EFFECTIVENESS AND INNOVATION IN THE AREA OF ACTIVE LABOUR MARKET POLICIES

Country Report – Jordan

Cristina Mereuta, HCD Expert, ETF & Dr. Nooh Alshyab, Local Expert
INNOVATIVE PRACTICE IN ACTIVE LABOUR MARKET PROGRAMMES
European Training Foundation led several analyses to capture immediate developments and provide targeted advice or the sharing of innovative solutions in response to crisis challenges.

Focus on the role of ALMPs including skills development programmes:

- Pandemic induced sectoral changes requiring a change in career paths, reskilling and upskilling;
- ALMPs need adjustments to fit current and foreseeable socio-economic conditions, technological advancement etc.

2 cross-country reports on ALMPs innovation and effectiveness in crisis, post crisis and recovery phases

- In Jordan, North Macedonia, Moldova – reports on pre-conditions and measures to boost the efforts of Public Employment Services and other stakeholders as well as policy advice on priorities for building up ALMPs delivery pursuing a transition agenda towards more agile economies and workforce.
### Labour Market Policy Responses in the EU Neighbourhood and Central Asia

<table>
<thead>
<tr>
<th>Supporting Businesses and Individuals</th>
<th>Measures to Foster Employment</th>
<th>Adaptation of Employment Services to Crisis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newly introduced/expanded short-time work schemes</td>
<td>Digital delivery model of training</td>
<td>PES staff reallocation to manage increased volumes of unemployment benefit claims and short-time work or business support programmes</td>
</tr>
<tr>
<td>Eased access to unemployment and other types of benefits</td>
<td>Expanded offer of training in digital competences</td>
<td>Increased surveillance of labour market supply and demand dynamics</td>
</tr>
<tr>
<td>Expanded support to self-employed and other atypical workers, including informal workers</td>
<td>Online platforms and digital services to improve matching and placement</td>
<td>Crisis management teams</td>
</tr>
<tr>
<td></td>
<td>Wage subsidies and job creation stimuli</td>
<td>Reviewed service models to maintain and support clients including remote delivery and communication channels</td>
</tr>
<tr>
<td></td>
<td>Public works programmes</td>
<td></td>
</tr>
</tbody>
</table>

**Challenges**

- Limited LMIS
- Multiple provision arrangements
- Economic uncertainty
- LTU and social exclusion
- Inadequate retraining opportunities

---

Mapping innovative practices in the field of active labour market policies during the Covid-19 crisis | ETF (europa.eu)
<table>
<thead>
<tr>
<th>Training policies</th>
<th>Employment incentives</th>
<th>Direct job creation</th>
</tr>
</thead>
<tbody>
<tr>
<td>greatest long-term impacts and most effective at increasing employment alongside counselling</td>
<td>highest effectiveness if focused on targeted groups; prone to negative effects (displacement; deadweight); effective counter-cyclical stabiliser in recession; most effective when delivered with training</td>
<td>very effective in crisis as income protection policy and to retain workers in labour market; most effective in countries with low institutional coherence for other programmes.</td>
</tr>
<tr>
<td>Sheltered and supported employment measures</td>
<td>Start-up incentives</td>
<td>Job search assistance</td>
</tr>
<tr>
<td>most effective with strict programme management; work best for LM inclusion of persons with disabilities</td>
<td>effectiveness maximised during economic growth / positive business environment; also effective for delivering social and training benefits (esp. women)</td>
<td>most effective in countries with high level of institutional coherence; focus on engaging search assistance rather than rigid sanctions.</td>
</tr>
</tbody>
</table>
CHALLENGES IN ALMPs EVALUATION IN TRANSITION AND DEVELOPING COUNTRIES:

