



**STRUCTURES AND MECHANISMS
FOR INFORMATION AND NEEDS
FORECAST ON TRAINING,
QUALIFICATION AND EMPLOYMENT**

**THE OBSERVATORY FUNCTION IN
EGYPT, LEBANON, JORDAN
AND SYRIA**



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SYNTHESIS REPORT

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TABLE OF CONTENTS

| | |
|---|-----------|
| 1. INTRODUCTION | 5 |
| 2. DEVELOPMENT OF A NEW KIND OF OBSERVATORY FUNCTION FOR THE TRAINING AND EMPLOYMENT SYSTEM IN EUROPE | 7 |
| 3. CURRENT SITUATION REGARDING THE OBSERVATORY FUNCTION IN THE COUNTRIES CONCERNED | 11 |
| 3.1 The potential for and obstacles to developing the observatory function in the Mashrek countries | 11 |
| 3.2 Syria | 12 |
| 3.3 Lebanon | 14 |
| 3.4 Egypt | 15 |
| 3.5 Jordan | 17 |
| 4. RECOMMENDATIONS TO STRENGTHEN THE OBSERVATORY FUNCTION | 19 |
| 4.1 Towards a support strategy to develop the observatory function in the Mashrek countries | 19 |
| 4.2 The role of the ETF in the strategy to support the development of the observatory function in the Mashrek countries | 20 |
| 4.3 Syria | 21 |
| 4.4 Lebanon | 21 |
| 4.5 Egypt | 22 |
| 4.6 Jordan | 22 |

1. INTRODUCTION

1

Quality information on vocational training and the labour market is essential when it comes to making decisions on the reforms to be carried out, and for devising long-term development strategies.

Over the past six years, the ETF has developed a strategy aimed at strengthening the structures and mechanisms for producing and analysing information and for forecasting needs in terms of training, qualifications and employment (the observatory function)¹ in its partner countries. Since 1998, the ETF's sphere of activities has also included countries involved in the Mediterranean partnership.

The situation regarding the observatory function varies in these countries. Some countries have to cope with a lack of basic data and limited capacity to produce and exploit such data. This is an obstacle that hinders the development and monitoring of suitable policies in the fields of vocational training and employment (regardless of

whether or not they are supported by international donors).

In addition, while some countries already have specific institutions that carry out observatory functions, in others this function is not well developed or may be divided between different institutions and bodies with very little coordination between them.

To clarify this heterogeneous situation, the ETF included a multi-annual project in its 2001-03 Work Programme aiming to strengthen the observatory function among all Mediterranean partners.

The project consists of three phases.

Phase I: analysis in the Mashrek countries (2001) and strengthening of institutional capacities in Algeria (pilot project)

- Analysis of existing capacities and needs in Egypt, Jordan, Lebanon and Syria²: report on the relevance of

¹ The term "observatory function" will hereafter correspond to this definition as a matter of course.

² The initial project also covered Israel and the West Bank and Gaza Strip. Because of the current situation there, it was not possible to complete the reports by the deadlines laid down.

STRUCTURES AND MECHANISMS FOR INFORMATION AND NEEDS FORECAST ON TRAINING, QUALIFICATION AND EMPLOYMENT
THE OBSERVATORY FUNCTION IN EGYPT, LEBANON, JORDAN AND SYRIA

existing institutions, the strong and weak points of the observatory function, the potential for future developments, the drafting of a set of recommendations to underpin their functions, including needs as regards the implementation of diagnostic and forecasting activities and network creation.

- In parallel, a joint pilot project was launched in Algeria by the ETF and the Algerian Ministry of Vocational Training to set up a coordinated network in the form of an inter-institutional “observatory”. This measure is supported by a task force consisting of local and international experts who have defined the concept of “observatory function”. In this case, it takes the form of a network of producers and users of information. The concept was approved by the Algerian Ministers of Vocational Training and of Labour and Social Security.

Phase II: strengthening activities in the Mashrek countries, analysis to be conducted in two Maghreb countries (Tunisia and Morocco) and regional networking (from 2002)

- Gradual strengthening of the institutional capacities of the national observatory function in Egypt, Jordan, Lebanon and Syria, in order to support the development and implementation of national training and employment policies that meet labour market needs.
- Analysis of existing capacities and needs in Tunisia and Morocco: identical approach to that developed in phase I.
- At regional and Euro-Mediterranean levels: development and exchange of approaches and comparable methods of analysis, dissemination of information and good practices.

Phase III: convergence of national and regional dimensions (from 2003)

- Improvement of the abilities of those involved in vocational training and employment to develop and implement effective activities and policies on human resources, either with or without assistance from international donors.
- Promotion of a network involving European Union member states and other partner countries to exchange and disseminate information and good practices with regard to education, vocational training and the labour market and to the implementation and development of the observatory function.

This report concerns the first phase of analysis of the situation regarding the observatory function in four Mashrek countries. It is based on the conclusions of country reports produced by a team of experts.

The first step was to produce a report explaining the observatory function concept and the methodology that the experts must follow when assessing the current situation in each country.

