Voters are registered in the larger electoral zone and may vote for only one candidate in the given sub-district of their choice. Candidates must choose to run in one sub-district.

According to one analysis of the new law, "with smaller sub-districts, candidates will now rely more on their tribal affiliations and campaign among a smaller pool of core familial voters than before."¹⁷ Another expert asserts that "The new system also opens the possibility that a loser in one sub-district may have won more votes than the winner in another sub-district. This oddity of Jordan's new system means that a given electoral district might be represented in Parliament by one or more politicians who were not among the top vote-getters in the district."¹⁸

Most foreign observers of Jordanian domestic politics believe that internal fissures over what constitutes Jordan's national identity is the main factor inhibiting democracy there. In this context, the ruling Hashemite family and its allies of East Bank tribal elites are unwilling to cede power to Jordanians of Palestinian origin, some of whom fill the ranks of the Muslim Brotherhood. At the same time, fears of Palestinians in the West Bank being pushed into Jordan as the result of a failed peace process drive the government's inability to open up the political system. According to Jordan expert Professor Curtis Ryan:

The 2010 elections will be contested in a way that, despite the minor reforms, should minimize the development of political parties and encourage localized rather than national voting. It should also ensure a parliament that is once again largely elected based on tribal

¹⁷ See, Dima Toukan Tabbaa, "Jordan's New Electoral Law Disappoints Reformers," *Arab Reform Bulletin*, June 22, 2010.

¹⁸ Jillian Schwedler, "Jordan's Risky Business As Usual," *Middle East Report Online*, June 30, 2010.

linkages, far outweighing whatever strength the democratic opposition is able to muster . . . The battle over the new election law, like so much in Jordanian politics, is permeated by the demographic and political battles over the role of its citizens of Palestinian origin and the prospects of an eventual Palestinian state.¹⁹

The Jordanian Muslim Brotherhood

The Jordanian Muslim Brotherhood has long been integrated into the political mainstream due to its acceptance of the legitimacy of Hashemite monarchy, although relations between the Brotherhood and the palace have fluctuated over the years. The Brotherhood presence in Jordan dates back to the 1930s, as it has been tacitly recognized first as a charitable organization and later as a quasi-political organization, which has openly fielded candidates in parliamentary elections albeit under a different name (Islamic Action Front, IAF). The relationship between the Brotherhood and the palace has been mutually beneficial over the years. Successive Jordanian monarchs have found that the Brotherhood has been more useful politically as an ally than as an opponent (as opposed to the Brotherhood in Egypt), as it secured Islamist support in countering Arab nationalist interference during the 1950's and 1960's and secular Palestinian nationalism in the 1970s. The Brotherhood's educational, social, and health services have grown so extensive over the years that some experts believe that the Brotherhood's budget for services rivals that of the Jordanian government.

Like other Islamist parties in the region, the Islamic Action Front, the Muslim Brotherhood's political wing, operates in a tight political space, wedged between a government which seeks to limit its influence and a disillusioned constituency impatient for reform. In Jordan's poorer neighborhoods, the Brotherhood uses its social services to attract support, though it must compete with the growing allure of militant Islam, emanating both from within Jordan and from neighboring Iraq. The IAF markets itself as beyond the culture of corruption found in Jordanian politics, and while this message may resonate with the average supporter, it is unclear what the party's platform is aside from its slogan of "Islam is the solution."

With the government seeking to limit its activities and having performed poorly in the 2007 parliamentary elections, the Brotherhood reorganized in 2008 and internally elected Dr. Hamam Said (alternate spellings: Himman Said/Hammam Sa'id /Hamam Sa'id/Hammam Saaed) as the movement's new general guide. Press reports have described the leader as a "hawk," stressing his Palestinian origins and possible ties to Hamas.

The Military and Security Establishment

Many tribal East Bank Jordanians or their descendants form the backbone of Jordan's armed forces and internal security establishment. Most observers agree that with the possible exception of Syria, Jordan faces few conventional threats from its neighbors and that the greatest threats to its security are internal and asymmetrical. In general, counter-terrorism and homeland security policies are carried out by a number of institutions, most notably the security services under direct palace control, the military, and the Interior Ministry. The General Intelligence Directorate (GID) reports directly to King Abdullah II and is responsible for both covert operations abroad and internal security. The military's elite special forces units also are directly involved in countering

¹⁹ "Jordan's New Electoral Law and Its Implications," *ForeignPolicy.com*, May 24, 2010.

threats to internal security and were reportedly used to thwart a chemical weapons plot in April 2004. The Interior Ministry controls all civilian police forces and civil defense units through a branch agency known as the Public Security Directorate (PSD).

Reform

The reform process in Jordan largely comes from the top down, as King Abdullah II has worked hard at cultivating a progressive image for both himself and the government.²⁰ The latest government plan focuses on a “decentralization strategy” that is designed to divide Jordan into three main administrative districts and divest more authority to locally elected councils. Nevertheless, the pace of reforms, particularly democratic reform, remains slow by Western standards; for every step forward on issues such as women’s rights, economic liberalization, and education, there is backsliding on press freedoms and institutional reforms.²¹ For example, in 2008 the parliament passed *The Law on Societies 2008*, which provides the Ministry of Social Development with vast powers to regulate local non-governmental organizations (NGOs) and restricts their ability to receive foreign funding. According to Sarah Leah Whitson, Middle East director at Human Rights Watch, the law shows “Jordan’s intolerance for critical debate in a democracy.... Jordan is trying to put a legal veneer on its efforts to stifle civil society.”²²

Jordanian officials have been adamant in insisting that they be allowed to institute social changes at their own pace, asserting that society has changed dramatically over the past century from a desert tribal society into a modern nation state. The Jordanian government believes that some portions of its population are suspicious of U.S. intentions in the region and that local leaders would consider some U.S. democratic reform proposals to be antithetical to Jordan’s conservative Islamic and tribal social culture.

Overall, analysts have widely documented a culture of political apathy in Jordan, where citizens are angry over corruption, unemployment, and rising inflation, but are largely complacent when it comes to taking political action. According to one observer:

Most Jordanians accept this system, or at least do not actively resist or challenge it. The vital democratic principle of “the consent of the governed” has been adjusted to “the acquiescence of the governed,” who do not take political governance too seriously because they appreciate what the system offers them in comparison with many other Arab countries. The system shuns severe abuses of citizen rights and human dignity—no mass graves have ever been found in Jordan, nobody disappears forever in the middle of the night. Unable to shape policy, citizens instead value stability—the opportunity to raise their children in safety, travel freely, work in any field they wish, educate themselves profusely, and be afforded a chance to improve their position in life.²³

In October 2009, the International Republican Institute (IRI) released the results of its seventh national poll. Among its findings, the poll indicated that Jordanians believe the issue of rising

²⁰ Over the years, the state has launched a number of reform programs including, “Jordan First” (October 2002), “Education Reform for a Knowledge-based Economy” (2003), and “The National Agenda” (2006).

²¹ In 2010, Freedom House downgraded Jordan’s status from “Partly Free” to “Not Free” due to “King Abdullah’s dismissal of the parliament and his announcement that elections would not be held until the end of 2010, as well as the security forces’ increased influence over political life.”

