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Promoting Women's Economic Participation: Definition of Women-Led and Women-Owned Businesses

National PPD Outcome Report

ECONOMIC AND SOCIAL COUNCIL OF JORDAN
THE JORDANIAN NATIONAL COMMISSION FOR WOMEN

Supported by:

EMPLOYMENT IN JORDAN 2030 (EJ2030) PROJECT
EMPLOYMENT-ORIENTED MICRO, SMALL AND MEDIUM SIZED ENTERPRISES
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INNOVATIVE APPROACHES TO THE FINANCIAL INCLUSION OF MSMEs (I-FIN)
PROJECT

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Acronyms

ABJ	Association of Banks in Jordan
ACC	Amman Chamber of Commerce
BMZ	Federal Ministry for Economic Cooperation and Development
CBJ	Central Bank of Jordan
CCD	Company Control Department
DoS	Department of Statistics
ESCJ	Economic and Social Council of Jordan
EJ2030	Employment in Jordan 2030
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
I-FIN	Innovative Approaches to the Financial Inclusion of MSMEs
IFC	International Finance Corporation
IMC	Inter-Ministerial Committee for Women's Empowerment
IMF	International Monetary Fund
InDF	Industrial Development Fund
Int@j	ICT Association of Jordan
ISO	International Organisation for Standardisation
JBF	Jordan Business Forum
JEDCO	Jordan Enterprise Development Corporation
JCC	Jordan Chamber of Commerce
JCI	Jordan Chamber of Industry
JNCW	Jordanian National Commission for Women
JSF	Jordan Strategy Forum
MENA	Middle East and North Africa
MoDEE	Ministry of Digital Economy and Entrepreneurship
MoITS	Ministry of Industry, Trade and Supply
MSMEs	Micro, Small and Medium Sized Enterprises

MSME project	Employment-oriented Micro, Small and Medium Sized Enterprises Promotion
PPD	Public Private Dialogue
SSC	Social Security Corporation
USAID-BGA	The United States Agency for International Development-funded Business Growth Activity
WB	World Bank

Executive Summary

This initiative towards developing and implementing a definition for women-led and women-owned businesses in Jordan is a joint effort by the Jordanian National Commission for Women (JNCW) and the Economic and Social Council of Jordan (ESCJ) supported by the GIZ-implemented projects “Employment in Jordan 2030” (EJ2030), “Employment-oriented MSME promotion” (MSME) and “Innovative approaches to the financial inclusion of MSMEs” (I-FIN) commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ).

In Jordan, there is no unified definition of women-led and women-owned businesses. Instead, there are definitions that are used by different entities guiding them to plan and implement their support programs. Consequently, there is no consistent data, neither on the quantity nor the quality of women-led and women-owned businesses. Establishing a definition is important to collect better data, ensure better strategic dialogue and improve evidence-based policymaking, as well as implement targeted services and incentive schemes.

Several consultations with key stakeholders from the public and private sectors in Jordan were conducted to better understand their views on existing and used definitions, related opportunities, and challenges. Most of the interviewed stakeholders had stressed the importance of having a unified definition and considering business ownership, business control and business management and how these considerations can be measured in different types of businesses such as individual entities, private companies, and publicly traded companies. In addition, the consultations revealed the need for guiding principles to improve the targeting of programmes and services towards women in business.

The main findings were presented in a synthesis paper validated in two workshops with the public and private sectors. Through these validation workshops, it was possible to already identify potential options for a definition. Followingly, a briefing paper has been prepared summarising the results of the consultations and workshop proposing two definitions for women-led and women-owned businesses, potential data sources and principles to guide the targeting of government and business policies, programmes, and services. The briefing paper was used to inform, and guide delegated in the conducted PPD on 21st February 2024.

This outcome report summarises the results of PPD including agreements and recommendations. PPD delegates have reached a consensus to define women-owned businesses as those with at least 51% women ownership and a woman with signatory power and to define women-led businesses as those with at least 25% women ownership **AND** at least 20% of board members are women **OR** at least one woman holds a top management position within the company **OR** a woman holds signatory power within the company. PPD delegates have also agreed on the importance of guiding government and businesses on targeting future policies, programmes, and services to include more women businesses through developing a manual on guiding principles. Also delegates highlighted the urgent need to collect disaggregated data in line with the definition and discussed potential data sources for women ownership, control and management

Introduction: Need for Defining Women-Led and Women-Owned Businesses

Women economic empowerment is one of the keys to revive the Jordanian economy amid the weakest medium-term growth outlook in more than three decades. Even though Jordan's public sector, private sector, and civil society show an increasing interest and commitment to fostering women economic empowerment, women economic participation in Jordan is one of the lowest globally. The official labour force participation rate stands at less than 14 per cent compared to the average in the MENA region (20%) and globally (50%). This is despite women being highly educated, accounting for more than 50 per cent of the university student body in the Kingdom. According to the most recent World Bank Enterprise Survey, only eight per cent of businesses in Jordan are owned by women and only three per cent have female top managers. As IMF puts it: "The result is a shocking waste of talent, leading to losses in potential growth."¹

To increase women's participation and strengthen sustainable economic development in Jordan, extensive efforts need to be channelled to encourage more women to establish and lead businesses in the different sectors. However, there is still no unified definition of women-led or women-owned businesses in Jordan. Consequently, there is no consistent data, neither on the quantity nor the quality of women-led or women-owned businesses. This hinders coherent approaches to promoting those businesses. Establishing a definition or coherent criteria for defining women-led and women-owned businesses is a prerequisite for:

- (Better) data collection and assessment.
- (Better) data benchmarking domestically and internationally.
- (Better) strategic dialogue, planning, and policy making based on effective monitoring, evaluation, and learning.
- (Better) regulatory frameworks to support the growth of women-led / women-owned businesses.
- (Better) development and implementation of targeted financial and non-financial services.
- (Better) development and implementation of incentive schemes for women-led / women-owned businesses.

