



منتدى الاستراتيجيات الأردني  
JORDAN STRATEGY FORUM

# Jordan on the Global Talent Competitiveness Index 2018



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# 1. Introduction

The Global Talent Competitiveness Index (GTCI) is an annual index that measures and ranks 119 countries based on their talent competitiveness. According to the creators of the GTCI (Institut Européen d'Administration des Affaires / INSEAD) "talent competitiveness refers to the set of policies and practices that enable a country to develop, attract, and empower the human capital that contributes to productivity and prosperity".

The GTCI measures how well a country uses its most valuable resource: its people. Human capital (or talent) is central to economic development and prosperity. In fact, the creators of the index explain, "talent is the most powerful resource for driving competitiveness and boosting prosperity, at the country, city and organization level." The ultimate goal of the GTCI is to identify the areas for reform so that countries can become more competitive in the global marketplace.

To measure talent competitiveness, the GTCI groups indicators into six pillars: enable, attract, grow, retain, vocational and technical (VT) skills, and global knowledge (GK) skills.

1. **Enable:** measures the ability of a country to facilitate talent development through its regulatory, market, and business environments.
2. **Attract:** measures the ability of a country to attract talented people (both domestically and globally) into its workforce.
3. **Grow:** measures the ability of a country to create and develop its own

talented people, namely through education and training.

4. **Retain:** measures the ability of a country to keep its talented people from emigrating elsewhere through creating a comfortable and sustainable lifestyle.
5. **VT Skills:** measures quality of mid-level skills (such as vocational and technical) in a country as well as the employability of those with such skills.
6. **GK Skills:** measures the quality of high-level skills (such as post-graduate degrees) in a country as well as the economic impact of those with such skills.

Given the importance of human capital in economic growth and development, this report, issued by the JSF, sheds light on the Global Talent Competitiveness Index. This interest follows a number of JSF publications that considered social capital and physical capital.

At the outset, it is crucial to distinguish between the Talent Competitiveness Index, issued by INSEAD, and the Global Competitiveness Index, issued by the World Economic Forum. The Talent Index concentrates on the policies and procedures that aim to enhance human capital and human talent competitiveness for countries relative to each other. The Global Competitiveness Index, on the other hand, concentrates on the institutional quality, infrastructure, and the economic and investment environment competitiveness across the world.

# The Global Talent Competitiveness Index 2018

## Jordan's Rank in the Global Talent Competitiveness Index Pillars 2018



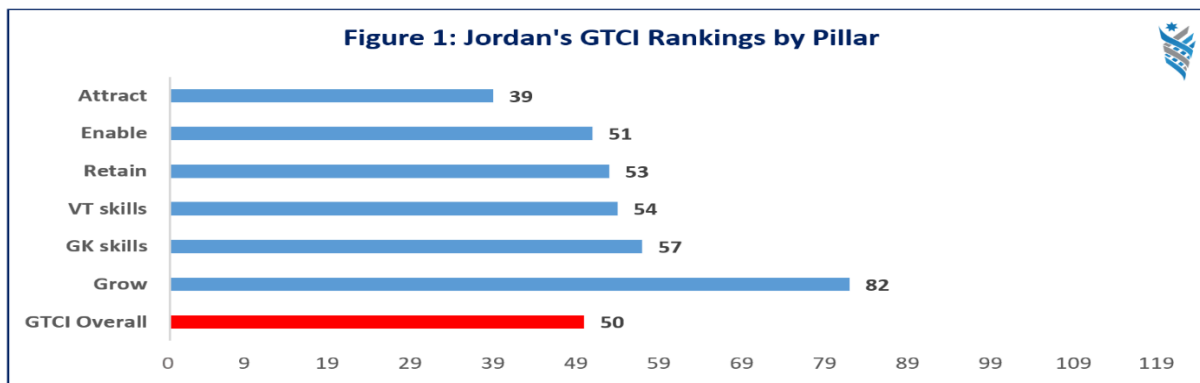
Date: April 2018  
 Source: JSF Report on "The Global Talent Competitiveness Index 2018"

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## 2. Jordan and the GTCI

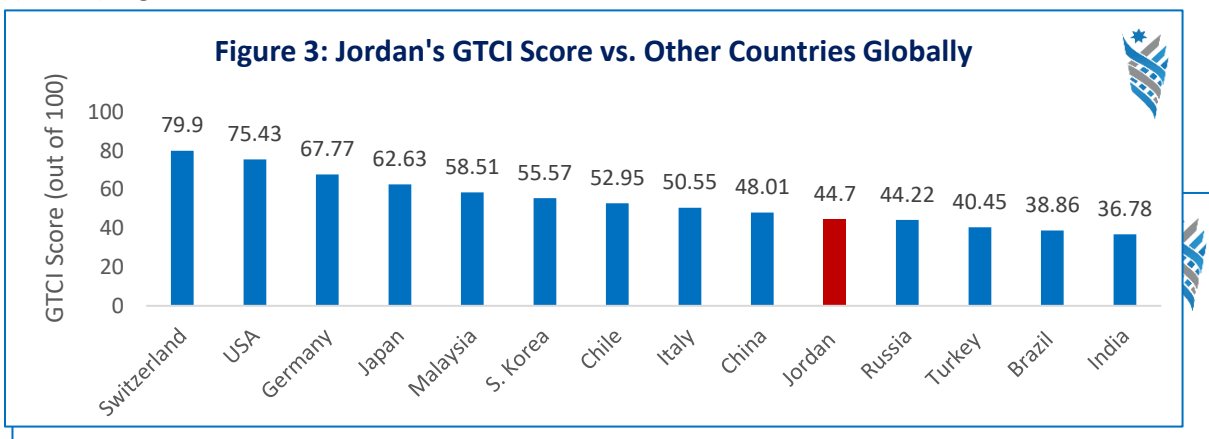
Since the creation of the GTCI in 2013, Jordan has been continually improving in its score and rank. Jordan currently ranks 50 out of 119 countries (Figure 1) with a GTCI score of 44.7 (Figure 2) for 2018. This is up from 70 in 2015-2016 and 58 in 2017.

