

COUNTRY ANALYSIS 2005
JORDAN

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ETF COUNTRY ANALYSIS 2005

Summary

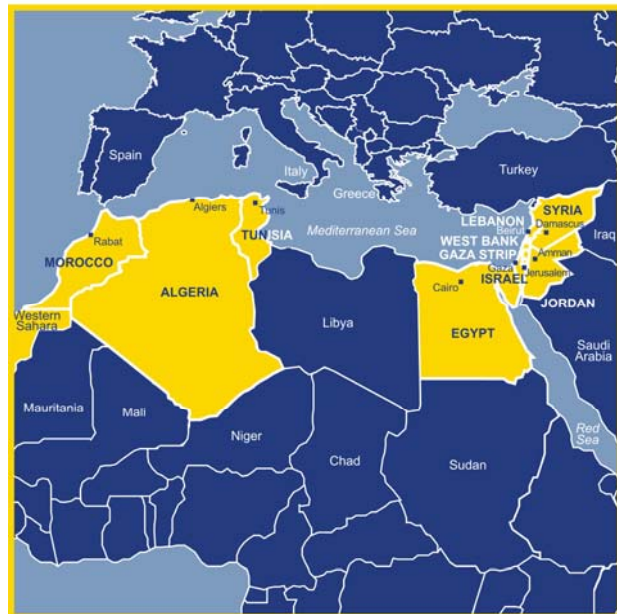
Jordan is a recently born, developing country with limited natural resources, including water. It is a country facing geostrategic developments that are influencing an influx of population from neighbouring countries, the movement abroad of its own educated population, and a rapid increase in newcomers to the labour market. Currently 70% of the population are less than 30 years old.

Some 98% of Jordan's economy consists of small and medium-sized enterprises (SMEs). Its economy, disrupted by recurrent regional instability, is heavily dependent on external aid, and while its success rate in terms of education is remarkable, the development of a significant informal sector in the economy, particularly in the craft and service sectors, makes it difficult for the officially stated aim of making the country a knowledge society to be achieved.

Jordan is one of the few countries in the world in which relatively high levels of human capital have not been translated into significant progress in gross domestic product (GDP) per working-age adult (OECD, 2002). One of the reasons is the limited capacity of the labour market to absorb the increasing proportion of young people in the population (with 40,000 new entrants into the labour market each year). Another may be the relatively low level of employment among educated females, which represents a serious waste of potential.

Human resource development (HRD) is a priority in Jordan, where the population is seen as the country's main resource. Jordan is well advanced in terms of the Millennium Development goals relating to the universal completion of primary schooling and the elimination of gender disparities (in 2000 the primary completion rate was 99% for both boys and girls). Furthermore, investment in education in the private and public sectors by both the state and families is increasing, particularly in basic and higher education. Nevertheless, little has been done to develop coherent labour market and employment policies. Although considered one of the tools for facilitating Jordan's HRD in a lifelong learning context, technical vocational education and training (TVET) lacks effective support to enable it to adapt to rapid changes in the economy. Developed from a model designed in the 1970s, with a high level of centralisation and a supply orientation, TVET has a low status in Jordanian society and continues to be perceived as the 'last resort' educational option.

Given the high level of support allocated by public, private and international contributors to basic and higher education, with successful results, and the fact that from 2005 onwards international donor assistance will be practically nonexistent in the TVET sector, substantial assistance is needed in order



to support the development of the TVET system to assist Jordan's efforts to fight poverty and become more competitive in the global economy.

This may be achieved by supporting a systemic reform aimed at (i) strengthening the participation of SMEs in human resource development and management, (ii) supporting Jordan in building a labour market and employment policy, and (iii) contributing to an overall reform of the TVET system, including both a top-down and bottom-up approach aimed at developing efficient public-private partnership. Efforts should be coordinated to give women and young people more chance to enter the labour market and contribute in sectors where exchanges between EU and Jordan have a real chance to develop.

1. Current situation and trends in human resources and labour market development

Increasing the competitiveness of Jordan's economy and attracting foreign investment are real challenges for a country whose economic structure is based on SMEs that are mainly active in the service sector and that have limited capacity for HRD. Current economic and social reforms are producing visible outcomes, particularly in tackling poverty, but an employment and labour market strategy that creates a non-discriminatory environment is needed in order to allow the integration of 40,000 new entrants to the labour market each year, continue the fight against unemployment, in particular for young people and females, and contribute to the diminution of a growing informal sector.

Background

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 EU and the USA in 2002. Jordan's geostrategic position in the Middle East allows it to be a prominent actor active in mediating and supporting regional efforts for peace.

