

# SOFT SKILLS OR HARD CASH?

WHAT WORKS  
FOR FEMALE  
EMPLOYMENT  
IN JORDAN?





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# Executive Summary

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Jordan faces extremely high levels of youth unemployment: 19% of male and 48% of female youth between the ages of 19 to 24 years old want to work but can't find jobs. For men, the transition from school to work is slow (on average 15 months), but for women the school to work transition often never takes place. If women can't smoothly transition from school to work, then they are likely to simply give up searching, which is reflected in the low and declining levels of female labor force participation over women's life cycles.

In this context of high female unemployment and low female labor force participation, the Jordanian government, after discussions between the World Bank President Mr. Robert Zoellick and H.E. former Prime Minister of Jordan, Nader Al Dahabi, and H.E. former Minister of Planning, Ms. Souhair Al-Ali, requested the World Bank's support to develop an employment pilot targeting female community college graduates in 2009. This pilot is part of a broader technical assistance program supporting the reform of the public community college system in Jordan. Educated women make up the majority of the unemployed women in Jordan, and employment prospects are particularly constrained for female community college graduates because they compete in similar sectors with female university graduates.

Intensive consultations were held with a broad-based set of stakeholders including young students, private sector firms, chambers of commerce and industry, Al Balqa Applied University, deans of community colleg-

es, a Steering Committee comprising representatives from the Jordanian National Council for Women, the Ministries of Higher Education, Planning and International Cooperation, Labor, and the Department of Statistics, and a Gender Advisory Group comprising of civil society representatives and the private sector. The primary counterpart on the government side was Ministry of Planning and International Cooperation. These discussions framed the objective and the design for Jordan New work Opportunities for Women (Jordan NOW) pilot launched under the patronage of Her Majesty Queen Rania Al Abdullah.

The objective of the Jordan NOW pilot was to increase female labor force participation and help women gain real world job experience. In particular, the hope was to improve information between firms and potential workers, create an opportunity to change negative stereotypes from firms and young women about women's role in the labor market, and improve soft skills and communication. Therefore, the pilot comprised of two interventions—employability skills training and job vouchers—targeting the 2010 cohort of female graduates of public community colleges. The employability skills training was conducted by the Business Development Center (BDC), a leader in training services in Jordan, and consisted of 17 45-hour interactive courses on effective communication, business writing skills, time management, positive thinking, customer service, interviewing skills, and other non-cognitive skills. The job vouchers, which were a short-term incentive for firms to take a chance on hiring young

women, were assigned to the beneficiaries and valid for a maximum employment duration of 6 months over an 11 month period from October 2010 to August 2011. The vouchers were administered by Dajani Consulting, through a Management Information System that tracked, updated and provided monthly progress reports on voucher recipients and the firms that hired voucher holders. As voucher administrators, they were responsible for managing the fund for payments to firms under the job voucher component supervision of this fund and reimbursement of voucher funds to employers upon stringent verification of eligibility criteria and employment contracts. A team of 4 to 5 World Bank staff continuously monitored and supervised progress and implementation.

In order to rigorously evaluate the impact of the two employment interventions, we integrated the Jordan NOW pilot with a randomized evaluation, the gold standard of evaluations. In 2010, we assigned female graduates from 8 out of the 14 public Al Balqa community colleges throughout Jordan to receive either the job voucher, opportunity to participate in training, both the job voucher and the training, or nothing through a lottery design. Of the 1350 participants in our program, 300 were assigned to the voucher only, 300 were assigned to training, 300 assigned to both the voucher and the training, and 450 were assigned to a control group that received no benefits. In addition to ensuring fairness, another objective of the lottery design was to guarantee that each group was comprised of participants with similar characteristics, which is important in evaluating the effects of the pilot interventions at a later stage. Any observed differences between the groups in the future can be clearly attributed to the interventions rather than any pre-existing differences in characteristics between groups.

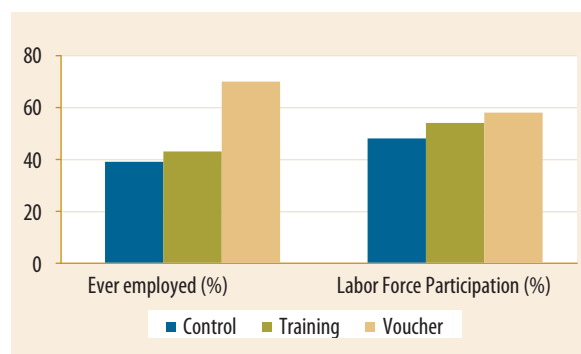
Our rigorous evaluation design was followed up with meticulous data collection by Dajani Consulting. We conducted a baseline survey one month prior to graduation, a midline survey 8 months after graduation while the vouchers were still active, and an endline survey 16 months after graduation when all the interventions had been completed. We successfully followed up with more than 93% of

participants in each survey. We merged administrative data from the training program, monthly MIS voucher tracking and verification data, and the data from the Social Security Corporation of Jordan to our survey data. Finally, we conducted a survey of nearly all firms who employed Jordan NOW participants in April 2010 to analyze what happened from the firm's perspective.

Overall, the objectives of the Jordan NOW pilot were to increase labor force participation and to give young female graduates a chance to accrue some work experience (Figure 1). These objectives were fully met by the job voucher intervention: 16 months after graduation, girls assigned to the voucher group had rates of labor force participation that were 10 percentage points higher relative to their peers in other groups. Moreover, they had accrued job market experience and were 27% more likely to have ever worked. On average, they gained 2.5 months of additional work experience. These effects were much stronger in governorates outside of Central Jordan. So, the job voucher was successful in speeding up the school-to-work transition and helping more girls get jobs quickly.

While the job voucher was active, female graduates with job vouchers were 39 percent more likely to work than female graduates without job vouchers. However, this employment generation was temporary in nature (see Figure 2 and Figure 3). After the vouchers expired, the overall employment rate of fe-

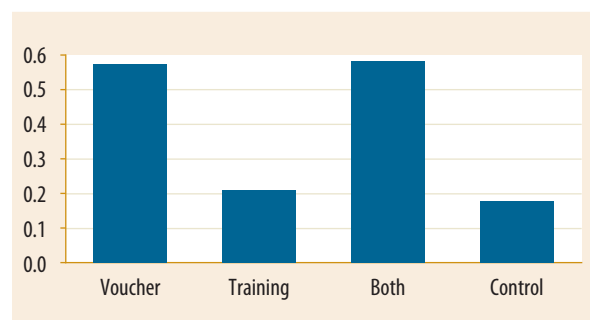
**FIGURE 1.** Labor Force Participation and Work Experience among Jordan NOW Participants



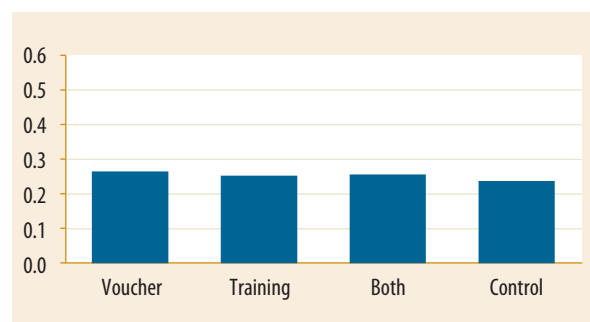
male graduates with vouchers returned to what the rate would have been had this group never received vouchers. Outside Central Jordan, girls with vouchers continued to have higher employment rates, but this may have come at the expense of those who didn't carry vouchers.

Employability skills training had no statistically significant impacts on employment outcomes, either in the short term, 6 months after all training had been completed, or in the more medium term, 14 months after training and 4 months after the pilot concluded. Neither did it have a detectable impact on labor force participation or work experience. However, training boosted self-confidence and mental well-being among the graduates.

**FIGURE 2.** Proportion of Female Graduates Employed in April 2011 (While the Job Vouchers are Active)



**FIGURE 3.** Proportion of Female Graduates Employed in December 2011 (Three Months after all Vouchers Ended)



The hard cash of the wage subsidy induced firms to take a chance on hiring workers they wouldn't have otherwise hired. Absent the job voucher, many of these firms did not consider the productivity of these employees to be worth the 150 JD. Indeed, many firms offered their employees lower wages, which many girls with expired vouchers would not accept. It might be the case that these firms were constrained on the demand side: they could not afford to hire an additional employee at any wage.

The results point to a lack of job creation that constrains the demand for labor of these young workers. Boosting private sector led job creation in Jordan will require a comprehensive approach to employment creation which tackles supply side as well as demand side issues. The new Jordanian National Employment Strategy (NES) for instance, calls for reforms to the legal and regulatory environment to stimulate investments in high value added sectors, improve competitiveness and improve the business environment in Jordan, easing entry and exit especially for small and medium enterprises, revamping the vocational training programs to better match the needs of the labor market and measures to expand female participation in the workforce by providing flexible work options and a suitable working environment.

The aspect of the labor market that this pilot does not explicitly address is the demand for labor and job creation through the private sector. But the analysis does indirectly suggest that there were a lot of people chasing a few jobs in the sectors—education, health, and administration—where young female community college graduates are typically employed. It remains an open question whether the gendered fields of study restrict the occupational choices of these young women into already over-supplied, slow growing sectors with little scope for job creation. Or, it may be the case that the economy as a whole is not diversified enough to create employment opportunities to pull women into other economic sectors. And each of these factors may in turn reinforce the other, with women's lack of appropriate skills leading to few employers outside schools and nurseries being willing to hire women, who in turn continue to study to become teachers and nurses.

The pilot suggests the presence of significant regulatory constraints inhibiting the formalization of employment for Jordanian youth. Article 35 of Jordan's labor law specifies a three month probationary period during which an employer can terminate a worker without notification or termination remuneration. After this period, employers are required to give one month's notification and remunerate workers one month per year of service on a pro-rated basis upon termination, which adds costs to firing employees. In the pilot, the length of the job voucher period was set at six months with this three month rule in mind, the idea being that the six month subsidy may induce them to hire graduates beyond the three month probation period and thereby bring graduates into the formal employment system. In practice, however, most graduates employed through the voucher were not fired after three months because they were never formally registered. Indeed, very few of the girls with vouchers were registered in the Social Security Corporation's database. In effect, the jobs created by the voucher were informal and temporary in nature making it easy for firms to declare these jobs redundant when the voucher period ended after six months or offer these employees lower wages inducing them to quit. Another disincentive for firms to formally register employees is the added financial burden of doing so. If firms had registered these workers as formally employed, the employers would have to pay social security taxes (12.25 percent of wages) and payroll taxes (7 percent of wages), which together add 20 percent to the cost of employing a worker.

Another feature of formal employment in Jordan is the requirement to pay the minimum wage, which was set at a universal rate of 150 JD for the entire duration of the pilot. The minimum wage recently increased to 190 JD in February 2012, two months after the conclusion of all data collection. 75 percent of the graduates employed with the voucher were hired at a wage of exactly 150 JD per month, which

was the minimum permitted by the voucher intervention. Less than 8 percent of graduates with vouchers who were employed were hired at less than the minimum wage. After vouchers expired, this figure jumped to above 20 percent. When the minimum wage was not made a pre-condition for employment (for the training and control groups), more than 25% of those employed earned less than 150 JD.

The transition to lower wages over time combined with the primary reason for the termination of employment being that the graduates were "unaffordable without the subsidy" reveals that the minimum wage is both binding and likely set too high for this category of young entrants into the labor market. Despite up to six months of work experience with a graduate, employers considered the minimum wage too high relative to the marginal productivity of the workers they had hired. This may be one important regulatory reason that the impacts of the voucher were temporary and that female youth unemployment rates are so high.

Although the Jordan NOW pilot was fairly small (with a budget of USD one million) relative to other employment projects and targeted to a very specific demographic, the evaluation was able to illuminate the deep demand side and regulatory constraints to the school-to-work transition of young people in Jordan. The implications apply to a great extent to young men who find jobs faster than young women but face long unemployment and search durations. These implications extend to youth across the Middle East and North Africa Region where young people enter similar labor markets with limited private sector opportunities and rigid labor laws, prefer public sector employment, search for very long periods of time to get their first job, and face high unemployment rates. Thus, the insights from this small and focused pilot can offer many lessons to Jordan and the region as a whole.



# الملخص التنفيذي

وتمثلت الغاية من وراء إطلاق هذا البرنامج الريادي في زيادة مشاركة الإناث في القوى العاملة وتقديم يد العون للنساء للحصول على فرص للعمل. وعلى وجه الخصوص، هدف البرنامج إلى زيادة حجم المعلومات بين الشركات والعمليين المحتمليين، وإيجاد فرص لتغيير الأنماط السلبية لدى الشركات والشابات حول دور المرأة في سوق العمل، وتحسين المهارات الإدارية ومهارات الاتصال لديهن. وعليه، تالف البرنامج الريادي من تدخلين- مهارات الحصول على المهارات الوظيفية وقسائم العمل- حيث تم استهداف فوج العام 2010 من خريجات كليات المجتمع الحكومية. وبالفعل، تم عقد تدريب حول المهارات الوظيفية من قبل مركز تطوير الأعمال، وهو مؤسسة تدريبية رائدة في الأردن، حيث تكون التدريب من 17 جلسة تدريبية مدة كل منها 45 ساعة. وقد ركز هذا التدريب التفاعلي على مهارات الاتصال الفعال، الكتابة المهنية، إدارة الوقت، التفكير الإيجابي، خدمة الجمهور، إجراء المقابلات، إلى غير ذلك من المهارات غير الإدراكية الأخرى. من ناحية أخرى، تم توزيع قسائم العمل، وهي عبارة عن حوافز قصيرة الأمد للشركات من أجل الاستفادة من تعيين الشابات وصالحة لمدة ستة أشهر من التوظيف كحد أقصى على مدى 11 شهراً (تشرين أول -2010 آب 2011). وقد تمت إدارة عملية توزيع القسائم من قبل شركة الدجاني للاستشارات وذلك من خلال نظام معلومات إدارية قام بتتبع وتحديث وإعداد تقارير شهرية لسير العمل حول الجهات المستفيدة من القسائم والشركات التي قامت بتعيين الشابات من حملة القسائم. وكجهة مسؤولة عن إدارة القسائم، تولت الشركة إدارة صندوق الدفعات المقدمة للشركات بموجب مكون قسائم العمل، والإشراف على هذا الصندوق، وتسديد المبالغ المستحقة لأصحاب العمل بموجب معايير أهلية وعقود عمل صارمة. وفي هذا الشأن، قام فريق مكون من أربعة الى خمسة من موظفي البنك الدولي وبشكل متواصل بالرصد والإشراف على سير العمل.

وبغية إجراء تقييم فعال لأثر هذين النوعين من التدخلات، فقد قمنا بإضافة تقييم عشوائي للبرنامج الريادي، والذي يشكل المعيار الأساسي للتقييمات. وفي العام 2010، قمنا باختيار خريجات من ثماني كليات مجتمع من أصل 14 التابعة لجامعة البلقاء التطبيقية المنتشرة في جميع أنحاء المملكة، سواءً للحصول على قسيمة العمل، أو الفرصة للمشاركة في التدريب، أو قسيمة العمل والتدريب، أو لا شيء من خلال نظام القرعة. ومن أصل 1350 مشاركاً في البرنامج، تم منح 300 مشارك قسائم العمل، وخضع 300 مشارك في التدريب، ومنح 300 مشارك كلا من قسائم العمل والتدريب، وتم تخصيص 450 مشاركاً ضمن مجموعة ضابطة لم تحصل على أية منافع. وبالإضافة إلى ضمان العدالة، تضمنت إحدى أهداف نظام

واجه الأردن معدلات بطالة ضمن فئة الشباب بالغة الخطورة، حيث وصل معدل البطالة في صفوف الذكور إلى 19 بالمئة مقابل 48 بالمئة للإناث ضمن الفئة العمرية 19-24 عاماً ممن يسعون للحصول على عمل ولكن دون جدوى. وبالنسبة للرجال، يتم الانتقال من مرحلة التعليم إلى مرحلة العمل بوتيرة بطيئة (15 شهراً كمعدل)، لكن هذا الأمر لا ينطبق على النساء، حيث أن ذلك الانتقال لا يحدث في كثير من الأحيان على الإطلاق. وإذا لم تقم النساء بالانتقال بشكل سلس من مرحلة التعليم إلى مرحلة العمل، فإن من المرجح أن لا يواصلن السعي للعثور على فرصة عمل، وهو أمر تعكسه المستويات المتراجعة لمشاركة النساء في القوى العاملة على مدى دورة حياة المرأة.

وفي ظل ما تشهده المملكة من ارتفاع لمعدل البطالة لدى النساء وتدني مشاركتهن في القوى العاملة، طلبت الحكومة الأردنية، وبعد إجراء نقاشات بين رئيس البنك الدولي السيد روبرت زوليك ودولة رئيس الوزراء الأسبق نادر الذهبي ومعالي وزير التخطيط والتعاون الدولي الأسبق السيدة سهير العلي، من البنك الدولي تقديم العون في إعداد برنامج تشغيل ريادي يستهدف خريجات كليات المجتمع في العام 2009. ويأتي هذا البرنامج الريادي في إطار برنامج موسع للتعاون الفني يرمي إلى تقديم العون لجهود إصلاح نظام كليات المجتمع الحكومية في الأردن. وتشكل النساء المتعلقات السواد الأعظم من العاطلات عن العمل في الأردن، وتعد التوقعات حول الحصول على وظيفة محدودة على وجه خاص بالنسبة لخريجات كليات المجتمع كونهن يتنافسن في ذات القطاعات مع نظيراتهن من خريجات الجامعات.

وفي هذا السياق، تم عقد مشاورات مكثفة ضمت طيفاً واسعاً من الأطراف المعنية بما في ذلك الطلبة، شركات القطاع الخاص، غرف التجارة والصناعة، جامعة البلقاء التطبيقية، عمداء كليات المجتمع، لجنة توجيهية مؤلفة من ممثلين عن اللجنة الوطنية الأردنية لشؤون المرأة، وزارة التعليم العالي والبحث العلمي، وزارة التخطيط والتعاون الدولي، وزارة العمل، دائرة الإحصاءات العامة، اللجنة الاستشارية للنوع الاجتماعي والتي تضم ممثلين عن المجتمع المدني والقطاع الخاص. ولعبت وزارة التخطيط والتعاون الدولي دور الجهة النظرية الرئيسية من جانب الحكومة الأردنية. وقد ساهمت هذه النقاشات في بلورة أهداف وتصميم برنامج ريادي تحت عنوان توفير فرص عمل جديدة للأردنيات (الأردن الآن) والذي أطلق تحت رعاية جلالة الملكة رانيا العبد الله المعظمة.

من الفتيات من حملة قسائم العمل في قاعدة بيانات المؤسسة العامة للضمان الاجتماعي. ومن ناحية فعلية، كانت الوظائف المستحدثة بفعل القسائم ذات طبيعة غير رسمية ومؤقتة، الأمر الذي سهل على الشركات اعتبار هذه الوظائف زائدة عقب انتهاء فترة صلاحية القسائم (الستة أشهر) أو عرض أجور متدنية على هؤلاء الموظفين لتشجيعهم على ترك العمل. ومن العوامل الأخرى التي لا تشجع الشركات على تسجيل الموظفين بشكل رسمي العبء المالي المترتب على تسجيلهم. فلو قامت الشركات بتسجيل هؤلاء العمال بشكل رسمي، لترتب على هذه الشركات دفع اشتراكات الضمان الاجتماعي (12.25 بالمئة من الأجور) بالإضافة إلى الضريبة على الرواتب (سبع بالمئة من الأجر)، أي ما مجموعه 20 بالمئة ككلفة إضافية لتعيين العامل.

ومن الخصائص الأخرى للتوظيف الرسمي في الأردن الحد الأدنى من الأجور، والذي تم تحديده بشكل عام عند 150 دينار أردني لكامل مدة البرنامج الريادي. وقد تم مؤخراً رفع الحد الأدنى من الأجور إلى 190 دينار أردني في شباط 2012، أي بعد شهرين من انتهاء عملية جمع البيانات. وقد تم تعيين 75 بالمئة من الخريجات من حملة قسائم العمل براتب شهري قدره 150 دينار أردني بالضبط، وهو الحد الأدنى المسموح به من خلال القسائم. كما تم تعيين أقل من ثمانين بالمئة من الخريجات من حملة قسائم العمل برواتب تقل عن الحد الأدنى للأجور. وعقب انتهاء فترة صلاحية القسائم، ارتفع هذه النسبة إلى ما فوق 20 بالمئة. وعندما لم يتم اعتبار الحد الأدنى للأجور كشرك مسبق للتوظيف (بالنسبة لمجموعة التدريب والمجموعة الضابطة)، حصل أكثر من 25 بالمئة من الخريجات العاملات على أقل من 150 دينار أردني.

ويكشف الانتقال إلى الأجور المتدنية عبر الوقت بالإضافة إلى السبب الرئيسي لإنهاء الخدمات وهو أنه لم يكن بالإمكان تعيين الخريجات «بدون وجود دعم» أن الحد الأدنى من الأجور يعتبر ملزماً ومن المرجح أن يكون مرتفعاً لهذه الفئة من الداخلين الجدد إلى سوق العمل. فعلى الرغم من امتلاك الخريجة خبرة عملية تصل إلى ستة أشهر، اعتبر أصحاب العمل أن الحد الأدنى من الأجور مرتفعاً للغاية قياساً بالإنتاجية الهامشية للعاملين الذين قاموا بتعيينهم. وقد يكون ذلك أحد الأسباب التنظيمية الرئيسية التي أدت إلى جعل آثار القسائم مؤقتة وارتفاع معدل البطالة لدى الشابات.

وعلى الرغم من أن حجم برنامج الأردن الآن الريادي كان صغيراً للغاية (حيث بلغت ميزانيته مليون دولار أمريكي) مقارنةً بمشاريع التشغيل الأخرى وأنه استهدف مجموعة سكانية محددة للغاية، إلا أن التقييم يلقي الضوء على عمق جانب الطلب والمعيقات التنظيمية أمام التحول من مرحلة التعليم إلى مرحلة العمل بالنسبة للشباب الأردني. وتطبيق الدلالات إلى حد كبير على الشباب من الذكور أيضاً، والذين يعثرون على وظائف بصورة أسرع من نظرائهم من الإناث، إلا أنهم يواجهون فترات طويلة من البطالة والبحث عن عمل. كما أن لذلك دلالات بالنسبة للشباب في كافة أرجاء منطقة الشرق الأوسط وشمال أفريقيا أيضاً، حيث يدخل الشباب إلى نفس أسواق العمل مع وجود فرص عمل محدودة من قبل القطاع الخاص وقوانين عمل صارمة، كما أنهم يفضلون العمل في القطاع العام، ويمضون فترات طويلة من الوقت بحثاً عن عملهم الأول، ويواجهون معدلات بطالة مرتفعة. ومع شيوع هذه الظاهرة، يمكن لوجهات النظر الناتجة عن هذا البرنامج الريادي الصغير ومحدد النطاق أن تقدم العديد من الدروس سواء للأردن أو المنطقة ككل.

على الموظفين، وهي أجور لا تقبلها العديد من الفتيات اللواتي انتهت صلاحية قسائم العمل الخاصة بهن. وقد يرجع السبب في ذلك إلى أن هذه الشركات محكومة من جانب الطلب «الحاجة»: حيث أنها لم تكن قادرة على تعيين موظفين إضافيين لقاء أي أجر كان.

وتشير هذه النتائج إلى عدم القدرة على استحداث الوظائف، الأمر الذي يؤدي إلى ضعف الطلب على العمالة الشابة. وسيطلب تعزيز استحداث الوظائف بقيادة القطاع الخاص في الأردن إتباع نهج شامل لاستحداث الوظائف بحيث يتم التطرق إلى جانبي العرض والطلب على حد سواء. فعلى سبيل المثال، تدعو الإستراتيجية الوطنية للتشغيل إلى إجراء إصلاحات على البيئة القانونية والتنظيمية بغرض تحفيز الاستثمارات في القطاعات ذات القيمة المضافة العالية، وتحسين درجة التنافسية، وتعزيز بيئة الأعمال في الأردن، بحيث يتم تسهيل إجراءات إقامة وإغلاق الأعمال خصوصاً بالنسبة للمشاريع الصغيرة والمتوسطة الحجم، وتحديث برامج التدريب المهني من أجل ضمان قدر أكبر من المواءمة مع احتياجات سوق العمل، واتخاذ إجراءات لتوسيع نطاق مشاركة الإناث في القوى العاملة وذلك من خلال توفير خيارات عمل مرنة وبيئة عمل مناسبة.

وتتمثل إحدى جوانب سوق العمل والتي لم يتطرق البرنامج الريادي لها بشكل صريح في الطلب على العمالة واستحداث الوظائف من خلال القطاع الخاص. رغم ذلك، يشير التقرير بشكل غير مباشر إلى أنه كان هنالك عدد كبير من الأشخاص الساعين للحصول وظائف شحيحة في القطاعات التالية: التعليم، الصحة، الإدارة. وهي القطاعات التي يتم فيها توظيف خريجات كليات المجتمع في العادة. ويبقى السؤال مفتوحاً حول ما إذا كانت تخصصات الدراسة المتأثرة بالنوع الاجتماعي تؤدي إلى اقتصر من الخيارات المهنية لتلك الشابات على قطاعات تعاني من العرض المفرط وتباطؤ النمو مع وجود حيز ضيق لاستحداث الوظائف. من ناحية أخرى، قد يكون الاقتصاد مسؤولاً عن الوضع الحالي كونه لا يتمتع بقدر كافٍ من التنوع اللازم لاستحداث فرص للعمل ودفع النساء نحو قطاعات اقتصادية أخرى. ويعمل هذين الخيارين على تعزيز بعضهما الآخر، حيث تؤدي قلة امتلاك النساء للمهارات الوظيفية إلى دفع عدد قليل من أصحاب العمل - باستثناء المدارس والحضانات - إلى تعيينهن، بينما تواصل الإناث الدراسة للخروج كمعلمات أو ممرضات.

