

# EFFECTIVENESS AND INNOVATION IN THE AREA OF ACTIVE LABOUR MARKET POLICIES

## Country Report – Jordan

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# CONTEXT

- **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

SUPPORTING BUSINESSES AND INDIVIDUALS	MEASURES TO FOSTER EMPLOYMENT	ADAPTATION OF EMPLOYMENT SERVICES TO CRISIS	Challenges
<p>Newly introduced/expanded short-time work schemes</p> <p>Eased access to unemployment and other types of benefits</p> <p>Expanded support to self-employed and other atypical workers, including informal workers</p>	<p>Digital delivery model of training</p> <p>Expanded offer of training in digital competences</p> <p>Online platforms and digital services to improve matching and placement</p> <p>Wage subsidies and job creation stimuli</p> <p>Public works programmes</p>	<p>PES staff reallocation to manage increased volumes of unemployment benefit claims and short-time work or business support programmes</p> <p>Increased surveillance of labour market supply and demand dynamics</p> <p>Crisis management teams</p> <p>Reviewed service models to maintain and support clients including remote delivery and communication channels</p>	

# EFFECTIVENESS OF ALMP IN LOW- AND MIDDLE-INCOME COUNTRIES

## WHAT WORKS, FOR WHOM (TARGET GROUP) AND WHY (CONTEXT)

### **Training policies**

greatest long-term impacts and most effective at increasing employment alongside counselling

### **Employment incentives**

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

### **Direct job creation**

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.

### **Sheltered and supported employment measures**

most effective with strict programme management; work best for LM inclusion of persons with disabilities

### **Start-up incentives**

effectiveness maximised during economic growth / positive business environment; also effective for delivering social and training benefits (esp. women)

### **Job search assistance**

most effective in countries with high level of institutional coherence; focus on engaging search assistance rather than rigid sanctions.

# 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)

# JORDAN

## Key findings



# PANDEMIC HIGHLIGHTS & IMPACT ON ALMPS AND PES

**PUSHED FORWARD THE DIGITAL TRANSFORMATION OF THE LABOUR MARKET**

**SPURRED INNOVATIONS IN THE FIELD OF EDUCATION**

**RECOVERY PROGRAMMES REQUIRE A LONG-TERM PERSPECTIVE**

**UPSKILLING AND RESKILLING ARE CRITICAL FOR RECOVERY**

**CALL FOR HIGH LEVEL OF DIGITAL SKILLS**

**SPECIAL ATTENTION TO INCLUSIVENESS AND NOT LEAVING THE MOST VULNERABLE BEHIND**

**NEED FOR AGILITY AND THE ABILITY TO ADAPT TO EVOLVING DEMANDS**

**CLOSELY MONITORING DEVELOPMENTS AND SKILLS DEMANDS AND ADAPTING ALMPS ACCORDINGLY**

**DIGITALISATION - AN IMPORTANT FEATURE OF TRAINING AND UPSKILLING ELEMENT OF ALMPS**

**POLICIES TO STRENGTHEN RESILIENCE OF JOBSEEKERS, YOUNG GRADUATES AND COMPANIES (NOT ONLY SHORT-TERM RECOVERY/SUPPORT)**



# RECOMMENDATIONS

**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**

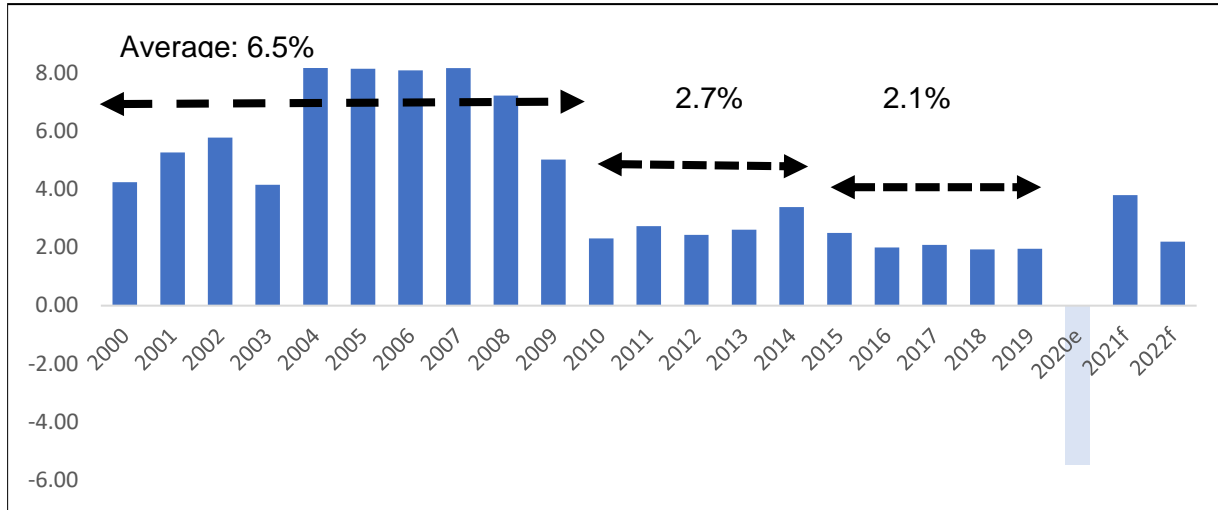
*Coherent strategic framework aligned with  
Jordan's overall strategy regarding  
employment and human resource development*