An experts' meeting was held in Turin on 3 September 2001 to discuss the methodology and coordination of activities. ETF experts monitored the work of national experts and contributed to the drafting of the reports.

The report contains a detailed description of the observatory function, a diagnosis of the current situation in each country and a series of proposals aiming at improving observatory skills and the monitoring of labour market and training developments in the region.

2. DEVELOPMENT OF A NEW KIND OF OBSERVATORY FUNCTION FOR THE TRAINING AND EMPLOYMENT SYSTEM IN EUROPE

2

Decision-making based on reliable, thorough information is essential for the development of a training and employment policy. Because of the complex factors affecting the development of the labour market and the training and employment relationship, efficient information instruments are needed.

In the past few decades, the developed countries have set up observatory mechanisms taking various institutional and organisational forms, all of which are intended to provide analyses used as decision-making tools by labour market decision-makers.

Over the years, there have been considerable changes in these mechanisms as regards their design, objectives, organisational shape and the priority given to producing information. Their importance has grown, and they have become essential for implementing new

training and employment strategies and for helping to improve the transparency of the labour market.

Certain trends have resulted from changes in the observatory mechanisms of European countries, which in recent decades were characterised by the following points.

- Attempts at labour market planning were gradually replaced by actions to strengthen the efficiency and fairness of the market, involving dialogue between the social partners.
- Decentralisation of initiatives to bring them closer to local decision-making and to establish better links between operational information and macro-economic data.
- A more pragmatic approach to supporting decision-making, rather than a more theoretical or academic approach with regard to producing information.

STRUCTURES AND MECHANISMS FOR INFORMATION AND NEEDS FORECAST ON TRAINING, QUALIFICATION AND EMPLOYMENT
THE OBSERVATORY FUNCTION IN EGYPT, LEBANON, JORDAN AND SYRIA

- A more receptive attitude to the information needs of all those involved in labour market issues, rather than simply concentrating on the needs of political decision-makers.
- Participation of information users in the management of observatory structures.
- Networking between the various information producers and users.

In fact, those observatory mechanisms have passed through several stages.

- **Informal stage:** At this stage, there is no body responsible for producing information on training and employment in a systematic way. The available information is of poor quality and mainly comes from administrative records for training and employment programmes. Some studies are produced but they are sporadic, not in line with any pre-established plan, and do not meet the needs expressed by those involved in the system.
- **Institutional stage:** One or more bodies, either part of or outside of government departments, are asked to monitor labour market and/or training developments systematically. Their field of observation is usually restricted. There is no coordination between the main stakeholders in the training and employment system, or between the information producers. The information produced is not widely disseminated and is produced in a format that cannot easily be used by decision-makers.
- **Network stage:** There is a permanent, institutionalised network involving the information producers and the key stakeholders in the training-employment system. The information is widely distributed and disseminated and the different stakeholders make use of it when making decisions.

Most observatory structures in European countries are in transition between the institutional and the network stages. They face several problems: getting institutions that were never intended to be coordinated to work together; linking the national, regional and local levels; and integrating information produced by local stakeholders.

It is clear now from an analysis of these developments that an observatory function must be an integral part of any training and employment system. Instead of the traditional “observatory”, regarded as a single centre for producing information, capable of dealing with all aspects of the labour market and the complex relationship between training and employment, the concept of an “observatory function” is becoming more and more relevant. In fact, the most important aspect is **to ensure that the information available to the various parties and the information produced by the various information production centres arrive at the right time and in the form required so that the different stakeholders can use it when making decisions**. This is only possible in the context of a network aimed at supporting decision-making.

The observatory function comprises all the elements needed to integrate an information system into a decision-making process.

The objectives of the observatory function are to help stakeholders to make appropriate decisions, to provide information on labour market trends, to evaluate the performance of active employment policies and to forecast developments. All of these activities must aim at satisfying the needs of all the stakeholders involved.

The scope of observation covers the entire training and employment system and is based on an integrated concept of the relationship between training and employment. There are three possible components.

- **Training** considered from a broad perspective, encompassing the following in the context of lifelong learning: initial and continuing vocational training, training for young people and for adults, training for the unemployed and problem groups.
- **Qualifications**, an interface between training and employment, based on the concept of a stock of knowledge and the validation of the skills of the active population.

2. DEVELOPMENT OF A NEW KIND OF OBSERVATORY FUNCTION FOR THE TRAINING AND EMPLOYMENT SYSTEM IN EUROPE

- **Employment**, including the analysis of supply and demand in terms of sectors, employment pools (“bassins d’emploi”) and the active population.

The main task of the observatory function should be to coordinate the following phases.

