

## **Part IV**

### **Continuity and Future Perspective**



## Chapter Fourteen

### The Continuity and Future Perspective of JNCT

JNCT was established with the mission of assuming the leadership in building the competitive advantage of Jordan. At the time, the concepts of both competitiveness and clustering were still uncommon and rarely understood in Jordan. Today, the tables have turned. Competitiveness is a word exchanged daily at different levels of society; it has become a reality that Jordan, and all nations alike, need to strive for competitiveness to keep pace with the continuous challenges prompted by globalization.

For that reason, JNCT wishes to take further strides towards significant improvements in the competitiveness of Jordan. This is to be accomplished through the introduction, and more notably, the actualization of cluster pattern behavior among firms especially SMEs, whereby new clusters can be identified and already existing ones can be nurtured to higher maturity levels and increased cluster pervasiveness.

To this end, JNCT needs to master the roles already assumed, which underpin the core of JNCT strengths and learning experience, and build on them such that they become far more inclusive and comprehensive in its scope of work. Accordingly, JNCT embraced some of the recommendations of the 3rd Aqaba Retreat 2002, entitled R&D and Competitiveness, which took place under the patronage of His Majesty King Abdullah II. The recommendations embraced were JNCT specific and consequently incorporated into the present JNCT mandate.

Although challenging, the integrated mandate adopted by JNCT, comprises the following roles:

1. Expert monitor of the competitive performance of Jordan. In this regard, JNCT intends to enhance its role in monitoring Jordan's competitive performance by:
  - a. Continuing to monitor the results of the GCR.
  - b. Taking on the responsibility of two additional reports; the WEF's AWCR and the Institute for Management Development (IMD) World Competitiveness Yearbook that are now part of the JNCT responsibilities. These two reports, in addition to the GCR, complement each other in assessing the competitiveness of various countries.
  - c. Learning from different experiences such as the one provided by the National Competitiveness Council (NCC), the Irish model, the National Policy and Advisory Board for Enterprise, Trade, Science, Technology and Innovation in Ireland (FORFAS), as well as utilizing all above-mentioned reports to establish Jordan's own competitiveness indicators (i.e. National Index), which assess certain sectors of the economy. This will provide a wealth of information and data on an annual basis that is to be used to monitor and analyze the competitive performance of the country. JNCT hopes that the National Index initiative will eventually lead to the production of Jordan's own Competitiveness Report.
  - d. Organizing a meeting at the national level involving all stakeholders both from the public and private sector to follow up on the reports and improve the ranks of Jordan in the indicators it scores poorly in, by setting an action plan and taking part in its execution in the context of a national strategy. It

should be noted that until the National Index is developed, this initiative will be implemented solely for the previously mentioned reports.

2. Facilitator of clustering, to be accomplished through:
  - a. Conducting new cluster studies. Ongoing cluster studies include the Jordanian Medical Services cluster in addition to any other studies requested by His Excellency the Minister or the private sector as deemed necessary.
  - b. Continuing to update and follow up on issues highlighted on the already completed cluster studies.
  - c. Participation with other members in the TIJARA<sup>1</sup> initiative in the implementation of the backward linkages program.<sup>2</sup>
  - d. Cooperation with the private sector through workgroups and workshops to assist in the formulation of industrial clusters.<sup>3</sup>
  - e. Getting involved in field work and learning from the communities and Non-Governmental Organizations (NGOs) working under Village Clusters (VC), a component of the Enhanced Productivity Program<sup>4</sup>, to be able to formulate geographical clusters<sup>5</sup> in the future.
  - f. Further developing the JNCT capacities to be employed in the creation of linkages between geographical clusters and industrial clusters. JNCT believes that both cluster types are crucial to achieving sustainable development, where the two types are not mutually exclusive. In fact, they are strongly interrelated in most cases, whereby some economic activities are concentrated in specific areas (for example, agriculture in the Jordan Valley or the production of Dead Sea products from the Dead Sea).
  
3. Liaison between the private sector and the government to enhance networking and facilitate improvements in the performance of the private sector. Therefore a constructive dialogue with the government needs to be established. In this regard, JNCT intends to:
  - a. Duplicate the success story of the Jordanian agricultural cluster in establishing the National Agriculture Team at the level of other clusters of the economy.
  - b. Assume a more proactive role by carrying out the policy recommendations intended to ameliorate the private sector performance.

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1 TIJARA was created with the vision that "Jordan shall become a premier center for US trade and investment in the Middle East, and an efficient gateway to the US market. The overall goal that specifically supports the vision for development of the FTA is to achieve substantially increased levels of trade and investment between Jordan and US through the FTA, contributing to more vibrant, diversified, private sector-led growth in Jordan."

2 "Backward linkages" refers to inter-firm relationships in which a company purchases intermediate goods and services as its production inputs on a regular basis from one or more local companies in the production chain. This program will play an important role in strengthening domestic industries and stimulating foreign investment.