²² Human Rights Watch, *Jordan: Scrap New Laws That Stifle Democracy*, June 30, 2008.

²³ Rami G. Khouri, “Jordan’s Benign, Stable Authoritarianism,” *Daily Star* (Beirut), December 12, 2007.

prices/rising cost of living is the most important problem facing the country followed distantly by unemployment. In addition, Jordanians express very low satisfaction rates across an array of quality of life indicators, such as standard of living, jobs, future financial security, their children's future, and the state of the nation.²⁴ Another poll conducted by Jordan University's Strategic Studies Center revealed that, among other things, three-quarters of all respondents feared criticizing the government openly.²⁵

The Economy

With few natural resources²⁶ and a small industrial base, Jordan has an economy which is heavily dependent on external aid from abroad, tourism, expatriate worker remittances,²⁷ and the service sector. Among the long-standing problems Jordan faces are poverty (15%-30%), corruption, slow economic growth, and high levels of unemployment, nominally around 13% but thought by many analysts to be in the 25%-30% range.²⁸ Corruption is particularly pronounced in Jordan. Use of intermediaries, referred to in Arabic as "Wasta" (connections), is widespread, and many young Jordanians have grown frustrated by the lack of social and economic mobility that corruption engenders. Each year, thousands of Jordanians go abroad in search of better jobs and opportunities. Like many poor countries, Jordan suffers from a "brain drain" of its most talented workers, and the government has struggled to develop incentives to keep its well-educated, highly skilled workers close to home. The government is by far the largest employer with between one-third and two-thirds of all workers on the state's payroll.

National Budget and Debt

Jordan routinely runs budget deficits and relies upon foreign loans and grants to finance domestic spending. Energy imports are a major drain on the country's budget. In 2008, the government spent an estimated \$3.5 billion importing oil, gas, and electricity, equivalent to well over 25% of the national budget. U.S. economic assistance and cash grants from other donors help to reduce annual budget deficits. In 2009, Jordan received a total of \$1.37 billion in international foreign grants and loans, which is less than what it has received in previous years. Overall, Jordan's public debt was \$13.6 billion in 2009, an estimated 64% of GDP.

²⁴ The full results of the poll are available online at: <http://www.iri.org/news-events-press-center/news/iri-poll-low-approval-ratings-government-and-parliament-significant-pu>

²⁵ Open Source Center, "Jordan: Opinion Poll Finds 74% of People Fear Criticizing Government Openly," *Al-Ghadd*, December 29, 2009, GMP20091229700007.

²⁶ Jordan possesses substantial reserves of phosphates and potash. No significant oil and gas fields have been discovered. However, Jordan has one of world's largest reserves of oil shale. Officials estimate that the country contains the world's fourth-largest oil shale reserves. In 2006, Shell signed an oil shale exploration agreement with the Jordanian government. See, "Amman Unlocks Energy Potential," *Middle East Economic Digest*, August 7, 2009.

²⁷ It is estimated that up to 20% of GDP comes from remittances. Nearly 10% of Jordan's population (600,000 est.) reside and work in Arab Gulf countries.

²⁸ One factor that exacerbates the unemployment situation in Jordan is the social stigma attached to menial labor jobs. Referred to as the "culture of shame," Jordanian tribal traditions look down on certain types of employment such as construction. In fact, the government estimates that there are approximately 300,000 to 400,000 foreign laborers in Jordan working as domestic laborers, bricklayers, and other tasks.

Water Shortages

Jordan is one of the 10 most water-deprived countries in the world and is in constant search of new water resources. Most of the country's drinking water is secured from underground wells, and excessive pumping over decades has led water levels to drop precipitously. The agricultural sector uses an estimated 60% to 70% of all water resources, but only accounts for about 3% of GDP. A series of recent droughts has exacerbated existing shortages, and experts have warned that the kingdom's overall water situation is deteriorating.

In addition, the Dead Sea, which abuts both Jordan and Israel, is losing water at an estimated three feet per year, and some scientists suggest that without significant action it will be gone by 2050. Jordan has been exploring new water development projects, including the feasibility of pumping water from the Red Sea, desalinating it, and then transferring it down to the Dead Sea. This project, referred to as the Red-Dead Canal, is being studied by the government and international lenders. For more information on the project, see CRS Report RS22876, *The "Red-Dead" Canal: Israeli-Arab Efforts to Restore the Dead Sea*, by Jeremy M. Sharp.

Civilian Nuclear Energy Program

In order to address chronic water and energy shortages, Jordan needs energy-intensive desalination plants and the electric power to fuel them. For the past three years, the kingdom has moved ahead with plans to develop a domestic civilian nuclear energy program. In a January 2007 interview with an Israeli newspaper, King Abdullah II announced his country's plans to construct a nuclear-powered reactor for peaceful purposes. Most analysts believe that Jordan, like other Arab countries, is using the specter of a looming Iranian nuclear threat to generate international support for a nuclear program which, in Jordan's case, will mainly alleviate electricity and fuel shortages needed to power new desalination plants. Between 2017 and 2030, the government aims to have between 20% and 30% of its annual electricity generated by nuclear power. Nonetheless, financing a nuclear program may be cost prohibitive without significant international support. In September 2007 at a nuclear energy summit in Vienna, Austria, the United States and Jordan signed a memorandum of understanding outlining potential U.S.-Jordanian cooperation on developing requirements for appropriate power reactors, fuel service arrangements, civilian training, nuclear safety, and energy technology. In 2008, the United States agreed to supply Jordan with radiation monitors at the kingdom's border crossings to foil any illegal trafficking of nuclear materials.

To date, Jordan has made substantial progress in securing international private sector and governmental support for its nuclear plans. In 2008, the Jordan Atomic Energy Commission (JAEC) signed a uranium²⁹ exploration agreement with the French company Areva for joint exploration of uranium in central Jordan. Several months later, JAEC signed a memorandum of understanding (MoU) covering exploration and mining of uranium and other ores with British-Australian mining company Rio Tinto. In 2009, Jordan signed a \$173 million deal³⁰ with the state-run South Korean Atomic Energy Research Institute and Daewoo Engineering and Construction Co. to construct a 5-megawatt nuclear reactor at the Jordan University for Sciences and Technology near the northern city of Irbid. The reactor facility will be used to train Jordanian

²⁹ Jordan accounts for 2% of the world's uranium reserves.

³⁰ According to various Jordanian reports, Jordan will contribute \$60 million toward the overall cost of the reactor with the rest made up by a South Korean government loan.

staff. Also in 2009, Jordan signed another agreement with Areva granting the French company the exclusive right to extract and mine uranium in central Jordan.

There are still a number of obstacles to clear before Jordan can begin construction on any large-scale reactor, including determining its location, its cost, and what role, if any, the United States may play in providing technical assistance. Jordan's coastline may be too small for a reactor facility and any attempt to place it further inland may have to contend with the challenge of piping and pumping water uphill to a power plant. Some Israeli officials are concerned that a potential Jordanian nuclear power plant could be built too close to the Dead Sea Rift, an area prone to earthquakes. Israeli officials assert that an earthquake could cause radioactive leaks that could then damage the nearby Israeli city Eilat. They have asked the Jordanian government to locate any reactor in a more geologically stable location, such as the cliffs above the coastal southern city of Aqaba.³¹ Financing Jordan's ambitious program also is a major obstacle, as estimates run into the billions of dollars. To date, four companies are in competition to build the main reactor. They include Korea Electric Power Corporation (KEPCO), the prime contractor for the United Arab Emirates; Areva, the French company; Atomic Energy of Canada; and AtomStroyExport of Russia.

