
The impact of trade liberalization and Jordanian economy from the perspective of Jordanian employees

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Abstract: *The purpose of this paper is to analyze the performance of a sample of developing countries which undertook trade liberalization and economics from the perspective of Jordanian employees since early 1980s to 1990s. This article examines the literature on trade liberalization and economic development in the perspective of Jordanian employees. This paper uses the sharp in trade liberalization and Jordanian economy, spurred to a large extent by external factors, to measure the causal impact of trade liberalization on poverty and inequality in districts in Jordan. Variation in liberalization industrial composition across districts in Jordan and the variation in the degree of trade liberalization across industries allow for a difference-in-difference approach, establishing whether certain areas benefited more from or bore a disproportionate share of the burden of trade liberalization and economy. It seems that trade liberalization is being presented as a suitable developmental strategy for developing countries despite weak empirical findings. It appears that with the current agenda of universal trade liberalization, not only will development space shrink but also self-determination and economic sovereignty will be undermined. Results are discussed with regard to the trade liberalization and Jordanian economy may an important role in fostering the Jordanian employees.*

Keywords: Trade liberalization, poverty reduction, economic growth, equality

Introduction: After the Second World War, Jordan, along with other developing countries, chose a different strategy of import substitution to promote industrialization. In the past two decades, however, many countries have begun to favor economic integration, and in particular trade liberalization, as a development strategy. Although it is most commonly believed that trade liberalization and economy results in a higher Gross Domestic Product, little is known about its effects on income distribution. The distributional impacts of trade liberalization are particularly important in developing countries, where income inequality is typically pronounced and there are large vulnerable populations. If economic integration leads to further growth in income inequality and a rise in the number of people in poverty, the benefits of trade liberalization may be realized at a substantial social cost unless additional policies are devised to redistribute some of the benefits from the winners to the loser's employees. In the current country of trade liberalization and economy emerges as one of the most serious policy concerns for governments all over the world, especially for developing countries. Trade liberalization is believed to enhance economic growth and development through specialization and technological advances (Hoque and Yusop, 2010). The role of trade policy in economic development has been a key to the development literature for most of the second half of the twentieth century. Whereas the prevailing wisdom in the 1950s and 1960s favored import substitution, that in the 1970s and 1980s favored export promotion/outward orientation (Greenaway et al., 2002) Trade liberalization has produced in the past two decades steady growth in imports of intermediate and capital goods across countries. The endogenous- for the major role of other country intermediate inputs in enhancing economic growth and

policy the productive benefits.(Bas and Berthou,2016) In the behalf of recently, the effect of trade on the environmental quality has received a special attention by economic researchers and policymakers. In fact, the liberalization of trade sector has led to an expansion of the international exchange activities and the surge of FDI in manufacturing and energy consuming sectors. As a result, the use of energy increased drastically, pollutant emissions surged and the environmental quality degenerated. All these factors have increased the vulnerability of the ecosystem especially in developing countries (Hakimi and Hamdi, 2015). This research based on to examine the impact of trade liberalization on the Jordanian economy from the perspective of the Jordanian employees.

The trade liberalization of a highly regulated service sector can help to promote economic growth in employees.

- 1- A large body of research has documented the positive association between open service markets, foreign direct investment in services and the performance of downstream domestic firms, including an effect on exports.
- 2- A new strand of regulations and laws are necessary, to ensure that both the policy objectives of liberalization of trade on services which have been decided on are correctly explained and that the expected benefits of a policy are reached.
- 3- The nature, pace, and sequencing of regulatory reform and trade liberalization undertakings must be carefully assessed. The trade liberalization of the service sector must be progressive and must be achieved the regulatory capacity building of employees.

In short, we can say that it is financial globalization is of most benefit to an economy when investment liberalization policies have been implemented. Some theoretical approaches consider that direct investment is a more favorable source of Jordanian capital for developing countries than other capital flows because it is usually goal-oriented toward economics industries consistent with a country's comparative benefits. It is less prone to sudden reversals during economic crises. In addition, foreign direct investment generally brings technology, management, access to markets, and social networking, which are often lacking in developing countries and are crucial for industrial upgrading. Thus, liberalizing in Jordanian country direct investment is considered an attractive component of a broader development strategy of economic growth.