- **Gathering and organising information:** All activities in the employment training system produce information, and all stakeholders have some information on their environment. Processes must be elaborated to enable this information to be compared and to be reliable, particularly in terms of sharing the same vocabulary. If necessary, consideration could be given to the production of specific information that has not been produced so far. The organisation of information flows between stakeholders requires a detailed process. Instruments are also needed to ensure standardisation, classification and consistency, such as the most common international instruments (ISCO, CITE, NACE, etc.)³.
- **Analysing and interpreting:** The quality of the analysis largely depends on the technical skills of specialists and knowledge of scientific methodologies by the professionals involved.
- **Disseminating** the analyses in a strategic manner so as to ensure that information is received by stakeholders at the right time and in an accurate form, thus guaranteeing the impact of the observatory function. The circulation of information between producers and users must be organised.
- **Supporting** the stakeholders in their efforts (1) to clearly define their needs, and (2) to take into account in their decision-making processes the analyses produced by the observatory function. Experience shows that stakeholders are not used to making decisions based on systematic information.

The observatory function is intended to produce systematic analyses that are credible and up to date, and concern:

- **Important flows in the employment training system:** For instance, people

entering and leaving the labour market (movements between total population and active population, and vice versa, and between unemployment and employment and vice versa); rate of activity, employment and unemployment in terms of age, gender, region and sector; level of education of the active population; number of participants in training activities in terms of age, gender, region and sector.

- **Beneficiaries of measures and of employment training action programmes:** For instance, number of people employed and having different types of employment contract; working hours; number of people benefiting from social measures; participants in the various training programmes; rate of recruitment of people who have been trained.
- **Needs and behaviour relating to supply and demand in the employment training system:** For instance, level of satisfaction as regards the demand for training; qualifications difficult to find on the labour market; level of satisfaction of people who have been trained and of employers as regards the quality of the training.
- **Implications of macro-economic developments for the employment training system:** For instance, rate of growth per sector and region, rate of inflation, demographic development; number of enterprises per sector, size and region; data concerning economic production per sector and region.

This concept of the observatory function operating as a network with a global approach opens up new prospects, in particular by developing the efficiency of current information systems and by giving them the capacity to contribute to the transparency of labour markets and to the satisfaction of the needs of the decision-makers concerned.

With this aim in view, the ETF decided to encourage the development of the observatory function in the Mashrek and Maghreb countries and to support the establishment of a regional network.

³ Cf.: www.europa.eu.int/comm/eurostat

3. CURRENT SITUATION REGARDING THE OBSERVATORY FUNCTION IN THE COUNTRIES CONCERNED

3

This chapter presents first the positive and negative aspects which the four countries analysed, Syria, Lebanon, Egypt and Jordan, have in common, followed by summaries of the diagnoses produced by the experts taking part in the project in those four countries.

3.1 THE POTENTIAL FOR AND OBSTACLES TO DEVELOPING THE OBSERVATORY FUNCTION IN THE MASHREK COUNTRIES

Given the context, the pace of change and the potential for the future in each country, the situation regarding the development of the observatory function varies from one country to the other. All the countries reviewed have the capacity to provide general statistics on a regular basis because they have national statistical

bodies. However, the production of specific data on training and labour market varies enormously from country to country.

The basic information available in all the countries is that emerging from population censuses, national systems of classifying occupations, administrative data on schoolchildren and students and on those receiving social security, and in some cases from studies on employment, companies and training centres.

The countries in the region are currently at a stage where they can give priority to producing basic data, more economic than social, using elementary statistical processes, though the degree to which they can do so differs, with Jordan and Egypt being more advanced in this respect. However, they do not have a strategy for generating information for decision-making purposes, which requires more

STRUCTURES AND MECHANISMS FOR INFORMATION AND NEEDS FORECAST ON TRAINING, QUALIFICATION AND EMPLOYMENT THE OBSERVATORY FUNCTION IN EGYPT, LEBANON, JORDAN AND SYRIA

sophisticated processing of data and, above all, more comprehensive analyses based on existing figures.

The result is that it is difficult to obtain the information needed, reliability is not guaranteed and the validity of the information published is mistrusted.

The problems identified in the diagnosis can be summarised in five points.

- **Problems relating to the structure of the labour market.** Apart from the problem in Syria, where labour market planning is centralised, the other countries must, to a certain extent, cope with a quite significant informal economy and a transitional, situation involving a shift from a traditional, local consumption-based economy to a global economy. As a result, the labour market is defined by the conflict between traditional sectors and modern sectors with very different qualification needs and completely contradictory regulatory standards.
- **Problems in modernising public administrations,** which also differ in degree depending on the country, are reflected in very varied levels of efficiency as regards the gathering, processing, analysing and disseminating of information needed for decision-making.
- **A bureaucratic information culture,** aiming more at controlling than at making decisions. Producing statistics is therefore a low priority activity; the statistics are not reliable and not highly regarded even by those producing them and by those who should use them to make decisions.
- **A lack of dialogue and of consensus between the public administrations and the main stakeholders in the labour market,** as a result of the weakness of social partners and of the mechanisms for representing the economic and social environment. This does not help to create a climate of trust as regards existing information. Progress has, however, been made in Jordan and Egypt.
- **The limited resources granted to information production bodies,** which therefore face problems ensuring the

continuing production and dissemination of sufficiently reliable systematic analyses of labour market and training developments.

Paradoxically, the information needs of countries in the region are considerable given the context of transition and liberalisation they are facing.