Benefiting from significant international financial support and workers remittances, Jordan has carefully managed its economy and maintained a low level of inflation. But the recent Iraq conflict has had a negative impact on Jordan's economy: GDP growth fell in 2003 (average annual growth was 4.9 % in 2002 and 3.2% in 2003), and it has become difficult to absorb new entrants into the labour market.

Jordan faces continuing structural difficulties, particularly in trade, with exports amounting to half the level of imports. Although foreign investment has increased as a result of the privatisation process in some industries, such as telecommunications, in general Jordan has not succeeded in attracting private international investors. Investment remains important in non-productive sectors such as construction, and in these sectors competitiveness is hampered by a limited capacity to export high-quality products.

Demographic trends

Jordan's population in 1996 was 4.3 million, and in 2003 it had increased to 5.4 million, with a population growth rate of 2.8 %. The population structure is weighted towards the very young, with those under 15 years of age representing 38% of the population, and the age group 15-24 representing 21%. In 2025 it is estimated that the population will amount to 8.1 million inhabitants, with a doubling of the active population from the 2000 level (UN World Population Prospects).

The 1994 census indicated that 76% of families lived in urban areas (the results of the 2004 census are not yet available), and that there was an on-going trend towards further urbanisation. The populations of three of the twelve governorates (Amman, Irbid and Zarqa) accounted for 71% of the total Jordanian population. These regional disparities have a direct impact on the employment and living conditions of populations who live far from the economically attractive centres, as well as on those with low levels of education and qualifications.

Policies and reforms

Economic and social reforms in Jordan began in the early 1990s. These accelerated visibly with the accession to the throne of King Abdullah II in 1999, who has promoted the idea of making Jordan an investment-driven, knowledge-based economy. In order to enhance the welfare and standard of living of the Jordanian population, especially poor people in rural and remote areas, new strategies and initiatives have been implemented. Launched in 2001, the Social and Economic Transformation Program (SETP) was the flagship initiative aimed at developing human resources, improving the equity, quality and efficiency of public services, providing support for rural areas, and enhancing the institutional and structural framework in order to improve the decision-making capabilities of public sector. However, as a result of the unstable geopolitical situation of the region over the years, the reluctance of private international investors and the high level of dependency on external support for implementation of the programme, the impact of the SETP has not been as great as was anticipated.

A new set of reforms for the next three years (2004 – 2006) has been launched through the National Social and Economic Plan (NSEP); this is intended to contribute to the alleviation of poverty and the development of a sustainable socioeconomic process to address regional and governorate disparities. The focus will be on development strategies for 25 sectors or sub-sectors of the economy, including education and training, water, tourism and health. Efforts will be concentrated on strengthening public sector capability to deliver adequate services to the population, encouraging private investment and completing the privatisation process, particularly in the water, transport, energy, electricity and media sectors.

The establishment of Qualifying Industrial Zones (QIZs) and the Aqaba Special Economic Zone (ASEZ) have boosted Jordan's exports, primarily as a result of the privileged access to the US market (which accounts for 28% of total domestic exports). However, this rise may be limited by the increasing competition with EU companies in the context of the Euro-Mediterranean Free Trade Zone.

While efforts to support the economic capability of Jordan are acknowledged, no employment and labour market strategy has been developed to provide Jordan with a legislative framework that would help to increase the employability of the workforce.

Structure of the labour market

The micro-enterprise sector, which is active in both the formal and the informal economy, constitutes 98% of all firms in Jordan (firms with 1–4 workers make up more than 90% of all firms, and those with 5–19 workers another 8%). It is estimated that the number of persons employed in firms with 1–4 workers account for 46% of total private sector employment outside agriculture, and firms with 5–19 workers another 19%. In other words, micro-enterprises are responsible for almost two-thirds (65%) of total private sector non-agricultural employment in the country. It is estimated that 12% of this employment in micro-enterprises involves foreign workers. Few of them have access to continuing training activities.

Informal economy

The informal economy is one of Jordan's growing problems. While defining the informal sector remains a real challenge because of the lack of accurate data (there has been no specific study or survey that specifically documents its activities or gives an overview of its size, characteristics and problems), on the basis of the employment survey prepared by Department of Statistics (DoS) in 2000 it is estimated that the informal micro-enterprise sector in Jordan provided employment to some 190,000 people (90% of whom were male and 10% female). This means that the informal sector employed approximately 12% of the total workforce in the period 2001 – 2002. According to recent research this would represent 41% of total private employment outside agriculture. Analysts suggest that the informal sector in Jordan might be growing in size.

