

Promoting the Economic Resilience of Young People through Social Enterprises

UNICEF JORDAN POSITION PAPER

SUMMARY

Young people in Jordan face many barriers in gaining sustainable livelihoods and successfully transitioning into the world of work, whether through employment or entrepreneurship, requiring a holistic and integrated approach. Aligned with the strategic priorities of Generation Unlimited, UNICEF Jordan is implementing interventions to link young people with formal and self-employment opportunities, while equipping them with the necessary skills and experiences to thrive, with a focus on the most vulnerable young people, particularly young women.

The UNICEF Jordan **Social Enterprise Programme** provides strategic support to youth between the ages of 18 and 24, who seek to establish or grow their micro and small social enterprises, as well as to established early-stage social enterprises who are providing employment opportunities for vulnerable Syrian and Jordanian young people within the same age group. Contributing to achieving the goals of Generation Unlimited, fostering social entrepreneurship as a livelihood and a mindset will help to transform local communities and the nation as a whole through sustainable social and economic development.

The goal of the Programme is to increase the economic engagement and income-generation opportunities for youth in Jordan through social enterprise support, fostering equitable and sustainable local economic development and community wealth-building. The Programme enables young people to become creators of their own employment opportunities, thereby becoming agents of change in their communities.

The Social Enterprise Programme consists of four clusters of activities:

- Cluster 1: Awareness and promotion
- Cluster 2: Business skills development and access to finance

- Cluster 3: Local economic networks
- Cluster 4: Policy and Advocacy

The holistic and integrated approach works on multiple levels and across sectors to strengthen the emerging social enterprise ecosystem in Jordan.

The Programme adopts an asset-based community development approach to social and economic development and seeks to lay the foundation for a resilient local social enterprise ecosystem, as a pathway to sustainable job creation and economic inclusion in Jordan.

Jordan's emerging social enterprise sector has the potential to create sustainable economic opportunities for vulnerable young people and address social, environmental, and economic challenges.

Through this Programme, UNICEF aims to strengthen shared-value partnerships with the local private sector and aims to partner with the private sector to co-create this Programme and co-implement it, so as maximize on knowledge, skills, and assets.

ADDED VALUE OF UNICEF IN JORDAN

UNICEF Jordan is committed to prioritizing support for the most vulnerable young people in Jordan, as identified by the UNICEF-led Geographical Multidimensional Vulnerability Analysis conducted in 2020. Through UNICEF's multi-stakeholder approach, the strategic direction of the Social Enterprise Programme works toward consolidating the recommendations and achieving the goals of the 2016 London Conference, the National Youth Strategy 2019-2024, and the National Employment Charter put forth by the Jordanian Government. The Programme development is aligned with the vulnerability framework approach by:

1. Targeting the most vulnerable children, regardless of status, ability, and nationality;
2. Growing opportunities to promote social cohesion, between the various nationalities, backgrounds, and also between boys and girls;
3. Strengthening national capacity and resilience of national system at all levels, from policy level to the planning, monitoring, and overall management of services¹.

The Programme is additionally leveraging the strategic priorities of the Jordanian Government, by contributing to the following actions under the National Youth Strategy:

1. Empowering young people and their partners with entrepreneurship concepts and skills;
2. Empowering young people and their partners with concepts and skills of creativity and excellence;
3. Adopting creative programs for young people and providing support to implement them;

¹ UNICEF Jordan Social Enterprise Acceleration Programme paper

4. Building youth capacities in Entrepreneurship management,
5. Establishing and supporting business incubators² ; especially targeting the most vulnerable, to support increasing economic engagement and foster equitable and sustainable local economic development and community well-being³ .

² National Youth Strategy 2019 = 2025, The Hashemite Kingdom of Jordan

³ UNICEF Jordan Social Enterprise Acceleration Programme paper

PROGRAMME RATIONALE

The rationale for the Social Enterprise Programme is based on the need to address three challenges to youth economic engagement in Jordan:

1. High levels of youth unemployment, particularly for young women, young people with disabilities, and the refugee population, as well as young people in the remote areas of Jordan;
2. Limited initiatives to create sustainable economic opportunities for vulnerable young people through social enterprises, particularly outside of Amman;
3. Unevenly distributed business development services and local social enterprise ecosystems to support and grow micro and small social enterprises, particularly outside of Amman.

ECONOMY IN JORDAN

Despite national efforts aimed at promoting the economic development of Jordan, such as the attraction of international investments under the London Compact in 2016, the national economy has faced challenges in achieving expected results. Following the 2008 global economic crisis, as well as regional civil unrest during the Arab Spring, Jordan experienced prolonged weak economic growth (The World Bank, 2019). In the second quarter of 2019, the real Gross Domestic Product (GDP) growth stood at 1.8%, only marginally different from 1.9% in 2018 (The World Bank, 2019). The national economy was further strained following the Syrian Crisis, as a result of which Jordan hosts the second highest share of refugees per capita in the world (UNHCR, 2019). The original plan to make the influx of refugees into a development opportunity has failed to be fruitful in terms of employment and labor force participation (ILO, 2019). Nonetheless, analyses of the economic situation before and after the influx of refugees have found that Jordanians living in areas with a high concentration of refugees have no worse labor market outcomes than those living in less concentrated areas (Fallah, Krafft, & Wahba, 2019).