وقد أشار البرنامج الريادي إلى وجود معيقات تنظيمية بارزة تضر بعملية توفير الوظائف للشباب الأردني. وتنص المادة (35) من قانون العمل الأردني على وجود فترة تجريبية مدتها ثلاثة أشهر يستطيع خلالها صاحب العمل إنهاء خدمات الموظف دون الحاجة لإخطاره أو تعويضه. وبعد انقضاء هذه المدة، يتوجب على صاحب العمل إخطار العامل قبل شهر من تاريخ إنهاء خدماته، ومنحه تعويضاً قدره أجر شهر عن كل سنة خدمة بشكل تناسبي عند إنهاء خدمات الموظف، مما يضيف تكاليف على أصحاب العمل عند فصل الموظفين. وفي هذا البرنامج الريادي، تم تحديد فترة صلاحية قسائم العمل بستة أشهر مع أخذ الأشهر الثلاثة للفترة التجريبية بعين الاعتبار. وقد تمثلت الفكرة في أن تقديم الدعم لمدة ستة أشهر قد يشجع أصحاب العمل على تعيين الخريجات إلى ما بعد الفترة التجريبية، الأمر الذي سيؤدي إلى إدخال الخريجات في نظام التوظيف الرسمي. لكن ومن الناحية العملية، لم يتم فصل معظم الخريجات اللواتي حصلن على الوظائف من خلال قسائم العمل عقب مرور ثلاثة أشهر لأنه لم يتم تسجيلهن بشكل رسمي. وفي الحقيقة، تم تسجيل عدد قليل جداً

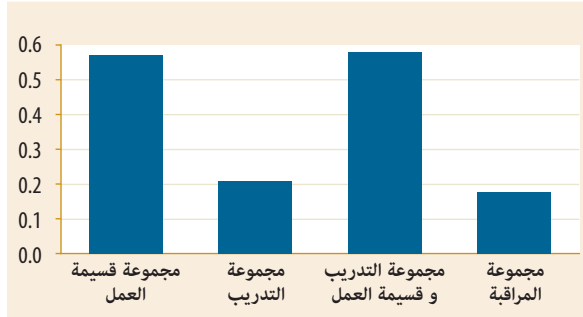


تلك القسائم. رغم ذلك، كان هذا التوظيف ذو طبيعة مؤقتة (انظر الشكل 2 والشكل 3). فعقب انتهاء فترة صلاحية قسائم العمل، عاد معدل التوظيف العام للخريجات من حملة القسائم إلى نفس المعدل في حال عدم حصولهن على تلك القسائم. وخارج إقليم الوسط، واصلت الفتيات من حملة القسائم تحقيق معدلات توظيف مرتفعة، لكن ذلك قد جاء على حساب الفتيات اللواتي لم يحصلن على تلك القسائم.

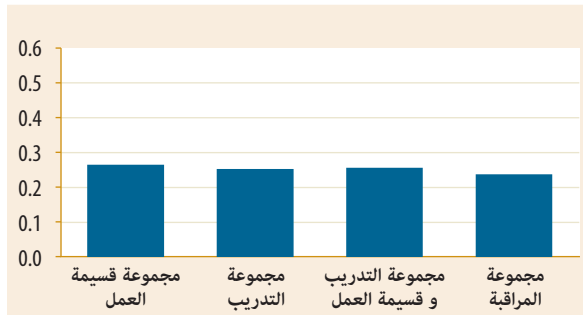
لم تتوفر أية إحصائيات واضحة حول أثر التدريب على المهارات الوظيفية على مخرجات التوظيف، سواء على المدى القصير (سنة أشهر عقب استكمال التدريب)، أو على المدى فوق المتوسط (14 أشهر عقب استكمال التدريب وأربعة أشهر عقب انتهاء البرنامج الريادي). علاوةً على ذلك، لم يكن للبرنامج أي أثر يمكن تعقبه على المشاركة في القوى العاملة أو التجارب العملية. رغم ذلك، ساهم التدريب في تعزيز الثقة بالذات والصحة العقلية لدى الخريجات.

وقد شجعت النقود الفورية على شكل دعم الأجور الشركات على انتهاز الفرصة لتعيين العاملين الذين لم يكن بالإمكان تعيين بغير تلك الحوافز. وفي ظل غياب قسائم العمل، اعتبر العديد من هذه الشركات أن إنتاجية هؤلاء الموظفين لا تساوي 150 دينار أردني. وبالفعل، عرضت الكثير من الشركات أجوراً متدنية

**الشكل 2: نسبة الخريجات اللواتي تم توظيفهن في نيسان 2011 (أثناء فترة سريان قسائم العمل)**



**الشكل 3: نسبة الخريجات اللواتي تم توظيفهن في كانون أول 2011 (عقب ثلاثة أشهر من انتهاء فترة صلاحية قسائم العمل)**



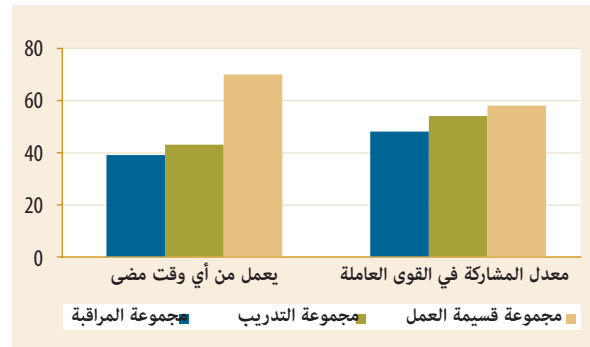
القرعة ضمان أن تتألف كل مجموعة من مشاركين يحملون نفس الصفات، وهو أمر يعد هاماً من أجل تقييم آثار التدخلات الريادية في مرحلة لاحقة. ويمكن أن تعزى أية اختلافات ملموسة بين المجموعات في المستقبل بشكل واضح إلى التدخلات وليس إلى أية اختلافات سابقة في الخصائص بين المجموعات.

وقد أتبعت التقييم الصارم بجمع بيانات دقيقة من قبل شركة الدجاني للاستشارات. كما قمنا بإعداد مسح أساسي قبل شهر من موعد التخرج من البرنامج، ومسح منتصف المدة قبل ثمانية أشهر من التخرج من البرنامج حيث كانت القسائم لا تزال صالحة، ومسح نهاية المدة بعد 16 شهراً من التخرج من البرنامج وذلك عقب الانتهاء من كافة التدخلات. وفي كل من هذه المسوحات، قمنا بنجاح بمتابعة 93 بالمئة من المشاركين. ومن خلال هذه المسوحات، فقد قمنا بدمج البيانات الإدارية المتعلقة بالبرنامج التدريبي، بيانات المتابعة والتحقق الشهرية الصادرة عن نظام المعلومات الإدارية، وبيانات المؤسسة العامة للضمان الاجتماعي بغرض التأكد من بيانات المسوحات وتدعيمها. أخيراً، قمنا بإجراء مسح لكافة الشركات تقريباً والتي قامت بتوظيف المشاركين في البرنامج الريادي في نيسان 2010 من أجل تحليل التطورات التي حدثت من وجهة نظر الشركات.

بشكل عام، تمثلت أهداف برنامج الأردن الآن الريادي في زيادة المشاركة في القوى العاملة وإعطاء الشباب فرصة لاكتساب بعض الخبرات العملية (الشكل 1). وقد تم تحقيق هذه الأهداف بالكامل من خلال التدخل المتعلق بقسائم العمل. فبعد انقضاء 16 شهراً من التخرج من البرنامج، كانت معدلات المشاركة في القوى العاملة بالنسبة للفتيات اللواتي حصلن على قسائم العمل أعلى بمقدار 10 نقاط مئوية مقارنةً مع نظيرتهن في المجموعات الأخرى. علاوةً على ذلك، حصلت هؤلاء الفتيات على خبرة في سوق العمل، كما كانت لديهن فرصة أفضل للعمل بنسبة 27 بالمئة. وكمتوسط، حصلت هؤلاء الفتيات على شهرين ونصف كخبرة عملية إضافية. وقد كانت هذه الآثار أكثر وضوحاً في المحافظات الواقعة خارج إقليم الوسط. بالتالي، أصابت قسائم العمل النجاح من حيث تسريع مدة الانتقال بين مرحلة التعليم ومرحلة العمل والمساعدة في عدد أكبر من الفتيات على وظائف في وقت سريع.

وأثناء فترة سريان قسائم العمل، زادت احتمالية حصول الخريجات اللواتي يحمل قسائم العمل بمقدار 39 بالمئة مقارنةً مع الخريجات اللواتي لم يحملن

**الشكل 1: المشاركة في القوى العاملة وممارسة العمل من قبل المشاركين في برنامج الأردن الآن الريادي**





# 1 Young Jordanians Face High Rates of Unemployment

Jordan is an upper-middle income country with a population of 6 million and GNI per capita of US \$4,340 in 2010. From 2004 to 2008, GDP growth in Jordan averaged a robust 7.6 percent, but subsequently slowed to between 2 to 3 percent in 2009 and 2010.<sup>1</sup> However, during this entire period, unemployment remained fairly constant at about 9 percent for men and 22 percent for women. While unemployment is low among men over 30 years old (5 percent), it is fairly high among male youth aged 19 to 24 at 19 percent and shockingly high among female youth aged 19–24—almost 50 percent (see Table 1). Nearly 70 percent of Jordan’s population is less than 30 years old, and one in five young Jordanians who want to work simply can’t find a job.<sup>2</sup> There is a qualitative difference between unemployed men and unemployed women in their 20s: while 70 percent of unemployed male youth have not received any education past high school, 75 percent unemployed female youth have completed community college or university.

There is an excess supply of young, educated, predominantly female workers that the labor market simply has not been able to absorb. For men, unemployment rates decline dramatically as they get older from nearly 20 percent in their early twenties to 5 percent by age 30. In contrast, young women in their early 20s face much higher rates of unemployment of around 50 percent and they do not reach unemployment rates as low as 5 percent until their early 40s (see Figure 4). As the following figures and analysis will show, much of the decline in female

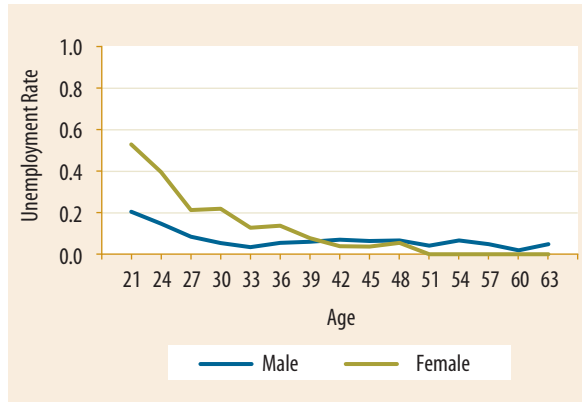
<sup>1</sup> World Bank. (2012). Data retrieved April 18, 2012, from World Development Indicators Online (WDI) database.

<sup>2</sup> These statistics and the rest of the data referred to in this paper (unless otherwise noted) are from the publicly available Jordan Labor Market Panel Survey (JLMPS), which is a nationally representative survey of 5102 households conducted in 2010 by the National Center for Human Resource Development (NCHRD) and the Jordanian Department of Statistics (DOS). Staff analysis revealed JLMPS and Employment Unemployment Survey (EUS) are highly compatible non-contradictory data sources.

**TABLE 1.** Labor Market Conditions by Age and Gender

	15–18		19–24		25–29		30–65	
	Male	Female	Male	Female	Male	Female	Male	Female
Unemployment rate	0.31	0.48	0.19	0.48	0.09	0.26	0.05	0.10
Labor force participation rate	0.18	0.01	0.65	0.20	0.94	0.30	0.83	0.17
Share of unemployed	0.08	0.01	0.24	0.17	0.11	0.10	0.22	0.08
Share of total active population	0.03	0.00	0.15	0.04	0.15	0.04	0.49	0.10

Source: 2010 JLMPS.

**FIGURE 4. Unemployment by Age and Gender**

Source: 2010 JLMPS, the horizontal axis presents the midpoints of 3 year intervals from 20–64.

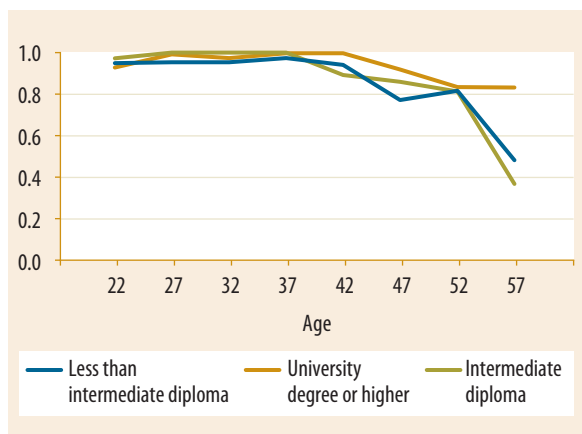
unemployment as women get older is not so much due to eventual success on the job market but instead driven by discouragement from the labor market as women unsuccessfully search for jobs and eventually drop out of the labor force.

Figure 5 and Figure 6 compare labor force participation among men and women by educational attainment. Irrespective of the level of education, more than 90 percent of men in Jordan actively seek work or are employed well into their 40s (Figure 5). In contrast, the female labor force participation in Jor-

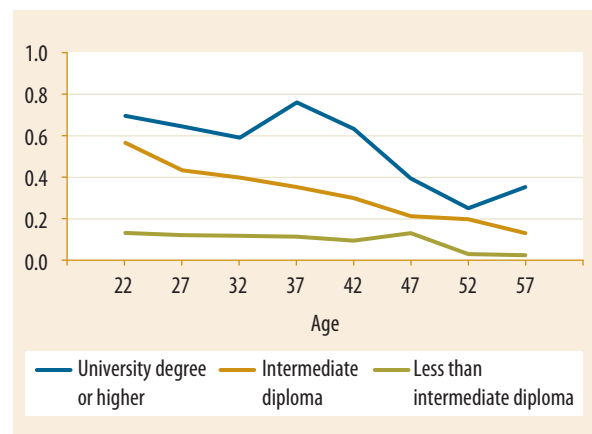
dan varies dramatically by level of education (see Figure 6): young, educated women really want to work, but as they get older, they tend to drop out of the labor force. Young Jordanian women with community college or university degrees participate in the labor force in greater proportions because they are more motivated to actively seek work and more likely to successfully find jobs.

Educated young women in Jordan have higher rates of employment than their less educated counterparts. Women with university degrees make up 26 percent of the economically active female population aged 20 to 29, and have average employment rates of more than 40 percent. Female community college graduates, i.e., those holding an intermediate diploma, make up 12 percent of the economically active female population in their 20s, and have lower employment rates of about 30 percent. Women with high school degrees or less, have employment rates as low as 9 percent. In contrast, young men in their 20s, irrespective of educational level, have employment rates between 78 and 89 percent. As with young women, men with high school degrees or less make up the bulk of the economically active population in their 20s.

University educated Jordanian youth, particularly female youth, face higher rates of unemployment than older and less educated cohorts (Figure 7 and

**FIGURE 5. Male Labor Force Participation Rates by Level of Education**

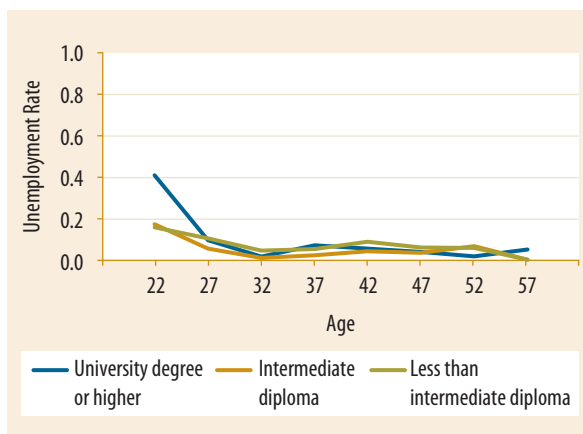
Source: 2010 JLMPS, the horizontal axis presents the midpoints of 5 year intervals from 20–59.

**FIGURE 6. Female Labor Force Participation Rates by Level of Education**

Source: 2010 JLMPS, the horizontal axis presents the midpoints of 5 year intervals from 20–59.

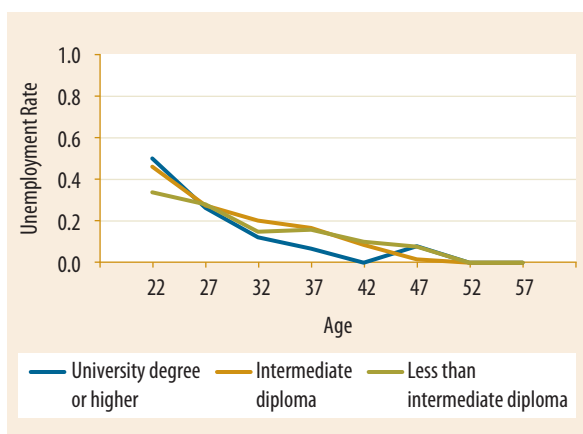
Figure 8). Indeed, the high rates of labor force participation among young men and young educated women mask significant rates of unemployment and long search durations. According to the JLMPS, the average amount of time that young women and men, who were unemployed at the time of the survey, had been searching for a job was at least 15 months. One in every two educated women in their 20s in Jordan is looking for a job and cannot find one, and much of the active female labor force is composed of women who are looking for work but are currently

**FIGURE 7. Male Unemployment by Level of Education**



Source: 2010 JLMPS, the horizontal axis presents the midpoints of 5 year intervals from 20–59.

**FIGURE 8. Female Unemployment by Level of Education**



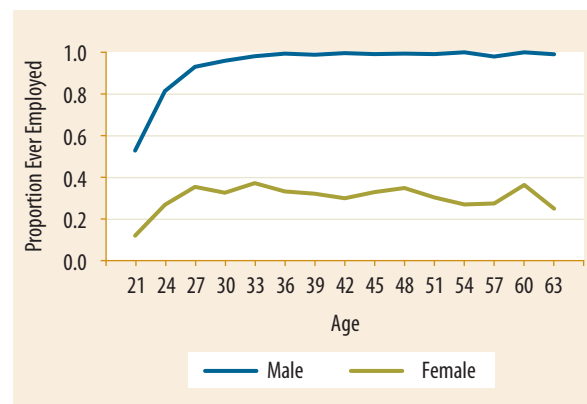
Source: 2010 JLMPS, the horizontal axis presents the midpoints of 5 year intervals from 20–59

unemployed. Comparing Figure 6 and Figure 8, the parallel decline in female labor force participation and female unemployment rates as women get older suggest women are leaving the labor market after failing to find suitable jobs.

Female youth unemployment has long lasting consequences. If a woman can't find a job within a couple of years after graduating, she'll likely never work. Only 7 percent of women who ever worked found their first job after turning 30 years old. Figure 9 plots, the proportion of each age-group of the Jordanian working age population, who has been employed in at least one job. Starting from a far lower base, women continue to be employed in far smaller proportions than men, and level off at less than 40 percent by age 30. In contrast, as young men enter the labor market, one in two successfully finds a job, and by their late 30s, almost all men have held at least one job. The starkly lower lifetime probability of ever holding a job for women reflects the long term consequences of female unemployment—once a woman gives up searching for a job, she's likely to never return.

Many factors contribute to this observed pattern: for instance, life events such as early marriage for women correlate with their never working. In Jordan, 95 percent of women have married by the time they reach 30 years old. Figure 10 illustrates

**FIGURE 9. The Proportion of the Population Who Was Ever Employed**



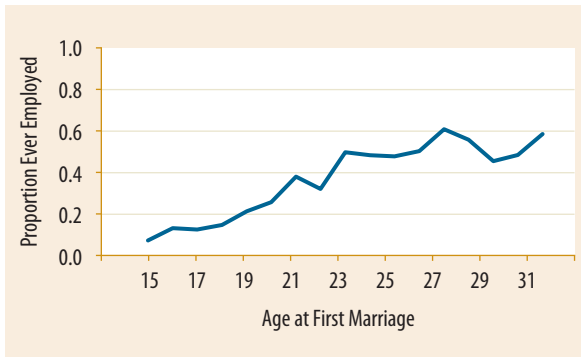
Source: 2010 JLMPS, the horizontal axis presents the midpoints of 3 year intervals from 20–64.

the proportion of women who have ever been employed by the age that they first married. There is a clear and positive association between age at first marriage and ever having held a job. Figure 11 plots the labor force participation rates of adult women aged 30 to 45 against their age of first marriage. Adult women in this age group are far more likely to be employed or actively seek work if they married in their late 20s rather than if they married younger. These patterns may be explained by a host of inter-related explanations: early marriage limits the ability of young women to make decisions about their role in the workforce independently, women who get married early are precisely those

who choose marriage and family life over employment, perhaps, women who get married later tend to be more educated, and more likely to be employed and participate in the labor force or a host of other reasons.

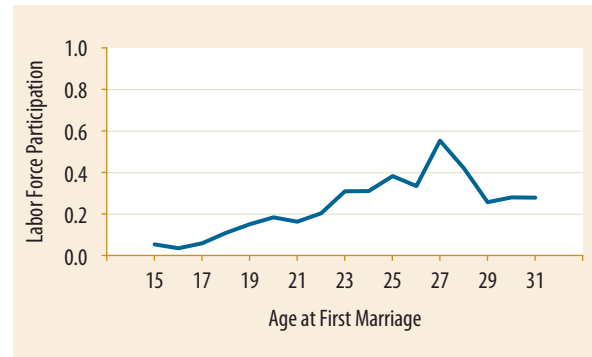
Not only does early marriage correlate with low participation, but simply being married seems to be correlated with lower participation. Indeed, labor force participation varies by marital status and the domestic labor market opportunities. To illustrate this point, Figure 12 and Figure 13 compare labor force participation rates of married and single women in various countries in the Middle East and

**FIGURE 10.** The Proportion of the Female Population Over 30 Ever Employed by Age of First Marriage



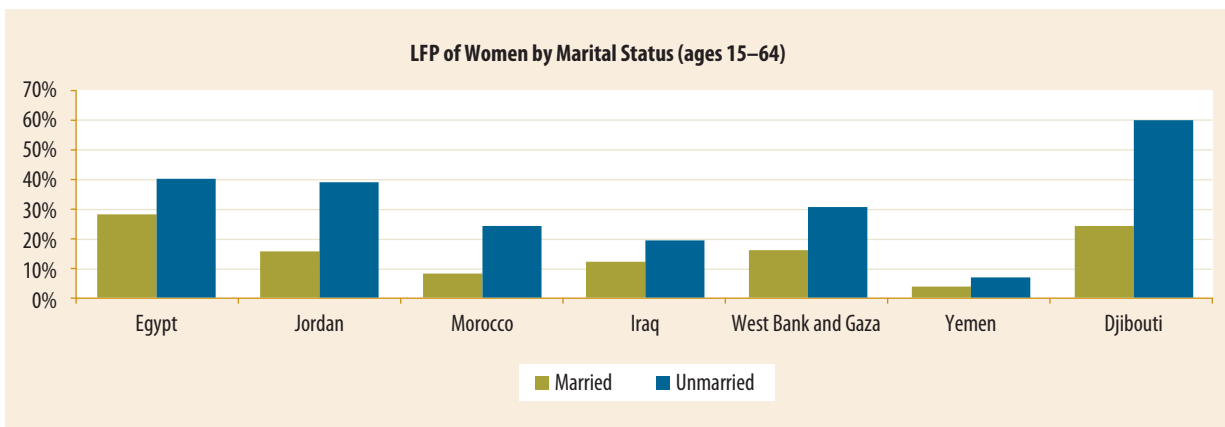
Source: 2010 JLMPS.

**FIGURE 11.** The Labor Force Participation Rate for Women between Ages 30 and 45 by Age of First Marriage



Source: 2010 JLMPS.

**FIGURE 12.** Female Labor Force Participation in MENA by Marital Status

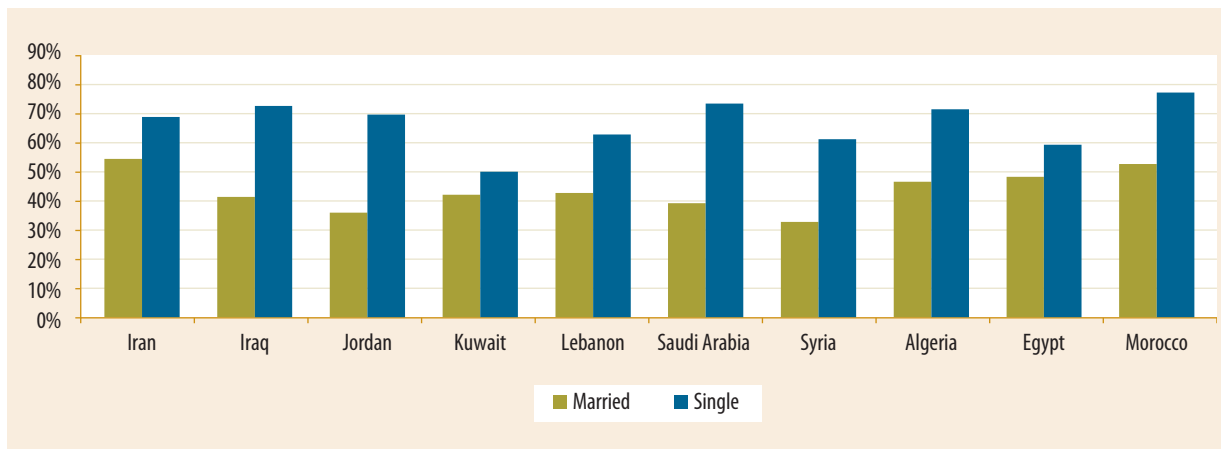


Source: Household Surveys; 1/ Official estimates for national non-immigrant population.

