



Global
Entrepreneurship
Monitor

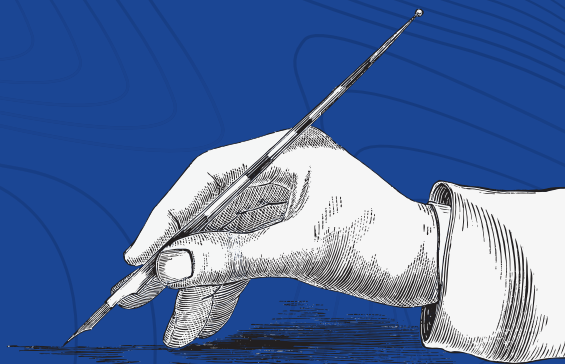
Jordan

National Report 2024/2025

Implemented by



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Entrepreneurship in Jordan is more than an economic activity; it is a testament to the resilience and creativity of our people. This report recognizes the visionaries who turn challenges into opportunities and contribute to building a dynamic and inclusive future for Jordan.



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Disclaimer: Whilst this work is based on data collected by the GEM consortium, responsibility for analysis and interpretation of those data is the sole responsibility of the authors.

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Abbreviations

- Adult Population Survey (APS)
- Artificial intelligence (AI)
- Baby Businesses (BB)
- Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)
- Entrepreneurial Framework Conditions (EFC)
- Established Business Ownership (EBO/EB)
- European Union (EU)
- German Federal Ministry for Economic Cooperation and Development (BMZ)
- German Jordanian University (GJU)
- Global Entrepreneurship Monitor (GEM)
- Gross Domestic Product (GDP)
- Jordan Strategy Forum (JSF)
- Ministry of Digital Economy and Entrepreneurship (MoDEE)
- National Entrepreneurship Context Index (NECI)
- National Expert Survey (NES)
- Research & Development Transfer (R&D Transfer)
- Startup / Nascent Businesses (SU)
- Total Early-Stage Entrepreneurial Activity (TEA)
- The Initial Public Offering (IPO)
- United Nations Sustainable Development Goals (UN SDGs)



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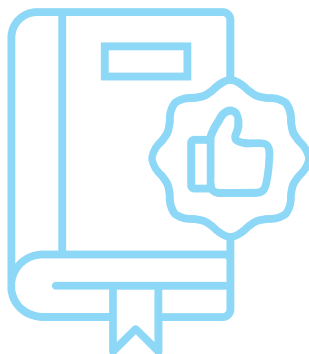
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Foreword

H.E.

Sami Issa Smeirat

Minister of Digital Economy and Entrepreneurship

As part of the ongoing efforts to support the entrepreneurial ecosystem in the Kingdom, Ministry of Digital Economy and Entrepreneurship, in collaboration with the German Jordanian University (GJU), the Jordan Strategy Forum (JSF), and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, presents the National Report of the Hashemite Kingdom of Jordan for 2024/2025. This report serves as a pivotal reference, reflecting the key features of the entrepreneurial landscape in Jordan, shedding light on the current state of entrepreneurship, and contributing to the development of policies and the enhancement of an ecosystem that supports innovation and growth. The report is part of the National Entrepreneurship Policy (2021-2027) projects aimed at building capabilities and fostering an entrepreneurial culture in the Kingdom.

This report embodies Jordan's commitment to fostering a supportive entrepreneurial environment for innovation and growth. It aims to provide a comprehensive view of the state of entrepreneurship in Jordan through an analysis of prevailing trends, an assessment of challenges and opportunities, and a review of efforts to strengthen a stimulating entrepreneurial ecosystem. Furthermore, it seeks to provide policymakers and stakeholders with the necessary data and recommendations to support the development of policies, strategies, and programmes that empower entrepreneurs and enhance the digital economy.

This report comes at a time when Jordan is witnessing notable progress in entrepreneurship indicators, with the Total early-stage Entrepreneurial Activity (TEA) rate rising to 21.1%, reflecting the growth of supported startups, and improvements in financing and investment mechanisms. Jordan has also made strides in increasing female participation in early-stage entrepreneurship, with the percentage rising from 11% to 20%, demonstrating the success of national and governmental efforts to economically empower women. In addition, there is a rising trend of youth involvement in entrepreneurship, with individuals aged 18-34 accounting for 60% of new entrepreneurs.

The National Expert Survey (NES) has shown significant improvements in most entrepreneurship conditions this year, particularly in government policies related to taxes and bureaucracy, as well as ease of market entry dynamics. This progress reflects ongoing efforts to improve the business environment and create a more favorable climate for entrepreneurship and innovation.

