

Empowering Women entrepreneurs in the MENA Region towards Equal access with men to business and trade markets

Algeria, Egypt, Jordan, Lebanon, Morocco, and Tunisia



Gender-Sensitive Value Chain in the Agri-Food, Textiles and Clothing and Information and Communication Technology Sectors

JORDAN GSVCA COUNTRY PROFILE: EXECUTIVE SUMMARY

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July 2022

BACKGROUND

During the first phase of this project (2017-2019) thanks to a CAWTAR-SIDA partnership, among other interventions, a Gender Audit exercise was conducted scrutinizing the economic policies, legal frameworks and trade agreements in the same six countries assessing the effects of Globalization and Trade Liberalisation on Economic Empowerment of Women and their access to Trade markets. The findings succeeded in drawing attention and raising awareness of directly or indirectly concerned actors and stakeholders on the importance of *empowering women towards gender equality in the MENA region through gender mainstreaming in economic policies and trade agreements*, thanks to evidence-based sensitisation, advocacy and networking interventions as well as institutional capacity building and strengthening. This new project and work have been built on the platform of validated recommendations and priorities selected by the targeted stakeholders.

Based on the above, the main finding of the conducted situation analysis gender audit is that gender is neutral/negative, not really mainstreamed in economic policies and trade and the environment is not conducive to gender equality and empowerment of women in economy and trade. Therefore, the priority of the current project *“Empowering Women entrepreneurs in the MENA Region towards Equal access with men to business and trade markets”* is to strengthen women entrepreneurs’ capacity to increase their access to and control of resources equally with men entrepreneurs with focus on business and trade markets.

Its thematic objective is *“Conducive environment created for women entrepreneurship promotion and integration in business and trade markets”* in Algeria, Egypt, Jordan, Lebanon, Morocco, and Tunisia. Creating conducive environment required to produce knowledge on businesswomen and men from a comparative gender analysis perspective that includes SMEs profiling and main actors’ mapping of at least three selected sectors, namely agriculture, light industries and services.

It should be recalled that the Gender Sensitive Value Chain Analysis/GSVCA (approach and tools) was used to assess Women-Men Equality, stressing their participation in the economic activity and their access to business and trade markets covers the six countries mentioned. The Value chain fields were selected to focus on three different sectors and more specifically subsectors: 1) Agriculture: Agri-food industries; 2) Light industries: Textile and clothing and 3) Services: Information & Communication Technology/ICT. In addition to the exercise itself (review, assessment and analysis) a number of SMEs owned/managed by women and men were targeted representing a sample from the selected sub-sectors i.e. agri-food, textile and garment and ICT.

The diagnosis of constraints and challenges intends to determine gender inequalities and gaps and assess capacity and resources needs towards priorities’ selection at the level of the SMEs and women entrepreneurs themselves, including during and after the lockdown due to the COVID-19 pandemic and its resulting consequences.

FACTS & FIGURES

1. Overall indicators

General Indicators ¹	Female	Male	Value
GDP, US\$ billions			42.61
GDP per capita, constant '17 intl. \$ 1000			9.47
Total population, million people	4.99	5.11	10.10
Population growth rate, %	1.34	1.39	1.37
Population sex ratio (female/male), F/M ratio	49.38	50.52	0.98

¹ World Economic Forum: Global Gender Gap Report, 2021, http://www3.weforum.org/docs/WEF_GGGR_2021.pdf

The Jordanian economy contracted by 1.6% in 2020, with unemployment rising to 24.7% in the fourth quarter of 2020 and youth unemployment rates reaching an unprecedented 50%. The COVID-19 pandemic has had significant economic repercussions in Jordan, given the country's small and open economy with its high rate of connections to the rest of the world.

2. Jordan's global Gender Gap Index Ranking 2021

In the latest WEF Gender Gap report, Jordan's global rank is at 131 out of 156 countries, ranking fourth amongst the MENA countries, after the United Arab Emirates (72nd on the global ranking), Tunisia (126th) and Egypt (129th).

Table 1 – Jordan's Global Gender Gap Index 2021 ranking

2006		2021		Progress (2006-2021)	
Rank	Score	Rank	Score	Rank	Score
93	0.611	131	0.638	-38	+0,027

3. Educational attainment

Table 2 – Jordan's Educational attainment comparative ranking 2006-2021²

Jordan ranks 84th in terms of educational attainment at 0.991, second after Kuwait who has the best score of 0.997, providing the country with the 59th rank. In terms of literacy rates, the country has high rates of female literacy rate of 97.8% and male literacy rate of 98.6%. The enrolment rates represent a reversal of the trend where boys go from 81.5% in primary education to 31.5% in higher education against girls who go from 80.2% in primary education to 37.4% in higher education.

