

Unlocking inclusive growth

**26 February 2025** 

#### **IGC Jordan's Labour Market Research Symposium**

The Government of Jordan (GoJ) and the Ministry of Planning and International Cooperation (MoPIC) have identified addressing labour market challenges—particularly low female labour force participation (FLFP) and high youth unemployment—as a priority area for collaboration with the International Growth Centre (IGC). This effort aligns with the GoJ's Economic Modernisation Vision (EMV) and its ambitious goals to create 1 million jobs and double FLFP rates. Despite substantial research and policy initiatives, significant knowledge gaps persist, and the impact of certain policy reforms has been limited.

To support these efforts, IGC Jordan will host a labour market research symposium to bring together policymakers, academics, local research institutions, and development partners. We will **introduce an analytical and practical framework for addressing labour market challenges** aiming to provide a foundation for evidence-informed government reform by identifying policy interventions anchored in recent empirical evidence and theoretical advancements (see <u>full study</u> and its <u>Arabic summary</u>). The event will focus on key research areas addressing constraints to youth unemployment and female labour force participation (FLFP), while fostering discussions on **new research pathways** that align with policymakers' priorities and support impactful projects.

This event will also **showcase IGC's model of collaboration** and **highlight** *ongoing* **research developed by IGC Jordan** over the past one and a half years since its establishment. By facilitating a dynamic exchange of ideas and perspectives, the symposium will help identify gaps and opportunities in the current research landscape, paving the way for innovative solutions to critical labour market issues. Additionally, it will strengthen existing collaborations, forge new partnerships, and strengthen IGC's position as **a key contributor to advancing evidence-based solutions** for addressing labour market challenges in Jordan.

#### Key objectives of the symposium are:

- Introduce IGC Jordan's Program: Present IGC Jordan's approach and model of collaboration to stakeholders in Jordan and the MENA region, providing a practical illustration of IGC's work and newly established presence in the region.
- Share Insights from Ongoing Research: Present emerging insights from IGC Jordan's ongoing work, including the Labour Market Framing Paper and its framework aimed at addressing labour challenges in Jordan. This framework emerges from the recognition that increasing labour productivity (output per worker) is essential to enabling the poorest households to graduate from poverty, and, across the spectrum of incomes, to support increasing living standards over time. Such increases in the productivity of individuals are, in aggregate, essential to supporting sustained increases in the productivity and growth of the economy as a whole. The framework identifies three key productivity transitions that provide important focal points for policy: (1) the shift from unpaid work (in the home or farm) to self-employment; (2) the shift from self-employment to wage work; and (3) the shift to more specialised occupations in larger firms. The framework







Unlocking inclusive growth

**26 February 2025** 

highlights potential evidence-based policy interventions to support these transformations in Jordan, guided by preliminary empirical observations and theoretical perspectives.

- **Identify Research Priorities:** Highlight actionable research agendas to address labour market inefficiencies, with a focus on gender equality, youth unemployment, job creation, and private sector development.
- Strengthen Partnerships: Foster collaboration between global and local stakeholders, connecting leading academics with policymakers to establish pathways for impactful research and capacity-building initiatives.

Through these discussions, the symposium seeks to shape a shared research and policy agenda that advances labour market development in Jordan. By highlighting what works, what doesn't, and where further evidence is needed, it aims to support policymakers in making informed decisions aligned with EMV. This effort complements Jordan's push for evidence-based policymaking and reinforces the Public Sector Modernization Vision, which prioritizes data-driven governance.

#### **Agenda Summary**

| Time                | Session   | Speakers   |
|---------------------|---|--|
| 9:00 AM - 9:30 AM   | Welcome Coffee & Registration   |  |
| 9:30 AM - 10:00 AM  | Opening Remarks   | With the presence of H.E. Zeina Toukan (Minister, Ministry of Planning and International Cooperation/MoPIC)  H.E. UK Ambassador Philip Hall  Jonathan Leape (Associate professor of Economics, LSE; Executive Director, IGC)   |
| 10:00 AM - 11:00 AM | Keynote Panel:<br>Framework for Navigating<br>Labour Market<br>Challenges<br>(1 hour) | Jonathan Leape (Associate professor of Economics, LSE; Executive Director, IGC) – Academic presentation & Moderator  H.E. Nisreen Barakat (Chief Executive Officer, Jordan Strategy Forum) – Discussant  Stefano Caria (Professor of Economics, University of Warwick, IGC) – Discussant |







