

**THIRD TOURISM DEVELOPMENT PROJECT
SECONDARY CITIES REVITALIZATION STUDY**

Karak

Economic profile

Annex 3

JOINT VENTURE OF COTECNO WITH ABT ALCHEMIA CDG MGA

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Abbreviations and acronyms

CAS	Country assistance strategy
CH	Cultural heritage
CBO	Community based organisation
CRP	City revitalisation pact
DOS	Department of Statistics
EIA	Environmental Impact Assessment
GMM	Greater Madaba Municipality
GOJ	Government of Jordan
IBRD	International Bank for Reconstruction and Development
ITFCSD	Italian trust fund for culture and sustainable development
JTB	Jordan Tourist Board
MENA	Middle East and North Africa
MOE	Ministry of Environment
MOMA	Ministry of Municipal Affairs
MOPIC	Ministry of Planning and International Cooperation
MOTA	Ministry of Tourism and Antiquities
NEAP	National Environmental Action Plan
NGO	Non Government Organization
PA	Public Awareness
PPP	Public-private partnership
STDP	Second Tourism Development Project
TOR	Terms of reference
TTDP	Third Tourism Development Project
UNESCO	United Nations Educational, Scientific and Cultural Organisation
URP	Urban regeneration program
VEC	Valued Environmental Components
WB	The World Bank
WHL	World heritage List
WTO	World Trade Organisation

1. Executive summary

1.1. ECONOMIC BASE

Karak Governorate, which covers an area of 3,217 Km², is located in the southern region of Jordan. Karak city, in Karak Sub-District within the Qasabat Karak District, is the main city in the Governorate and falls under the jurisdiction of the Greater Karak Municipality.

In 2004 Karak counted a population of around 20 thousands and in the last decade have experienced a demographic dynamic similar to the national level. **Karak boasts a young population:** around 50% are below 19 years and as such are school, college, or university students. Thus, youth must be the focus of the revitalisation efforts in the city.

The average annual household income of Karak Sub-District is just a little bit higher than the Governorate one; the **poverty rate has declined in the last years** by 10.52% from 1997.

1.2. EMPLOYMENT

Only 37% of the 15+ years old population of Karak Governorate are economically active, (only 12% of the females). This low level of activity is related to the high presence of young (1/3 of the economically inactive population) and the **lack of work among women** (a half of the inactive are housewives).

In addition, 29% of the population is employed, only 8% of the females. The three labour intensive sectors are the public and armed forces sector (22% of the employed), which is up to now the far more attracting for high-skilled young seeking for work, agriculture (14%) and the education sector (19.6%). Particularly, agricultural sector depends mostly on foreign labour, and similarly the construction sector.

While on the national level in 2004 the economic system has been able to create jobs overall in some tourism related sectors (such as hotels, restaurants, real estate and personal services), in Karak the situation has been much less dynamic. The employment in public administration and defence and education has slightly decreased, while other sectors such as Whole & Retail Trade and hotel and restaurants have been distinguished by job shedding. Manufacturing, and overall agricultural have experienced a constant increase in their labour force.

Unemployment rate in Karak Governorate is 21.5% and **has increased** in the last 2 years. This indicates a growing employment problem; there is a mounting discouragement among the potential workers who have become tired of seeking work: 72% of the economically inactive persons believe there are no jobs around.

As for foreign labour, by the end of 2003 the Ministry of Labour has permitted 1,212 foreign labourers for work, 91% of them being Egyptians who work overall in the agricultural sector, and in construction and unskilled production.

Regarding social development potential, the main problem is to comply with the expressed needs of training workshops that could improve the productivity and capability to compete in the market by strengthening the available skills related to the URP implementation. Such skills are mainly those currently used as a base for the informal business: mosaic setting, food processing, embroidery, etc.

1.3. PRIVATE SECTOR DEVELOPMENT

Almost all establishments are small; around two third of the businesses are solely owned and half employ 2 or less employees. Services establishments have the biggest dimension and trade the smallest.

62% of businesses in Karak city are in the commercial trade sector. Shops being involved in similar professional activities or selling same products are often found in close proximity, thus lacking products variety as much as product quality. Handicrafts shops, which employ Jordanians from Karak itself, are minimal and mainly found around the Castle Plaza at the top of the Al-Qlaa Street. Even if located in the most tourist place, such shops market their products almost entirely among neighbours and proximate community.

Besides competition, owners of formal businesses identified the **main obstacles facing their businesses as customer related problems followed by problems in infrastructure and weak demand.**

The **informal sector** is mostly led by women in their twenties and thirties who run their operation by themselves. The women utilise skills that they have gained through training, or through their traditional way of life. Moreover, some would like to attend training workshops and are even willing to pay for it. To many, the home-based activity (that attains an income of JD 45 per month) is the major income generator for the family or the individual and there is no other source of income.

A fixed place or a flea market to be set at certain times is highly desired. Informal operators are ready and mobile enough to sell away from their home at such places. To be effective, the place has **to be near to future tourist attractions and/or the Karak Castle.** Besides a sustainable marketing and sales effort, **finance** is another need of the informal businesses. There are 7 institutions currently offering micro-finance to around 1,000 informal businesses.

NGOs and community based organisations play an important role in supporting the informal businesses and providing training and awareness raising. Such organisations are either charity associations or national NGOs, as well as centres representing national programs such as Enhanced Productivity Projects (IRADA) and the Knowledge Stations. All are effective in offering specialised training to the entrepreneurs in topics such as IT, sewing, embroidery, weaving, how-to-start-your business courses, and political awareness raising. Those community-based organisations constitute an existing vehicle to reach the community yet not all of them are motivated enough and community work is led by a few, most notable by 'Mo'ab Girls Welfare Society'.

Finally, the economic activities that could be easily “upgraded” to provide tourism or culture related services, jobs and products, and that will benefit from the launch of the city revitalisation process, could be summarised as follows:

- the **construction sector** (small enterprises and craftsmen);
- the **commercial sector** (shops in the historic core);
- **handicraft** (formal and informal production);
- the **informal sector**;
- the **public/municipal sector**;
- **tourism-related activities** (restaurants, hotel, other accommodations, tourist guides, tourist transport);
- **services** related to all the above.

1.4. HOUSEHOLDS CONDITION AND ACCESS TO SOCIAL SERVICES

According to the Census 2004, in Karak city there are 5,586 dwellings. Almost all households have access to the public electricity and to the public water networks, yet around 68% suffer from water cut-off, and weak electricity is one of the problems reported by respondents in the field survey. Sewerage public network is not prevalent, reaching only 11% of the Governorate households.

Most of the necessary social services in terms of education, health, and communication are provided in Karak city but may not be comparable to the standards of similar services in Amman.

1.5. CULTURAL ASSETS AND MANAGEMENT

The residents of Karak pointed out **five main assets** that attract tourists to their area:

- 1) the Karak Castle and the Al-Dhafer Baybers Tower;
- 2) the Ain Sara spring, Prophet Noah Shrine and Arc;
- 3) the religious Shrines in the Al-Mazar al-Janoubi which attract the Shi'ites especially during their Nairous festival;
- 4) the Tribes of the city;
- 5) the generosity and the distinctive tribal characteristics of the Karak people.

The **Castle** is clearly the main attraction in Karak, covering almost one third of the area of the Old City, but besides the Castle there is a number of **other religious features** such as the historic churches, the shrines of prophets Noah and Al-Kahdir, and the newly rehabilitated School and Castle Piazza. Other sites of tourist relevance are two viewing or **panorama points** for looking at the Castle, one located at Marj and the other below and to the north of the Castle on Route 50 toward the Dead Sea. Finally, outside the city limits there are two further attractions: the **Jubilee Forest and the Wadi Al-Moujeb**.

The Castle is the main venue for any cultural event taking place in the city. An example is the **Karak Festival**, during which the local Karak Folkloric Group presents folkloric songs and dances, seminars and debate are held and bazaars exhibit the products of the community-based organisations.

Currently the Municipality is considering holding '**Karaki Nights**' events featuring traditional wedding dances and ceremonies, local traditional poems, and traditional games such as Seijah, Al-Tab, and Al-Mankala. The Municipality is also running a **couple of annual events** such as the Salah El-Dine Al-Ayyoubi Prize for Innovation in literature, sports, voluntary work, science, and environment, and the Art Prize for school children. The public relations department of the Municipality has also succeeded in publishing its first bi-annual newsletter covering the second half of 2004.

1.6. TOURIST ASSETS AND MANAGEMENT

The number of visitors to Karak, which in this case is identified with its Castle, **has declined over the past four years** from nearly 133,000 tourists in 2000 down to 52,700 in 2003.

In general, **supply of tourism related facilities is very limited in Karak**, in terms of accommodation, restaurant facilities and other services.

There is only one tour agent in Karak city, and few souvenir shops around the Castle Piazza and along King Hussein Street. As for restaurant facilities, Karak city has five classified restaurants.

In terms of accommodation, there are only 4 classified hotels offering 54 rooms and 98 beds, as well as 4 unclassified hotels with 47 rooms and 117 beds totalling 215 beds per night.

Given the nature of existing tourism there are few local economic benefits. **The direct impact on employment is very limited.** The tourism sector in Karak city employs around a hundred persons; most workers are either from other parts of the country or non-Jordanians and most of them are males. Currently there are somewhat negative views regarding working in the tourist sector and this view is stronger among the older generation and against women involvement in particular.

However, **investors in tourism** not only hold positive attitudes towards tourism and its development but also stress the need for such development and call for more responsive actions from the government. They have also succeeded in partnering with the public sector when Karak managed to adopt a unique mechanism for managing the Castle Piazza – in the form of **The Karak Castle Piazza Management Committee**.

2. Economic base

2.1. ECONOMY OF JORDAN

In the last years Jordan has been witnessing a constant increase in its GDP, reaching in 2003 around JD 7,056.2 million at market prices. In particular, during the second quarter of 2004, the GDP registered a 7.6% growth at constant prices compared to the same quarter of 2003; this means that Jordan economy is sound and has not been affected by the Iraqi war or other regional disturbances¹.

Such an increase in GDP is mainly attributed to the growth in a) the manufacturing sector, which has recovered after the Iraqi war; b) the transport and communication sector, due to the continuous increase in communication activity and foreign trade; c) the construction sector, which has witnessed an increase in residential housing. Yet the finance, insurance, real estate and business services contribute to 21% of the GDP at current prices; government services contribute to 19%; transport and communications to 16.8%, and manufacturing to 16.2% of the GDP. The GDP/capita, as it stood by end of 2003, is estimated at JD 1,288² at current prices.

The National Disposable Income (NDI), as reported for 2002, was JD 7,661.9 million³ and the NDI/capita was JD 1,438 at current prices. In 2003 the inflation rate stood at 2.3%.

	2000	2001	2002	2003	2004	
					1 ST Q	2 ND Q
GDP at Market Prices	5,989.1	6,339.0	6,698.8	7,056.2	1741.0	1995.9

TABLE 1 - GROWTH OF GDP IN JORDAN (MILLION OF JDS)

2.2. POPULATION⁴

Karak Governorate is located in the southern region of Jordan. Its population is currently around 204,135 persons constituting 35,706 households with an average household size of 5.7 members. The Governorate counts for around 4% of the population of Jordan, which is currently standing at 5.1 million.

