

Part I

Work Scope of the Jordan National Competitiveness Team

Chapter One

First Steps: Jordan National Competitiveness Team

The Start; Vision and Mission

In 1997 the JNCT was brought into being as a government initiative with the purpose of creating a database at the micro level through studies of various economic activities and clusters. An essential part of the work is the assessment of current private company strategies, and the development of a vision, future strategies and a mechanism for change. As a leader in building the competitive advantage of Jordan, the JNCT vision is the attainment of high, rising and sustainable living standards.

Objectives

To accomplish its mission the JNCT has set the following objectives:

1. The creation of a competitive mindset¹
2. The development of a mechanism for change
3. The transfer of data into knowledge

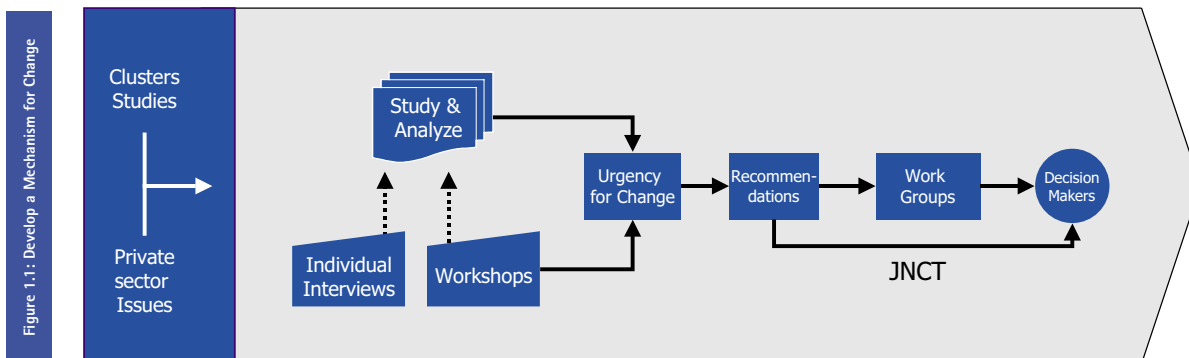
The three main objectives are interrelated and complementary, i.e. transferring data into knowledge helps building a competitive mindset in Jordan, which is crucial if a successful mechanism for change is to be developed. Without it, the mechanism for change fails. Nevertheless, the development of a successful mechanism for change produces new data and information, and again the produced data is transferred into knowledge. In brief, this is an ongoing process of data gathering, information dissemination, knowledge creation and awareness diffusion to help instigate change.

To reach these objectives, various economic activities are studied at the micro level. Workshops conducted at the private and public sector level (i.e. all those concerned or involved in the targeted economic activity) help transfer data into knowledge by means of analytical tools and visual aids. Analytical tools – e.g. , Metaplan, the diamond hypothesis, the five-forces model, the cluster map, the vicious and virtuous cycles – have had a major role in the accomplishment of various studies, the most significant of which are to be found under the heading Competitiveness Studies on the MoP website www.mop.gov.jo. However, in building a competitive mindset the media (i.e. newspapers, magazines, radio and television, and the Internet) in addition to conferences, workshops and training programs, plays a major role. To develop a mechanism for change, the JNCT succeeded in devising its own methodology or plan, which ultimately differentiates it from other similar parties. This unique methodology is illustrated in figure (1.1).

As indicated in figure (1.1), the work group formed for a particular study should be composed primarily of private sector representatives who are able to come up with a comprehensive diagnostic study. Furthermore,

¹ A competitive mindset is one that equally welcomes competition and cooperation, and seeks to build competitive advantage. It also entails strategic thinking that leads to a strong distinguished position on a global scale, identifying the needs and wishes of clients, developing products and production processes, and finally, employing high international standards when assessing the performance of institutions.

to succeed in implementing the recommendations of the studies conducted, the work group needs to handle specific issues initiated by the private sector.



Source: Competitiveness Unit/ MoPIC, 1999.

The success of the mentioned methodology depends heavily on the JNCT ability to network and cooperate with other partners. Accordingly, JNCT has managed to strengthen its ties with internal partners, like governmental institutions, such as the Jordan Export Development and Commercial Centers Corporation (JEDCO) and the Jordan Investment Board (JIB); donor projects, such as Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ), Japan International Cooperation Agency (JICA) and Achievement of Market Friendly Initiatives and Results Program (AMIR); decision makers, such as the Prime Ministry (PM); private sector associations, such as the Young Entrepreneurs Association (YEA) and Information Technology Association of Jordan (Int@j); industrial development committees, and research centers, such as Al-Urdun al Jadid Forum. Similarly, networking and cooperation with international parties is essential. JNCT was successful in establishing strong ties with the Spanish Competitiveness Institute, Swiss based WEF, the Economic Competitiveness Group in the United States of America (USA), the Mexican Economic Development Group of Chihuahua, the Tunisian Quantitative Economic Institute and the Kuwait-based Arab Planning Institute.

In 1997, the main task assumed by JNCT was to conduct micro level studies on various economic activities and clusters. However, with the coming of 1998, JNCT took on another responsibility; it started publishing a booklet known as the Jordan Economic Overview, containing the main macro-economic indicators and a brief on the extensive efforts made in the privatization and economic reform fields in Jordan. The Jordan Economic Overview is considered one of the major sources of reliable economic indicators in Jordan.