The national economic situation is reflected in the high unemployment rates and low labor force participation. In the third quarter of 2019, the total unemployment rate reached 19.1% (Department of Statistics, 2019). The unemployment rate for males stands at 17.1%, while it is 27.5% among females (Department of Statistics, 2019). According to estimates by the WANA Institute, 55% of working-age Syrians are active in the labor market, with 85% of men and 30% women are estimated to participate in the labor force (WANA Institute, 2019).

EFFECT OF ECONOMY ON YOUNG PEOPLE

Youth present a demographic dividend and an enormous opportunity to advance the social and economic development of Jordan. Notwithstanding, young people between the ages of 15 and 24 are the most affected by the national economic situation. For 15 to 19-year old young people, the unemployment rate is 29.9%, while for young people between the ages of 20 and 24, the unemployment rate is 38.8% (Department of Statistics, 2019). The unemployment rate of university graduates has peaked at 25.2% in the third quarter of 2019 and has reached 55.8% for those with a General Secondary School Certificate (Department of Statistics, 2019).

Not only does the economic situation restrict young people's access to meet basic needs, but it is also reflected in their health: youth not in employment, education, or training are significantly more likely to have poorer self-reported physical and mental health, as well as experience mental health challenges (Davidson & Arim, 2019). As many young refugees living in Jordan experienced trauma through their displacement, it is their low quality of life and poverty following displacement that predict poor working memory and other executive functioning delays, which are shaped by their limited access to employment opportunities that would allow them to emerge out of poverty (Chen et al., 2019).



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REFUGEE YOUTH

Refugee youth represent a dynamic population, who are motivated to build their lives in Jordan and contribute to the national economy. Private, public, and civil society stakeholders target interventions toward refugee youth to help them achieve this goal. The EU-Jordan Compact has made efforts to advocate for the promotion of refugee livelihoods, including through policy

advocacy to extend eligible sectors for Syrians, retain waivers for work permit fees, encouraging home-based businesses, and involving the targeted population in the Eu-Jordan Compact adjustment and implementation (Grawert, 2019). Displaced youth face exacerbated challenges in accessing economic engagement opportunities. Jordan hosts 755,050 refugees, which encompasses 57 nationalities (UNHCR, 2019). Currently, there are 654,692 registered Syrian refugees (UNHCR, 2019). According to a study conducted by Fafo Institute for Applied International Studies and the Government of Jordan (2019), Syrian refugee unemployment is reported to be 25 per cent, with a dramatic difference between the unemployment rate for men (23 per cent) and women (46 per cent).

ECONOMIC PARTICIPATION OF YOUNG PEOPLE WITH DISABILITIES

While the unemployment rate for young people with disabilities is not available, under 1.0 per cent and 0.5 per cent of workers in the public and private sectors, respectively, are classified as persons with disabilities (Persons with Disabilities Act, 2007). The 2007 Act No. 31 regarding the Rights of Persons with Disabilities stipulates that any company, public or private, employing between 25 and 50 workers, should employ at least one person with a disability. For companies with more than 50 employees, people with disabilities should amount to at least 4 per cent of workers, the nature of the work permitting (Persons with Disabilities Act, 2007). However, these stipulations are seldom enforced in practice. For example, the Vocational Training Corporation – a semi-autonomous entity that provides technical and vocational training to young people across Jordan – has allocated just 1 per cent of its budget to increasing the participation of women and people with disabilities in training programmes in 2019 (Human Rights Watch, 2019).



Jordan has one of the lowest female labour force participation rates in the world and ranked 138th out of 152 countries in the global Gender Gap report in 2020 (World Economic Forum, 2020).

WOMEN'S ECONOMIC PARTICIPATION

Women in Jordan are highly educated and interested in entrepreneurship, alongside formal employment opportunities (World Economic Forum, 2020). However, Jordan has one of the lowest female labour force participation rates in the world and ranked 138th out of 152 countries in the global Gender Gap report in 2020 (World Economic Forum, 2020). Women's academic achievements do not translate into labour market success, with female labour market participation at 15 per cent (UNWomen, 2019).

According to the Department of Statistics (2019), women earn 89 percent to a man's dollar, considering that women tend to have higher qualifications and to be more skilled. Among women with a first-level university degree, their average monthly wage is 63.1 per cent of the wage that a man with the same qualifications received (UNWomen, 2019). A study conducted by the ILO suggests that if men and women received the same salaries and were equally distributed across occupations, that female wages would increase by 61 percent.

The under-representation of women entrepreneurs is linked to several challenges, including unsupportive social and cultural attitudes, low entrepreneurship skills, difficulty in accessing finance, limited entrepreneurial networks, and policy frameworks that impact the feasibility of entrepreneurship (UNWomen, 2019).

