

# EDUCATION & BUSINESS

## JORDAN







## **EDUCATION AND BUSINESS STUDY**

Jordan

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## List of abbreviations

CC	Community Colleges
CIDA	Canadian International Development Agency
DG EAC	Directorate General for Education and Culture (European Commission)
EC	European Commission
ECTS	European Credits Transfer System
EFTA	European Free Trade Association
EQF	European Qualification Framework
ETF	European Training Foundation
ERfKE	Education Reform for Knowledge Economy
E-TVET	Employment and Technical Vocational Education and Training
EU	European Union
EUROSTAT	Statistical Office of the European Union
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GTZ	Gesellschaft für Technische Zusammenarbeit/German Technical Cooperation
HCST	Higher Council for Science and Technology
HDI	Human Development Index
HE	Higher Education
HEAC	Higher Education Accreditation Council
HEDP	Higher Education Development Project
HERfKE	Higher Education Reform for Knowledge Economy
HRD	Human Resources Development
ILO	International Labour Organisation
IMF	International Monetary Fund
JCC	Jordan Chamber of Commerce
JCI	Jordan Chamber of Industry
JICA	Japan International Cooperation Agency
MoE	Ministry of Education
MoHESR	Ministry of Higher Education and Scientific Research
MoL	Ministry of Labour
NET	National Employment and Training
NGO	Non-governmental organisation
NQF	National Qualifications Framework
NTEP	National Training and Employment Project
QACA	Quality Assurance and Certification Agency
SME	Small and Medium Enterprise
SRTD	Support to Research and Technological Development

TVET	Technical Vocational Education and Training
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
USD	United States Dollar
VE	Vocational Education
VET	Vocational Education and Training
VTC	Vocational Training Corporation
WB	World Bank
WBI	World Bank Indicators

## A. Executive summary

The Hashemite Kingdom of Jordan is a constitutional monarchy whose constitution was adopted in 1952. With a population of 5.6 million, Jordan has one of the highest fertility rates in the world (but one that is declining significantly) – about 3.7% (4.2% in rural areas). There is high demographic pressure: the under-15s account for some 37.3% of the population and the average age is 20.3 years. It is estimated that 60,000 new entrants join the labour market every year, posing a major challenge for the government and society at large. The participation of women in the labour force is one of the lowest worldwide (14.9%) despite very visible increases in educational attainment. Migration has two significant features: (a) emigration of educated people and (b) immigration of people looking for low-skilled jobs (estimated at 42.1% as a share of the population). In addition, an estimated 500,000 Iraqi refugees have entered Jordan since 2003.

The government is still the main player and occupies a prominent role when it comes to governance of the different entities that make up the human resources development (HRD) system, limiting the formal involvement of the business sector. The absence of an umbrella for HRD perpetuates the development of piecemeal strategies by different providers and may exhaust the limited capacity of the private sector to play a crucial role in developing human resources in the country. Families and students remain attracted to the academic stream in the absence of a coherent and attractive HRD system guaranteeing quality jobs on the labour market.

SMEs account for the biggest share of the business sector (94%) and focus largely on low-quality products for the internal market. A lack of strong sector associations and/or federations means that their representation is very limited. To date, the private sector in Jordan has not prioritised human resources issues. Instead, it prefers to look for cheaper migrant workers rather than Jordanians. The country lacks a structured continuing education and training system and a regulated apprenticeship system that engages all parties in a legislative framework. There is no tradition of giving the private sector a strong and organised role when it comes to governance and implementation of education and training. The participation of private partners in education and training may sometimes seem like 'window dressing' given that their representative institutions on various boards fail to put forward a real strategy.

The principle of demand-driven education and training remains a vision solely on paper despite widespread advocacy such as in the national strategy or providers' action plans. Education and business cooperate at all levels of the education and training system in Jordan. Nevertheless, this cooperation is neither systemic nor structured by legislation. It often occurs in response to projects initiated by donors. This fragmented cooperation comes in different forms, including participation in and governance of education and training systems (such as membership of the boards of the Employment – Technical and Vocational Education and Training (E-TVET) Council, Vocational Training Corporation (VTC), E-TVET Fund), and technical contributions in sector teams and/or committees. Private sector participation is more prevalent in the VTC than at the Ministry of Education or Ministry of Higher Education and Scientific Research. Limited innovative initiatives at higher education level usually consist of supporting enterprise development through incubators and/or the participation of academics in enterprises. These initiatives are developed mainly at project level and are rarely coordinated with one another.

Improving cooperation between education and business is not a one-way street. It requires involvement and commitment on all sides to develop a coordinated approach.