Jordan's strongest pillars are its ability to attract, retain and enable talent. These pillars contributed in enhancing Jordan's ranking on the index. However, Jordan weaknesses are concentrated in its ability to grow talent as well as the quality of its talent in terms of global knowledge (GK) skills.



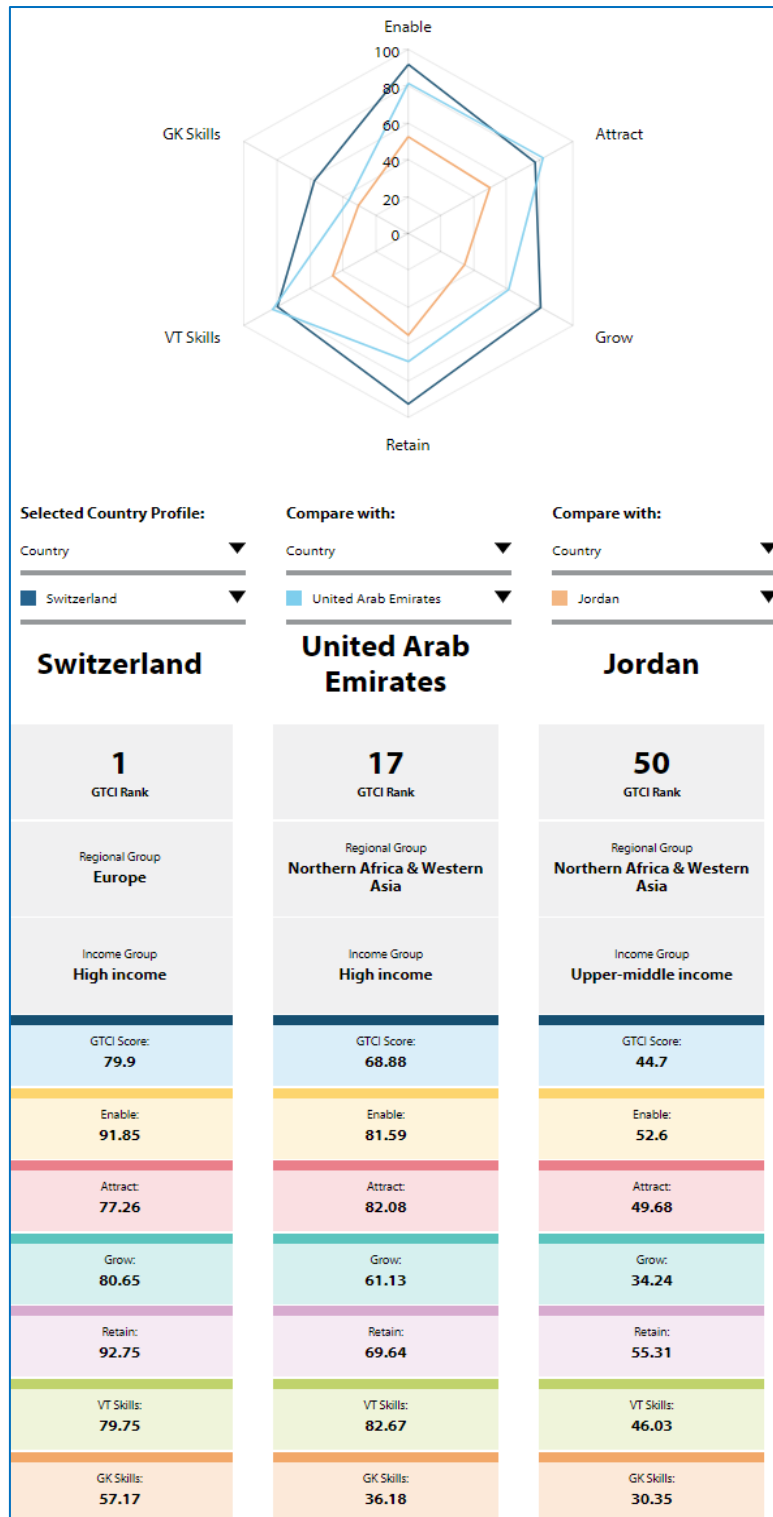
To assess Jordan's ranking in comparison with other countries, here is how Jordan compares to other countries globally and within the Middle East and North Africa (MENA) region.