North Africa (MENA) region with those of female immigrants from MENA countries to the United States. While married women in MENA and the US have lower rates of participation in the workforce, a greater proportion of married female Arab immigrants actively look for work or are employed in the US relative to their home countries. This is not a definitive analysis but what perhaps sets these two groups apart is the difference in the labor market environment, regulations about working especially for women, and the diverse set of job opportunities.

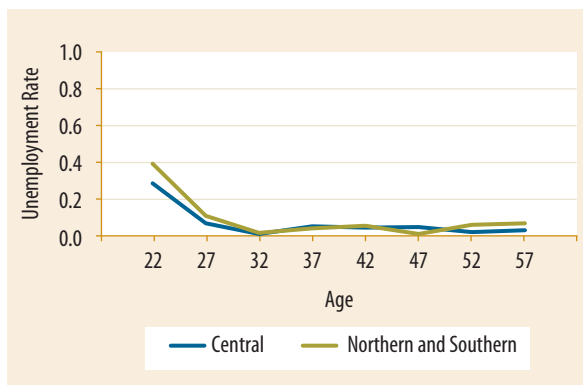
Within Jordan itself, differences in the availability of economic opportunities for women vary between Central Jordan (in and around Amman) and Northern and Southern Jordan (outside Amman) and influence their labor market outcomes. Female unemployment is far more pronounced outside Amman where there are fewer firms and fewer jobs in total (Figure 14 and Figure 15). At the same time, women outside Amman are also participating in the labor force at much higher rates, which suggests that these women spend more time looking for jobs and find it more difficult to find a job than

**FIGURE 13.** Female Labor Force Participation of Immigrants From MENA to the United States by Marital Status



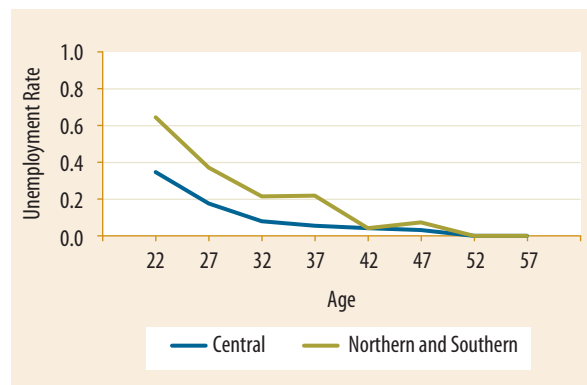
Source: 2001–2009 American Community Survey.

**FIGURE 14.** Unemployment Rates by Region for Educated Males

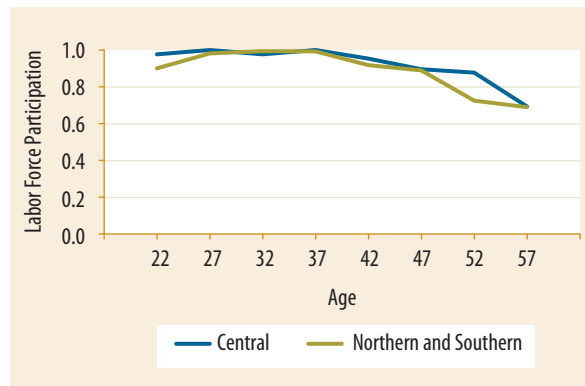


Source: 2010 JLMPS, the horizontal axis presents the midpoints of 5 year intervals from 20–59.

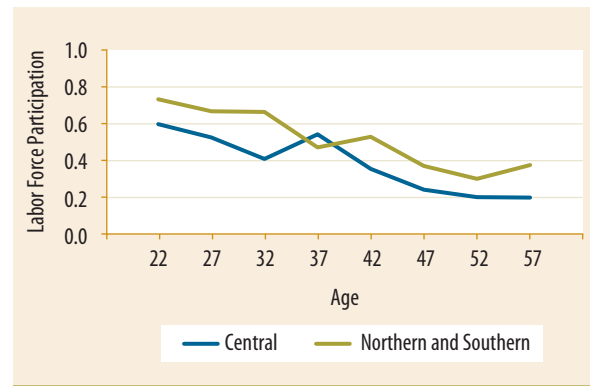
**FIGURE 15.** Unemployment Rates by Region for Educated Females



Source: 2010 JLMPS, the horizontal axis presents the midpoints of 5 year intervals from 20–59.

**FIGURE 16.** Labor Force Participation by Region for Educated Males

Source: 2010 JLMPS.

**FIGURE 17.** Labor Force Participation by Region for Educated Females

Source: 2010 JLMPS.

their counterparts in and around Amman (Figure 16 and Figure 17).

The Jordanian labor market is characterized by separate spheres for men and women. Table 2 below reveals the most common economic activities by gender and education for youth aged 20 to 29. The first four columns refer to the proportion of that economic activity in the specified cohort. The fifth column refers to the proportion of women in that

economic activity. Men dominate in almost every economic activity: 95 percent of people who work in retail and 88 percent of people who work in private sector and non-governmental administration are men. Turning to women, of educated working women in their twenties, 70 percent are concentrated in three sectors: education (44 percent), human health services (16 percent), and public administration and defense (11 percent). It is important to note that over half of education and human health

**TABLE 2.** Economic Activity by Gender and Education for Youth between the Ages of 19 and 29

Economic Activity	Male		Female		Proportion Female
	Uneducated	Educated	Uneducated	Educated	
Education	0.01	0.13	0.08	0.44	0.63
Human health and social work activities	0.01	0.06	0.11	0.16	0.61
Professional, scientific and technical activities	0.01	0.04	0.00	0.06	0.36
Financial and insurance activities	0.00	0.07	0.00	0.04	0.31
Other service activities	0.03	0.01	0.10	0.03	0.27
Agriculture, forestry and fishing	0.03	0.01	0.12	0.00	0.25
Information and communication	0.00	0.06	0.00	0.03	0.20
Manufacturing	0.16	0.11	0.26	0.04	0.13
Administrative	0.04	0.03	0.05	0.01	0.12
Public administration and defense	0.33	0.25	0.18	0.11	0.09
Accommodation and food service activities	0.03	0.02	0.02	0.01	0.06
Wholesale and retail trade	0.19	0.12	0.04	0.05	0.05
Electricity, gas, steam and air conditioning	0.00	0.01	0.00	0.00	0.05
Transportation and storage	0.05	0.03	0.00	0.01	0.04
Construction	0.09	0.03	0.00	0.01	0.02

Source: 2010 JLMPS.



service jobs are in the public sector, and these two sectors, the only two with a female majority in Jordan, comprise the female sphere of the labor market.

It is important to note that educated men and women participate in very different kinds of activities compared to their less educated counterparts. Among employed women, virtually no educated women work in manufacturing or agriculture, but 26 percent of less educated women work in manufacturing and 12 percent in agriculture. Among men economic activities are less segregated by education, however, the uneducated men find themselves in the retail at much higher rates than educated men.

The labor market outcomes for women mirror the fields of study that women specialize in, and these in turn restrict women's economic opportunities to a few sectors, as shown in Table 3. The first two columns of

Table 3 refer to the proportion of courses studied by gender. The third column refers to the proportion of women who studied that particular course.

The two most common courses of study—educational science and humanities—fit perfectly into the female labor market niche in education; 56 percent of educated women in the field of education studied either educational science or humanities. Likewise, 84 percent in human health studied health. On the other hand, women make up nearly half of the graduates with business and administration degrees yet only 12 percent of the non-public administrative sector and 10 percent of the public administration sector is composed of women.

### The Labor Market for Community College Graduates

This predominance of women in a few fields of study—education, administration and human health—is true for community college graduates and university graduates alike. Upwards of three-quarters of all women who graduated from community colleges (with an intermediate diploma) and universities graduate in one of these three fields. Given these limited fields of study, female community colleges and university graduates compete for jobs within the same sectors. This competition severely disadvantages community college graduates because they are forced to compete with people who have more prestigious degrees and years of education. Community college students typically have limited financial means or low Tawjihi scores or took the vocational work track in high school.

Since the inception of community colleges, the broad objectives of the community college system were to: (a) to provide students with relevant practical skills within their relevant field in preparation for entry to the labor market; or (b) to transition students into a degree-level university education, fittingly referred to as 'bridging'. If the community college graduates have to compete with university graduates for the jobs in the same sectors, commu-

**TABLE 3.** Courses of Study, by Gender, Ages 19–29

	Male	Female	Proportion Female
Social services	0.00	0.01	1.00
Journalism and information	0.00	0.01	0.95
Manufacturing and processing	0.00	0.01	0.94
Life Science	0.01	0.03	0.89
Education science	0.06	0.24	0.85
Mathematics and statistics	0.01	0.02	0.73
Physical science	0.02	0.04	0.73
Humanities	0.12	0.17	0.65
Personal services	0.02	0.02	0.61
Social and behavioral science	0.03	0.03	0.58
Arts	0.04	0.04	0.58
Health	0.08	0.08	0.57
Business and administration	0.25	0.16	0.48
Architecture and building	0.03	0.02	0.46
Computing	0.13	0.07	0.42
Environmental protection	0.00	0.00	0.41
Law	0.04	0.01	0.33
Agriculture, forestry and fishery	0.01	0.00	0.33
Engineering and engineering trades	0.14	0.03	0.22
Veterinary	0.00	0.00	0.00
Transport services	0.00	0.00	0.00

Source: JLMPS 2010.

nity college graduates may to some extent be crowded out of these jobs.

In March 2010, the World Bank carried out a short survey in March 2010 in a sample of community colleges around Jordan including the capital Amman, and asked students in their final year about their plans after graduation. The objective was to assess their perceived opportunities in the labor market and their desire to look for work after graduation. The sample covered 518 students from 4 public community colleges and 80 percent of the respondents were females.

When asked about their plans after graduation, the vast majority of students, 72 percent, indicated an interest in finding a job and continuing their studies simultaneously. Male and female students showed similar patterns with regards to their plans after graduation, only 2–3 percent of students indicated that they were not interested in looking for work or continuing their studies. In their final year of education, 91 percent of the female survey respondents expressed interest in joining the labor force upon graduating. Close to two thirds of students aspired to further education, but on average, only 20–25 percent of community college graduates who successfully pass their final comprehensive examination have the opportunity to move on to

universities (i.e. bridging). However the additional finances required for university education prevent many from taking advantage of the opportunity.

Students were also asked about their preferred sector of employment. More than 40 percent of male and female respondents answered that they would be willing to work in any sector as long as they found a job. Within the remaining students, both girls and boys revealed a distinct preference for public sector employment. This is not surprising, as government employment is perceived as more stable and more likely to include significant non-wage benefits such as benefits and pension. Amongst young women, preference for public sector jobs exceeded that of young men by nearly 15 percentage points.<sup>3</sup> A possible explanation is that the working hours, flexibility and working environment of the public sector makes it more appealing to women given the social norms about working hours, appropriate jobs, and because it allows them to better balance work and family roles.

This survey affirmed that the vast majority of young men and women planned to look for work after graduation. But the reality of the labor market revealed in the high youth unemployment rates, especially for women, suggest that these aspirations are held in check by significant barriers to entry into the working world.

<sup>3</sup> 47 percent of females strictly prefer the public sector, compared to only 32 percent of males.

## 2

# Jordan NOW: A Pilot Designed to Understand the Effectiveness of Employability-Skills Training and Job Vouchers

## Pilot Design: Interventions

Launched in August 2010, the primary objective of the Jordan New work Opportunities for Women (Jordan NOW) pilot was to increase female labor force participation amongst community college graduates by reducing the initial barriers to entry into the labor market.

Under the patronage of H.E. Queen Rania Al Abdullah, Jordan NOW was designed by the World Bank in consultation with its principal counterpart, the Ministry of Planning and International Cooperation. For guidance and oversight, a Steering Committee comprising of members from the Ministries of Labor, Higher Education, and Planning and International Cooperation, Department of Statistics, Jordanian National Commission for Women was formed and provided valuable inputs throughout the design and implementation process. The President of Al-Balqa Applied University and the Offices of the Deans of all participating community colleges provided extensive and critical support during implementation.

The pilot involved two major interventions: employability skills training and job vouchers. The first intervention consisted of employability skills training which provided community college graduates with training in interpersonal and professional skills that employers look for when hiring new graduates. There is growing evidence that non-cognitive or soft skills are important for employment and a range of other life outcomes (e.g. Bowles et al, 2001; Heck-

man et al., 2006). Interventions that aim to teach employability skills may enhance employment prospects by giving youth better skills and confidence for looking for jobs and by making them more productive in their first months in the job by reducing the amount of time firms need to spend training them on the basics of working in a business environment.

While there is little empirical evidence on the effectiveness of soft skills training programs, youth employment programs in Latin America in particular have increasingly included a component that focuses on these skills (World Bank, 2010). For example, the *entra 21* program implemented in 18 Latin American countries includes a soft skills training component. Although there is no rigorous evaluation of this intervention, employers report that participants who took part in this program have greater ability to work in teams and take on responsibility than do their other employees (*entra 21*, 2009). The Dominican Republic's *Juventud y Empleo* program also teaches soft skills along with providing work experience.

The second intervention, job vouchers, provided a short-term incentive payment or wage subsidy to the employer if they hired a community college graduate carrying a voucher. Wage subsidies have a long history of use by policy makers as part of their active labor market policies to generate employment for the disadvantaged (e.g. Kaldor, 1936, Layard and Nickell, 1980, and Katz, 1998). It is argued that short-term subsidies may have long-term effects by raising the productivity of youth through work (Bell

et al., 1999), and may encourage employers to take a chance on hiring inexperienced, untested workers (World Bank, 2006).

Wage subsidies or job vouchers have also long been used to help disadvantaged groups find jobs in developed countries, and there have been several randomized experiments to measure their impacts in the U.S. (Burtless, 1985; Dubin and Rivers, 1993), which have found disappointing impacts. The authors attribute these effects to potential stigma effects: workers carrying the voucher or the subsidy were perceived as being of inferior quality precisely because they were selected for the subsidy. Several non-experimental studies have found some positive impacts (e.g. Katz, 1998), although an overview of different wage subsidy evaluations by Betcherman et al. (2004) concluded that such programs have largely not been effective in developed countries.

Wage subsidy programs for youth have been used in a number of transition countries such as Poland and the Slovakia, and there appears to be renewed policy interest in developing countries, with examples such as Morocco's *Idmaj* program and Tunisia's *SIVP* program,<sup>4</sup> and South Africa about to launch a program. Despite this policy enthusiasm, there is very little evidence on the effectiveness of such programs in developing countries, the one exception being an experiment by Galasso et al. (2004) in Argentina. They found that job vouchers to the unemployed lead to a 6 percentage point increase in wage employment 18 months later, although this impact largely occurred in informal and temporary jobs.

In these existing evaluations, the rather muted effects have in part come from low usage rates of the job vouchers, preventing existing studies seeing whether providing access to subsidized short-term employment can lead to lasting jobs. However, if voucher participation is relatively high, as we will show is the case in the Jordan NOW pilot, the evaluation can potentially address the issue of whether voucher-linked subsidized short-term employment can lead to lasting jobs. Moreover, the results of the

pilot will also provide evidence on the effectiveness of wage subsidies in a context where unemployment rates for young, educated women are very high.

Given this context and the paucity of evidence in the MENA region, the pilot was deliberately underpinned by a rigorous experimental evaluation strategy, which makes it the first scientific evaluation of job vouchers and employability skills training in the MENA region, and one of very few in a developing country context.

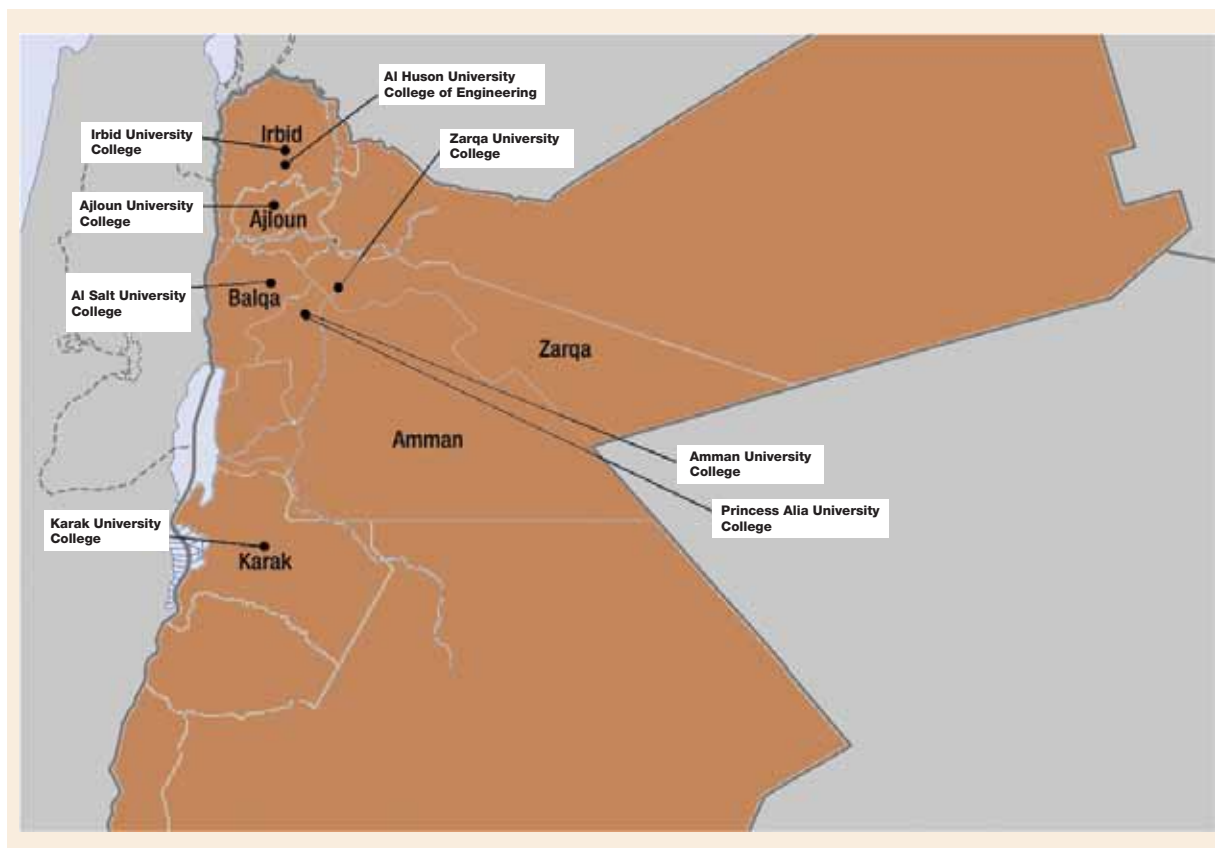
Through a combination of financial incentives and efforts to improve employability skills, the pilot aimed to:

1. Improve information between firms and potential workers
2. Provide the opportunity to build a positive work reputation for female graduates
3. Subsidize on-the-job skills acquisition
4. Change negative stereotypes among firms and young women
5. Improve soft-skills and communication skills

## Selection Process

The target group for this pilot was the entire 2010 class of community college graduates from eight participating community colleges across Jordan (Figure 18). The rationale for this spatial coverage was the following: a large bulk of private sector activity is concentrated in-and-around Amman and therefore, the inclusion of 4 community colleges outside of Central Jordan along with 4 within, ensured that the pilot and the evaluation would cover regions with different economic characteristics, and measure spatially-differentiated impact.

<sup>4</sup> SIVP = Stage d'Initiation à la Vie Professionnelle. This is a subsidized internship where beneficiaries receive 150 TND monthly and employers have full coverage of social security and training costs. The subsidy targets recent university graduates who have been looking for a job for six months, a group especially affected by unemployment (Almeida et al. 2012).

**FIGURE 18.** Map of Jordan — Participating Community Colleges

Participants, i.e., all those who successfully passed the August 2010 community college graduating exams, were assigned into 4 groups:

1. Job vouchers only (Voucher group)
2. Employability skills training only (Training group)
3. Both vouchers and training (Voucher plus Training group)
4. No intervention (Control group)

Participants were assigned into each group by a lottery via a computer. Since resources for the pilot were limited, it was not possible to offer the interventions to all graduates. Assigning participants to different groups by lottery therefore served as a fair and transparent way of giving each graduate an equal chance of being selected. The use of a lottery also allowed the pilot to be underpinned by a rigorous evaluation

strategy. If one were to offer training for instance, on a first-come-first-served basis, the graduates who choose to participate in training would likely be more motivated and differ in many other ways from the graduates who didn't choose to participate in training. As a result, any comparison of the labor market outcomes of the two groups (those who took part in training and those who didn't) would not be able to tell whether the differences were due to differences between the graduates, or differences due to the interventions. In contrast, assignment via lottery ensures that the characteristics of those graduates offered the program are on average the same as those of those who are not offered the program, because each graduate has an equal chance of being selected into each group. Thus, any difference in labor market outcomes between the groups can be directly attributed to the impact of the intervention rather than any differences in the groups.



As a result of this lottery, 300 graduates were assigned to each of the first three groups: Voucher only, Training only and Voucher plus Training.<sup>5</sup> The remaining 450 were assigned to receive no intervention. In order to ensure future comparisons between groups are not biased, the lottery was designed to assign an equal proportion of graduates to each group who possessed the following characteristics: whether they attended community college in Central Jordan or outside, whether they scored above or below the sample's median Tawjihi score, whether they desire to work and are optimistic about finding a job within six months, and whether they are allowed to go to the market alone.

### Implementation of the Training and Voucher Programs

In preparation for project implementation, a series of outreach and information dissemination activities were carried out to a pool of interested firms and all eligible graduates. A Jordanian firm, Dajani Consulting, provided assistance to the implementing team by facilitating contact with the community college administration to organize information sessions to target each of the participating community colleges. At this session, graduates were given information about the pilot, informed about their selection into various groups, and upon acceptance of the terms of the program, received letters confirming their eligibility to participate in the voucher and/or the training. At these sessions, graduates received a fact sheet describing program features and general rules for the participation of firms and voucher and training letters (Annex II).

At the same time, concerted efforts were made to create awareness among private sector firms about the pilot. Through sessions organized by the Jordanian Chambers of Commerce and Industry, and visits to many of their offices outside Amman, informational flyers and fact sheets were distributed. A newspaper advertisement ran in a local Jordanian newspaper with wide readership twice to spread the word about the pilot (see Annex II).

### Training

Employability skills training was provided by the Business Development Center (BDC),<sup>6</sup> a Jordanian NGO established in 2005 which has widespread local name recognition and a good reputation for skills training, having implemented USAID, UNCTAD, and a wide variety of local training programs (See Annex II for the Terms of Reference). The employability-skills training course was conducted for 45 hours over a 9 day period (5 hours per day), with a maximum of 30 participants in each training group. Training took place during September and October 2010. Training sessions took place in 17 sessions offered throughout 6 governorates to maximize access (Table 4). Training facilities and training content were identical across all 17 sessions. To accommodate families' concerns about girls having to travel far and to allow for flexible timings, multiple sessions were held during daylight hours at locally known and trusted institutions such as the Chambers of Commerce and Industry and local universities.

The design of the training curriculum was carried out with close cooperation with the World Bank team and in consultation with private sector representatives. The curriculum covered in the training was consistent across all training recipients, and included employability as well as professional development skills. The course covered effective communication and business writing skills (e.g. making a presentation, writing business reports, different types of correspondence), team-building and team work skills (e.g. characteristics of a successful team, how to work in different roles within a team), time management, positive thinking and how to use this in business situ-

<sup>5</sup> This revealed that 1395 out of 1755 (79 percent) of the female graduates interviewed at baseline passed their examinations, and 347 out of 427 (81 percent) of male graduates did. Given the small sample size of males, limited budget resources, and the focus of this pilot on alleviating constraints to female employment, it was decided that the pilot should focus only on the female community college graduates.

<sup>6</sup> <http://www.bdc.org.jo/>

**TABLE 4.** Concurrent Sessions per Governorate and Completion Rates per Session

Governorate	Number of students assigned	Number of Sessions	Session 1	Session 2	Session 3	Session 4	Session 5
Irbid	136	5	89%	97%	96%	90%	63%
Amman	73	3	65%	80%	59%		
Salt	75	3	90%	77%	43%		
Ajloun	62	2	75%	68%			
Zarqa	67	2	89%	91%			
Karak	61	2	72%	69%			

Source: 2010 Jordan NOW Administrative Records.

ations, excellence in providing customer service, and C.V. and interviewing skills. Sessions were based on active participation and cooperative learning rather than lectures, with games, visual learning experiences, group exercises, and active demonstrations used to teach and illustrate concepts.

The cost of the training was approximately \$150,000, which was based on up to 600 graduates attending—leading to a cost of \$250 per assigned graduate, and given that only 373 attended, an effective cost of \$400 per attendee.

Participation rates in the training sessions of those assigned to each session varied by location. Overall, participants from Irbid were the most likely to attend and complete the training, while trainees from Amman were among the least likely to attend, primarily because they found jobs and were not allowed to leave during business hours (Table 5). Other reasons for non-attendance were a range of family-related reasons such as taking care of family

members, family not allowing them to participate, being pregnant, or other personal reasons.

96 percent of the participants who attended at least one session completed the training, which suggests that among available graduates, very few viewed the training content to be irrelevant and unworthy of their time. By and large, in 8 of the 17 concurrent training sessions, 100 percent of participating trainees successfully completed the training requirements and received a completion certificate. As a quality check, BDC was required to assess training quality using anonymous feedback forms distributed to trainees at the end of each module. The vast majority of participants positively rated the training, and approximately 90–95% rated each component as excellent.