U.S.-Jordanian Nuclear Cooperation: Negotiations over a 123 Agreement

The United States is a major political and financial supporter of the Jordanian government, and Jordan is intent on securing U.S. technical and financial backing of its nascent nuclear project. However, both sides are currently at odds over Jordan's desire to maintain its right to enrich its own domestically mined uranium, one of the rare natural resources found in the kingdom. The process of uranium ore enrichment for fuel also can be used to produce weapons-grade materials. As such, the Obama Administration has continued the Bush Administration approach of seeking to limit the adoption of uranium enrichment technology among other countries in order to limit the potential spread of expertise or materials that could be used to build nuclear weapons. On the other hand, the Jordanian government insists it has a right to enrich its own domestic uranium resources and officials have pledged to send uranium-ore deposits abroad for processing into nuclear fuels.

By law, all U.S. nuclear cooperation with foreign countries requires, under Section 123 of the Atomic Energy Act of 1954, a peaceful nuclear cooperation agreement. Once an agreement is signed, Jordan would be eligible to receive U.S. nuclear equipment, fuel, and expertise. However, the U.S. government would like Jordan to sign a 123 agreement that closely resembles its 2009 agreement with the United Arab Emirates (UAE) that, among many other provisions, stated:

The UAE "shall not possess sensitive nuclear facilities within its territory or otherwise engage in activities within its territory for, or relating to, the enrichment or reprocessing of material, or for the alternation in form or content (except by irradiation or further irradiation or, if agreed by the Parties, post-irradiation examination) of plutonium, uranium 233, high enriched uranium, or irradiated source or special fissionable material."³²

³¹ Open Source Center, "Israeli Officials Fear Jordanian Nuclear Plant on Earthquake-Prone Dead Sea Rift," *Yedi'ot Aharonot (in Hebrew)*, October 1, 2009, Document ID# GMP20091001735011.

³² CRS Report R40344, *The United Arab Emirates Nuclear Program and Proposed U.S. Nuclear Cooperation*, by Christopher M. Blanchard and Paul K. Kerr

In April 2010, Chairman of the Jordanian Atomic Energy Commission Khalid Touqan said that “Jordan upholds its right to enrich uranium under the accords of the Nuclear Non-Proliferation Treaty and the supervision of the International Atomic Energy Agency.”³³ Jordan signed the Non-Proliferation Treaty in 1968 and ratified an Additional Protocol with the International Atomic Energy Agency (IAEA) in 1998. According to one report, the Obama Administration is seeking guarantees that Jordan won't enrich uranium domestically, fearing that the UAE, under the terms of its deal, could demand a renegotiation if another Middle Eastern country secures an agreement with the United States under more favorable terms.³⁴

For months, U.S.-Jordanian negotiations have remained at an impasse. According to one anonymous U.S. source, “Although there is increased understanding of our view, the gap remains wide, but we are in ongoing talks. We still have a long way ahead of us before reaching an accord.” In an interview with the *Wall Street Journal*, King Abdullah II blamed Israel for lobbying against any U.S.-Jordanian nuclear deal, saying that “there are countries, Israel in particular, that are more worried about us being economically independent than the issue of nuclear energy, and have been voicing their concerns.... There are many such reactors in the world and a lot more coming, so [the Israelis must] go mind their own business.”

However, in late 2010 Jordanian officials appeared more optimistic about a possible compromise solution. During a one-day visit to Jordan in September 2010, Secretary of State Hillary Rodham Clinton held a press conference with Foreign Minister Nasser Judeh. During the proceedings, the foreign minister hinted at a possible U.S.-Jordanian compromise when he remarked:

On bilateral relations, I would like to say that this strategic relationship between us gets stronger by the day. We thank the United States for its support for Jordan on all levels. In my most recent meeting with the Secretary in Washington a couple of weeks ago, or just under a couple of weeks ago, we made serious headway on a range of issues. Particularly, I mentioned the nuclear cooperation agreement which is under discussion and hopefully nearing the end of that discussion, and we thank the United States for its strong and firm support for Jordan on that front.³⁵

Current Issues in U.S.-Jordanian Relations

Promoting Peace in the Middle East

Finding a peaceful solution to the Israeli-Palestinian conflict is the utmost priority of the Jordanian government. Although Jordan joined other neighboring Arab states in a series of military conflicts against Israel between 1948 and 1973, the late King Hussein (ruled 1952-1999) ultimately concluded that peace with Israel was in Jordan's strategic interests due to Israel's conventional military superiority, the development of an independent Palestinian national movement that threatened both Jordanian and Israeli security, and Jordan's support for Saddam

³³ Open Source Center, "Jordan Atomic Energy Official Cited on Nuclear Program; Fear of US 'Terms' Noted," *Al Jazirah.net*, April 1, 2010, GMP20100402676001.

³⁴ "Jordan and U.S. Move Closer to Nuclear Pact," *Wall Street Journal*, February 10, 2010.

³⁵ U.S. Department of State, "Remarks With Jordanian Foreign Minister Nasser Judeh," Hillary Rodham Clinton, Secretary of State, Marka Airbase, Amman, Jordan, September 16, 2010.

Hussein in the first Gulf War, which isolated it from the West.³⁶ Consequently, in 1994 Jordan and Israel signed a peace treaty,³⁷ and King Abdullah II has used his country's semi-cordial official relationship with Israel to improve Jordan's standing with Western governments and international financial institutions, on which it relies heavily for external support and aid.

Nevertheless, the continuation of conflict continues to be a major obstacle to Jordan's development. The issue of Palestinian rights resonates with much of the population, as more than half of all Jordanian citizens originate from either the West Bank or the pre-1967 borders of Israel. There are an estimated 1.9 million United Nations-registered Palestinian refugees in Jordan, and, while many no longer regard their stay in Jordan as temporary, they have retained their refugee status both as a symbolic sign of support for Palestinians living under Israeli occupation and in hope of being included in any future settlement.³⁸ Furthermore, for King Abdullah II and the royal Hashemite family, who are of Arab Bedouin descent and rely politically on the support of East Bank tribal families, finding a solution to the conflict is considered a matter of political survival since the government cannot afford to ignore an issue of critical importance to a majority of its citizens. The royal family and their tribal constituents vehemently reject periodic Israeli calls for the reunification of the West Bank with Jordan proper (dubbed the "Jordanian Option"), a maneuver that could inevitably alter the political status quo in Jordan. Like his father before him, King Abdullah II has repeated the mantra that "Jordan is Jordan and Palestine is Palestine."