A unified definition of women-led or women-owned businesses would contribute directly to delivering on key national strategies through implementation of defined deliverables as well as creating the basis for contributing needed data.

JNCW and ESCJ backed by the Inter-Ministerial Committee (IMC) for Women's Empowerment have recognised the development of a coherent definition or defining criteria as an important catalyst to effectively (1) assess and (2) address women-led and women-owned businesses.

Estimates show that emerging and developing economies could boost gross domestic product by about 8 percent over the next few years by raising the rate of female labour force participation by 5.9 percentage points—the average amount by which the top 5 percent of countries reduced the participation gap during 2014-19." **IMF Blog September 27, 2023 "Countries That Close Gender Gaps See Substantial Growth Returns"**

A consensus between the public and the private sector on a unified definition is key to ensure its application in a coherent and comparable manner across institutions, sectors, and time.

A PPD mechanism will facilitate the needed agreement on a definition as well as on mechanisms to implement and guide future action.

Context

International Approaches to Defining Women-Led and Women-Owned Businesses

There is no universal international definition of women-led and women-owned businesses. Various definitions are used to describe women’s ownership, control, leadership, entrepreneurship, and other related terminologies. However, there are definitions that appear used on broader scales than others. The table below provides an overview of four of those approaches to define women-led and women-owned businesses.² There is evidence that at least the 2X Global (by Development Finance Institutions) as well as the World Bank Enterprise Survey (by the World Bank Group) definitions are applied also in Jordan.

Table 1: Selected international definitions

Institution	Definition/s
International Organization for Standardisation (ISO)	<p>A women-owned business is a business that is more than 50 per cent owned by one or more women, whose management and control lie with one or more women, where a woman is a signatory of the business’s legal documents and financial accounts, and which is operated independently from businesses that are not owned by women.</p> <p>A women-led business is a business that is at least 25 per cent owned by one or more women, whose management and control lie with one or more women, which has at least one-third of the board of directors comprised of women, where a board exists, where a woman is a signatory of the business's legal documents and financial accounts, and which is operated independently from businesses that are neither led nor owned by women.³</p>
2X Global	<p>Women entrepreneurship: Share of women ownership at least 51% OR business founded by a woman.</p> <p>Women leadership: Share of women in senior management 30% OR share of women on the board or 30% women on the board or investment committee.⁴</p>
World Bank Enterprise Survey	<p>A business with women majority ownership is a business that is at least 50 per cent owned by women.</p> <p>A business with women top managers is a business that has a woman in a top manager position. “Top management position” refers to the highest-ranking manager or CEO of the business. The woman may be the owner if she works as the manager of the firm.⁵</p>

² More international examples of definitions can be found in Annex 3.

³ ISO (2021) [Women's entrepreneurship — Key definitions and general criteria](#), IWA 34:2021, Geneva

⁴ [2X Criteria](#): The 2X initiative was launched by the G7 development finance institutions as a major commitment to mobilize additional finance to help advance women as entrepreneurs, as business leaders, as employees and as consumers. A core aspect of the 2X initiative is the establishment of the 2X Criteria that have served to align and assess funding towards women in the economy and gender-lens investing. The 2X Criteria have been aligned with the OECD’s DAC Gender Equality Policy Marker to promote further harmonisation and accountability in financing for gender equality.

⁵ [The World Bank Enterprise Survey](#): The World Bank Enterprise Surveys is a project that provides data on the business environment in various countries. The data is collected through surveys conducted with firms in each country and covers topics such as infrastructure, trade, government regulations, finance, and labour.

International Finance Corporation (IFC)	A women-owned business is a business that it is at least 51 per cent owned by women OR has at least 20 per cent owned by women AND has at least 1 woman as CEO/COO/president/vice president; AND has at least 30% of the board of directors composed of women, where a board exists. ⁶
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There are also definitions of women-led and women-owned businesses used in the MENA region. While some are used on a national level, many are developed by institutions (see Table 2). No data was found during the desk research on available definitions that are used in other countries such as Palestine and Iraq either on national or institutional levels.

Table 2. Definitions from the MENA region: national unified and institutional

Country / Institution	Definition
National Definitions	
Egypt	Women-owned business: Women hold at least 51 percent of ownership or share capital. ⁷
United Arab Emirates	Women-owned business is a business where Emirati women owned at least 51 percent of the shares.
Institutional Definitions	
Egypt: Central Bank of Egypt	Women-owned business is a business where women own at least 51 percent OR at least a 20 percent ownership/stake held by a woman/ women AND ≥ 1 woman as CEO (President or Vice- President). ⁸
Lebanon: National Commission for Lebanese Women	Women-led business is a business where women hold at least 33 per cent of the ownership or management positions.
Saudi Arabia: Women's Business Center	A women-owned business is a business where women own at least 25 per cent of the company.
Morocco	At least 51 per cent of shares are owned by women or 20 percent of the shares are owned by a woman and the company has a woman as a CEO, COO, president, or vice president and 30 percent of the board is comprised of women. ⁹
Tunisia	At least 51 per cent of shares are owned by women or 20 per cent of the shares are owned by a woman and the company has a woman as a CEO, COO, president, or vice president and 30 percent of the board is comprised of women. ¹⁰

In summary, there are different ways in which a definition can be structured. In the case of ISO, two definitions are used for women-led businesses and women-owned businesses. In the case of IFC, only one definition is used for women-owned businesses. However, the definition used by IFC covers the same criteria (i.e., ownership, control, management) as the definitions used by ISO. Within the PPD, whether Jordanian stakeholders prefer one or two definitions should be discussed.