The study recommends the following:

- **Clarify national HRD policy**
  - Under the stewardship of the Prime Minister, consult nationally with all HRD providers and private sector associations to build the foundations for a structured partnership between education and business at decision-making, governance and technical level.
  - Create the legal conditions for social partners and representative private sector associations to become engaged in decision-making in governance bodies representing each public education provider (VTC Board, Board of Education and Higher Education Council).

- If a higher council for HRD (or an equivalent body) is established, ensure that structured private sector organisations with experience in policy debate are represented at a high level (coherence).
- Grant autonomy to schools, universities, colleges and VTC centres to engage in effective education and business partnership.

▪ **Set up the relevant mechanisms for education and business cooperation**

- Revamp the E-TVET Fund to attract the interest of SMEs. Hire most of the governors and obtain most of the funding from the private sector. Encourage the private training sector and all education and training providers to access the fund.
- Create favourable conditions and incentives for setting up HRD sector councils to be managed by business and sector associations.
- Establish the legal environment and conditions for an on-the-job TVET system (including apprenticeships) where the decision-making and management is shared equally between the social partners and providers.
- Develop a coordinated train the trainer mechanism for all providers, including long-term work placements.

▪ **Build on successful experiences**

- Identify education and business partnership success stories in Jordan and abroad (regional and EU) and set up a new and modern framework based on the relevant outcomes (mainstreaming).
- Integrate entrepreneurial learning into all curricula with direct input from the business world.

## B. Foreword

Many countries seek to boost their education and training systems' capacity to respond to the pressures of globalisation and the challenges of the knowledge society. Closer cooperation between business and education is one of the tools for providing learners with new skills and competences for work. However, knowledge of the current forms and modes of cooperation between the education and business sectors and the roles and responsibilities of the different stakeholders remains limited and fragmented.

The European Commission's Directorate General for Education and Culture has commissioned the European Training Foundation (ETF) to carry out a study on education and business cooperation in the EU neighbouring countries and territories (involved in the Enlargement process in accordance with the Instrument for Pre-accession Assistance, or in the European Neighbourhood Partnership Instrument, or in Central Asia) with the aim of:

- drawing up an inventory of current cooperation between education and business
- identifying to what extent EU approaches and policies are relevant to the EU's neighbours
- providing tailored information and recommendations to national policy makers and donors for future programming initiatives and capacity-building measures

For the purpose of this study, the term education covers vocational education and training (VET), post-secondary, non-tertiary and tertiary education including public and private institutions. The term business covers any entity which is economically active regardless of its legal status. This can include multinationals, large public and private companies, SMEs, micro-businesses and actors in the informal economy, social partners (employer and employee organisations, civil society organisations

and their training bodies) as well as national, regional and local authorities. While the aim of the study is to identify and reflect on policy or strategically driven approaches to cooperation, it considers education and business cooperation in a very broad sense, meaning any kind of relevant policy provision and/or formalised or non-formalised interaction between an education/training provider and a business organisation.

This paper is the country-specific contribution for Jordan. It has been elaborated as a joint effort and follows a study design, consisting of desk research, data exchange with partner institutions, as well as focus group meetings from April 2010 and a validation workshop that was conducted in July 2010. During this intensive consultation process, which was facilitated by the ETF, the main national stakeholders (representatives from relevant ministries, social partners, the education system, businesses and civil society) discussed the state-of-play and provided recommendations for its improvement. The ETF has produced the final report, based on the key discussion points and messages.

This paper will serve as an input for a regional ETF study, relevant to the Instrument for Pre-accession Assistance region and for a cross-country ETF study of education and business cooperation (reflecting on the findings of all countries with which the ETF co-operates), both due to be published in spring 2011.

The ETF is grateful for the opinions shared and insights provided by participants during the fruitful discussions at meetings.

## C. Context / policy

### **Socio-cultural, political and socio-economic context, including acceptance and perception of the benefits of education and business dialogue**

#### **Socio-economic context:**

The Hashemite Kingdom of Jordan is a constitutional monarchy whose constitution was adopted in 1952. Jordan is a member of the United Nations, the Arab League, the Organisation of the Islamic Conference and the World Trade Organisation. It signed free trade agreements with the European Free Trade Association (EFTA) in 2001 and with the USA in 2002. The Association Agreement between the EU and Jordan entered into force in May 2002.

Jordan's position in the Middle East makes it a crucial actor in mediating and supporting regional efforts for peace while rendering it highly dependent on geo-strategic developments which may have an impact on its economy.