Opposition to Normalization

King Abdullah's efforts to normalize relations with Israel have faced significant resistance within Jordan, particularly among Islamic fundamentalist groups, parts of the Palestinian community, and influential trade and professional organizations. Among many mainstream Jordanians, there is some disappointment that peace with Israel has not brought more tangible economic benefits to them so far. Opponents of normalization have repeatedly called on Jordanians to boycott contacts with Israel, and activists among them have compiled "black lists" of Jordanian individuals and companies that deal with Israel. The Jordanian government has arrested organizers of these lists, but courts have upheld their right to publish them. In addition, IAF parliamentarians periodically propose legislation to prohibit cooperation with Israel in various sectors. The IAF also has proposed legislation to abrogate Jordan's 1994 peace treaty with Israel.

³⁶ In 1991, Congress suspended the delivery of U.S. economic and military aid to Jordan. See Section 502 of P.L. 102-27, the Dire Emergency Supplemental Appropriations for Consequences of Operation Desert Shield/Desert Storm, Food Stamps, Unemployment Compensation Administration, Veterans Compensation and Pensions, and Urgent Needs for the Fiscal Year Ending September 30, 1991 and For Other Purposes.

³⁷ Jordan and Israel signed a peace treaty on October 26, 1994. Later, the two countries exchanged ambassadors; Israel returned approximately 131 square miles of territory near the Rift Valley to Jordan; the parliament repealed laws banning contacts with Israel; and the two countries signed a number of bilateral agreements between 1994 and 1996 to normalize economic and cultural links. Water sharing, a recurring problem, was partially resolved in May 1997 when the two countries reached an interim arrangement under which Israel began pumping 72,000 cubic meters of water from Lake Tiberias (the Sea of Galilee) to Jordan per day (equivalent to 26.3 million cubic meters per year—a little over half the target amount envisioned in an annex to the peace treaty).

³⁸ The United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) maintains a large presence in Jordan. UNRWA has 7,000 staff in Jordan, comprising mostly teachers, doctors, and engineers. It operates 174 schools in Jordan (providing education through 10th grade, then the remainder provided by government). According to UNRWA officials, their budget is \$104 million a year. At this point, 83% of all U.N.-registered refugees live outside of UNRWA camps.

Reviving the Arab-Israeli Peace Process

For nearly a decade, King Abdullah II has attempted to convince U.S. policy makers and Congress to become more actively involved in mediating between Israelis and Palestinians. King Abdullah II is a strong supporter of a Saudi initiative, dubbed the “Arab Peace Initiative,” which calls for Israel’s full withdrawal from all occupied territories and the establishment of a Palestinian state in the West Bank and Gaza Strip in exchange for full normalization of relations with all Arab states in the region. In a March 2007 address to a joint session of Congress, King Abdullah II pleaded for U.S. leadership in the peace process, which he called the “core issue in the Middle East.” He suggested that the Arab Peace Initiative is a path to achieve a collective peace treaty. Jordanian officials also have repeatedly condemned Israeli settlement activities in the West Bank, especially in Jerusalem, claiming that they violate international law and heighten tensions in the region.

Jordan-Hamas Relations

For two decades, Jordan has had an on-again, off-again relationship with Hamas, the Palestinian militant group and U.S. State Department-designated Foreign Terrorist Organization (FTO). Throughout the 1990s, the late King Hussein tolerated a Hamas presence in his kingdom.³⁹ Upon his accession to the throne in 1999, King Abdullah II, perhaps realizing that Jordan’s relationship with Hamas was a political liability, reversed his late father’s long-standing policy of tolerating Hamas and closed its Jordan offices permanently.

Since then, Jordan has been a strong backer of Palestinian moderates (such as the Fatah party) loyal to President Mahmoud Abbas and has been determined to bolster the capacity of the Palestinian Authority (PA) in the West Bank in order to prevent Hamas from gaining strength there. Jordan has provided training for several battalions of U.S.-screened Palestinian recruits to serve in an overhauled Palestinian Authority National Security Force.⁴⁰ The training is conducted by Jordanian police at the Jordanian International Police Training Center near Amman.

Toward the end of 2008, perhaps in order to hedge against the prospect of yet another round of failed Israeli-Palestinian peace negotiations, Jordan opened a dialogue with Hamas officials. Led by General Muhammad Dahabi, Jordan reportedly discussed “political and security issues” with their Hamas counterparts (Muhammad Nazzal). Most analysts interpreted this limited engagement as a pragmatic Jordanian maneuver designed to open channels of communication with an emboldened Hamas now in firm control of the Gaza Strip. Jordan may have sought a pledge from Hamas not to interfere in Jordanian domestic politics. According to one observer, “Hamas wants to talk with Jordan and Jordan wants to listen to what Hamas has to say. And it is in Jordan’s interest today to communicate with all and sundry—north, south, east, and west,

³⁹ In 1997, Israeli agents disguised as Canadian tourists attempted to poison Khaled Meshal, head of the Hamas political bureau and one of its founding members. The agents were captured by Jordanian authorities, and Israel was forced to release a number of high profile Hamas members in order to secure the return of their operatives. King Hussein had reportedly threatened to abrogate the Israel-Jordan 1994 peace treaty if Israel failed to provide an antidote and release other Hamas prisoners.

⁴⁰ “Palestinian Forces Enter Jordan for Training Under U.S. Program,” *Ha’aretz*, January 24, 2008 and “500 Palestinian Security Force Members Head to Jordan for U.S.-funded Training,” *Ha’aretz*, September 18, 2008. Jordan has helped train 3,000 Palestinian cadets at the U.S.-funded Jordan International Police Training Center (JIPTC).

without changing the underlying fundamentals of its policies, instead of concentrating on an alliance with only two states, the United States and Israel.”⁴¹

Since the 2006 Hamas victory in Palestinian Authority legislative elections, the Jordanian government has been placed in a difficult position. Much of its citizenry sympathizes with Hamas, and Jordan’s own Islamist party, the Islamic Action Front (IAF), reportedly maintains close ties to Hamas. The IAF has been careful to downplay these ties and, in August 2009, three high-ranking moderate Brotherhood figures resigned from the group’s leadership bureau in protest over Hamas-Jordanian Brotherhood ties. According to one IAF statement, “Abbas is the legitimate Palestinian president and Hamas’s battle should be with the Zionist enemy, not other Palestinians, so we ask them to return to a policy of dialogue and to restore the institutions in Gaza.”⁴² Some critics of King Abdullah II assert that the Hamas threat to Jordan is a specter used by the royal family to consolidate its rule and repress potential opposition.

Terrorism

Jordan is a key partner in fighting international Islamic terrorist groups, as its main intelligence organization, the General Intelligence Directorate (GID), is considered one of the most effective organizations in the region at infiltrating Jihadist networks.⁴³ Jordanian intelligence reportedly played a role in assisting U.S. forces in killing Abu Musab al Zarqawi, the fugitive Jordanian terrorist mastermind who headed the Al Qaeda in Iraq organization until his death in June 2006. Zarqawi hailed from the industrial town of Zarqa, several miles northeast of Amman, which is known as a source of Sunni militancy, as dozens of its young men have traveled to Iraq to die as suicide bombers. According to one Islamist community leader in Zarqa, “Most of the young people here in Zarqa are very religious.... And when they see the news and what is going on in the Islamic countries, they themselves feel that they have to go to fight jihad. Today, you don’t need anyone to tell the young men that they should go to jihad. They themselves want to be martyrs.”