- Socio-economic context (e.g. informality, migration);
- Capacities of public employment services/offices and underdeveloped monitoring systems (quality of administrative datasets);
- Lack of counterfactual evaluations;
- Insufficient consideration of policy interdependencies;
- Strong focus only on employment probability (less on wider societal effects and "soft" effects such as well being, individual confidence, career development and attitude to entrepreneurship)
Key findings
<table>
<thead>
<tr>
<th>Pushed forward the digital transformation of the labour market</th>
<th>Need for agility and the ability to adapt to evolving demands</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spurred innovations in the field of education</td>
<td>Close-up monitoring developments and skills demands and adapting ALMPS accordingly</td>
</tr>
<tr>
<td>Recovery programmes require a long-term perspective</td>
<td>Digitalisation - an important feature of training and upskilling element of ALMPS</td>
</tr>
<tr>
<td>Upskilling and reskilling are critical for recovery</td>
<td>Policies to strengthen resilience of jobseekers, young graduates and companies (not only short-term recovery/support)</td>
</tr>
<tr>
<td>Call for high level of digital skills</td>
<td>Special attention to inclusiveness and not leaving the most vulnerable behind</td>
</tr>
</tbody>
</table>
REFORM THE ECOSYSTEM OF ALMPS

STREAMLINE APPROACHES TO EMPLOYMENT PROMOTION AND OVERALL GOVERNANCE

INVEST IN EDUCATION, ESPECIALLY VOCATIONAL EDUCATION AND TRAINING TO ADDRESS EXISTING SKILLS MISMATCHES AND ANTICIPATE FUTURE TRENDS

Coherent strategic framework aligned with Jordan’s overall strategy regarding employment and human resource development
ECONOMIC GROWTH

Real GDP growth has been decreasing since 2007 since 2010, could not reach 3%.

Real GDP Growth 2000-2022

Data Source: The World Bank (2021); for estimate and forecasts see The World Bank (2020c)
EMPLOYMENT BY ECONOMIC ACTIVITY (2019)

- Public administration, defence; compulsory social security: 27%
- Wholesale, retail trade: 15%
- Education: 13%
- Manufacturing: 10%
- Transportation, storage, communication: 8%
- Human health, social work: 5%
- Construction: 5%
- Hospitality, food services: 3%
- Financial, insurance, real estate: 2%
- Professional, scientific, technical activities: 3%
- Other: 7%
In 2019 the labour force was 1,702,187, employed Jordanians 1,377,905 workers, and unemployed 324,282.

The refined economic activity rate (population 15 years and older) was 34.4% (54% for males and 14% for females).
DISTRIBUTION OF UNEMPLOYED BY AGE GROUP
About 33% of unemployed persons hold a bachelor’s degree or higher. For female unemployed, university graduates account for 75% compared to 19% for men.
The MOL has a capacity of 824 employees (that is, around 0.05% of the Jordanian labour force)

The **Employment Directorate** is organized into four departments:

1. employment and career guidance
2. individuals with special needs,
3. employment follow-up,
4. employment and workers abroad

<table>
<thead>
<tr>
<th>Region</th>
<th>No. of offices</th>
<th>No. of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>North</td>
<td>4</td>
<td>24</td>
</tr>
<tr>
<td>Central</td>
<td>8</td>
<td>52</td>
</tr>
<tr>
<td>South</td>
<td>4</td>
<td>12</td>
</tr>
<tr>
<td>Total</td>
<td>16</td>
<td>88</td>
</tr>
</tbody>
</table>
### Key Stakeholders Involved in ALMPS

<table>
<thead>
<tr>
<th>State actors</th>
<th>International organizations and main donors</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Ministry of Labour (MoL)                                                   ✓ World Bank</td>
<td></td>
</tr>
<tr>
<td>✓ Civil Service Bureau (CSB)                                                 ✓ International Labour Organisation (ILO)</td>
<td></td>
</tr>
<tr>
<td>✓ Commission for Technical and Vocational Skills Development (TVSDC) (former E-TVET)</td>
<td>✓ European Union (EU)</td>
</tr>
<tr>
<td>✓ Vocational Training Corporation (VTC)                                       ✓ US Agency for International Development (USAid)</td>
<td></td>
</tr>
<tr>
<td>✓ Development and Employment Fund (DEF)                                       ✓ United Nations Development Programme (UNDP)</td>
<td></td>
</tr>
<tr>
<td>✓ National Aid Fund (NAF)                                                    ✓ Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)</td>
<td></td>
</tr>
<tr>
<td>✓ National Employment and Training Company (NETC)                            ✓ Japan International Cooperation Agency (JICA)</td>
<td></td>
</tr>
<tr>
<td>✓ Social Security Corporation (SSC)                                           ✓</td>
<td></td>
</tr>
<tr>
<td>✓ King Abdullah II Fund for Development (KAFD)                               ✓</td>
<td></td>
</tr>
<tr>
<td>✓ Ministry of Planning                                                       ✓</td>
<td></td>
</tr>
</tbody>
</table>
A plurality of programmes is implemented. Major programmes by **MOL** are:

