



IFC's *Women Get the Business Edge* Workshop  
(Amman, December 2005)

## Gender Entrepreneurship Markets (GEM)

## International Finance Corporation (IFC)

## GEM Country Brief — JORDAN 2007

This Gender Entrepreneurship Markets (GEM) Country Brief series is intended to provide an overview of the status of women's entrepreneurship in countries of the Middle East and North Africa (MENA) region. The focus of IFC's Private Enterprise Partnership for the Middle East and North Africa (PEP-MENA) GEM Program is to expand women's participation in the private sector by providing support to growth-oriented small and medium enterprises and by expanding women's employment opportunities.

### Labor Force Participation

Female labor force participation rates in Jordan from 1950 to 2000 reveal that female participation remained slightly above 10 percent until the 1960s, increased to 18 percent in 1990 and then rose sharply to 27.8 percent in 2000. This trend reflects the increase in demand for women's labor created by the shortage in the Jordanian labor market as Jordanian men migrated to the Gulf States during the 1970s and early 1980s. Although there has been a significant increase in the female labor force participation rate, this represents a low level of participation compared to 32 percent at the MENA regional level (a level which is already the lowest in the world). Total gainful employment among Jordanian women in both public and private sectors rose from 10.2 percent in 1996 to 24.2 percent in 2004.<sup>1</sup> Most women in the labor force are between 25-39 years of age. In 2004, women with paid employment accounted for 9.3 percent of all economically active women, who constituted approximately 10.4 percent of Jordan's total labor force.<sup>2</sup>

Nearly 54,000 women, or 45 percent of the female labor force, are employed in the public sector. The Ministries of Health, Education, Planning, Social Development, and Post and Telecommunications employ the largest proportion of women in the civil service, totaling 45,829, or approximately 86 percent of all female civil service employees.<sup>3</sup> Jordan's Department of Statistics calculated a female unemployment rate of 20.8 compared to a male unemployment rate of 13.4% in 2003.<sup>4</sup> This indicates that women are willing to work but are having potentially more difficulties than men to find employment. Causes of female unemployment in the private sector include poor education or job market skills match, lack of entrepreneurial culture, disincentives for private sector employers to hire women, and social norms about "appropriate" work for women.<sup>5</sup> However as research shows, women are more likely to employ other women, thus increasing the number of women-owned SMEs in Jordan could have a considerably positive effect on job creation.

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<sup>1</sup> Convention on the Elimination of All Forms of Discrimination against Women Jordan, March 10, 2006

<sup>2</sup> Ibid

<sup>3</sup> World Bank. "The Economic Advancement of Women in Jordan: A Country Gender Assessment," May 2005.

<sup>4</sup> Unemployment statistics have been the subject of some debate, with wide variance between government statistics and those of independent surveys. The largest unemployment differentials are between men and women and between all community college graduates and women graduates.

<sup>5</sup> Ellis, Amanda. "Jordan CGA Private Sector Development," IFC Sector Note, 2005.

## **Women-owned Businesses in Jordan**

Women entrepreneurs account for only 3.9 percent of all entrepreneurs in Jordan<sup>6</sup>. Throughout the MENA region, the number of women entrepreneurs varies from 3 percent in some countries to 18 percent in others, indicating that Jordan has one of the lowest percentages of women entrepreneurs in the region. A survey of 444 businesswomen was conducted in 2006 with the support of the International Finance Corporation (IFC) and the Center of Arab Women for Training and Research (CAWTAR), implemented by the Jordan Forum for Business and Professional Women, and the Women's Studies Department at the University of Jordan. The survey report, which is forthcoming shortly, found that 39 percent of the survey population were involved in the personal services sector, followed by 20 percent in the non-durable manufacturing sector such as food and clothing with a percentage of 15 percent in the wholesale/retail trade sector.<sup>7</sup> According to the same survey, almost 66 percent of women businesses are micro to small size enterprises with employment capacity of (1-9) full-time employees. The rest of women businesses owners in the survey are medium enterprises employing 10 – 24 or 25 – 49 workers. None of the women businesses in Jordan were found to be a large scale business. <sup>8</sup> In terms of business size and levels of formality, it is estimated that three quarters of women's enterprises in Jordan are home-based, and there are significant differences between women's home based enterprises and those that are based outside the home.