Throughout the definitions, there are three interlinked considerations that are reflected when defining businesses that are owned or led by women. Such considerations were also raised

⁶ International Finance Corporation

⁷ These positions can include CEO, managing director, or board member. Men or women can own women-led businesses, but women must have a significant role in business management. Also see AFI (2022) Policy catalogue: Women-led MSME access finance to financing, AFI and SME Finance Working Group.

⁸ AFI (2019) Integrating Gender and Women's Financial Inclusion into the Central Bank of Egypt's (CBE) Framework.

⁹ Morocco follows the definition according to the [IFC guidelines](#).

¹⁰ Tunisia follows the definition according to the [IFC guidelines](#).

during the consultation with the different stakeholders and will be explained in more detail in the PPD outcomes chapter:

1. **Women's ownership.** The legal responsibility that women have over the business.
2. **Women's control.** The decision-making power of women over business direction, strategy, including its human and financial resources. This concerns the positions women take on the board of directors in a company.
3. **Women's management.** The role of women in the day-to-day operations of the business. This includes women taking senior roles in business as supervisors, managers and senior managers and directors.

Definitions used in Jordan.

The Jordanian definitions of women-led / women-owned businesses vary across different government agencies, as well as within the business community and development agencies. According to the stakeholders interviewed, this hinders the collection, analysis, benchmarking, and reporting of data. As a result, most of them welcome the idea of a unified national definition as it allows for comparable data, analysis, and reporting. Annex 2 provides an overview of the definitions used and recommended to define women-led and women-owned businesses in Jordan.

Most of the interviewed **government agencies** stressed that they already support the development of women-led and women-owned businesses in Jordan. However, this is only accompanied in a few cases using criteria for defining women-led and women-owned businesses as the supported target group.

For example, the Ministry of Industry, Trade and Supply (MoITS) uses a definition for the Industrial Development Fund (InDF) looking at ownership and leadership positions of women. Based on their experience so far, MoITS is in favour of a similar definition on national level.

Another example of a definition from a government agency comes from the Jordan Enterprise Development Corporation (JEDCO), which provides financial support to women-led / women-owned businesses. JEDCO originally used at least 50 per cent of shares as its original definition. However, when it was found that only a few businesses met this criterion, it followed the definition developed for the InDF (i.e., ownership of 20 per cent or more). JEDCO also mentioned that in some cases, depending on the nature of the support programme and target group, they change the defining criteria.

Most of the **business community** is also directly engaged in supporting women-led / women-owned businesses. However, as with government agencies, there are only a few examples of private sector institutions that have already introduced a definition and started to use it. One example can be found in the Amman Chamber of Commerce (ACC), which, together with the Jordan Business Forum (JBF) and the Jordan Strategy Forum (JSF), has established a definition for the selection of women-owned businesses for the ACC Women's Committee. The definition had been used recently to build a data base for women-owned businesses at ACC.

The Central Bank of Jordan (CBJ) Open Market Operations Department uses a one-criteria definition based on ownership for the monitoring of its lending schemes administered through commercial banks that on lend CBJ funds to private businesses in five strategic sectors.

According to this definition, a women-led and women-owned business is a business with 50 per cent or more of the company owned by a woman or several women.

Another example stems from the Jordan Forum for Business and Professional Women, which has also introduced a definition of women-owned businesses. The focus of the few definitions applied in the business community is on ownership, but not so much on control and management.

Moreover, the Association of Banks in Jordan (ABJ) and Amam Ventures jointly created a national digital platform to increase the representation of women in decision-making positions in the private sector. They have introduced a definition following the 2X Global Initiative Criteria mentioned in the previous Chapter (see Table 1).

Despite these current efforts by the business community, both Jordan Chambers of Commerce and Industry did not see the urgency of developing a unified definition for women-led and women-owned businesses. They prioritize other prominent issues such as agreeing on a unified definition for micro, small and medium enterprises and increasing women's employment. Furthermore, they expressed concerns over developing a unified definition as it might negatively impact women businesses, limit their chances, and in some cases be misused by businesses. The ICT Association of Jordan (int@j) has mentioned that the Jordanian labour market is not mature enough for a unified definition for women-led / women-owned businesses. They advised taking the sector and size of businesses into consideration and developing a broad and flexible definition.

The Business and Professionals Women Association stressed the importance of developing a unified definition for women-led and women-owned businesses. They advocated for a unified definition, pointing out that the definitions currently used in Jordan use criteria that are too low, such as 20% ownership by women, as this does not serve the purpose of targeting women-owned businesses. From their perspective, it is important to promote an inclusive business environment that provides equal opportunities for all entrepreneurs, regardless of gender, and supports the growth and success of women-owned businesses. A unified definition could also be used to attract investors and support efforts to increase women's participation in leadership positions and businesses.

Some **development partners** also provide support to women-led and women-owned businesses and use a definition for reporting or targeting purposes. The United States Agency for International Development-funded Business Growth Activity (USAID-BGA) for instance uses a definition for reporting only and not for targeting purposes.