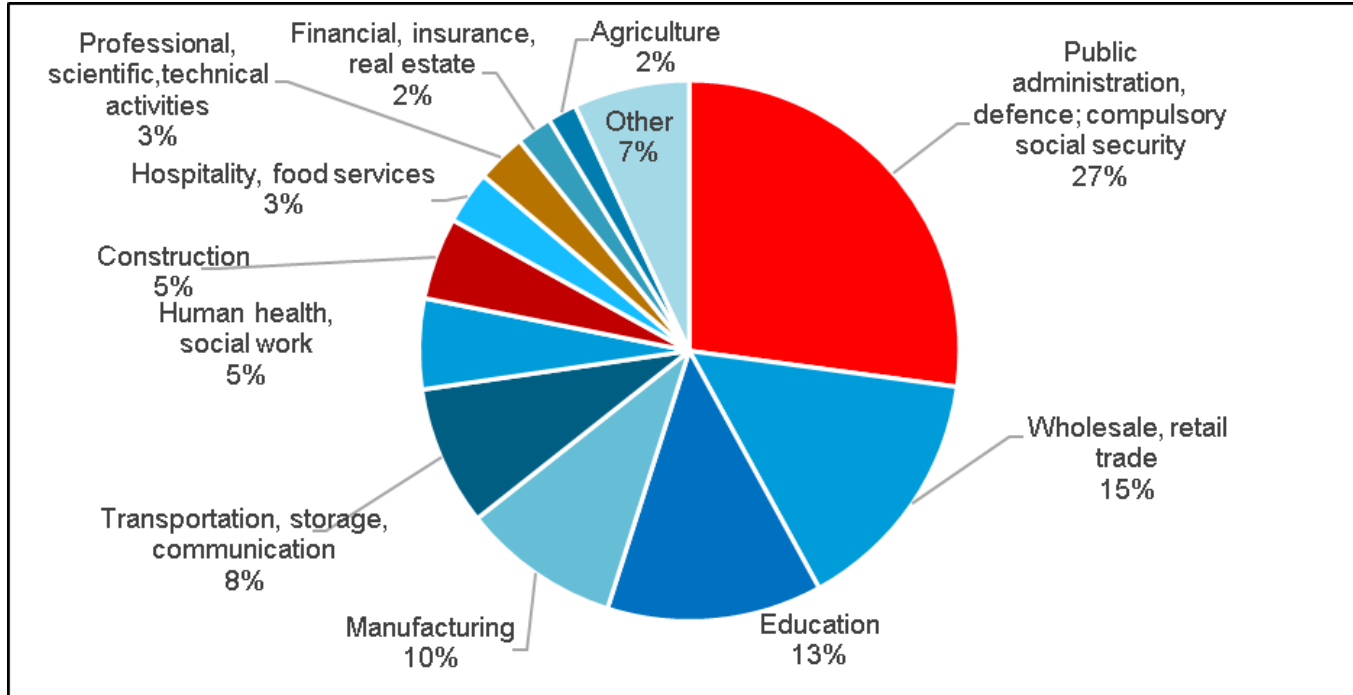
# ECONOMIC GROWTH

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

Real GDP Growth 2000-2022



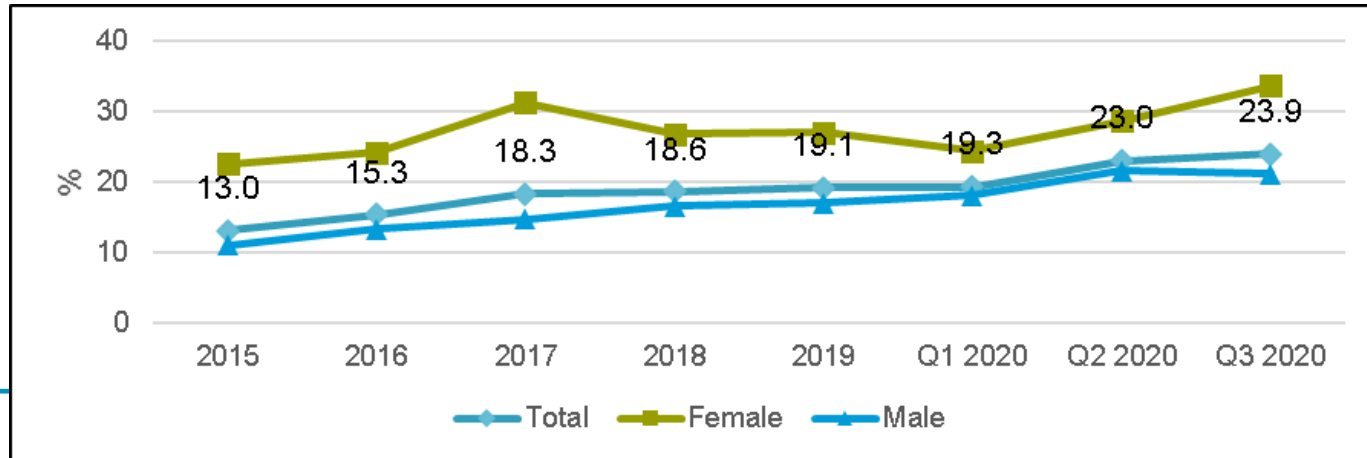