	POPULATION IN 2004
Total Karak Governorate Population ⁵	204,135
Qasabat Karak District ⁶	63,669
Karak city	19,696
Households in Karak Governorate	35,706
Households in Karak city	3,445
Average household size in Karak city as per DoS 2004 Census	5.7 members
Average household size in Jordan as per DoS 2004 Census	5.4 members

TABLE 2 - POPULATION OF ADMINISTRATIVE DIVISIONS OF KARAK GOVERNORATE

While Jordan's population has increased 23.2% over the past 10 years, in the same period the population of Karak Governorate experienced a growth of around 2% only, increasing from 169,770 persons to 204,135, at a growth rate of around 1.84% per year.

¹ Ministry of Planning, 2004.

² Central Bank of Jordan, Monthly Statistical Bulletin, August 2004, Vol. 40- No.10, pg. 81.

³ Central Bank of Jordan, Monthly Statistical Bulletin, October 2004, Vol. 40- No.10, pg. 85.

⁴ Department of Statistics Census 2004 preliminary estimates, and Population Estimates for 2003 " *Attaqdeert Al-Sukkaniyaah 2003*".

⁵ Department of Statistics Census 2004 preliminary estimates.

⁶ Department of Statistics Census 2004 preliminary estimates, and Population Estimates for 2003 " *Attaqdeert Al-Sukkaniyaah 2003*".

The area of Karak Governorate is 3,217 Km² and its estimated population density is 63 persons per Km², which is higher than the national Jordan density of 57 persons per Km². Moreover, it is estimated that 35% of Karak Governorate population live in urban areas, while the remaining 65% reside in rural areas.

The Qasabat Karak District forms around 12% of the whole Governorate with an area of about 387 Km². According to the preliminary census results of 2004, Karak District includes around 63,670 persons (3,445 households) constituting 9.7% of the Governorate's population. The population density of the Qasabat Karak District is higher than that of the Governorate's, standing at 165 person/ Km².

Karak city, in Karak Sub-District within the Qasabat Karak District, is the main city in the Governorate and falls under the jurisdiction of the Greater Karak Municipality. It experienced a marginal growth in the last decade too, since its population and that of the immediate surrounding area increased at a growth rate of only 0.63% per year, from 18,492 in 1994 up to 19,696 in 2004. Given a national birth rate of 2.9% and mortality rate of 0.3%, this implies an immigration that may be associated with employment.

The approved Karak Municipality Land Zoning Plan prepared by the Ministry of Municipal and Rural Affairs and the Environment has a capacity to accommodate a population of over 100,000.

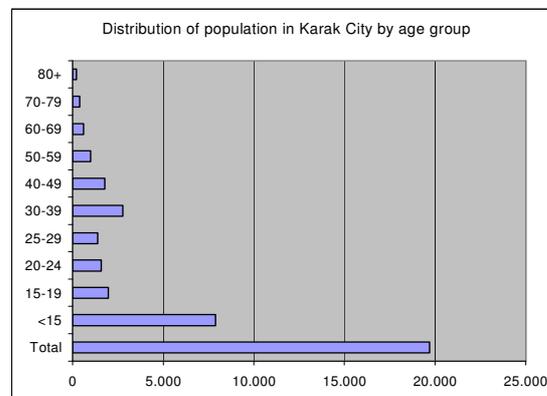
	AREA	POPULATION DENSITY
Jordan area in Km ²	89,329	57.1 persons per Km ²
Karak Governorate area in Km ²	3,217 ⁷	63 persons per Km ²
Qasabat Madaba District area in Km ² ⁸	387	165 persons per Km ²

TABLE 3 - AREA OF KARAK GOVERNORATE ADMINISTRATIVE DIVISIONS

The urban areas around Karak account for around 28% of the urban total. Three other urban settlements (Ayy, Mutah and Mazar Al Janoobi) lie in close proximity to Karak on the highland areas to the south, while Safi and Mazra'a are within the Jordan Rift Valley some miles away.

URBAN AREA	POPULATION IN 2003 ⁹
Karak	19,696
Safi	17,533
Mutah	10,663
Mazar	9,975
Ayy	7,760
Mazra'a	7,759
Taibeh	5,562

TABLE 4 – POPULATION IN THE MAIN URBAN AREAS OF KARAK DISTRICT



2.2.1. GENDER AND AGE DISTRIBUTION

The population of Karak city is 51% males. Around 50% are below 19 years and as such are school, college, or university students, 6% are above 60 years old, 15% (3,000) are in their twenties, and 14% (2,800) in their thirties. As such, Karak city boasts a young population, where 30% are within the energetic working age of 20-39 years, and 14% are within 40-59 years old. Thus, youth must be the focus of the revitalization efforts in the city

⁷ Department of Statistics web site www.dos.gov.jo.

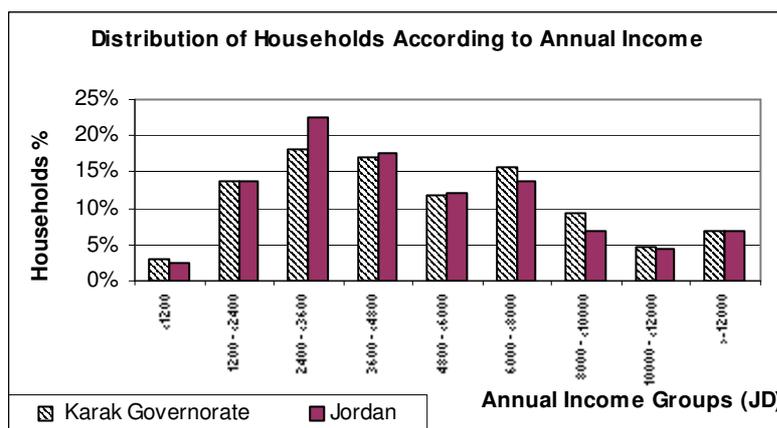
⁸ Urban Regeneration and Tourism Development for Old Karak, Dar Alhandasa, 2000.

⁹ According to population census 2004.

2.3. INCOME DISTRIBUTION

According to DoS, the average annual household income in Karak Sub-district is around JD 5,703¹⁰. Around 57% of this income is generated from employment, 21% from current transfers - mostly in the form of pensions, subsidy transfers from Government and transfers from expatriates -, 13% from rents (it must be noticed that this includes the amount in lieu of occupying one's own building or if living free of charge) and 7% from own businesses.

Considering the distribution of households in Karak Governorate according to their income level it reveals that around 35% of the households have a total annual income below JD 3,600, 29% have an annual income of JD 3,600 - JD 6,000, a third have an annual income of JD 6,000 – JD 12,000, and only 7% of the households have a total annual income of more than JD 12,000.



When the above distribution is applied to the city level of Karak, one may deduce that around 1,200 households in the city achieve a monthly income below JD 300, while 1,000 households achieve JD 300 – JD 500 per month and other 1,000 between JD 500 – JD 1,000. Only 240 households have a total income of more than JD 1,000 per month. This implies a **low purchasing power** among the far great majority of Karak's households.

Considering the individual income of the person living in Karak Governorate, he or she earns on average an annual income of JD 502, which is below the national average of JD 900. As for individual expenditure, around 22% of the household members spend JD 50-JD 67 per month exceeding the national percentage, while nearly a third spend less than JD 50 a month, and around 44% spend more than JD 67 monthly. **Very little (1.8%) of this expenditure is spent on recreational activities.**

POVERTY IN JORDAN

Poverty in Jordan has declined from 21% in 1997 to 14% in 2002 due to growth in GDP and in private per capita consumption. The aggregate inequality measure (Gini) hasn't changed significantly during this period, which shows that growth has included in a similar way both poorer and richer sections of society. However, the gains in consumption of the poor have been driven by a greater share of spending and transfers, and not from rising incomes¹¹. Additionally, consumption growth has been accompanied neither by higher employment- since the poor do not seek work as much as before - nor by better access to credit since the latter is still limited. Assessing poverty levels¹² in Jordan shows that poverty in urban areas is less spread than in rural areas (13% of the urban population is under the poverty line¹³).

Coping strategies among the poor in urban areas include the following:

¹⁰ Department of Statistics estimates 2003.

¹¹ Social and Economic Development Group, Middle East and North Africa, 2004, The Hashemite Kingdom of Jordan-Poverty Assessment, June 2004, pg 15.

¹² The national poverty line has been set at JD392 per capita for 2002-03.

¹³ 19% of the rural population is poor.

- the poor base their decisions on short-term considerations ignoring long term social disadvantages.
- tribal and family customs play a part in coping methods; such a part is visible especially on social occasions through exchange of gifts.
- urban areas offer market opportunities for selling labour and buying inexpensive goods, which can be considered an advantage to better coping.

In Jordan, poverty is influenced both by employment and education. Indeed, the estimates show that the poverty rate among households with unemployed heads is 21.5% compared to 12.8% among households with employed heads. Also, the unemployment rate of the poor in 2002 is estimated at 27%, which is significantly higher than that of the non-poor found at 17%.

ECONOMIC ACTIVITY STATUS	POVERTY RATE 1997	POVERTY RATE 2002	CHANGE IN POVERTY
Total population	21.1%	14.2%	32.8%
Unemployed	35.0%	21.5%	38.6%
Employed	19.3%	12.8%	33.6%
Not economically active	22.7%	15.9%	29.8%

TABLE 5- POVERTY RATES OF THE POPULATION, BY ECONOMIC ACTIVITY STATUS ON THE NATIONAL LEVEL, 1997 AND 2002¹⁴

Illiteracy too is associated with higher incidence of poverty: acquisition of higher education has tangible effects on the likelihood of being poor. In this case the cause/effects link can be reversed, since the poor have generally less mobility, less knowledge about educational opportunities, less access to credit or student financial support programs, thus easily falling into a continuous dependency cycle.

POVERTY IN KARAK

The average total poverty line in Karak Governorate has been set at JD 364 per capita¹⁵ (compared to the national level of JD 392 per capita) indicating around 12.19%¹⁶ of its population with income below this line and considered as poor in 2002-2003. Yet, this poverty rate has declined by 10.52% from 1997.

On the level of Karak sub-district, around 3,285 persons (5.% of the population) are poor. The poverty gap is considered to be 1.34% of its population (853 persons coming in and out of poverty), and the poverty severity is 0.51%¹⁷.

¹⁴ Dos, Household Income and Expenditure Survey, 1997, 2002-2003.

¹⁵ World Bank, Social and Economic Development Group, Middle East and North Africa, The Hashemite Kingdom of Jordan-Poverty Assessment, June 2004, pg 10.

¹⁶ World Bank, Social and Economic Development Group, Middle East and North Africa, 2004, The Hashemite Kingdom of Jordan-Poverty Assessment, June 2004, pg 13. Taken from Staff estimates based on the HEIS 2002,2003.

¹⁷ World Bank, Social and Economic Development Group, Middle East and North Africa, 2004, The Hashemite Kingdom of Jordan-Poverty Assessment, June 2004, pg 13, 32.

3. Employment

3.1. EMPLOYMENT AND UNEMPLOYMENT IN KARAK

About 37.4% of the total 15+ years old population of Karak Governorate is economically active¹⁸, specifically 62.4% of the males and 12.1% of the females¹⁹.