Jordan’s cooperative relationship with the United States has made it vulnerable to terrorist attacks, particularly from organizations operating from Iraq. On November 9, 2005, near simultaneous explosions at three Western-owned hotels in Amman (the Radisson, Grand Hyatt, and Days Inn) killed 58 persons and seriously wounded approximately 100 others. The terrorist organization Al Qaeda in Iraq, formerly headed by Zarqawi, claimed responsibility for the act. Many Jordanians, even some who disagree with their government’s support for U.S. Middle East policies, have condemned the hotel bombings, which killed many Jordanians, and denounced Zarqawi’s actions. King Abdullah II has said the attacks were aimed at ordinary Jordanians, not foreigners, noting that the hotels, though Western owned, were frequented by local citizens. On November 15, 2005, Jordan’s minister of the interior announced new security regulations

⁴¹ “Report on Jordan-Hamas Talks,” *Al-Hayat* (London), accessed via Open Source Center, Document ID# GMP20080817837001, August 17, 2008.

⁴² “Egypt and Jordan Quietly Back Abbas, Too,” *Christian Science Monitor*, June 20, 2007.

⁴³ For years, some experts have speculated that Central Intelligence Agency (CIA) support to the GID has been substantial. One expert wrote that “the agency created a Jordanian intelligence service, which lives today as its liaison to much of the Arab world.” See, Tim Weiner, *Legacy of Ashes*, New York, Anchor Books, 2008. In addition, there is a long history of U.S.-Jordanian intelligence cooperation. According to *Jane’s Intelligence Digest*, the GID collaborated with the U.S. Central Intelligence Agency in the early 1980s to disrupt the Abu Nidal organization and in 1999 was instrumental in foiling Al-Qaeda’s ‘millennium plot.’ It also may have been responsible for foiling planned bombings of the US, Jordanian and British embassies in Beirut in 2001 as well as the US embassy in Amman in 2004. See, “Jordanian-US intelligence co-operation: Iraq and beyond,” *Jane’s Intelligence Digest*, November 9, 2007.

designed to keep foreign militants from operating covertly in Jordan, including a requirement for Jordanians to notify authorities within 48 hours of renting an apartment or a house to foreigners.

Other terrorist activity in Jordan includes the following:

- On October 28, 2002, Lawrence Foley, a U.S. diplomat assigned to the U.S. Agency for International Development (USAID) program in Jordan, was shot and killed by an unknown assailant as Foley was leaving for work from his residence. A Jordanian military court convicted and sentenced to death eight Islamic militants linked to Al Qaeda and presumably involved in the Foley murder; the court sentenced two others to jail terms and acquitted one defendant. Six of the eight sentenced to death were tried *in absentia*, including Zarqawi, and two more were executed on March 11, 2006.
- In April 2004, Jordanian authorities reportedly uncovered a plot by a terrorist cell linked to Zarqawi which planned to launch a chemical attack in the Jordanian capital of Amman. According to press reports, in January 2004, one of the would-be perpetrators visited Iraq, where he obtained \$170,000, which Zarqawi had collected from Syrian donors to pay for the attack. The plot was reportedly foiled by Jordanian police and elite special forces units in a series of operations in Amman.
- On August 19, 2005, rockets apparently aimed at two U.S. amphibious warfare ships visiting the Jordanian port of Aqaba narrowly missed their targets, one hitting a nearby warehouse and another landing near a hospital; a third rocket struck near the airport at the neighboring Israeli port of Eilat. A Jordanian soldier was killed and another injured in the attack. There were two claims of responsibility, both from groups believed to be affiliated with Zarqawi.
- On September 4, 2006, a lone gunman opened fire on a group of Western tourists visiting the historic Roman amphitheater in downtown Amman, killing a British man and wounding six others, including a Jordanian policeman. The assailant was a 38-year-old Jordanian named Nabeel Jaoura, who claimed his attack was in retaliation for the murder of his two brothers in 1982 at the hands of Israeli soldiers during the war in southern Lebanon. According to the *New York Times*, Jaoura had worked in Israel, where he was arrested two years ago for overstaying his visa. Jordanian security officials believe his incarceration may have further radicalized him.⁴⁴
- In late 2006, Jordanian intelligence authorities thwarted a potential bomb attack against foreign tourists traveling through Queen Alia Airport in Amman. Several of the convicted conspirators were Iraqis, and one of the ringleaders of the plot reportedly had sought to place a bomb in a sports bag using the explosive PE-4A, which is used by insurgents in Iraq.
- In September 2009, a Jordanian citizen who was living in the United States illegally was arrested and charged with attempting to blow up a skyscraper in Dallas, TX. Hosam Maher Husein Smadi, age 19, was arrested after planting an

⁴⁴ “Typical of a New Terror Threat: Anger of a Gunman in Jordan,” *New York Times*, September 6, 2006.

inert bomb at Fountain Place, a 60-story glass tower in downtown Dallas following an undercover FBI operation.

- In January 2010, a roadside bomb exploded near an Israeli Embassy vehicle travelling from Amman toward the border with Israel. There were no reports of injuries.

Allegations of Torture

As media scrutiny over the CIA's alleged practice of transporting terrorism suspects to detention facilities abroad has grown in recent years, Jordan's General Intelligence Department (GID) has been accused of detaining and torturing CIA prisoners captured in other countries. According to a *Washington Post* article on the GID, "its [GID's] interrogators had a reputation for persuading tight-lipped suspects to talk, even if that meant using abusive tactics that could violate U.S. or international law."⁴⁵ In July 2006, the human rights group Amnesty International accused the Jordanian security establishment of torturing terrorist suspects on behalf of the United States government. Amnesty International identified 10 suspected cases of men subjected to rendition from U.S. custody to interrogation centers in Jordan.⁴⁶ A second report, released by Human Rights Watch in September 2006, claimed that the GID carries out arbitrary arrests and abuses suspects in its own detention facility. The report studied the cases of 16 men whom the GID had arrested and found that in 14 of the 16 cases, detainees were tortured or ill-treated. In response, the GID denied any wrongdoing. Finally, in a January 2007 report, Manfred Nowak, the United Nations Special Rapporteur on Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, concluded that "the practice of torture persists in Jordan because of a lack of awareness of the problem, and because of institutionalized impunity." In April 2008, three prisoners were killed and dozens of others injured during a riot at Muwaqqar prison. According to the Jordanian National Centre for Human Rights (NCHR), "mistreatment and beatings of inmates by some policemen at the Muwaqqar prison led to the rioting."

Despite government denials or statements suggesting that reforms are underway, international monitoring groups continue to charge that torture in the Jordanian prison system is widespread. An October 2008 Human Rights Watch report alleged that despite an amendment to the penal code to make torture a crime, Jordan's measures have been insufficient and the practice continues. According to Sarah Leah Whitson, Middle East director at Human Rights Watch, "Torture in Jordan's prison system is widespread even two years after King Abdullah II called for reforms to stop it once and for all.... The mechanisms for preventing torture by holding torturers accountable are simply not working."⁴⁷

⁴⁵ "Jordan's Spy Agency: Holding Cell for the CIA," *Washington Post*, December 1, 2007.