# EMPLOYMENT BY ECONOMIC ACTIVITY (2019)



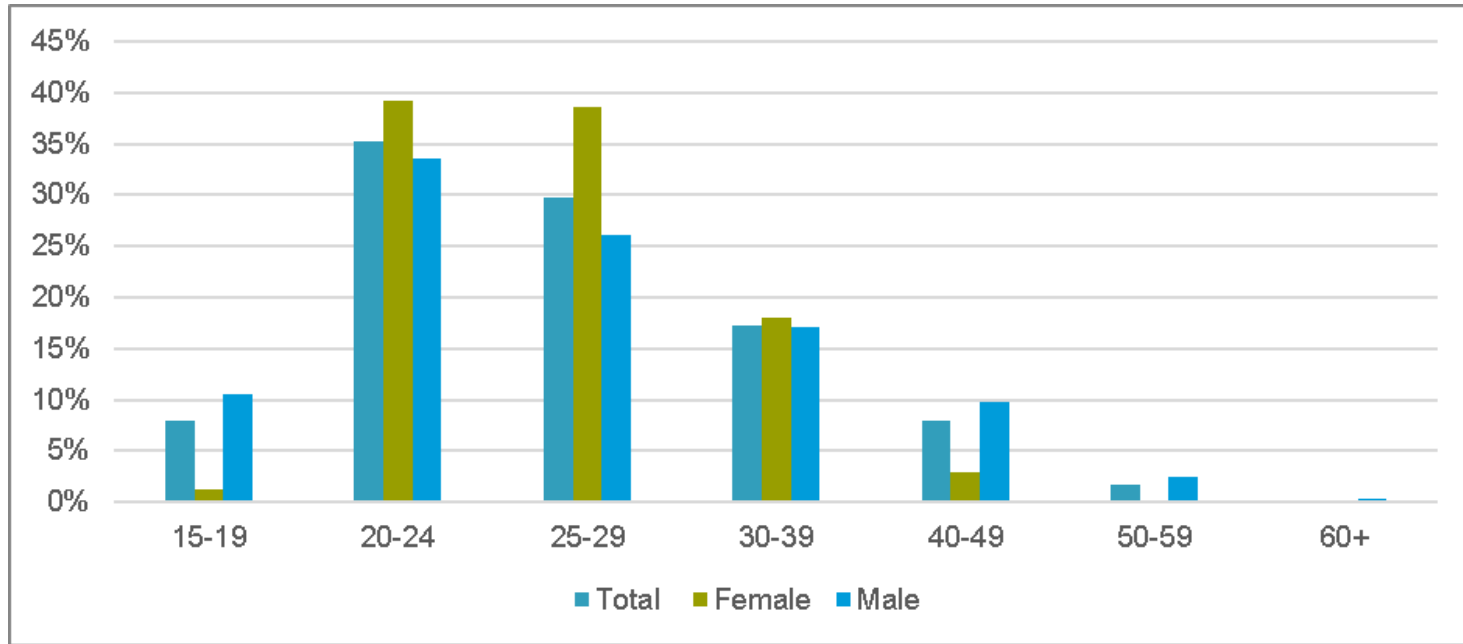
# LABOR FORCE AND UNEMPLOYMENT

- 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).