2006		2021		Progress (2006-2021)	
Rank	Score	Rank	Score	Rank	Score
70	0.979	84	0.991	-14	+0,012

4. Economic participation and opportunity

Table 3 – Jordan's Economic participation and opportunity comparative ranking 2006-2021³

2006		2021		Progress (2006-2021)	
Rank	Score	Rank	Score	Rank	Score
105	0.442	133	0.538	-28	+0.096

Very few women in Jordan work. In 2019, the Female/**Male** participation rate was 15.1/**67.2** over 4 times higher; it is 53.0/80.4 in the World and 21.7/77.3 in the MENA Region. The Female/**Male** unemployment rate was 22.9/**13.2** in Jordan. It is 5.4/**4.6** in the World and 17.8/**7.8** in the MENA Region. The Female/**Male** youth unemployment rate was 54.7/**32.5** in Jordan. It is 14.7/**12.2** in the World and 38.9/**22.8** in the MENA Region.⁴

If according to some data, there are at least as many female managers as men, which can be explained by the superiority of girls in tertiary education, it is clear that women and young people, including young women, have won the unemployment "jackpot". Jordanians think - on a personal level - that it is acceptable for women to work, but at the same time they think that about a third of society finds it unacceptable for women to work inside and/or outside the home. Meanwhile, 60% of women who do not work would really like to work.⁵

5. Women in the entrepreneurship world

In summary, the lack of access to economic opportunities for Jordanian women is manifested in a low labour force participation rate (15%), a high unemployment rate (23%) and a negligible rate of

² [Idem](#)

³ [Idem](#)

⁴ Source: World Bank Development Indicators. Data retrieved November 2019 reported in Women's Economic Empowerment in Jordan <https://openknowledge.worldbank.org/bitstream/handle/10986/33587/Womens-Economic-Empowerment-in-Jordan.pdf?sequence=5>

⁵ World Bank, 2018. Hashemite Kingdom of Jordan, Understanding how Gender Norms in MNA Impact Female Employment Outcomes, Washington, DC; World bank Group <https://openknowledge.worldbank.org/handle/10986/30947>

entrepreneurship.⁶ A study published in 2016 by the Jordan Enterprise Development Corporation/JEDCO indicated that the rate of women's early-stage entrepreneurial activity in Jordan is the lowest compared to neighboring Arab countries, with only 3.3% of women aged 18-64 years already engaged in, or having recently launched, a business activity. 83.16 % of respondents of a UNIDO survey⁷ revealed that they were setting up a new business and 10.71% only were taking over a family business. The distribution of sector shows a preference for services twice the rate of other sectors, including trade.

In Jordan, only 19 per cent of businesses are co-owned by women, and not even three per cent of businesses have a female senior manager. Moreover, few women own businesses: in 2018, only four per cent of working women were employers or own-account workers, compared to 13 per cent of working men. In 2019, only 2.4 per cent of businesses have a manager. They are 17.9% globally and only 5.4% in the MENA region.⁸ In short, women-owned businesses tend to be rare, small, seasonal, informal and home-based, confined to low productivity activities and with limited access to markets.

Data from the Global Entrepreneurship Monitor suggests Jordanian women entrepreneurs are essential to Jordan's economic success. Yet women still face challenges in accessing information, funds and financing.⁹

6. Women legal status and rights

Jordan - Scores for Women, Business and the Law 2021



Over the last ten years, "Women, Business and the Law" has collected unique data on the laws and regulations that constrain women's entrepreneurship and employment. The index is structured around the life cycle of a working woman, with 35 scoring data points on eight indicators. Overall scores are then calculated by taking the average of each indicator, with 100 representing the highest possible score. Jordan's score in the latest edition of the report is 46.9 out of 100, lower than the regional average at Middle East & North Africa (at 51.5). The countries that rank first with 100 are mostly in Europe, the highest-ranking Arab country is the UAE with a score of 82.5, the last is Palestine with 26.3.

7. COVID-19 impact on policies

To mitigate the negative economic effects of these COVID-19 control measures, the Government of Jordan/GOJ has implemented a policy response package that included increases for allowances for social cash transfers for poor households and temporary cash transfer program were established for the unemployed and self-employed to provide income support especially for seasonal workers.¹⁰

A number of measures including delayed loan repayments and deferring social security contributions were also set by GOJ, noting that companies that benefitted from governmental support were medium and large companies mostly¹¹. Moreover, the government made special efforts to include some previously marginalized strata, such as residents of the Gaza Strip and children of Jordanian

⁶ Women's Economic Empowerment in Jordan <https://openknowledge.worldbank.org/bitstream/handle/10986/33587/Womens-Economic-Empowerment-in-Jordan.pdf?sequence=5>