**First**, in terms of the overall GTCI score, while Switzerland tops all countries (Figure 3), Jordan reflects a superior score to Russia, Turkey, Brazil, and India.

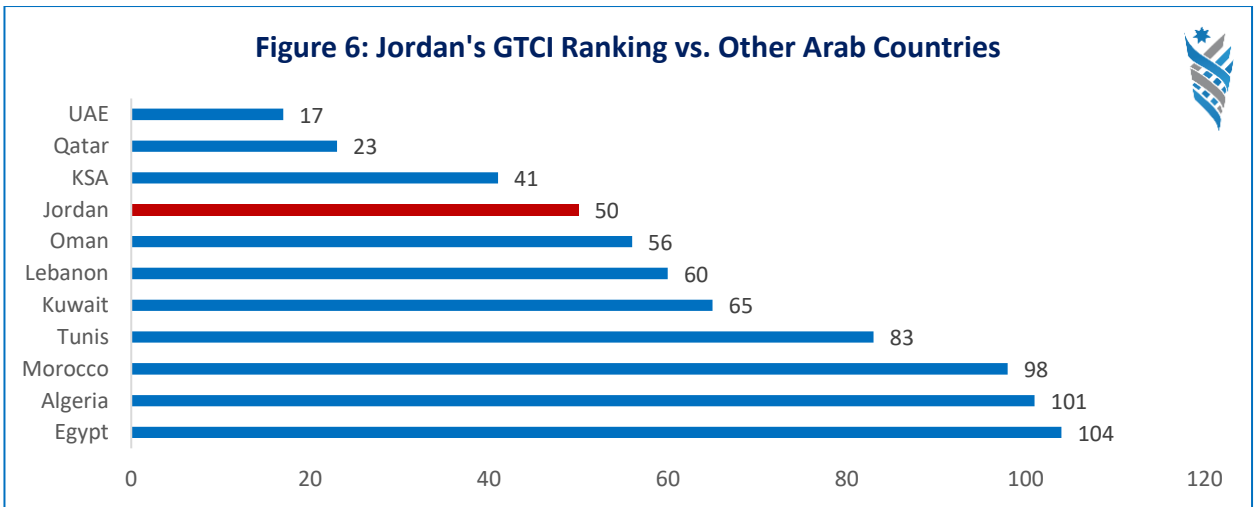
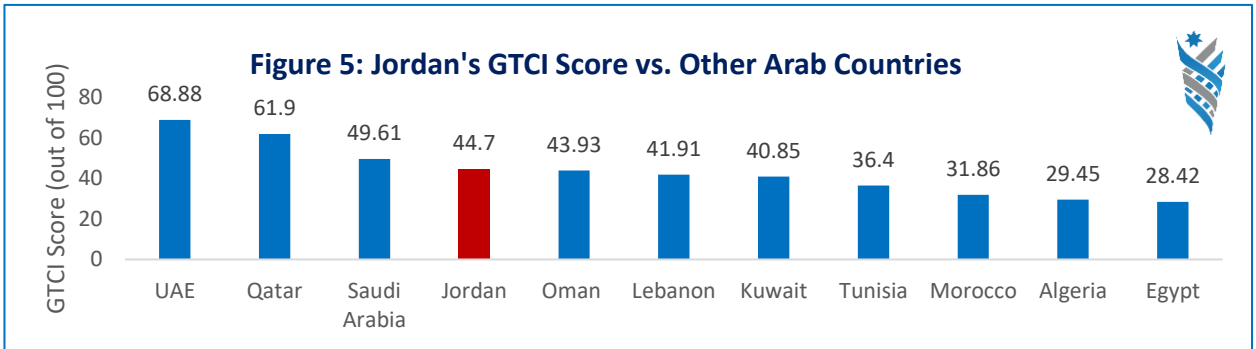


**Second**, In addition, in the context of the Arab countries UAE ranked as the first in the Arab countries and the 17<sup>th</sup> on the World. To make better understanding about Jordan's situation on the index in regard to the best country in the world and the best country in the region; (Figure 4) compares Jordan to UAE and Switzerland in terms of rankings and pillars scores.