Unlocking inclusive growth

26 February 2025

|                     |  | Fernando Martinez Cure (Project<br>Manager and Social Protection<br>Specialist, ILO) – <i>Discussant</i>  |
|---------------------|--|---|
| 11:00 AM - 11:50 AM | Keynote Policy Session:<br>The Productivity Gains of<br>Empowering Women<br>(50 minutes)                       | Alessandra Gonzalez (Assistant Research Professor of Economics, Duke University) – Academic presentation  H.E. Maha Ali (Former Minister of Industry, Trade, and Supply & Secretary General, Jordanian National Commission for Women) – Discussant  Ghadeer Khoffash (CEO, Education for Employment) –Discussant  Moderator: Jonathan Leape (Associate professor of Economics, LSE; Executive Director, IGC)  |
| 11:50 AM -12:05 PM  | Coffee E   | Break (15 minutes)  |
| 12:05 PM – 12:55 PM | Keynote Policy Session: The Role of Transportation and Infrastructure in Driving Inclusive Growth (50 minutes) | Edward Glaeser (Fred and Eleanor Glimp Professor of Economics, Harvard University) – Academic presentation  H.E. Dr. Lina Shbeeb (Former Minister of Transport & CEO, Enrich Business Consultant) – Discussant  Miss Holly Benner (Resident Representative for Jordan, World Bank) – Discussant  Eng. Reyad Alkharabsheh (Executive Director of Public Transport and Transport Infrastructure, Greater Amman Municipality) – Discussant  Moderator: Juliana Oliveira-Cunha (Cities Policy Economist, IGC) |
| 12:55 PM - 1:45 PM  | Keynote Policy Session:<br>Leveraging Data for<br>Decision-Making in the<br>Labour Market<br>(50 minutes)      | Ragui Assaad (Professor of Planning and Public Affairs at the University of Minnesota) – Academic presentation  H.E. Haidar Fraihat (Director, Department of Statistics) – Discussant   |







Unlocking inclusive growth

26 February 2025

|                   |  | H.E. Dr. Hazim Rahahleh (Director of Economic Research and Policies at Arab Center for Research and Policy Studies and Former Director General of Social Security Corporation) – Discussant  Moderator: Tim Dobermann (Research Director, IGC)   |
|-------------------|--|--|
| 1:45 PM – 2:45 PM | Lunch Break (1 hour)   |  |
| 2:45 PM - 3:45 PM | Keynote Policy Session:<br>Unlocking Labour<br>Demand and Empowering<br>the Private Sector<br>(1 hour) | Stefano Caria (Professor of Economics, University of Warwick, IGC) – <i>Academic presentation</i> Mr. Ghaleb Hijazi (Director General of Amman Chamber of Commerce) representative – <i>Discussant</i> Hedd Megchild (Deputy Team Lead and Private Sector Development Adviser, FCDO) – <i>Discussant</i> Elisaveta Kostova (Project Lead, Promoting digital transformation and research and development in Jordanian SMEs, GIZ) – <i>Discussant</i> Moderator: Jonathan Leape (Associate professor of Economics, LSE; Executive Director, IGC) |
| 3:45 PM - 4:00 PM | Closing Remarks  | Jonathan Leape (Associate professor of Economics, LSE; Executive Director, IGC)  |

#### **Session Structure**

Each session will begin with a 15–20-minute academic presentation by an IGC researcher, outlining key global and regional evidence on the topic. Following this, the moderator will lead a 25-minute panel discussion, posing 2-3 targeted questions to policymakers and discussants, who will provide brief, focused responses. The session will conclude with a 10-minute audience Q&A.

#### **Session Objectives**

#### Framework for Navigating Labour Market Challenges in Jordan

This session will present a new framework building on Bandiera et al. (2022), <u>Economic Development and the Organisation of Labour</u>, and introduces a structured way to approach







Unlocking inclusive growth

**26 February 2025** 

active labour market policy. The framework starts from the recognition that increasing labour productivity (output per worker) is essential to enabling the poorest households to graduate from poverty, and, across the spectrum of incomes, to support increasing living standards over time. Such increases in the productivity of individuals are, in aggregate, essential to supporting sustained increases in the productivity and growth of the economy as a whole. The framework identifies three key productivity transitions that provide important focal points for policy: (1) the shift from unpaid work (in the home or farm) to self-employment or entrepreneurship; (2) the shift to wage work; and (3) the shift to more specialised occupations in larger firms.

For Jordan, the third transition—moving workers into more specialized roles in larger firms—is particularly crucial in addressing **underemployment and limited firm growth.** As such, n advantage of this framework broadens the focus beyond traditional unemployment interventions to also tackle **underemployment**, which is vital for women's economic empowerment and long-term economic growth.