Labour market information

The provision of accurate qualitative and quantitative information allowing the analysis of labour market organisation and development is limited in Jordan. The fact that micro-enterprises (less than 5 employees) are not obliged to make social security contributions produces a grey area in employment information, which reduces the transparency of the labour market.

Information on the labour market is not collected in a systematic way, and there is a lack of institutional capacity to provide information on available jobs and labour market trends. The present network of 22 labour offices (LOs) has only limited impact and efficiency, and is little used by its natural main clients (including jobseekers, enterprises and chambers). The LOs are sparsely located and inadequately equipped, and they operate using outdated procedures. Their role is mainly limited to registering foreign workers. In 2003 the number of Jordanian jobseekers registered in LOs in all governorates was 12,253, mainly unskilled or low skilled individuals; this represents less than 7% of Jordan's estimated total unemployed population (160,000–200,000). It is commonly agreed that more must be done for the Ministry of Labour (MoL) if it intends to be a major force in supporting the economic development of the country.

Furthermore, while data are provided by the DoS through regular labour force and household surveys in order to identify who is unemployed and searching for a job, these data are not sufficiently reliable to allow in-depth analysis. Employment surveys up until 1996 included non-Jordanian workers in the data sets, but since 1996 this has not been the case. Given the large number of non-Jordanian workers in the country, excluding them from the analysis of the labour market might contribute to a distortion of labour market statistics, create a gap in knowledge of the labour market and weaken the development of efficient employment policies in Jordan.

Labour force

The labour force in Jordan comprises less than 25% of the total population and is characterised by a marked gender imbalance: 63% of men participate in the labour force, while the figure for women is only 12%.

With a share of 38% of labour force employment (public administration, defence, education, health and social services), the public sector plays an important role in integrating a significant proportion of the Jordanian workforce. In recent years cuts in public spending and the privatisation of large state enterprises have led to trends that show a significant decline.

Services are the most important section of the private sector, with 27% of the labour force employed in these areas (including 12.3% in tourism). Construction represents 23.8% of the labour force, followed by manufacturing (12.6%) and agriculture (4.1%). Trends in sector activity reveal that agriculture and construction have declined by almost 50% between 1987 and 2003. Because of the unattractive salaries and working conditions, the majority of those currently employed in these sectors are non-Jordanian workers.

The Jordanian labour market is distorted by the employment of migrant workers. According to the MoL there were around 150,000 non-Jordanian registered workers in 2003, of whom 17% were women. The majority of them were Arabs: around half were Egyptians, while other large groups came from Syria and Iraq, and others originated from India and the Philippines. Half of these workers, both men and women, were below the age of 30. Almost 95% of the women and 76% of the men did not have a diploma. The economic sectors in which they were mainly employed are agriculture, manufacturing and social and personal services, followed by construction, restaurants and hotels. This segmentation of the labour market along nationality lines is a huge barrier for gaining entry to the labour market, for Jordanians in general and for women in particular. However, the information on non-Jordanian workers, which is based on work permit statistics, is not accurate and can be misleading: non-Jordanian workers do not necessarily work in the occupations for which their permits are registered, and the figures do not cover those who are working without work permits or illegally.

Employment

The economic activity rate is still low, and since 1979 has declined from 41.8% to 37.4%. It has declined for men, but has almost doubled for women. The highest activity rates are among females aged 24–30 years (44%), and among males aged 15–19 years (37%).

Two-thirds of those employed have secondary education or less. There are striking gender differences in employment patterns according to education. Almost two-thirds of employed women have post-secondary education, while the figure for men is only a quarter. Among employed Jordanians, the largest group of men are those with less than secondary education (55%), while the largest group of female workers are those with a higher diploma (37% have a Bachelor's degree or above, and 31% have a college diploma).

The occupational distribution of employment reveals that professions, crafts and service occupations account for more than one third of total employment. Unskilled occupations and machine operator jobs constitute more than a quarter of all employment. However, the occupational distribution according to gender reveals that women are over-represented in certain occupations, namely professional and technical posts, and under-represented in other occupations.

Unemployment

The official unemployment rate in Jordan is 15%, with the largest differentials being between men and women, and between community college graduates and female graduates. Regional disparities are also significant, with the three most populated governorates (Amman, Irbid and Zarqa) accounting for the overwhelming majority of unemployed people, both male and female. Amman alone has almost one third of the total of unemployed men, and just over one third of unemployed women. There are also disparities between rural and urban governorates, the unemployment rates being 13% and 18% respectively for these areas.