Jordan's advancement in the National Entrepreneurship Context Index (NECI) from 20th place globally in the previous report to 18th place this year, along with an increase in its score from 4.7 to 5, highlights the continuous improvement in the Kingdom's entrepreneurial ecosystem, further strengthening its position as a regional hub for innovation and technology. The Ministry, in collaboration with its partners, continues to implement the National Entrepreneurship Policy, ensuring a supportive environment that enables entrepreneurs and contributes to building an innovation-driven and competitive economy.

We invite investors and entrepreneurs, both within Jordan and beyond, to be part of this promising journey. We reaffirm our commitment to continue efforts to empower entrepreneurs and foster the prosperity of the national economy, contributing to building an economy based on innovation and competitiveness, and driving growth and prosperity in the Kingdom.

In conclusion, we would like to thank all the organisations, institutions, and individuals who contributed to the preparation of this report, and we look forward to it serving as a trusted reference to support policymakers and entrepreneurs on their journey toward growth and success.

Foreword

Prof.

Ala'aldeen Al-Halhouli

President, German Jordanian University

It is with great pride that I present the Global Entrepreneurship Monitor (GEM) Jordan National Report 2024/2025, an important contribution to understanding the entrepreneurial landscape of our country. This report is made possible through the collected efforts of the German Jordanian University (GJU), the Ministry of Digital Economy and Entrepreneurship (MoDEE), the Jordan Strategy Forum (JSF), and with generous support from EU and BMZ.

As we face pressing global and local challenges, equipping our youth with the tools, opportunities, environment, and mindset to innovate becomes vital. The GEM report serves not only as a reflection of the current state of entrepreneurial activity in Jordan but also as an important resource for academics, policymakers, and entrepreneurs toward informed, policies and programmes.

At GJU, we are committed to an applied and practical learning model focusing on continuous innovation. This is the second GEM report where GJU researchers are involved, which proves our commitment to align our academic programmes and plans with the National Entrepreneurship Policy managed by MoDEE. The report offers regional benchmarking for a better comparison of the entrepreneurial ecosystems. In addition, it highlights the unique dynamics of our entrepreneurial ecosystem with a deep analysis of its strengths, challenges, and potential.

I extend my sincere gratitude to all researchers and partners who have worked together to complete this important and comprehensive report. It is our hope that the outcome of this research will inspire national dialogue and strengthen our commitment to empowering Jordan's entrepreneurs for an inclusive and sustainable national development. I urge all aspiring students, researchers, policymakers, and entrepreneurship enablers to provide their feedback on this important national report.

Foreword

H.E.

Nesreen Barakat

CEO, Jordan Strategy Forum

Entrepreneurship is the backbone of any thriving economy, fuelling innovation, job creation, and sustainable growth. At the Jordan Strategy Forum (JSF), we recognise the power of a dynamic private sector and the need to continuously strengthen the entrepreneurial ecosystem. As a key partner in the Global Entrepreneurship Monitor (GEM) National Report for Jordan 2024-2025, we take immense pride in contributing to this vital research, which provides valuable insights into the state of entrepreneurship in Jordan.

This year's report presents a compelling narrative of both progress and challenges. While Total early-stage Entrepreneurial Activity (TEA) has grown by 34%, demonstrating increased enthusiasm for business creation, business sustainability remains a pressing concern. The decline in Established Business Ownership (EBO) from 7% in 2023 to 5% in 2024 signals the need for stronger support mechanisms to help startups transition into long-term, high-impact enterprises. Additionally, market access, regulatory efficiency, and gender inclusivity require targeted interventions to unlock the full potential of Jordanian entrepreneurs.

However, the momentum is encouraging. Government initiatives, improved access to finance, and advancements in entrepreneurial education reflect a positive shift in the ecosystem. The challenge now is to build on these gains, ensuring that entrepreneurship is not only encouraged but also sustained and scaled.

At JSF, we remain committed to leveraging data-driven insights from GEM to advocate for policies that foster a resilient, competitive, and globally connected entrepreneurial environment. We extend our deepest appreciation to the GEM consortium, Jordan's national team, and all stakeholders who have worked tirelessly on this report. The findings will undoubtedly serve as a blueprint for shaping a more inclusive, robust, and opportunity-rich future for Jordan's entrepreneurs.

Foreword

Stefan Erber

Cluster Coordinator – Employment,
GIZ Jordan

Entrepreneurship has long been a powerful engine for economic growth, innovation, and job creation around the world. In Jordan, strengthening the entrepreneurial ecosystem is a necessary step toward addressing the country's growing need for meaningful employment and lasting economic stability.

At GIZ Jordan, we are committed to creating the right conditions for entrepreneurs to grow and succeed. We believe that the real change starts with a clear understanding of what is happening on the ground. That is why we support the Global Entrepreneurship Monitor (GEM). It provides valuable insight into how people in Jordan are building businesses, the challenges they face, and what helps them move forward. This understanding is essential to shaping initiatives that respond to real needs and deliver lasting impact.