## **Opportunities and Obstacles to Women's Enterprises and Business Expansion**

A 2005 Jordanian survey on the effects of business incubators on women's businesses revealed that Jordanian women whose businesses fail suffer from lack of effective business training, marketing (in particular pricing and using modern methods in marketing such as campaigns and the web), and administrative techniques, and access to networks.<sup>9</sup>

**a) Access to Finance.** Access to credit is a key obstacle to business start-up expansion. Although bankers argue that their credit policies are gender neutral, Jordanian business women claim that their male counterparts receive more favourable treatment. The lack of a private credit bureau and the low coverage in the public credit registry (19 borrowers per 1,000) is problematic for loan approvals.<sup>10</sup> The Central Bank of Jordan estimated in 2005 that 704,583 women have bank accounts in Jordan, with deposits totalling nearly 1,1000 million dinars, or approximately 2,200 million dollars. The Arab Bank calculated that women's deposits in the Arab Bank had reached 318.6 million dinars, or 637 million dollars, which represented only 8.6 percent of the gross deposits in the bank. These figures suggest that Jordanian women do not have adequate financial savings to invest in their businesses, making alternate sources of access to finance all the more important.<sup>11</sup>

Survey research indicates that a significantly higher number of women running informal enterprises in Jordan (91 percent of women surveyed) want to borrow from microcredit institutions. This compares to 73 percent of the men surveyed and indicates men's greater ease in accessing the formal financial market.<sup>12</sup> Furthermore, women entrepreneurs who are limited to microcredit institutions for access to finance find it difficult to enter sectors that require larger investments as minimum registered capital.<sup>13</sup> Currently, the Microfund for Women is the largest microfinance institution in Jordan with 98 percent of its client base being women. In 2004, women borrowers amounted to approximately 57 percent of clients served by four major local microfinance

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<sup>6</sup> Although statistical measurement of the Small and Medium Enterprise (SME) sector is problematic in Jordan, with no agreed formal definition, it is estimated that ninety percent of all businesses in Jordan are SMEs.

<sup>7</sup> Business Women Profile Survey Executive Report Jordan, 2007.

<sup>8</sup> *ibid*

<sup>9</sup> Masoud, Reema "The Effect of Business Incubators at the Business and Professional Women Association on Women's Projects," 2005.

<sup>10</sup> World Bank. "The Economic Advancement of Women in Jordan: A Country Gender Assessment," May 2005.

<sup>11</sup> These figures were provided by the Central Bank of Jordan and the Arab Bank in Jordan. The figures provided by the Central Bank of Jordan do not include the Arab Bank's figures.

<sup>12</sup> World Bank. "The Economic Advancement of Women in Jordan: A Country Gender Assessment." May 2005.

<sup>13</sup> *Ibid*

institutions in Jordan<sup>14</sup>. The National Assistance Fund has also been instrumental in providing financial assistance to female-headed households, and has provided 751 small business start-up grants to women alone, a consequence of positive discrimination adopted by the Ministry of Social Development.<sup>15</sup>

**b) Access to Markets.** As most women's businesses in Jordan are based on a narrow range of "traditional" skills or are home based, most women-owned SMEs serve local markets. Impediments to accessing larger, more lucrative markets include lack of export know-how, highly bureaucratic business registration processes, and complicated export market procedures. According to the forthcoming IFC-CAWTAR supported survey 74.1 percent of women business owners were not involved in international trade. There was also a positive correlation observed between education levels and involvement in international trade. The results indicate 'that percentages of involvement in international trade go higher as women business owners' level of education increases.'<sup>16</sup>

**c) Access to Networks.** According to a survey provided by the Jordan Forum for Business and Professional Women, out of the 3006 women registered in the Jordanian Chamber of Commerce, 9 percent of women are entrepreneurs, 20 percent do not manage their business affairs, and 71 percent are housewives or are not even aware that they are registered in the Chamber of Commerce. Out of 297 women registered with the Chamber of Industry, 25 percent are general managers, 3 percent are heads of administrative departments, and 3 percent are members of administrative departments.<sup>17</sup> While the costly and bureaucratic nature of formal business sector registration is a barrier to all would-be business owners, this affects women disproportionately because women on average have fewer resources and less access to business networks than men.<sup>18</sup> The lengthy and complex registration and licensing procedures discourage women from going through the process, and reportedly, most women send male relatives or employees to act on their behalf with the relevant government bodies.<sup>19</sup>