With 60% of unemployed people being below the age of 25 and a labour force that is growing at 4% a year, creating additional new jobs for young jobseekers is vital, not only for economic growth but also for social stability. Furthermore, it is estimated that there are a further 50,000 non-registered foreign workers.

Poverty

In 1997 11.7% of the population was considered to be below the poverty line. Jordan is ranked 90 out of 175 according to the 2003 UNDP Human Development Indicators; this places Jordan well towards the bottom of the MENA countries, with around 12% of the population being considered poor.

According to UNDP ('Jordan Human Development Report 2004'), the Human Poverty Index (HPI), which examines five aspects of poverty (illiteracy, malnutrition for children younger than 5, early death, poor health care and poor access to safe water), has shown improvement in the past five years (1997 – 2002) in Jordan, except in terms of access to safe water, which remains poor. This positive development is mainly as a result of the Jordanian government's efforts during that period in enforcing the Jordan Poverty Alleviation Strategy (JPAS), which is explicitly targeted at three subgroups: 'the poorest of the poor', 'the working poor', and 'the near poor'. Nevertheless marginalisation of the poorest poor is a high risk which must be taken into consideration. Through the consultation process initiated by UNDP it is clear that current efforts need to be strengthened so as to involve communities in the elaboration of policies and programmes, bridging the gap between national and local decision-making processes in order to make strategies more efficient at micro-level. A combined top-down and bottom-up approach is needed in order to improve the lives of the poorest and to ensure sustainable results. With regard to the youngest section of the poor population, UNDP recommends developing new skills that will allow them to enter emerging employment sectors such as information technology (IT), and to feel included in the globalised economy.

Most of the projects linked to HRD in Jordan, supported by donors, non-governmental organisations (NGOs) and/or government, are completely in line with Jordan's declared national strategy for reducing poverty. Better coordination is necessary to ensure that the various efforts are not simply isolated

initiatives but form a truly convergent and efficient set of measures developed in cooperation with all actors, including poor people themselves.

Migration

Immigration and emigration are combined issues in Jordan. On the one hand a proportion of the educated labour force is tempted to live abroad to take advantage of the living conditions in some of the neighbouring countries (the figure is estimated at around 350,000 people, with some sources quoting a figure of 1.5 million). On the other hand the shortage of Jordanians willing to work in unskilled occupations attracts a large number of immigrants (mainly from Arab countries and Asia), predominantly women in the domestic service sector living in poor conditions (in 2001 around 1.7 million refugees were residing in Jordan with a six-month legal authorisation). Waves of refugees and migrants, mainly from Palestine and Iraq, and the need for low-skilled workers in several industry and service sectors have made the Jordanian economy highly dependent on the migrant population. The distribution of this population in Jordan at regional and sector levels is not very well known because a large proportion is active in the informal sector and because there have been no statistics on the situation since the DoS stopped collecting information on non-Jordanian workers.

2. Contribution of HRD to the socio-economic development

Efforts to support educational reform in Jordan have enabled successful and sustainable outcomes in basic and university education to be achieved. The quality of TVET is poor, both at initial and continuing training levels, and does not provide the qualified workforce that is needed in order to deal with rapid changes in the economy. TVET is not efficiently controlled at either central or local levels, and the private sector does not take a significant role in TVET management.

A significant contribution from public and private stakeholders at all levels is needed in order to make the TVET system responsive to labour market needs, both at initial and continuing levels.

HRD trends

In 2003/04 the overall enrolment rates in education are 51% for males and 49% for females, which correspond to the total population distribution. Early childhood enrolment is low in Jordan (30% for boys and 27.55% for girls). At the basic compulsory education level (Groups 1–10) female and male rates are 94.16% and 93.85% respectively. Almost 98% of students enrol in the first year of secondary education, of whom around a third attend vocational training. An average female rate of 75.67% and male rate of 75.61% is given for secondary education enrolment. At university undergraduate level, female enrolment is 46.1%.

The Ministry of Education (MoE) offers educational services to 70.5% of the total number of students, while 19.2% study under private school arrangements, 9.2% attend United Nations Relief and Works Agency (UNRWA) schools (which serve only Palestinian refugees), and other government institutions deliver education to 1.4% of the schooled population.

Three main providers deliver TVET training courses: MoE, the Vocational Training Corporation (VTC) and Al Balqa Applied University (BAU). These operate independently of one another, and each is in charge of specific schemes. MoE provides TVET through a secondary level stream; VTC is responsible mainly for the apprenticeship scheme; and BAU administers 28 public and 25 private community colleges delivering technical education.