## Vouchers

Graduates who were selected into the Voucher group or the Voucher plus Training group were given a

**TABLE 5.** Training Completion Conditional on Attending at Least One Session

Governorate	Session 1	Session 2	Session 3	Session 4	Session 5
Irbid	100%	100%	100%	96%	94%
Amman	100%	91%	100%		
Salt	100%	96%	86%		
Ajloun	100%	88%			
Zarqa	97%	100%			
Karak	88%	91%			

Source: 2010 Jordan NOW Administrative Records.

non-transferable job voucher with their name on it, which they could present to a firm while searching for a job.

The voucher was valid for a maximum of six months within an eleven month period starting October 3, 2010 and ending August 31, 2011. Should employment terminate before the end of the 6 months, the voucher remained with the graduate, who could then use the remaining months on it with a different firm. The program was advertised through the Chamber of Commerce, newspapers, official government website, and information helpline in order to further the legitimacy of the voucher and provide more information to the firms as needed. In addition, graduates were given formal letters explaining the program, which they could present to firms to explain how these vouchers could be used.

Due to budget constraints, a maximum of 450 graduates could be funded for the full voucher duration of 6 months each. The 600 graduates assigned to the Voucher and Voucher plus Training groups were therefore informed that vouchers would be honored on a first-come-first-served basis and that they should therefore make every effort to use their vouchers as soon as possible to find a job. In case of the 450 voucher limit being reached, the graduates would be informed, but in practice, this limit was never reached.

To be eligible to use the voucher, a firm had to provide proof of registration, have a bank account to receive payment and provide an offer letter with the graduate's name and specification of work duties. The salary offered had to be at least the minimum wage of 150 JD per month.<sup>7</sup> After the start of employment, both the firm and graduate were required to confirm their employment with the program administrator each month, with periodic monitoring and random visits made to ensure reimbursement claims were legitimate.

The vouchers were administered by a Jordanian firm, Dajani Consulting, through a Management Information System that tracked, updated and provided monthly progress reports on voucher recipients and the firms that hired voucher holders. As voucher administrators, they were responsible for managing the fund for payments to firms under the job voucher component; for supervision of this fund; and for reimbursement of voucher funds to employers upon stringent verification of eligibility criteria and employment contracts. A detailed Terms of Reference for managing the voucher fund and developing an MIS for the pilot is attached in Annex II. Furthermore, Dajani Consulting conducted the baseline survey in August 2010 and follow up surveys in April and December 2011 (with 93 and 96 percent success rate, respectfully) to measure the participants' employment outcomes.

<sup>7</sup> At the time the vouchers were valid, Jordan's minimum wage was set at 150 JD. As of 1 February 2012, the minimum wage has increased to 190 JD.



# 3

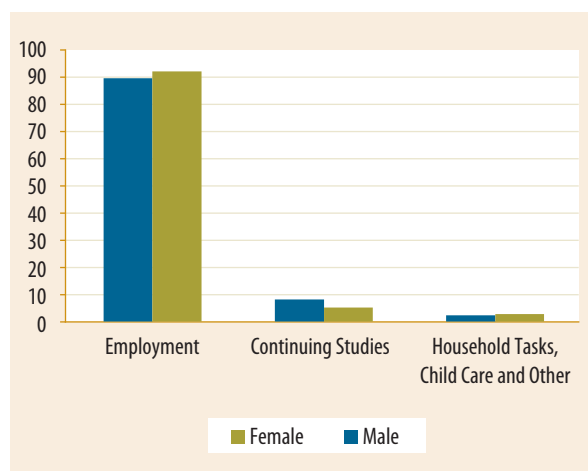
## A Profile of Jordan NOW Participants

After holding several consultations with college administrators, survey firms, and community college students, the decision was made to hold the baseline survey on the college campuses during the week of the comprehensive examination taking place in August 2010. Due to the short 3-day horizon of the examination period, the baseline was held concurrently in all 8 college campuses. With the cooperation of college staff and faculty, students completing their examinations were instructed to proceed to designated halls, where they received instructions from trained enumerators and filled out the self-reported questionnaires. To ensure that questions were clearly translated and understood by respondents, the survey was piloted a week in advance with a group of first year, ineligible students.

Almost 90 percent of boys and girls interviewed said they wanted to look for work after graduation (Figure 19). When asked about their preferred sector of employment, almost 70 percent of young men and more than 80 percent of young women stated a preference for the public sector over the private sector (Figure 20).

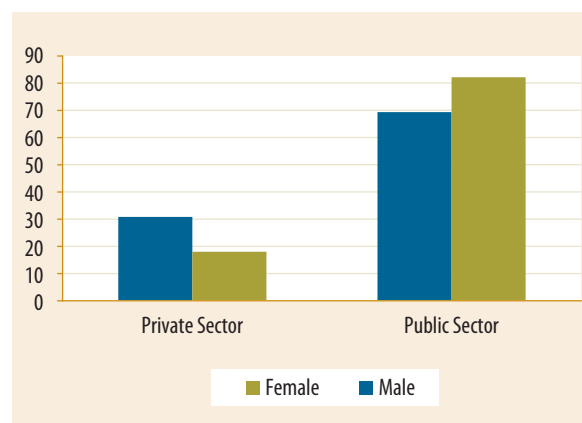
Approximately 10 days after the baseline was conducted, the comprehensive exam scores were released. Out of a total of 2,182 respondents, the sample was restricted to only include 1,742 graduating students, while failing students were permanently dropped (Table 6). Given limited resources and an insufficient number of male graduates to estimate the impact separately for males, the decision was made to focus only on graduating females. Of

**FIGURE 19.** Plans after Graduation



Source: 2010 Jordan NOW Baseline

**FIGURE 20.** Preferred Sector of Employment



Source: 2010 Jordan NOW Baseline

the 1395 females who passed their examinations, we randomly chose 1350 to be part of the pilot group.

One of the key objectives of the lottery design was to ensure that participants in each group were similar in terms of their characteristics, for instance, average Tawjihi score, parents' education and work status, marital status, household assets, interest in working and in participating in the program. As Table 7 shows, the characteristics of each group are indeed very similar. This is important in evaluating the effects of the pilot interventions at a later stage, as any observed differences can be clearly attributed to the interventions rather than any pre-existing differences in characteristics between groups.

What does a typical graduate in the pilot look like? She is 21 years old, unmarried, has never worked before, and has a Tawjihi score around 64. Across the groups, approximately 43 percent of the participants come from Amman, Zarqa or Salt, are likely to have a car or computer at home, but have limited access to the internet. Less than 8 percent of participants reported their mothers working, while more than 50 percent have fathers working. Only one in two participants reported being able to go to the market alone, which points to the importance of social restrictions on mobility, concerns about their safety, and their ability to travel unaccompanied. Only 8 percent of students had already found a full-time job after graduation at the time of the baseline

survey—the vast majority look for work only after graduating. Finally, the baseline survey also shows high potential interest in both pilot interventions: approximately 75 percent of students say they are very interested in each program.

## Main Courses of Study and Most Likely Occupations

The fields of study chosen by participants already reflect the gendered labor market. A majority of graduates study administration, education and nursing and pharmacy, which are considered to be safer jobs and more appropriate for women. Table 8 shows the most common courses of study at the overall program of study level, as well as at both the program (department) and specialization (major) level. The top three most popular departments were (i) administration and finance, which covers accounting, electronic administration, and management information systems with 43 percent of the sample (ii) medical assistance, which covers nursing and pharmacy specializations and (iii) education which covers teaching.

These fields of study are mirrored in the types of occupations that the minority of graduates who had already found jobs at the time of the baseline survey. Of the 84 graduates who had already found work, 39 were working as teachers, pharmacists, nurses and in administration.

**TABLE 6.** Participating Community Colleges

Community college	Total Respondents	Number of Passing Respondents	Percent passing
Al-Salt College	320	265	83%
Al-Karak University College	213	203	95%
Ajloun University College	289	223	77%
Princess Alia University College	285	196	69%
Amman University College	119	93	78%
Al-Huson University College for Engineering	244	177	73%
Irbid University College	429	361	84%
Zarqa University College	283	224	79%
<b>Total</b>	<b>2182</b>	<b>1742</b>	<b>80%</b>

Source: 2010 Jordan NOW Administrative Records

**TABLE 7.** Comparison of Means of Baseline Characteristics by Treatment Group

	Voucher only	Training only	Voucher & training	Control group
<b>Stratifying variables</b>				
In Amman, Salt, or Zarqa	0.43	0.44	0.43	0.44
Tawjihi score above median	0.55	0.55	0.55	0.55
Low desire to work full time	0.41	0.41	0.41	0.41
Is allowed to travel to the market alone	0.51	0.51	0.51	0.51
<b>Other baseline variables</b>				
Age	21.20	21.10	21.10	21.30
Married	0.14	0.16	0.12	0.13
Mother currently works	0.07	0.06	0.08	0.06
Father currently works	0.59	0.61	0.57	0.53
Has previously worked	0.15	0.18	0.16	0.16
Has a job set up for after graduation	0.05	0.08	0.10	0.08
Has taken specialized English training	0.31	0.26	0.26	0.30
Household owns car	0.62	0.66	0.62	0.64
Household owns computer	0.72	0.75	0.74	0.70
Household has internet	0.28	0.18	0.26	0.26
Prefers government work to private sector	0.82	0.81	0.79	0.81
Sample size	299	300	299	449

Source: 2010 Jordan NOW Baseline.

Note: The only statistically significant difference across groups is internet access which is significant at the 10% level.

Given these courses of study, it is perhaps no surprise that many graduates desire to work in the public sector given that the public sector is an im-

portant employer of nurses, teachers and administrators. Overall, 81 percent of graduates say they think working for the government or public sector

**TABLE 8.** Most Common Courses of Study for Pilot Sample

Program (Department) code level	%	Specialization (Major) level	%
The Administrative and Financial Program	43	Nursing	13
Program of Medical Assistance	24	Accounting	12
Educational Program	10	Electronic administration	12
Performing Arts Program	7	Management information systems	10
Social Action Program	6	Other – Educational programs	9
Information Management and Libraries Program	6	Pharmacy	5
Engineering Program	2	Interior design & graphic	5
Science Program of Sharia and Islamic Civilization	2	Special education	5
Hotels Program	1	Information technology	4
Agriculture Program	0	Accounting information systems	4

Source: 2010 Jordan NOW Baseline

is better than working for the private sector. This is highest for graduates in the program of medical assistance (88 percent), but even for those in the administrative and financial program, 78 percent say they believe working for the government is better. The main reasons given for preferring the public sector are more stability (60 percent) and insurance and collateral benefits (22 percent). Of the minority who prefer the private sector, the number one reason is that they believe the salary is higher (given by 37 percent as the reason). Sixty percent of graduates say that if they have the choice, they prefer to work in a government position.

### Plans for Work and for Job-Seeking

Despite the low-level of overall employment seen among young women in Jordan, the graduates in the pilot baseline survey express high levels of desire to work. 93 percent say they plan to work after they graduate, 91 percent say they would like to work outside the house after they are married, and 82 percent say they think it is very likely or somewhat likely that they will have a job within 6 months of graduating. These rates are much higher than the reality for community college graduates: at any age, no more than 40 percent of community college graduates are employed. Most of those who plan to work plan on working full-time, although 27 percent say that if they find a job, they think they would work less than 6 hours per day.

The median and modal income that they would expect to earn per month if they find a job is 250 JD. Only 4 percent expect to earn less than the minimum wage of 150 JD, and 12 percent expect to earn exactly 150 JD. Only 44 percent know that the minimum wage is 150 JD—26 percent believe it is lower than 150 JD, and 29 percent believe it is higher.

The graduates also say they plan to employ a number of strategies to look for a job (Table 9), including a number of quite proactive strategies such as approaching employers and sending their CV to companies they are interested in working for. Over-

all they say they have quite high levels of confidence about approaching employers they don't know when looking for a job: 50 percent say they are very confident in doing this, 39 percent somewhat confident and only 11 percent say they are not at all confident or that they would never do this. They also display the typical overconfidence when asked to assess themselves relative to other graduates: 83 percent of graduates rank themselves as better than average in terms of the overall value or benefit they would bring to an employer and 66 percent as better than average in terms of their technical skills. In contrast, the median graduate ranks herself as average in terms of English language skills, reflecting less confidence in this dimension.

### Empowerment and Traditional Attitudes

One hypothesis for the low levels of female employment is that traditional gender norms limit the extent to which women work. It is therefore useful to examine what the baseline survey reveals in terms of these attitudes.

First, the survey confirms young people desire to work; more than 90 percent of the graduates say they

**TABLE 9.** Planned Job Search Strategies

Which of the following do you plan to do when looking for a job?	Yes %
Asking family members if they know of job openings	87
Ask friends if they know of job openings	84
Ask the career services at my school for advice	80
Register at a Government employment agency	81
Look for a job with an employment agency which places people abroad	50
Apply to job advertisements in the newspapers	68
Apply to job advertisements online	52
Send my CV to companies I am interested in working for	71
Approach employers in person to see if they have openings	74
Other	1

Source: 2010 Jordan NOW Baseline.

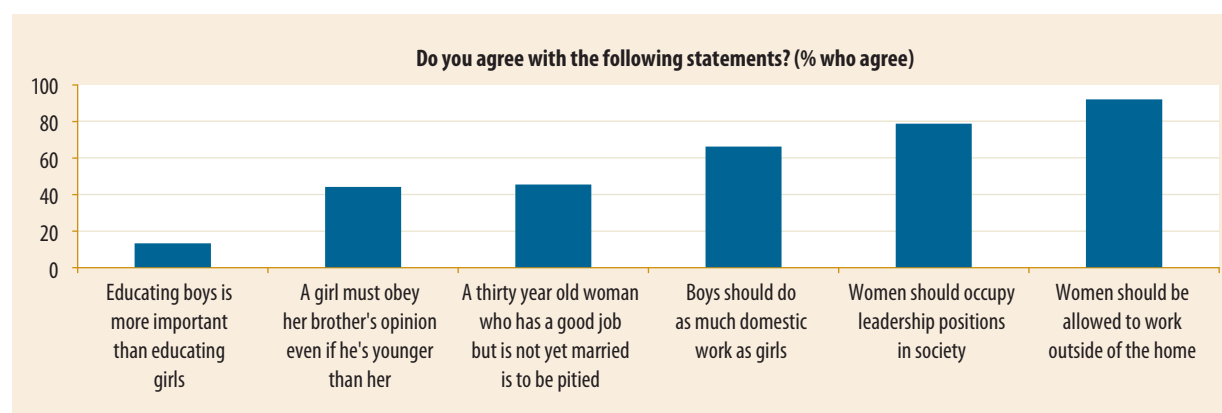
would like to work outside the home after marriage, and they think they will be allowed to do so. More than three-quarters of the women believe that education is a means to increasing earnings or to find a better job. Less than 4 percent of women link education to improved marriage prospects or say that working would adversely influence their prospects of getting married.

Figure 21 examines the attitudes the female graduates have towards the role of women in society. Again, the majority believe women should be allowed to work outside the home, and that women should occupy leadership positions in society, and few believe educating boys is more important that

educating girls. However, more traditional attitudes are seen in attitudes towards marriage and housework: 45 percent think that a 30 year-old woman with a good job who is unmarried is to be pitied, and 44 percent think girls should obey their brother's opinion even if the brother is younger.

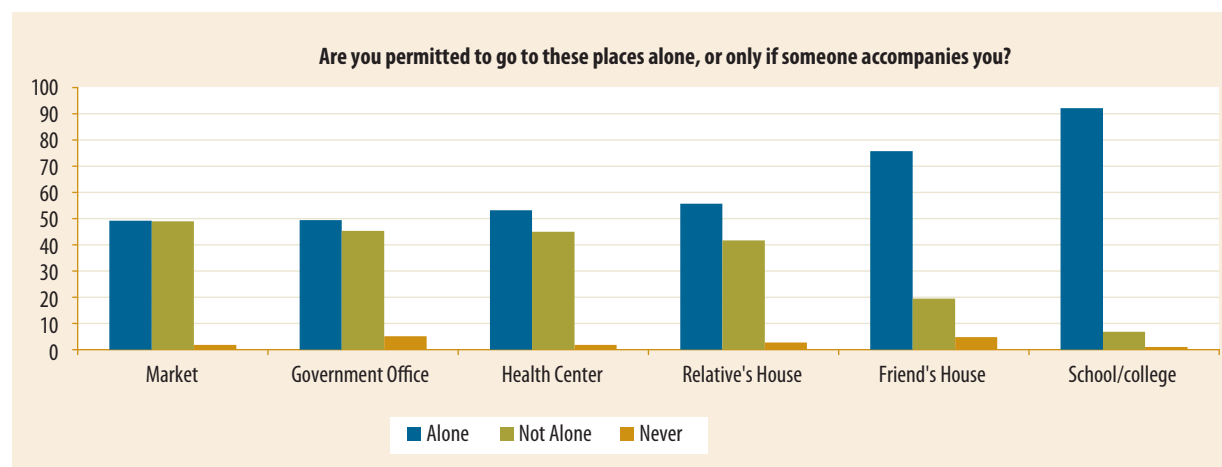
The community college graduates in the pilot have limited access to independent financial resources and restricted mobility (Figure 22). Less than one in five graduates said that she had some money of her own that she alone can decide how to use. About half the graduates say that they are not permitted to travel alone to the market, a government office, or to a health center.

**FIGURE 21.** Attitudes of Female Students Towards the Role of Women in Society



Source: 2010 Jordan NOW Baseline.

**FIGURE 22.** Restrictions on Mobility



Source: 2010 Jordan NOW Baseline.



# 4 Job Vouchers Boost Employment in the Short-Run

In April 2011, six months after the graduates initially received their vouchers and/or attended training, a mid-line survey was conducted to track implementation progress and assess early impacts while the job voucher usage window was still open. The mid-line survey succeeded in re-interviewing 1,237 of the 1,347 (92 percent) graduates from the baseline. The survey monitored implementation of the job vouchers, graduates' self-assessment of the employability-skills training program, their reasons for non-attendance, their current employment status, job search strategies and the duration of search, their wages and some indicators of empowerment.

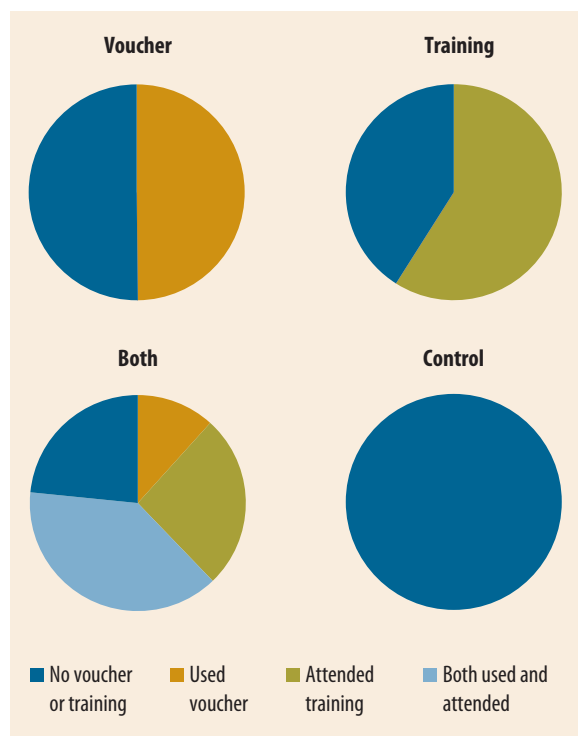
## Who Used the Vouchers? Who Completed Training?

Figure 23 reveals the degree to which graduates who were assigned to a particular group actually used the opportunity. Of the 300 who were assigned to the Voucher only group, about half used the voucher in the sense that they found a job using the voucher within 6 months of the beginning of the program. About 60 percent of graduates assigned to the Training only group successfully completed the 9-day course. Among the 300 who were in the Voucher plus Training group, almost 40 percent completed training and got a job using the voucher. About 10 percent used the voucher to get a job but did not complete training, and about 25 percent did not use

the voucher but completed training. No one in the Control group ended up getting either intervention.

The employability skills training course was completed by 62 percent of those assigned to the Training only group and the Voucher plus Training group. Only 5 students attended part of the course but did not finish. When graduates were directly asked their reasons for not wanting to attend, the main reasons

FIGURE 23. Treatment Take-Up



Source: 2011 Jordan NOW Administrative Records.

they gave were because they already had a job (10 percent), and a range of family-related reasons such as taking care of family, or family not allowing them to participate (Table 10). Qualitative feedback from participants immediately after the course was universally positive, with many participants in particular saying it had given them more confidence taught them practical topics not covered in college practical topics not taught in college. About 90 percent of those who completed training said they would be willing to pay the equivalent of a month's minimum wage towards training. And each aspect of the training course was rated as good or excellent by more than 87 percent of participants (Figure 24).

Who successfully completed the employability skills training course? Geographic location or the self-reported ability to travel to the market unaccompanied did not matter in determining who attended and completed the course. This suggests that the choice of trusted locations and offering multiple sessions in many governorates was successful in reducing geographical and mobility constraints that the graduates may have faced.

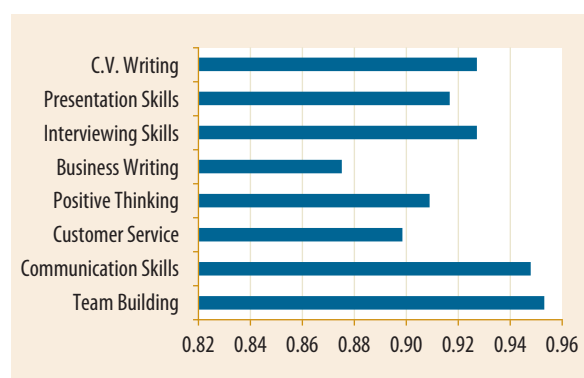
Attendance rates were influenced by priors about working full-time after graduation and by academic performance (Figure 25). For example, those who did not expect to be working full-time after graduation were 10 percentage points less likely to attend training. On the other hand, those who had higher than the median Tawjihi scores were 9 percentage points less likely to attend. These are reflective of the graduates' implicit calculations of the costs and benefits of attending a two-week long training course versus their prospects on the labor market.

**TABLE 10. Reasons for Not Participating in Training**

	Number of people
Marriage, pregnancy, children	32
Working	60
Out of the country	5
Unavailable	106

Source: 2010 Jordan NOW Administrative Records.

**FIGURE 24. Training Components – Percent of Participants who Rated Good or Excellent**

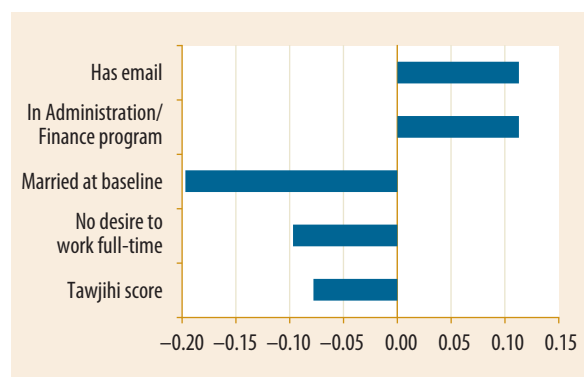


Source: 2011 Jordan NOW Midline.

It is also interesting to note that graduates who could benefit from both vouchers and training were as likely to attend as those who received only training. This suggests that participants valued both interventions.

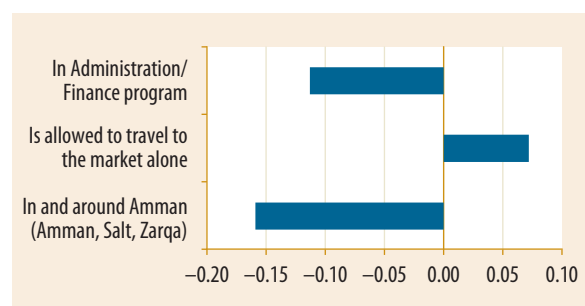
Married graduates were much less likely to attend the employability skills training. After controlling for their expectations of working after graduation, their ability to move around, their financial independence, and household wealth status, graduates who were married at baseline were almost 20 percentage points less likely to attend. Attendance is significantly higher for those taking administrative or financial courses, perhaps because they expect to

**FIGURE 25. Significant Characteristics of Training Take-Up**



Source: 2011 Jordan NOW Endline.



**FIGURE 26.** Significant Characteristics of Voucher Take-Up

Source: 2011 Jordan NOW Endline.

be in more of a position to need business writing skills than graduates going into nursing or teaching.

Voucher use is equivalent to finding a job with an employer that met the voucher requirements and was willing and able to use the voucher. In total 301 of the 600 graduates assigned to receive a voucher ended up using it for at least one month. However, voucher use varied by location: 41 percent used the vouch in-and-around Amman compared to 57% outside of Amman (Figure 26). 75 percent of those who used the voucher used it for the full 6 months, 9 percent used it for 5 months, 6 percent for 4 months, and only 10 percent for 3 months or fewer (Table 11). Unlike attendance in the training program, being married at the time of the baseline did not influence the use of the voucher. Women who stated that they could travel independently to the market, a proxy for greater mobility, were more likely to use the voucher. In contrast to the impact on training take-up, graduates of administrative or financial courses are less likely to use the voucher than graduates of other specializa-

tions. See Table 16 in Annex I for take-up regressions on the voucher and training.

In April 2011, 43 percent of the female graduates assigned to the voucher had redeemed the voucher for at least one month. By August 2011, this percentage rose to just about 50 percent. What happened to the women who were assigned to the voucher group and never redeemed their voucher? 17 percent of these women were employed—over half of their employers refused to deal with the formal requirements of the voucher and the other half provided a variety of excuses ranging from forgetting to the employer being a government agency to incongruous responses. 63 percent were unemployed but actively looking for a job while 20 percent were unemployed and not looking for a job. Among the unemployed, only 58 percent had previously tried to use their voucher. Reasons for why the graduates couldn't find jobs included lack of vacancies at many firms, firms' mistrust of the voucher, or firms' need for someone with specific skills that the graduates did not have.