- 1- A trade liberal policy framework promotes direct investment because it enables foreign companies to invest in a host country. Foreign direct investment flows into host countries are determined by different types of factors. Determinants include the physical and technological infrastructure of the host country, and the cost and quality of economic resources, together with inputs and business facilitation measures, such as foreign direct investment promotion, including incentives to foreign investors.
- 2- Foreign direct investment liberalization is a necessary but not a sufficient host country determinant of investment, and other determinants have to come into play. The debate on whether the development of Jordanian country can benefit from removing their remaining barriers to the free flow of capital is still open.

Finally, the evaluation demonstrates as that competition economic policy for employees combines all government policies that influence the level of competition as a positive tool regulating the market economy, including measures against restrictive and unfair business practices.

The recent literature focused on the link between trade liberalization, integration into the world economy and growth from the Jordanian employees. However, one needs to ask what signifies this link and what are its causes? In the end, the multiplicative impact of trade liberalization on intensive employees based economic growth eventually depends on the impact of productivity. Therefore, it seems typical to put forward a significant link between trade liberalization and poverty reduction, because the initial conditions for economic growth and the ability of a country to adapt can lead to different growth trajectories. Moreover, the major is very common institutions, which determine the price effects of trade liberalization and the transmission of price changes at a local level, needs to be looked at. How clear is this link since a number of other factors need to be taken into consideration? Indeed, many papers show that while a country's openness favors its development and poverty reduction, empirical research does not lead to a convergent interpretation. How many countries a create positive impulse to economic growth, taking into account the fact that many factors, such as macroeconomic variables, a country's demographic structure, gender balance, quality and ability to perform of labor and capital can interact with each other? What then is the impact of the quality of the factors of production on the development and inclusive economic growth?

Lastly, we can say that the complementary trade policies must be implemented to promote development and inclusive economy growth. Developing countries do not represent a homogeneous group, and emphasis should be firstly set on some more homogeneous sub-groups. Moreover, the comparison of situations between different homogeneous groups of developing countries could provide guidance on the variety of complementary policies that should be implemented. These studies have been confirming that the initial conditions in each country and their productive structures exert a powerful influence on the impact of trade liberalization policy and can affect the effectiveness of complementary policies. Hence, what conditions are necessary for complementary policies to be successful and what are the different economic policy tools that are available? The main complementary policies can be macroeconomic policies which affect institutions, exchange rates, competitive situations, FDI, intellectual property protection and business confidence. However, there is no time equivalence between these instruments so that the choice of the timing of any trade policy (tariff reduction, in complement, or not with other policies, services trade liberalization ...) should be the subject of significant attention. The literature is not able to reach any consensus on the timing characteristics of this issue. Trade policy cannot be limited to trade of goods since services represent a growing share of countries this is the case in both developed and Jordanian countries.

While literature on the trade openness and economic growth (Frankel and Romer, 1999) some researchers have been studies on trade liberalization economic growth nexus is still limited. The studies have available provided controversial results effect on the trade liberalization on economic growth since some studies have found positive impacts and some other negative impacts. However, as Greenaway (1998) opined, empirical studies have found more cases of positive than negative impacts. Some other studies carried out, trade liberalization leads to growth in exports and improvement in the current account. This result explains while some countries have increased investment following trade liberalization, while some others suffered an investment slump. The positive relationship between trade liberalization the environment is a highly contentious public policy issue. For instance, the environmental provisions of the present negotiations over the trans-pacific partnership which would be

one of the world's largest trade agreements have been exposed deep rifts over environmental economy policy between the United States and eleven other Pacific Rim nations. The environmental parts of the trade deal have as of early 2014 were among the most highly disputed elements of the treaty negotiations (see Davenport (2014) in the New York Times). Moreover, Sierra Club (2013) raises significant concern about the Transatlantic Trade and Investment Partnership (TTIP) being negotiated in 2014 by the European Union and the United States. In particular, the Sierra Club argues that any harmonization within TTIP must be towards stricter policies, and provide governments with the legibility to maintain or strength environmental and economy policies without constraints. Meanwhile, the literature analyzing the effects of trade liberalization on environmental policy and quality continues to current contradicting results (see Copeland and Taylor (2004) for a survey). One decadency of this literature is that it has not sufficiently taken political institutions into account, in particular, the presence of a federal system (Gulati and Kellenberg, 2013). To analyze the local economy-wide impacts across all sectors we use a local labor market approach pioneered by Topalova (2007), which exploits variation across micro regions in exposure to tariff reductions that stems from differences in micro-regions' pre-liberalization industry composition. By comparing the change in trade protection across micro-regions we can identify the relative impact of trade liberalization on men's and women's labor employees in market outcomes, whilst controlled for secular trends and time-invariant regional unobservable factors. Uncovering the gendered labor market impact of trade liberalization when workers move from tradable to non-tradable activities or from work to inactivity and unemployment, requires analysis beyond the tradable sector. A number of studies have been analyzed the economy-wide relationship between trade and female economic activity on the basis of cross-country data, mostly focusing on trade flows, rather than trade policy changes. This literature (Bussman 2009 & Wacker et al. 2015) suggests that aggregate analyses hide significant heterogeneity across countries, age cohorts and time spells, which is consistent with the notion that the effects of trade liberalization on women's labor market outcomes depend on the pattern of structural change and other country-specific factors.