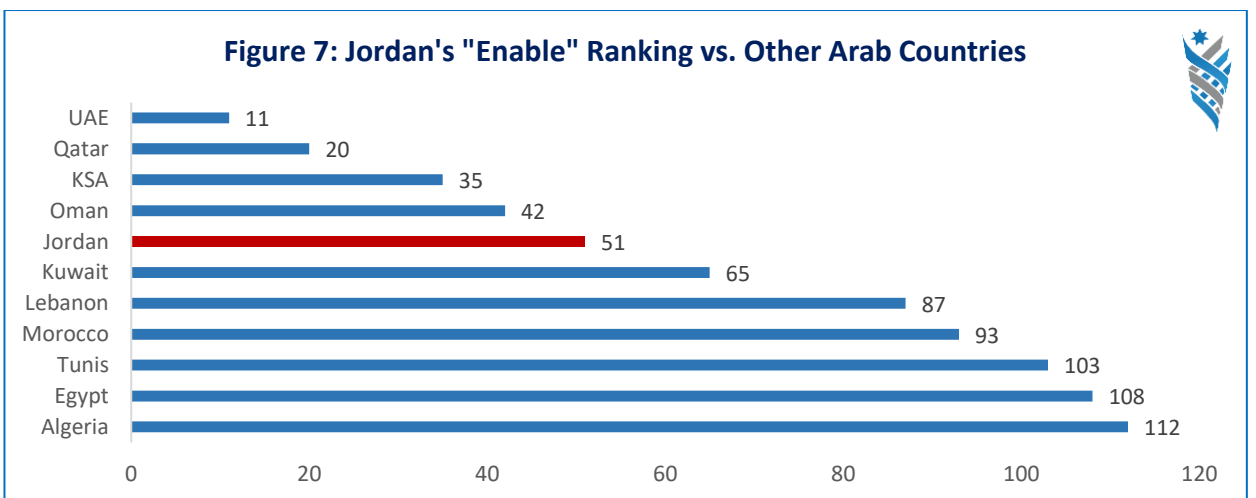
Figure 4: Jordan GTCI Ranking and Scores Vs. Switzerland and UAE

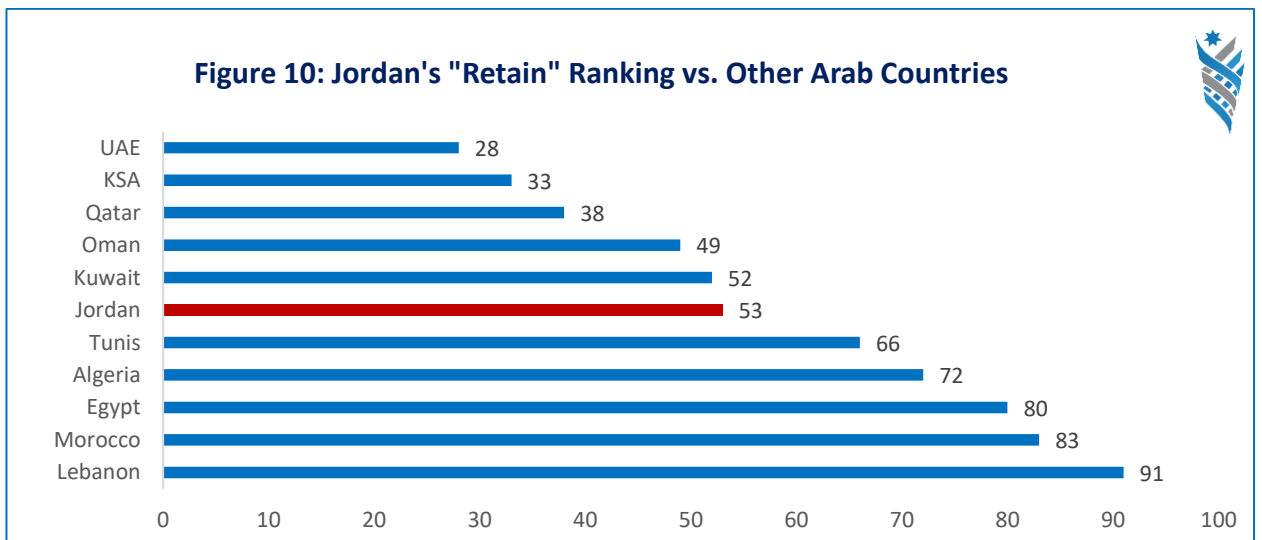
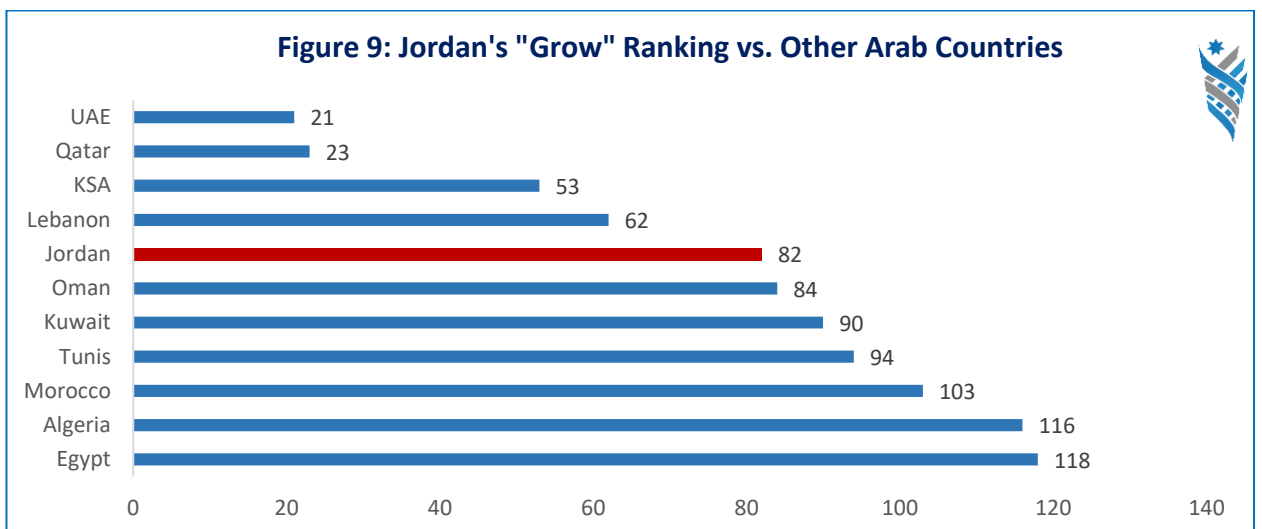
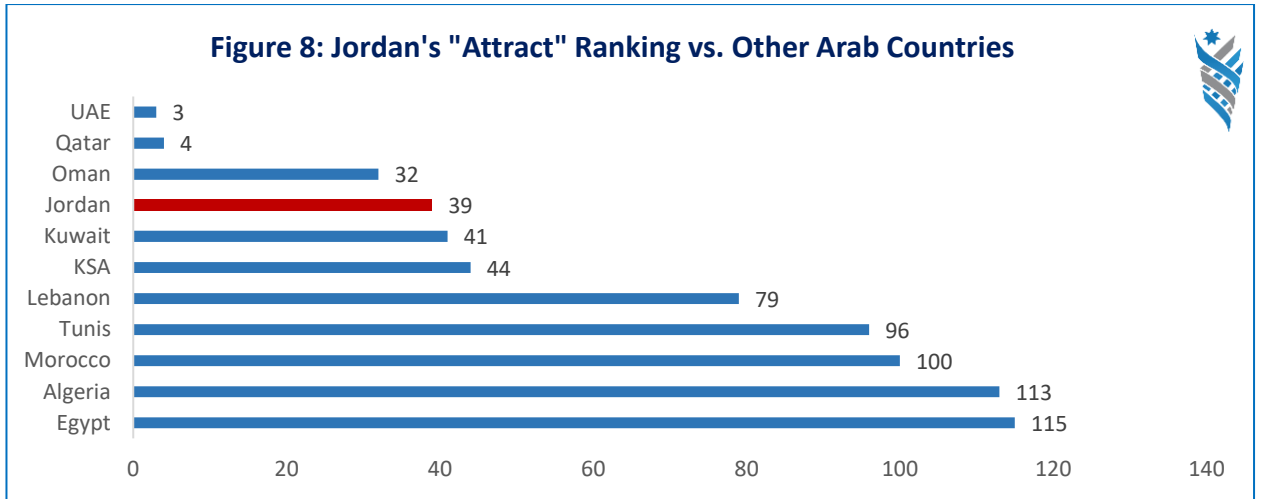