- The move towards a free trade area and greater Euro-Mediterranean economic integration requires the circulation of accessible, reliable quality information for decision-making by economic, social and political stakeholders. The demand for information by EU member states and donors will increase considerably in the coming years.
- Managing transition in each country means having access to regular, systematic and reliable information to carry out the process in a situation of volatile change. All aspects linked to the labour market will play an increasingly important role in the development of these countries.

The extent of the needs identified above means that these countries have an opportunity to extend their capacities for observing, diagnosing and monitoring training and the labour market.

The detailed analysis presented below permits an evaluation of the stage of development reached by the observatory function in the four countries under review.

3.2 SYRIA

Key factors

- The economy is currently going through considerable upheavals: it is in fact shifting from a rather centralised, planned economy to a more market-oriented system. The generally limited information available on the labour market (including forecasts) refers above all to the period when the economy was still centralised and planned. Thus, it is of very limited value in terms of steering the market of the future.

3. CURRENT SITUATION REGARDING THE OBSERVATORY FUNCTION IN THE COUNTRIES CONCERNED

- The current labour market comprises so many “distorting” elements that, even if it were possible to make statistical forecasts, they would not be very reliable. The most easily detectable of these is undoubtedly the considerable size of the informal labour market, estimated at approximately 40%. Thus, research into pertinent figures aiming at obtaining a favourable change in employment policies would in fact concern less than 60% of the labour force.
- Industry in Syria is still dominated by the public sector. Management is centralised, and the government is also responsible for human resources policies. The system undoubtedly has unquestionable advantages (for instance, job security). However, it does not help when it comes to identifying real market needs with a view to defining effective policies.
- The social partners play a very limited role in the labour market and in training and employment. Social partners as we know them in Europe do not in fact exist. Employers’ organisations and trade unions cannot act as intermediaries between the labour market and the education system. Although there are associations of employees and of employers in Syria, their role is more administrative than political. Chambers are now emerging (for instance the Damascus Chamber of Industry), but their relations with the government and/or training and employment bodies are still not clearly defined, and information cannot therefore be supplied to the system.
- Vocational training is not well developed in the education system. Despite the many ministries involved in training activities, the Ministry of Education and the Ministry of Higher Education are the ones with most responsibility for the two levels of vocational training. The system is quite centralised and training centres do not have much autonomy. All decisions are made by government training agencies. There is no continuing training system and evaluation of vocational training is poor. The lack of involvement of organisations representing the social partners and

other key stakeholders in the system undermines the efficiency of government policies. The vocational training system is experiencing a lot of problems in adapting to the needs of a rapidly evolving labour market. There is little understanding of changing labour market needs and of the place that vocational training could play in this process.

Main producers of information on the training and employment relationship

- The Central Bureau of Statistics (CBS) set up by presidential decree publishes a directory of general statistics collected from different ministries, as well as a general census every five years.
- The State Planning Commission (SPC) is the most important body responsible for producing information and economic and social forecasts.
- Each ministry has a statistical department to gather information in its field.

Syria’s observatory function may therefore be classified as being at an informal stage of development. Despite the existence of several basic instruments for producing general information, there are no specific bodies for monitoring labour market and vocational training developments. The information available is irregular, and dissemination is restricted and geared to the needs of the planning bodies.

Factors to be taken into account in developing the observatory function

Positive factors

- The existence of general statistical production structures (CBS and SPC).
- The existence of the Supreme Ministerial Committee for Technical Education and Vocational Training, which acts as a coordinating body.
- The fact that change is under way and that it is an opportune time to introduce reforms in the information system.
- The forecast of considerable growth in labour market demand for vocational training and qualifications.

STRUCTURES AND MECHANISMS FOR INFORMATION AND NEEDS FORECAST ON TRAINING, QUALIFICATION AND EMPLOYMENT THE OBSERVATORY FUNCTION IN EGYPT, LEBANON, JORDAN AND SYRIA

- The information made available by the Chambers of Industry may become a local and sectoral tool.
- The existence of a pilot project on apprenticeship supported by the ETF has promoted an active network with the involvement of the main training bodies in the Damascus area.
- Technical and vocational training, which is the responsibility of the Ministry of Education and Higher Education. Private education plays a very important role. A rather limited regulation of the system gives rise to certain doubts about its functioning. A reform is under way to define the area of technical training more precisely.
- The labour market, in Lebanon's liberal economy, is based on a high level of private initiative with a large number of foreign workers. Informal activities play a major role. Social partner organisations are not well developed and have little impact on labour market strategies.

Weak points

- The lack of a tradition of market culture based on the autonomy of stakeholders who have to make decisions in their own interests in the context of an open, unplanned relationship between employment demand and supply.
- The bureaucratic information culture geared to control and plan rather than to support decision-making.
- The lack of a tradition of dialogue and consultation in decision-making, owing to the centralised, bureaucratic culture.
- A disorganised labour market, due to the growth of the informal economy.
- A poorly developed vocational training system with little prestige among the population or among businesses.
- Ministerial responsibilities for training activities are dispersed.
- The lack of employment services.
- Excessively institutional role of social partners, who have little involvement in vocational training.
- The lack of data on the labour market to facilitate autonomous decision-making and to improve the efficiency of the system, particularly at local and regional levels.
- The technical and methodological shortcomings in the handling of information, particularly at local and regional levels.
- The lack of analysis of existing information.
- The low level of priority given to the development of the observatory function by ministerial authorities.