Furthermore, **29.4% of the economically active population is employed**, in particular 50% of the males and only 8.4% of the females. Currently, most of them (91%) earn less than JD 300 per month; and only 3.3% achieve earnings above JD 500 per month²⁰.

Moreover, around 36% of the employed people in Karak Governorate **hold elementary occupation requiring minimal skills**, or work as machine operators, while 17% are professionals, 10% clerks and 9% technicians and associate professionals. Also, around 10% are involved in crafts and related trades within the Governorate. As for **women, their numbers fluctuate** as they decide to join or pull out from crafts related businesses depending on the general economic situation and available NGO projects²¹.

On the other hand, around 62.4% of Karak population are economically inactive. This inactive sector includes students (31.3%), housewives (53.6%), the disabled, persons with other means of income, and others.

Furthermore, **the unemployment rate in Karak Governorate is 21.5%**, which is higher than the national rate of 12.5%²² and **have actually increased** from 20.5% in 2002 and 21.1% in 2003. In addition, Karak Governorate is also experiencing an increase in the percentage of economic inactivity from 61.1% to 62.6% within the same period as well as a decrease in the percentage of the employed²³.

This indicates a growing employment problem in the city of Karak, as such as many people are pulling out from the economically active sect and there is a mounting discouragement among the potential workers who have become tired of seeking work. In fact, 72% of the economically inactive persons believe there are no jobs around, and this percentage has increased of 15% since 2002²⁴. This discouragement is **a negative feeling that needs to be tackled** in URP projects.

Unemployment is more prevalent among women with a rate as high as 31% compared to the national women unemployment rate of 16.5%, taking into consideration that this rate excludes the inactive housewives for its calculation.

Considering that persons available for work in Karak city are those of age 15-69 years, then the size of the potential labor force in the city amounts to 13,355 persons only (refer to age and gender distribution). Applying the labor statistics reported for the Governorate of Karak to this estimated population gives insights about human resources that are capable of being producers in the community. As such, there are about 5,000 individuals who are economically active compared to 8,300 who are economically inactive. Of the active population, there are about 1,000 persons, mostly males, who are unemployed and looking for work and around 4,400 housewives in Karak city who may become economically active and join in productive activities.

Focusing on the employment and unemployment patterns among age groups, it is evident that around half of the employed in the Karak Governorate are 25-39 years old, 19% of them

¹⁸ The unemployed according to DOS definition is a person who is 15 years of age or older, who is capable of work, and looking for work and who hasn't practised any work during a specified period.

¹⁹ Department of Statistics, Employment and Unemployment Survey, May 2004 pg 47,48.

²⁰ Department of Statistics, Employment and Unemployment Survey, May 2004, pg 124.

²¹ Department of Statistics, Employment and Unemployment Survey, 2001, 2002, 2003, May 2004 pg 68.

²² Department of Statistics, Employment and Unemployment Survey, May 2004, pg 142,146,148.

²³ Department of Statistics, Employment and Unemployment Survey May 2004, and website www.dos.gov.jo for surveys of 2003,2002,2001,2000.

²⁴ Department of Statistics, Employment and Unemployment Survey 2000,2001,2002,2003, and May 2004, pg 153.

are 20-24 years old, and around third are 40 years and older. This is comparable with the national distribution of the employed according to age, except for the fact that in Karak fewer work while they are below 19 or above 55 years of age.

Applying above statistics specifically to the population of Karak city yields an indication that **unemployment is high among the youth and the women. Around 62% of the youth between 20-40 years old are not employed.** Specifically there are around 1,185 persons between 20-25 years, 3,150 persons between 25-39 years, and 3,570 between 40-69 years old who are not contributing to the productivity of their city. Therefore, **projects targeting men above 25 years old and women of all ages** but especially those above 35 years old who are more likely to have older independent children will **have highest impact on employment.**

As for job hunting strategies, according to national statistics, a third of the unemployed in Jordan stay unemployed for a duration of 7 to 12 months, and 22% for 4-6 months. During that time, the most common approach to looking for job is visiting establishments and work sites (almost 87.5%). The second most prevalent method among the unemployed males, reported by 46.8% of them, is seeking the assistance of relatives, friends, and current or previous officials. On the contrary, among the females the second most prevalent method, reported by 33% of the interviewed (compared to only 4.2% of the males), is to apply for a job in the government through the Civil Service Bureau.

Other job seeking methods are applying to the Ministry of Labour Bureaux, adopted by 10.5% of females vs. 6.4% of males, and reading, watching and responding to ads in newspapers and TV, adopted by 19.8% of females vs. 12.5% of males²⁵.

The above is true specifically to Qasabat Karak District. According to the Civil Service Bureau, around 2,657 university and college graduates (constituting 86% of the rough estimate of unemployed number for the Karak District – 3,100 persons), applied for work in the government during the first 10 months of 2004. Only 134 persons were hired²⁶. This information indicates that **the unemployed in Qasabat Karak are mostly educated holding diplomas or university degrees** and looking for the government to provide them with work opportunities.

As for applicants to the Ministry of Labour Bureau in Karak city, it has received around 587 job applications during 2003 and 227 job applications by October 2004. More than 60% of them were employed in 2003 as well as 49% of the 2004 applicants.

As for the foreign labour in Karak, by the end of 2003 the Ministry of Labour has permitted around 1,212 foreign workers for work in Karak, 91% of them are Egyptians. 65.5% of the foreigner laborers work in the construction or in other unskilled sectors (such as solid waste collection and production related occupations), 19.7% works in the agricultural sector, while around 14% works in the services sector performing jobs whom Karak people are not skilled for, such as hair dressing, maintenance of house appliances, etc.

3.2. MAIN ECONOMIC SECTORS AND THEIR CONTRIBUTION TO EMPLOYMENT

According to the Hashemite Kingdom of Jordan Poverty Assessment of June 2004, several sectors of the economy (such as hotels, restaurants, real estate and personal services) have shown dynamic job growth at national level. On the other side, high-employment sectors as public administration, defence and education, experienced either weak or negative employment growth²⁷.

The case of Karak Governorate fits only partially with these findings. In facts:

- on one hand, according to national trends, the public and armed forces and the education sectors remain the most labor-intensive, employing respectively 22% and 19,6% of

²⁵ Department of Statistics, Employment and Unemployment Survey, May 2004 pg 142,146,148.

²⁶ Civil Service Bureau Statistics, Oct 2004.

²⁷ Social and Economic Development Group, Middle East and North Africa, 2004, The Hashemite Kingdom of Jordan-Poverty Assessment, June 2004, pg 22.

the labour force, but have witnessed a slight decrease every year since 2002;

- on the other hand, the hotels and restaurants and real estate sectors employ together only 3% of the economically active population of Karak Governorate. In addition, the agricultural sector has experienced a constant increase in its labour force: many people are turning towards agriculture, which is currently employing 14% of economically active population, increasing from 9.8% in 2002²⁸, and employs also 20% of the foreign labour.

The wholesale and retail trade sector currently employs around 7% of the economically active population. The transport, storage & communications and manufacturing sectors encompass 6%, while the construction sector employs 3% of the economically active population.

Preliminary estimates of Karak city establishments and employment numbers in 2004 indicates the existence of about 1,475 small and medium enterprises (SME) in Karak city operating in the trade, services, and manufacturing sectors and employing around 2,451 persons. In particular, around 62% of the establishments are active in the wholesale and retail trade employing around 49% (1,196) of the SME labor, while about 13% are manufacturing establishments employing around 13% of SME labour (314), and 28% of the establishments are active in the services sector and employing 38% (941) of employed persons in Karak city.

Also, Ministry of Planning studies²⁹ indicate that there are around 225 establishments in Karak city that are involved in the construction sector whether in terms of trade or manufacturing of construction related materials and goods, such as gypsum, stones, glass fitting, metal works, furniture and wood and equipment, or in terms of provision of services such as architecture, engineering, surveying, and renting of equipment. Those employ around 542 persons contributing to around 5% of Karak city employment.

As for the registered contractors, Karak governorate has around 116 contractors employing 1,024 persons and offering each around JD 2,000 annually in compensation³⁰.

As for real estate services, Karak city has only 2 establishments employing 4 persons in the provision of commission-based services of selling and renting real estate.

As previously mentioned, foreign unskilled labor is employed in the construction activities, whether working with registered contractors or within the unorganised complementary construction sector.

²⁸ Department of Statistics website www.dos.gov.jo, Employment and Unemployment Surveys.

²⁹ Enhanced Productivity Project, Ministry of Planning and International Cooperation, ERADA Centers, "The economic survey of small and medium enterprises for 1995-2202, Karak Center". April 2003.

³⁰ DOS, Construction survey 2001 & 2002, Department of Statistics, the Hashemite Kingdom of Jordan pg 33.

4. Private sector development

4.1. FORMAL SECTOR

The analysis is based on:

- the field research focusing on Karak city;
- preliminary results and estimates based on the Department of Statistics Census of October 2004³¹;
- results of the Ministry of Planning studies³² that tackled formal sectors in Karak city in 2002;
- the national study³³ conducted by CDG for a USAID funded project in 2002 that assessed demand for micro-finance in Jordan.

From all these contributions, it comes out that establishments in Karak city are small, employing less than 5 persons: around two thirds of the businesses are solely owned and half employs only 1 employee. Services establishments have the biggest dimension, with 2.3 employees per establishment, and trade the smallest, with 1.3. The average age of the business is around 5 years while a half has been operating for 4 years or less³⁴. **Their products are almost entirely marketed among neighbours.** More than a third of the businesses have more than six competitors, which indicates **low variety in the products** they offer.

Besides competition, owners of formal businesses identified the main obstacles facing their businesses as customer related problems followed by problems in infrastructure and weak demand.

SECTOR	ESTABLISHMENTS	% OF SMES	EMPLOYEES	EMPLOYEES PER ESTABLISHMENT	% OF SME LABOR
Manufacturing	143	10%	314	2.20	13%
Trade	918	62%	1196	1.30	49%
Services	414	28%	941	2.27	38%
Total in 2004	1475	100%	2451	1.66	100%

TABLE 5 - SMALL AND MEDIUM ESTABLISHMENTS AND LABOR IN KARAK CITY PER SECTOR (2004)

COMMERCIAL SECTOR

62% of businesses in Karak city are in the commercial trade sector³⁵. Most of those stores are retailers in groceries and foodstuff, clothes, footwear and car parts. Such shops employ Jordanians from Karak itself. During 2002, the commercial sector has contributed around JD 7.5 million to Karak's economy.

SERVICES SECTOR

The second largest sector in Karak city is the services sector encompassing 414 establishments and constituting 28% of the SMEs. Most of the existing services are in car maintenance as well as hairdressing salons, small non-classified restaurants serving sandwiches and coffee, home and personal equipment maintenance, dental services and law services.

³¹ Preliminary unpublished results, Department of Statistics, November 2004.

³² Enhanced Productivity Project, Ministry of Planning and International Cooperation, IRADA Centers, "The economic survey of small and medium enterprises for 1995-2202, Karak Center". April 2003.