### **Country Policy and the Promotion of Women-owned Businesses**

Jordan's national strategy for the promotion of women has thus far focused on empowering women to join the labor force, but has not specifically focused on promoting women-owned businesses. However, women-owned SMEs have an important role to play in the Jordanian government's strategy for private sector development outlined in the National Social and Economic Action Plan for 2004-06 which expresses the Government's commitment to introduce programs that "aim to empower and enable citizens, especially youth and women, as well as to encourage more private investment in order to create 50,000 additional job opportunities every year." In line with this aim, Jordan is facilitating women's access to employment through two areas of increasing importance for private sector development in Jordan: Information Communication Technology (ICT) and Qualified Industrial Zones (QIZs). New opportunities for women to upgrade skills and access paid work are available through the establishment of some 100 ICT Knowledge stations across Jordan. Some 25,650 Jordanian women have been trained to date, which represents 57 percent of the total number of trained workers. According to the Ministry of Industry and Trade, women account for 70 percent of QIZ employees and have benefited from Jordan's significantly increased exports to the United States. Jordan has also initiated a program to bring rural women to work in QIZs, with the objective to ensure that more Jordanians benefit from new job opportunities and technology and skills transfer.<sup>20</sup> The Socio-Economic Development Plan for 2004-2006 under the National Anti-Poverty Strategy aims to empower citizens particularly youth and women through generating employment and promoting private-sector investment.<sup>21</sup>

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<sup>14</sup> "Investment Review Memorandum." Microfund for Women. June 2006.

<sup>15</sup> Convention on the Elimination of All Forms of Discrimination against Women Jordan, March 10, 2006.

<sup>16</sup> Business women profile Survey Executive Report Jordan, 2007.

<sup>17</sup> "Status and Ambitions" (Survey provided by the Jordanian Forum for Business and Professional Women), November 2001.

<sup>18</sup> World Bank. "The Economic Advancement of Women in Jordan: A Country Gender Assessment." May 2005.

<sup>19</sup> *ibid*

<sup>20</sup> World Bank. "The Economic Advancement of Women in Jordan: A Country Gender Assessment." May 2005.

<sup>21</sup> Convention on the Elimination of All Forms of Discrimination against Women Jordan, March 10, 2006.

## **Businesswomen's Associations**

The Jordanian Forum for Business and Professional Women (JFBPW) provides technical support to women in SMEs as well as at the micro-business level. This is being achieved through specialized professional training and information sharing, networking and access to foreign markets, through the efforts that the Forum spends in representing women SMEs in regional and global economic platforms, and through raising the voice of Jordanian women in SMEs, micro, and professionals. The JFBPW also provides legal counseling (to ensure women are aware of their rights), mentoring, a business incubation program to encourage start ups, and training for rural women in non-traditional occupations that allows them to run their own microenterprises. The JFBPW has acknowledged the importance of creating supporting legal environment that encourages women participation in the economical activities of Jordan and thus one of the major areas of interventions for the JFBPW is contributing to the process of changing the national regulations of relevance to women in business into more positive encouraging laws and regulations. This is being achieved by functioning as link between the Jordanian decision-makers and women in business.

Other organizations also focus on empowering women as entrepreneurs. For example, the General Federation of Jordanian Women established in 1981 has been providing vocational training and 'awareness, education, credit,' and child care; the Business and Professional Women's Club (BPWC) established in 1976, has initiated small business counseling, providing business advice and financial support for women entrepreneurs. "The BPWC's pioneering programs, which respond to the personal and professional needs of working women from all works of life, include hot-lines, service centers for small businesses, free legal aid and personal counseling and technical training for women."<sup>22</sup> Furthermore, the American Chamber of Commerce in Jordan (JABA) has an acting woman CEO and a number of women involved in its management committees. JABA has been running businesses start-up courses throughout Jordan whose clients in 1999 were predominantly women.<sup>23</sup> The Jordan River Foundation, a non-profit Jordanian NGO established in 1995 and chaired by Her Majesty Queen Rania Al-Abdullah, also has built the capacity of many women entrepreneurs at both the micro and small enterprise levels. This includes business management training initiatives for women.