Main producers of information on the training and employment relationship

- The Central Statistics Administration. This now comes under the presidency of the Council of Ministers. It publishes a monthly bulletin containing general statistics, in which training and employment are given little space. It also produces a series of statistical studies, one edition of which was devoted to the trend in school students between 1973 and 1994. This study provides some generic information, but does not give a detailed breakdown in sectoral and regional terms.
- The Council for Educational Research and Development, supervised by the Minister of Education and of Higher Education. It collects detailed school statistics annually on all pre-university educational establishments. It publishes directories of these establishments every two years.
- The National Employment Office, under the responsibility of the Ministry of Labour, conducts employment surveys, but on an irregular basis. It is worthwhile emphasising the importance of the updated study on 1997 labour market needs, carried out in 2000, and the classification of occupations (ISCO) in 2000. Other studies are planned for the coming years.
- The National Social Security Organisation. Despite the difficulty in obtaining a list of the people registered with this organisation, it is the source of information on jobs that is most used for labour market research.

3.3 LEBANON

Key factors

The training and employment system in Lebanon is focused on two aspects.

3. CURRENT SITUATION REGARDING THE OBSERVATORY FUNCTION IN THE COUNTRIES CONCERNED

- Other sources of information are more ad hoc (reports by economic organisations) or are not completely reliable (1999 industrial census).

The observatory function in Lebanon is at the start of the institutional stage.

Three institutions, the Central Statistics Administration, the National Employment Office and the Council for Educational Research and Development, share responsibility for producing information, but there is no coordination or permanent contact between these institutions. Existing information is not really geared to decision-making.

Factors to be taken into account in developing the observatory function

Positive factors

- The structures and instruments for producing statistics are well established in Lebanon.
- There is a structure which produces statistics regularly (Central Statistics Administration).
- There are bodies charged with producing statistics on education and employment (National Employment Organisation and Council for Educational Research and Development).
- There is an extensive database on people employed in the formal economy (National Social Security Organisation).
- Studies on labour market needs and on figures relating to educational establishments are published.
- The creation of a planning, monitoring and evaluation unit at the Directorate General for Vocational Technical Training is planned.
- Experience of cooperation with international bodies (ILO, World Bank and UNDP).

Weak points

- The quality of the available figures.
- The administrative information regarding education and employment is not verified, which makes the existing data rather unreliable.

- The low level of trust from the population and the stakeholders involved regarding the confidentiality of data.
- Research on training and employment is not conducted regularly.
- The local and sectoral data are not sufficiently broken down.
- The lack of consensus on the nomenclatures and classification systems for jobs and professions.
- The poor quality interpretation and analysis of data.
- The lack of data on key issues for decision-making in the area of training and employment.
- The lack of data on university level education.
- The priority given by the public administration to monitoring and observation of the labour market and training does not seem sufficient considering the limited staff and resources allocated to these activities.

3.4 EGYPT

Key factors

Egypt has a complex training system with a large number of stakeholders involved.

- The Ministry of Education is responsible for secondary technical and vocational education.
- The Ministry of Employment and Migration is responsible for vocational training geared mainly to the unemployed and low-income families. It should be noted that the Minister responsible is also the President of the Supreme Council for Human Resources Development (SCHR). The Ministry of Employment and Migration also develops active employment policies and is responsible for employment services.
- A large number of ministries have set up vocational training structures mainly devoted to training apprentices, such as the Ministry of Industry with its Productivity and Vocational Training Department (PVT), the Ministry of Housing with its Productive Training

STRUCTURES AND MECHANISMS FOR INFORMATION AND NEEDS FORECAST ON TRAINING, QUALIFICATION AND EMPLOYMENT THE OBSERVATORY FUNCTION IN EGYPT, LEBANON, JORDAN AND SYRIA

Organisation for Building and Construction (TOMOHAR), and the Ministry of Social Affairs (MOSA). This is also the case for other ministries responsible for sectors such as tourism, electricity and oil.

- Recently, employers' federations and associations have been showing growing interest in training activities. They have set up units to develop human resources and are involved in a number of projects such as the national skills directory. Some trade unions organise training activities, on which little information is available.

Main producers of information on the training and employment relationship

- The Central Agency for Public Mobilisation and Statistics (CAPMAS) set up by presidential decree. This is the most important centre for information and statistics. It publishes a large number of demographic, economic and social statistics. Every two years, it carries out a survey of the labour market, the results of which are used more for planning. It should be noted that the methodologies used need to be updated. It also publishes a bulletin on employment, salaries and working hours. However, data on the education system, apart from those produced by the Ministry of Education, are rare. It produces most of the country's statistics on behalf of other bodies and institutions.
- The Ministry of Employment and Migration has a research department. It produces regular sectoral studies (one sector per year), aiming at determining training needs. While this information is not published, it is offered to the other ministries concerned. It is difficult at the moment to assess the real impact of these studies on the training system. The ministry also regularly publishes job offers available on the market with the support of the employment services.
- The Information and Decision-making Support Centre (IDSC) is a structure for promoting information, linked to the President's Office. It does not produce information directly, but prepares its own reports based on considerable information gathered from an extensive network of contacts in different ministerial bodies.