Why have a definition for women-led and women-owned business?

Many government and business community representatives spoke about the importance of locating this discussion on defining women-led and women-owned businesses in the overall context of women's economic empowerment in Jordan. Consequently, it is critical to highlight the benefit of a unified and broadly applied definition and show how support for women-led and women-owned businesses connects to Jordan's development aspirations.

The list below summarises the most important reasons and associated benefits for establishing a definition of women-led / women-owned businesses as outlined by stakeholders during the consultations:

- **Improved statistics.** According to key governmental institutions, such as the Department of Statistics (DoS), Company Control Department (CCD) or Social Security Corporation (SSC), a unified national definition of women-led and women-owned businesses would set a standard to guide the data collection of all relevant institutions. The data collected would allow for a comprehensive assessment of women-led and women-owned businesses in Jordan. Moreover, data on women-led and women-owned businesses are two indicators that will feed into the National Index on Women Economic Empowerment on which the Government is currently working as part of the Economic Modernization Vision. Both the public and private sectors have expressed concerns over the current lack of data in relation to women-led and women-owned businesses. MoITS and the CCD do not collect sex disaggregated or gender-sensitive data yet. Currently, the gender of a business owner can only be extracted from the names or national numbers of owners. Chambers do not collect such data as well as they rely on the commercial registrations of businesses. However, the CCD has pointed out that company law is currently under review and future reforms may therefore include a requirement for the gender of business owners to be filled. DoS also does not yet collect gender-specific data on enterprise ownership. However, it has shown interest and willingness to revise its enterprise survey and explore the possibility of adding two sub-questions, one on the gender of the owner and the other on management positions.
- **Evidence-based policies.** The comprehensive assessment of women-led / women-owned businesses would provide policymakers with evidence of their current situation, including challenges and opportunities. For example, data may show that a small proportion of companies in Jordan have women as board members. Knowing this would allow policymakers to develop an appropriate policy based on the evidence. This would significantly improve the current situation where such data is neither collected nor used for policy formulation in a structured, regular manner. This idea was mainly supported by government stakeholders who have a mandate for policy formulation and are regularly engaged in it, such as MoITS and Ministry of Digital Economy and Entrepreneurship (MoDEE).
- **Targeted interventions.** Once a unified national definition is available, all stakeholders interested in promoting women-led and women-owned businesses can choose to adopt this definition. This already enables them to better target their interventions. At the same time, as explained above, this needs to be complemented by guiding principles to enable stakeholders to use and adapt the definition in accordance with their needs and the overall purpose to promote women-led and women-owned businesses. Targeting women-led and women-owned businesses can improve various policy fields. For example, the government could use the definition to provide better access for women-led and women-owned businesses to business opportunities and incentives. (i.e., public procurement, deduction on customs and taxes). This view was shared by MoITS and JNCW. Similarly, private sector, and development agencies might apply the definition when directing financial support. Most of the business membership organisations consulted, including JCI, the Jordan Chamber of Commerce, ACC, and the Amman Chamber of Industry, see this as a good opportunity to target their support much more towards the needs of women-led and women-owned member businesses. Financial

institutions could also apply the definition to improve access to finance for women-led and women-owned businesses.

PPD Objectives

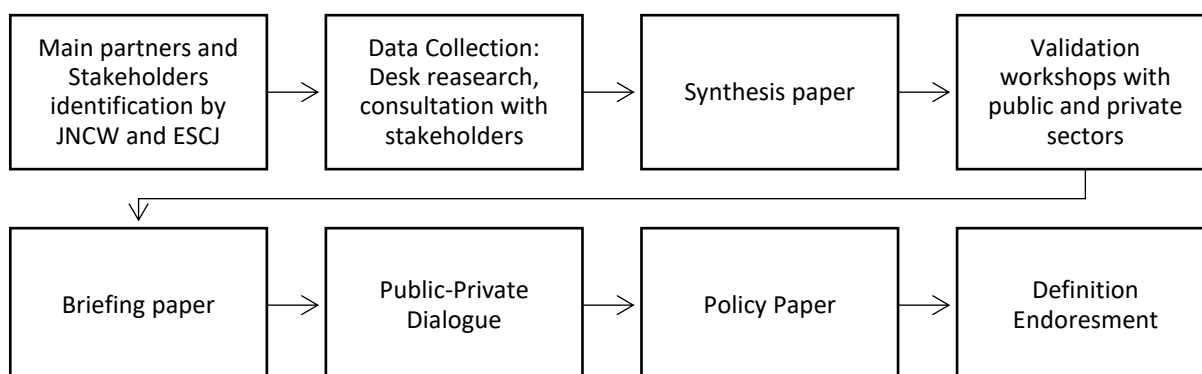
The overarching objective of the PPD has been to align and agree on criteria for the terms “women-led business” and “women-owned business” to come-up with a single national definition for women-led and women-owned businesses. The PPD aimed to consider, recommend, and agree on:

1. **A definition for women-owned and women-led businesses.** The preferred definition consensus will be shared by JNCW and ESCJ with the Inter-Ministerial Committee Women’s Empowerment, which will contact the Prime Ministry Delivery Unit to request the endorsement of the Jordanian Government. Once endorsed, the definition shall be submitted to the relevant governmental agencies and institutions for adoption and implementation.
2. **Data sources to provide the necessary gender-disaggregated data** for the identified definition, covering ownership, control, and management aspects of registered businesses.
3. **Principles to guide government and business organisations** in the targeting of policies, programmes, and services to reach more women-led businesses. In addition, collaborative efforts must result in the development of a guiding manual.