In addition, UNRWA runs vocational programmes for Palestinian refugees, and the number of private training institutes is growing steadily. Even where registration is required, little information is available concerning private TVET supply and financing. It appears that two-thirds of those who attend are female and that most of the training is in the field of computers and handicrafts.

Almost 34% of grade 10 students apply to join the comprehensive vocational stream at MoE in two types of school (comprehensive schools and vocational schools) and the applied stream at VTC (semi-skilled level, skilled level and applied secondary education programme). Trends (1997 – 2003) show

that enrolment at MoE vocational streams is growing at 15% a year; VTC trainee intake (1976 – 2002) is growing for skilled workers and craftspeople, though decreasing for limited-skill schemes.

At VTC around 40% of the grade 12 students in vocational streams qualified for entrance to community colleges and 4% for entrance to universities. According to BAU, 10% of students entering public community colleges come from vocational streams in secondary schools. In total around 25–30% of vocational stream graduates go to community colleges.

Enrolment in all types of community college was less in 2002/03 than in 1999/00, in part because of the emergence of private universities that siphoned students away from community colleges.

The three main providers have a number of characteristics in common: they concentrate primarily on initial training activities; they lack effective liaison with their surrounding economic environment; they are not responsive to the needs of the labour market; and they are managed through centralised and bureaucratic arrangements. Furthermore, the TVET system is typified by low-quality training delivery. Teachers are not acquainted with modern teaching methodologies, equipment in the training centres is outdated, and the lack of autonomy of school directors hampers the implementation of effective management in the context of lifelong learning training delivery. Although a human resource strategy was prepared in 1999, no action plan has been formulated for making efficient use of existing resources (equipment, buildings and staff) to allow delivery of better services to TVET clients (enterprises and families).

Continuing training is not organised widely or systematically in Jordan. VTC runs several programmes (National Training programme for unemployed people, training for Qualified Industrial Zones) and large private enterprises organise ad hoc training. Information on such activities, and evaluation of their impact, is lacking.

Dropout rates

At MoE institutions the student retention rates are relatively good between the first and second years. On average drop-out rates for vocational students are reported to be less than 5% a year. However, the rate varies considerably among vocational sub-streams.

In 1999 the overall completion rate (percentage of original entrants who successfully completed the programme), calculated in a limited number of VTC training centres, was only 44%.

Up-to-date data are not available on student drop-out and completion rates for community colleges. The most recent study of this topic surveyed four public institutions in depth in 1999 (using data from 1996 – 98) and found that the total pass rate (i.e. completion rate, taking into account the proportion of the original students enrolled who completed their studies successfully) was just 57% in 1996, 52% in 1997 and 47% in 1998. (The pass rates are now reported to be higher, at 65%.) Attrition between the first and second years was 8–20% depending on the institution; attrition between the second year and graduation was more substantial, at 25–38%.

Policies and governance of the education and training system

An Education Reform Programme was begun in 1988. With support of the donor community, a two-phase project (Education Reform for the Knowledge Economy, ERfKE) is currently being implemented. The focus has been mainly on achieving successful outcomes in basic and higher education. While several attempts have been made to develop pilot projects in the field of TVET (Training and Employment Support Project (TESP) and the national training programme aimed at training 17–30-year-old unemployed people to replace foreign workers), no comprehensive reform has been undertaken in the TVET sector.

Nevertheless an overall strategy for human resources was elaborated in 1999. This coherent framework provides a series of recommendations intended to help the entire system to become fully responsive to labour market needs, with more coordination and complementarity among TVET providers, a greater level of involvement of the private sector in the overall management of the system and generally greater efficiency. Most of the elements required to make the TVET system fully adapted to a modern economy are listed in the strategy.

A newly established TVET Council has been in place since 2003. It is responsible for developing a comprehensive strategy in which the private sector will play an active role and in which TVET providers are able to develop programmes and curricula in line with the requirements of enterprises, in particular in sectors affected by fundamental work reorganisation as a result of the increased role of information and communication technology (ICT) and the need to compete on the European and world stages. The plan is to reform the overall management of the TVET system providers, including the training and retraining of trainers and teachers, the autonomy and financing of TVET institutions, the role of social partners in the management of the TVET system at central and local levels, and the management of a human resource information system. The TVET Council has not as yet developed adequate mechanisms to transform the political commitment into realistic plans capable of being implemented. The TVET secretariat, designed to assist the council, has not yet been established, and the TVET Fund, while having begun collecting taxes, has not set up the rules to help project promoters to develop quality-based projects.