SOCIAL ENTERPRISES AND ECONOMIC DEVELOPMENT

The economic situation in Jordan, coupled with the difficulty of the market to match the economic demand and resolve social issues, creates a need for an external innovative solution. There is a research precedent of proposing social enterprises as a vehicle to combine both sustainable economic development and dynamic social change (Oxfam, 2018). Social enterprises can be defined as an "innovative form of business, which successfully combines social aims and commercial practice" (Kostetska & Berezyak, 2014, p. 571). Some scholars position social enterprises between the public sector, which cannot achieve necessary economic development, possibly due to lack of funding, and the private sector, which does not recognize social profit in addition to economic profit (Kostetska & Berezyak, 2014). Factors that are commonly associated with social enterprises include (Kostetska & Berezyak, 2014):

- Mission associated with social values;
- Identification of new opportunities to implement the mission;
- Continued innovation and evolution of the idea to best implement the mission;
- Action determined beyond disposable resources;
- Accountability of the entrepreneur to customers and society.

It is important to note that social enterprises bring forth innovative and financially sustainable actions with the goal of addressing a social mission (Brajevic, Babic, & Jukic, 2015). However, the commercial activities do not have to target the social mission itself, but rather be used as resources to implement social objectives (Brajevic, Babic, & Jukic, 2015). For example, the establishment of one social enterprise can create jobs for

a multitude of vulnerable individuals, thereby creating a positive social impact through these individuals' income-generation. As such, social enterprises can encompass a wide range of business models, to either emerge or be integrated within the larger economic ecosystem (Brajevic, Babic, & Jukic, 2015).

Social enterprises propose a sustainable mechanism for contributing to local economic development (Haugh, 2006). The establishment of social enterprises creates employment, income growth, increases in tax revenue, and generation of savings in public expenditure (Haugh, 2006). There are also indirect contributions to economic development, such as increased skill levels of the local population and increased local money circulation (Haugh, 2006). Particularly in rural contexts, the social enterprises demonstrate a way to leverage market opportunities beyond tourism and replenish the local economy and community with goods and services (Haugh, 2006).

YOUNG PEOPLE AS A DEMOGRAPHIC DIVIDEND

Young people are the future. 16% of the global population, or 1.2 billion people, are young people between the ages of 10 and 24 years old (United Nations, 2018). This number is projected to increase to 1.3 billion by 2030 (United Nations, 2018). The growth of the population of young people presents an opportunity for a demographic dividend, wherein a bigger labor force would lead to increased savings, higher productivity, and economic growth (United Nations, 2018). Sustainable development across nations hinges upon investment in the population of young people, whose productivity, entrepreneurship, and innovation can drive economic growth (United Nations, 2018).

Support and investment in youth education does not directly translate to gains in employment. In fact, greater educational attainment has been found to be positively correlated with unemployment (UNICEF, 2018). Social enterprises present an opportunity for young people to become drivers of change for themselves and for the future of their communities. Rather than being passive recipients of aid or waiting for governmental reforms to increase employment, young people can be mobilized to drive economic growth and social impact through social enterprises. In order for youth to be successful in social enterprise development and to deliver on the mechanism's potential, there must be systematic support and a favorable legislative system to ensure that social enterprises' goals are brought to fruition (Mnguni, 2014).

YOUNG PEOPLE AS A DEMOGRAPHIC DIVIDEND IN JORDAN

In Jordan, young people represent immense potential to drive social and economic growth. 15 to 24-year old individuals make up 20 per cent of the country's population (Index Mundi, 2019). Despite the challenges that this population faces in transitioning to productive and resilient adulthood, the projected growth of the population of young people presents [a demographic dividend](#), wherein a bigger labor force would lead to increased savings, higher productivity, and sustainable economic growth. From a sociocultural perspective, efforts to increase the engagement of historically marginalized young people,

including young women and young people with disabilities, will serve to enhance the inclusivity and equitability of Jordanian society.

SOCIAL ENTERPRISE ECOSYSTEM IN JORDAN

There has been some research conducted to analyze the social enterprise ecosystem in Jordan by international organizations and private institutions. However, much of this research analyzes the general entrepreneurship ecosystem in the MENA region instead of focusing on social enterprises in Jordan as the data is limited. Therefore, the following are a comprehensive analysis of the social enterprise ecosystem in Jordan based on the reports on entrepreneurship, social innovation, and social enterprises in Jordan.

In line with the Government of Jordan's priorities on entrepreneurship development to empower youth, there are programmatic trends for youth-led social entrepreneurship targeting 10-29 year old individuals through innovation labs and training (UNESCO, 2017). These innovation labs and trainings include teaching of entrepreneurship skills to foster social entrepreneurial mindset in young people, as well as some technical assistance, mentoring and networking for the selected teams of entrepreneurs.