PPD Methodology

Considering the importance of arriving at consensus and recommendations through PPD, an inclusive and evidence-based methodology was developed to serve PPD’s objectives and reach for agreements. In line with the established methodology and process for PPD (illustrated in graph 1 below), the tasks commenced in June 2023 with a desk review and research and analysis of existing literature, followed by bilateral meetings with key stakeholders.

Graph 1: Process towards a unified definition and criteria for women-led and women-owned businesses



After conducting desk research and conducting 23 bilateral interviews with identified stakeholders (refer to annex 1), a synthesis paper was compiled to succinctly outline the

perspectives of both the private and public sectors. This paper underwent thorough discussion and approval at validation workshops attended by representatives from both sectors. Following the recommendations made during these workshops, a briefing paper was prepared to outline the agenda for the final Public-Private Dialogue (PPD) session.

PPD Outcomes:

The PPD highlighted three key issues to establish and implement a definition of women-led and women-owned businesses:

1. Women-Led and Women-Owned Businesses Definition

The research of examples of definitions from other countries and Jordan revealed three categories for defining women-led and women-owned businesses:

- **Business ownership.** This provides women with equity and the opportunity to prosper. Even though women owning a business may face more obstacles than men, it is a crucial path to economic empowerment. Many stakeholders from the public and private sectors mentioned that in many cases, ownership of a business passes to women because they inherited it from their family members or because they own it jointly with other family members to avoid paying high taxes. This would affect the reliability of the data collected if ownership of a business is addressed as the sole criterion without combining it with control and/or management.
- **Business control:** While business management and control are similar, control is a broader influence over business direction, strategy, human and financial resources. This relates mainly to the positions women hold on the board of directors in a company. Several consulted stakeholders pointed out that this would only apply to companies with a board and therefore asked for possible alternative criteria for control.
- **Business management.** Women's leadership is also a pathway to empowerment. The public and private sectors in Jordan affirmed through the consultations the importance of creating career pathways for women in Jordan. While the private sector is generally supportive of efforts to develop and promote women in business, it also acknowledged that more needs to be done to increase the number of women in leadership positions, especially in MSMEs.

Although women's private sector employment is also important in assessing women's economic empowerment, ownership, control, and management are key criteria for a definition of women-led and women-owned businesses.

For micro and small businesses, ownership and management are closely linked. A woman may start her own business as the only owner and take full responsibility for it. Alternatively, a husband and wife may start a business and share its ownership equally (i.e., 50% each). Management of a family business may be shared, but typically one person will take this role. Similarly, a business may have more than two owners, such as a private company. The more owners, the more complicated it will become to define ownership and management. Therefore, it is essential to agree on clear criteria, including percentages or numbers that guide the understanding of the terms, women-led and women-owned businesses.

Table 4. Measuring ownership, control, and management by business type

	Individual Entity with one female owner	Private Company [A]	Publicly Traded Companies [B]
Women’s ownership of the business	Woman owns 100%. Easy to measure.	Proportion of ownership can vary and is measured by percentage of equity owned.	Proportion of ownership can vary and may be difficult to measure based on share-trading.
Women’s control of the business	As the owner, the woman might be in control of the business. Possible to measure.	Amount of control over the business may vary and may be measured by number of women in the Board.	Proportion of board representation is minimal (future measurement once company law percentage is clear)
Women’s management in the business	As the owner, the woman would likely make all management decisions. Possible to measure.	Amount of involvement in business management may vary. Measured by the number of women employed in senior management positions.	Amount of involvement in business management may vary. Measured by the number of women employed in senior management positions.
Measurement challenges	Possible to measure. Needs validation.	Requires criteria to accommodate variations in ownership, control and management.	Requires criteria to accommodate variations in ownership, control, management, and employment.
<p>A. Private Company includes General Partnership Company, Limited Partnership Company, Limited Liability Company, Private Shareholder Company.</p> <p>B. Publicly Traded Companies will include investors who publicly purchase shares.</p>			

Most businesses in Jordan are registered as Individual Entities. According to DoS, 89% of businesses are individual establishments (i.e., sole proprietors) and only 11% are companies registered under the Company Law. In 2018, a study by UN Women and DoS revealed 167,519 active economic establishments, of which only 11,240 were owned by females (6.7%).¹¹ The WB Enterprise Survey 2022 comes to a similar conclusion, stating that a total of 8.1% of businesses were owned by women. As table 4 shows, the role of women in these businesses is usually possible to determine. However, as stated above, in Jordan ownership of a business often passes to women because they inherited it from their family members or because they own it jointly with other family members to avoid paying high taxes. In these cases, ownership of a company is not the same as exercising control over a company. In addition, determining the role of women in Individual Establishments requires that the government collects data on the gender of the owner of such businesses. Hence, measuring women’s ownership, control and management in companies requires a well-defined set of indicators with specific numbers, such as the percentage of ownership or the number of women board members.

PPD Agreement: the PPD delegates agreed on the following national definition for women-led and women-owned businesses:

Women-owned enterprises	51% women ownership with signatory power.
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¹¹ UN Women 2021 [The reality of economic establishments from a gender perspective](#)

Women-led enterprises

At least 25% shares owned by women AND at least 20% board members are women OR at least 1 woman holds a top management position within the company OR a woman holds signatory power within the company.