The findings from this year's GEM report show promising momentum. More Jordanians are starting their own businesses, confidence among early-stage entrepreneurs is growing, and the broader ecosystem, including access to finance, entrepreneurial education, business opportunities, community support, and long-term sustainability, continues to improve.

What makes these findings especially meaningful is that they reflect real stories. Each data point represents someone taking a risk, building something of their own, and creating jobs and opportunities for others. This is real, tangible progress that makes a meaningful difference in people's lives.

What we are seeing on the ground is the result of strong collaborations. The "Entrepreneurship for Sustainable Economic Development and Employment (E4DE)" project is implemented by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, in partnership with the Ministry of Digital Economy and Entrepreneurship (MoDEE), and co-funded by the German Federal Ministry for Economic Cooperation and Development (BMZ) and the European Union (EU). Together, we are working to make sure that entrepreneurship in Jordan is not only encouraged but also supported through practical tools, effective policies, and an environment that gives people a real chance to succeed.

We hope this report serves as a useful resource for policymakers, practitioners, investors, and entrepreneurs alike as we work together to unlock Jordan's full potential. Jordan has the talent and the drive, and with the right support, its entrepreneurs can continue turning ideas into real opportunities and help build a stronger, more prosperous future for everyone.

Executive Summary

Dr. Ahmad Alshwawra



The Jordan Global Entrepreneurship Monitor (GEM) National Report 2024/2025 provides a comprehensive analysis of the country's entrepreneurial ecosystem, highlighting key trends, challenges, and opportunities. It is the second consecutive year Jordan has contributed to the GEM exercise, thus providing better understanding of entrepreneurial tendencies and challenges. The summer of 2024 witnessed the GEM National Expert Survey (NES) with a number of 40 experts and 2042 Jordanian adults being surveyed in the Adult Population Survey (APS). The report emphasises the significance of entrepreneurship as an engine that drives an economy through growth, job creation, and innovation. This is particularly relevant in a country currently facing such socio-economic challenges such as high unemployment among the youth, limited natural resources, and vulnerability to external shocks.

The results indicate that while progress is being made in the field of entrepreneurship, particularly in the startup phase, there are still enduring challenges regarding business sustainability, accessibility to finance, regulatory efficiency, and inclusion. The report indicates growth in Total Early-Stage Entrepreneurial Activity (TEA) with sponsored businesses, together with an increasing role of financial support mechanisms that show greater access to funding opportunities. While economic reasons still motivate entrepreneurship in Jordan, lack of opportunities for finding jobs remains the leading motivation for starting a business. In addition, stark gender differences do exist and these, are characterised by more women participation in TEA and less women representation in Established Business Owners (EBO). The other very salient demographic characteristics determining successful entrepreneurship relate to education and incomes; thereby indicating serious gaps in skill-training activities, access to finance, and regulatory support that need urgently targeted interventions.

The summarised key findings of this report are as follows:

- 1- Entrepreneurial Activity: Early-Stage Entrepreneurial Activity increased in Jordan by 34% in the years 2023 to 2024**, owing to a doubling of Startup/Nascent Businesses (SU) It depicts a change in favour of a much more entrepreneurial-friendly environment. On the other hand, Baby Business Owners (BB) and Established Business Owners ratios declined, evidencing a gap in the actual long-term sustainability of the business, and therefore drew concern regarding the survival of new enterprises.

- 2- **Gender and Entrepreneurship:** **The percentage of women participating in TEA significantly increased from 11% in 2023 to 20% in 2024.** This shows that government efforts to support female entrepreneurship have gained momentum. This is notwithstanding the challenges women still face when accessing resources and support, especially in the later phases of business development. Female participation in EBO is 2% compared to 7% for males.
- 3- **Youth Entrepreneurship:** Youth of Jordan (18-34 years) are extremely active in early-stage entrepreneurial activity, with 60% of TEA respondents under the age of 34. The report emphasises the need for community support, skill-building, and access to finance as the most important drivers of youth entrepreneurship.
- 4- **Entrepreneurial Ecosystem:** Entrepreneurial context has improved in Jordan in terms of physical infrastructure and government entrepreneurship programmes, as well as accessibility to finance. However, not all dimensions, such as Research and Development (R&D) transfer, entrepreneurship education, and innovative activities, have improved. According to the National Entrepreneurship Context Index (NECI), Jordan is rated highly in physical infrastructure but poorly in indicators like entrepreneurial finance and R&D transfer compared to regional and global benchmarks.
- 5- **Innovation and Sustainability:** The innovation ecosystem in Jordan is beginning to blossom, relatively new in comparison with high-tech engagement. 3.66% of TEA participants join either of the technology sectors while in Qatar, 8.42% do the same. There is an emerging interest in sustainable entrepreneurship among most entrepreneurs who adopt environmental practices and energy efficiency in their entrepreneurship. More support should be given for entrepreneurial activity to comply with UN's Sustainable Development Goals (SDGs).
- 6- **Access to International Market:** Most Jordanian entrepreneurs focus on the local market, as only 7.9% of TEA players have over 25% of their sales coming from outside markets. This is a proof of the need for increased support in enabling entrepreneurs to access foreign markets and gain diversified revenues.