Furthermore, while the private sector is invited, through the legislation, to participate at various stages in TVET, from policy design and governance to implementation (employers are represented at TVET Council and VTC Boards), its main active role is in the provision of work placements for apprenticeships at VTC, mainly in traditional sectors. There is much still to be done to make economic agents (and particularly SMEs) truly active in the definition of their own needs, the development of effective relationships at local level with all TVET training providers, and supporting curricula development and the development of an efficient and quality-oriented continuing training system.

Gender issues

The gender issue is one of general concern. Although women represent a high proportion of enrolments in the MoE and BAU streams (45% and 63.7% respectively), they are less well represented than men in the labour market. There is an imbalance in the sectoral, regional and gender distribution of economic activities, and the unemployment rate for women following completion of their studies is very high. Female employees are concentrated in activities that are traditionally associated with their gender roles, particularly education and social and personal services, while they are not trained at all for jobs in very demanding and priority economic sectors such as tourism.

Public funding

Investment in the public education sector is increasing. In 2003 Jordan spent JOD 449.9 million on education and training, which represents 6.4% of GDP and 13.5% of total expenditure. Between 1998 and 2003, expenditure as a proportion of GDP has remained relatively constant, ranging from a low of 5.98% in 2000 to a high of 6.44% in 2003. The largest relative increase in spending occurred between 2002 and 2003 and this can be attributed to the additional financing available under the Social Economic Transformation Program (SETP) during the year. The sub-sectoral allocations of that amount were as follows: 81% for general education, 16.4% for higher education, and only 2.6% for vocational education and training. Over 55% of this expenditure was incurred on contracts and buildings; 26.8% was spent on school computerisation; and 17.2% went on improving the quality of learning.

Between 1999 and 2003, the number of schools increased by 6% and the number of teachers by 13.7%.

During the same period VTC opened and modernised several new training centres.

In the period 1999 – 2003 the public universities increased their share of the market slightly from 62% to 67%, while the total number of students increased from 80,724 to 124,721.

Private funding

Between 1999 and 2003 investment in the private education sector (including UNRWA) has become comparatively more important. On average it can be assumed that in 2002 private spending on all levels of education was approximately equivalent to 81% of public education spending and 45% of total education spending. In general education the proportion of private schools is 42.2%, and these serve 30% of the schooled population. The number of schools has increased by 14%, and the number of

teachers by 13.4%. In 2003 private universities received 33% of the student population, with an increase of 12,158 students since 1999.

3. Current EU interventions in education and training in Jordan

EU interventions in HRD are mainly focused on supporting the development of basic and higher education.

Education

The European Investment Bank, together with other donors (World Bank, Arab Fund, Islamic Development Bank and assistance from CIDA, USAID, DFID, KFW and JICA) supports the Education Reform for the Knowledge Economy (ERfKE). The project includes the development of an educational strategy, an educational decision support system, the enhancement of monitoring and evaluation capabilities, the expansion of early childhood education, the provision of computers to schools, the establishment of an educational portal, the construction of schools, and teacher training. It also includes the revision of all curricula, including vocational streams at secondary level.

Higher Education

Support is provided through the Tempus programme to strengthen Jordan's participation in Joint European projects, mainly through capacity-building activities.

Jordanian participation in the field of research and innovation will be supported through technical assistance, including twinning activities and participation in the Sixth Research and Technological Development programme.

TVET

Jordan receives limited general support for TVET, with no impact on systemic reform, from Euro-Jordanian Action for the Development of Enterprise (EJADA) – this support is expected to end in 2006 – and through the Industrial Modernization Programme (EUR 40 million).

One component of EJADA focuses on vocational training and HRD: to provide capacity-building inputs to key educational training providers for more demand-driven, quality TVET services for the Jordanian SME sector. It includes the establishment of a National Training of Trainers Institute, support for sectoral TVET centres of excellence and the establishment of the Euro-Jordanian Management Development Institute.

The ETF supports the development of an observatory function project aimed at producing relevant analysis to support decision-making through networking of human resource information providers and users. The ETF produces regular reports on TVET and the human resource situation in Jordan (Country Report in 2000, observatory function in 2002, teacher training in 2004, the unemployment situation (O.F. 2004 outcomes) and labour market analysis (to be finalised in 2005)). In 2005 the country report on TVET will be updated.

4. Significant investment by other donors in the field of HRD

In HRD donors have given priority to basic and university education. From 2006 onwards most of the important donors supporting TVET development will have withdrawn before the necessary reform of the system has been efficiently initiated.