³³ Community Development Group, June 2002, Update of Micro loan demand in Jordan, conducted under contract to USAID-funded Access to Market Friendly Initiatives and Policy Reform Project. In its due course around 78 formal businesses in Karak Governorate were surveyed, of which 64 were located in Karak city itself.

³⁴ Ibid.

³⁵ Preliminary results of DOS census of 2004.

The services sector employs around 14% of the foreign labor in Karak and has contributed around JD 3.4 million to Karak's economy in 2002.

MANUFACTURING SECTOR

The manufacturing sector in Karak city is **the smallest sector** including 143 small establishments constituting 10% of all SMEs in Karak city. The most prevalent industries are in metal works, bakeries and pastry making, textiles and clothing, cement blocks and gypsum. The manufacturing production sector also employs unskilled foreign labour mostly Egyptians. In 2002 the sector contributed around JD 1.8 million to Karak's economy.

Industrial activity outside the city of Karak and Karak Municipality as a whole is dominated by the mining and extractive operations that accounts for 8.7% of employment in the Governorate. These comprise **key national industries processing the main raw materials of the country**. The most notable is Arab Potash and its associated plants, located between Safi and Mazra'a within the JRV. Other significant operations are the phosphate rock mine at El Abiad and the limestone quarry at Qatrana.

Outside the city there is also the King Abdullah II industrial estate, which provides Karak city residents with job opportunities in textile and clothing. Although these industrial sites are located outside the boundaries of Karak Municipality, residents do commute to work from Karak city.

CONSTRUCTION SECTOR

Construction sector in Karak Governorate **is small; yet its activities have been increasing annually** since 2000. There were 207 private buildings licensed in 2000, 353 in 2001, and 587 in 2002; totalling 1,147 licenses, out of which 776 were completed by year 2002 providing around 923 dwellings, and a total area of 122,886 squared meters. Generally, most of the building licenses are for structures of cement bricks and concrete.

In Karak Governorate the number of **registered contractors has decreased** from 126 in 2000 **to 116 in 2003**. Those contributed in 2002 around JD 3 million to the economy of the Governorate constituting **2.58% of the contribution** of the total construction sector in Jordan³⁶. Their gross output in 2002, amounting to nearly JD 12 million, was mainly generated from main contracting works (vs. sub contracting)³⁷. Besides the registered contracting sector, there is the unorganised construction sector that is also active in Karak. The sector also employs most of the unskilled foreign labour especially the Egyptians.

AGRICULTURAL SECTOR

Karak Governorate accounts for 13% of the cultivated areas in upland farming and 14% in the Rift Valley. The total cultivable area comprises nearly 25,000 ha., which is equivalent to about 7.5% of the total land area of the Governorate.

The main output of the agricultural sector are tomatoes, banana crop, rain fed crops of wheat and barley, and a sizeable herd of livestock, mainly sheep and goats (89,500 sheep, 39,000 goats animal assets as on 1/11/2003³⁸) forming the base for its entire dairy production, especially within the informal sector working in the rural areas. Also, intensive chicken farming with around a third of the national requirements for broiler chickens supplied mainly from around the desert area of Qatrana.

Although located at the centre of an extensive and important agricultural area, Karak City is not a major player in either its development or operation. As noted above a significant proportion of the labour force is estimated by the local Labour Office to be working in agriculture but presumably outside the boundary of the Municipality. **The influence of agriculture on the urban area is more concerned with the provision of services to farmers and as a market for local growers**, though Amman is the main destination for local production. The

³⁶ DOS, Construction survey 2001,2002, Department of Statistics, Jordan pg 35.

³⁷ DOS, Construction survey 2001 &2002, Department of Statistics, Jordan pg 53-56.

³⁸ Department of Statistics (2003) Issue No. 54 *Statistical Year Book*, 2.4 pg. 55.

market role of the town is therefore more important for the level of general services it provides for farmers and their families rather than as an outlet for produce therefore giving more emphasis to the service function of the Old City. The following activities are however of relevance:

- Veterinary Services including the dispensing of pharmaceutical products;
- Agricultural extension services provided by the Ministry of Agriculture;
- Contracting and transport services for the preparation of land and movement of produce.

TOURISM SECTOR

Please refer to Section 7 below.

FORMAL SECTOR DYNAMICS

Karak city is the oldest of the settlements within the Municipality of Karak. It is a walled city of approximately 170 ha, the commercial and governmental centre of the region and a market town to surrounding farms and villages. Its attraction as a center is strong and this is reflected in the quality and variety of the services it provides.

Based on observations from the field research, the commercial streets in Old Karak city encompass a variety of shops involved in various trades ranging from cellular phones and car parts, to used clothes and footwear, to meat and vegetables. Shops being involved in similar professional activities or selling same products are often found in close proximity, thus lacking products variety as much as product quality. Handicraft shops are minimal and mainly found around the Castle Plaza at the top of the Al-Qlaa Street.

In addition, many merchants are using the sidewalks to sell their items such as accessories, clothes, shoes, and vegetables, etc. Such street merchants are adding to the general sense of chaos in the shopping streets and hindering movement of pedestrians. They are also raising problems with the Municipality and are proving hard to control or license.

In summary, there are no apparent controls as to signage, licensing, or usage of the street walk for product displays. Moreover, car parking poses a very serious problem in the shopping streets of Karak city. There is no place to park the car and often double parking is exercised which just adds to the problem of traffic management. **Parking problem** is adversely affecting businesses in Karak, and so many actually 'reserve' the place in front of their shop by placing stones and boxes that they remove only for their customers.

The shops of Karak depend primarily on Karak city's residents for their business and secondarily on residents of surrounding towns. Being near to Mute University and student communities is not really benefiting Karak formal sector, students find it difficult to commute to Karak, and they prefer to go to nearby Marj town which has flourished and has started to cater to students' needs of coffee shops, supermarkets, housing, etc.. and becoming a more central activity centre than Karak city. Also, being near to Aqaba Special Economic Zone, people often travel to Aqaba to shop at lower prices and as such Karak loses the business to Aqaba.

As such the formal sector in Karak city will benefit once traffic and parking places are organized and **better regulation of professional licensing** is in place, to control proper distribution of activities as well as finding a solution to the problem of street merchants in terms of their relocation and making available permanent places to house them, Also, Karak formal sector would also gain if regular transportation method is provided for Mutah University students to facilitate their commuting to Karak and back again. **An arrangement with the University transportation** may be investigated to provide this service especially during weekends or after hours.

4.2. INFORMAL SECTOR³⁹

Based on the field research and the CDG study mentioned above, **the informal sector in Karak city is mostly led by women in their twenties and thirties**. Most run their operation by themselves and very few employ one person. The women of Karak city utilise skills that they have gained through training, or through their traditional way of life. Moreover, some would like to attend training workshops that may add to their knowledge or enhance their product and are even willing to pay for it.

To many, the home-based activity is the major income generator for the family or the individual and there is no other source of income. This attained income is less than JD 100 per month and on average is around JD 45 per month.

The skills and products of the informal sector players may be divided into four main categories:

- 1) making **dairy products** and most specifically 'Jameed' or dried yoghurt,
- 2) hand or machine **embroidery** as well as sewing traditional dresses,
- 3) **retail trade** such as groceries or clothes,
- 4) other **handicraft skills** such as wood carving and weaving of carpets.

Currently informal players sell their products directly from their homes to their immediate neighbours and members of the proximate community. Few also sell to middlemen, while many depend on welfare associations to purchase their products or sell it for them through one-day bazaars.

The major problems that are deterrents to successful informal entrepreneurial activity in Karak City is lack of marketing and outreach programs, finance, and absence of a fixed facility from where to display and sell their products in a sustainable manner. **A fixed place or a flea market to be set at certain times is highly desired**. Informal operators are ready to sell away from their homes at such places. To be effective, the place has **to be near to future tourist attractions and/or the Karak Castle**.

Besides a sustainable marketing and sales effort, finance is another need of the informal businesses. There are 7 institutions currently offering micro-finance to around 1,000 informal businesses who are current borrowers and managing to achieve income from their businesses to cover their needs and pay back their loans. In general micro-loans are expensive and collateral is required. Therefore, many potential entrepreneurs who are not eligible for such loans, turn to the active NGOs in Karak city or to MoP EPP (IRADA) for help in obtaining grants or finance with easier terms, specialised training, as well as support in establishing the business.

SOURCE OF LOANS	NUMBER OF BENEFITING INFORMAL BUSINESS
National Aid Foundation	285
CHF	365
DEF	116
JUHD/Princess Basma Center	105
Ministry of Social Development	123
General Union of Volunteer Societies	1
Estimated Informal Businesses with Loans	995

TABLE 6 - DISTRIBUTION OF INFORMAL BUSINESSES ESTABLISHED THROUGH LOANS BY SOURCE OF LOAN⁴⁰

³⁹ Socio economic field research conducted in Dec. 2004 for the purpose of this study and information compiled by Community Development Group, June 2002, Update of Micro loan demand in Jordan, conducted under contract to USAID-funded Access to Market Friendly Initiatives and Policy Reform Project.

⁴⁰ Data acquired from each organization based on their records.

NGOs and community based organisations play an important role in supporting the informal businesses and providing training and awareness raising. Such organisations are either charity associations or national NGOs like JUHD that have branches in the city, as well as centres representing national programs such as Enhanced Productivity Projects (IRADA) and the Knowledge Stations. All are effective in offering specialised training to the entrepreneurs in topics such as IT, sewing, embroidery, weaving, how-to-start-your business courses, and political awareness raising. They also provide a marketing vehicle. Usually the association buys the services and products of their members to resell in national and local fairs, exhibitions, and bazaars held in Karak or another city in Jordan.

Those community-based organisations constitute an existing vehicle to reach the community yet not all of them are motivated enough and community work is led by a few, most notable by 'Mo'ab Girls Welfare Society'. Also, co-ordination between their efforts is needed to avoid redundancy of their operations and to improve communication amongst them. Especially when their efforts are co-ordinated, they can be instrumental in offering organised and consolidated training that will advance the activities of the informal sector, such as courses in marketing and quality packaging techniques, creativity in producing tourism related products based on their skills, and exposure to tourism environment and tourist offerings and services in other cities. Also, their marketing efforts and one-day affairs cannot be considered as sustainable marketing programs that informal sector players may depend on.

5. Households condition and access to social services

5.1. HOUSEHOLDS CONDITION

The results of the Census 2004 indicated the existence of 5,586 dwellings in Karak city constituting 12% of the dwellings in the Governorate. Available information on the general conditions of those dwellings are detailed in the Household Income and Expenditure Survey of 2002/2003, but at Governorate level as a whole. The survey indicates that around 79% of households own the house they live in, while 14% rent it⁴¹. The prevalent (81%) type of dwellings is called "Dar" in Arabic, meaning separate house in English, which is typical for most Governorates except Amman. The rest are flats⁴². The average area of household (127 m²) is more than the national average. A typical house is built in concrete and has two bedrooms⁴³.

Almost all households in Karak Governorate and Karak city in particular have access to the public electricity network, yet electricity problems was one of the reported problems by respondents in the field survey. Similarly almost 99% of the households are connected to the public water network⁴⁴, yet around 68% suffer from water cut-offs⁴⁵. Sewerage public network is not as prevalent reaching 11.2% of the Governorate households while 88% use cess-pools⁴⁶. This may be due to the rural nature of the Governorate. Most households (83%) depend on kerosene or gas heaters for warmth in the winter, while only 1.8% has a central heating system installed⁴⁷. Around 96% of the households in Karak Governorate own a TV while 21% own a satellite receiver⁴⁸.