- The Supreme Council for Human Resources Development (SCHRD) involves the social partners and the Social Development Fund, in addition to ministerial bodies. However, its function as a decision-making agent still requires further development. Its added value lies in the fact that it is the only platform in which all vocational training stakeholders are represented. The work of the Supreme Council's Technical Secretariat is currently carried out by the Social Development Fund, and the conditions for making it a real technical support body for the Supreme Council remain to be defined. The SCHRD recently conducted studies on the capacities of training centres in Egypt and on the qualification needs of the labour market. The studies were financed by the Social Development Fund and carried out by CAPMAS. Its objective is also to monitor the national reference profile for qualifications and the certification system currently in use.

Egypt's observatory function can be classified as being at an advanced institutional stage of development. The basic instruments for gathering and processing information are soundly established, the only drawback being the use of obsolete methodologies and, hence, unreliable or inappropriate information. Apart from the bodies entrusted with producing information on the labour market, the country also has several organisations for disseminating information that need to be developed properly in order to ensure that information circulates smoothly.

However, the stakeholders in the field work in a rather disorganised fashion, without any real, effective follow-up regarding the impact of the information published.

The conditions required to enable the country to move forward towards a coordination strategy and greater dissemination of information within a network, and to improve quality, are not therefore fully satisfied. Hence, targeted support capable of boosting the modernisation of data production and networking is essential.

3. CURRENT SITUATION REGARDING THE OBSERVATORY FUNCTION IN THE COUNTRIES CONCERNED

Factors to be taken into account in developing the observatory function

Positive factors

- The existence of a large agency for producing general statistics.
- The existence of a council (SCHR) carrying out some of the tasks of a network between the producers and main users of information.
- Drafting of sectoral studies and forecasts regarding labour market needs, albeit of varying degrees of quality.
- The need to set up an information system on the labour market already identified.
- The existence of a job classification system, with the prospect of innovative elements being introduced.

Weak points

- The information produced is geared too much to internal purposes.
- Problems in gaining access to some information.
- Some information is not published.
- Problem for decision-makers in identifying reliable information among all the information gathered and processed.
- The lack of coordination between users and producers of information.
- The shortcomings in the quality of information produced and methodologies applied.
- The gaps in information on some indicators.
- The lack of follow-up studies on recruitment of young people leaving the education system.

3.5 JORDAN

Key factors

- Responsibility for vocational training in Jordan is shared by the vocational training department under the Ministry of Education and the department of vocational training for employment under the Ministry of Labour.

Main producers of information on the training and employment relationship

- The Ministry of Education, which publishes a directory of statistics containing basic data on the education system.
- The Vocational Training Corporation, a semi-autonomous organisation under the Ministry of Labour. Its board of management includes representatives of the various ministries and of the social partners. It is responsible for vocational training for employment. One of the corporation's tasks is to develop a national job classification system. It publishes a directory of statistics.
- The National Centre for Human Resources Development (NCHRD). Designed to provide technical assistance to underpin educational reform programmes, its functions were extended to include coordination of donors to finance the reform programmes. It produces studies and strategic reports for the development of education.
- The Department of Statistics (DOS) produces official statistics. It has a huge volume of censuses, surveys and studies on demography, economic activity and the labour market. It is worthwhile stressing that it produces a quarterly survey addressed to households and a survey on employment conducted in companies, which provide quite comprehensive figures on employment and the characteristics of the active population.
- The Ministry of Labour publishes some information from its database on the number of registered unemployed.
- The Civil Service Bureau (CSB), directly under the supervision of the prime minister. It manages human resources in public administrations and runs a database on the characteristics of jobs in public administrations.
- The Social Security Corporation manages a database of the people registered with the social security system, which covers 30% of those in employment.
- The Ministry of Higher Education publishes a directory of statistics.

STRUCTURES AND MECHANISMS FOR INFORMATION AND NEEDS FORECAST ON TRAINING, QUALIFICATION AND EMPLOYMENT
THE OBSERVATORY FUNCTION IN EGYPT, LEBANON, JORDAN AND SYRIA

- The National Information Centre (NIC) coordinates and promotes an integrated information system. It provides some very detailed information on the labour market.
- The Council of Technical and Vocational Training involves all public and private stakeholders in the training sector.
- Other institutions, such as the Ministry of Industry, the Chambers of Commerce and Industry, and the Retired Servicemen's Association, have some data which could be used for the observatory function.

Jordan's observatory function may also be classified as being at an advanced institutional stage of development.

There is a valid information system, and there are even organisations that can act as coordinators between producers and users of information who could perhaps become leaders of a network to promote and improve the quality of information.