⁷ <https://www.euneighbours.eu/sites/default/files/publications/2017-11/UNIDO%20Study.pdf>

⁸ Source: World Bank Development Indicators. Data retrieved November 2019 (2013, Jordan, 2018, World & MENA) reported in Women's Economic Empowerment in Jordan <https://openknowledge.worldbank.org/bitstream/handle/10986/33587/Womens-Economic-Empowerment-in-Jordan.pdf?sequence=5>

⁹ <https://spark.ngo>

¹⁰ Around 81 million JOD equivalent of circa US\$ 114 million

¹¹ <https://reliefweb.int/sites/reliefweb.int/files/resources/ILO%20FAFO%20UNDP%20Covid%20Report%20July%202021.pdf>

women residing in Jordan, to allow them to benefit from programs destined to mitigate COVID-19 consequences.¹²

8. Obstacles and challenges in the entrepreneurial process (Rapid Assessment)

An exercise to make a rapid assessment of the impact of the COVID-19 pandemic on businesses was planned with a view to taking stock with male and female entrepreneurs of the obstacles and challenges they had to face during the period of the lockdown and after. The interest was to enable them to identify their own needs and select priorities from their own perspective. It is regrettable that this rapid assessment could not be carried out in Jordan, despite all the efforts made by the CAWTAR team. Indeed, in addition to multiple individual contacts (multitude of telephone calls, mails and emails...) among the CAWTAR network but also based on the preliminary mapping that have been prepared. Yet, the majority of the women entrepreneurs who were contacted confirmed that they had experienced difficulties or were still suffering from the consequences of the pandemic. They promised to call back to participate in the rapid assessment. Others have asked for the questionnaires to be sent to them to fill in and submit, but unfortunately without success.

Luckily it was possible to appraise the state of art thanks to the literature review and the plethora of assessments, surveys and analyses that have been carried out on this topic in Jordan. Almost all sources confirmed that Jordanian SMEs, like their counterparts around the world and in the region, had to bear the same consequences and faced same risks and challenges of the pandemic from the time of lockdown and even afterwards. Indeed, most of the reviewed findings confirmed this impact. Moreover, re-visiting pre- and post-pandemic indicators of COVID-19 can provide a clear perspective on its effect in 2020 and beyond. Already alarming problem in Jordan, the country's unemployment rate reached 24.7% in the fourth quarter of 2020. Much more, the female unemployment rate rose sharply to 32.8% by the end of the same year, probably because the majority of employed women in Jordan work in informal sectors where job security is far from being guaranteed particularly in some sectors such as agriculture, education, small businesses and others¹³. According to the World Bank, Jordan has "the lowest female labour force participation among countries not at war".

Other evidences can be found in one of the most recent surveys, i.e. the study conducted by the ILO, Fafo Institute for Labour and Social Research and the UNDP, namely "Impact of COVID-19 on Enterprises in Jordan: One year into the pandemic".¹⁴ Published in July 2021, it looked at the different effects of the pandemic on Jordanian businesses one year after the introduction of the first lockdown. The findings demonstrated negative impacts of the COVID-19 pandemic, on enterprises of all sizes, and across all sectors even if micro and small businesses were more severely affected. Among the consequences that were most difficult to cope with, respondents cited: laying off one or more employees since the outbreak of COVID-19; the greatest economic burden on rent (61%), wages and social security payments (51%). and social security payments (51%) and paying bills (30%); increased indebtedness as 250 companies in the sample had bank loans and more than a third had supplier credit or informal credit from family or friends. As in other countries, the pandemic has exacerbated the vulnerabilities of some already fragile sectors and groups, such as the informal sector where workers who are paid on a daily basis. They represent a large proportion of the

¹² <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8492097/>

¹³ <https://spark.ngo/>

¹⁴ A phone survey of more than 2,000 Jordanian enterprises in February and March 2021, complemented by individual interviews and focus group discussions with representatives from various industrial sectors, including business organisations, trade unions, enterprise owners, and workers. The report draws on data from a similar, though smaller, telephone survey conducted at the start of the COVID-19 pandemic in April 2020. About 700 of the same companies from the first survey participated in the more recent survey. <https://reliefweb.int/report/jordan/impact-covid-19-enterprises-jordan-one-year-pandemic>

workforce in the construction, agriculture and tourism sectors, and have not been able to access social security benefits.¹⁵

According to the same source, half of the companies surveyed responded that they had not taken measures to ensure continuity of production and operations during the pandemic. Only 10% introduced e-commerce and online platforms. 90% of companies stated that they had not benefited from any public support, while six out of ten companies declared having benefited from a reduction or deferral of social security charges or wage subsidies through social security exemptions or reductions in employer and employee contributions. As for the outlook, only 41% said they were confident in the resilience of their economy. This could refer to the three main risk concerns that the surveyed companies expressed for 2021, namely reduced sales/demand, cash flow/liquidity problems and loss of revenue. Yet almost all of the women business owners surveyed were slightly more confident than the men. More than half of them said they were confident in their ability to cope.¹⁶ It is worth noting that although the results were not broken down by gender, women-owned businesses accounted for only 7% of the sample.