3 Industrial (sector based) Clusters: These are clusters focusing on specific industrial sectors or economic activities, where each is linked to a wide range of related and supporting industries/ activities (i.e. academia, R&D activities, packaging...etc.).

4 EPP is an integrated outreach program for regional development in Jordan.

5 Geographical Cluster: These are clusters concentrated in specific geographical areas that usually maintain a comparative advantage. In this case, clustering is more like a mechanism, which links all the economic activities and directs them towards enhancing the economic and social development of the specified area. The mechanism is based on collective efforts conducted by different active members representing the economic, social and cultural parties in the area.

4. Agent for spreading awareness and dissemination of information on competitiveness. In this regard, JNCT intends to:
  - a. Publish an Arabic version of the Competitiveness Book to document the entire JNCT experience and enable Jordanian students and other Arab countries to benefit from the Jordanian experience in this field.
  - b. Champion the establishment and maintenance of a leading information bank on micro cluster-based research in Jordan by launching [www.competitiveness.jo](http://www.competitiveness.jo), a website run by JNCT to facilitate the understanding of competitiveness. The website will consist of cluster studies, material and literature on competitiveness, 'Questions & Answers' window, and press releases on competitiveness issues, in addition to a database at sector level based on the national index.
  - c. Work with local universities and extend assistance in developing courses on competitiveness (Strategy, Competition, Cluster Analysis, etc) for MBA and undergraduate programs at leading business schools in Jordan, as well as introducing internship programs. This process is part and parcel of the work carried out by JNCT to enhance the national mentality and modernize attitudes vis-à-vis competitiveness. Student groups are expected to extend the work of the JNCT by undertaking an analysis of one of the industry clusters or a key component of the national business environment in Jordan. Various members of JNCT will assist and guide the work of students in coordination with teaching professors.
  
5. Center of early warning signals, which aims at signaling sudden changes in various economic activities or trends affecting the overall competitive performance of Jordan. The center would recommend applicable remedies and suggest what course of action needs to be taken. This will be accomplished by capitalizing on JNCT experience in various clusters, whereby the private sector is the main contact for following up on the latest cluster developments. In addition, the JNCT expertise in monitoring the competitive performance through the GCR, AWCR, IMD and the National Index provides a wealth of information. The JNCT skills in performing gap analysis and benchmarking would be used to identify means of improvement. This is particularly crucial because the private sector tends to be so heavily involved in its daily tasks and operations that quite often it is unaware of related micro or macro changes. Furthermore, this initiative will help the government or public sector to take a proactive role by setting appropriate action steps to capitalize on various opportunities and improve private sector performance.

Given the integrated mandate, the JNCT vision, testifying its continuity and legacy, contributes to the development of a "competitiveness model" for Jordan, an example of ongoing development and progress. This is a long-term goal that can only be attained through a drawn-out process requiring substantial national efforts to invest efficiently in both human capital and technology, i.e. upgrading R&D, design and manufacturing competence. The JNCT role in realizing this vision shifts from a theoretical one to a practical one (i.e. implementation phase). Furthermore, the JNCT calls for the utilization of private, community-based organizations to initiate regional socio-economic adjustments that complement all developmental efforts that are mutually beneficial for public and private sector institutions.

More importantly though, is the fact that the realization of this vision is contingent on the achievement of a cultural transformation. A shift in the currently dominating mindset is needed. In other words, it is crucial

to first nurture a *competitive mindset in Jordan*. A *competitive mindset* would welcome competition and cooperation simultaneously (co-opetition), competently identify the needs and desires of clients, innovatively develop products and production processes, utilize strategic thinking to attain an advanced position at a global scale, and adopt advanced regulatory standards in monitoring and assessing the performance of institutions.

Therefore, it is crucial to start from the base and build on the human capital available. This employs the development of the competitive mindset of today's youth by incorporating topics such as entrepreneurship, collectivity, strategic thinking and innovation in their education. Jordanian youth should be brought up to be job creators rather than job seekers to develop potential independent leaders. Great emphasis should be placed on improving accessibility to, and the quality of, the current educational systems in Jordan. An adequate education complying with international standards should be made available to all Jordanians. In short, education is the key to shifting the cultural mindset of future Jordanian youth to one that accepts and embraces competitiveness.

A further step in shifting the prevalent mentality of the Jordanian business community towards adopting "*new ways of doing business*" and "*best practices*" includes the abolishment of bad practices such as corruption, nepotism, and bureaucracy, and the establishment of a strong competitive business community founded on meritocracy, cooperation, trust and ethics. It is essential for contemporary business leaders to cooperate with other members of their industry or sector, establish linkages with related industries, and work closely with their local government through public-private partnerships.

In conclusion, the present book encapsulates the core of the work carried out so far by JNCT, documenting its accomplishments. While this book is ending, a new leaf is turning; one that prepares the way to full citizen involvement in building and improving national competitiveness. Every responsible individual within society is expected to play his/her part, to complement JNCT efforts; for without the full involvement of citizens in carrying out the tasks proposed, the vision and hope of a highly competitive Jordanian economy cannot become a reality.