The midline survey revealed broad compliance with the minimum wage requirement imposed by the pilot. Nevertheless, an overwhelming number of voucher users received a salary equal to the minimum wage, which suggests that most employers were contributing nothing to these women's salaries. 85 percent of those employed with a voucher said they earned 150 JD per month, 1.9 percent said that they were paid less than this, and the highest earnings reported were 320 JD per month.

Midline data also revealed the close relation between fields of study and the occupational distribution, which remains gendered. The most common occu-

**TABLE 11.** Voucher Use – October 2010 to August 2011

	2010			2011								Total
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	
# started voucher use	107	83	41	18	15	12	12	6	7	0	0	301
# terminated < 6 months	0	6	5	5	10	7	6	5	5	3	24	76
# completed full 6 months	0	0	0	0	0	74	67	37	21	15	11	225

Source: 2011 Jordan NOW Administrative Records.

pations for those using the vouchers were teachers (often in nursery schools), comprising 33 percent of all those who had used the voucher; secretaries, clerks or administrative assistants, 17 percent; nurses or medical assistants, 10 percent; data entry workers 9 percent; and pharmacists 8 percent.

Location played an important role in the use of the vouchers: in particular, 57 percent of the participants from Northern and Southern Jordan redeemed the voucher whereas only 41 percent in Central Jordan (in and around Amman) redeemed the voucher. Of the people in the voucher group who were employed, 90 percent of those outside Amman and 76 percent of those in and around Amman used the voucher to get their job. This could be a combination of a greater willingness to hire community college graduates outside of Amman or a greater willingness of participants outside Amman to look for work and use the voucher to get a job or it may reflect the greater number and diversity of jobs in and around an economic centre such as Amman that do not necessitate such an extensive use of the voucher subsidy.

What do these participation rates—voucher use and training attendance—mean? Given that our pilot covered almost the entire 2010 cohort of female public community college graduates in Jordan, if the pilot were scaled up, these rates of take-up for each group would apply to the whole population of female community college graduates that a given intervention was offered to. Turning now to the labor market outcomes following the use of the training or the voucher, the outcomes are measured against all those who were assigned to a given intervention. For instance, the statement, “vouchers increased

employment by 5 percentage points relative to the control group” means that relative to the employment rates among the group who did not receive any intervention, the average employment rates amongst those who were assigned to the voucher group were higher by 5 additional percent. These rates are then measured relative to the sub-population that fell in each group, for instance, among all those who were assigned to the voucher group, the percentage of graduates employed, irrespective of whether they had used the voucher to get a job or not. In any voluntary program, where not all those who are eligible to benefit from an intervention actively utilize the opportunity, the impacts measured over the entire eligible population give a measure of the program impact for other similar populations. These estimates are known in the econometrics literature as “Intent-to-Treat” estimates.

## Labor Market Outcomes

At the time the midline survey was conducted in April 2011, the voucher intervention was still active and 194 graduates were still using the voucher on the job. At this time, 74 graduates had completed the maximum 6 months allowed on their voucher. Considering that the pilot was still on-going, the results should be interpreted as the immediate, early effects of the pilot interventions. Indeed, at midline, less than a year after graduating from community college, labor force participation, defined as either working or actively looking for work, remains high at around 77 percent irrespective of training, voucher, or control group (Table 12). These are in line with the desires to work expressed by pilot participants in the baseline.

**TABLE 12.** Midline Labor Market Outcomes

	Employment				Labor force participation			
	Voucher	Training	Both	Control	Voucher	Training	Both	Control
Jordan	0.57	0.21	0.58	0.18	0.80	0.77	0.85	0.77
Karak, Ajloun, Hosun, and Irbid	0.60	0.12	0.64	0.10	0.82	0.77	0.87	0.73
Amman, Salt, and Zarqa	0.54	0.32	0.51	0.28	0.78	0.78	0.83	0.83

Source: 2011 Jordan NOW Midline.

In the short term, overall, the job voucher strongly improved employment outcomes, measured as whether an individual was currently employed or had worked for cash in the last month (Table 12). However, employability skills training had a negligible impact on employment at midline. While the correlation between training and all employment outcomes was positive, the measured effect was too small to say with certainty whether there was any impact at all. Combining training with vouchers resulted in no additional employment either.

The immediate employment effects of the job voucher were substantial: access to a voucher increased employment from 18 percent to 57 percent. That is to say that compared to average employment rates of 18 percent among those in the control group, those who were assigned to the Voucher or Voucher plus Training group had employment rates that were almost 40 percentage points higher, or more than triple the employment rate. See Table 17 in Annex I for regressions on a series of employment outcomes.

The impacts of the job voucher were very different in and around Amman as compared to outside of Amman. Consistent with the much lower use of the voucher in and around Amman relative to outside of Amman, the voucher had much larger impacts on midline employment outside of Amman. Graduates assigned to receive the voucher outside Amman experienced a 50.4 percentage point increase in the likelihood of being employed at midline, compared to a 25 percentage point increase in Amman. Given the control group had much lower employment rates outside of Amman, this is equivalent to the job voucher group having six times the employment rate of the control group outside Amman, and double the employment rate in Amman. See Table 18 in Annex I for the regression table illustrating these heterogeneous impacts.

There is evidence that while the vouchers were valid, average employment rates for a pilot participants (including the control group) were higher than they

**TABLE 13.** Employment Rates during Voucher Validity

Employment rates	Voucher	Training	Both	Control	Total
Midline employment rates: Jordan NOW	0.57	0.21	0.58	0.18	0.36
# Employed: Jordan NOW	172	63	175	71	481
Employment rates within one year: JLMPS					0.22

Source: 2011 Jordan NOW Midline and 2010 JLMPS.

would have been in the absence of a voucher (Table 13). Overall employment rates for pilot participants were 36 percent: one in three participants in the pilot was employed six months after the launch of the program. While those who held vouchers were much more likely to have jobs, there is some indication of an increase in net employment while the vouchers were valid. On average, of female community college graduates surveyed in the JLMPS 2010, only 22 percent found a job within a year. Contrast this with pilot participants, who on average, were 14 percentage points more likely to hold a job.

Another measure in the survey is formal employment, defined as whether individuals report being employed and registered for social security. The midline survey suggests very little increase in formal employment through the vouchers, which register only an additional 4.5 percentage point increase. And, when cross-referenced with social security administrative data, there is no significant increase in employment. This suggests that very few employers hiring graduates on the voucher reported their employment to the Social Security Corporation (SSC).

The midline survey also examined the intensity of work (weekly hours worked) and wage earnings. Hours worked are significantly higher for the job voucher group at midline. Compared to an average of 6 hours worked per week for the control group, graduates who were assigned vouchers worked more than three times the number of hours.



# 5 What Happened After the Program Ended?

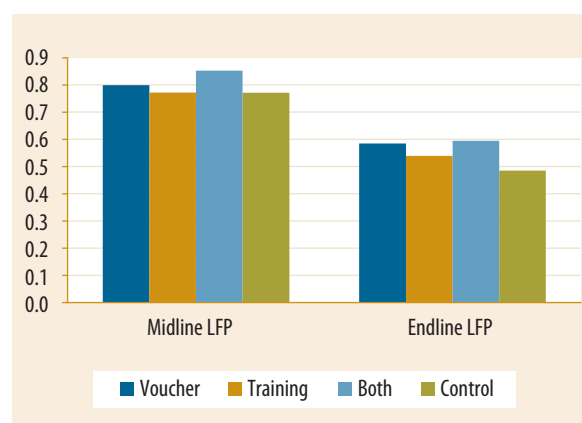
In December 2011, 4 months after the voucher period expired and the pilot concluded, a more extensive endline survey was conducted, with concerted efforts to track down graduates. Of the approximately 1350 graduates in the full pilot, almost 1250 were re-interviewed (93 percent), and data was collected by proxy from 38 graduates' parents (3 percent) when the graduates were not available or out of the country. In addition to data on employment outcomes, the survey collected information on a range of well-being measures, including mental health, subjective well-being, and empowerment.

In addition to the survey, an agreement with the Social Security Corporation of Jordan enabled us to obtain administrative data on formal employment for 1282 graduates (95 percent of the sample), for whom we had a social security number. Finally, we also supplement our analysis with data taken from an October 2011 survey of 368 of the firms who had employed these graduates at the midline (whether or not they had used the voucher to do so), which is approximately 100 percent of all firms who were employing a graduate with a voucher and more than 65 percent of all firms who were employing a graduate without a voucher.

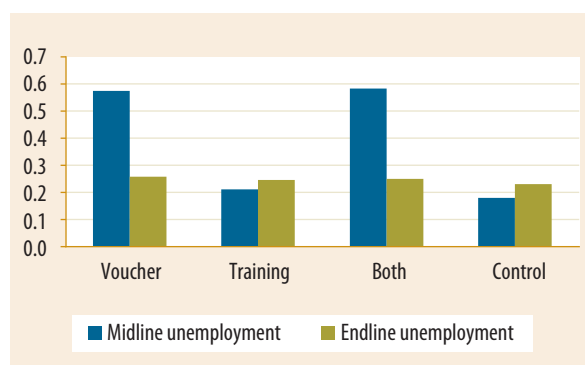
While at midline, all groups in the pilot had very similar and high rates of labor force participation, by the time of the endline survey, labor force participation among the control group had fallen to 48 percent, reflecting that many graduates had stopped actively looking for work. Graduates who had been

assigned to receive job vouchers were on the other hand, much more likely to continue to be looking for work, at rates that were 10 percentage points higher than the control group (Figure 27). Training also may have had a positive impact on labor force participation but its effect is not strong enough to detect. This overall increase in labor force participation among the voucher group comes predominantly from those outside of Amman, where the increase is 17.6 percentage points relative to almost no increase in and around Amman. This is explained by the much higher rates of labor force participation among the control group in and around Amman, where job opportunities are more plentiful. See Table 19 in Annex 1 for regressions on a series of employment outcomes.

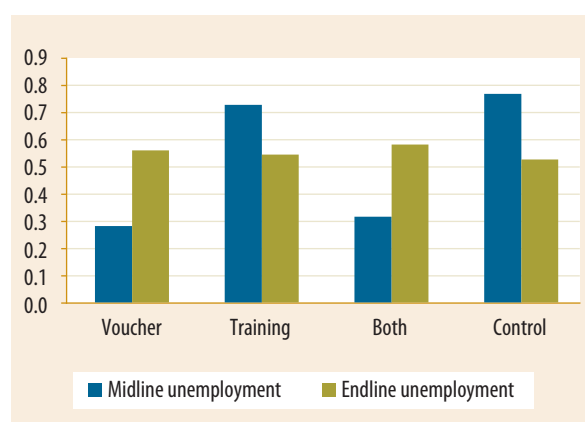
**FIGURE 27.** Labor Force Participation at Midline and Endline



Source: 2011 Jordan NOW Midline and Endline.

**FIGURE 28.** Employment Rates at Midline and Endline

Source: 2011 Jordan NOW Midline.

**FIGURE 29.** Unemployment Rates at Midline and Endline

Source: 2011 Jordan NOW Endline.

Despite this positive impact on job search, employment impacts of the voucher do not persist at endline. Neither voucher nor training have an overall positive impact on employment rates once the voucher period expired (Figure 28). Neither is there any impact on hours worked or earnings from work. But this overall negligible employment effect is driven by differences in impact by location. At endline, vouchers continued to have a significant positive impact on employment outside Amman even once the subsidy period had finished. Moreover, there is also some evidence that the employability skills training had a positive employment effect at endline outside Amman. Compared with the very low employment

rates of only 11 percent of the control group outside Amman at endline, job vouchers increased employment rates by 8.5 percentage points while training increased employment by 6.1 percentage points. In Amman on the other hand, there appear to be no significant effects of either vouchers or training on employment. Similarly, in contrast with the observed higher rates of unemployment for the training and control group at midline, by the time of the endline survey, all groups had converged to similar rates of unemployment at above 50 percent (Figure 29). See Table 20 in Annex I for the regression table revealing the heterogeneity of impact.

Turning now to those individuals who report being employed and were registered formally with the social security system, we find no effects of either training or vouchers. On average, only half of those who report being employed are in fact registered with social security, a mere 12.6 percent.

Although the employment effects observed at midline do not persist once the pilot ended, the job voucher group did indeed gain labor market experience as result of having had worked. This group is almost 30 percentage points more likely to have ever worked than the control group at endline, and have accumulated an average of 2.4 months more job experience. Moreover, conditional on having had a job, graduates assigned to the job voucher group report statistically higher levels of job satisfaction.

Jobs can be more than just a source of income, with employment status associated with improved subjective well-being and increases in female empowerment (World Bank, 2011, 2012). In Table 6 we examine the impacts of the interventions on different measures of well-being, empowerment, and attitudes, all measured at the time of the endline survey.

Job vouchers improved graduates subjective-well-being as measured on the Cantril self-anchoring striving scale (Cantril, 1965), a measure that has been used by Gallup around the world. Respondents are asked to imagine a ladder with 11 rungs, number from 0 at the bottom to 10 at the top, where the

top represents the best possible life for them, and the bottom the worst possible life. Kahneman and Deaton (2010) refer to this as “life evaluation”. On average, the control group put themselves on the 5<sup>th</sup> rung, but those who were assigned to the voucher group placed themselves almost a rung higher. While training may have improved perceptions of well-being, its impact is too small to pick up.

Graduates were also asked to assess which step on the Cantril ladder they believe they will be on in five years time, with this forward-looking measure reflecting the degree of optimism they have about their futures. Overall all the graduates show a high degree of optimism, imagining themselves on the 8<sup>th</sup> rung, three rungs higher than they assess their current position to be.

Consistent with the qualitative feedback following the completion of training, where many participants reported that it had helped them build confidence, and strong positive attitudes, training also seems to improve mental health measures.<sup>8</sup> We measure mental health using the Mental Health Inventory (MHI-5) of Veit and Ware (1983). This is a five item scale with a maximum score of 25 and minimum score of 5, with higher scores indicating better mental health in terms of the experience of psychological well-being and the absence of psychological distress in the past month. While there is no universal cut-

off, several studies have used a cutoff of less than 17 as an indicator of major depression (e.g. Urban Institute, 1999; Yamazaki et al., 2005). Based on this cutoff, 20 percent of the control group would be classified as depressed. In contrast, the training intervention increases graduates scores on the MHI-5 by 0.58, and reduces the likelihood of having major depression by almost 5 percentage points.

Have these changes in subjective well-being also brought about changes in attitudes towards women’s role in home and society, and changes in empowerment and mobility? We find that there is no significant impact on these attitudes towards the role of women and measures of empowerment, which is not wholly surprising given that norms and attitudes are slow to change. See Table 21 for the regression table of subjective well-being outcomes.

Endline data also reveals a strong association between getting married and not working, although these are not at all affected by the pilot interventions. While at baseline only 13.7 percent of the sample was married, this had increased to 31.6 percent by the endline, 18 months later, with a further 9.4 percent engaged at endline, only 9.6 percent of married graduates in our sample are working at endline, while 29.9 percent and 32.5 percent of engaged and single women, respectively, are working.

<sup>8</sup> Mental health is a distinct concept of well-being and happiness, and it has been shown to have different associations with individual characteristics and with life events (Das et al, 2008).





## 6 What Have We Learnt?

The evaluation of the Jordan NOW pilot indicates that job vouchers led to a large increase in employment mainly in the informal sector while the voucher was valid, but had little effect on employment once the vouchers expired. The impact of the voucher was much greater outside Amman. Likewise, there's suggestive evidence that the training also had a larger impact outside of Amman.

In order to understand the demand side of the market and the labor market conditions faced by young entrants in Jordan, a survey of over 2000 firms in and around Amman who stated they were willing to hire fresh graduates was conducted in September 2011. Of the firms surveyed, 82 percent said they needed fresh graduates and 62 percent had in fact hired a fresh graduate in the past. However, about half of all firms said that these young graduates did not have the experience necessary for the job and that they found it difficult to find employees who understood the concept of work ethic. As a result, more than 40 percent of these firms preferred to hire people with one or two years of experience rather than a fresh graduate. Social and business networks are critical for employers to fill vacancies: 58 percent of firms most commonly used referrals from friends, family, and business networks to identify suitable candidates.

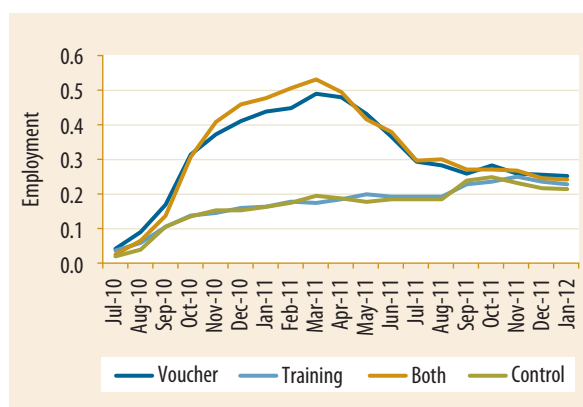
Turning to employer's attitudes about hiring young women, many employers perceived women as being relatively costly or less productive compared with male employees. 63 percent of firms agreed or

strongly agreed with one of the following statements: "men can work longer and flexible hours", "young men are more productive than young women" and "the extra costs of female facilities are prohibitive to hiring women". Some firms were candid in revealing explicit gender norms. 30 percent of firms openly state a preference for hiring men over women. 21 percent of firms agreed or strongly agreed with one of the following statements: "mixing women and men together at work is inappropriate", "females are only looking for short-term work since they don't have career ambitions", and "they did not want to hire women because they don't have career ambitions".

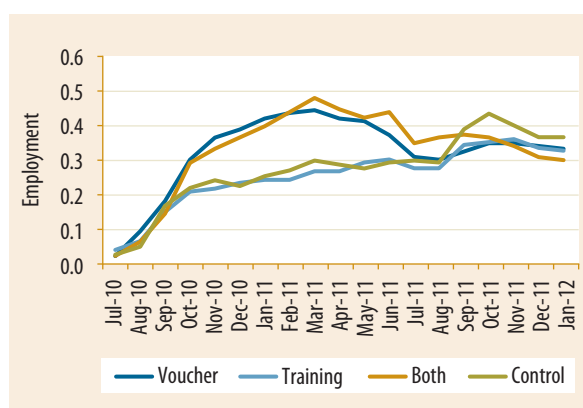
Given this backdrop, in this section we explore possible mechanisms that might explain the results of the Jordan NOW evaluation.

### **Are Temporary Impacts due to the Job Voucher Groups Losing Jobs or the Other Groups Gaining Them?**

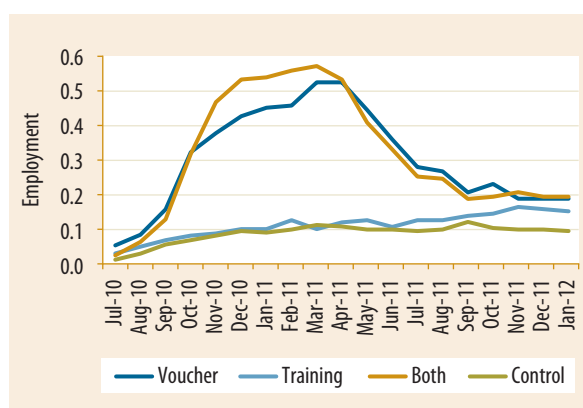
Figure 30, Figure 31 and Figure 32 use information from the surveys on the start and end dates of employment to construct and plot monthly employment rates for each group to graphically illustrate the employment impacts of the pilot interventions over time. We see the voucher only and voucher plus training lines track each other, rising rapidly at first, and then falling as the graduates hit the six month limits on use of these vouchers. The rise is steeper outside of Amman.

**FIGURE 30.** Proportion Employed by Month Jordan

Source: 2011 Jordan NOW Endline.

**FIGURE 31.** Proportion Employed by Month Central Jordan (in and around Amman)

Source: 2011 Jordan NOW Endline.

**FIGURE 32.** Proportion Employed by Month Northern and Southern Jordan (outside Amman)

Source: 2011 Jordan NOW Endline.

The difference in control group behavior inside Amman versus outside is also noticeable—employment rates continue to rise over time inside Amman, but level off at 11 percent outside Amman and hover around this rate for at least one year. However, the positive employment effects outside of Amman should be interpreted with caution: there is some suggestive evidence that voucher recipients displaced those without vouchers outside of Amman, where job opportunities are relatively limited. Compared with employment rates from recent labor force survey data (EUS 2007–2010), graduates outside Amman in the control group appear to have been hired at relatively lower rates.

One potential explanation for the short-term impact of the job vouchers could be that they speeded up the process of finding a job, with the training and control groups then managing to find jobs and catch up to the employment rates of the voucher groups by the endline survey. An alternative explanation is that the reduced impact is coming from those who were employed losing their jobs when the vouchers ended. To distinguish between these explanations, in Table 14 we explore the employment dynamics, examining the transition for employment and unemployment outcomes between the midline and the endline. We take an example to explain the table: Looking at the last 4 cells in Panel A relating to the control group: 70 percent of the control group remained unemployed at midline and endline, 11 percent were employed at midline and kept their jobs at endline. On the other hand, 12.2 percent of those in the control group were unemployed at midline but had found jobs by endline, while 6.6 percent of those with jobs at midline had lost them by the endline survey.

This table shows that the convergence in employment rates by the endline is driven in part by the control and training groups being more likely to transition from unemployment into employment, but the majority is due to the voucher and voucher and training groups being much more likely to transition out of employment. For the full sample, 12 percent of the control group and 13 percent of the training group found jobs between the midline

**TABLE 14.** Employment Transitions (Percentage Transitioning from One State to Another between Survey Rounds)

	Voucher Only		Training Only		Voucher & Training		Control Group	
	Endline unemp.	Endline employ.	Endline unemp.	Endline employ.	Endline unemp.	Endline employ.	Endline unemp.	Endline employ.
Panel A: Entire sample								
Midline unemployed	37.5	5.2	66.1	13.3	37.1	4.7	70.4	12.2
Midline employed	36.8	20.5	8.1	12.6	37.8	20.5	6.6	10.9
Sample size	288		278		271		395	
Panel B: Amman, Salt and Zarqa								
Midline unemployed	36.8	9.6	50.8	17.5	41.9	7.3	52.1	20.4
Midline employed	28.0	25.6	13.3	18.3	25.8	25.0	7.8	19.8
Sample size	125		120		124		167	
Panel C: Outside Greater Amman								
Midline unemployed	38.0	1.8	78.2	9.9	33.1	2.6	83.8	6.1
Midline employed	43.6	16.6	4.0	8.0	47.4	16.9	5.7	4.4
Sample size	163		151		154		228	

Source: 2011 Jordan NOW Midline and Endline.

and endline surveys, compared to only 5 percent of the voucher and voucher and training groups. But approximately 38 percent of the voucher and training plus voucher groups lost their jobs between midline and endline, compared to only 7–8 percent of the control and training only groups. Thus, voucher group graduates losing their jobs accounts for approximately 80 percent of the closing of the gap in employment rates between voucher and the other groups, and catch-up of those newly getting jobs accounts for approximately 20 percent of the gap. This basic pattern holds both inside and outside Amman.

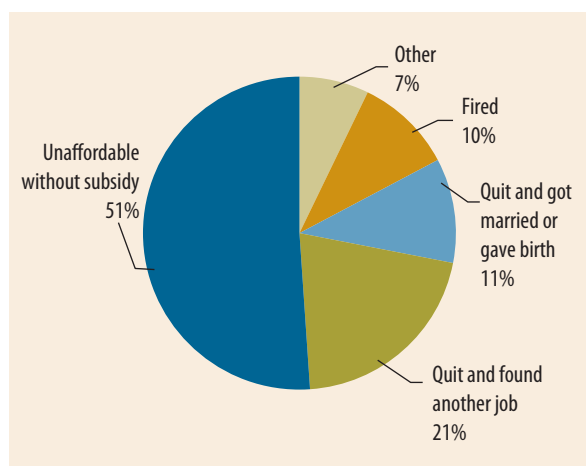
The endline survey directly asked graduates who had been employed with vouchers but who were no longer in these jobs what the main reason for stopping work was. The most common reason was that the job ended because the voucher had finished or the job was temporary in nature i.e. the job was contingent on the voucher—this accounted for approximately 66 percent of the job exits for jobs obtained through the voucher. 4 percent of the cases explicitly state they quit because of salary disputes, with firm

owners wanting to lower their wages once the subsidy ended.

Taken together, these indicate that the subsidy provided through the voucher was vital in getting these graduates a job, and that in its absence, many employers no longer found it worthwhile to continue to hire these graduates at the same wage. Among those who remained in the job, there are only 5 cases where the midline wage was 150 JD and the endline wage less than this (mean of 98 JD), but more cases where the midline wage was above 150 JD but has since been lowered (e.g. from 220 JD at midline to 150 JD at endline). Only 2 percent of the job losses were for other employer-related reasons such as the employer firing the graduate or the employer going bankrupt, while 18 percent were because the graduates were not satisfied with some aspect of the job and 9 percent claimed to quit for family reasons.

When the same question was asked of firms which had hired graduates with the vouchers, but no longer employed this worker as of November 2011, firm owners said that in 51 percent of the cases it

**FIGURE 33.** Reasons Why Voucher Graduates Were No Longer Employed after The Voucher Expired



Source: 2011 Jordan NOW Endline.