## **Donor Activities for Assistance to Women Entrepreneurs**

Most donor activities for assistance to women entrepreneurs have focused on sustainable microcredit programs as an effective catalyst for economic growth by increasing income and creating employment at the grassroots level. The most active donors in this field are USAID, the World Bank, and the European Union. In June 2005, the Jordan-U.S. Business Partnership (JUSBP) program, a \$27 million, 7-year USAID funded SME development project announced the creation of a Jordanian successor organization called the Business Development Center which is charged with assisting men and women-owned SMEs to enhance their competitiveness as well as continuing successful initiatives to promote women entrepreneurs such as the Internship Program "Maharat" and "Increasing the Competitiveness of Women-Owned Businesses."<sup>24</sup> The IFC is planning to work with the Microfund for Women (MFW) in Jordan to help MFW 'introduce new products such as micro-leasing, home improvement loans, education loans and provide comprehensive financial services on a commercially sustainable basis for low income women.'<sup>25</sup> The IFC also held 'Women Get the Business Edge' workshops in December 2005 and June 2006 attended by Jordanian and Iraqi businesswomen to assist women entrepreneurs in developing 'marketing and pricing strategies for their businesses and establish networks across the border.'<sup>26</sup> The IFC together with CAWTAR undertook a capacity building project in 2006 for five countries in the MENA region including Jordan, to further build businesswomen associations' capacity on how to design, conduct, and analyze country surveys assessing businesswomen's needs. As mentioned above, a

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<sup>22</sup> National Women Organizations 2002.  
<http://www.noor.gov.jo/main/nwo.htm>

<sup>23</sup> USAID, "Women's Economic Activities in Jordan: Research Findings on Women's Participation in Micro enterprise, Agriculture, and the Formal Sector." July 1999.

<sup>24</sup> "Partners for Progress." USAID in Jordan. June 2005.

<sup>25</sup> International Finance Corporation (IFC) 'Microfund for Women (MFW)' 2006.

<http://www.ifc.org/ifcext/mena.nsf/Content/SelectedProject?OpenDocument&UNID=48075DD86724B00285257178006439FB>

<sup>26</sup> International Finance Corporation (IFC) 'IFC Helps Women in Emerging Markets' February 26, 2007.

[http://www.ifc.org/ifcext/media.nsf/Content/IFC\\_Helps\\_Women\\_in\\_Emerging\\_Mkts](http://www.ifc.org/ifcext/media.nsf/Content/IFC_Helps_Women_in_Emerging_Mkts)

regional report that includes findings on Jordanian businesswomen is forthcoming shortly and will be made available at [www.ifc.org/gem](http://www.ifc.org/gem).

### **IFC PEP-MENA GEM Program**

GEM aims to bring a gender dimension to IFC's investment projects, address gender barriers in the business environment, provide advisory services to financial intermediaries, and deliver training for women entrepreneurs. Along with sub-Saharan Africa, the Middle East and North Africa is one of the program's priority regions.

The IFC's Private Enterprise Partnership for the Middle East and North Africa (PEP-MENA) launched a regional technical assistance and advisory program for women entrepreneurs called Gender Entrepreneurship Markets (PEP-MENA GEM). The Program's goal is to maximize women's contribution to private sector development. The PEP-MENA GEM Program aims to improve women's access in PEP-MENA's four areas of activity: SME and financial market development, business environment improvements, privatization advisory services, and public-private partnerships. The Program targets growth-oriented women-owned SMEs with solutions that facilitate and promote fast track growth. The regional GEM Program has the following main objectives:

- Demonstrate the potential contribution female entrepreneurship offers to MENA's economic growth.
- Improve female access to private sector jobs, business opportunities, business resources and skills.
- Help increase outreach and impact of Women Business Associations in the public and private sectors.

These general objectives are based on findings from regional studies of issues affecting women SME owners in the Middle East and North Africa and on the PEP-MENA GEM-commissioned country studies.

## Sources

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Convention on the Elimination of All Forms of Discrimination against Women Jordan, March 10, 2006.

International Finance Corporation (IFC) 'IFC Helps Women in Emerging Markets' February 26, 2007.

[http://www.ifc.org/ifcext/media.nsf/Content/IFC\\_Helps\\_Women\\_in\\_Emerging\\_Mkts](http://www.ifc.org/ifcext/media.nsf/Content/IFC_Helps_Women_in_Emerging_Mkts)

International Finance Corporation (IFC) 'Microfund for Women (MFW)' 2006.

<http://www.ifc.org/ifcext/mena.nsf/Content/SelectedProject?OpenDocument&UNID=48075DD86724B00285257178006439FB>

International Finance Corporation and the Center of Arab Women for Training and Research 'Women Entrepreneurs in Bahrain, Jordan, Lebanon, Tunisia and the United Arab Emirates: Characteristics, Contributions and Challenges' March 2007.