These social entrepreneurship programs vary from government programmes, corporate sector, investors, international organizations and education institutions. They provide various types of assistance such as monetary, technical training, and feasibility studies for start-ups (UNESCO, 2017). The most well-known social entrepreneurship supporting programs in Jordan are: INHAD, King Abdullah II Fund for Development (KAFD), Development Employment Fund, OECD-MENA 100 Business Plan Competition, IRADA, Oasis500, Zain Innovation Campus, Queen Rania Center for Entrepreneurship, Jordan Enterprise Development Corporation (JEDCO), Jordan River Foundation (JRF), Jordanian Hashemite Fund for Human Development (JOHUD), and SwitchMed.

POSITION MAP FOR SOCIAL ENTERPRISE PROGRAMMES IN JORDAN

FUNDING



TRAINING

However, it was highlighted from many of the research papers that there are challenges that can slow down the progress of social entrepreneurship in Jordan. The factors limiting the ability of social entrepreneurs to launch and successfully maintain their business go beyond financial issues:

- Limited access to informational resources and understanding of social entrepreneurship tools (Davies, Haugh, & Chambers, 2019)
- Limited availability of funds (Lyon & Owen, 2019)
- Limited access to legal and technical assistance, as well as bureaucratic complexity of setting up a company (Terziev, Nichev, & Georgiev, 2019)
- Low community awareness and openness, as well as lack of legal framework of social entrepreneurship (Fowler, Coffey, & Dixon-Fowler, 2019)

LIMITED ACCESS TO INFORMATION ABOUT SOCIAL ENTERPRISES

The main concerns are with the limited access to information about social entrepreneurship and the market, as well as the lack of role model and difficulty in identifying the sweet spot in the middle of social impact and economic profit (Davies, Haugh, & Chambers, 2019). For instance, according to the World Bank's 2016 Ease of Doing Business Report, social enterprises conduct research before entering the market. However, because information about the market for social entrepreneurship is not always readily available, social enterprises find it hard to assess their market prior to entering them. Moreover, one of the limitations pointed out from the report was that social enterprises often lack understanding of social impact measurement and there is a lack of consensus among the social enterprise actors on how to qualify, measure or report on social impact (Halabi, Kheir, & Cochrane, 2017).

LIMITED ACCESS TO FINANCE

According to the Social Enterprise Development Report in the Middle East, the majority of the social enterprises in Jordan are facing financing issue, which comes from the lack of availability of funding or financial support that forces them to reduce their initial plan dramatically and cause delays in launching their business (Lyon & Owen, 2019). Around 50 per cent of social entrepreneurs replied that they rely on seed funding from competitions, 14 per cent said institutional investors, and the other 36 per cent answered that they use their own money to finance their business (Jamali, 2016). However, regardless of where they were financing the money from, many of them were facing sustainability issue in terms of finance (Oxfam, 2018). There is an opportunity to introduce a sophisticated and nuanced approach that appeals to local, regional, and international investors to promote social entrepreneurs' access to finance (OxFam, 2018). This should include introducing enhanced and well-developed financial instruments to support the expansion of SEs, in addition to increasing the awareness of social entrepreneurs about financial solutions (OxFam, 2018).

LIMITED ACCESS TO LEGAL AND TECHNICAL ASSISTANCE

The above programmes are designed to support entrepreneurship, not specifically designed for social entrepreneurship or social enterprises. Therefore, these programs provide trainings and funding for the companies that they have selected based on their evaluation on technical and financial aspects of the company. However, social enterprises usually do not have a competitive financial projection compared to traditional commercial businesses, so they are not in a good position to appeal themselves for the entrepreneurship supporting programs. As this leads to limited opportunity, training, and assistance for social enterprises in Jordan, social enterprises spend more time and resources especially during enforcing registration, which affect their ability to grow (Terziev, Nichev, & Georgiev, 2019). One of the social entrepreneurs that was interviewed by SwitchMed said that existing regulations and policies for business creation are the main challenges for them at the start, recalling the experience as a "time consuming process" (Fattah, 2017→). Social entrepreneurs have expressed concerns that they are not fully aware of the compliance and regulatory frameworks in Jordan and worry that they are at risk for fines (OxFam, 2018).

LIMITED SOCIETAL AWARENESS AND OPENNESS

There is no legal definition of social entrepreneurship in Jordan, which means there is no tax exemption or incentives for social enterprises (Halabi, Kheir, & Cochrane, 2017). Therefore, compared to other countries with legal definition of social entrepreneurship where they offer tax exemption and benefits to social enterprises, Jordan has a more challenging environment for young people to start a business. Creating a business could be challenging for youth also because families, especially parents, tend not to be so supportive of the idea of entrepreneurship as they prefer stable jobs for their children and

associate entrepreneurship with risks of debt (Assaf, Haddad, Wyne, & Soueid, n.d.). In Jordan, social entrepreneurship is still a confusing concept for many people, who often mistake it as non-profit activity with no economic purpose (Halabi, Kheir, & Cochrane, 2017). This was found to be the case more in the region with limited access to the entrepreneurial ecosystem, education and foreign influence such as urban centers.

Social enterprises are a growing concept in Jordan, but many programs supporting social enterprises are still in the phase of exploration (Jamali, 2016). Lack of horizontal or vertical co-operation between government entities on one hand and civil society organizations as well as private sector on the other hand can, and often does, create inefficiencies, such as overlapping or counteracting policies, thus slowing down progress (UNESCO, 2017). There is a strong need to create a coordinating body to convene all relevant entrepreneurial groups to address institutions and financial actors with a common voice.