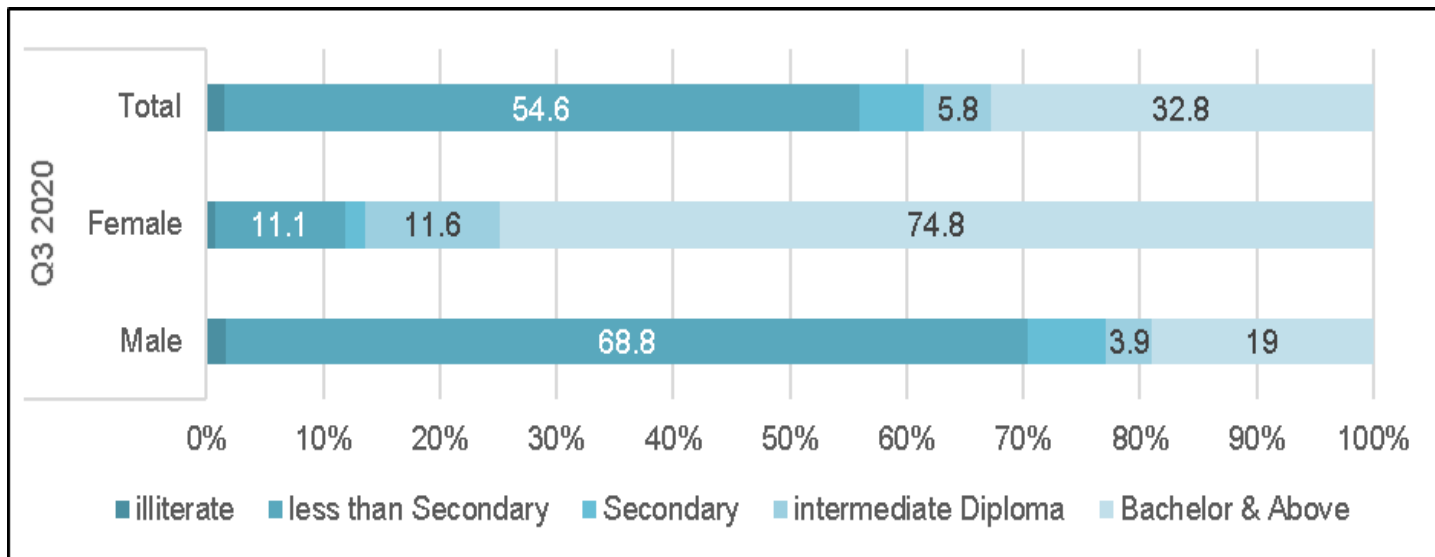
Unemployment rate 2015-3rd quarter 2020



## DISTRIBUTION OF UNEMPLOYED BY AGE GROUP



## DISTRIBUTION OF UNEMPLOYED BY SEX AND EDUCATIONAL ATTAINMENT 2020



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



# PUBLIC EMPLOYMENT SERVICES (PES) - INSTITUTIONAL SETTING

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

**Staff of Employment Directorate**

<b>Region</b>	<b>No. of offices</b>	<b>No. of employees</b>
<b>North</b>	4	24
<b>Central</b>	8	52
<b>South</b>	4	12
<b>Total</b>	<b>16</b>	<b>88</b>



# KEY STAKEHOLDERS INVOLVED IN ALMPS

State actors	International organizations and main donors
<ul style="list-style-type: none"><li>✓ Ministry of Labour (MoL)</li><li>✓ Civil Service Bureau (CSB)</li><li>✓ Commission for Technical and Vocational Skills Development (TVSDC) (former E-TVET)</li><li>✓ Vocational Training Corporation (VTC)</li><li>✓ Development and Employment Fund (DEF)</li><li>✓ National Aid Fund (NAF)</li><li>✓ National Employment and Training Company (NETC)</li><li>✓ Social Security Corporation (SSC)</li><li>✓ King Abdullah II Fund for Development (KAFF)</li><li>✓ Ministry of Planning</li></ul>	<ul style="list-style-type: none"><li>✓ World Bank</li><li>✓ International Labour Organisation (ILO)</li><li>✓ European Union (EU)</li><li>✓ US Agency for International Development (USAid)</li><li>✓ United Nations Development Programme (UNDP)</li><li>✓ Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)</li><li>✓ Japan International Cooperation Agency (JICA)</li></ul>



# ALMPS – AN OVERVIEW OF PROGRAMMES

## **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 Braches (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



# ALMPS GOVERNANCE, FUNDING, MONITORING

- **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](http://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](#)**