Jordanian Forum for Business and Professional Women "Status and Ambitions." November 2001.

Microfund for Women "Investment Review Memorandum." June 2006.

National Women Organizations 2002

<http://www.noor.gov.jo/main/nwo.htm>

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World Bank. "The Economic Advancement of Women in Jordan: A Country Gender Assessment." May 2005.

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## List of Useful Resources

### **The International Finance Corporation's Gender Entrepreneurship Markets (IFC GEM) Initiative Private Enterprise Partnership - Middle East and North Africa (PEP-MENA)**

International Finance Corporation (IFC), World Bank Group

Nile City Towers - North Tower, 2005 C, 24th Floor

Corniche El Nil, Ramlet Boulac, Cairo, Egypt

Phone: +20 2 461 9140 and +20 2 461 9150

Fax: +20 2 461 9130 and +20 2 461 9160

Website: [www.ifc.org](http://www.ifc.org) and [www.ifc.org/menagem](http://www.ifc.org/menagem)

Email: [mena-gem@ifc.org](mailto:mena-gem@ifc.org)

For more information on the IFC corporate-wide and regional GEM initiative and a global businesswomen association directory see: <http://www.ifc.org/menagem>

### **Gender Entrepreneurship Markets (GEM) Manual**

The IFC GEM qualitative mapping methodology has been codified into a practical manual "The Gender Entrepreneurship Markets Study." The manual, available in print and CD-ROM, provides a systematic framework, tools and guidelines to conduct gender entrepreneurship country assessments. The manual is designed to help program developers design targeted technical assistance to promote gender equality. Copies are available for internal IFC distribution through the GEM Program.

### **Arab Working Women Diwan**

Address: PO.Box 851685, Amman 11185 Jordan.

Tel: (962-6) 5822347

Fax: (962-6) 5822347

E-mail: [info@womandiwan.com](mailto:info@womandiwan.com)

Website: <http://www.womandiwan.com/>

### **International Women's Forum**

Address: PO Box 2585, Amman 11181 Jordan.

Tel: (962-6) 5694386

Fax: (962-6) 5694387

E-mail: [info@iwf.jo](mailto:info@iwf.jo)

Website: <http://www.iwf-jordan.com/>

### **Jordan Forum for Business & Professional Women**

Address: P.O. Box 910415, Amman 11191 Jordan.

Tel: (926-6) 551 1647

Fax: (926-6) 553 0092

Email: [jfbpw@nets.comjo](mailto:jfbpw@nets.comjo)

Website: [www.jfbpw.org.jo](http://www.jfbpw.org.jo)

### **Jordanian National Commission for Women**

Address: P.O. Box 5118, Amman 11183 Jordan

Tel: (962-6) 5825241

Fax: (962-6) 5827350

E-mail: [jncw@nets.com.jo](mailto:jncw@nets.com.jo)

### **General Federation of Jordanian Women**

Address: P.O. Box: 922126, Amman 11192 Jordan

Tel: 962 6 5670325 – 962 6 5674257

Fax: 962 6 5694810

E-mail: [nicw@gfjw.index.com.jo](mailto:nicw@gfjw.index.com.jo)

Website [http://www.globewomen.com/summit/2007/Members/GlobalMember\\_GFJW.html](http://www.globewomen.com/summit/2007/Members/GlobalMember_GFJW.html)

### **Microfund for Women**

Queen Rania St., Opposite Addustour Newspaper

Jordan Trade Center, 2<sup>nd</sup> floor, P.O. Box 962854, Amman 11196 Jordan

Tel: (962-6) 516 9191

Fax: (962-6) 516 7128

Email: [info@microfund.org.jo](mailto:info@microfund.org.jo)

Website: [www.microfund.org.jo](http://www.microfund.org.jo)

**Princess Basma Women's Resource Center**

E-mail: [info@princessbasma.jo](mailto:info@princessbasma.jo)

Website: [http://www.princessbasma.jo/advancement\\_women.html](http://www.princessbasma.jo/advancement_women.html)

**The Business and Professional Women's Club (BPWC)**

c/o Office of HM the Queen

The Royal Palace

Amman, Jordan

e-mail: [bpwcamm@go.com.jo](mailto:bpwcamm@go.com.jo)

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