Factors to be taken into account in developing the observatory function

Positive factors

- The production of regular statistics by the Ministries of Education and Employment.
- Systematic studies on employment conducted by the DOS.
- The institutions which play a role in promoting and coordinating information (NCHRD, NIC, Council of Technical and Vocational Training).
- An information system on the labour market is currently being developed.

Weak points

- The coordination problems between the producers of information.
- The lack of analysis of information available.
- The lack of follow-up research regarding recruitment.
- Consensus must be reached regarding labour market indicators and basic instruments to classify information.
- The culture of internal use of information; dissemination must be increased.
- The poor capacity to use the available information for decision-making.

4. RECOMMENDATIONS TO STRENGTHEN THE OBSERVATORY FUNCTION

4

The above diagnoses provide an overview of the basic conditions needed for action to support the development of the observatory function in these countries.

4.1 TOWARDS A SUPPORT STRATEGY TO DEVELOP THE OBSERVATORY FUNCTION IN THE MASHREK COUNTRIES

In the context of the strategy to promote the viability of Euro-Mediterranean integration, which is one of the priorities of European action in the region, education and training for employment is one of the measures proposed in the Regional Indicative Programme 2002-04⁴.

From the point of view of developing human resources and the capacity to create economic activity that can absorb the active population in the region, employment will become a key factor for the viability of Euro-Mediterranean

integration. This means that training must be capable of providing the qualifications needed for economic development, and the labour market must be able to provide opportunities for those leaving the training system. This dual strategy of taking action on both the demand and the supply aspects of employment is essential to ensure sustainable success. In short, given the current destructuring of labour markets in the countries in the region, the coordination of training measures and active employment policies is more necessary than ever.

Recent changes in the observatory function in European countries shows that a move towards developing networks shared between producers and users of information is preferable to the creation of sophisticated mechanisms to analyse and process information. This is therefore an excellent opportunity to transfer these experiences to the Mashrek countries and to avoid the establishment of costly

⁴ Cf.: Euro-Med Partnership, Regional Strategy Paper 2002-06 and Regional Indicative Programme 2002-04.

STRUCTURES AND MECHANISMS FOR INFORMATION AND NEEDS FORECAST ON TRAINING, QUALIFICATION AND EMPLOYMENT THE OBSERVATORY FUNCTION IN EGYPT, LEBANON, JORDAN AND SYRIA

information analysis and processing institutions which have no awareness of the needs of decision-makers.

Such a development could help to create the conditions for social dialogue and the construction of an agreed regulatory framework, to be used as a basis for the creation of economic stability and as a way of motivating the stakeholders involved.

In addition, the European Commission, with the support of Eurostat, has already launched MEDSOC, a sub-programme under the MEDSTAT programme, which focuses on the production of social statistics. The development of the employment training observatory function must therefore be conceived in conjunction with the work carried out under MEDSTAT.

However, the problem cannot be reduced to a methodological or technical matter relating to the production of information. The cultural, organisational, consensual and regulatory aspects are of vital importance in ensuring that the observatory function operates smoothly.

These comments lead on to the definition of a strategy based on the following priorities.

- Strengthening the observatory function to ensure the viability of measures for education and training for employment as part of the strategy of Euro-Mediterranean integration.
- Incorporating the mechanisms to develop the observatory function into the support programmes for training and employment policies in the countries in this region that are linked to the support programmes for modernising public administration.
- Defining an all-inclusive concept that would cover the technical and methodological aspects as well as the cultural, organisational, consensual and social dialogue aspects.
- Encouraging cooperation with Eurostat, the European Commission and other donors (OECD, ILO and the World Bank).
- Giving priority to the establishment of networks between producers and users of information and to the adaptation of the production of information to match the needs of decision-makers.

One precondition for introducing this strategy is the political will of each government in the region to embark on this type of cooperation. This is not a simple matter, given the relationship which exists between information systems and the functioning of public institutions, the role of information and the traditions of government existing in these countries. The commitment of each government in the region to the proposed strategy is the first objective to be achieved.

4.2 THE ROLE OF THE ETF IN THE STRATEGY TO SUPPORT THE DEVELOPMENT OF THE OBSERVATORY FUNCTION IN THE MASHREK COUNTRIES

The experience of the ETF in supporting the development of vocational training in the Mediterranean region, and in developing an observatory function in all the countries of central and eastern Europe, places it in an excellent position to promote the observatory function in the region.

The ETF could pursue a twofold objective.

- To gradually strengthen the individual capacity of the Mediterranean countries to organise an “observatory function” that is efficient, involving all the parties concerned and capable of providing decision-makers with reliable analyses on the development of human resources, and more particularly on employment, training and qualifications.
- To increase, in the region and at the Euro-Mediterranean level, the development and exchange of approaches and comparable methods of analysis and the dissemination of information and good practices in the fields of employment training and qualifications.

This role of technical support and assistance for the countries in the region involves several types of action.