Women-owned businesses are those where women have complete or majority (i.e., 51% or more) ownership and control of the business. In the case of individual establishments, women's ownership can be inherited and can often be only titular. Thus, while there is only one owner, the powers or authority of the owner may be difficult to ascertain. Therefore, the agreed-on definition would require complete ownership by a woman who has signatory power.

Women-led businesses are those where women do not have complete or majority ownership and control of the business but have some degree of ownership and control. The definition requires at least 25% women ownership of the business and, where relevant, 20% representation on the board. If 20% representation on the board is not found, then the company should have at least one woman in a top management position or one woman with signatory power.

In cooperation with Kinz for Information and Technology, the potential impact of the definition on currently registered women-led and women-owned businesses was tested. The analysis covered 128,764 businesses registered in either the Ministry of Industry, Trade and Supply (MoITS) or the Company Control Department (CCD). Noteworthy findings reveal that 17.61% of businesses have women holding a minimum of 51% shares with signatory power. While the percentages of businesses with 25-50% shares owned by women varied as follows: 1.60% for businesses with at least 20% of board members, 1.35% for businesses with at least one woman in top management position and 2.10% for businesses with at least one woman holding a signatory power.

2. Data Collection and Means of Verification

Based on international experience and the feedback from the consulted stakeholders on the definition, the defining criteria for the Jordanian context are ownership, control, and management. The data sources for these criteria can be outlined as follows:

- **Women's Ownership:** For individual establishments, a female owner exerts complete ownership and control over the entity. While MoITS has individual enterprise registry, the data is not disaggregated by gender. MoITS deducts the gender of owner (when necessary) from the name or the national ID number¹². However, names do not always provide precise gender identification due to the unclear gender nature of certain names.

For privately held companies registered in the Company Control Department (CCD), women's ownership can range from 1% to 99%, depending on the shares they hold in the company. The names of shareholders along with their ID numbers are registered in CCD with no gender disaggregation. SSC and local chambers of industry and commerce rely on the commercial registrations of companies within CCD, therefore, the ownership data in the chambers and SSC is typical to the data in CCD. However, chambers, and when

¹² ID numbers used to indicate the gender of the ID holder by using either 1(male) or 2(female) as a fourth digit. Currently, this practice is not followed.

requested, tend to segregate the data based on gender based on the names of owners and ID numbers with no further collection of gender disaggregated.

Recommendation: Given that most of the governmental and businesses entities rely on MoITS and CCD for the data on ownership and control, it is recommended for both entities to add a field specifying gender for owners and signatories in the commercial registration form and collect the gender of owners and signatories for already registered enterprises (whether individual establishments or privately held companies)

- **Women's Control:** For individual establishments, it's generally assumed that the owner maintains full control over the operations of her/his business. Sometimes, owners delegate certain responsibilities or grant signatory powers to others. Data on signatories is available within MoITS, however, it is not disaggregated by gender.

For registered businesses under the CCD, control within privately held companies is often indicated by the presence of women on the board of directors. The information on women on board is not available in MoITS or CCD. Jordan Chamber of Industry has confirmed the availability of this data within local chambers of industry as they collect and update the information on board members disaggregated by gender on annual basis upon renewal of membership.

Recommendation: It is recommended for CCD to record the gender of board members at registration and when updated (e.g. annual reports). This information can also be collected by local chambers of industry and commerce and reported to the Jordan chambers where unified data bases should be established for registered businesses across the Kingdom.

Women's Management: In businesses where a woman is the sole owner, she typically oversees all managerial decisions. This means that direct involvement in management is inherent to the ownership structure, making additional measurement of women's management roles within these businesses unnecessary.

For privately held companies, there is presently no mechanism for reporting corporate management. However, there are initiatives from local industry chambers to collect gender disaggregated data on some managerial positions including general managers and deputy general managers.

Recommendation: The database of the Social Security Cooperation (SSC) presents a valuable opportunity for collecting gender-disaggregated data on management. This can be achieved through adding two fields to the businesses' profiles under the employees' salary specification page covering the job titles for top management along with the gender of the person filling these positions.

3. Targeting Policies, Programmes, and Services

While a definition describes the key features of a women-led and women-owned businesses, government agencies, business organisations and development partners will often target their policies, programmes and services for specific sectors, sizes, and types of businesses. Hence, a definition often needs to be adapted to fit the overall goal of promoting women-led and women-owned businesses in a specific field of intervention. For example, JEDCO realised that the original definition of 50 per cent women's participation in enterprises was not sufficient

to reach the planned number of women-owned businesses with their intervention. As a result, JEDCO decided to add more criteria to allow for better targeting and reach more potential beneficiaries with their support.

Targeting is important. It helps to focus valuable resources towards a specific group of businesses that will benefit and contribute to broader economic and social development. However, targeting should be for a limited period to fulfil the vision of increasing the participation of women in ownership and management positions within Jordanian businesses. Thus, while a definition describes a kind of business in the economic, social, and cultural context, a target group identifies the specific group of businesses that benefit from a policy, programme, or service.