General education

A wide range of donors is active in the field of general education, mainly through the ERfKE project described above. Financing of this USD 386 million project is primarily delivered through loans. This coordinated approach has enabled successful outcomes to be achieved and has helped Jordan to meet the challenge of becoming a knowledge economy. It is expected that by 2008 3,000 schools will be equipped with fibre-optic cables and one computer workstation will be available for every eight students in the country. The project also includes the modernisation and building of 15 large schools every year.

TVET

The most comprehensive reform initiatives in terms of human resource development have been undertaken by Canada, through the Economic Development through Technical Skills Project (EDTSP) (from 1995 to 2000), and Sustaining and Extending Technical and Vocational Education and Training (SETVET) (from 2001 to 2005). These projects were specifically designed to support the national TVET reform agenda. The current project, SETVET, is being implemented under Jordanian management through the National Centre for Human Resources Development (NCHRD) with the assistance of a core team of Canadian advisers, and utilises a systemic approach at the policy, management, programme, institutional and industrial sector council levels. The project works with the three main providers of TVET (BAU, VTC and MoE) and the TVET Council, and also provides support to NCHRD in its functions as the Executing Agency for SETVET. Coding and classification of all jobs has been completed through the Al-Manar project.

The Arab Occupational Classification System is being updated according to international standards through the GTZ Regional Project. The VTC has introduced committees which are currently developing the job descriptions (over 3,000) for these classifications.

Higher education

The World Bank supports the Higher Education Project, aimed at improving the quality and relevance of higher education by upgrading the IT infrastructure, revising academic programmes and strengthening ties with industry. One of the components of the project relates to improving the programmes of community colleges.

5. Main challenges for HRD and labour market related reform and modernisation processes

Jordan is facing a dual economic and social challenge which requires that on the one hand it reaches macroeconomic stability and that on the other hand it fights poverty and unemployment. This double challenge requires substantial efforts in the field of HRD, which in Jordan is considered to be one of the main tools for reducing poverty in the context of the development of a knowledge society.

In order to face the macroeconomic challenge Jordan has implemented a structural reform agenda that has included privatisation schemes and the signing of partnership agreements with the United States and the European Union. Several pilot projects, such as the Qualifying Industrial Zones (QIZs), have proved to be successful within a protective environment. Evaluation of these experiences is necessary in order to verify whether the initiative should be extended more widely. However, little importance has been given in the reform process to supporting the microeconomic level, and particularly in enabling SMEs, which dominate the economic set-up at both formal and informal levels, to become effective actors in the HR field.

In facing the social challenge Jordan has initiated a series of important reforms in the field of education and poverty alleviation. However, it has neglected to put in place a comprehensive labour market and employment strategy which would allow the development of a coherent framework within which passive and active measures could be used to promote HRD and improve the employability of the Jordanian workforce.

6. Levers in HRD and related labour market policies through which sustainable reform can be triggered

Jordan authorities are placing HRD at the centre of the major reforms in order to satisfy Jordan's economic needs. Support needed implies a systemic approach that includes building the capacities of its main actors (from both private and public sides) at all levels. This should be carried out within a legislative framework including both labour market/employment and education/training policies.

A systemic and sustainable reform of TVET calls for intervention in at least three specific areas, all of equal importance: governance and financing, rationalisation of existing resources and an HR information system.

Involve SMEs in HRD decision making

Identifying the qualifications that need to be produced by the training sector requires the involvement of the SMEs (representing 98% of economic activity), which is one of the most important stakeholders in the HR system while having little impact on formulating and implementing education and training policies. It is proposed that SMEs be given support to organise their efforts and develop their capacities to become major actors in the development of policies, at both macro and micro levels. One method of stimulating their contribution is to facilitate their access to professional organisations active in HRD, and to support their direct involvement in the management of training institutions. Mechanisms to Involve SMEs in HR projects elaborated and financed within the framework of the TVET Fund should be elaborated as well.

Develop capacities of Ministry of Employment

Jordan has not as yet developed a comprehensive labour market and employment policy. Support should be given to the Ministry of Employment to take the lead in developing an appropriate policy. Links with TVET strategy development and implementation should be clearly established. Another issue relates to building the capacity of the MoL labour offices (LOs), which are equipped with neither human nor technical competences and which are not responsive to the needs of jobseekers and enterprises. An evaluation of the present situation is necessary, and a possible first step would be a feasibility study to analyse the conditions for support. Particular attention should be given to an analysis of the capacities of the LOs to become centres providing guidance and labour market data.