According to the IMF<sup>1</sup>, the Jordanian economy performed well in 2008 in a challenging external environment when its GDP rose by 5.6% (6% in 2007). The lower world fuel and food prices reduced inflation to 1.5% in February 2009. According to the UNDP Human Development Report for 2009<sup>2</sup>, Jordan ranks 92nd out of 182 countries on the human development index. It is clear that the number of families close to the poverty line has risen sharply in recent years. According to the recent household survey published in 2007, the gap between rich and poor is widening. The poorest are getting poorer and the middle class income group is under pressure to reduce its spending and use its savings to cope with the increasing cost of living (+19.7% of the consumer price index in 2006). Although a national drive to fight poverty has been declared, economic reforms have not managed to reduce poverty levels<sup>3</sup>.

With a population of 5.6 million, Jordan has one of the highest fertility rates in the world (but one that is declining significantly) – about 3.7% (4.2% in rural areas). High demographic pressure is a factor:

<sup>1</sup> IMF, Public Information Notice (PIN) No. 08/55, 15 May 2009.

<sup>2</sup> UNDP *Human Development Report 2009*, [http://hdrstats.undp.org/en/countries/country\\_fact\\_sheets/cty\\_fs\\_JOR.html](http://hdrstats.undp.org/en/countries/country_fact_sheets/cty_fs_JOR.html)

<sup>3</sup> EU delegation Jordan, *Jordan outlook and challenges*, economic report, November 2007.

the under-15s account for some 37.3% of the population and the average age is 20.3 years. It is estimated that 60,000 new entrants join the labour market every year, posing a major challenge for the government and society at large. The participation of women in the labour force is one of the lowest worldwide (14.9%) despite very visible increases in educational attainment.

Migration has two significant features:

- the temporary emigration of educated people in search of opportunities and higher incomes, mainly to the Gulf states; the emigration rate is estimated at 11.6%<sup>4</sup>; the remittances generated by migrants place Jordan in 9<sup>th</sup> position out of 182 countries with an average of USD 580 per capita – the average for Arab countries is estimated at USD 125<sup>5</sup>.
- the immigration of people looking for low-skilled jobs that Jordanians do not want (estimated at 42.1% as a share of the population according to the UNDP Human Development Report 2009). In addition, an estimated 500,000 Iraqi refugees have entered Jordan<sup>6</sup> since 2003. Most of them are highly dependent on savings or transfers. If the situation does not improve, the vast majority of them may soon be competing with less-qualified Jordanian workers.

Jordan faces a number of challenges: it must generate sufficient new jobs at appropriate levels for the burgeoning number of new entrants to the labour market, projected to grow at 4% per annum; it must increase labour force skills to make Jordanian enterprises more competitive (particularly micro and small enterprises which account for 94% of all enterprises and around half the total workforce) in coping with new market demands required by economic integration<sup>7</sup>. Recently, the private sector has been most active in the areas of high value-added services and tourism.

## Socio-cultural/political context

Jordan is a young country (officially established in 1921 as Transjordan and then as Jordan in 1946, its constitution was adopted in 1952) and education and business traditions may not be considered to be historic or stable. This is reflected by the insistent call for more links between education and business in all of the strategies presented below. It could be said that a mutual ignorance and/or mistrust between the worlds of education and business exists in Jordan. In the absence of a formal comprehensive and established system for the continuous training and retraining of workers, which in most advanced countries is one of the structures linking education and business, no mechanisms providing systemic frameworks for cooperation exist in Jordan.

A number of issues contribute to the limited and unstructured links between education and business. A key factor is the structure of the Jordanian economy. For a long time, the lack of natural resources and an efficient agricultural sector meant that Jordan prioritised the employment of Jordanian citizens in the public sector (where 40% of employees still work), including capital-intensive sectors such as phosphate. A total of 77% of Jordanians work in the services sector. Until recently, before global competition intensified, companies did not consider it worthwhile to invest in human resources. Most products were aimed at the local market and labour was cheap, mainly due to the availability of foreign workers. An interesting indicator is the very low percentage of investment in research and development (R&D) (0.34% of GDP in 2002 compared to Tunisia: 1.02% in 2005; China: 1.49% in 2007; Germany: 2.55% in 2007; Japan: 3.45% in 2007<sup>8</sup>). Only 33% of R&D was generated by the private sector. The government accounted for 50% and universities accounted for the remaining 27%.

Since the late 1990s, the trend towards privatisation and liberalisation, combined with a rapidly growing population and globalisation of the economy, has put strong pressure on the education and training system, particularly on its ability to produce quality results in line with labour market requirements. Civil society has been at the forefront in addressing this issue over the last 10 years. Donors have engaged in supporting research in the field. A number of studies and surveys have been conducted to analyse the situation and evaluate employer satisfaction with graduate skills and

<sup>4</sup> UNDP *Human Development Report 2009*, ibid.

<sup>5</sup> UNDP *Human Development Report 2009*, ibid.