Through the consultations, the public and private sector have described their ambitions to support the development of women in business – as owners and managers. They will often need to target their support to various groups of women in business. Agreeing on guiding principles to help these organisations effectively target women-led and women-owned businesses will be helpful. Some of the potential principles raised during consultations were:

- a. **Establish a vision and strategic objectives.** A vision sets the goal for women's economic empowerment. The public and private sectors agree that for women's economic empowerment, women's participation in business ownership and management is crucial. This vision likely calls for businesses where women own 50 per cent or more of. However, the pathway to this vision will likely require targeting businesses that women own less of. Similarly, women's full or equal control and management of a business is a worthy goal that may require efforts to increase the involvement of women on boards and in senior management over time. It can also help to set female employment targets.
- b. **Use evidence to inform a target group.** Understanding the issues affecting women in business and drawing on data to set policy, programme and service targets is important. This would include understanding how many businesses may be affected by the policy, programme, or service and how many may be eligible for support. The example of JEDCO has shown that targeting women-owned businesses (i.e., where women own 50% or more) does not benefit many women because there are not enough businesses that would be eligible. In such cases, it may be useful to adapt the criteria used for the definition. Depending on how many businesses are sought to be supported, it may be necessary to reduce the requested level of ownership. Suppose the programme is focused on large businesses. In that case, it might also be useful to consider a selection criterion based on the amount of control women have in boards or the proportion of women who are senior managers.
- c. **Ensure gender-sensitive monitoring and reporting.** All government and business policies, programmes, and services should be regularly monitored to track the impact on women in business. This monitoring should include:
 - Women's ownership of the business. The proportion of female ownership in the business (i.e., from zero to 100%).
 - Women's control of the business. The degree of control female owners has over the decisions of the business.
 - Women's management of the business. The extent to which women are represented in senior management.

- Women's employment in business. The proportion of female workers in the business, and the distribution of female workers across the workforce (i.e., from casual and unskilled, to supervisors and senior managers).
- d. **Time-bound.** To promote the involvement of women most fruitfully in business, policymakers are encouraged to continually monitor and evaluate policy and programme targets to conclude successful interventions and refine ineffective targets to advance outcomes.

PPD Agreement: The PPD delegates agreed on developing a manual to guide government and business organisations in the targeting of policies, programmes, and services to reach more women-led businesses.

Next Steps

1. The Jordanian National Commission for Women (JNCW) and the Economic and Social Council of Jordan (ESCJ) will prepare a policy paper on the definition and share it with the Prime Ministry.
2. JNCW, supported by GIZ, will develop a manual to guide government and business organisations in the targeting of policies, programmes, and services to reach more women-led businesses.

Annex 1:

The table below lists consulted entities during the research phase:

ICT Association in Jordan -Int@j
Ministry of Industry, Trade and Supply
Jordan Chamber of Industry

Ministry of Digital Economy and Entrepreneurship
Jordan Chamber of Commerce
Amman Chamber of Commerce
Amman Chamber of Industry
Social Security Corporation
Legislation and Opinion Bureau
Ministry of Investment
Company Control Department
Jordan Securities Commission
Amman Stock Exchange
Business and Professional Women Association
USAID Economic Reform Activity
Central Bank of Jordan
Department of Statistics
World Bank
Jordan Strategy Forum
Jordan Forum for Business and Professional Women (JFBPW)
Jordan Enterprise Development Corporation (JEDCO)
Amam Ventures
USAID Business Growth Activity

Annex 2

The table below presents findings from the consultation phase. It shows the range of definitions used by public and private sectors' organisations in Jordan.

Entity	Existing Definition	Recommended
Amman Chamber of Commerce (H.E Dr. Nisreen Barakat)	The definition was one criterion for selecting businesswomen to be part of the women committee in Amman Chamber of Commerce: Women as an owner, a partner, or a shareholder in a business (>5% share) OR a woman as a CEO or in leadership position.	
Amman Chamber of Industry	No definition.	A woman owning over 50% shares in the business OR the general manager or CEO is a woman OR a woman having legal signatory authorization of the firm OR 20% active board members are women OR more than 25% in the executive team are women AND percentage of women employment is more than 50%. If the shares of a woman in a company drop below 50% it can still be considered women-led if she has a say in the decision-making of the company.
Amam Fund	<p>2X Global Initiative Criteria</p> <p>Entrepreneurship:</p> <p>A. Share of women ownership: 51% OR</p> <p>B. Business founded by woman: Yes\No</p> <p>-----OR-----</p> <p>Leadership:</p> <p>A. Share of women in senior management: 30% OR</p> <p>B. Share of women on the Board or IC: 30%</p> <p>-----OR-----</p> <p>Employment:</p> <p>A. Share of women in the workforce: 30-50% AND</p> <p>B. One "quality" indicator beyond compliance : Yes\No</p> <p>-----OR-----</p> <p>Consumption: product or service specifically or disproportionality benefit women: Yes\No.</p>	
Amman Stock Exchange	No definition.	35% of senior management positions are held by women AND 30% of board members are women.
Business Growth women	Definition is used for reporting and not targeting. Women ownership is defined as when a business entity is either:	
	<p>a. At least 51% beneficially owned by women.</p> <p>b. Under the control of women (e.g., having</p>	