Governance and financing: Making full use of the existing governance and financing tools

Improving the governance process is the key to the reform's success. The TVET Council does not currently lead the TVET reform as a whole, mainly because of a lack of structured support for implementation of the 1999 reform strategy. Support should be given to the TVET Council to elaborate a national vision for TVET through the secretariat in charge of assisting its activities. In order to rationalise the existing structures it would be advisable to place the secretariat under the responsibility of the National Centre for Human Resource Development (NCHRD) The vision to be developed should encompass the development of a flexible model that is able to address both initial and continuing TVET, to offer equal access, without distinction of gender or nationality, to newcomers and enable them to become employable within the labour market and through the updating of current workforce competences.

Low attainment in the TVET system, and the low esteem in which the system is held by civil society (there is a lack of interest on the part of families and enterprises), indicates the need for the development of a marketing and recruitment strategy by the TVET Council. This may include strategies and marketing tools at both the national and local levels to raise the profile of TVET (such as positive media messages), a greater focus on gender issues in the development of strategies and programmes,

and improved vocational guidance and career counselling practices to encourage students to choose TVET.

Jordan has developed a financing mechanism (the TVET Fund) that has the potential to bring the training supply and demand sides closer together. Effective management of the TVET Training Fund is a key to the success of the reform. It is proposed that support be given to the Training Fund team to build a comprehensive and equitable strategy that will efficiently produce profits for project developers. Money is already being collected, and a rapid start is expected, though careful monitoring will be needed to ensure that funds are used efficiently. Modalities to support quality project development and to train and inform potential project developers must be established.

Rationalisation and decentralisation of the TVET system as a whole

The quality of delivery of public TVET is considered to be low in Jordan. Coordination among the three main providers (MoE, VTC and BAU) and the social partners is needed in relation to the development of national standards, in order to ensure that levels, competences and qualifications attained are comparable and that students and workers attending initial and continuing training are able to meet international standards with broader competences. Overall methodological support should be provided with a view to giving Jordan's stakeholders complete ownership of the process.

Management structures within the three main TVET providers are heavily centralised, with little autonomy being given to the training centres. In view of the high cost of equipment and human resources necessary for the delivery of high-quality training, it is proposed that the possibility be considered of rationalising education and training resources at 'economical area' level in order to put training institutions at the centre of the reform process. Where possible, a reduction in the number of specialisation, particularly those that are no longer in line with market needs, should be planned. This would also allow efforts to be concentrated on providing a limited number of institutions with up-to-date, fully operational equipment, with private sector support.

Efforts should be focused on developing procedures to assist the centres to become more autonomous and to be active at both initial and continuing training levels. Stronger management and budget autonomy should allow them to become local research and development institutions for their economic environment. This may be achieved through increased cooperation among key actors at local level in the fields of education and employment/unemployment, particularly through TVET Fund projects. Support for pilot schemes in both rural and urban areas is proposed as a first step. The experiences of the QIZs should be further analysed so that lessons can be drawn and the experience extended.

The success of the reform will require a comprehensive HR plan. A national teachers' and trainers' training programme needs to be developed. Its aim will be to propose a comprehensive set of activities that will enable trainers and teachers to become change agents who are active both inside and outside the training centres. One way in which this objective can be achieved is to involve trainers and teachers in continuing training activities for their local environment, in curricula development and in cooperating with enterprises. Another is to set up networks (for the exchange of practice and experience) at national level combined with a structured trainer-training system using the capacity of the National Trainers' Training Institute (NTTI), currently under development with EJADA support. Modules should cover cooperation with the private sector and should provide new competences for teaching active pedagogical methods.

Specific training for school managers to enable them to comply with their new responsibilities needs to be developed. Particular attention should be given to the management of human resources, marketing and financial capacities. Training on project design should also be developed in order to assist managers to establish projects through the TVET Fund.

Systematise the human resource information system and its analytical capacities so as to serve the needs of all decision-makers

A comprehensive human resource information system (HRIS) involving a wide range of producers and users of HR information is in the process of being developed, with ETF and Canadian support. The type of labour market data currently required by the major stakeholders is not available at an appropriate level of detail, particularly with regard to the informal economic sector, the role played in the economy by

foreign workers and the impact of training on trainees and enterprises. Efforts may be made to build public and private capacities in collecting labour market data, and to strengthen the analytical capabilities of the HRIS in order to support decision-making and the identification of sectors with a high potential for development.

HOW TO CONTACT US

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