<sup>6</sup> Norwegian Research Institute Fofa and DOS Jordan, *Iraqis in Jordan*, May 2007.

<sup>7</sup> European Training Foundation, *TVET in Jordan, areas for development cooperation*, September 2006.

<sup>8</sup> Source: World Bank, WDI database.

abilities. In 2009, a study prepared for the Ministry of Education with the support of the European Commission showed that less than 50% of employers were fully satisfied with students' abilities.

To date, efforts made by education providers are piecemeal and difficulties arise when it comes to implementation. The models used for education and training have not evolved since the early 1970s, and the focus continues to be on initial training. In the absence of a formal continuing vocational training system for adults, no mechanisms have been designed to regulate the role of the private sector and social partners in policy formulation and direct implementation. The mismatch between the output of the education system and the needs of the labour market calls for a reorientation of policies linked to human capital development such as education, training and employment.

In 2002, King Abdullah II expressed his vision for the future of education in Jordan:

*'The Hashemite Kingdom of Jordan has the quality competitive human resources development systems that provide people with lifelong learning experiences relevant to their current and future needs in order to respond to and stimulate sustained economic development through an educated population and a skilled workforce<sup>9</sup>'.*

This vision was embedded in two key national strategic documents (National Agenda 2005 and Kulluna al Urdun 2008). The main goal is to modernise the public sector and administration with the support of all levels of society, making Jordan a knowledge society capable of coping with the effects of globalisation. This ambitious reform programme sets targets for the period 2006 to 2015 and is made up of three phases. Its major objectives for the period 2007 to 2012 are:

- to promote labour-intensive and export-oriented industries and to enable enterprises (particularly small and medium-sized enterprise) to adapt to developments in technology and to provide the quality products required by the global market
- to eradicate structural unemployment, absorb the annual inflow of new job seekers (projected to grow at 4% per annum) and increase women's participation in the labour market
- to significantly expand support for vocational training and employment (treated as a single sector, namely E-TVET)

The National Agenda addresses the restructuring of the institutional framework, including the establishment of an umbrella council, the Human Resources Development Higher Council. This is to be chaired by the Prime Minister whose role is to coordinate policy frameworks established by the Board of Education (chaired by the Minister of Education), the Board of Higher Education (chaired by the Minister of Higher Education) and the newly established E-TVET Council (chaired by the Minister of Labour). To date, the Human Resources Development Higher Council has not been established, the private sector and social partners have little involvement in the reform process and small and medium-sized enterprises, which represent the bulk of the economy, are not officially organised.

## Cooperation between education and business

In general, the involvement of the private sector is not embedded in a solid institutional framework that can provide guidance for cooperation. It is characterised by an ad hoc approach in which participants may sometimes represent a professional or sectoral association but do not act according to a reporting and monitoring system due to the absence of adequate HRD structures in their institutions. Their status as a representative may be questioned if they are acting on a voluntary basis or by invitation. The Jordan Chamber of Commerce and the Jordan Chamber of Industry only recently assigned staff to deal with HRD. No identifiable professional sectoral association exists to look at HRD in terms of policy making and technical intervention. In the absence of a structured sectoral organisation that enables the private sector to identify and express its needs, the cooperation process is driven mainly by the education and training providers.

Traditional apprenticeship arrangements, based on verbal agreements with no regulation of learning duration or work placements, still prevail in some sectors (construction, retail and some services) and reflect to some extent the role played by the informal economy in Jordan.

<sup>9</sup> *Vision forum for the future of education in Jordan*, September 2002.

Another problem, expressed by focus groups, is the mutual lack of trust (reflected in the direct quote: 'there is a need to break the ice') between the different parties. The lack of a shared interest in HRD, which is still managed centrally with the exception of a limited number of private universities and colleges, is also an issue. The Jordanian economy depends heavily on micro and small businesses and there is a substantial informal sector. The very low salaries offered by the labour market (particularly for basic jobs) do not encourage families and students to engage in TVET. The more secure environment of the public sector continues to be attractive. This, in turn, means that formal education, and to some extent higher education, is most interesting to students who are supported by their families (white collar and public employment approach). TVET, where most of the cooperation between business and education is likely to occur, has a low status and is considered a last resort as an educational choice.

## National policies and strategies and the legal framework for cooperation

Strategies calling for greater involvement of the private sector and social partners have been elaborated in higher education, education and TVET environments as planned in the National Agenda. Official documents and statements assert the importance of making TVET, higher education and education systems demand-driven rather than supply-driven. In the absence of a higher council for HRD which could coordinate HRD, and with poorly structured private sector representation, these strategies are to some extent repeating themselves. They run the risk of exhausting the capacity of private sector parties to be involved as most of these work on a voluntary basis. The three subsectors act separately without a holistic vision for harmonising qualifications and pathways between TVET and higher education, as is the norm in many countries.