⁴⁶ "Group: Jordan Tortures Suspects for U.S.," *Associated Press*, July 24, 2006.

⁴⁷ "Jordan: Torture in Prisons Routine and Widespread," *Human Rights Watch*, October 8, 2008.

U.S. Aid, Trade, and Military Cooperation

U.S. Foreign Assistance to Jordan

The United States has provided economic and military aid, respectively, to Jordan since 1951 and 1957. Total U.S. aid to Jordan through FY2010 amounted to approximately \$11.8 billion. Since the terrorist attacks of September 11, 2001, and the wars in Iraq and Afghanistan, U.S. aid to Jordan has increased substantially, from \$228 million in FY2001 to \$818 million in FY2010. Jordan also has received large allocations in subsequent supplemental appropriations acts (a total of \$2.186 billion since FY2002). In addition to funds specifically earmarked for Jordan, emergency supplemental bills also have contained funds to reimburse Pakistan, Jordan, and other key cooperation states for logistical expenses in support of U.S. military operations.

The Five-Year Aid Deal

For several years, the Jordanian government has sought a multi-year aid package from the Administration, similar to U.S. deals reached with other regional allies. On September 22, 2008, the U.S. and Jordanian governments reached an agreement whereby the United States will provide a total of \$660 million in annual foreign assistance to Jordan over a five-year period. Under the terms of their non-binding Memorandum of Understanding (MOU), this first-of-its-kind deal commits the United States, subject to future congressional appropriation and availability of funds, to providing \$360 million per year in Economic Support Funds (ESF) and \$300 million per year in Foreign Military Financing (FMF).⁴⁸ According to the Jordanian government, the agreement “reaffirms the strategic partnership and cooperation between the two countries.” At a time when the overall budget for foreign aid has been constrained by U.S. operations in Iraq and Afghanistan, the deal is a testament to strong U.S.-Jordanian relations.

Economic Assistance

The United States provides economic aid to Jordan as both a cash transfer and for USAID programs in Jordan. The Jordanian government uses cash transfers to service its foreign debt. Approximately 45% of Jordan’s ESF allotment each year goes toward the cash transfer. USAID programs in Jordan focus on a variety of sectors including democracy assistance, water preservation, and education. In the democracy sector, U.S. assistance supports capacity building programs for the parliament’s support offices, the Jordanian Judicial Council, Judicial Institute, and the Ministry of Justice. The International Republican Institute and the National Democratic Institute also receive U.S. grants to train, among other groups, some Jordanian political parties and members of parliament. In the water sector, the bulk of U.S. economic assistance is devoted to optimizing the management of scarce water resources, as Jordan is one of the most water-deprived countries in the world. USAID is currently subsidizing several waste treatment and water distribution projects in the Jordanian cities of Amman, Aqaba, and Irbid.

The United States government also periodically assists Jordan with other forms of indirect economic aid. For example, in July 2008 the Overseas Private Investment Corporation signed a

⁴⁸ Under the terms of the MOU, annual foreign aid (non-supplemental) to Jordan will rise by nearly 50%, from an estimated \$460 million per year to \$660 million.

\$250 million loan deal with three Jordanian banks to help them extend long-term mortgage lending to low-income citizens. These loans were in support of the king's plan to construct 100,000 houses over the next five years to help cash-strapped Jordanians.

Millennium Challenge Account (MCA)

In FY2006, Jordan was listed by the Millennium Challenge Corporation (MCC) as a Threshold country in the lower middle-income bracket. On September 12, 2006, the MCC's board of directors approved up to \$25 million in Threshold Program assistance for Jordan. Even prior to the selection, the possible choice of Jordan had come under severe criticism. *Freedom House*, the organization whose annual Index of Freedom is drawn upon for two of the "Ruling Justly" indicators, urged the MCC board to bypass countries that had low scores on political rights and civil liberties. It argued that countries like Jordan that fall below 4 out of a possible 7 on its index should be automatically disqualified. Jordan, however, did well on three of the six other indicators in this category. Several development analysts further argued that Jordan should not be eligible, asserting that it is already one of the largest recipients of U.S. aid, has access to private sector capital, and is not a democracy. In selecting Jordan, the MCC board appears not to have been swayed by these arguments.

In September 2010, the Millennium Challenge Corporation approved a five-year, \$275.1 million compact with the Hashemite Kingdom of Jordan to increase the supply of water available to households and businesses in the cities of Amman and Zarqa. The compact also will help improve the efficiency of water delivery, wastewater collection, and wastewater treatment. If estimates hold true, the clean drinking water generated as a result of the MCC compact may be enough to supply almost 1 million Jordanian citizens with freshwater.

Military Assistance

U.S. military assistance is primarily directed toward upgrading Jordan's air force, as recent purchases include upgrades to U.S.-made F-16 fighters, air-to-air missiles, and radar systems. FMF grants also provide financing for Jordan's purchase of U.S. Blackhawk helicopters in order to enhance Jordan's border monitoring and counter-terror capability. Jordan is currently the single largest provider of civilian police personnel and fifth-largest provider of military personnel to U.N. peacekeeping operations worldwide. In addition to large-scale military aid grants for conventional weapons purchases, Jordan also receives small grants of U.S. antiterrorism assistance from the Nonproliferation, Anti-Terrorism, Demining, and Related Programs account (NADR).⁴⁹

Trade

Jordan ranked 73rd among U.S. trading partners in volume of trade with the United States in 2009. According to the United States Trade Commission, in 2009 Jordan exported \$924 million in goods and services to the United States, a large percentage of which consisted of apparel and clothing accessories. In 2009, Jordanian imports from the United States reached \$1.19 billion.

⁴⁹ Since FY2002, Jordan has received an annual average of approximately \$2 million in NADR appropriations from Congress. NADR funds helps train civilian security and law enforcement personnel from friendly governments in police procedures that deal with terrorism.

Principal U.S. commodities imported by Jordan consisted of aircraft parts, machinery and appliances, vehicles, and cereals. Two measures, in particular—the Free Trade Agreement and Qualifying Industrial Zones—have helped expand U.S.-Jordanian trade ties and could create more opportunities for U.S. investment in Jordan.

Free Trade Agreement

On October 24, 2000, then-President Clinton and King Abdullah II witnessed the signing of a U.S.-Jordanian Free Trade Agreement, which eliminated duties and commercial barriers to bilateral trade in goods and services originating in the two countries. Earlier, in a report released on September 26, 2000, the U.S. International Trade Commission concluded that a U.S.-Jordan Free Trade Agreement would have no measurable impact on total U.S. imports or exports, U.S. production, or U.S. employment. Under the agreement, the two countries agreed to enforce existing laws concerning worker rights and environmental protection. On January 6, 2001, then-President Clinton transmitted to the 107th Congress a proposal to implement the Free Trade Agreement. On July 23, then-U.S. Trade Representative Zoellick and then-Jordanian Ambassador Marwan Muasher exchanged letters pledging that the two sides would “make every effort” to resolve disputes without recourse to sanctions and other formal procedures. These letters were designed to allay concerns on the part of some Republican Members over the possible use of sanctions to enforce labor and environmental provisions of the treaty. President Bush signed H.R. 2603, which implemented the FTA as P.L. 107-43 on September 28, 2001, during King Abdullah’s visit to Washington following the September 11, 2001, attacks. For additional information, see CRS Report RL30652, *U.S.-Jordan Free Trade Agreement*, by Mary Jane Bolle.