With the proliferation of various policy interventions, this framework provides a clear, intuitive structure to help policymakers navigate and prioritize effective labour market strategies. By applying this framework to Jordan's labour market, we aim to identify research avenues that provide evidence to support effective policy interventions to support these transitions. Policymakers' perspectives will be critical in evaluating how this framework can address Jordan's unique challenges and opportunities (see <u>full study</u> and its <u>Arabic summary</u>).

### Unlocking Inclusive Growth: The Productivity Gains of Empowering Women

This session will explore gender dynamics in Jordan's labour market through the lens of Professor Alessandra Gonzalez's research, focusing on both the barriers to women's employment and the potential economic gains from increasing female labour force participation. Despite being highly educated, women in Jordan often face limited access to high-quality jobs due to occupational gender segregation, weak job growth, and poor benefits. Evidence shows that if female employment levels matched male employment levels, Jordan's GDP per capita could rise by up to 70%.

The discussion will also examine the key constraints women face at different stages of labour market participation—entering the workforce, applying for jobs, and securing positions in larger firms offering better opportunities. Drawing from regional and global evidence, panelists will assess what works and what doesn't in addressing these challenges. The session will conclude by identifying priority research areas for IGC, ensuring that future work aligns with Jordan's Economic Modernization Vision and National Women's Strategy, and highlighting policy interventions that can drive meaningful change.

#### Transportation and Infrastructure as Drivers of Inclusive Growth

Drawing on <u>Professor Ed Glaeser's</u> extensive experience in urban economics, This session will explore the critical role of transportation in enhancing labour market efficiency and economic productivity in Jordan, with a particular focus on accessibility, affordability, and safety. It will examine how improving connectivity can boost job matching, labour mobility, and overall







Unlocking inclusive growth

26 February 2025

**economic gains**, particularly for women and youth, who face disproportionate challenges in accessing reliable and safe transportation.

The session will assess **the potential of Bus Rapid Transit (BRT) systems** as a cost-effective, high-capacity alternative for cities that cannot afford expensive metro systems. The discussion will explore what it takes for BRT to succeed, drawing from global evidence, and how Jordan can maximize its benefits through effective implementation and enforcement.

Additionally, the session will highlight the importance of **safe and reliable transportation for women**, emphasizing how improving mobility can facilitate their transition into formal employment. By framing transportation as a key enabler of economic inclusion, policymakers and experts will discuss practical solutions to enhance BRT implementation, improve enforcement, and optimize its impact on labour market outcomes.

#### Leveraging Data for Decision-Making in the Labour Market

This session will focus on bridging the gap between data availability and its effective use to address Jordan's labour market challenges, with a strong emphasis on **enhancing data utilization by policymakers**.

The discussion will explore how to enhance the use of existing labour data, ensure its representativeness, and apply it to design and test new interventions. HE Haidar Farhat (Director of Department of Statistics, DoS) will **highlight Jordan's robust labour data ecosystem** and the steps DoS is taking to strengthen data-driven decision-making. The session will also reflect on challenges related to **the limited use of labour data in policy design**.

Tim Doberman (IGC Director of Research) will discuss IGC's data initiatives, demonstrating how high-quality labour market data can inform solutions to pressing issues such as youth unemployment, female labour force participation, skill mismatches, and firm growth. Professor Ragui Assaad will further contextualize these insights, drawing on the Jordan Labor Market Panel Survey (JLMPS) to illustrate how data can explain key labour market dynamics and guide effective policies.

The session will conclude with actionable recommendations to strengthen Jordan's labour data ecosystem and foster greater collaboration between DoS, IGC, and government stakeholders to enhance data-driven policymaking and evidence-based decision-making.

#### Unlocking Labour Demand and Empowering the Private Sector

The session will begin with <u>Professor Stefano Caria</u> presenting an academic framework on evidence-based interventions to tackle labour market mismatches and firm growth challenges. It will discuss how improving job matching through better information and promoting private sector expansion can drive labour market efficiency and economic growth in Jordan. It will examine how poor information about job opportunities and applicant suitability hinders hiring, particularly in larger firms that require specialized skills. By addressing hiring frictions and labour market mismatches, the discussion will explore ways to better align labour supply with demand, especially for highly educated job seekers.







Unlocking inclusive growth

**26 February 2025** 

The session will also address how **demand-side interventions**, such as jobs-focused trade policies, increased competition, and service sector expansion, can create more private sector employment opportunities. Additionally, the discussion will examine how ensuring competitive wages and benefits in the private sector can attract talent and reduce informality.

Given that demand-side constraints are an emerging research focus for IGC Jordan, this discussion aims to identify priority areas for future research, ensuring that policy interventions are grounded in rigorous evidence to foster a more dynamic and competitive labour market.