Method:

Participants:

The population of the study consisted of employees from all levels of managerial in Jordanian customs employees. This sample have been chosen for represent a large number of the population a total of 300 questioners have been disrupted, 243 back and was valid to analyze.

Procedure:

[Data collection and sampling]

Since there have been no previous studies on the field of study, there was no suitable survey instrument. Therefore we have developed by me, based on the factors emerging from the literature. This survey was designed to explore the perceptions of Jordanian Customs Employees toward Trade liberalization and Its Impact on the Jordanian Economy, using Likert-scales.

A total of some questions in an initial survey were piloted in the field of study out of the full sample. The piloting aimed to identify any questions where answers were not equally distributed, or which were consistently not completed by respondents, and any other aspects which could reduce the response rate. The responses were assessed for validity and reliability.

Discussion and statistical analysis:

Percentage, frequency, mean and standard deviation were used to describe the sample and basic responses. Simple linear regression analysis with (F) test was used. SPSS (v20) was used to analyze all the data. There is no significant statistical effect of trade liberalization on the Jordanian Economy at the level of ($\alpha \leq 0.05$) but subs hypothesis is no significant statistical effect of economic growth on the Jordanian Economy at the level of ($\alpha \leq 0.05$) and is no significant statistical effect of environment quality on the Jordanian Economy at the level of ($\alpha \leq 0.05$). They are the relative importance of individual factors was assigned used class interval = (maximum class – minimum class) / a number of levels = $(511)/3 = 4/3 = 1.33$ A low degree of importance was less than 2.33, the median was 2.33–3.66 and high was 3.67 and above. There were no missing data from the pilot study, suggested that the respondents found all the questions comprehensible. The responses from the pilot study were grouped into factors. Although the pilot sample size was small, the results suggest that the variables within each factor showed a correlation of over 60%. Cronbach's alpha for the overall pilot study was, .88 showing good reliability. No evidence of multi-co linearity was found in the pilot study.

Variables'	Cronbach's alpha
economic growth	.98
environment quality	.72
market outcome	.79
Over all .83	
Jordanian economy	.94
Over all	.88

Table 1- Cronbach's alpha (α) to test reliability.

Showing at the table (2) we can see that the absolute value of T calculated every factor more than F tabulated at level ($\alpha \leq 0.05$). This indicates that all hypotheses are valid. Therefore, the null sub-hypotheses were rejected and the alternative accepted.

Variables	T- test	Result
H ₀ 1: economic growth, Jordanian economy	2.783	Rejected
H ₀ 2: environment quality, Jordanian economy	2.652	Rejected
H ₀ 3: market outcome, Jordanian economy	2.636	Rejected

Table 2- F-Test for hypothesis

Conclusion:

This study is expected to be loaded with meaningful data which to end to explore and establish future collateral research on related aspects. Since the beginning of the century, numerous empirical studies have confirmed the assumption that trade integration and trade liberalization in developed countries have been raised sharply, even though this trend started many decades earlier. However, this conclusion, confirmed by stylized facts and empirical estimations depends in practice upon analytical indicators used to measure the openness of an economy growth, trade integration and trade liberalization. One of the major outcomes of the recent literature is that one cannot proceed with any analysis using a single indicator to obtain a relevant measure of economic openness and trade distortions. It is necessary to use different indicators. In addition, it is clear that the choice of indicators used will influence the impact assessment of trade liberalization, Jordanian economy and the perspective of the many economic policies needed to influence trade situation.

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