While the Higher Education Law grants a certain amount of autonomy to colleges and universities, leading to some initiatives and cooperation with the private sector, private sector associations are not bound by any kind of formal agreement with the Ministry of Education or the Ministry of Higher Education and Scientific Research.

Labour law and the E-TVET Council Law (2009) does clarify the role of social partners regarding their participation on various boards and in governing bodies active in the field of VET such as the VTC Board of Directors, the E-TVET Council Board, the National and Training Employment Project, the E-TVET Fund and the Quality Assurance and Certification Agency. The Ministry of Labour is currently finalising an initial document on this topic (June 2010), which is likely to propose policies facilitating the involvement of social partners and the private sector in setting policy and establishing better links with TVET. The recent establishment of the Economic and Social Council provides a platform for debate on labour and education by the social partners and civil society representatives. However, the council retains an advisory role.

The same donors are engaged in all education, higher education and TVET sector reforms. They all spread the message on the need to strengthen the links between business and education. Several initiatives have helped to raise awareness of the importance of this cooperation (the USAID-supported Siyaha project in the hospitality sector; the World Bank's contribution to the Education Reform for Knowledge Economy (ERfKE) project, E-TVET and higher education reform; the EU's contribution to ERfKE and E-TVET reform; the Canadian International Development Agency's contribution to E-TVET and college reform; the ETF's help through its social partnership project and national qualifications framework; the Japan International Cooperation Agency through its contribution to VTC reform; the ILO during preparation of the first employment strategy in Jordan). While these initiatives have helped to raise the awareness of stakeholders, they have not lead to a coordinated approach that could extract policy lessons applicable to education and business cooperation. The annex presents a summary of the various reforms conducted by the Jordanian government in the HRD sector.

None of these strategies currently address the regional and/or local level as a strategic level for education and business cooperation. While all public TVET providers engage in some initiatives to get closer to the private business sector in a structured legal and administrative regulatory framework, systematic cooperation does not exist at ground level within the Ministry of Education and VTC and a highly centralised approach remains the rule. According to the providers, action frameworks linked to the above-mentioned strategies are at different stages of implementation. Generally speaking, the Ministry of Education and the Ministry of Higher Education and Scientific Research do not have formal

mechanisms for involving the private sector in identifying training needs, updating curricula or rationalising available resources.

The Quality Assurance and Certification Agency, established by the E-TVET Council, uses methodologies developed with the support of the ETF. These are based mainly on the experience gained from the launch of the European Qualifications Framework. Social partners benefit from capacity-building initiatives based on experience gained from European models. Although, strictly speaking, they do not deal with education and business cooperation, the Tempus and Erasmus Mundus programmes help to introduce the European model to higher education staff and students by fostering cooperation between Jordanian and EU universities.

## D. Structures, methodologies and approaches

The private sector and social partners occupy a limited number of seats on the E-TVET Council. Originally, the E-TVET Council was intended to harmonise all of the technical and vocational components offered by training providers. Given the rationalisation of resources and qualification mechanisms, recent developments (March 2010) indicate that the government is withdrawing from this position. In particular, the Ministry of Higher Education and Scientific Research considers that community colleges belong to the higher education system and have no connection with the TVET sector. Private sector and social partner representatives account for 50% of the board of the VTC. Mechanisms have been set up with the involvement of private sector representatives to identify training needs, update curricula and initiate public private partnerships (PPPs) in a number of pilot sectors. Given the need to develop and adapt curricula, a large number of memorandums of understanding have been signed between the VTC and enterprises and professional associations during the last two years. No business representatives sit on the Board of Education or the Board of Higher Education. At the higher education level, the private sector is active in community colleges through programme advisory committees but only academics sit on the boards of universities.

The lack of capacity and organisation of private sector representative bodies limits the impact of their involvement. Their participation in governance bodies (when it happens) is not monitored. They do not report to a transparent entity, thus reducing coherence and the impact of their interventions. Studies and views expressed by private sector representatives show that TVET and higher education outcomes are not in line with labour market requirements. Tracer studies are not conducted on a systemic basis so there are no tools to measure the impact on learners' employability.

It is generally agreed that teachers, trainers and professors lack up-to-date experience and do not contribute in a structured way to business R&D at local or sectoral level.