9. Gender Sensitive Value Chain Analysis/GSVCA

The goal of the GSVCA is to evaluate the competitiveness and performance of a number of Value chains in each selected sector/ sub sector in order to determine the actual or potential barriers and opportunities for women and men that may be shaped by the legal and regulatory framework, institutional structure and practices, as well as by social norms, traditions and the gender construct.

Scoring is based on the interpretation of the responses (by comparing the different value chains in a horizontal reading) for each question at the various matrix levels. Scoring a particular sub-sector or value chain against the sub-criteria is done using scores between 1 and 4, with 1 being very poor/very bad and 4 being good/high. The overall score for each value chain corresponds to the formula below: *Overall subsector score = %economic dimension X (total scores each time multiplied by %question) + %environmental dimension X (total scores each time multiplied by %question) + %social inclusion and gender dimension X (total scores each time multiplied by %question) + %institutional dimension X (total scores each time multiplied by %question)*. Thus, in the end we get overall scores for each value chain out of a maximum score of 4.

The analysis of these different criteria applied to the 3 sectors (Agriculture, Light Industry and Services) and more precisely to the 3 selected sub-sectors: Agri-food, Textiles and Clothing and Information and Communication Technology/ICT resulted in the following:

Table 4: GSVCA Scores

Criteria and scoring rate	Maximum Score	Sub-sector 1: Agri-food	Sub-sector 2: Textiles	Sub-sector 3: ICT
Economic dimension (40%)	1.6	1	0.8	1.4
Gender and Social dimension (40%)	1.6	0.4	0.64	1.08
Institutional dimension (20%)	0.8	0.68	0.5	0.62
TOTAL (100%)	4	2.08	1.94	3.1

¹⁵ ILO, Fafo Institute for Labour and Social Research, UNDP, Impact of COVID-19 on Enterprises in Jordan: One year into the pandemic, 14 Jul 2021, <https://reliefweb.int/report/jordan/impact-covid-19-enterprises-jordan-one-year-pandemic>

¹⁶ ILO, Fafo Institute for Labour and Social Research, UNDP, Impact of COVID-19 on Enterprises in Jordan: One year into the pandemic, 14 Jul 2021, <https://reliefweb.int/report/jordan/impact-covid-19-enterprises-jordan-one-year-pandemic>

10. Preliminary Analysis

Following the comparative analysis of the 3 sub-sectors and based on the literature and available data review,¹⁷ the Information and Communication Technology/ICT subsector stood out as opposed to the other sub-sectors at hand, as the one with the highest potential in terms of:

- Market prospects and its current contribution to the national economy considered as one of Jordan's greatest assets,
- Favourable environment starting with the efforts of the highest authority, governmental institutions and non-governmental and professional organisations,
- A field accessible to female university graduates with technological know-how and a certain potential for them, even if women are still under-represented in this sub-sector

CONCLUSIONS & RECOMMENDATIONS

The cross-cutting analysis of the results of the Situation Analysis (quantitative and qualitative), the COVID-19 related literature review and the GSVCA has brought out a number of concerns and needs that can be summarised as follows:

- Networking with other business owners in a collaborative spirit to exchange information on their field and potential opportunities
- A better understanding of the regulations governing the company's sector of activity but also a watchful eye to keep the company in compliance with regulatory requirements including business registration to create viable and sustainable businesses
- Better access to technical and managerial training,
- Necessary skills on risks management, building self-confidence in creating and managing business,
- A better capacity on human and financial resources management,
- Capacity and skills on business planning including adoption of new technologies in business management such as e-commerce and digital marketing.

It is expected that the concerned stakeholders will be able to enrich these preliminary results based on their own experience and proceed to identify the commonalities and differences of their country with the others and to proceed to the selection of priorities that will serve for the development of a strategic framework that will also be submitted to another round of discussions for validation and adoption at the 2nd regional seminar to be held in the first half of 2022.

¹⁷ Difficulties specific to the data collection phase were encountered in terms of availability and consistency. Availability of data on the topic at hand in the various countries is extremely limited, not to say scarce. An added layer of complication was due the fact that when available and depending on the sources consulted, the data found was contradictory, further impeding the process.