The following year the PM assigned JNCT the responsibility to follow up on the issuance of the GCR, published by WEF annually. Accordingly, on a yearly basis the JNCT started to:

- Distribute surveys, which are of major relevance in the publication of the Report, to a sample of private sector members involved in various economic activities, collect and send them back to the Forum.
- Analyze the GCR in order to provide adequate recommendations to improve the competitiveness rank of Jordan relative to other countries included in the Report.
- Organize an annual meeting to be attended by public and private sector representatives, to discuss the findings of the Report, and various factors affecting Jordan's rank.

In the years 2000 and 2001, JNCT assumed an additional role, one that concerned the facilitation and management of private sector strategies for various economic activities. This enabled JNCT to continue focusing on building the capacities of its members.

Capacity Building

Building the capacities of JNCT members, which is crucial to securing continuous development, is accomplished in a number of different ways. First, the JNCT ensures its annual participation in the Competitiveness Institute Conference for the dual advantage of being updated with, and trained on the latest in competitiveness, an ever-changing modern science. In addition, it introduces various international counterparts employed in this field to the Jordanian experience, and supports the development of cooperation. The Unit has been an active member in this institute since 1999; it participated in the 2nd Annual Conference in Italy, then the 3rd in Scotland, in 2000, and 4th and 5th edition of the event, in 2001 and 2002, in Arizona and Australia respectively. In the latest Conference the Team submitted a Power Point presentation on the Competitiveness Unit and its role in the building process of competitive advantage in the Jordanian economy.

To enhance the capabilities of the Team in the field of strategy building, JNCT uses the Think Tools software², which is specifically designed to help formulate strategies. The software is utilized in workshops conducted with a number (not exceeding 20) of representatives from a certain sector. An expert facilitates the workshop in order to reach the best possible outcomes expressed in adequate short, medium and long-term strategies. Naturally, the interest of the Unit in building the capacities of its members in terms of using and handling this software stems from the need to cooperate with the private sector in building strategies in Jordan.

To complement the process of building capacities in the area of strategy formulation, the JNCT director participated in a training program on building and using scenarios held in California (USA). The course consisted of a thorough introduction to the scenario-based school of thought in addition to links to strategy formulation. To optimize on the scenario building, a specialized company was invited to Jordan to conduct a training course for all team members, including active private sector representatives, with a view to incorporating scenario planning into JNCT tasks vis-à-vis facilitation and management of strategy building. Such a training course also benefits private sector representatives when planning for various plausible futures.

Another training course attended by JNCT members addressed the concept of clusters in initiating economic development in various geographical areas. Figure (1.2)

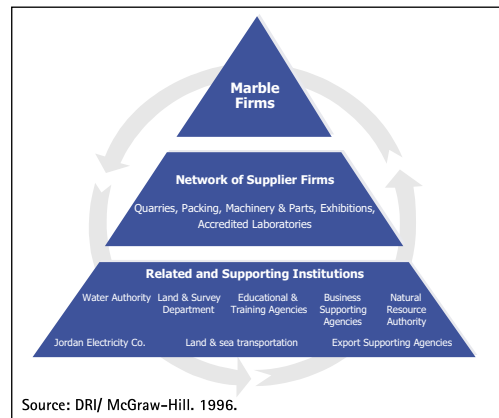


Figure 1.2: What is a Cluster?

² Think Tools is a software-based support system for qualitative reasoning, decision making and knowledge management. Think Tools methodologies are used today by leading companies, governments and consultancies for complex strategic questions and knowledge management. They are also used to enhance interactivity, knowledge efficiency, and transparency of organizational thinking processes, such as strategy development, product design, or policy planning processes.

illustrates the concept of a cluster firms. The training course entailed field visits to different pervasive clusters in the USA, mainly Arizona, Napa Valley and Cuatehmoc, which offer excellent models for study. Arizona, for instance, provides a clear illustration of a how a cluster can be built through the dependence on competitive advantage, historical chance in this case. Napa Valley on the other hand, demonstrates how relations between key-players in a cluster can be built through the concept of cooperative competition, known by the name of coepetition. Finally, Cuatehmoc proves that cluster action champions are detrimental to the success of any cluster.

Conclusion

To sum up, the JNCT plays a critical role in the decision making process as illustrated in figure (1.1) whereby data is gathered and analyzed in cooperation with all related parties from the private sector so as to propose the best strategy concerning the relevant cluster. Later, decision makers from the public sector work closely with the private sector to improve the performance of the cluster by suggesting suitable and applicable recommendations and procedures.

The JNCT studies are a key for investors and concerned parties, providing them with the necessary information regarding different sectors in Jordan, which have been under examination, or by suggesting alternative avenues for finding other required data.

The JNCT studies are presented in Power Point format and are generally structured as follows:

1. Industry performance is important to show the position of the cluster in Jordan, in the region and in the world. To this end macroeconomic indicators and international comparisons, such as the contribution to the Gross Domestic Product (GDP), exports, employment, etc. are used. This part is critical as it creates tension and the urgency for change.
2. Key issues are determined by means of tools and models, such as the diamond model, the cluster map, value chain analysis and the five competitive forces, developed by Micheal E. Porter.
3. The above tools are used to understand the current strategy of an industry as well as specify the major key issues affecting industries.
4. Future strategy, recommendations and action plan are set, based on brainstorming sessions that bring together representatives from both the private and public sector.

The entire research and cluster analysis conducted by JNCT adopts the hypothesis and models advanced by Micheal E. Porter of Harvard Business School. However, the Team is constantly looking forward to expand and broaden the scope of its work in terms of tools and models used, to go beyond the approach employed so far.