**Third**, relative to the MENA countries, Jordan's score and rank are encouraging. Jordan ranks 4<sup>th</sup> overall in the MENA region after the UAE, Qatar, and Saudi Arabia (Figures 5,6).

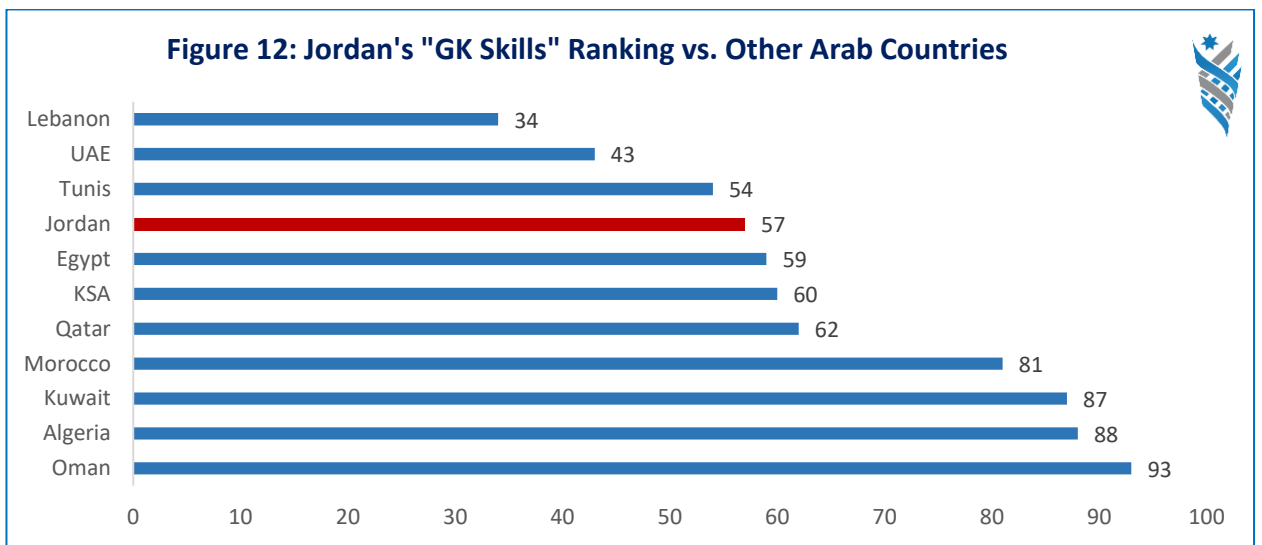
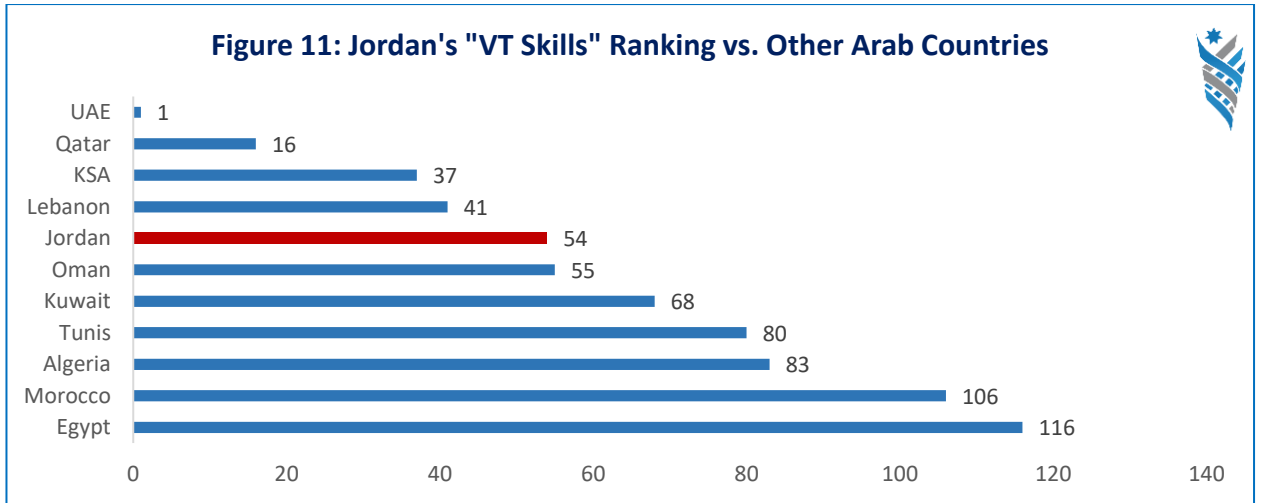


