Strengthening Macroeconomic and Social Policy Coherence through Integrated Macro-Micro Modelling

Final Training Workshop
3-5 June 2014

Ministry of Planning and International Cooperation
Third Circle, Jabal Amman, Amman

Background and objectives of workshop

At the request of the Ministry of Planning and International Cooperation (MoPIC) of the Hashemite Kingdom of Jordan, capacity development activities are being implemented in Jordan in the framework of the project “Strengthening Macroeconomic and Social Policy Coherence through Integrated Macro-Micro Modelling”.¹

The realization of these capacity development activities responds to the need to strengthen the capacity of Jordanian government experts to assess strategies that contribute to human development, and to become better prepared to anticipate and respond to global economic crises and other external adversities (including those related to high food and energy prices, drops in export demand, and so on) to avoid future setbacks in human development. These assessments are expected to inform policy makers. The Development Policy and Analysis Division of the United Nations Department of Economic and Social Affairs (UN-DESA/DPAD) and MOPIC are working in partnership to support these activities in Jordan. The project also receives logistical and other valuable support from the United Nations Development Programme in Jordan.

Beneficiaries of the project’s training activities are affiliated to different institutions of Jordan’s Government (i.e. MoPIC, Department of Statistics, Ministry of Social Development, Ministry of Finance, and Central Bank of Jordan) with MoPIC being the main official counterpart. They are expected to straighten their capacity to evaluate

policies and inform policy makers on their desirability, particularly to ensure the timely achievement of human development goals and its continued sustainability beyond 2015. If, for example, human development goals are not attained on time, trainees are expected to have the capacity to assess different development strategies and estimate further resource requirements associated to them under different scenarios.

Capacity development activities of this project started with the organization of an inception workshop, on 28-29 March 2012, in Amman. During these workshop the key policy questions to be addressed through the capacity building activities were presented and discussed, the integrated macro and micro modelling tools were described, results of recently completed projects on MDG financing strategies were presented, real-time simulation results were generated and discussed as an introduction to the application of the modelling tools, stock of data availability was taken and the time line and future data collection were agreed upon.²

The first and second intensive training workshops were respectively organized on 5-8 November 2012 and 8-11 April 2014, in Amman. During these workshops, the Maquette for MDG Simulations (MAMS) and the Excel-based interface known as ISIM-MAMS—with which simulations with MAMS are implemented—were described in detail. Practical sessions to explain the use of ISIM-MAMS (i.e., installation, adding a dataset, generation of a reference scenario and alternative scenarios, use of closures and rules) were also part of these workshops. Practical sessions to conduct policy simulations in six blocks (exogenous shocks, fiscal space for human development, achievement of human development goals, tax policies, public spending policies, and foreign aid) were also undertaken. During the second intensive training workshop, the construction of Jordan’s SAM for MAMS and other parts of the data set with which MAMS has been calibrated were also described.

With this background in mind, the final training workshop will be held on 3-5 June 2014, in Amman, aiming at three objectives:

- Performing and analysing a number of examples of policy simulations with ISIM-MAMS that could eventually be used as inputs for the Economic Development Plan (EDP) of Jordan.
- Describing a microsimulation model by means of which results from MAMS scenarios are used to determine impacts on poverty and inequality of said policy simulations.
- Transferring a computer-based routine to implement the microsimulation model in combination with ISIM-MAMS.

² For more details about this and all other subsequent workshops see, http://www.un.org/en/development/desa/policy/capacity/jordan.shtml
Programme

3 June 2014

9:00 – 9:15: Welcoming remarks and overview of progress, objectives and programme
Mukhallad Omari, MoPIC
Marco V. Sánchez, UN-DESA

9:15 – 10:30: Examples of simulations and results: preliminary messages for the EDP
Marco V. Sánchez, UN-DESA

Coffee break

10:45 – 12:30: Simulations of tax/subsidy reform and policies using ISIM-MAMS

Lunch

13:30 – 15:00: Simulations of tax/subsidy reform... (cont.)

Coffee break

15:15 – 16:30: Simulations of FDI inflows using ISIM-MAMS

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9:00 – 10:30: Simulations of public spending in tertiary education using ISIM-MAMS

Coffee break

10:45 – 12:30: Simulations of public spending... (cont.)

Lunch

13:30 – 14:15: Microsimulation approach: a description

14:15 – 15:00: File structure to implement microsimulations in Stata

Coffee break

15:15 – 16:30: Demonstration of Stata implementation and interpretation of results

3 Presentations and practical sessions below are made and coordinated by Marco V. Sánchez and Marcelo Lafleur from UN-DESA.
5 June 2014

9:00 – 10:30: Use of ISIM-MAMS results to implement microsimulations

Coffee break

10:45 – 12:30: Combination of ISIM-MAMS simulations and microsimulations for the EDP (practical session and discussion of results)

Lunch

13:30 – 15:00: Combination of ISIM-MAMS simulations and microsimulations... (cont.)

Coffee break

15:15 – 16:00: Combination of ISIM-MAMS simulations and microsimulations... (cont.)

End of workshop!