SWOT ANALYSIS OF THE SOCIAL ENTERPRISE ECOSYSTEM



Source: Social enterprise development in the Middle East and North Africa- Halabi, S., Kheir, S., & Cochrane, P. (2017).

Nonetheless, experts see some great potential for social enterprises in Jordan for several reasons. Given a unifying common language, Arabic, and related challenges in countries across the region, social enterprises that are successful in Jordan have the opportunity to expand beyond their initial borders. In addition, Jordanian government's inclusion of entrepreneurship skills development as a core component of the Jordan Economic Growth Plan 2018-2022 and National Youth Strategy 2019-2022, as well as active contributions of young people in volunteerism and incoming foreign funds to foster entrepreneurship present a favorable environment for social entrepreneurship to grow in Jordan.

SOLUTION FOR VULNERABLE POPULATIONS

The economic value of social entrepreneurship feeds into positive social change in multiple ways. Social enterprises contribute to a socially driven goal through their mission. However, the economic impact of the establishment of social enterprises is also facilitated through the commercial component. Increased income in an area of high need can improve the quality of life of individuals and provide access to basic needs. Within the context of UNICEF, the Child Multidimensional Poverty Index can provide the necessary context for social enterprise employees to support vulnerable populations of children with access to protection, water, sanitation, information, housing, health, nutrition, and education.

The established social enterprises contribute to social profit through greater access of the local population and businesses to goods and services (OxFam, 2018). On a community-level, social entrepreneurship can contribute to levels of self-determination, control, motivation, and empowerment (Haugh, 2006). Social enterprises are associated with a reduction in social exclusion, improved integration, individual empowerment, and community vibrancy (OxFam, 2018). In the most economically vulnerable communities in Jordan, with the highest rates of unemployment and lack of opportunities, social entrepreneurship is the only for the local population to be transformed through income-generation (Manyaka, 2015).

PROGRAMME ACTIVITIES

UNICEF's Youth Engagement Pathway aims to ensure that the most vulnerable young people in Jordan have access to necessary resources and opportunities to transition into productive adulthood. New approaches recognize the importance of not only of supporting young people's resilience, leadership, social consciousness, and creativity skills to enable them to realize their role as drivers of change in their communities, but also investing in entrepreneurship development to empower youth to take charge of their future while diversifying job creation mechanisms.

The Programme combines technical skills-building with efforts to improve the enabling environment for the development of a resilient social enterprise sector in Jordan. An enabling environment is a combination of awareness, policies, legislation, infrastructure,

and incentive structure aiming at creating institutional and organizational capacity-building in promoting social enterprises, both at the government, institutional, and individual levels.

The overall goal of the Social Enterprise programme is to contribute to sustainable social and economic engagement of young people, as well as empowering them through provision of opportunity that allows them to realize their role and ability to make changes for their communities. The current youth engagement pathway presents multiple entry points to feed into social entrepreneurship.

Cluster 1: Awareness and promotion

The social enterprise sector is nascent in Jordan and there is a great need to raise public awareness of the concept of social enterprises and their potential to support positive social change, sustainable development, and inclusive growth. At the same time, more consumers are concerned about the products and services they purchase and more companies are concerned about their corporate social responsibility. Both represent opportunities to promote and showcase the impact of purchasing from social enterprises. Outreach and awareness-raising activities include celebrating Social Enterprise Day, participating in public events, conferences, media campaigns, storytelling, and partnering with social influencers. In December 2019, UNICEF Jordan hosted a Winter Craft Market in the heart of Amman, which created a platform for social enterprises, both UNICEF-supported and not, to showcase their products to the local and expatriate community. This event demonstrated a significant interest of communities to champion change by supporting social enterprises led by the most vulnerable women and young people.

Cluster 2: Business skills development and access to finance

UNICEF Jordan demonstrated a commitment to supporting women and youth-led social enterprise in a pilot of the Social Enterprise Programme, which has demonstrated a significant positive impact on both immediate (i.e., increased income) and distal (i.e., women's economic empowerment in the household, children's school attendance) outcomes. These social enterprises received performance-based technical and financial support that was tailored to their needs; the impact the support they received from UNICEF is detailed in the assessment below. In 2019, UNICEF Jordan scaled up the Programme to support two more social enterprises, which target young asylum-seekers in Amman and young Palestinians living in Jerash Camp, with a focus on hydroponic and aquaponic innovative technology.

UNICEF Jordan is investing in social innovation and incubation of projects in host communities and in Azraq and Za'atari refugee camps, which feed into strategic support provided to youth-led ideas to establish social enterprises. In this programme, young people participate in human-centered design and social innovation training, developing their ideas into prototypes for products or services that would solve a challenge that is present in their community. The best projects are incubated within the UNICEF social innovation incubators to further develop their projects, in addition to developing a strategy to scale the project into an established social enterprise. Those young people who succeed in developing their project are eligible to receive technical support and capacity-building to grow their social enterprises through the UNICEF Jordan Social Enterprise Programme.