Telephone services cover all planned residential areas.

In addition, Karak residents reported specific problems that are not helping their standard of living in their city. The most major being traffic management exemplified in traffic jams and **lack of parking spaces**. Other relevant problem is narrow streets and hole-filled sidewalks with low capacity for proper storm drainage. **Inefficient municipal services** such as solid waste collection, street cleanliness and insect and pest control, were also reported issues affecting the people. **Improper street signage, street merchants and uncontrolled business licensing**, are other apparent problems in the city⁴⁹.

5.2. SOCIAL SERVICES

Besides the main need for traffic management and parking spaces, members of Karak community stressed their **need for social services and recreational activities** such as nicely services public parks, cultural supply for children, and affordable restaurant or coffee shops where a family can spend its time, as well as clubs especially for women⁵⁰.

Proximity to Aqaba provides Karak citizens with the opportunity to shop for higher quality products and visit recreational places, yet this is more open to the men of Karak and cannot also be considered as a trip that can be frequently taken by the residents. On the other hand nearby Marj is emerging to provide certain recreational services exemplified in the Al-Hassan

⁴¹ Department of Statistics (2002/2003), Household Income and Expenditure Survey, pg 50.

⁴² Department of Statistics (2002/2003), Household Income and Expenditure Survey, pg 48.

⁴³ Department of Statistics (2002/2003), Household Income and Expenditure Survey, pg 32, 88.

⁴⁴ Department of Statistics (2002/2003), Household Income and Expenditure Survey, pg 51.

⁴⁵ Department of Statistics (2002/2003), Household Income and Expenditure Survey, pg 52.

⁴⁶ Department of Statistics (2002/2003), Household Income and Expenditure Survey, pg 56.

⁴⁷ Department of Statistics (2002/2003), Household Income and Expenditure Survey, pg 54.

⁴⁸ Department of Statistics (2002/2003), Household Income and Expenditure Survey, pg 35-36.

⁴⁹ Information compiled through the field research conducted in November 2004. Research encompassed extensive desk research, in-depth interviews and focus groups with stakeholders, observation, and field survey based on structured interviews with Karak's community members and businesses.

⁵⁰ Field research Nov 2004.

Cultural center yet it caters for students and not families and the center is not very active either.

Most of the necessary social services in terms of education, health, and communication are provided in Karak city but may not be comparable to the standards of similar services in Amman. The following information is reported on the level of Qasabat Karak District unless otherwise stated.

SCHOOLS AND TRAINING CENTRES

In total there are around 115 schools in Qasabat Karak, 10 of which are Kindergarten, 38 are Secondary academic, 2 are Secondary vocational schools, and 1 vocational training centre teaching sewing and hairdressing topics, as well as 1 IT community center (knowledge station)⁵¹.

In Karak City alone, 9 of those schools and both of the **training centres**, as well as 7 nurseries, operated and are found by the Ministry of Social Development.

Currently the Governorate **only university is Mutah University** having around 17,000 students and offering degrees in humanities, engineering, natural science, medicine, agriculture, ICT, law and commercial and business administration. Karak also has an Intermediate College with around 1,700 students⁵².

The Knowledge Station in Karak city **specialises in IT training** and provides Internet connection. **Plans for the sustainability of this Station includes its use as an outlet for tourism related products and services incorporating community-based skills**⁵³. In fact, UNIFEM has already utilised the center to offer **training for women in development of tourism related products**.

COMMUNITY BASED ORGANIZATIONS

There are 18 registered community-based organisations in Karak city but very few are actually active, and those that are active are more cultural than productive organisations. All are members in the General Union of Voluntary Societies (GUVS), which also has a branch in Karak city, and are monitored by the Karak Directorate of Ministry of Social Development. Cooperative associations are not prevalent in Karak.

The main issue among those organisations now a day is the prevalent feeling of helplessness and frustration of their administrative committees.

Community based organisations mainly depend on the personal voluntary efforts of individuals, usually the women of the higher social status and members of the influential families of Karak, and their success depends on the creativity and connections of the administrative committee members. Even though these associations play a major role in amassing groups of informal sector players under the umbrella of the association and providing them with training and marketing outlets for their products, yet the associations' efforts are uncoordinated and lack proper communication channels among themselves. Moreover, any co-operation between such organisations and the national NGOs is also dependent on the connections of the administrative committee members. Such co-operation has been established between the Mo'ab Girls society, the Municipality, and the JUHD NGO whereby a center was built in the Old Karak City⁵⁴. The society secured the funding from the Industrial Development Bank, the Municipality provided the Land, and JUHD has assisted in building the center and is managing it. Within the same neighbourhood the society is establishing children's library and is providing training in embroidery to the women. **They are also willing to cooperate with the Municipality, government and/or any other party to establish tourism and income generating projects and can even provide land plots** (2 dunum near the governmental hospital, and 700 m2 in Talal Street) for such projects.

⁵¹ The Educational Statistical Report, MoE, 2203/2004.

⁵² The Annual Statistical Report on Higher Education in Jordan for 2002/2003.

⁵³ USAID funded AMIR II Workplan.

⁵⁴ Adjacent to the Al-Dhafer Baybers Garden.

Charity associations in **Karak do not offer sustainable marketing efforts that serve the informal sector** of the city and they also lack financing. They look for the Ministry of Tourism to help them in marketing the products of their members just as it does for the more prominent NGOs such as for Jordan River Foundation.

As mentioned speaking about the informal sector, those associations are very close to the people and to the communities and **they can be instrumental in offering training in specialised crafts and skills, as well as in raising awareness of their communities in tourism and cultural issues**.

There are two important NGOs presently operating in Karak: the Karak Development Corporation (KDC) and the Karak Chamber of Commerce; both are expected to play an important role in the development of the city.

THE KARAK CASTLE PIAZZA MANAGEMENT COMMITTEE

This committee organisational model is the first of its kind in Jordan, since a committee **composed of public and private sector members** including the Karak Municipality, the Ministry of Tourism, representatives of the commercial sector in Karak, the residents, as well as the Karak Development Corporation, has been legally established.

This committee is given the authority to manage the Karak Castle Piazza whereby it is currently renting out the facilities under a 10-year contract to a local investor who is responsible for -year contract to develop and manage the Piazza and its facilities of restaurants and souvenir shops, as well as any potential cultural tourist activity⁵⁵.

The drawback of this Committee is that **it does no interact with the communities** and is seen as a distant organisation operating on its own.

THE KARAK DEVELOPMENT CORPORATION ⁵⁶

The KDC was established in 1992 but commenced its operations only in 1996, when the former Prime Minister Dr Al Majali was appointed to chair the Board of Trustees. The basic objectives of the Corporation are to encourage Karak development through the implementation of individual projects designed to satisfy the needs of citizens and to assist Karak Municipality financially and technically in order to enhance its service provisions. One of the main achievements of the KDC is the construction of Al-Hassan Cultural Center in Al Marj. Among its ambitious plans are an Occupational Training Centre, Panorama for Sound and light, a park, a building to house the Cerebral Palsy Society and a commercial and entertainment complex. The principal problem in implementing these projects is the lack of consistent funding. Funds are presently obtained through donations by various individuals, and although substantial, are not regular and depend upon the personal discretion of donors. The KDC will depend to a significant extent of the flow of donations.

The experience of the Salt Development Corporation could prove useful in defining the ultimate role of the KDC. Since 1982 this organisation has given a variety of grants and interest free loans to the Municipality and has established various educational, cultural and infrastructural projects. As an organisation they are well established both within and outside Jordan, especially within the Gulf States, where they obtain donations for their charitable purpose. The KDC could benefit from their experience and organisation and should be considered for more involvement in the planning and implementation of projects for the development of Karak.

THE KARAK CHAMBER OF COMMERCE

This is an important body in the daily life of Karak. It is directly involved in the commercial and industrial activities of the community in terms of the issuance of licences, certificates of origin, commercial registration and court guarantees. They also participate in a wide variety of local activities such as fairs, festivals and exhibitions as well as providing charitable dona-

⁵⁵ Field research, Nov 2004.

⁵⁶ Urban Regeneration and Tourism Development for Old Karak, Dar Alhandasa, 2000.

tions to students and the poor. Their incomes are obtained from member subscriptions, and charges collected as a result of their activities.

The Chamber should be considered for more direct involvement in the planning and implementation of projects for the development of Karak.

JICA

The Japanese agency currently responsible for the renovation works at the Karak Castle Piazza.

MINISTRY OF SOCIAL DEVELOPMENT

Responsible for National Aid Fund, social welfare support to orphans, widows, old aged and other low-income sections of population.

SPORTS AND YOUTH CLUBS

The higher Council for the Youth supervises 23 private clubs including youth clubs for males and females in Karak Government. The two main ones are in Karak city: the Karak Male Youth Center and the Karak Female Youth Center. Both organise sports, competitions, seminars, lectures and entertainment activities as well as voluntary works. Yet their budget is very small and they suffer from lack of funding, unavailable facilities for their activities, and inefficient and insufficient support from the Higher Council which **could be in itself an important player in the tourist future of the city** as it could establish and assists folkloric troupes, and cultural programmes that could attract tourists and encourage them to spend more time in the city, as well as aid in raising awareness of the citizens and youth. .

PUBLIC PARKS

There are **two main parks** that cater for Karak residents. The Habes Majali Park located at the entrance of the city and run by the private sector, and the Ain Sara and Creek Park, further outside of the city. The latter is run by the Municipality and has natural spring and watercourse with a potential to becoming a pleasant feature for eating and recreation for both local residents and visitors.

The Dhaher Baybers Park in the old city of Karak is an unsuccessful attempt whereby the private sector manager misused the park causing its closure by the Municipality. Currently, the 8 dunums park is leased by the Municipality from the Ministry of Awqaf for a long term. It features a two stores building that the Mo'ab Girls Society has recently started to make use of turning it into a children library and meeting hall. The gardens are run down yet they have the whole place has a nice sense of calmness and privacy that contrasts sharply with the traffic jams in the street outside its walls.

UTILITIES

The Water Authority supplies at present the Old City with a 24-hour supply of water but a programme of rationing operates in the suburbs. There are also technical problems with the sewage treatment system, which presently lacks adequate purification capacity to deal with the existing levels of flow. Adequate expansion of the present Sewage Treatment Plant will be required to service any growth in population or urban development⁵⁷.

The Electricity Corporation is presently able to satisfy all demands as well as any likely future ones.

Karak is at the centre of **an effective transport network**⁵⁸. It is a regional public transport centre and has an extensive scheduled route network linking it with the other governorates, various settlements and facilities and urban centres of the country. All main services either terminate or call at Karak and the principal bus terminal is presently located within the Old

⁵⁷ Urban Regeneration and Tourism Development for Old Karak, Dar Alhandasa, 2000.

⁵⁸ Urban Regeneration and Tourism Development for Old Karak, Dar Alhandasa, 2000.