More systematic cooperation does take place via several initiatives:

- Through its apprenticeship-type schemes, the VTC works with 5,000 employers (mostly micro enterprises employing between one and four workers), providing work experience to 10,000 students (enrolment figures for 2009). This relationship is not subject to specific regulation or legislation and is based mainly on a face-to-face relationship between the teachers and enterprise owners. The work experience is not subject to formal evaluation. The VTC also involves employers at different levels, ranging from its governing board (the social partners, the private sector and NGOs account for 50% of the board) to sectoral committees, where employers are invited to contribute to curriculum development. This participation is subject to agreements with various professional associations and/or private enterprises and may also depend on the personal capacities and expertise of entrepreneurs or employees. For example, in an effort to move towards more demand-led programmes, the VTC (with the support of the Japan International Cooperation Agency) recently established three model skills centres of excellence and several PPPs (45 memorandums of understanding were signed). One education and business cooperation success story is the VET hospitality scheme – the USAID-supported Siyaha project. It is based on an in-depth analysis of the sector's needs, has established strong and lasting links with the most advanced enterprises in the sector and offers good incentives to teachers and learners. It has been developed as part of the Ministry of Education's vocational education scheme. Community colleges using the same model should provide the first integrated training offering that is structured vertically at sector level. These examples are expected to be replicated

in other sectors throughout Jordan. In the absence of a conceptual strategy and legal framework for such partnerships - no sector councils or equivalents which can encourage private sector ownership and leadership currently exist - these initiatives need to be strictly monitored to learn lessons for the future and provide evidence-based models for education and business cooperation.

- The new Quality Assurance and Accreditation Centre has established a series of sector teams to analyse occupational standards in 10 priority sectors identified by the E-TVET Council. These teams may lead to the establishment of sector councils to deal with all HRD-related technical issues.
- The Ministry of Labour has launched several training initiatives targeting the unemployed.
  - The National Training and Employment Project develops short-term training programmes for unemployed individuals and young people. Institutions and enterprises work together to develop programmes and the VTC provides technical support. Funding for these programmes depends on public financing and to some extent the intervention of the E-TVET Fund. In June 2010, the VTC took over responsibility for this project.
  - The National Employment and Training Company was established in July 2007. This public/private joint venture involves the Ministry of Labour, the Jordanian armed forces and the Jordanian contractors' association. Its task is to train Jordanians to work in the construction sector. The private sector's main role is to provide incentives. The high cost of this project, which is funded by the E-TVET Fund, without call for projects has put the fund at risk and hampered its capacity to support new and innovative projects. Its cost-effectiveness still needs to be evaluated.
  - While based on public-private partnership, these initiatives are led and funded by public organisations. They are considered as projects and still require formal evaluation if they are to become a stable part of the regular action framework.
- A total of 22,000 students (enrolment figures for 2008) attend vocational education schemes under the auspices of the Ministry of Education. While curricula do not include on-the-job training with enterprises, students have limited opportunities to gain some practical experience (24 training days during the summer). No particular follow-up is included in the curricula. The Ministry of Education sets up technical committees, which include private sector representatives, to review vocational education curricula and programme contents. These committees are not subject to specific legislation or mechanisms and are organised randomly.
- In community colleges, programme advisory committees consist of seven members, five of whom usually come from local industry. These committees propose programmes to the college dean. However, academic staff usually design the teaching programmes and more emphasis is placed on academic excellence than on the development of practical skills. Some private colleges have introduced programmes providing graduates with the skills that are needed in the labour market. Such programmes include workplace training. They are becoming attractive to students as they perceive them as more likely to lead to a job on graduation.
- The Support to Research and Technological Development project, funded by the EU and implemented in cooperation with the Higher Council for Science and Technology encourages universities to set up innovation centres to be used as business incubators where researchers and enterprises can work together. This project has also established 11 technology transfer offices in universities and private institutions with the aim of commercialising scientific research for the benefit of local industries, according to project officials.

These kind of initiatives do not appear to be spread equally throughout all economic sectors or regions and no clear priorities have yet been set.

This modest but growing contribution of the private sector and the business world to governance and the definition of supply and provision is new in Jordan and is not structured. As already mentioned, private sector stakeholders always become involved in response to a request from the public sector and this participation is regulated by public institution regulations. There are a limited number of examples in which the private sector has taken the lead in identifying training needs and developing occupational standards and curricula.

With regard to funding, until recently the E-TVET Fund collected 1% of the distributable net profit of companies in Jordan. There were plans to reorganise the fund to the private sector a majority on the board and a comprehensive role in management but in March 2010 the government decided to halt this process. Companies no longer pay this levy and the fund's main source of income now comes from migrant permit fees. Changes in the governance of the fund have given a stronger position to the Ministry of Labour and its satellites (VTC) and no decision-making role for the private sector. The formal education and training system is not set up to provide incentives outside of the legal framework for public institutions governed by Civil Service Bureau regulations. The dual system is not regulated by legislation and does not provide any incentives to students or teachers. In most cases, private individuals and civil servants who attend meetings organised by public institutions receive a set fee to cover the time they spend in meetings. Only a few pilot projects – such as the Siyaha project in the hospitality sector, the National Training and Employment project and the National Employment and Training programmes – provide incentives to students and trainers, an exception to the rule that was agreed by the respective governing bodies. This creates an imbalance with the labour market (which offers lower wages) and does not allow TVET providers to compete fairly. In general, the systems prohibit civil servants from receiving additional incentives for teaching in the public sector.