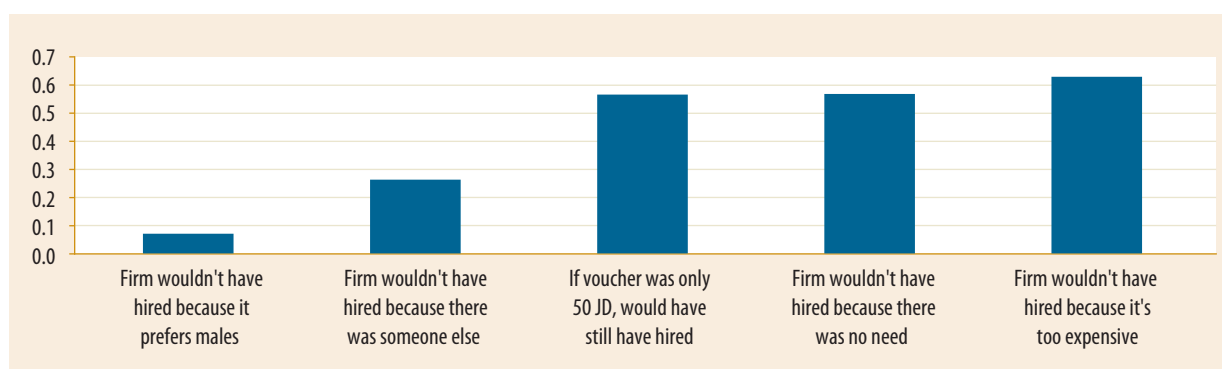
was because the worker was unaffordable without the subsidy, 10 percent because they had fired the worker, 30 percent because the worker had quit either to get another job, or to get married, and 7 percent other reasons (Figure 33). 42 percent of firms in Amman said the reason for the termination of the employment relationship was the graduate quitting, as compared to only 30 percent of firms outside of Amman. On the other hand, firms in Amman were less likely to say the reason was that the worker was unaffordable without the subsidy. In only 36 percent of the cases, firm owners say they would have hired

the worker (whom they eventually fired) irrespective of whether they had the job voucher. The main reasons that they hired workers with the voucher were to train and test them risk free (40 percent), and to have an extra employee at low cost (32 percent). This suggests that the voucher did provide an opportunity at least for some employers to screen and try out young graduates with minimal investment on their part.

Overall, 62 percent of firms who employed voucher users said that they would not have hired them in the absence of the voucher subsidy (Figure 34). Of these firms who would not have hired the graduate, more than 60 percent stated that it was because the graduates were too expensive without the subsidy. And more than 50 percent of the firms said they would have hired the graduate as long as the voucher subsidy was at least 50 JD. These suggest that the employers did not value the productivity of these graduates highly enough to continue to hire them in the absence of any subsidy. More than half of these firms said that they had no need for the graduate, suggesting these jobs were purely temporary.

Thus, this evidence suggests that the main reason that the impact of the voucher was mostly temporary was that the hard cash of the wage subsidy induced firms to take a chance on hiring workers they wouldn't have otherwise hired, and that these

**FIGURE 34.** 62 Percent of Firms Would Not have Hired the Graduate in the Absence of the Voucher



Source: 2011 Jordan NOW Firm Survey.

workers then either proved not to be productive enough to earn the wages they would need to be paid, or that ex post, these workers decided that the characteristics of the job were not a good match for them.

There are two other reasons why the vouchers may not have had longer term effects. First, one goal of the voucher was to induce employers who had not hired women before to give them a chance, thereby overcoming prejudice and giving the graduates a chance to prove they could be productive. However, almost all of the voucher recipients were employed in typically female-dominated occupations (such as nurses, nursery school teachers, or clerks), so that these firms did not really gain any new information about the productivity of women whom they typically hire. Secondly, schools and hospitals may find it harder to generate additional profits out of new workers than other high growth sectors of the economy (e.g. because they have less control over pricing), so even productive workers may be difficult for these firms to finance.

The aspect of the labor market that this pilot does not explicitly address is the demand for labor and job creation through the private sector. But the analysis does indirectly suggest that there were a lot of people chasing a few jobs in the sectors where young female community college graduates are typically employed. It remains an open question whether the gendered fields of study restrict the occupational choices of these young women into already over-supplied, slow growing sectors with little scope for job creation. Or, it may be the case that the economy as a whole is not diversified enough to create employment opportunities to pull women into other economic sectors. Each of these factors may in turn reinforce the other, with women's lack of appropriate skills leading to few employers outside schools and nurseries being willing to hire women, who in turn continue to continue to study to become teachers and nurses. Within this narrow spectrum of occupations, what the data can tell us is whether the pilot created any new jobs or if it resulted in a substitution of jobs in favor of those who were carrying the voucher.

## Did the Interventions Just Change Who Got the Jobs or Actually Create New Jobs?

A common concern with many active labor market policy experiments is the possibility that the jobs created for the group receiving the intervention were in fact at the expense of some other group. In the context of the Jordan pilot, there are two elements of this concern. The first is a concern that the voucher, and perhaps training, groups gained jobs at the expense of the control group, so that there is no net increase in employment, just a reallocation within the pilot of who gets the jobs. If this were the case, while our pilot would still give a valid estimate of the impact of giving vouchers to some youth and not others, it is difficult to predict what would happen if the vouchers were expanded to a larger group of beneficiaries. A second, related, concern is whether the jobs gained by the community college graduates are coming at the expense of other workers outside of the pilot sample who would otherwise have been hired. For example, the vouchers may induce firms to hire youth instead of an unemployed older worker. If this were the case, the pilot would still show that these policies help the targeted group obtain jobs, but not whether these come at the expense of other groups in society.

We use a mixture of evidence to assess how important these effects are likely to have been. We note first that the fact that most of the employment effect was temporary, and came from firms saying they hired the job voucher workers when they wouldn't have hired them in the absence of the voucher suggests that most of the short-lived effect is additional (temporary) hires, rather than firms substituting hires they would have made anyway. Second, we do not see firms who let go of the job voucher workers subsequently hiring a control group or training group worker to replace them: there are only 12 firms in our firm survey that hired graduates from both the voucher and from either the control or training only groups (almost all hospitals hiring nurses), and all of these were cases of concurrent hires rather than terminating a voucher student and replacing them with one of the other group students.



However, our pilot worked with approximately 80 percent of females graduating from public community colleges in Jordan in 2010, and thus if there are a limited number of jobs that these graduates are competing for, it seems plausible that they are likely to have been competing for some of the same jobs, resulting in displacement effects. Indeed, when the graduates were asked in the endline survey whether they think the voucher prevented women without vouchers from getting jobs because employers would only hire workers with vouchers, 12 percent of the control group in Amman, and 24 percent of the control group outside Amman agreed. This shows that in a context where female community college graduates compete for jobs within a very narrow labor market, the control group graduates themselves think there is some displacement.

Further evidence on this displacement comes from looking at the employment rates in other recent years. Table 15 uses the 2007 to 2010 Jordanian Employment and Unemployment Surveys to report the employment rates and labor force participation rates of intermediate diploma students (the group community college students fall into), and compares these to our endline employment rates. We see that the employment rate in central Jordan (in or around Amman) for our control group is similar to that of community college graduates in recent years, whereas that outside Amman is lower. Taking the difference between the two locations, we see the Amman versus outside Amman employment gap for the control group is more than double in our sample than it is in recent survey years. Coupled with the direct evidence from graduates, this suggests a displacement effect—graduates outside Amman in the

control group appear to have not been hired at the same rates that recent years would suggest, or at the rate that one would predict given the employment rate of the control group in Amman.

The main occupations for graduates employed outside Amman at the endline are teacher (23 percent), nurse (19 percent), pharmacist (16 percent), and clerk (11 percent). The labor market outside Amman in most of these occupations is likely to be relatively thin, with a limited number of openings for new graduates each year. It does therefore seem reasonable that graduates may have been competing for some of the same jobs, and that, in addition to the temporary additional hires firms made using the vouchers, they chose voucher or training graduates over the control group for positions they were planning on hiring anyway. As a result, the employment effects seen in the endline outside of Amman are likely to reflect largely displacement, rather than added employment.

### Are Labor Laws Partly Responsible for the Temporary Nature of the Job?

Article 35 of Jordan's labor law specifies a 3 month probationary period, during which an employer can terminate a worker without notification or termination remuneration. After this period, employers are required to give one month's notification, and remunerate workers one month per year of service on a pro-rated basis upon termination. The length of the job voucher period was set at 6 months with this 3 month rule in mind, the idea being that the six month subsidy may induce them to hire graduates beyond the three month probation period and

**TABLE 15.** Employment Rates of 20–25 Year Old Female Community College Graduates

	2007	2008	2009	2010	Control group	Voucher group	Training only
Central Jordan	31	32	31	29	40	34	36
Northern and Southern Jordan	19	19	20	18	11	19	16
Difference	13	13	11	11	29	15	20

Source: 2011 Jordan NOW Endline and 2007–2010 Employment Unemployment Surveys

\*This table represents employment rates of 20–25 year old females with intermediate diplomas. Survey standard error is approximately 2 percentage points on sample means. Voucher group includes voucher only and voucher plus training group.



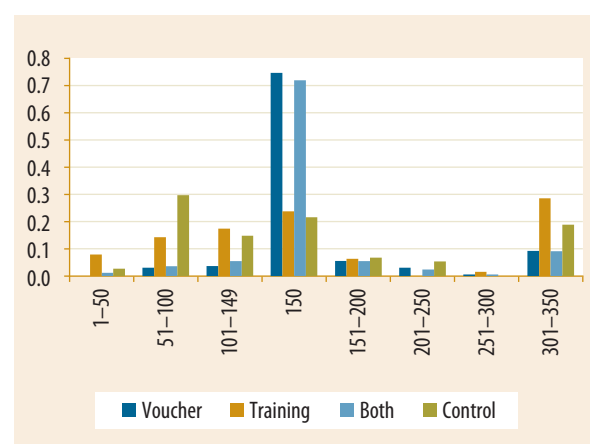
thereby bring graduates into the formal employment system. We see that in practice this did not occur—most of the added employment was not registered for social security, while 95 percent of the vouchers that were redeemed were used beyond three months. The threat of being subject to labor regulations in the future may still deter firms from keeping youth employed for long periods, but this was not something that came out in the firm surveys. In practice, since firms were able to successfully avoid these regulations, these labor laws were not binding as a constraint to continue to hire the voucher graduates. Had they registered these workers as formally employed, employers would have to pay social security taxes (12.25 percent of wages) and payroll taxes (7 percent of wages), which together add 20 percent to the cost of employing a worker. This added financial burden to the employer is acting as a huge disincentive to formalize employment.

Jordan also has a universal minimum wage, which was set at 150 JD during the duration of the pilot. It changed to 190 JD in February 2012, two months after the conclusion of all data collection. 75 percent of the graduates employed with the voucher and 74 percent of the graduates employed who received both vouchers and training at the midline were hired at a wage of exactly 150 JD per month—which was the minimum permitted by the program.

Less than 8 percent of graduates employed in both these groups were hired at less than the minimum wage. However, where the minimum wage was not made a pre-condition for employment (for instance, for the training and control groups), a higher proportion of graduates who were employed were hired at less than the minimum wage. For those in the training group who were employed at midline, for instance, only 26 percent were hired at the minimum wage and 33 percent were hired at a wage below 150 JD. Similarly, for those with jobs at midline from the control group, 23 percent were hired at exactly 150 JD and 44 percent were hired at less than the minimum wage. Figure 35 and Figure 36 show the distribution of wages across each of the groups in the pilot at midline and endline.

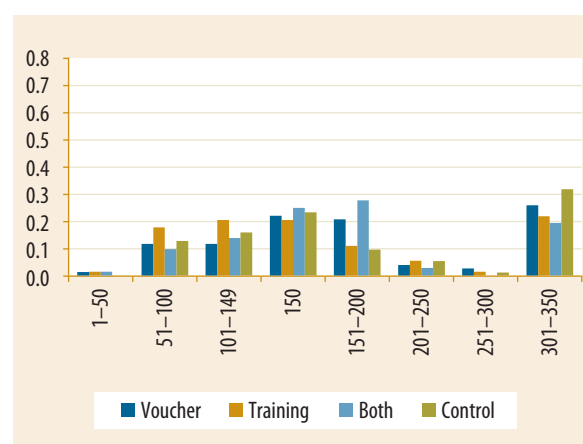
Compared to midline, at endline, after the vouchers had expired, only between 22 and 26 percent of those employed in each group were hired at a wage of 150 JD. And a larger proportion of those employed were hired at wages below the minimum wage: among the voucher and the voucher plus training groups, the proportion of those employed at below the minimum wage jumped to more than 20 percent (compared to less than 8 percent at midline). More than 25 percent of those employed who were in the training and control groups earned less than 150 JD.

**FIGURE 35.** Midline – Distribution of Wages (JD)



Source: 2011 Jordan NOW Midline.

**FIGURE 36.** Endline – Distribution of Wages (JD)



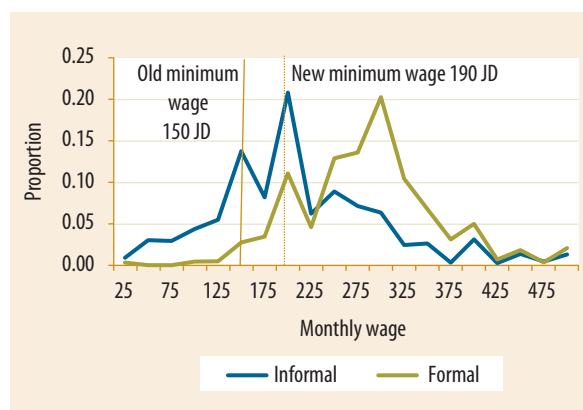
Source: 2011 Jordan NOW Endline.

Moreover, once the wage subsidy attached to the job voucher expired, the primary reason that most jobs attached to the voucher were terminated had to do with the graduates being perceived as unaffordable in the absence of the subsidy. This suggests that despite up to 6 months of work experience with a graduate, employers considered the minimum wage too high relative to the marginal productivity of the workers they had hired. Taken together, this implies that the minimum wage may be binding or at least set too high for this category of young entrants into the labor market and that this may be one important regulatory reason that the impacts of the voucher were temporary and that female youth unemployment rates are so high.

A snapshot of youth salaries by the JLMPS bolsters the theory that the minimum wage is binding for youth in Jordan. 90 percent of youth between 19 to 29 years old earn monthly salaries less than 500 JD, and thus Figure 37, Figure 38 and Figure 39 reveal the proportion of the employed youth population who earn less than 500 JD monthly in 25 JD intervals.

13 percent of women and 10 percent of men who are employed informally earn exactly 150. This percent is much lower for people who are formally hired (employed and registered for social security), as one might expect from firms who are more likely to strictly fol-

**FIGURE 37. Monthly Wages for Men between the Ages 19–29**



Source: 2010 JLMPS.

### Minimum Wages Are Not Always a Panacea for Youth Unemployment

Across the world, many countries have put in place minimum wages to guarantee formal workers a decent standard of living. However, the jury is still out on the relationship between the level of the minimum wage and the employment prospects of those who seek employment at or near that wage. Setting a wage too low may not allow workers to meet their basic needs; on the other hand, setting it too high may increase the costs to employers so much that they cut down on employment, so that many receive no wage at all. In the end, the effect of the minimum wage depends on how well the labor market is functioning: whether there are adequate workers with the necessary skills to perform jobs that are offered at the minimum wage, and whether there are enough jobs that will absorb these job-seekers at the minimum wage. Employers face a simple calculation: Is the potential productivity of the new worker hired at the minimum wage at least as high as the minimum wage?

Within the United States and other OECD countries, economists view minimum wages with caution: 74 percent of American economists agree with minor caveats or fully agree that “a minimum wage increases unemployment among young and unskilled workers.”<sup>a</sup> Whether a minimum wage increases employment or not is relative to context. In 1992, Card and Krueger studied employment at fast food restaurants in New Jersey and concluded that an 18.8 increase in the minimum wage increased employment.<sup>b</sup> However, this result is atypical, and most studies that involve the entire labor market or the youth labor market suggest that an increase in the minimum wage decreases employment. In fact all minimum wage studies in developing countries—Brazil, Mexico, Colombia, Chile, Costa Rica, Trinidad and Tobago, Puerto Rico, and Indonesia—find a negative relationship between minimum wage and employment.<sup>c</sup>

In labor markets with strong regulatory frameworks, firms have only two options when the minimum wage rises: reduce workforce or pay more for the same amount of labor. In less formal economies, firms have a third option: substitute formal workers for informal workers. Thus, as the minimum wage increases in less developed countries, formal employment may decrease. Countries can potentially avoid the negative employment consequences of minimum wages by providing exceptions to specific industries or specific groups like uneducated youth from the minimum wage.<sup>d</sup> Specifically, educated and uneducated youth lack work experience, and thus, their marginal product typically isn’t worth the value of the minimum wage, which means the employer isn’t interested in hiring the youth and the youth fail to gain any experience. If the employer could pay less, youth could potentially break out of the vicious cycle of unemployment induced by the minimum wage.

<sup>a</sup> Fuller and Geide-Stevenson 2003.

<sup>b</sup> Card and Krueger 2000.

<sup>c</sup> Neumark and Wascher 2007.

<sup>d</sup> Scarpetta et al 2010.

low labor laws and be registered with the SSC. Due to their size and profitability, formal firms also tend to attract more skilled people. Nevertheless, the bunching in the informal sector suggests the minimum wage is binding—employers would like to hire people below 150 JD per month, but they cannot. Not all employers are worried about the minimum wage law: 33 percent and 7 percent of people working in the informal and formal sector, respectively, earn less than the then current minimum wage of 150 JD. Nearly a quarter of women (almost double the proportion of men) in the formal and informal sectors combined earn less than 150 JD per month, which suggests that

women are much more likely to be pushed below the minimum wage if they want to work.

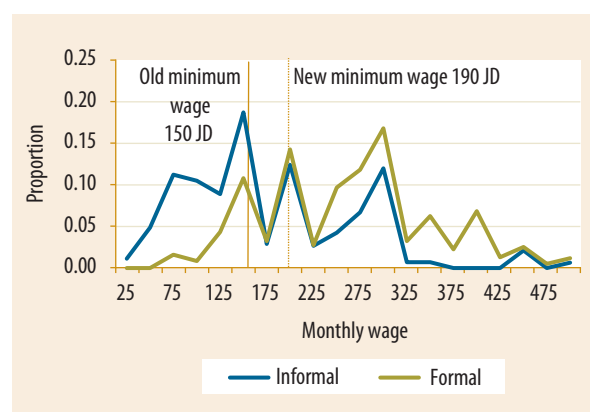
To summarize, the evaluation of the Jordan NOW pilot revealed that:

1. Job vouchers increased employment in the short run while training had little effect on employment;
2. Once the vouchers expired, firms were reluctant to continue to hire community college graduates at the minimum wage (which was 150 JD during the duration of the pilot, and has subsequently been raised), suggesting that the net productivity of the worker as perceived by the firm was low;
3. Job vouchers increased labor force participation by extending search duration; and
4. Very few of those employed were formally registered with social security.

The results point to a lack of job creation that constrains the demand for labor of these young workers. Boosting private sector led job creation in Jordan will require a comprehensive approach to employment creation which tackles supply side as well as demand side issues. The new Jordanian National Employment Strategy (NES) for instance, calls for reforms to the legal and regulatory environment to stimulate investments in high value added sectors, improve competitiveness and improve the business environment in Jordan, easing entry and exit especially for small and medium enterprises, revamping the vocational training programs to better match the needs of the labor market and measures to expand female participation in the workforce by providing flexible work options and a suitable working environment.

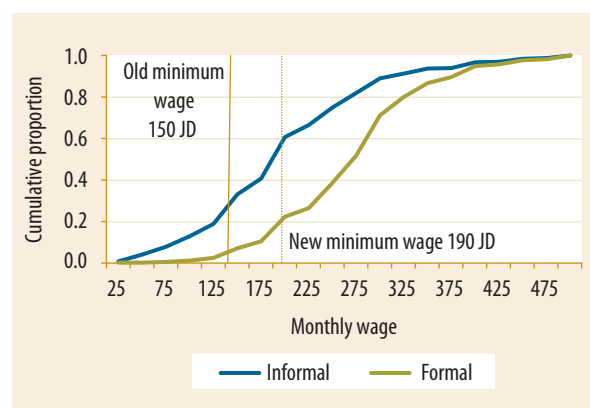
Numbers vary widely on how many jobs the Jordanian economy is producing every year. Based on the various sources, the NES estimates that around 65,000–70,000 jobs are created per year, around 40,000–45,000 of which go to Jordanians. However, just to keep the current unemployment rate (and also inactive population rate) constant, Jordan needs to create around 70,000 jobs for Jordanians per year. It would need to create even more jobs to start re-

**FIGURE 38.** Monthly Wages for Women between the Ages 19–29



Source: 2010 JLMPS.

**FIGURE 39.** Cumulative Graph of Monthly Wages for Men and Women between the Ages 19–29



Source: 2010 JLMPS.

ducing unemployment and increasing employment rates. Thus, even in the short term, concerted and coordinated efforts would need to be made to bring young people into productive employment in a manner that is compatible with robust economic growth and comprehensive reform over the medium term.

Within this context, we now turn to examining the lessons and policy implications of the Jordan NOW pilot. Employability skills training, while improving confidence and building a positive outlook, did not have any measurable effect on employment. At some level, given the limited spectrum of private sector jobs available for female community college graduates, it is no surprise that any training effects were overwhelmed by the sheer lack of opportunities. As for the job vouchers, while they did get graduates a foot in the door, and short term labor market experience, it is little too early to tell how this will translate into longer term labor market outcomes. It is important to note that the combination of employability skills with the voucher subsidy had no incremental effect on employment outcomes.

That being said, young educated Jordanians, on average, search for a job for more than 15 months after graduation. Given these very long spells of unemployment and search, a case can be made for speeding up the transition from school-to-work to minimize the risk of discouragement and dropout as well as provide an opportunity for accruing valuable experience and skills on the job. So even if the employment effects are relatively short-lived, the gains in terms of labor market experience and extending job search could make job vouchers a worthwhile policy option.

Another consideration in drawing broader lessons from the pilot is to keep in mind that the pilot targeted one of the hardest-to-reach groups, young female community college graduates. What lessons can be drawn from the pilot experience that could inform a scale-up to a broader target group like young educated males and female university graduates? Young female university graduates study many of the same fields as their community college counterparts and

face many of the same constraints to entering the labor market, as well as similarly high rates of discouragement from the labor market. Insofar as they display these similar characteristics, the lessons from the pilot may be relatively easy to generalize to the universe of young educated females in Jordan.

Turning now to educated male youth, while they also face long search durations, their opportunity set in terms of employment is far more diverse and they face far fewer restrictions in terms of mobility, suitability of jobs, and working hours. The latter also explains why over time, young males are far more likely to find employment than young females. On the one hand, educated young Jordanian men may have less of a need for the additional push that a voucher brings, but on the other hand, their greater mobility and access to job opportunities may allow them to rapidly reduce the duration of their transition from school to work. Insofar as they are more likely to find employment in high growth sectors, they will also be more likely to display more sustained employment outcomes.

Given the current context in Jordan and many other countries in the Middle East and North Africa of structurally high rates of youth unemployment, there may be scope for interventions such as job vouchers to help ease the transition from school to work and provide opportunities for gaining valuable labor market experience. In this spirit, and drawing on the lessons from the implementation and results of the Jordan NOW pilot, we offer the outlines of a potential scaled-up model of the voucher intervention (Annex III). The proposal emphasizes the importance of selecting the right target group, setting the subsidy at a rate that balances the incentives for firms to create productive and sustainable employment while making it worth their while to take a chance on young entrants into the labor market. Another critical element for any expansion of this type of voucher program must be a regular, comprehensive and accurate monitoring system, to track progress and make mid-course corrections, especially in the early stages of implementation.

## 7

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# Analysis

**TABLE 16.** Take-Up Regressions

	Training take-up		Voucher take-up	
	(1)	(2)	(3)	(4)
<i>Stratifying variables</i>				
Amman, Salt, or Zarqa	0.025 (0.040)	–0.022 (0.042)	–0.174*** (0.041)	–0.164*** (0.043)
Tawjihi score above median	–0.086** (0.040)	–0.079** (0.039)	0.001 (0.041)	–0.004 (0.041)
No desire to work full time	–0.099** (0.041)	–0.097** (0.041)	–0.047 (0.042)	–0.034 (0.041)
Is allowed to travel to the market alone	–0.031 (0.040)	–0.022 (0.039)	0.069* (0.041)	0.071* (0.041)
Dual treatment group	0.059 (0.039)	0.051 (0.039)	0.007 (0.040)	0.006 (0.040)
<i>Other variables according to baseline status</i>				
Married at baseline		–0.195*** (0.060)		–0.093 (0.061)
Wealth index		0.003 (0.011)		0.013 (0.012)
Number of brothers		0.020** (0.010)		0.015 (0.012)
Number of sisters		–0.007 (0.009)		–0.008 (0.009)
Has e-mail		0.115** (0.054)		–0.016 (0.058)
In admin/finance program		0.115*** (0.040)		–0.111*** (0.042)
Sample size	599	599	598	598

Source: 2011 Jordan NOW Endline.

Note: Huber-White standard errors in parentheses. \*, \*\*, and \*\*\* indicate significance at the 10, 5 and 1% levels respectively.