- Economic incentive bundle programme (launched by the government in 2019)
- National empowerment and employment framework
- National Charter for Employment
- Khedmat Watan (targeting youth)
- Productive Branches (administered with the Royal Court)

**Vocational education and training sector** is also characterized by a plurality of actors and often uncoordinated efforts

- **Public institutions offering VET**: community colleges, secondary vocational education, and Vocational Training Centres, National Employment and Training Company, National Aid Fund (NAF)
- Several **on the job training programmes**, e.g. “Expansion of Training and Employment Programme” by MOL

**International actors** are highly involved in ALMPs:

- Employment Promotion Programme, was launched in 2017 together with GIZ
- Employment through Labour Intensive Infrastructure, cash-for work programmes for Syrian refugees and Jordanians
- And many others...
POLICY RECOMMENDATIONS

1. REFORMING THE ECOSYSTEM OF ALMPS BY STREAMLINING APPROACHES TO EMPLOYMENT PROMOTION AND IMPROVING OVERALL GOVERNANCE

- Improve coordination! → Jordan’s ALMP system is characterised by a plurality of stakeholders with partly overlapping mandates
- Comprehensive mapping exercise of ALMPS in the country is needed
- Develop a comprehensive and systematic monitoring and evaluation system for all labour market-related interventions and data

2. INVESTING INTO EDUCATION, ESPECIALLY INTO VOCATIONAL EDUCATION AND TRAINING, TO ADDRESS EXISTING SKILL MISMATCHES AND ANTICIPATE POSSIBLE FUTURE TRENDS

- Education should better prepare for the labor market
- Make VET more attractive: quality assurance, early career counselling, and strengthening the image as well as intrinsic relevance of TVET
Coordination and governance: reduce duplication and close gaps; clear definitions of responsibilities for stakeholders; Foreign and international support for ALMPs united under one roof.

Comprehensive and well-organised monitoring and evaluation system for all labour market-related interventions and robust datasets (e.g. comprehensive mapping exercise of ALMPs; clear picture on how programmes are targeted to priority groups).

Strengthening financial governance and move towards a performance-oriented approach to funding ALMPs

Increase synergies across interventions and cooperation with local NGOs and grassroots organisations to outreach most vulnerable groups.
ADDRESSING SKILLS MISMATCHES

Long-term strategy to overhaul the educational offer and change the mindsets of younger people

Better sharing and dissemination of data – many education and orientation services, such as counselling, would benefit from better data collection and sharing.

Strengthen the image and intrinsic relevance of TVET through quality assurance and early career counselling

Employment-focused training programmes to better align with employers’ expectations and labour market demand

Accurate, reliable and comprehensive labour market information in the light of economic disruptions and uncertainty and need of adjusting workforce skills to the future economic landscape
THANK YOU!

ADDITIONAL INFORMATION AVAILABLE ON ETF WEBSITE AND OPEN SPACE PLATFORM:

WWW.ETF.EUROPA.EU

TRANSITION TO WORK | ETF (EUROPA.EU)

ACTIVE LABOUR MARKET POLICIES AND HUMAN CAPITAL DEVELOPMENT | OPEN SPACE (EUROPA.EU)

PUBLICATIONS | ETF (EUROPA.EU)

(EN SUBTITLES) ACTIVE LABOUR MARKET POLICIES - SKILLS4ALL - YOUTUBE