





INCLUSIVE

Inclusive market economies provide opportunities to previously underserved social groups and are, therefore, more sustainable. The EBRD fosters the economic inclusion of women, young people and those living in less advanced regions.

DELIVERING INNOVATION AND IMPACT

Improving the legal knowledge of women entrepreneurs in Jordan

Women are a small but growing force in the Jordanian economy and helping more of them to run their own businesses is one of the most promising routes to greater economic empowerment.

Currently, however, Jordanian women entrepreneurs face a number of legal obstacles, as well as social and economic ones, that can limit their chances of success. These barriers are compounded by a lack of awareness about their legal rights and how to access justice and resolve disputes.

To improve women's access to justice, the Bank is helping to establish a training programme to inform women entrepreneurs in Jordan of the legal requirements involved in setting up and running a business. The scheme will also provide training on the support tools that women can use to access the finance and advisory services they need for their enterprises to flourish.

The inspiration for the training programme came from a seven-month study conducted by the Bank and the International Development Law Organization (IDLO) in Jordan in 2018. This aimed to identify the barriers women entrepreneurs encounter when seeking to access justice and resolve disputes affecting their business.

The study, which is expected to be published in the fourth quarter of 2019, found that women in business in Jordan had limited awareness in a number of areas. First, many of them did not know how to fulfil the legal requirements for registering a new business and were unfamiliar with the online platform available for the registration process.

Second, study participants lacked knowledge of the legal requirements for other stages of the business life-cycle, such as tax and social-insurance obligations, or how to meet those requirements.



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The programme will also provide information about the financial tools available to women entrepreneurs. The EBRD-IDLO study found that many of them were unaware of the Microfund for Women, the largest microfinance institution in Jordan, as a source of finance



Third, they expressed confusion about the eligibility criteria for obtaining credit from financial institutions. For instance, in the southern and eastern Mediterranean region, women are less likely than men to have a bank account at a formal financial institution and lag men in terms of access to savings accounts and loans.

The training programme will give participating women entrepreneurs an overview of the regulatory framework for registering a business, managing taxes and social-insurance payments and using collateral to obtain credit. It will teach them how to meet the basic legal requirements of each stage of the enterprise life-cycle, from setting up a business to winding it down.

The programme will also provide information about the financial tools available to women

entrepreneurs. The EBRD-IDLO study found that many of them were unaware of the Microfund for Women, the largest microfinance institution in Jordan, as a source of finance. In addition, they did not know about the possibility of using trade-finance tools, such as factoring and invoice discounting, to further develop their business.

The initiative is just one of the ways in which the OGC lawyers help to improve the business environment for women entrepreneurs in the economies where the EBRD invests. This is in keeping with the efforts of the Bank to make those economies more inclusive and, hence, more sustainable. ■