**TABLE 17.** Impacts on Different Dimensions of Employment

	Labor force participation	Employed	Employed and registered for Social Security (Survey)	Employed and registered for Social Security (Admin data)	Ever employed	Months employed since graduation	Hours worked last week	Work income (not conditional on working)	Work income (conditional on working)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<i>Panel A: Midline Results (April 2011)</i>									
Assigned to voucher	0.028 (0.031)	0.395*** (0.035)	0.045** (0.022)	0.005 (0.020)	0.357*** (0.036)	1.538*** (0.178)	13.416*** (1.301)	64.498*** (5.783)	23.730*** (8.175)
Assigned to training	-0.002 (0.033)	0.031 (0.031)	0.034 (0.022)	-0.002 (0.019)	0.059* (0.034)	0.238 (0.174)	1.100 (1.172)	5.709 (4.828)	5.599 (10.350)
Assigned to both	0.055 (0.046)	-0.022 (0.052)	-0.055 (0.034)	-0.010 (0.029)	-0.035 (0.054)	-0.159 (0.273)	-0.166 (1.963)	-4.245 (8.598)	-6.637 (11.142)
Sample size	1,237	1,237	1,237	1,282	1,237	1,237	1,237	1,237	448
Control mean	0.77	0.18	0.07	0.07	0.23	0.78	6.60	24.93	141.73

Source: 2011 Jordan NOW Endline

Note: Huber–White standard errors in parentheses. \*, \*\*, and \*\*\* indicate significance at the 10, 5 and 1% levels respectively.

All regressions also control for stratification dummies. Outcome of “Ever Employed” not available in midline survey.

**TABLE 18.** Heterogeneity of Employment Impact by Randomization Stratification Variables

Interaction	Amman	High aptitude	Low desire to work full-time	Allowed to travel to market alone
Dependent variable: Employed	(1)	(2)	(3)	(4)
<i>Panel A: Midline results (April 2011)</i>				
Assigned to voucher	0.504*** (0.043)	0.426*** (0.050)	0.380*** (0.046)	0.339*** (0.049)
Assigned to training	0.019 (0.033)	0.062 (0.043)	0.022 (0.042)	0.049 (0.044)
Assigned to both	0.021 (0.064)	-0.041 (0.076)	-0.013 (0.069)	0.024 (0.075)
Voucher* interaction	-0.254*** (0.071)	-0.057 (0.069)	0.036 (0.070)	0.111 (0.069)
Training* interaction	0.021 (0.064)	-0.056 (0.062)	0.023 (0.061)	-0.033 (0.062)
Both* interaction	-0.086 (0.105)	0.035 (0.104)	-0.022 (0.105)	-0.094 (0.104)
Sample size	1,237	1,237	1,237	1,237
Control mean when Interaction=0	0.10	0.14	0.22	0.163
Control mean when Interaction =1	0.28	0.21	0.12	0.19

Source: 2011 Jordan NOW Endline

Note: Huber–White standard errors in parentheses. \*, \*\*, and \*\*\* indicate significance at the 10, 5 and 1% levels respectively. All regressions also control for stratification dummies.

**TABLE 19.** Impacts on Different Dimensions of Employment

	Labor force participation	Employed	Employed and registered for Social Security (Survey)	Employed and registered for Social Security (Admin data)	Ever employed	Months employed since graduation	Hours worked last week	Work income (not conditional on working)	Work income (conditional on working)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<i>Panel B: Endline results (December 2011)</i>									
Assigned to voucher	0.100*** (0.037)	0.028 (0.032)	0.016 (0.026)	-0.015 (0.026)	0.272*** (0.036)	2.456*** (0.393)	1.534 (1.426)	5.573 (6.061)	5.006 (10.096)
Assigned to training	0.054 (0.037)	0.015 (0.032)	0.039 (0.027)	-0.005 (0.026)	0.036 (0.037)	0.115 (0.368)	1.534 (1.448)	0.790 (5.783)	-11.631 (10.602)
Assigned to both	-0.044 (0.055)	-0.025 (0.048)	-0.066* (0.039)	-0.012 (0.038)	0.037 (0.054)	-0.104 (0.574)	-1.455 (2.201)	-1.291 (9.060)	13.850 (15.108)
Sample size	1,287	1,287	1,249	1,282	1,250	1,249	1,249	1,249	312
Control mean	0.484	0.229	0.148	0.126	0.388	2.626	9.579	39.534	168.958

Source: 2011 Jordan NOW Endline

Note: Huber-White standard errors in parentheses. \*, \*\*, and \*\*\* indicate significance at the 10, 5 and 1% levels respectively. All regressions also control for stratification dummies. Outcome of "Ever Employed" not available in midline survey.

**TABLE 20.** Heterogeneity of Employment Impact by Randomization Stratification Variables

Interaction	Amman	High aptitude	Low desire to work full-time	Allowed to travel to market alone
Dependent variable: Employed	(1)	(2)	(3)	(4)
<i>Panel B: Endline results (December 2011)</i>				
Assigned to voucher	0.085** (0.037)	0.013 (0.044)	-0.007 (0.043)	0.031 (0.045)
Assigned to training	0.061* (0.035)	0.015 (0.045)	0.012 (0.044)	-0.026 (0.042)
Assigned to both	-0.059 (0.057)	0.022 (0.068)	-0.019 (0.065)	-0.004 (0.066)
Voucher* interaction	-0.130* (0.066)	0.028 (0.063)	0.088 (0.064)	-0.005 (0.064)
Training* interaction	-0.104 (0.066)	0.001 (0.063)	0.009 (0.062)	0.080 (0.063)
Both* interaction	0.078 (0.099)	-0.085 (0.096)	-0.016 (0.096)	-0.039 (0.096)
Sample size	1,287	1,287	1,287	1,287
Control mean when Interaction=0	0.11	0.21	0.28	0.22
Control mean when Interaction =1	0.39	0.25	0.16	0.23

Source: 2011 Jordan NOW Endline.

Note: Huber-White standard errors in parentheses. \*, \*\*, and \*\*\* indicate significance at the 10, 5 and 1% levels respectively. All regressions also control for stratification dummies.

**TABLE 21.** Impacts on Wellbeing, Empowerment, Attitudes, and Marriage at Endline

	Life ladder (1)	Life ladder future (2)	MHI 5 (3)	Severely poor MH (4)	Mobility index (5)	Empowerment index (6)	Married (7)
Assigned to voucher	0.577*** (0.180)	-0.201 (0.159)	-0.177 (0.276)	0.017 (0.031)	-0.526*** (0.141)	-0.060 (0.068)	0.026 (0.036)
Assigned to training	0.283 (0.185)	0.266** (0.131)	0.582** (0.281)	-0.048* (0.029)	-0.072 (0.120)	-0.018 (0.072)	-0.003 (0.036)
Assigned to both	-1.005*** (0.265)	-0.071 (0.210)	-0.553 (0.415)	0.030 (0.045)	0.834*** (0.186)	0.084 (0.102)	-0.032 (0.053)
Sample size	1,249	1,249	1,249	1,249	1,249	1,249	1,249
Control mean	4.970	8.128	19.266	0.197	5.259	4.847	0.313

Source: 2011 Jordan NOW Endline.

Note: Huber–White standard errors in parentheses. \*, \*\*, and \*\*\* indicate significance at the 10, 5 and 1% levels respectively. All regressions also control for stratification dummies. Severely Poor MH indicates MHI–5 index is below 17.



# Implementation

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## 1. Jordan NOW Fact Sheet

### الأردن الآن فرص عمل لخريجات الكليات الجامعية المتوسطة



### معلومات خاصة بقسيمة عمل

تهانينا! لقد تم اختيارك لاستلام قسيمة العمل التي يقدمها برنامج الأردن الآن لخريجائه. ستساعدك هذه النشرة على الاستفادة من هذه الفرصة. يهدف برنامج الأردن الآن إلى زيادة مشاركة الخريجات من الكليات الجامعية المتوسطة في عام 2010 في سوق العمل.

#### ما هي قسيمة العمل؟

قسيمة العمل هي عبارة عن ضمان خطي بأن يدفع البرنامج مبلغاً وقدره 150 ديناراً شهرياً لمدة 6 أشهر إلى الشركات وأصحاب العمل الذين يقومون بتوظيف الخريجات اللواتي حصلن على قسيمة العمل. ستقوم الخريجات المستفيدات من القسيمة بالإشارة إلى الأمور التالية في سيرتهن الذاتية: (أ) مشاركتهن في هذا البرنامج الريادي، (ب) اختيارهن لاستلام قسيمة العمل، وعند إجراء المقابلات الشخصية لإية وظيفة شاغرة ستقدم الخريجات نسخة من قسيمة العمل لصاحب العمل كإثبات على اختيارهن في البرنامج. تحتوي قسيمة العمل على الشروط التي يلتزم بموجبها البرنامج تجاه القسيمة. تنتهي صلاحية جميع القسائم في 31 آب 2011.

ولقد صممت القسائم من أجل تشجيع الشركات وأصحاب العمل على توظيف المزيد من خريجات الكليات الجامعية المتوسطة لتتاح لهن فرصة اكتساب خبرات في مجالات العمل ذات الصلة بمجال تخصصاتهن ولبناء سمعة جيدة تتيح للخريجات فرص عمل مستقبلية لدى الشركة التي وظفتهن بناءً على القسيمة أو لدى شركات أخرى.

#### الأفضلية للخريجات اللواتي يتقدمن أولاً للحصول على القسيمة

سيقدم البرنامج 600 قسيمة عمل، وسيعطي الأفضلية لأول 450 من الخريجات اللاتي يتمكن من إيجاد فرص عمل قبل زميلاتهن الأخريات. لقد خصصنا هذا العدد الكبير لتشجيع الخريجات على التنافس على فرص العمل. لذا، فإنه من الضروري أن تحاول كل خريجة تحصل على القسيمة أن تبحث عن عمل في أسرع وقت ممكن من أجل تحسين فرصتها في الاستفادة من مبلغ المائة وخمسون ديناراً الذي سيدفعه البرنامج للشركة التي ستقوم بتعيين الخريجة.

#### هل تضمن القسيمة لحاملتها فرص عمل؟

لا تضمن هذه القسيمة لحاملتها فرصة الحصول على عمل كما أنها لا تبحث لها عن العمل. انما، وكجزء من البرنامج الريادي، ستسهل البحث عن العمل للخريجات من خلال العمل على الاعلان عن البرنامج والترويج له بين شركات القطاع الخاص. ومع ذلك، فإننا نتوقع من الخريجات اللواتي يتم اختيارهن أن يحاولن بأنفسهن البحث عن فرص عمل بجهودهن الذاتية، وأن يتفاوضن على شروط عقودهن.

يتوجب على الخريجات وعلى الشركات التي توظفهن أن يلتزموا بأنظمة وتشريعات العمل الأردنية. لا توجد أية استثناءات بهذا الصدد بالنسبة للمشاركة في المشروع سوى أن البرنامج سيدفع للشركة التي ستقوم بتوظيف الخريجة مبلغاً وقدره 150 ديناراً فقط عن طريق الشركة أو صاحب العمل ولدة أقصاها 6 أشهر. بعبارة أخرى، لدى الشركة حرية اختيار (أ) دفع راتب لا يقل عن 150 ديناراً للخريجة شهرياً، أو (ب) دفع أي مبلغ إضافي يتجاوز هذا المبلغ المرصود من قبل البرنامج.

## 2. Jordan NOW Training letter

### الأردن الآن فرص عمل لخريجات الكليات الجامعية المتوسطة



عزيزتي الخريجة:

الرقم التعريفي:

#### الشق التدريبي لمشروع الأردن الآن

تهانينا! لقد تم اختيارك للشق التدريبي الخاص ببرنامج الأردن الآن والمتعلق بمهارات البحث عن عمل. ينفذ البنك الدولي، بالتعاون مع وزارة التخطيط والتعاون الدولي، واللجنة الوطنية لشؤون المرأة، وجامعة البلقاء التطبيقية وغرفتي الصناعة والتجارة، برنامجاً ريادياً لزيادة فرص العمل لخريجات الكليات الجامعية المتوسطة في الأردن.

مع ارتفاع نسبة البطالة بين الشباب الأردني، يركز المشروع على طالبات الكليات الجامعية المتوسطة اللاتي أنهين دراستهن مؤخراً وبدأن رحلة البحث عن عمل. يعتبر الانتقال إلى مهارات العمل، بشكل خاص، من أهم العقبات التي تحول دون حصول خريجي الكليات على فرص عمل. لذا، يسعدنا في البنك الدولي أن نقدم لك فرصة تدريب مكثفة مجانية تدور حول موضوعات مثل كتابة السيرة الذاتية، كتابة الرسائل الخاصة بالعمل، المهارات الخاصة بمقابلات العمل، التفكير الإيجابي، والتميز في تقديم الخدمة. لقد تم اختيار هذه الموضوعات بعد حوار مع أصحاب العمل الذين أكدوا على أهمية امتلاك الخريجين الجدد لمثل هذه المهارات.

نأمل من خلال تقديم التدريب على المهارات الواردة أعلاه أن توفر فرصة للطلبة للحصول على مهارات إضافية تكون داعمة للمهارات المهنية التي اكتسبوها خلال دراستهم في كليات المجتمع لتساعدكم في الحصول بسهولة أكبر على فرص عمل.

وسيقوم بالتدريب مركز تطوير الأعمال وهي منظمة دولية غير حكومية رائدة في مجال التدريب على مهارات التوظيف تعمل في الأردن وفي مختلف أنحاء المنطقة. يتم إختيار المدربين من بين مجموعة من الخبراء من ذوي الكفاءات العالية الذين يتمتعون بالمؤهلات اللازمة التي من شأنها أن تضفي على مهاراتهم العلمية خبراتهم في العمل مع القطاع الخاص. وسيقدم الخبراء تدريباً موجهاً وإرشاداً من أجل مساعدة الخريجات ليصبحن مؤهلات للحصول على الوظائف. يستمر التدريب على مدى 45 ساعة ولمدة 9 أيام بمشاركة 30 طالبة في كل صف من الصفوف. سيبدأ التدريب في 25 أيلول / سبتمبر، وستوزع على المشاركات شهادات عند إتمام الدورة التدريبية بنجاح.

من شأن هذه المبادرة أن تحسن فرص الخريجات في الحصول على الوظائف وتعزز من تقدمهم المهني على المدى الطويل.

هذا العرض موجه لك، ولا يمكنك أن تمنعته لأي شخص آخر. نرجو منك تعبئة النموذج المرفق وإرسال نسخة إلى العنوان التالي:

إدارة البرنامج : مركز تطوير الأعمال هاتف: 5865002 (06) فرعي 206  
ضابط الارتباط: ولاء جلاد فاكس: 5865003 (06) البريد الإلكتروني: wjallad@bdc.org.jo

**حظاً سعيداً!**

### 3. Jordan NOW Voucher letter







**الأردن الآن** فرص عمل لخريجات الكليات الجامعية المتوسطة

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**6 أشهر. عليك قراءة الشروط والتعليمات بالنشر المرفقة الخاصة**  
**بقسيمة العمل التي تشرح آليات عمل القسيمة.**

الرقم التعريفي أدناه ضروري ويمكنك من الاستفادة من المزايا المختلفة للبرنامج ومن التواصل مع إدارة البرنامج شركة الدجاني للاستشارات. الرجاء قراءة النشرة المرفقة بعناية والتي تبين لك الآلية التي يتوجب عليك اتباعها. إذا وافقت على المشاركة والالتزام يرجى إرسال نموذج الإقرار بأنك قد قرأت النشرة واثق توافقتين على شروط المشاركة. يمكنك أيضاً أن توفقي وأن تسلمي هذا النموذج إلينا خلال هذه الجلسة الخاصة بتقديم معلومات عن البرنامج.

**تبدأ صلاحية هذه القسيمة في 2010/10/10 وتنتهي في 2011/8/31**

**حظاً سعيداً!**

إدارة البرنامج : شركة الدجاني للاستشارات الإدارية والإقتصادية  
 هاتف: 5665484 (06)  
 فاكس: 5602939 (06)  
 البريد الإلكتروني: Jordan.now@dajaniconsulting.co

  
 Management & Economic Consultants

**قسيمة العمل**

عزيزتي الخريجة:  
 الرقم التعريفي:  
 تهانينا! لقد تم اختيارك للحصول على قسيمة العمل الخاصة بأحد مكونات برنامج الأردن الآن.

ينفذ البنك الدولي، بالتعاون مع اللجنة الوطنية الأردنية لشؤون المرأة ووزارة التخطيط والتعاون الدولي وجامعة البلقاء التطبيقية وغرفتي الصناعة والتجارة، برنامجاً ريادياً لزيادة فرص العمل لخريجات الكليات الجامعية المتوسطة في الأردن.

مع ارتفاع نسبة البطالة بين الشباب الأردني، يركز المشروع على مطالبات الكليات الجامعية المتوسطة الثلاثي انهن دراستهن مؤخراً وبدأن البحث عن عمل. يعتبر الافتقار إلى مهارات العمل، بشكل خاص، من أهم العقبات التي تحول دون حصول خريجي الكليات الجامعية المتوسطة على فرص عمل. تعتبر هذه الرسالة بمثابة قسيمة العمل، يؤكد برنامج الأردن الآن بموجبها بأنه سيكون ملزماً قانونياً بتسديد مبلغ وقدره 150 ديناراً أردنياً شهرياً بدل راتب لأي شركة مسجلة قانونياً تستخدمك بدوام كامل ولدة تصل إلى



## 4. Jordan NOW Newspaper Ad

## إلى المؤسسات وأصحاب العمل

## هل تبحثون عن

## خريجات مدربات برواتب مدعومة ؟

### الأردن الآن

فرص عمل لخريجات الكليات الجامعية المتوسطة

### إنضم معنا لبرنامج الأردن الآن الذي يوفر لك الفرصة لتحقيق ذلك

**ما هو برنامج الأردن الآن؟**

هو برنامج ريادي بدعم من البنك الدولي وبالتعاون مع وزارة التخطيط والتعاون الدولي و غرفتي الصناعة والتجارة الأردنية واللجنة الوطنية الأردنية لشؤون المرأة. يهدف البرنامج إلى زيادة مشاركة المرأة في سوق العمل، وبخاصة فئة الفتيات حديثات التخرج من الكليات الجامعية المتوسطة، حيث يتيح البرنامج الفرصة لأصحاب العمل خلق وظائف حقيقية للخريجات ليصبحن أعضاء منتجين في المجتمع، وذلك من خلال:

**أولاً:** تدريبهن على المهارات المهنية اللازمة للتوظيف بالتعاون مع مركز تطوير الأعمال.

**ثانياً:** تزويدهن بقسائم وظيفية، تضمن لأرباب العمل المستعدين لتوظيفهن الحصول على دعم مادي مقابل ذلك.

**من هي المؤسسات المؤهلة للاستفادة من الدعم؟**

إلى أصحاب العمل المهتمين بالمشاركة وتوظيف خريجات فوج ٢٠١٠ اللاتي تم إختيارهن من قبل إدارة البرنامج، إستيفاء شروط التأهيل وتقديم الوثائق التالية:

**للمزيد من المعلومات الإتصل:**

**شركة دجاني للاستشارات الادارية والاقتصادية**

هاتف : ٥٦٦٥٤٨٤ (٠٦)

فاكس : ٥٦٠٢٩٢٩ (٠٦)

البريد الإلكتروني: jordan.now@dajaniconsulting.com

**للمزيد من المعلومات يرجى زيارة الموقع الإلكتروني،**

<http://sites.google.com/site/jordannowarabic>

- (١) صورة عن رخصة المهن الصادرة عن البلدية
- (٢) صورة عن شهادة تسجيل المؤسسة مع الجهة الرسمية المعنية سواء كانت غرفة الصناعة أو التجارة أو وزارة التنمية الاجتماعية أو غيرها من الوزارات.
- (٣) رقم حساب مصرفي لتحويل قيمة القسيمة
- (٤) العنوان الكامل ورقم هاتف الشركة أو صاحب العمل
- (٥) عرض عمل أو كتاب تعيين يتضمن اسم الموظفة ويوضح مهامها الوظيفية.
- (٦) راتب شهري لا يقل عن الحد الأدنى للأجور، البالغ ١٥٠ ديناراً شهرياً ولمدة أقصاها ٦ أشهر.



Dajani Consulting  
Management & Economic Consultants



غرفة صناعية الأردن  
Jordan Chamber of Industry



البنك الأردني  
The Jordanian Bank



BDC  
Business Development Center  
مركز تنمية المشاريع



الوزارة  
Ministry of Planning



الوزارة  
Ministry of Trade and Industry

## 5. Jordan NOW Employability Skills Training ToR

### Terms of Reference

#### *Employability Skills Training*

These terms of reference lay out the details of the employability skills training component of the Jordan Employment Pilot, implemented by the World Bank with coordination and support from the Ministry of Planning and International Cooperation.

#### ***Project background and objectives:***

The proposed pilot program will experimentally test the effectiveness of specifically designed interventions, targeted at recent female community college graduates to promote their employment opportunities. This specific TOR pertains to the provision of employability skills training, which provides job seekers with interpersonal and professional skills that employers look for when hiring new graduates.

#### ***Scope of work — Employability skills training:***

The aim of this training is to equip young graduates with particular cross-cutting professional skills, which are lacking in typical community college curricula. The consultant firm will design the training curricula. The training curriculum defines the content of the training program.

The proposed program will be conducted over **50 hours** over a 2-week period (5 hours per day over 10 days) for a maximum of 30 participants in each training session. It **will** tackle topics related to soft skills, interpersonal and management skills as follows:

- Positive Thinking (1 day)
- Effective Communication Skills (1 day)
- Effective Presentation Skills (2 days)
- Team Building and Team Work (2 days)
- Excellence in Service (1 day)
- CV Writing and Interviewing Skills (2 days)
- Business Writing (1 day)

The consultant firm will follow a demand driven skill-building and experience-sharing approach in offering its skill building programs to make it effective, exciting and interesting for the participants. This includes:

- **Innovative Thinking and Flexible Learning:**  
The sessions will not be based on a lecture format, rather on active participation and the cooperative learning concept. The consultant firm will strive to portray the program as a powerful facilitator guiding change and excellence utilizing Thinking Games to encourage participants to challenge themselves to create new results. Moreover, special visual learning experiences and powerful demonstrations will be offered to make the whole training, a wonderful and high energy experience.
- **Measurable:**  
The consultant firm will utilize measurement and evaluation system which is unique and encourage deeper involvement of participants. Sessions at the program will be evaluated utilizing both qualitative and quantitative data collection methods such as surveys, written questionnaires, and verbal feedback from participants, and trainers.
- **Extensive Customization**  
Each program will be customized in a way to meet the needs of the community college graduates.

As a means of insuring quality control, the consultant firm must guarantee a level of consistency across the concurrent training sessions. Whether this is achieved through a training of trainers (TOT) or a standard curriculum will be left to the discretion of the consultant firm.

### Detailed Training Outline:

#### • **Communication and Presentation Skills**

##### *General objective:*

This program aims to introduce participants to modern concepts of the communication process as

well as develop their skills in communicating and dealing with others in a positive manner.

*Topics:*

- The communication process: concept, importance, elements
- Stages of communication, and obstacles.
- Communication Skills
- Listening skills
- Oral skills
- Writing reports

- **Team Work / Team Building**

*General objective:*

This program aims to provide participants with knowledge for team-building and the importance of teamwork in business performance in addition to the skills necessary to adopt the teamwork spirit which will reflect positively on their performance and attitudes in their professional lives.

*Topics:*

- Teams: concept, importance, composition
- Stages team creation / building
- Types and roles of team members
- Characteristics of the effective team
- Principles and characteristics of team work
- The Evaluation and measurement of team performance

- **Positive Thinking**

*General objective:*

This program aims to provide participants with the needed skills to switch negative to positive and to be able to utilize that in business situations.

*Topics:*

- How to identify negative thinking and behavior habits.
- Methods, models and techniques for switching negative to positive.
- Thinking systems for success—planning the positive future.
- Visualization techniques to transform business situations.

## **CV Writing and Interviewing Skills**

*General objective:*

By the end of the training, university students/graduates will have written their Curriculum Vitae and will gain an insight on how to perform well in a job interview.

*Topics for CV Writing*

### **1. Introduction**

1. What is a “CV”?
2. Why do we write a “CV”?
3. Different Types of “CV”
4. CV Main Rules

### **2. The Cover Letter.**

1. Cover Letter Hints

### **3. Before Writing the CV.**

1. Visual Layout
2. Fonts and Sizes
3. Results orientated CV
4. How to test your CV

### **4. Writing the CV.**

1. How To Write a CV
2. The Order
3. Heading
4. Heading Examples
5. Good Heading Example
6. Objective
7. Professional Experience
8. Training / Part Time Jobs
9. Education
10. Certifications and Awards
11. Successful Achievements
12. Languages
13. Skills

### **5. Updating Your CV.**

1. What updates?
2. Visual Layout Updates

*Topics for Interviewing Skills:***1. The Ins and Outs of Interviewing**

1. Interviewing-What is it?
2. Types of Interviews
3. Pre-Interview Preparation
4. Arriving
5. Greeting & Introduction
6. Body Language: What signals are you sending?
7. Types of Interview Questions
8. General Interview Strategies
9. Dressing for Success-Men
10. Dressing for Success-Women

**2. Business Writing***General objective:*

The main objective of the session is to introduce the concept of business writing to the participants and the need for systematic writing. The participants will be introduced to different types of correspondences and writing methods.

*Topics:*

- Objects of business writing
- Fundamentals of business writing
- Types of correspondences
- Means of delivery
- Correspondences layout
  - Template
  - Date & reference
  - Attention
  - Subject
  - Body
  - Signature
- Common phrases
- Fax
- E-mail
- Memo
- Commercial offers

**4. Excellence in Service***General objective:*

This program aims to provide participants with the concept of customer service in the aim of raising the level and quality of services, as well as develop the participants' skills in dealing with customers, clients, and the public.