City. There are a large number of public transport services originating within the Old City and serving the surrounding villages, the majority of these comprise unregulated mini bus services. The irregular schedules are due to the practice of waiting to ensure a full load of passengers prior to departure. This practice of waiting often leads to congestion at the points of departure and frustration on the part of passengers.

The road system is generally in good condition and capable of accommodating the existing and forecast traffic volumes, but **traffic inside the old city of Karak is a problem**. The internal road network within the old city of Karak is generally of narrow streets, with the majority allowing only one-way traffic, signage and road markings are lacking, and there is a **limited amount of available off-street parking**. There are only two dedicated car parks and both are small. Vehicle parking occurs on virtually all streets within the Old City. Double parking is a common feature reducing the capacity of those internal roads on which it occurs. Consequently, a solution to the parking problem in Karak is a vital issue.

Tourist transport is only likely to visit Karak as part of a tour programme. Therefore **the large tour buses face difficulties in navigating the steep winding street** taking them up to the Castle. Alternate route or shuttle bus solutions to the Castle must be investigated.

GOVERNMENT ORGANIZATIONS ⁵⁹

Directorates representing most Ministries are located in Karak city. They offer services to the entire District yet they are not completely decentralised from Amman.

The following central government agencies have branches working presently in Karak Governorate:

- 1) Ministry of the Interior represented in the Karak Governorate.
- 2) Ministry of Tourism and Antiquities (MOTA). Two offices, the Tourism Office and the Department of Antiquities Office presently represent it in Karak. Their function and responsibilities are different and they are completely independent of each other.
- 3) Ministry of Finance (MOF). It is represented in Karak by four separate units engaged in the provision of tax collection and fees and the disbursement of salaries and pension.
- 4) The Ministry of Education (MOE).
- 5) Ministry of Labor (MOL).
- 6) Directorate of the Social Security Corporation (SSC).
- 7) Ministry of Agriculture (MOA).
- 8) The Agriculture Loan Corporation (ALC).
- 9) The Higher Council of Youth (MOY).
- 10) Ministry of Health.
- 11) Ministry of social Development.
- 12) The MMRAE Directorate in Karak has five different units and is responsible for land use planning and approval, design layout and zoning plans for the Municipalities and Village Councils in the Governorate of Karak.
- 13) The Jordan Telecommunications Corporation.
- 14) The Water Authority.
- 15) Electricity Corporation.
- 16) Housing and Rural Development Corporation.

⁵⁹ Preparation of Urban Regeneration and Tourism Development Plans, Programs, and Action Projects for the City of Madaba, Phase I Report, revised version, Vol. 1, July 2003.

HEALTH SERVICES

There are 6 hospitals in Karak Governorate one private small hospital is in the Old Karak City. There are also 5 comprehensive healthcare center and 39 Mother and Child centers, 23 dental clinics, 37 primary healthcare clinics, and 42 pharmacies serving the population of Karak Governorate⁶⁰. As such there is a wide and adequate range of health care facilities available in Karak, which is the principal regional center. The standard of medical care is compatible with that available elsewhere in Jordan outside Amman. There is also Comprehensive Medical Center in the Old City providing general medical services and some specialized ones such as pediatric, gynecology internal medicine, dentistry, x-rays, laboratory, maternity, general health, vaccination and health awareness.

POST OFFICES

The significance of post offices for Jordan in general and Karak in specific, is that in addition to providing mail services, they offer intermediary services for universities and other government organisations like National Aid Fund, and postal saving fund. The number of post offices in the Governorate is 56⁶¹.

FINANCIAL SERVICES

In Karak City **there are 6 institutions offering micro loans**, one of which is a private sector company and the rest are either governmental organizations or NGOs. The major Banks in Jordan also have Branches in Karak city.

5.3. PARTICULARLY DISADVANTAGED GROUPS

There is no information available about disadvantaged groups in Karak or in Jordan.

Women in Karak city are put at a disadvantage in view of traditions and cultural beliefs those stereotype women's roles in the society. They suffer from the same societal confining problems that Jordanian women in general do. One of these disadvantages is lack of mobility which affects their ability to work and the other is cultural habits towards the female which restricts her movement in the street and her access to the few recreational facilities such as Internet cafes - specifically Karak city's females have voiced their resentment of the 'Shame Culture' that is widespread in Karak and which prevents females from joining certain types of jobs -

Concerning **people with disabilities**, there are 3 centers caring for those with special needs but none in Old Karak city. The most active is the Karak Handicapped Society, which cares and trains for 113 students and teaches them on handicrafts like traditional 'noal' weaving, woodcarving, embroideries and carpentry. It also markets and displays their products at exhibitions.

⁶⁰ Directorate of Information Studies & Research, Ministry of Health, Annual Statistical Book 2003, English Section, pg 7.

⁶¹ Ministry of Planning and International Cooperation, 2003, Socio-Economic Situation in Madaba Governorate, pg 18.

6. Cultural assets and management

6.1. CULTURAL ASSETS

In terms of cultural assets, in Karak there is more than the **castle, its piazza and the city walls** and towers: there are many **individual sites of possible tourist and religious interest in the Karak region**. Some of these sites form parts of ongoing archeological activities while others include historical buildings, spas, religious shrines and scenic vantagepoints. The Old City road network accesses few:

- 1) Shrine of Prophet khadir: the site is believed by many to have miraculous abilities for both Muslims and Christians;
- 2) Shrine of Prophet Noah: a site believed to be associated with the prophet Noah, with a prominent rocky structure similar to Noah's Arc in shape;
- 3) Church of Saint Jawerjuis: known as the Church of Baptism claiming to be the site of 1 million baptisms. The site has an ancient history and the church contains many interesting and historic artefacts;
- 4) Jubilee forest: a scenic site of extensive woodland area with wide views of Karak and the surrounding area, providing a local panorama and picnic site.

Karak has also rich historical past, which is clearly visible in the Castle, its walls and towers. However below the city there are other archaeological riches which are presently inaccessible beneath newer structures which have been built on them. Such items include:

- 1) water reservoirs and the remains of an elaborate water management system for the castle;
- 2) a system of underground tunnels linking the various parts of the Old City; one of these tunnels is being renovated with the intention of using it as an easier access path to the Castle from the street leading to the city. Other tunnels are currently inaccessible;
- 3) a variety of archaeological remains dating back to the early Iron Age and including the Moabite period and within the walled city at different levels there may be remains from the Moabite, Roman, Byzantine and Medieval periods.

These **archaeological remains**, although not readily accessible, are important to the future urban structure of the Old City. Buried as they presently are, they are safe from further damage and remain available for possible excavation. It is essential, however that their importance is appreciated and that they are accounted for in any strategy intended to regenerate the urban fabric.

In addition, **Karak had been the scene of many Islamic battles** where many heroes have given their life for the prevalence of Islam and the defense of the land against the conquering Romans and crusades. The Shrines of those heroes are sprawled across Karak region. Some of which are for Zaid Bin Haretha, and Jaafar Al Tayyar. Both Shrines are important landmarks visited by Muslims and Shi'ites from all over the world.

A more telling characteristic of the architectural heritage of the Old City is its **vernacular quality**, as opposed to the monumentality of the Castle features. Hidden away in semi private clusters of dwellings stand many buildings, courtyards, alleyways and ruinous remains of the past, which can be considered to form the traditional urban character of the Old City. Yet, due to **lack of awareness**, concern and the worsening socio-economic situation, most of the older houses of Karak city **are now either beyond repair and some are already in ruins and/or about to fall down**. Except for the beautiful Church School building, which is in its final stages of renovation, and the older churches that are taken care of by their relevant religious establishments and communities, the heritage buildings of Karak are being torn down by their owners and replaced by modern commercial buildings that serve in in-

creasing the income of the owner through commercial rents. **Protection of those nearly 400 heritage buildings must be given attention.**

Historical stands, tribal codes, and religious nuances influence the living culture of Karak. Karak city incorporates the culture of its Christian families and the Bedouin culture of its tribes. They mesh together to become the base for **Karak's living cultural assets that are not exploited but lay dormant in the community** so much that it will be lost if not revived soon among the young. The **historical traditions** of the region have grown around a number of elements including:

- the historical events around the Moabite Karak Castle;
- its location on a trade route and the pilgrimage route to Makkah;
- the tribal demographic structure of the region, which accepted the cultural, administrative and commercial role provided by Karak and its Castle;
- the urban influence of more recent historical cultures such as the Ayyubide, the Mamluk and the Ottoman.

Therefore, the current situation is characterised by the dominant Karak Castle that represents the cultural base of the Karak communities. The residents of Karak resent it being referred to as the "crusaders castle". They think of it as a Moabite castle that is the symbol of their Arabic culture of bravery. The Castle, in recent Ottoman history, witnessed this culture of resisting suppression and injustice when many resisting men of different tribes were killed or thrown over its walls and towers. Such historically significant events still have their imprints on the region and its people and influence the culture of the society but this fundamental aspect of the Karak culture is also fading among the youth.

6.2. CULTURAL SUPPLY AND DEMAND

The Castle is also the main venue for any cultural event taking place in the city. An example is the **Karak Festival**, during which the local Karak Folkloric Group presents folkloric songs and dances, seminars and debate are held and bazaars exhibit the products of the community-based organisations.

Currently the Municipality is considering holding '**Karaki Nights**' events featuring traditional wedding dances and ceremonies, local traditional poems, and traditional games such as Seijah, Al-Tab, and Al-Mankala. The Municipality is also running a **couple of annual events** such as the Salah El-Dine Al-Ayyoubi Prize for Innovation in literature, sports, voluntary work, science, and environment, and the Art Prize for school children. The public relations department of the Municipality has also succeeded in publishing its first bi-annual newsletter covering the second half of 2004.

The Al-Hasan Cultural City in Marj is sometimes a venue for some cultural activities, the most recent of which was the conference: The Current Situation of Karak – the Good and Bad.

The culture and history of Karak is documented through the writings of some scholars⁶² yet it is **not well read or known among the youth of Karak.**

Besides the above-mentioned activities and the unorganised production activities of the informal sector as well as the welfare organisations, no other living cultural activities are currently active in Karak City. But on the other hand **the potential cultural supply is great**, as well as the living cultural ideas roaming among Karak's community, and the cultural products with which Karak can easily be branded with and known for.

Karak has a rich traditional culture that should be revived among the young and the old members of the community. Those cultural activities range from:

- traditional 7-nights and 7-days wedding festivities,

⁶² An example is the book dealing with the Moabite history of the Karak emirate by Dr. Yousef Ghwanmeh.

- folklore songs and dances,
- traditional games like Seijah, Al-Mankalah and Al-Tab,
- carpet weaving using the old 'Noal',
- wheat cracking using the stone mill,
- traditional women and men dress making and embroidery,
- traditional products like Al-Thabia (pocket hanger), Maktaf (large hay dish), Al-Jounah (box made of hay for keeping bread), Fari (heavy coat made from lamb's woollen skin) and Al-Ja'ed (a floor covering made from lamb's woollen skin)
- traditional cuisine especially the 'Mansaf' and the associated dairy product 'Al-Jameed' (dried yoghurt).
- Story telling and recounting of tribal historic events and traditions

Most of the above activities or products may be found in the **rural areas** of Karak but only few are undertaken by the residents of Karak city. In general, traditions are somewhat dying out among the young who actually admit not knowing much about the history and living culture of their city⁶³. It is important to revive those traditions and boost the knowledge of the city's history and culture among the youth. Some of the suggested mechanisms are:

1. documenting the Oral History of Karak;
2. establishing a center to teach Karak History and raise awareness of its sites and their importance to tourism;
3. registering the names of people killed from the Castle walls while resisting the Ottoman's dominance, and hanging the names in the Castle along with their relevant stories. This will create pride among the young upon identifying their ancestors with heroism and bravery.