- Promoting the development of the observatory function in the EU programmes to upgrade or support vocational training systems in the

4. RECOMMENDATIONS TO STRENGTHEN THE OBSERVATORY FUNCTION

partner countries. One example might be the creation of an observatory by the authorities, in the context of the programme to upgrade vocational training in Algeria.

- Highlighting the experience already gained in the countries of the region by promoting exchanges between these countries.
- Promoting exchanges of experiences with other regions, such as the future member states.
- Promoting exchanges and twinning between the EU member states and countries in the region.
- Promoting a forum for meetings between experts and managers of information-producing institutions in countries of the region, as a key point of reference for the development of the observatory function. This forum could consist of annual seminars or summer schools, which would be highly technical and therefore prestigious. In addition to being a meeting-place and place for exchanges, this forum could also provide training, methodological discussions and innovation, both theoretical and practical.
- Promoting an electronic bulletin as an instrument of permanent communication to be used as a tool for interaction between the observatory networks in the region. The bulletin should not only consist of statistics, but could be based on different subjects and exchanges of experiences.
- Supporting the Eurostat MEDSOC programmes to ensure the complementary nature of actions undertaken by the two institutions.
- Supporting pilot projects in various countries aiming at demonstrating the technical and political interest in developing the observatory function.

Given the outcome of the diagnosis in the countries in question, the priorities here might be support for:

- Consultation between the main stakeholders to develop observatory networks.
- Training the social partners to strengthen participation in bodies coordinating the observatory function.

- The use of innovative technical methodologies.
- Decision-making based on the analysis of the available information.
- Existing local and sectoral capacities to produce pertinent information.

The details of the activities to be promoted in each country are presented below.

4.3 SYRIA

Given the stage the observatory function has reached in Syria, the most suitable strategy would be to support a local pilot project as a model for the network stage of the observatory function.

This could be developed in several stages.

- Organisation of a seminar to involve the national authorities and main stakeholders in the development of the observatory function, and to identify the main needs regarding information on the labour market and on vocational training.
- Support for a regional experience in which the chambers of commerce, the social partners, training institutions and government bodies would be involved. It would highlight the need to learn how to use information for decision-making and to improve the quality of information gathering, processing and analysis.

4.4 LEBANON

A support strategy to improve the quality of existing information and greater dissemination of information are regarded as the first stage to ensure increased awareness of the network dimension of the observatory function.

Given the presence of other donors with support programmes to improve information on the labour market, it would be desirable to establish coordination to facilitate synergy between them.

Several steps are possible.

- Involve the Lebanese institutional stakeholders in the development of an

STRUCTURES AND MECHANISMS FOR INFORMATION AND NEEDS FORECAST ON TRAINING, QUALIFICATION AND EMPLOYMENT THE OBSERVATORY FUNCTION IN EGYPT, LEBANON, JORDAN AND SYRIA

observatory function in a neighbouring country.

- Raise the awareness of the social partners and private sector stakeholders to the importance of developing an observatory function.
- Cooperate with the World Bank in its programme to strengthen technical and vocational education, particularly for the establishment of the SME unit.
- Support the organisation in 2003 of a study by the National Employment Office on labour market needs, and improve its quality in cooperation with the UNDP.
- Support the consensus on the classification of occupations (ISCO) produced by the National Employment Office, if necessary in collaboration with the ILO.

The first step could be a seminar in Jordan aiming at involving the national authorities and main actors in the development of the observatory function.

4.5 EGYPT

The strategy in Egypt could involve strengthening the network dimension of the observatory function. By supporting the organisations that are encouraging and coordinating the stakeholders involved, the SCHR D's Technical Secretariat, in cooperation with the IDSC and the CAPMAS, could play a leadership role in developing a strengthened network for the observatory function.

Several steps are possible.

- Organisation of a seminar to involve the national authorities and main stakeholders in the development of the observatory function, and to identify the main needs regarding information on the labour market and on vocational training.
- To identify, in partnership with other donors (i.e. Canada, the World Bank, etc.), specific measures to support the development of an employment training observatory network. In addition, synergy should be ensured with the

European Commission support programme currently being defined.

- In the medium-term, and given the advanced stage of information production in Egypt, specific measures might be developed at local and/or sectoral level, for instance:
 - Support for the regular production of sectoral studies on labour market needs.
 - Support for linking the information available at local, sectoral and national levels.
 - Improvement of local dissemination of information.

4.6 JORDAN

Jordan appears to be in possession of all the elements to enable it to move on to the network stage. The strategy would then be to provide resolute support for the formalisation of the network, which is still in an embryonic state. The NCHRD, with the assistance of the Council and the involvement of the Department of Statistics and the other two ministries concerned, could act as the network leader.

Several steps are possible.

- Organisation of a seminar to involve the national authorities and main stakeholders in the development of the observatory function and to identify the main needs regarding information on the labour market and on vocational training.
- Promotion of the establishment of a project group to develop an observatory network on training and employment to focus on support for decision-making.

Priority could be given to some of the shortcomings identified in the diagnosis:

- Support for analytical studies based on existing information, in cooperation with universities.
- Support for work in progress, if necessary, in order to create an information system on the labour market.
- Support for a consensus on labour market indicators.