*Topics:*

- A general introduction of the “service”
- The importance of the service in labor market
- The client / customer and its importance
- What is a high quality service?
- How to gain and maintain a clients' satisfaction
- The mechanism of communicating with a unsatisfied customer
- Types of customers
- Handling Complaints
- The art of dealing with the public (clients and customers).
- The importance of listening skills
- Skills needed for Call Centers

**5. Monitoring and Evaluation**

The training programs will be delivered to have an impact at different levels, including the individual level (e.g. change in graduates skill sets gained in the training program) and the organizational level (e.g. change in their professional career development). The consultant firm's monitoring and evaluation activities and tools will track the progress and sustainability of these changes over time utilizing the following tools:

- **On-going Communication:** The consultant firm will be in constant communication with graduates, to monitor learning process, outputs, and benefits.
- **Training evaluations:** Following each training both qualitative and quantitative data will be collected through surveys, written questionnaires, and verbal feedback from participants, and trainers. In addition, and to ensure maximum benefit; our trainers examine participants' skill levels during the training, identify the causes of performance gaps, and then select the method of intervention to correct the situation.
- **Continuous Reporting:** The consultant firm will continuously report to the World Bank and Ministry of Planning and International Cooperation regarding the training component.

***Deliverables:***

- Developing custom-made training program.
- Delivering 20 training Programs of 50 training hours each
  - (Total of 600 trainees—approximately 30 participants in each program).
- Insuring quality control and consistency of the training.
- Providing quality venues that are easily accessible.
- Monitoring and evaluating the training, reporting results to the World Bank team.
- Managing the training component of the program.
- Administering an evaluation of the training during the final sessions.

***Target population:***

Eligible training recipients will consist of community college students who successfully graduate. Out of the universe of all graduating community college students, we will randomly select 600 young graduates from eight preselected BAU colleges (using a lottery) to take part in this training:

Community College	Governorate
Amman University College	Amman
Princess Alia University College	Amman
Al-Huson University College	Irbid
Irbid University College	Irbid
Ajloun University College	Ajloun
Zarqa University College	Zarqa
Al-Karak University College	Al-Karak
Al-Salt College	Al-Salt

While the lottery will insure fairness in determining the training recipients, this project has a special focus on female graduates, therefore all participants will be female.

***Training Dates and Implementation:***

Due to time restrictions during Ramadan, training should commence immediately after the conclusion

of Eid Al-Fitr. In order to insure that this training will generate a substantial difference in the professional and workplace capabilities of recipients, we estimate that a 2 week period of 50 training hours will be required.

As the targeted students will be spread out in 6 different governorates, the consultant firm must possess the capacity to initiate multiple training sessions simultaneously in the allotted month of training, covering beneficiaries from all 8 colleges at the same time.

***Terms and Conditions:***

**Please note that the consultant firm is *not required* to provide job matching services to trainees as a part of this training.** While it is the World Bank's responsibility to select and recruit the training recipients, the consultant firm is responsible for coordinating and informing these training recipients of the time and location of their training session, using contact information provided by the bank team.

The World Bank team reserves the right to extend, reduce, or terminate the contract or suspend payments in case the survey firm does not properly perform her work and obligations. In addition, the contract may also expire if the World Bank team decides to put an end to the study.

## 6. Jordan NOW MIS and Voucher Fund Implementation and Supervision Terms of Reference

### Terms of Reference

#### Monitoring Information System and Fund Disbursement

#### Jordan NOW: New Work Opportunities for Women Pilot Program

These terms of reference (ToRs) specify the objectives and requirements for a consultant to set up and manage the Monitoring Information System (MIS) including the tracking of vouchers, firms and gradu-



ates for the Jordan New Work Opportunities for Women (Jordan NOW) Pilot. These services also include support during the inception and implementation phase in the form of printing materials and dissemination of information to participating graduates and interested firms, provision of regular feedback on take-up by graduates and firms, and verification of eligibility criteria. These ToRs also clarify the roles, responsibilities and implementation arrangements for managing, supervising and disbursing funds for the job voucher component of Jordan NOW.

Jordan NOW is implemented by the World Bank with coordination and support from the Ministry of Planning and International Cooperation (MoPIC).

### Project Background and Objectives:

Jordan NOW is a new initiative that aims to increase female labor force participation amongst recent graduates from eight community colleges. Young women who have passed the comprehensive examinations in August 2010 will be selected through a lottery to receive one or both of the following interventions:

1. Job vouchers: A job voucher with the face value of 150 JD per month for a maximum of 6 months. This voucher is intended as a short-term incentive for employers to take a chance on hiring new graduates, and provide an opportunity for young women to gain valuable work experience.
2. Training: A 50-hour intensive training in employability skills implemented by the Business Development Center

The pilot program will experimentally test the effectiveness of these interventions; a baseline for the impact evaluation was conducted in July 2010.

### Scope of Work:

**The scope of work consists of two main activities:**

1. **Consultancy services including MIS, tracking and verification of eligibility, and support for dissemination activities**
2. **Management, supervision and disbursement of funds for job voucher component**

### A. Consultancy Services

**The MIS will track, update information, and provide monthly progress reports on two target segments (See Annex II on MIS):**

1. Young female graduates who have been selected through the lottery to receive job vouchers. The estimated number of female graduates to be monitored is 600. Of these, 450 graduates who first secure valid employment will benefit from the voucher. These young women have successfully graduated from eight Al-Balqa University (BAU) colleges:

Community college	Governorate
Amman University College	Amman
Princess Alia University College	Amman
Al-Huson University College	Irbid
Irbid University College	Irbid
Ajloun University College	Ajloun
Zarqa University College	Zarqa
Al-Karak University College	Al-Karak
Al-Salt College	Al-Salt

2. All firms and organizations who participate in Jordan NOW as employers of these female community college graduates.

**The consultant will be responsible for verifying employment according to the following criteria:**

If any firm or organization, public or private, agrees to employ the graduate, then the organization needs to satisfy the following eligibility conditions and submit documentation for verification:

- Valid municipality work permit
- Proof of registration: For instance, private companies may be registered with the Jordanian Chamber of Commerce or Jordanian Chamber of Industries; NGOs may be registered with relevant line ministries

- Bank account and willingness to share details with the consultant; The employer must also ensure a suitable protocol exists for receiving bank-to-bank transfers.<sup>9</sup>
- Official letter of appointment or employment contract stipulating terms and job description signed by employer and employee
- Minimum wage offer of JD 150 per month

The consultant will verify valid employment upon receiving from the firm via fax or email the following as proof of eligibility in order to register into the voucher program:

1. Photocopy of the municipality work permit
2. Photocopy of registration certificate from the appropriate agency
3. The employing firm must have a bank account to receive the payments and must be willing to share this information with the consultant
4. Full address
5. Business phone contact number
6. Appointment letter or employment contract with the graduate's name stamped with the firm's seal and which states the salary (a minimum wage offer of JD 150 is required) and explains duties and responsibilities under this position. This documentation must be supported by a copy of the graduate's ID card. In case all conditions were fulfilled and proof received from the employer, a formal acceptance letter will be issued by the program to the employer.

This registration is compulsory to avail of the job voucher; no payment will be released until the consultant verifies that the firm is eligible to participate. By providing the job appointment letter the employer confirms his/her consent to comply with other program conditions as described in section (B) (ii) of this TORs.

**The consultant will support information and dissemination activities by:**

1. Printing all documentation for the student information sessions—information sheets, voucher letters and training letters, organizing these packages and verifying the identity of the recipients.

2. The consultant must provide a dedicated contact email address and phone number for Jordan NOW that any interested graduate and firm may use for further enquiries.<sup>10</sup>
3. The consultant is expected to make efforts in collaboration with the World Bank team to ensure that there is a maximum take-up in the program. The consultant is not expected to make any efforts to help graduates find jobs. The consultant will be however expected to help in making the firm understand this is a legitimate offer and easy to use.<sup>11</sup>
4. Whether the job voucher is cashed or not depends on business and other conditions, and the consultant is not expected to make any efforts to that end. As such the consultant will not be held responsible for the number of graduates that will be able to benefit from the voucher scheme.
5. An audit of the intervention will be carried out around 3 months into the program by a third party and the consultant will be expected to provide all relevant information concerning the implementation of the component to the auditors.

**B. *Management, supervision and disbursement of funds under the job voucher component***

**The consultant will be responsible for managing a fund for payments to firms under the job voucher component; for supervision of this fund; and for disbursement of funds upon stringent verification of eligibility criteria and employment contracts. The consultant will be responsible for reimbursing firms 150 JD per month for a maxi-**

<sup>9</sup> In the absence of a clear protocol, including the absence of a bank account into which transfers can be made or unwillingness to share bank details, reimbursements against vouchers will not be possible.

<sup>10</sup> In handling enquiries, the consultant must follow project guidelines as set out in project brochures and flyers. Any clarifications will be handled as necessary and on a case-by-case basis by the World Bank team, with the approval of the TTL.

<sup>11</sup> In the absence of a formal appointment letter or employment contract, an employment agreement will be signed by the employer and the graduate. This agreement will be drafted by the consultant and approved by the TTL.



**num of 6 months upon successful verification of employment and bank details.**

The logistics for these activities are described below:

1. Once the MIS is designed and functioning, and accounting and management support teams are in place, the consultant will begin the process of verification of eligibility.
2. The following verification and payment rules must be followed for each approved disbursement:
  - a. Upon the start of the employment, both the firm and the graduate will be required to confirm their employment with the consultant by the 25<sup>th</sup> of each month. A grace period of 7 days from the 25<sup>th</sup> will be allowed. Failure to confirm employment status on either side beyond that will result in payments being reimbursed at the next monthly cycle, along with any reimbursements that may be due for the next month. Failure to confirm employment status for two continuous monthly cycles may risk a termination of benefits from the program. Each of these payments is a reimbursement: The employer must pay the salary first, and upon verification, the program will reimburse the employer through a bank transfer
  - b. The employment should be at least one month long to receive the first payment. The firms and students will also be monitored by the consultant each month to verify continued employment in the firm. In addition, random visits will be paid to firms reporting having hired a graduate by the administrator of the voucher program to ensure that reimbursement claims are legitimate. If these conditions are not satisfied, the consultant will stop the job-voucher payments and bar the student and the firm from further participation.
  - c. The consultant must verify bank account details provided by the employer.
3. Once each month, on the 3<sup>rd</sup> of the month or earlier, beginning in November 2010, the consultant must provide the TTL with the list of all employers and graduates who have entered

into an employment contract and have satisfied all eligibility criteria. This list must be linked to bank details and transfer amounts for payments due for the preceding month. Upon submission of this list and the TTL's approval, an amount equal to the total will be transferred to the fund for disbursements to the approved firms.

4. All transfers from the voucher account to the employer must be tracked in the MIS, and a bi-monthly report on all transfers in the form of formal bank statements must be submitted to the TTL.

### Methodology

The services will be provided on three phases:

#### 1. Inception Phase:

The consultant shall provide assistance to the Jordan NOW pilot to help in launching the program by contributing to the following aspects:

1. Facilitating contact with the community colleges administration for coordination purposes.
2. Supervising the design and production of information documents such as fact sheet, voucher, training letter and other material if necessary.
3. Attending some of the information and public awareness sessions organized for selected graduates at colleges by the World Bank and MoPIC, and participate in presentation and answering graduates questions.

The duration of this phase is about four weeks.

#### 2. Setup Phase:

The consultant shall prepare and install the required database and MIS system for monitoring and follow up of graduates after the launching of the program. The set up will also include the development of forms and files to be use in the monitoring process. The database will be structured to contain the essential information of the graduates (voucher serial number, ID number, registration number, name, college, address, etc.). This phase will consist of the following steps:

1. Prepare a classified list of interested employers (according to sectors) with the required specializations and vacancies (if available). The list will be entered in the system including enterprises' basic information and contact addresses. This will be done in coordination with the Chambers of Industry and Commerce.
2. Prepare a classified list of the interested target graduates including their information to be entered in the system. Initially, there will be 600 graduates in the database, but eventually the records of monitoring will include only the ones who managed to benefit from the vouchers and get stable jobs.
3. Design and produce a brochure or flyer to be distributed to the Chambers of Industry and Commerce and among graduates, in order to advertise and raise awareness among enterprises about the program. The quantity of flyers shall be determined later.
4. Design the MIS according to the criteria needed to manage the program. The MIS shall include records of the job vouchers and job locations; follow up steps, inspection visits and financial status of the salary subsidy per each graduate.
5. Keep copies of official documents and correspondence such as enterprises official documents, letters of appointment and employment contracts.
6. Report to the World Bank about the progress of the program.
7. Approve the employers entitled to collect voucher payments based on the acceptance conditions.
8. Keep updated accounts of the vouchers eligible payments and the remaining payments.
9. Daily maintenance of the system.

The consultant shall perform the following procedures in order to monitor the program implementation:

1. Receive the calls from the successful graduates informing the administrator of placement in a new job with an employer.
2. Provide guidance and advice to both employed graduate and employer regarding the rules and instructions of the program.
3. Request and receive the official documents as an evidence of employment.
4. Collect the required documentation from the employer.
5. Open a file or a record for the employed graduate to start the tracking steps.
6. Prepare a schedule for random checks of employer's work locations (unannounced visits) to ensure the attendance of the employed graduate.
7. Report any case of corruption or incompliance with the program and take necessary action.
8. Receive request for collecting the voucher payments from employers.

The unannounced visits will be organized as one day per week on average. During the field inspection day, several enterprises shall be visited, and a special form or report shall be generated to describe the situation.

The MIS used shall be simple and practical. It is anticipated to use Access and Excel software in setting up the system. The duration of this phase is about four weeks.

### 3. Implementation Phase:

The consultant shall use the developed MIS and the available resources to monitor the activity of the target female graduates and their progress in finding jobs and retaining these jobs. They shall provide a contact officer to receive calls from graduates, in addition to supporting staff to manage the monitoring process. The tasks and responsibilities of the monitoring staff will include:

1. Follow up and trace the employed graduates by means of contact and field visits to the workplace.
2. Keep updated electronic track of the status of employed graduates.

### Methodology for managing, supervising and disbursing funds under the voucher component:

1. The consultant will prepare a monthly list of eligible employers, the graduates who have been

employed, the amount of payments due to them and their bank account details.

2. All such employers and employment contracts shall be verified and sent to the TTL for approval
3. Upon receipt of the funds, the consultant shall disburse the funds to the approved firms
4. The consultant shall maintain an up-to-date record of each and every such disbursement to firms.
5. The consultant will submit a statement of all disbursements made in a month each month by the 25<sup>th</sup> of the month to the TTL. This list must contain details that allow verification with the initial list of approved firms sent by the 3<sup>rd</sup> of the month, including bank account details.

### Timeframe

The monitoring and management services are expected to take one year from September 2010 till September 2011.

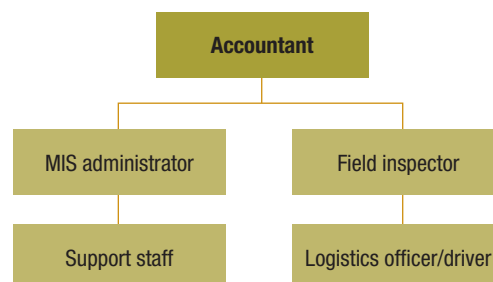
### Resources

The consultant will provide the following:

1. Windows and office applications.
2. Access database stored on Excel spreadsheets.
3. Computers
4. Copier/Printer
5. Mobile phones
6. Office space
7. Desks
8. File closets
9. Stationary
10. Telephone lines
11. Internet access
12. Car for transportation during field visits
13. Others

### Team

The services shall be managed and implemented through a team. The envisioned structure of the team is as follows:



### Program Termination

The program might be terminated in case the following conditions were encountered:

1. Operating for 3 months during the set up and implementation phases.
2. Failure to achieve the target (i.e. successful employment of about 100 community college graduates in the private sector enterprises within the first 3 months).
3. Written consent of all parties to terminate the program.
4. Payment of the fees and expenses of the first 3 months of services provision.

The World Bank team reserves the right to extend, reduce, or terminate the contract or suspend payments in case the consulting firm does not properly perform her work and obligations. In addition, the contract may also expire if the World Bank team decides to put an end to the study.

### Annex I: Monitoring Information System

1. An MIS will be designed and updated to track employment status including any voluntary or involuntary separations and any new job contracts within the duration of voucher validity.
2. The consultant will update the MIS system with information from periodic checks on the firms and students to minimize the incidence of potential fraud and to ensure that payment are always conditioned on employment since some students may leave their employers. The consultant will stop payments if there is any evidence

of illegitimate use of the program or when the students leave their employers.

3. An information management system will be set up and maintained by the administrator of the interventions to monitor uptake, progress and changes in the roll-out of the component. Such database will include basic information about

each beneficiary, employment status, payments records and so on.

### **The Design of the MIS Will Be Finalized upon Approval of the TTL.**

Example: MIS reports for selected seat numbers

Month#	Seat number	Month of salary	Month of payment	Employer name	Firm ID	Graduate name	Info call date	Doc submission date
1	2012623	2010 / Oct	2010 / Oct		168		25-Sep-10	25-Sep-10
2	2012623	2010 / Nov	2010 / Nov		168		25-Sep-10	25-Sep-10
1	2012721	2010 / Nov	2010 / Nov		473		09-Oct-10	09-Oct-10
5	2012721	2011 / Mar	2011 / Mar		473		09-Oct-10	09-Oct-10
3	2012721	2011 / Jan	2011 / Jan		473		09-Oct-10	09-Oct-10
4	2012721	2011 / Feb	2011 / Feb		473		09-Oct-10	09-Oct-10
2	2012721	2010 / Dec	2010 / Dec		473		09-Oct-10	09-Oct-10
6	2012721	2011 / Apr	2011 / Apr		473		09-Oct-10	09-Oct-10
1	2011458	2010 / Nov	2010 / Nov		223		28-Sep-10	10-Oct-10
5	2011458	2011 / Mar	2011 / Mar		223		28-Sep-10	10-Oct-10
3	2011458	2011 / Jan	2011 / Jan		223		28-Sep-10	10-Oct-10
4	2011458	2011 / Feb	2011 / Feb		223		28-Sep-10	10-Oct-10
2	2011458	2010 / Dec	2010 / Dec		223		28-Sep-10	10-Oct-10
6	2011458	2011 / Apr	2011 / Apr		223		28-Sep-10	10-Oct-10

Starting work date	Job title	Approval date	Wage offer	Work hours	Work days	Salary received	Verification date
01-Oct-10		02-Nov-10	150.00	8	6	TRUE	04-Nov-10
01-Oct-10		02-Nov-10	150.00	8	6	TRUE	09-Dec-10
01-Nov-10		28-Nov-10	150.00	8	5	TRUE	09-Dec-10
01-Nov-10		28-Nov-10	150.00	8	5	TRUE	04-Apr-11
01-Nov-10		28-Nov-10	150.00	8	5	TRUE	06-Feb-11
01-Nov-10		28-Nov-10	150.00	8	5	TRUE	01-Mar-11
01-Nov-10		28-Nov-10	150.00	8	5	TRUE	03-Jan-11
01-Nov-10		28-Nov-10	150.00	8	5	TRUE	08-May-11
01-Nov-10		21-Nov-10	150.00	8	6	TRUE	09-Dec-10
01-Nov-10		21-Nov-10	150.00	8	6	TRUE	03-Apr-11
01-Nov-10		21-Nov-10	150.00	8	6	TRUE	06-Feb-11
01-Nov-10		21-Nov-10	150.00	8	6	TRUE	10-Mar-11
01-Nov-10		21-Nov-10	150.00	8	6	TRUE	04-Jan-11
01-Nov-10		21-Nov-10	150.00	8	6	TRUE	08-May-11





## Principles for a Proposed Scale-up

**W**ith this background of high rates of youth unemployment and long search durations, in a context where minimum wages exceed the value that many of these youth currently offer to the private sector, the objective of a job voucher program should be to lower the costs to private firms of hiring unemployed youth.

Given the emphasis on enhancing youth employment in the NES, below we outline the elements of a scaled-up Job Voucher program, should this be one of the options under consideration.

**Proposed Eligibility Criteria:** Job voucher eligibility should be limited to male and female graduates of community colleges and universities who are

1. aged 25 and under;
2. have graduated one year or more ago; and
3. are not currently formally employed (as determined by registration in the social security system).

The rationale for limiting eligibility to intermediate diploma holders and university graduates is to focus on the acquisition of on-the-job general and employability skills in jobs that these youth are technically qualified for. On the other hand, less educated youth do not compete in the same segment of the labor market and an employment program that caters to them may need to focus on developing specific technical or vocational skills that improve their employability or short-term labor-intensive works.

**Enrolment:** To kick-start the scale-up, enrolment for the voucher should be opened for a fixed period, say, August–December each year, for consideration into the program for the next calendar year. Candidates will fill a simple form covering eligibility information and their ID number, contact information and Bank account details under a special program window with the Implementing Agency (IA). In Jordan, an organization such as the Social Security Corporation (SSC) is a natural candidate given the design proposal. This form would be mailed to the IA or filled out online on a specially designed portal. The IA will maintain this database of unemployed youth, verify eligibility, and confirm enrolment into the program to the participant through a voucher registration number, which identifies them as program participants.

**Proposed Voucher amount:** Vouchers remain the property of the graduate, and can be taken from one job to another until all months of eligibility have been used. Vouchers should pay the firm who employs a youth enrolled in the program a subsidy that is a fraction of the minimum wage over a period of at least a year, with a gradually declining subsidy. By paying less than the full amount of the minimum wage, the voucher effectively (a) lowers the cost to the employer of hiring a young entrant into the labor market; (b) puts the onus on the employer to consider the net productivity of each potential hire relative to the net cost of hiring; and (c) as a result, creates incentives and conditions that are more conducive to finding longer term employment relationships.

### Setting the Voucher Subsidy: How Much Is Too Much?

Contrary to the terms of the pilot where the subsidy was set equal to the prevailing minimum wage of 150 JD, we propose a partial subsidy of the minimum wage for any scale-up of the job vouchers component. Why? Because the lessons from the pilot suggest that very few long-term jobs were created when employers were offered a subsidy equal to the minimum wage, and essentially were able to hire workers free for up to six months. And since then, the Jordanian minimum wage has been increased to 190 JD.

As a result, firms did not have to pay anything out of pocket for the worker carrying the voucher, although 18 percent firms chose to pay a wage higher than 150 JD. One concern with a full subsidy voucher is one of fraud—that employers pretend to hire workers, not make them do any work, and split the subsidy with the worker. While we have no direct evidence that this happened during voucher implementation, it may be a more pertinent concern in a larger scale program where enforcement and monitoring will need to be strengthened considerably. One the other hand, if the firm has to pay some part of the minimum wage, the tendency for gaming the system becomes more costly.

A broader advantage is to tap into the behavioral instinct that people value things only when they pay for them, so that firms will treat workers differently if they are paying some of the worker's cost rather than if they come free, and potentially be more likely to give them proper tasks on the job.

A full subsidy also implies that the employer hires a voucher carrier if their net productivity is perceived to be anything above zero. By having the employer share in the cost of the worker, it creates incentives to better screen workers at hiring, and potentially may lead to more sustained employment matches.

However, these concerns have to be balanced with the view, anecdotally and from surveys, that young graduates have limited experience, lack work ethic and that the hiring process involves substantial uncertainty about the quality of the worker. To incentivize firms to take a chance on these young workers, the subsidy will need to be fairly sizeable, albeit less than the full minimum wage, at least in the initial phases.

One such proposal is outlined here. The voucher subsidizes the monthly wage paid by the firm to the extent of 100 JD per month for each of the first six months a voucher holder is employed, and then by 50 JD per month for each of the next six months a voucher holder is employed. This structure extends the duration of the voucher period, allowing young entrants a longer period of experience on the job and more time to find the right match, and by not subsidizing the full minimum wage, and enforcing cost sharing by employers, creates incentives for creating productive employment relationships. With a full subsidy equal to the minimum wage, hiring a worker is costless to an employer, resulting in the creation of purely temporary or fake jobs to gain the subsidy.

**Proposed Conditions of Employment:** The job voucher can only be redeemed for a job which is

- Full-time: defined as 30 or more hours a week
- Has a written job contract spelling out the responsibilities of the worker and stating a wage at least as high as the minimum wage
- Is in the private sector, with a firm that is registered.

### Proposed Implementation Arrangements:

- Implementing agency: The job voucher will be redeemed through registration and verification in a special window created in the IA for the program. The employer must register the worker in the social security system under a program window and make the appropriate social security contributions each month. Contribution to the social security system will serve as proof the worker is still employed in the firm and will be used to automate the payment. These synergies with the SSC, and their pre-existing capacity and database are what make them ideally suited to take over program implementation.
- Payment scheme: The firm will directly pay the worker the wage net of the appropriate voucher amount and remit the employer's share of social security contributions to the SSC. Upon verification of current conditions of employment, employment status, firm's payment of wage to the worker, the IA will credit the subsidy (100 JD or 50 JD depending on the month of use) to the worker's account directly after deducting employee contributions to social security. By making registration in social security a pre-condition



for redeeming the voucher, the SSC and IA database will provide an up-to-date snapshot and verification tool.

**Treatment under Social Security and Labor Laws:**

Workers hired using the voucher will be considered as a special category for this program during the duration of their voucher use. To allow firms to be motivated to participate in the program and workers to find an appropriate match, firms should not be subject to restrictions or penalties for firing these workers during the period of voucher use. Then if workers are retained once the voucher is finished, firms should still have the three month probationary period before labor laws on firing bind.

**Monitoring, Evaluation and Audit:** The database maintained by the IA and the SSC will be updat-

ed and verified on a monthly basis in line with the schedule of voucher payments. Regular random audits (to 5 percent of participating firms and employees from the database) will be conducted to ensure compliance, verify the veracity of information, and highlight any implementation issues. Any misrepresentation or non-compliance will be subject to legal action. The objective of these random audits to raise the costs of non-compliance and misuse so as to ensure effective implementation and achievement of program objectives. A regular evaluation of the program will be built into the quarterly rounds of the Employment Unemployment Surveys conducted by the Department of Statistics by (i) oversampling individuals in the target group; and by (ii) administering a specially developed module to collect data on program implementation and outcomes.



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