Also, when people were asked to identify the product Karak can be identified with, 'Jameed' or dried yoghurt, was **the only product mentioned**.

A lot of work has to be done to develop the above mentioned activities into branding activities for Karak. Efforts have to be expended by the Municipality, MoTA, NGO, the Youth Centers and the community based organisations in a unified and complementary manner.

Demand by the people for cultural activities in Karak is great whether during their free time or holidays and weekends. In general, the free time for the community members in Karak city during weekdays is usually in the evenings from 6:00-12:00 at night. Also, almost all heads of households consider Friday, Saturday and official holidays as days of rest and free time for themselves and their families.

This **free time** is usually spent by most in watching TV, and reading. Few go out to meet friends. Holidays are spent by most in Karak city at home or visiting friends and family. Apparently **lack of cultural facilities** is felt deeply by the community. Karak people actually reported missing cultural venues such as public libraries, clubs, and cinemas, besides the previously mentioned facilities such as public parks, coffee shops and restaurants. Moreover, the residents called for handicraft centres to train the youth.

In particular, the **young men**, lacking other cultural and more interesting things to do in their free time, usually go to the coffee shops in Al-Marj town or gather in Castle Street and around the Salah El-Dine roundabout. Of course any such activity is only available for the men. The women of Karak go nowhere but stay at home.

Some Karak's residents mentioned that they would expect to find information about any recreational and cultural activities in their city mostly through advertising banners in the streets and others at the municipality, yet some do not really know from where. Also, most of the people who spend nothing on recreational activities in their city, and the few who do, do not

⁶³ Information compiled through the field research conducted in November 2004. In fact 10 out of 15 rated their knowledge of the historical sites and living culture and heritage of their city as poor to average.

afford more than JD 20 per month for themselves and the family⁶⁴. Actually, based on DoS statistics, people of Karak Governorate spend only 1.8% of their annual household expenditure on culture, recreation and sports activities. The same as for individual expenditure.

6.3. POTENTIAL INVOLVEMENT AND COOPERATION OF THE COMMUNITY

In general, the residents of Karak city are **aware of their city's importance to tourism in Jordan**, and care for the preservation of its heritage and archaeological sites yet they lack a vision of success for their city and are **not very enthusiastic or have interest to participate in the development and revitalization of their city nor in projects that might increase tourism**⁶⁵. The basic reported reasons being fear to tackle something they do not understand and breaking out of the social and family traditional culture especially where women is concerned. **Lack of initiative** was another observed factor. Those who were willing to participate cited financing and training as their major incentives. Also, almost all mentioned that the Municipality would be the place to look for information about any incentives in this regard.

Not many expect problems following implementation of any revitalization problems yet **tribal resistance and taking advantage of the people by the government** were two issues that may arise.

One of the main problems that affect the renovation and preservation of the heritage assets is **lack of information about the sites and buildings, and lack of regulations** that enforce protection of such cultural heritage sites. Expropriation by the Municipality is one solution to protect the old buildings or the walls of the Castle and its Towers yet the Municipality lacks the needed funds. Therefore preparation and awareness raising of the community itself, demonstrating the financial benefit and feasibility study of suggested projects to owners and stakeholders, or providing the management of the facility may be the only path to ensure the participation of the owners in income generating and at the same time revitalisation and tourism attractive projects. As such, the current status of the traditional heritage need to be properly assessed and a study should be conducted to identify the structures that are still worth renovating and are eligible to be enlisted as such. Based on this study further actions may be planned for their protection. Therefore, the need for awareness raising among the community with regard to the treasures of their city and to tourism and its potential and impact on their lives is of utmost importance to increase their co-operation and their acceptance of new aspects that might be detrimental to their cities future.

⁶⁴ Information compiled through the field research conducted in November 2004

⁶⁵ Information compiled through the field research conducted in November 2004. In fact 12 out of 19 indicated their willingness to cooperate in revitalization programs, financing and marketing are two encouraging factors as well as training.

7. Tourism assets and management

7.1. TOURISM ASSETS

The residents of Karak⁶⁶ pointed out **five main assets** that attract tourists to their area:

- 1) the Karak Castle and the Al-Dhafer Baybers Tower;
- 2) the Ain Sara spring, Prophet Noah Shrine and Arc;
- 3) the religious Shrines in the Al-Mazar al-Janoubi which attract the Shi'its especially during their Nairous festival;
- 4) the Tribes of the city;
- 5) the generosity and the distinctive tribal characteristics of the Karak people.

The **Castle** is clearly the main attraction in Karak covering almost one third of the area of the Old City, yet it is not well protected from urban sprawl. All land plots surrounding the Castle are privately owned, as well as the walls of the Castle, which in some cases are used as the outer walls/fence of the houses near them. Also a cemetery exists very close to the periphery of the Castle, and although its use is now forbidden, the rule is broken now and then due to lack of nearby cemeteries in Karak.

Besides the Castle, there are a number of **other religious features** within the Old City itself such as the historic churches such as Saint Jawerjuis, the shrines of prophets Noah and Al-Kahdir, and the newly rehabilitated School and Castle Piazza. Out of the old city boundaries there is Ain Sara, another religious site featuring a creek. Consequently, **religious tourism** have its role in Karak especially for Muslim and Shi'its wishing to visit the Shrines of the prophets and in particular Zaid Bin Haretha's and Ja'afar Al-Tayyar's among others in Al-Mazar.

Other sites are the JICA programme which includes two viewing or **panorama points** for looking at the Castle, one located at Marj and the other below and to the north of the Castle on Route 50 toward the Dead Sea. Outside the city limits there are two further attractions at the **Jubilee Forest** an attractive area of forestry plantation offering amenity uses with a scenic panorama of Karak, Wadi Karak. On the road to Karak, Wadi Al-Moujeb is located where **eco-tourism** takes place in Jordan as well as the Dead Sea and the Baptisim site. As such, and being near to the Dead Sea, Karak may benefit more if it is seen as an extension to tourism in that area.

7.2. OUTLOOK OF KARAK RESIDENTS TOWARDS TOURISM⁶⁷

As previously mentioned, the residents of Karak are generous and hospitable people. Almost all interviewed citizens indicate that **they would welcome tourists** in their city, neighbourhood, and businesses and 75% of them would even welcome them in their house. Yet when they were probed about any negative expectations on their part **not all were positively inclined and some do expect some arising from increase in tourism**, mostly in terms of higher prices and exposure to undesirable foreign culture that will affect the youth's ethics.

Attitudes towards tourism are divided according to religious affiliation. Residents of Muslim affiliation have generally negative to indifferent feelings towards tourism and tourist development in the city, yet are very positive regarding the development of the Muslim religious sites in the area. Residents of Christian background are more positive about tourism in general and consider it has a good potential for developing and regenerating the City, yet are not very optimistic as to the needed change in tourism awareness of the majority of the

⁶⁶ Field research, November 2004.

⁶⁷ Information compiled through the field research conducted in November 2004.

Karak residents and their acceptance of tourist.

Investors in tourism not only hold positive attitudes towards tourism and its development but also stressed the need for such development and called for more responsive actions from the government. They have also succeeded in partnering with the public sector when Karak managed to adopt a unique mechanism for managing the Castle Piazza – in the form of The Karak Castle Piazza Management Committee –please refer to section 4.2.2 above.

Currently, there is **no interaction or cultural exchange between the tourist and the city residents**. This is attributed to the fact that the **tourists visit the Castle only** and has no chance to go into the city. In addition, there is a **lack of awareness and knowledge of how to dialogue with the tourist** and how to treat tourists in general. This sometimes results in negative attitudes towards tourism. Moreover, the lack of foreign language skills just adds to the separation wall. Therefore, raising awareness in tourism is a must among the businesses to make them aware of how to revamp their store and make it more attractive to tourist and of the residents to enhance their knowledge of the heritage and archaeological sites of their city.

Additionally, some respondents suggested further priorities that may have a vital role in tourism development in Karak such as a **well planned visit for the tourist**, one that is agreed upon with tour operators versus leaving such plans to be organised at their whims, **better informed tour guides of the city's history and culture**, and most especially co-ordinating with the ministry of Awqaf to protect the Shrines it is responsible for and to provide informed staff capable of recounting the correct historical background and information to the visitors. Uninformed 'guards' of the site currently carry out this interaction with the tourist.

For Karak **to attract tourism for a longer period** of time, the tourist has to be informed about all tourist aspects of Karak. The residents pointed out the need for stronger and more targeted promotion of Karak in tourist brochures, pamphlets and at travel agencies around the world, as well as the development of quality hotels and restaurants, and projects producing traditional products that are attractive to tourist.

Therefore to conclude, any action should be preceded by a well-targeted public awareness campaign to explain the potential benefits of the development plan for the people, also there should be some provision for greater participation by the local population, through training programs in tourists related activities, facilities should be encouraged at sites other than the Karak Castle, such as the Islamic shrines in the area for their religious and cultural value to the local inhabitants, and the development of social and recreational infrastructure should be encouraged, as this would meet the needs of people in Karak, as well as the encouragement and stimulation of traditional crafts and industries that can be run by local people and marketed to tourists. In addition the growth of tourism in both the region and the Old City will encourage change in the existing social attitudes of residents who will need time and information to acclimatise.

Social disruption can arise from either economic or physical change and it is important that the public be involved in the process of change to ensure they are aware of both the benefits and disadvantages. There will be a need to retain privacy within the residential areas of the town and to limit the extent of tourist areas. The retention of resident's privacy should be enhanced by the improvement of local conditions, which will benefit both residents and tourists through the improvement of traffic circulation and utilities.

7.3. TOURISM DEMAND AND SUPPLY

7.3.1. TOURISM SUPPLY

Presently facilities available for tourists within the Old City are **limited**. For example, there is only one tour agent in Karak city, and a couple of souvenir shops around the Castle Piazza and in the hotels as well as few number of small workshops making carpet pieces and other souvenirs located close to the Castle and along King Hussein Street. As for restaurant facilities, Karak city has five classified restaurants; the most prominent are the Rest house near

the Castle Piazza and Mujib Hotel restaurants that have facilities of a size capable of serving the larger tourist groups. There are other international restaurants within the Old City as well as a larger number of restaurants and cafes catering to local needs but open to visitors, although hygiene and food quality issues exist in a number of the local facilities.

In terms of accommodation⁶⁸, there are only 4 classified hotels (two stars) offering 54 rooms and 98 beds, as well as 4 unclassified hotels with 47 rooms and 117 beds totalling 215 beds per night⁶⁹. Among the classified hotels, there are the Mujib Hotel, located at the junction of the Kings Highway and Route 50 outside the Old City, and the Karak Rest house adjacent to the Castle and constructed by Ministry of Tourism, and the property of Social Security Corporation but rented out to a private investor.