Those young people who participate in technical and vocational training supported by UNICEF across the most vulnerable areas of Jordan are also eligible to receive training social entrepreneurship and access to finance. The interest and motivation of these young people in establishing their own social enterprises speaks to the need to raise further awareness about social enterprises across the population. The role of UNICEF is to equip the committed young people with the technical and financial literacy skills to bring their social enterprises to fruition. The establishment of social enterprises can be both a career entry point for young people, as well as a career goal, as demonstrated by those young people involved in TVET. Based on anecdotal evidence, these young people, particularly young women, are investing in their own earning potential to transition to self-employment as a long-term career development goal.

Aligned with policy efforts of the EU-Jordan Compact to support refugee populations, UNICEF Jordan has launched a home-based business programme in Azraq and Za'atari refugee camps to promote social enterprise establishment as a livelihood and a mindset among young refugees, who are one of the most vulnerable populations in Jordan (Grawert, 2019). This home-based business development programme equips young people, and individuals whose ideas will involve the employment of young people, with the necessary skills to develop their business ideas to fit the context of the refugee camps. The beneficiaries have the opportunity to both build their capacity as entrepreneurs and have access to grants to launch their businesses. Investment in local home-based business establishment creates immense returns to the local economy within the camps, who have limited access to market outside of their context. Not only do home-based businesses align with the national and global efforts to promote social entrepreneurship, but they also address the issue of limited financial exclusion among young women and refugees. Leveraging off of the recent policy change for Syrian refugees, home-based businesses will also promote gender equity in the workforce, as Syrian women will have an increased contribution to the market share, leading to economic empowerment and improvements in confidence and security.

In partnership with the Royal Hashemite Court, the Business Development Center, Irada consulting, and the Central Bank of Jordan, UNICEF has launched a comprehensive training and financing programme to promote social entrepreneurship among young people in Jordan – the first of its kind of programme in the MENA region. Through this programme, budding entrepreneurs are able to receive intensive training to build their capacity and gain the technical and soft skills to establish their enterprises. Following their training, the participants conduct a feasibility of their project to ensure its viability and sustainability in the long-term. After the successful results of the feasibility study, a participant is eligible to receive a loan between 5,000 and 250,000 JOD to launch their social enterprise. The large scale of this national project, also contributes to building community awareness about social entrepreneurship in Jordan and promotes the practice among young people, while creating an enabling environment for social entrepreneurs.

Cluster 3: Multi-Stakeholder Opportunity Identification

The Programme identifies opportunities for social enterprise growth, including local, social, and sustainable procurement; and opportunities to increase impact through value-chain development. The programme also identified opportunities in existing product and service value chain to enhance market access and strengthen value chain linkages.

Cluster 4: Policy advocacy

The enabling environment sets the overall scope for social enterprise development and one of the most powerful mechanisms for shaping mindsets and action is public policy. The programme synthesizes the considerable body of information and analysis on government-led social enterprise strategies and policies to highlight the opportunity for the Jordanian government to mobilize social enterprises to delivering equitable social and economic outcomes through job-creation and improved workforce participation of vulnerable young people. It also extracts lessons from Programme activities for wide dissemination and input to influence public discourse. Through documentation of lessons learned, best practices, and challenges throughout the programmatic cycle, the Social Enterprise Programme creates evidence on successful strategies to develop scalable models to support young people in Jordan and in the region. The intent is to promote strategies, policy frameworks, and practices that support the social enterprise sector as a path for sustainable and equitable local economic development.

The programme combines technical skills building in social entrepreneurship with efforts to improve the enabling environment for the development of a resilient social enterprise sector in Jordan. An enabling environment is a combination of awareness, policies, legislation, infrastructure and incentive structure aiming at creating institutional and organizational capacity building in promoting social entrepreneurship, both at the government, institutional and individual level.

ASSESSMENT OF WOMEN AND YOUTH LED SOCIAL ENTERPRISES IN JORDAN

ASSESSMENT PERIOD JANUARY – MAY 2019 | **LOCATION** JORDAN

UNICEF in Jordan has recently launched a pilot program, *Women and Youth-Led Social Enterprises in Jordan*, which seeks to develop a scalable community-led economic development model by building the capacity of CBOs to become self-sustainable. UNICEF has partnered with Jordanian organizations to provide crucial support to three initial social enterprises working in Jordan: Al Dahma Center in Ma'an, Bayt Kharyat Souf (Bayt Souf) in Jerash, and Joonah Garment Company (Teenah) in Irbid.

Al Dahma Center for Women's Development (Al-Husseiniya) has many production facilities, including a food processing center. The Center's kitchen provides many local and traditional foods, including *mansaf*, *shrak* bread, in addition to pastries and sweets.

Bayt Khayrat Souf (Bayt Souf) offers a wide variety of natural and handmade products, including jams, pickles, olive oil, vinegar, and a wide variety of dried natural herbs, such as rosemary, sage, thyme and other native plants. Bayt Souf also provides cooking classes for tourists.