Qualifying Industrial Zones

One outgrowth of the Jordanian-Israeli peace treaty was the establishment of “Qualifying Industrial Zones” (QIZs), under which goods produced with specified levels of Jordanian and Israeli input can enter the United States duty free, under the provisions of P.L. 104-234. This act amended previous legislation so as to grant the President authority to extend the U.S.-Israel free trade area to cover products from QIZs between Israel and Jordan or between Israel and Egypt. QIZs were designed both to help the Jordanian economy and to serve as a vehicle for expanding commercial ties between Jordan and Israel. Although QIZs have succeeded in boosting U.S.-Jordanian trade, there has been only a modest increase in Jordanian-Israeli trade.

Currently there are 13 QIZs in Jordan employing approximately 43,000 people (working eight-hour days six days a week), 74% of whom are foreign workers from Southeast Asian nations including Pakistan, India, Bangladesh, and Sri Lanka. In general, foreign laborers are viewed as more skilled and productive than local Jordanians. In addition, it is difficult for employers to recruit local Jordanians since workers typically live on site, and many are hesitant to separate from their families, though in some areas local Jordanians are provided with free transportation to the QIZs. According to one Jordanian labor leader, foreign workers are attractive to employers because “they are like slaves. They work them day and night.”⁵⁰ Labor rights activists also have complained that Jordanian workers in the QIZs are excluded from a new minimum wage law.

⁵⁰ “Industrial Zones Create Little Work for Jordanians,” *Financial Times*, February 9, 2009.

Sweat Shop Allegations

On May 3, 2006, the National Labor Committee (NLC), a New York-based human rights advocacy group, issued a report alleging sweatshop-like conditions in 28 out of 100 Qualified Industrial Zone (QIZ) plants in Jordan. The government subsequently acknowledged that it had failed in some instances to enforce its own labor laws and has taken action since to close down factories in violation of the law. The NLC has recognized the government’s recent actions, though it has suggested that violations of worker rights may continue in smaller factories. Foreign companies with operations inside QIZs must provide food and housing for workers. Conditions in worker dormitories are reportedly inspected by retail garment buyers, and the government provides medical clinics and security for the zones.

In 2008, the Jordanian government signed an agreement with the International Labor Organization and International Finance Corporation to establish a voluntary monitoring program to check conditions in close to 100 apparel factories operating in the QIZs. According to Charles Kernaghan of the NLC, “a lot of people seem to be trying to get this thing straight, but in a country where you don’t have a vibrant civil society and unions are not dealing with workers, and workers have virtually no voice, it is going to be problematic.” For additional information, see CRS Report RS22002, *Qualifying Industrial Zones in Jordan and Egypt*, by Mary Jane Bolle, Jeremy M. Sharp, and Alfred B. Prados.

Military Cooperation

Military Sales

The United States is helping Jordan to modernize its armed forces, which have been the traditional mainstay of the regime. The Jordanian military forces, though well trained and disciplined, are outnumbered and outgunned by each of Jordan’s neighboring forces. In recent years, Jordan has used U.S. military assistance grants to purchase Advanced Medium Range Air-to-Air Missiles, upgrades for its fleet of F-16 fighters (approximately 70-80), and Black Hawk helicopters. The United States also delivered three Patriot anti-missile batteries to Jordan in early 2003 prior to the start of U.S. military operations in Iraq.

Table I. Recent Foreign Military Sales to Jordan

Fiscal Year	Weapon System	\$ Value of Sale	Prime Contractor
FY2006	National Command & Control System	\$450 million	Northrop Grumman Corporation
FY2006	Black Hawk Helicopters	\$60 million	Sikorsky Co. and General Electric
FY2006	Armored Personnel Carriers	\$156 million	BAE Company
FY2008	Border Security System	\$390 million	DRS Technologies Corp
FY2009	AMRAAM Missiles	\$131 million	Raytheon
FY2009	Artillery Rocket Systems	\$220 million	Multiple Companies
FY2010	Repair of F-16 Engines	\$75 million	Pratt & Whitney
FY2010	JAVELIN Anti-Tank Guided Missiles	\$388 million	Javelin Joint Venture

Source: Defense Security Cooperation Agency (DSCA).

Joint Exercises and Training

A U.S.-Jordanian Joint Military Commission has functioned since 1974. More than 300 Jordanian military personnel study in the United States each year. Combined training exercises by U.S. and Jordanian military units continue to take place in Jordan (dubbed “Early Victor”), at least on an annual basis and sometimes more often. The above-mentioned courses conducted by Jordan for Iraqi military personnel are reportedly being funded by the United States under a program called the New Iraqi Army Training Project.⁵¹ In addition, the United States has supported the construction of the King Abdullah II Center for Special Operations Training (KASOTC). The center, which has been partially financed by the United States including with \$99 million in appropriations from the FY2005 Emergency Supplemental Act (P.L. 109-13), serves as a regional headquarters for counter-terrorism training.⁵² In 2003, Jordan built a Special Operations Command and the Anti-Terrorism Center in order to boost counter-terrorism capabilities within the military.

Other Activities

Under the provisions of Section 517 of the Foreign Assistance Act of 1961 as amended, then-President Clinton designated Jordan as a major non-NATO ally of the United States, effective on November 13, 1996. According to a State Department spokesman, this status “makes Jordan eligible for priority consideration for transfer of excess defense articles, the use of already appropriated military assistance funds for procurement through commercial leases, the stockpiling of U.S. military material, and the purchase of depleted uranium munitions.”

According to U.S. and Jordanian officials, Jordan has deployed two military hospitals to Afghanistan and Iraq, respectively, and has committed almost 600 health care professionals to the two facilities. Both facilities provide critical health care to numerous patients, including civilians. The hospital in Afghanistan cares for more than 650 patients a day, having treated more than 500,000 since it was first deployed in December 2001. In Iraq, Jordan helped train 50,000 policemen, helped the United States reach out to Sunni tribes and politicians in order to facilitate reconciliation, and still maintains a field hospital in Fallujah.

Jordan also regularly contributes peacekeeping forces to United Nations missions abroad.⁵³ In November 2006, a Jordanian United Nations peacekeeping patrol in the Haitian capital, Port-au-Prince, was killed while on patrol. Jordan has about 1,500 troops in the Brazilian-led U.N. force, which includes more than 8,000 soldiers and police supported by some 1,000 civilian personnel. Two other Jordanian soldiers were killed in January 2006. In 2009, five more Jordanian peacekeepers were killed in a plane crash during border surveillance mission while serving in Haiti. Three more Jordanian soldiers were killed during the devastating 2010 earthquake in Haiti.

⁵¹ Riad Kahwaji, “Forging a New Iraqi Army—in Jordan,” *Defense News*, February 9, 2004, p. 8.