At present there are **few local people working in tourist activities** like restaurants and hotels, except for the owners and those in managerial positions. Most workers are either from other parts of the country or non-Jordanians and in addition most of the workers are males **with very few females**. Currently there are somewhat negative views regarding working in the tourist sector and this view is stronger among the older generation and against women involvement in particular. Given the nature of existing tourism there are few local economic benefits. **The direct impact on employment is very limited**. The tourism sector in Karak city employs around a hundred persons, 1% of which are non-Jordanians, with the total constituting 0.4% of the total national Jordanian labor in tourism which amounts to 21,015.

A major structural change within the tourism sector will be required if employment and increased income generation are to benefit Karak significantly. Alternatively, the tourism impact could remain a relatively minor activity but at the same time blend harmoniously with the functions of the town so enhancing the existing urban environment.

7.3.2. TOURISM DEMAND⁷⁰

FAMILY TOURISM AND EXPENDITURE⁷¹

Holidays are spent by most of Karak residents in the city visiting friends and family, very few travel to other cities in Jordan for internal tourism. Once travelling to other cities in Jordan, Karak residents usually sleep and stay at their friends and relatives and they spend on average around JD 50 per day, with 10-20% spent on food, 40% on recreation, and 30% on shopping, and 10% on transportation.

Most indicated visiting Ajlun for one-day recreational trips, and some visited Amman and Salt for business or family visit. Jarash is the least visited.

TOURISM QUANTITY

The number of visitors to Karak, which in this case is identified with its Castle, **has declined over the past four years** where it has reached its peak during 2000 with nearly 133,000 tourists down to 44,700 in 2002 and slightly increasing to 52,700 in 2003.

This is a clear demonstration of the sensitivity of the tourism sector to political conditions, which, due to the Arab-Israeli conflict in Palestine and the Iraqi war, has witnessed increased instability during the last four years.

The Castle visitors in 2003 generated revenue of around JD 14,116 only for the Ministry of Tourism in comparison to JD 124,000 during year 2000. A fee of JD 1 for a foreign tourist is collected. This could be raised, doubled or more without detracting from visitor numbers. Consequently, tourism has a low level of contribution to the local economy.

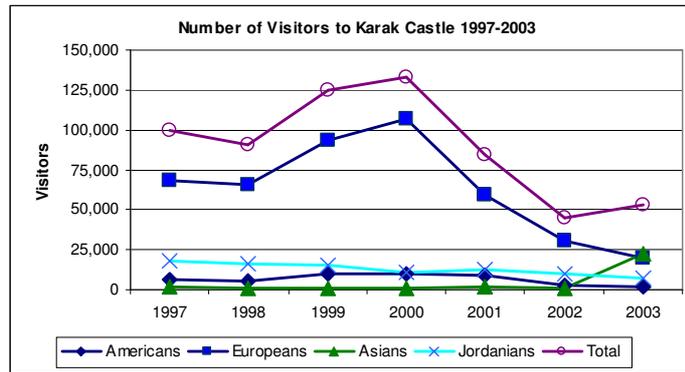
The charts and tables below indicate the recent trends of tourists' visits to the archaeological site of Karak city.

⁶⁸ MOTA statistics 2003.

⁶⁹ There are 300 beds in 3-star category (Ma'in Spa).

⁷⁰ Source: Ministry of Tourism and Antiquities (MOTA).

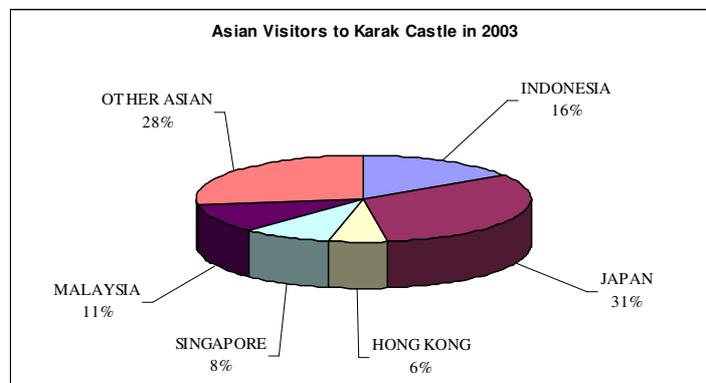
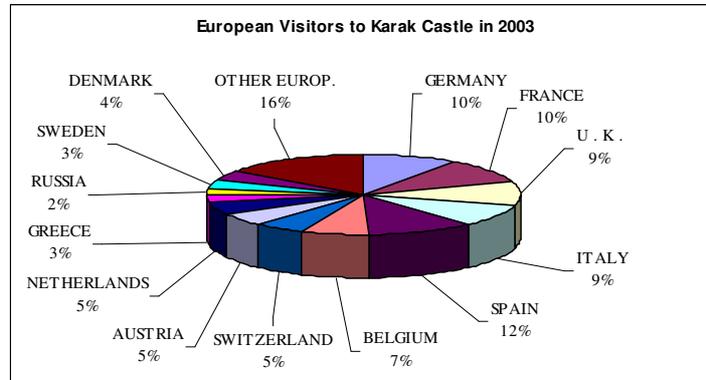
⁷¹ Field research, November 2004.



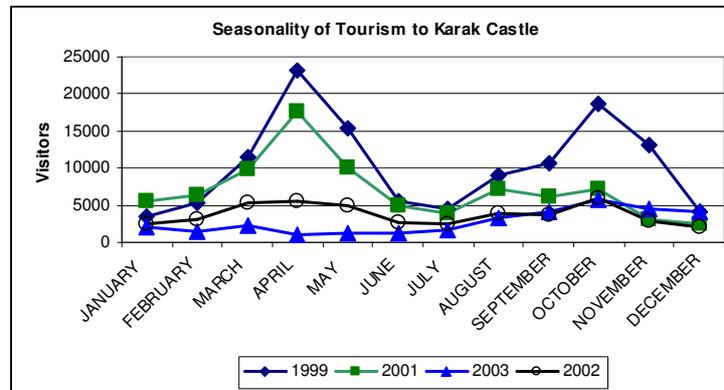
In 2003 tourists came mostly from Asia (around 22,500 Asian tourists) and from Europe (19,600 European tourists), where the relevance of the Crusader image has clearly proved a strong attraction. As for the foreign tourists, statistics show that 4% were Americans, 43% Asians and mostly from Japan, 1% Arabs, while 37% were Europeans mostly French, German, and Spanish. The national composition of tourists visiting Karak to see the Castle is shown in the pie charts below.

While the number of foreigners comprised 84% of the total number of tourist, Jordanian tourists comprised only 14% of them. In fact the number of Jordanian visitors to the Castle was at its lowest since four years.

There is **a small but growing number of independent tourists** and organised small groups within the foreign visitor profile.



There is a definite seasonal pattern in the distribution of tourists, reflecting the more favourable weather conditions in spring and autumn when there are comfortable temperatures for viewing the castle. Yet the seasonality of tourism in Karak has also changed during the past few years. While it was at its maximum during spring specifically April in 1999 to 2001, in year 2002-3 most visitors came to Karak during the fall or September-November.



Considering the tourists that stay overnight in Karak, the second quarter of year 2003 witnessed the highest number of arrivals, indicating that most of those visit Karak during spring-summer season.

STAY DURATION

The bulk of foreign visitors are package tourists who are bussed to the castle site as day tourists, generally on route to or from Petra. Tours commence in Amman and arrive at about lunchtime after having visited Madaba and / or Mount Nebo. They take lunch in Karak before or after visiting the Castle, and then usually proceed onto Petra. The visit to the Castle can take between half an hour to two hours depending on the directions of the guide, who accompanies the group from Amman or the timing of the arrangements for the remainder of the day. Very few venture away from the environs of the castle to explore the town. In addition, there have been cases where groups have been denied a tour and have been shown the Castle from El-Marj. The coach has stopped for photograph opportunity then proceeded with the tour without visiting the Old City or the Castle. Such cases are rare, however they do indicate the role that Karak presently plays as **an element in a wider tour programme**. However, recently independent tourists and organised small groups started spending a longer visit in Karak exploring the Old City and the adjacent areas such as Wadi Hammad or the large variety of religious and archaeological sites. Many of these people are also day tourists on route between other major sites in Jordan but may spend up to one or two nights in the town. In fact, interest in Karak does appear to be increasing and tour operators have indicated that stays could be extended or even overnight rests arranged if suitable accommodation was made available and most items of interest available.

As mentioned most of the tourists are day tourists on route between other major sites in Jordan. However, for the limited numbers that stay in Karak the average length of stay was 1 day per visitor in 2003, compared to over 4 days for Jordan as a whole. Also 2003 witnessed Libyan and Omani visitors to Karak who spent more than three weeks. While nearly a third of the available accommodation in Karak was occupied in 2002, it dwindled in 2003 to around 4% in bed occupancy and 6% in room occupancy.

8. Monitoring and performance indicators

Monitoring and evaluation activities - according to the program logical framework - must be developed at a double level; in order to evaluate the achievement of the development objectives, appropriated impact indicators will be calculated and analyzed, while to monitor the realization level of the specific activities related to the various program actions, output indicators will be used.

As long as the city revitalization process is concerned, the key monitoring focus will be, on one hand, on the level of revitalization related to economic activities and, on the other hand, on the appreciation of the quality of life into the city by both residents and tourists. Impact indicators of the city revitalization process could be identified, inter alia, as shown in the following table.

IMPACT INDICATORS	BASELINE	FREQUENCY AND REPORTS	DATA COLLECTION INSTRUMENTS	RESPONSIBILITY FOR DATA COLLECTION
1. INCREASED LOCAL EMPLOYMENT				
Occupied in the city	13,926	Yearly report issued at national and governorate level	Department of Statistics, <i>Employment and unemployment Yearly Report</i>	Department of Statistics
Activity rate	37.4%			
Employment rate	29.4%			
2. INCREASED EMPLOYMENT IN THE ECONOMIC SECTORS INVOLVED				
Commercial sector	4,500	Yearly report issued at national and governorate level	Department of Statistics, <i>Employment and unemployment Yearly Report</i>	Department of Statistics
Services sector	3,000			
Tourism sector	100			
3. INCREASED VALUE ADDED OF THE ECONOMIC SECTORS INVOLVED				
V.A. services sector	3.40 MJD	Yearly report issued at national and governorate level	Department of Statistics, <i>Employment and unemployment Yearly Report</i>	Department of Statistics
V.A. commercial sector	7.48 MJD			
4. INCREASED LOCAL EMPLOYMENT OF THE WOMEN				
Women occupancy rate	12.1%	Yearly report issued at national and governorate level	Department of Statistics, <i>Employment and unemployment Yearly Report</i>	Department of Statistics
Women activity rate	8.4%			
5. INCREASED LOCAL EMPLOYMENT OF THE YOUTH				
Youth occupancy rate	38%	Yearly report issued at national and governorate level	Department of Statistics, <i>Employment and unemployment Yearly Report</i>	Department of Statistics
6. INCREASED INCOMES				
Average individual annual income in the Governorate	502 JD	Periodical survey	Department of Statistics, House Income and Expenditure Surveys, periodically issued	Department of Statistics