Teenah (Joonah Garment Company) is a social enterprise that manufactures high-quality custom printed bags, and other textile-based products focused on creating jobs for Syrian refugee women and vulnerable Jordanian women.

Each of the locations selected under the program have high levels of child vulnerability, as measured by UNICEF Jordan's Multidimensional Child Vulnerability Index. The project provided strategic development support (including renovation, packaging and branding, and access to employability skills training) to Al Dahma Center and Bayt Souf; and provided market expansion support (including assistance in marketing and sales, ad hoc training, local business support, and knowledge transfer) to all three social enterprises.

The pilot project directly benefitted a total of 58 Syrian and Jordanian women and youth who are now working in the three targeted social enterprises. Al Dahma Center currently has 13 full-time and 11 part-time employees, all of whom are women. Bayt Souf has 4 full-time female employees, eight male part-time employees, and eight part-time female employees. Furthermore, five of the women participating in the Bayt Souf project now have home-based businesses, producing food products to sell in their local community. Teenah employs 18 people, including 2 young men (one part-time and one full-time) and 16 women (2 part-time and 14 on a full-time basis). Indirectly, the project benefitted an additional 313 family members of the beneficiaries, including 180 children, 165 of whom are enrolled in school and 15 of whom are working. The study collected quantitative and qualitative data from 57 participating beneficiaries.

Objectives

The assessment aims to address the following research objectives, which include:

1. To investigate how the strategic development and market expansion support provided to the social enterprises has improved employment opportunities and income generation of women and youth, as well as to measure the extent to which the strategic development, market expansion, and targeted training have helped to improve the results;
2. To analyze the connection between the social enterprise activities and potential impacts on physical and mental health, education, and empowerment;
3. To inform the decision-making process how to adjust, replicate or replace the project interventions.

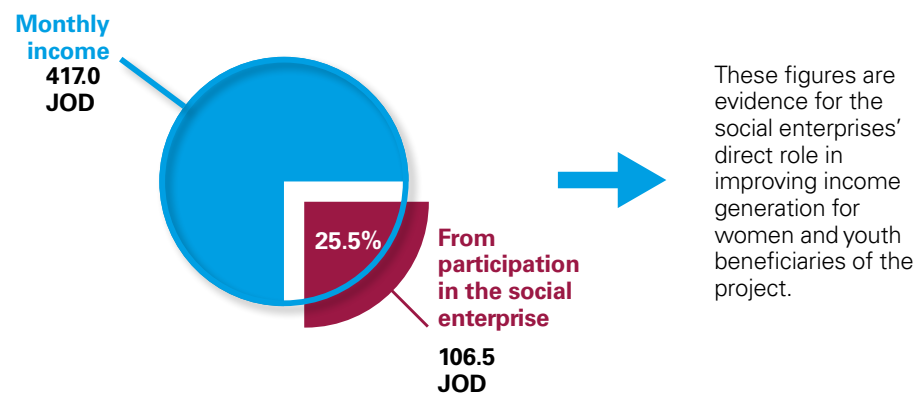
Impact on Women and Youth's Income and Expenditure

Respondents reported that, on average, 25.5% of their monthly income came from their participation in the social enterprise, or 106.5 JOD out of a total monthly income of 417.0 JOD. These figures are evidence for the social enterprises' direct role in improving income generation for women and youth beneficiaries of the project.

Impact on Social Wellbeing

While experiencing difficulties of meeting their families’ needs before participating in the social enterprises, more than half of beneficiaries (58%) used their increased income to improve their access to better living conditions. Furthermore, the income gained through the program helped to reduce their feelings of stress (46%) and to improve the families’ access to healthcare (42%).

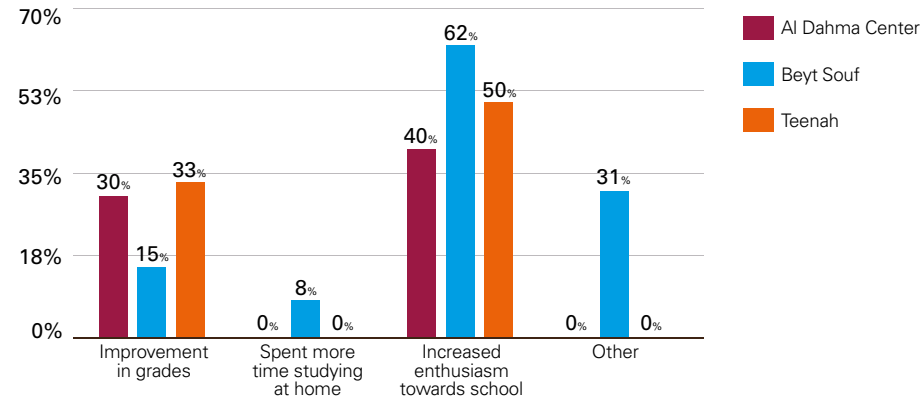
FIGURE 1: Impact on Women and Youth’s Income and Expenditure



Impact on Beneficiaries’ Children

The research team also found a correlation between participation in the social enterprise and an increase in children’s educational attainment, possibly due the beneficiaries’ added income (Figure 1).