In 2007 and 2008, the Gesellschaft für Technische Zusammenarbeit (German Technical Cooperation) supported a project that was responsible for the development of an Arab occupational standards framework in Jordan. Employers were invited to contribute to this reference document, which has now been approved by the E-TVET Council. This cooperation is not systemic and we do not expect the standards to be revised on a regular basis. While the VTC now refers to this document when designing qualifications, there is no evidence that other providers are following suit.

## E. Challenges

### First challenge: Stakeholders can build a common vision for HRD

- No national vision exists for a comprehensive model for initial and continuing education and training. TVET is still generally perceived as a model for low-income occupations and strictly limited to initial training both by the business and the education and training sector. Education and higher education remain predominantly academically based. There is a lack of trust between the two sectors due to the absence of tradition and a culture of effective partnership both at enterprise and professional association level and at provider level. The education and training sector needs the private sector and social partners but a culture of defensiveness still prevails when it comes to decision-making. The private sector does not believe that the public sector has the ability to adapt to change. The concept of education and business partnership is not established in Jordan. Cooperation is limited to formal discussions based more on political arrangements than on policy decision-making.
- The public sector, rather than the private sector and/or social partners, retains full ownership of tools and mechanisms. Private sector representation at policy and technical level throughout the system is not subject to formal, transparent criteria based on expertise.

## **Second challenge: Develop internal capacity to tackle the fragmented approach and the lack of coordination at various levels**

- Within the public education and training system: The education and training environment is over-centralised. No common or linked strategies exist between providers, there is a lack of standardised qualifications at all levels and the concept of vocational training as a non-academic option is focused primarily on initial training. Teachers and trainers are unfamiliar with the business environment.
- Within the business environment: Chambers of commerce and industry are the official social partners representing the private sector in TVET. However, this is a recent development and these bodies have limited capacity. They have not developed a shared coordinated strategy or platforms for action on HRD at enterprise, regional, sectoral or national level. Consequently, the private sector does not have a defined role. SMEs are not officially represented and are not structured in a way that allows them to analyse their HRD needs by sector and region, both in terms of initial and continuing training. Sectoral associations are not represented in governing bodies and lack the internal capacity to deal with HRD issues.

## **Third challenge: Equipping businesses to analyse their training needs**

- Education and training providers have limited experience of the business sector's needs.
- Unless they are specialised, private sector enterprises are not in a position to predict their future human resources needs. Their priority is to survive and make profits. In a sectoral context, there is no formal information system to analyse training needs or address related mechanisms on the development of jobs and qualifications at all levels. This information should be provided by the business sector itself via new capacities to be developed at sectoral level.

## **Fourth challenge: Cofinance HRD from the public and private sector**

- Enterprises are not engaged in any way in the financing of initial or continuing training and invest little or nothing in R&D. Projects such as the National Employment and Training programme are overly costly and absorb a substantial amount of funding from the E-TVET Fund, putting at risk the financing of the entire E-TVET Fund.
- We have not found any examples of financial incentives for staff and/or students in higher education institutions or community colleges. The innovative fund for research is fully funded by the government and/or donors.

## **Fifth challenge: Act locally**

- Enterprises and social partners are not formally involved in HRD at local and regional level. No structured framework exists at regional level for governance and decision-making in education and training institutions. Local chambers of commerce and industry do not intervene in HRD issues.
- Local education and training institutions, schools, colleges and universities are not involved enough to boost R&D at local level.

## Sixth challenge: Learn from good experiences

- Success stories need to be analysed in more detail (such as the Siyaha project in the hospitality sector, incubators at the Ministry of Higher Education, R&D initiatives).
- Policy decisions are needed to rationalise outcomes and apply them in other sectors.

## F. Recommendations

Supporting education and business cooperation in Jordan is not only crucial for the various private and public sector stakeholders, it is also vital for Jordanian society as a whole. The country cannot afford to risk losing social cohesion in a competitive global market at a time when it faces critical demographic challenges. Improving cooperation between education and business is not a one-way street. It requires involvement and commitment on both sides in order to develop a coordinated approach. Decisions need to be taken at very different levels in a structured manner by all stakeholders to foster efficiency and make the best use of limited resources.