**Fourth**, for a deeper understanding of how Jordan compares to its Arab neighbors, we looked at Jordan's standing for each of the six GTCI pillars against the same subset of MENA countries. Across the different pillars, Jordan is consistently in the middle in terms of ranking. In fact, Jordan's performance on the GTCI closely mirrors the average score of the MENA region as a whole (Figures 7-12).









### 3. Jordan's Strongest and Weakest Sub-Indicators

To better understand Jordan's strengths and weaknesses in terms of talent competitiveness, JSF studied the specific sub-indicators that determined Jordan's 6 pillar scores. Jordan performed very well on various sub-indicators across the pillars in comparison with other countries, even in pillars where its overall score was low. Overall, Jordan had multiple strong sub-indicators in the pillars "attract" and "GK skills." Below are Jordan's strongest scoring sub-indicators for talent competitiveness:

Pillar	Indicator	Sub-Indicator	GTCI Score	Country Ranking
Enable	Business Landscape	Ease of Hiring	89	25 <sup>th</sup>
Attract	External Openness	Migrant Stock	90.27	8 <sup>th</sup>
Attract	External Openness	International Students	67.29	13 <sup>th</sup>
VT Skills	Employability	Relevance of Education System to the Economy	62.02	26 <sup>th</sup>
GK Skills	Higher-Level Skills	Availability of Scientists and Engineers	73.53	13 <sup>th</sup>
GK Skills	Talent Impact	New Product Entrepreneurial Activity	61.16	15 <sup>th</sup>

While Jordan ranked very highly for several sub-indicators, it also had several sub-indicators with very low rankings. Again, these sub-indicators were spread out across the pillars; even in those with good scores overall. However, these problematic sub-indicators were more concentrated in the pillars "grow" and "enable." Below are Jordan's weakest scoring sub-indicators for talent competitiveness:

Pillar	Indicator	Sub-Indicator	GTCI Score	Country Ranking
Enable	Business Landscape	Ease of Redundancy	40	105 <sup>th</sup>
Enable	Market Landscape	Ease of Doing Business	44.61	96 <sup>th</sup>
Attract	Internal Openness	Gender Earnings Gap	0	106 <sup>th</sup>
Grow	Access to Growth Opportunities	Personal Rights	18.43	106 <sup>th</sup>
Grow	Formal Education	Vocational Enrollment	6.01	92 <sup>nd</sup>
Grow	Lifelong Learning	Prevalence of Training in Firms	0	92 <sup>nd</sup>
GK Skills	Talent Impact	High-Value Exports	3.39	92 <sup>nd</sup>

## 4. Policy Recommendations

Jordan's strong performance in the 2018 Global Talent Competitiveness Index (GTCI) in comparison with other Arab countries and globally points to the country's continuous efforts to develop its most valued resource: its people. Not only did Jordan rank 50<sup>th</sup> out of 119 countries overall, it also scored in the top 10 when compared to other countries in its income group and region. Jordan's progress in the Global Competitiveness Index in comparison with other countries should stimulate greater effort on increasing the competitiveness of the Jordanian talent and enhancing human capital in Jordan. As improving the competitiveness of the economy will lead to higher levels of GDP per capita and lead to increased economic activity and development within a country.