FIGURE 2: Impact of social enterprises on children’s educational attainment, by organization



Furthermore, 19.3% of beneficiaries reported that their previously working children have stopped working since receiving additional income from the social enterprise. When asked about other positive indicators of child wellbeing, between 4 and 6 in 10 respondents reported an improvement in access to medical care, food, and psychological health for their children.

Impact on Intrahousehold Dynamics and Gender Equality

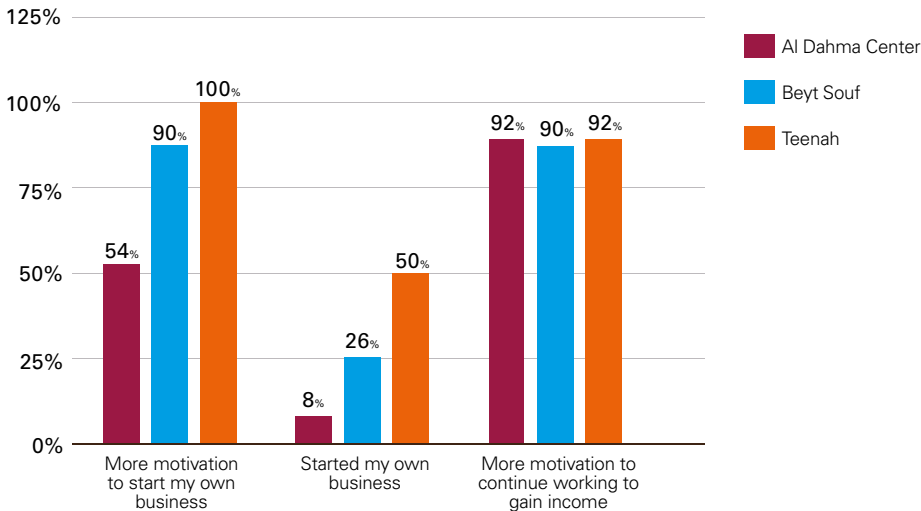
Both qualitative and quantitative data found that the participation in the social enterprise helped to increase gender equality principles amongst men and women. When asked whom in the family is responsible for what type of work the participant should do and how the money they earned would be used, 56.9% of the female respondents said that they did. 76.5% of female respondents said that they determined the number of hours they could commit to working weekly.

Impact on Perceived Benefits

Both the key informant interviews and field visits to the three social enterprises found ample evidence indicating that the strategic development, market expansion, and targeted training provided through the UNICEF support yielded positive returns on investment. Both the strengthened technical knowledge and increased confidence provided through UNICEF project trainings will increase women and youth's long-term economic empowerment and participation in the labor force.

Beneficiaries of all three projects reported that the targeted trainings increased their technical knowledge and their confidence in starting a new business, if they could secure the necessary capital. Female beneficiaries noted that they are more confident in both starting a business and earning an income (Figure 2). Trainings showed potential to increase the likelihood of labor force participation and economic empowerment.

FIGURE 3: Impact of Training on Female Participants, by Project.



Lessons Learned: Challenges and Barriers to Investment

Women and youth beneficiaries confirmed requiring start-up financing, technical skills-building for entrepreneurs and a need for marketing support in focus groups, specifically highlighting a lack of necessary skills in marketing, food production, and business negotiating. Further, they identified a lack of equity capital to buy the necessary machines and materials to run their businesses. Beneficiaries noted there are still multiple topics in which they further wish to be trained, with more than half of the respondents raising the training needs in fundraising and marketing skills.

Participants working in the assessed social enterprises reported that in order to access credit they need a bank guarantee, which requires proof of full-time employment or a deposit of JOD 50,000. Beneficiaries reported their inability to cover the deposit sum and difficulties in obtaining full-time employment, particularly for Syrian women who face restrictions with regards to formal employment.

Concluding Remarks

UNICEF Jordan's vision is to contribute to building an enabling environment for young people to become socially and economically active and effective. UNICEF is looking forward to expanding its youth economic engagement programme through technical and vocational training for youth, as well as by increasing access to self-employment opportunities for young men and women, whether through direct support of home-based businesses in camps and in host communities, or through the support of social enterprises in Jordan. UNICEF will also utilize its resources to create a national career counseling programme, with the aim of empowering youth and adolescents, particularly girls, to make career decisions informed by their interests and market opportunities.

On October 7th 2019, UNICEF Jordan Country Office hosted 29 representatives from a variety of social enterprises in Jordan in a roundtable discussion about the present assessment and the attending representatives' experiences, challenges, and opportunities within their enterprises and organizations. Both the results of the assessment and the roundtable discussion will inform UNICEF's planning for a social enterprise strategy in Jordan.

We welcome any ideas from social enterprise stakeholders and are open to cooperation. Please contact Giorgia Varisco (gvasico@unicef.org) or Abdulrehman AlBaroudi (aalbaroudi@unicef.org) for any further information.

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