The study recommends the following:

- **Clarify HRD policy at national level**
  - Under the stewardship of the Prime Minister, consult nationally with all HRD providers and private sector associations to build the foundations for a structured partnership between education and business at decision-making, governance and technical level. Ensure that business is not limited to playing only a consultative role.
  - Create the legal conditions for social partners and representative private sector associations to become engaged in decision-making in governance bodies representing each public education provider (VTC Board, Board of Education and Higher Education Council).
  - If the higher council for HRD (or an equivalent body) is established, ensure that structured private sector organisations with experience in policy debate are represented at a high level.
- **Set up the relevant mechanisms for education and business cooperation**
  - Revamp the E-TVET Fund to attract the interest of SMEs. Hire most of the governors and obtain most of the funding from the private sector. Encourage the private training sector and all education and training providers to access the fund's R&D projects.
  - Create favourable conditions and incentives for setting up sector councils managed by business and sector associations. These councils should be legally defined, properly staffed and financially autonomous. Enable them to influence and contribute to policy decision-making and implementation activities at all levels of the HRD system. Establish them as the leading entities to identify training needs, to support the Quality Assurance and Certification Agency and the Higher Education Accreditation Council in developing a national qualifications framework and to work closely with providers in curriculum development.
  - Create the legal environment and conditions for an on-the-job TVET system (including apprenticeships) where the decision-making and management is equally shared between the social partners and providers. Transparent and fair financing mechanisms in the E-TVET Fund, based on projects jointly developed by public and private education and training providers, would provide incentives to enterprises and the trained or retrained individuals.
  - Grant autonomy to schools, universities, colleges and VTC centres to engage in effective education and business partnerships.

- Develop a coordinated 'train the trainer' mechanism for all providers, including long-term work placements.
- **Build on successful experiences**
  - Identify education and business partnership success stories in Jordan and from the region or the EU and set up a new and modern framework based on the relevant outcomes (mainstreaming).
  - Integrate entrepreneurial learning to all curricula with direct input from the business world.

## Annex

Below is a summary of the reforms implemented by the Jordanian government in the HRD sector.

### Education reform

The Ministry of Education has pursued structural reform by means of the ERfKE I (2003 to 2008) and ERfKE II (2009 to 2013) projects. Aspects of ERfKE II focus on:

- school- and community-centred delivery
- policy, planning and organisational development
- the development of teaching and learning resources
- the development of a special focus programme divided into three areas to address early childhood development, vocational education and special education

The E-TVET Council will provide initial guidance for the vocational education project. This is the first phase of a programme to realign the Ministry of Education's secondary vocational stream with similar initiatives to be undertaken by the VTC and community colleges administered by Al-Balqa University. This will include the redevelopment of policy objectives for the vocational stream and a realignment of the programme framework in accordance with these objectives. While private sector representatives will be consulted when needed, there is no formal mechanism in place to allow the private sector to contribute to policy making and to technical areas such as curriculum development, validation or guidance and counselling.

### Higher education reform

The Ministry of Higher Education and Scientific Research has been engaged in a number of activities over the last ten years aimed at comprehensively assessing and reforming Jordanian higher education. These activities include a seven-year project entitled the Higher Education Development Project. Supported by the World Bank, the project was completed in June 2007. In June 2008, preparatory steps were taken to prepare a project known as the Higher Education Reform for Knowledge Economy project. In its present configuration, the project's objective is to improve the employability of male and female graduates of university and community college programmes. According to official statements, the Ministry of Higher Education and Scientific Research is trying to bridge the gap between higher education output and the labour market. In doing this, it hopes to respond to the current and future needs for qualified and specialised graduates in various knowledge areas and to compensate for the lack of natural resources in the region by creating a qualified body of human resources, characterised by knowledge and efficiency. Plans are underway to reform the community colleges and transform them into technical institutes.

### TVET sector reform

Over the past three years, Jordan has made great efforts to develop the TVET sector. The new approach and the framework of reform for the TVET sector were launched by the National Agenda, which assigned a leadership role to the Minister of Labour as chairperson of the E-TVET Council. The E-TVET Council has assigned a small number of seats to the social partners and employers although so far they have had little direct impact on policies. The E-TVET programme is supported by several donors (World Bank, Canadian International Development Agency, Japan International Cooperation Agency and the EU). It recognises that industry must play a leading role and that the development of the system must be led, coordinated and evaluated by a strong, policy-driven council with significant representation by private sector and social partners.

Initially designed to link together all stakeholders involved in TVET (Ministry of Labour, VTC, Ministry of Education, Ministry of Higher Education, social partners and the private sector) the recent developments in its organisation and mandate following a change of government in 2010 may jeopardise the chance for a unique policy development.