Based on Jordan's scores in the sub-indicators, JSF has put forth a variety of recommendations discussed below that target Jordan's weakest sub-indicators within the GTCI. Concentrated efforts to improve the scores on these sub-indicators will boost Jordan's overall score and ranking in the GTCI. Jordan's public and private sectors must invest resources in further improving Jordan's talent competitiveness due to its positive economic impact.

The recommendations in this section are based on the problematic sub-indicators discussed in the previous section. JSF suggests some of the recommendations that can improve Jordan's overall GTCI score. These suggestions are grouped by pillar for clarity. (Neither the "retain" nor the "VT Skills" pillar had particularly weak sub-indicators so they are not targeted in these recommendations.)

Pillar	Enable
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In terms of **enabling talent**, Jordan performed poorly on the sub-indicators; **ease of redundancy** and **ease of doing business**.

Sub-Indicator	Ease of Redundancy
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The **ease of redundancy** index measures employment regulations with regard to the hiring, firing, and redundancy of workers. A poor score means that there is a lack of regulation protecting workers. Therefore, JSF recommends that Jordan should take steps to increase the country's regulatory framework dedicated to the rights and protections of redundant employees.

Sub-Indicator	Ease of Doing Business
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The other sub-indicator, **ease of doing business**, measures how easy it is to conduct business within a country. A low score indicates a weak regulatory environment that is not conducive to setting up a business. To combat this problem, Jordan strategy Forum dedicated a report titled "[Jordan in the Doing Business Report 2018: The Way Forward](#)". That report discusses in details how Jordan can improve ease of doing business and how to improve Jordan's ranking on the doing business report.

Pillar	Attract
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As per the Global Talent Competitiveness Index, Jordan performed well in external openness in **attracting talent**, while its weaknesses were concentrated in the sub-indicators of **internal openness**. Specifically, Jordan scored particularly low in terms of its gender earnings gap.

Sub-Indicator	Gender Earnings Gap
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This sub-indicator measures the ratio between the estimated incomes earned by females over the income earned by males within a country. As this ratio approximates zero, the **gender earnings gap** becomes wider. Although this sub-indicator does not depend on the wage level only, but also on total income, the JSF recommends that

relevant legislation that prevents gender wage gap must be enhanced. In addition, the JSF recommends that no effort should be spared to encourage females to join the labor market, and start their own businesses, and hence earn income.

Pillar	Grow
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Jordan's weaknesses in terms of talent competitiveness are primarily concentrated in its **ability to grow talent**. In this pillar, Jordan performed poorly on three sub-indicators: personal rights, vocational enrollment, and prevalence of training in firms.

Sub-Indicator	Personal Rights
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**Personal rights** measures the strength of **individual political rights** in a country such as **freedom of speech** and **private property rights**. To improve Jordan's ability to grow talent, the Jordanian government must encourage the development of a civil society to provide Jordanian citizens more opportunities to think and speak critically about the world.

Sub-Indicator	Vocational Enrollment
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The **vocational enrollment** sub-indicator calculates the percentage of the country's students that are enrolled in vocational programs. By investing more resources into vocational programs, Jordan can create a more talented population and increase its overall **talent competitiveness**.

Sub-Indicator	Prevalence of Training in Firms
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Also, Jordan scored poorly on **prevalence of training in firms**, a sub-indicator that measures the percentage of firms that offer formal training. A poor score means that most firms do not provide sufficient training for their employees. To remedy this, JSF recommends that efforts must be made to implement training programs in each sector of the economy based on existing exemplary training programs.

Pillar	GK Skills
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For the "GK Skills" pillar, Jordan performed poorly on the high-value exports sub-indicator.

Sub-Indicator	High-Value Exports
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In the GTCI, **high-value exports** specifically measures **high technology manufactures with high sophistication** as a percentage of total manufactured goods exported. Jordan's low percentage of high-value exports speaks to a lack of technology manufacturing firms in Jordan. To improve Jordan's score on this sub-indicator, Jordan must make itself a more desirable place for **technology manufacturing**. In addition, JSF had dedicated two papers entitled "[Jordan's Product Space](#)" and "[Jordan's Product Space - New Opportunities to Diversify Industrial Exports](#)". These two papers discuss the sophistication and complexity of Jordanian products; they also tackle the productive knowledge that exists within Jordan's industries, where Jordan can develop new products with added value and high sophistication, which will in turn increase the overall sophistication and complexity of Jordan's industries and exports.

# Annex

Figure 13: Country Profile by Pillar (Jordan)