	<p>women in senior management positions, including board membership of a firm or being CEP or president).</p> <p>c. Primarily managed by women (50% of leadership positions filled by women).</p>	
Business and Professional Women Association	No definition.	<p>The size and types of company is crucial. For individual company, the ownership would be 100% for women. For LLC, 50% of women owning business or if less then, with 20-30% in management position (CEO, COO or CFO and possibly HR and Marketing), and 30% executive committee. For publicly traded company, leadership needs to be 30% women and shares could range from 5-10% (depending on size and sector).</p>
Central Bank of Jordan	<p>Open Market Operations Department: a women led and women owned business is a business with 50 per cent or more of the company owned by a woman or several women.</p>	<p>A woman in a general manager position OR a woman in any other senior management position OR the received funds are directed at women.</p> <p>The percentage of shares a woman should hold in the firm to be considered women-owned has not been determined.</p>
Company Control Department	No definition.	<p>A woman has a top management position in the company AND is active in the decision-making processes OR a woman has shares in the company (no certain percent was specified) AND is active in the decision-making processes of the company</p>
Department of Statistics	No definition.	No recommendation
Economic Reform Activity (ERA) United States Agency for International Development	<p>Women impact businesses: Women-owned businesses, businesses with gender equitable business practices (e.g., women as employees and board members), and businesses focused on products and services that substantially improve the lives of women and girls.</p>	<p>They struggled to agree on one unified definition. They believe that the definition cannot be too broad or too narrow, which is why they think this is the appropriate definition.</p>
Information and Communication Technology Association (Int@j)	<p>Definition that had been used once for recognition initiative for int@j members: 50% ownership of shares AND where 50% of employees are women.</p> <p>SME's definition: Women 40% ownership OR 30% of the women in leadership positions (founder, cofounder, and management).</p>	<p>For larger businesses, the definition needs to be broader e.g., for a company to qualify, either the founder or co-founder must be a woman, regardless of shares OR have 30% of the employed women. For larger businesses, board representation is not a good measure given that very few women serve on the board currently.</p>
Jordan Enterprise Development Corporation (JEDCO)	<p>Their current definition is that a WO/WL business must have over 50% shares that is owned by a woman. With the IDF, they have added criteria to allow for more flexible targeting of their support: 20% owned by women OR 20% of leadership positions are held by women OR CEO and General Manager is a woman OR COO AND vice chair/president is a woman.</p>	<p>they found that only 5% of companies fell under this criterion. As a result, they have worked with IDF and created a targeting system with a definition that is an exception to this 50%.</p>

Jordan Forum for Business and Professional Women	Women ownership of at least 50% of the total shares AND is available daily (Is a member of C suit (management)) AND has authorized signatory power.	
Jordan Chamber of Commerce	No definition.	Women with majority percent of shares OR holding a management or leadership position OR having women board members. The specificities of these indicators were not discussed.
Jordan Chamber of Industry	No definition.	>50% Women ownership OR >50% women employed AND >25% in the executive board OR 25% in leadership.
Jordan Securities Commission	No definition.	>50% of women ownership OR >50% board members for publicly traded company because being a chair of the board is the ultimate decision making.
Legislation and Opinion Bureau	No definition.	A woman in a top management position such as a CEO OR >40% shares held by a woman OR >50% of women are on the board
Ministry of Digital Economy and Entrepreneurship	No definition.	Women-owned business OR women-led businesses: Founded, Co-founder by a woman OR company with women representation on the board OR women employment.
Ministry of Trade, Industry and Supply	No definition.	They have suggested to use a similar definition to the one developed by “Industrial Development Fund”: 20% owned by women OR 20% of leadership positions are held by women OR CEO and General Manager is a woman OR COO AND vice chair/president is a woman. Have indicated that 10-12% board representation is better than 20%.
Industrial Development Fund	20% owned by women OR 20% of leadership positions are held by women OR CEO and General Manager is a woman OR COO AND vice chair/president is a woman.	

Annex 3

The table below shows international examples of women-led / women-owned businesses definition:

Organisation	Definition of Women-Led / Women-Owned Businesses
WEConnect International Women's Business Enterprise (WBE)	<p>The four criteria considered for WBE certification by WEConnect International are ownership, management, control, and independence.</p> <p>Have 51% ownership by one or more women.</p> <p>Day-to-day operations must be managed by one or more women.</p> <p>Long-term control and management of the business by one or more women.</p> <p>Contribution of capital and/or expertise by women.</p> <p>Operated independently from other non-certified businesses (i.e., Pass-through companies, franchises or sales representatives are not eligible).</p>
Women's Business Enterprise National Council (Definition modified for Canada)	<p>A Women's Business Enterprise, commonly referred to as a WBE, is an independent business concern that is at least 51% owned and controlled by one or more women who are Canadian citizens or permanent residents; whose business formation and principal place of business are in Canada; and whose management and daily operation is controlled by a woman with industry expertise.</p>
International Finance Corporation (IFC)	<p>At least 51% female ownership, OR,</p> <p>At least 20% female ownership and 1 woman CEO/COO and at least a 30% female board where board exists.</p>
U.S. Small Business Administration (Definition modified for Canada)	<p>Be at least 51% owned and controlled by women who are Canadian citizens or permanent residents. Have women manage day-to-day operations and make long-term decisions.</p>
UK Department for Business, Energy, and Industrial Strategy	<p>Majority women-led businesses are those where women make up more than 50 per cent of the partners or directors in day-to-day control of the business, or where the sole proprietor is a woman.</p>
OECD: Entrepreneurship at a Glance 2017	<p>Female-owned/managed enterprises are defined as enterprises having at least 65% of female owners or women in top management</p>
Canada Businesswomen in International Trade (BWIT)	<p>Women-owned businesses are at least 51% owned, managed, and controlled by one or more women.</p>

<p>Women Entrepreneurs Finance Initiative (We-Fi)</p>	<p>51% owned by a woman/ women, OR</p> <p>20% owned by a woman/women; and have</p> <ul style="list-style-type: none"> • 1 woman as CEO/COO (President \Vice-President); and have • 30% of the board of directors comprised of women, where a board exists
<p>SOURCE: WESK (2021) Definition of "Women Owned Business" Input from IRAP Clients, accessed 12 March 2023: https://wesk.ca/wp-content/uploads/2021/09/Women-Owned-Business.pdf</p>	

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