⁵² According to one description of the new U.S.-Jordanian facility, “If special forces have to conduct house-to-house searches, KASOTC provides that infrastructure in a training environment.... If they have to rescue hostages on an airplane, KASOTC provides the plane. If they have to rescue hostages from an embassy, KASOTC provides an embassy structure.” See, Joan Kibler, “KASOTC,” *Special Operations Technology Online Edition*, volume 6, issue 2, March 19, 2008.

⁵³ To date, the Jordanian Armed Forces (JAF) have contributed 57,000 troops to 18 different United Nations peacekeeping missions.

Jordan's Role in Afghanistan

Although the Jordanian government had publicly acknowledged a limited humanitarian presence in Afghanistan since major NATO operations began there in 2001, the December 30, 2009, terrorist attack against a CIA base in Khost, in which a Jordanian intelligence agent and royal family member was killed, shed light on Jordan's deeper cooperation against Al Qaeda and their Taliban allies.⁵⁴ Officially, Jordan has not acknowledged its intelligence role in Afghanistan. Numerous reports of joint CIA-GID cooperation have illustrated Jordan's long-standing, but unacknowledged cooperation with U.S. global counterterrorism cooperation. According to one unnamed U.S. source, "we have a close partnership with the Jordanians on counterterrorism matters.... Having suffered serious losses from terrorist attacks on their own soil, they are keenly aware of the significant threat posed by extremists." Jordanian Prime Minister Samir al Rafa'i stated that "Being part of this world, we have to coordinate with other countries and exchange information about the location of terrorist groups.... We will be everywhere as long as this is necessary for our national security." Some Jordanian Islamists have expressed dismay at the degree of Jordanian cooperation with the United States, and there is some concern that the 2009 incident might temper future U.S.-Jordanian intelligence cooperation.

In March 2010, NATO Secretary General Anders Fogh Rasmussen officially requested that Jordan play a role in training the Afghan Army. In response, Jordan has sent an unspecified number of instructors from its armed forces and security service to Afghanistan. Reportedly, Jordan has already trained 2,500 members of the Afghan special forces at the King Abdullah II Special Operations Training Centre.⁵⁵ Jordan also is helping to promote religious toleration by training Afghan imams.

⁵⁴ On December 30, 2009, Humam Khalil Abu Mulal al Balawi, a Jordanian terrorist who had been serving as an informant for the Central Intelligence Agency and Jordan's General Intelligence Directorate, detonated a suicide vest bomb killing eight people outside CIA Forward Operating Base Chapman in Khost, Afghanistan. His Jordanian handler, Captain Sharif Ali bin Zeid, a member of the royal family, was killed as well. Al Balawi, a physician, held virulent anti-American and anti-Israeli views expressed in various Jihadist online forums. Prior to his attack, he had managed to convince U.S. and Jordanian intelligence officials that he knew the whereabouts of Ayman Al Zawahiri, who is Al Qaeda's second-in-command. In a video filmed before his death, Al Balawi swore revenge for the August 2009 killing of Pakistani Taliban leader Baitullah Mehsud and appeared with Mehsud's cousin and successor Hakimullah Mehsud. Months later, a second video emerged showing Al Balawi urging militants to target Jordan for terrorist attacks.

⁵⁵ "Jordan Trained 2,500 Afghan Special Forces: Minister," *Agence France Presse*, May 12, 2010.

Table 2. Annual U.S. Aid to Jordan Since the 1991 Gulf Crisis
(\$ in millions)

Fiscal Year (FY)	Economic Assistance				Military Assistance		Totals
	EconSpt	Food	Devel	PeaceCp	FMF	IMET	
1991	35.0 ^a	0	0	0	20.0 ^a	1.3	56.30
1992	30.0 ^b	20.0	0	0	20.0 ^b	.6	70.60
1993 ^c	5.0	30.0	0	0	9.0	.5	44.50
1994 ^d	9.0	15.0	4.0	0	9.0	.8	37.80
1995	7.2	15.0	6.7	0	7.3	1.0	37.20
1996	7.2	21.0	7.9	0	200.0 ^e	1.2	237.30
1997 ^f	112.2	2.6	4.5	1.1	30.0	1.7	152.10
1998 ^f	150.0	0	0	1.2	75.0 ^g	1.6	227.80
1999	150.0	0	0	1.4	70.0 ^g	1.6	223.00
1999 (Wye)	50.0	0	0	0	50.0	0	100.00
2000	150.0	0	0	1.7	75.0	1.6	228.30
2000 (Wye)	50.0	0	0	0	150.0	0	200.00 ^h
2001	150.0	0	0	1.7	75.0	1.7	228.40
2002	150.0	0	0	1.6	75.0	2.0	228.60
2002 (Suppl.)	100.0	0	0	0	25.0	0	125.00
2003	250.0	0	0	1.0	198.0	2.4	451.40
2003 (Suppl.)	700.0	0	0	0	406.0	0	1,106.00
2004	250.0	0	0	2.3	206.0	2.9	461.20
2004 (Suppl.)	100.0	0	0	0	0	0	100.00
2005	250.0	0	0	1.6	206.0	3.0	460.60
2005 (Suppl.)	100.0	0	0	0	100.0	0	200.00
2006	247.5	0	0	1.6	207.9	3.0	460.00
2006 (Suppl.)	50.0	0	0	0	0	0	50.00
2007	245.0	0	0	0	206.0	3.1	454.10
2007 (Suppl.)	10.3	0	0	0	45.0	0	55.30 ⁱ
2008	361.4	0	0	0	298.3	2.9	662.60
2008 (Suppl.)	200.0	0	0	0	50.0	0	250.00
2009	263.5	0	0	0	235.0	3.1	501.60
					(150.0 in FY2010		
2009 (Suppl.)	150.0	0	0	0	Advanced funding)	0	150.00
2010	363.0	0	0	0	300.0	3.8	666.8
2010 (Suppl.)	100.0	0	0	0	50.0	0	150.0
2011 (Request)	360.0	0	0	0	300.0	3.7	663.7

Note: These figures do not include debt relief subsidy appropriations or small amounts for de-mining assistance and counter-terrorism assistance.

- a. Suspended in April 1991 under P.L. 102-27; released in early 1993.
- b. Released in late July 1993.
- c. Restrictions on FY1993 funds waived by Presidential Determination (PD) 93-39, Sept. 17, 1993.
- d. FY1994 funds released by PD 94-11, Jan. 13, 1994, waiving restrictions under P.L. 103-87.
- e. Three components: \$30 million (Administration's original request); \$70 million in additional FMF under FY1996 appropriation (P.L. 104-134) to cover balance of F-16 aircraft package; and \$100 million in special drawdown authority (P.L. 104-107).
- f. These figures include \$100 million in economic assistance under the President's Middle East Peace and Stability Fund (\$100 million in FY1997, \$116 million in FY1998).
- g. For each of these two years, FMF figure includes \$25 million in drawdown authority.
- h. Some of these funds were obligated in later years (FY2001 or FY2002).
- i. Total FY2007 supplemental aid to Jordan was \$85.3 million. The above chart does not include \$25 million in NADR funds.

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