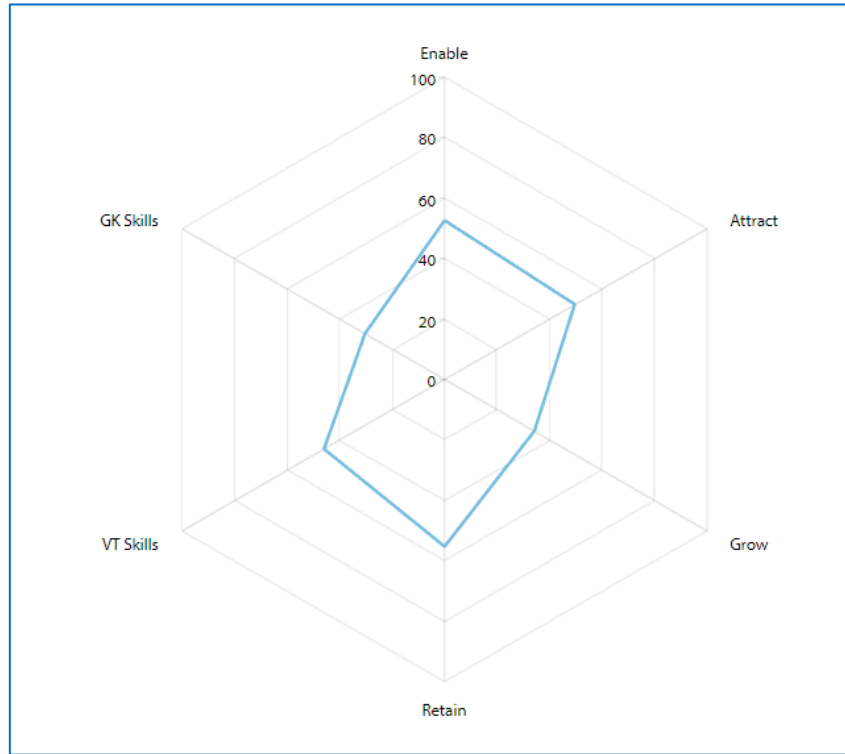


Figure 14: GTCI Key Indicators

<b>50</b> GTCI Rank		Regional Group: <b>Northern Africa &amp; Western Asia</b>			Income Group: <b>Upper-middle income</b>	
GTCI Score:	Enable	Attract	Grow	Retain	VT Skills	GK Skills
<b>44.7</b>	<b>52.6</b>	<b>49.68</b>	<b>34.24</b>	<b>55.31</b>	<b>46.03</b>	<b>30.35</b>



## 2. Attract

Enable	Attract	Grow	Retain	VT Skills	GK Skills
			<b>Score</b>	<b>Rank</b>	
<b>Attract</b>					
External Openness			63.02	13	
Internal Openness			36.34	106	
<b>External Openness</b>					
FDI and technology transfer			56.66	43	
Prevalence of foreign ownership			56.3	63	
Migrant stock			90.27	8	
International students			67.29	13	
Brain gain			44.58	52	
<b>Internal Openness</b>					
Tolerance of minorities			26.44	89	
Tolerance of immigrants			47.89	76	
Social mobility			46.59	53	
Female graduates			48.02	89	
Gender earnings gap			0	117	
Leadership opportunities for women			49.1	47	

## 3. Grow

Enable	Attract	Grow	Retain	VT Skills	GK Skills
			<b>Score</b>	<b>Rank</b>	
<b>Grow</b>					
Formal Education			24.3	72	
Lifelong Learning			33.66	87	
Access to Growth Opportunities			44.74	71	
<b>Formal Education</b>					
Vocational enrolment			6.01	92	
Tertiary enrolment			38.98	58	
Reading, maths and science			28.21	60	
University ranking			24.02	53	
<b>Lifelong Learning</b>					
Quality of management schools			49.47	50	
Prevalence of training in firms			0	92	
Employee Development			51.52	39	
<b>Access to Growth Opportunities</b>					
Delegation of authority			34.08	80	
Personal rights			18.43	106	
Use of virtual social networks			81.21	30	
Use of virtual professional networks			23.67	43	
Collaboration within organization			36.34	70	
Collaboration across organizations			74.71	38	

#### 4. Retain

Enable	Attract	Grow	Retain	VT Skills	GK Skills
			<b>Score</b>	<b>Rank</b>	
<b>Retain</b>					
Sustainability			43.83	53	
Lifestyle			66.8	52	
<b>Sustainability</b>					
Pension system			36.73	56	
Social protection			48.96	37	
Brain retention			45.79	49	
<b>Lifestyle</b>					
Environmental performance			65.58	66	
Personal safety			61.05	70	
Physician density			42.15	43	
Sanitation			98.41	30	

#### 5. Vocational & Technical Skills

Enable	Attract	Grow	Retain	VT Skills	GK Skills
			<b>Score</b>	<b>Rank</b>	
<b>VT Skills</b>					
Mid-level Skills			23.91	85	
Employability			68.16	27	
<b>Mid-level Skills</b>					
Population with secondary education			20.11	83	
Labour productivity per employee			27.71	55	
<b>Employability</b>					
Ease of finding skilled employees			65.68	32	
Relevance of education system to the economy			62.02	26	
Skill match secondary education			68.21	41	
Skill match tertiary education			76.73	34	



## 6. Global Knowledge Skills

Enable	Attract	Grow	Retain	VT Skills	GK Skills
			Score	Rank	
<b>GK Skills</b>					
Higher-Level Skills			34.62	46	
Talent Impact			26.08	57	
<b>Higher-Level Skills</b>					
Population with tertiary education			26.76	51	
Researchers			3.59	70	
Availability of scientists and engineers			73.53	13	
<b>Talent Impact</b>					
Innovation output			26.54	73	
High-value exports			3.39	92	
New product entrepreneurial activity			61.16	15	
New business density			5.57	68	
New business density			33.76	46	



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