The report outlines numerous challenges that confront Jordan and discourage entrepreneurial development and sustainability. Excessive rates of early-stage business termination, notably among Baby Business Owners and Established Business Owners, highlight the imperative for intervention that will enhance long-term sustainability.

Almost 3.4% of the entrepreneurs say access to finance remains a significant challenge for them, particularly in the stages of developing their businesses. Despite its strong education system, there is still a big gap in providing higher levels of practical, entrepreneurship-based content in schools and universities. Women entrepreneurs still face great gender disparities, lack of access to financing, childcare centres, and professional networks, among many others. Jordan's innovation system must, however, be further improved, especially in technology transfer, high-tech entrepreneurship, and R&D investment, to cultivate a more competitive and innovative business environment.

The report highlights the state of entrepreneurial development in Jordan, emphasising investments in the country's digital infrastructure and the establishment of the Ministry of Digital Economy and Entrepreneurship to advance technological entrepreneurship. Jordan has a dynamic and youthful population, with nearly one-third of its people aged 16 to 30. Additionally, there is a growing focus on social and sustainable entrepreneurship, aligning with international best practices, including the UN's Sustainable Development Goals . By prioritising green and responsible business practices, Jordan has the potential to position itself as a rising regional leader in sustainability-driven entrepreneurship.

To ensure long-term entrepreneurial success and economic growth, the report presents key policy recommendations, including:

- **Strengthening business sustainability** through targeted funding programmes, mentorship initiatives, and regional market expansion strategies.
- **Enhancing access to finance** via diversified funding sources such as venture capital, microfinance, Crowdfunding, and public-private investment funds.
- **Improving entrepreneurship education and skill development** by integrating entrepreneurial courses in schools and universities and expanding free digital learning resources.
- **Supporting women and youth entrepreneurship** through specialized funding programmes, mentorship opportunities, and inclusive business policies.
- **Reducing bureaucratic barriers** by streamlining business registration, improving tax incentives, and strengthening the regulatory framework.
- **Encouraging technological innovation** by expanding digital infrastructure, promoting R&D commercialisation, and establishing innovation hubs.
- **Fostering a supportive entrepreneurial culture** through awareness campaigns, networking opportunities, and resilience-building initiatives.
- **Strengthening data collection and policy monitoring** by establishing a National Entrepreneurship Observatory and maintaining annual GEM participation.

In conclusion, Jordan has made significant progress in encouraging entrepreneurship. However, issues with scalability, diversity, and business sustainability still exist. Jordan can establish itself as a regional leader in entrepreneurship, fostering job creation, economic resilience, and long-term prosperity by putting in place a comprehensive policy framework that places a high priority on finance, education, innovation, and inclusivity.

Chapter 1

Introduction

Introduction

Ghassan Omet and Ahmad Alshwawra

Entrepreneurship offers numerous benefits at the individual, societal, and economic levels. It fosters competition, encourages employment diversity, contributes to societal challenges such as poverty, education, healthcare access, and provides individuals with the ability to generate wealth and achieve financial stability and turn their passions and ideas into reality. Furthermore, entrepreneurs create new businesses and employment opportunities, as well as introduce new ideas, products, and services, improve productivity, contribute to wealth creation, and increase national income and standards of living. This is why governments all over the world focus on fostering entrepreneurship through a combination of policy initiatives, education, financial support, and cultural shifts.

The overall objective of this chapter is to introduce the 2024 GEM exercise in Jordan and contextualise the concept of “entrepreneurship” within the available literature and the socio-economic challenges of the Jordanian economy.

1.1 Entrepreneurship: Conceptual Frameworks

From the outset, it must be stated that there is no commonly agreed definition of entrepreneurship. Indeed, as stated by a famous economist Baumol, the entrepreneur is “one of the most intriguing and one of the most elusive characters that constitutes the subject of economic analysis”. The reasons for the absence of a common definition of entrepreneurship are various. However, one of them is the fact that entrepreneurship research crosses a number of disciplines such as economics, sociology, psychology, management science, and others. This is why different researchers have developed different definitions and measurements of entrepreneurship.

Within the context of defining entrepreneurship, it is worth noting that there are three dominant schools of thought on entrepreneurship:

- **Schumpeterian Perspective:** Schumpeter’s theory of entrepreneurship focuses on innovation. Schumpeter argued that entrepreneurs are individuals who introduce new products, services, or production methods, thereby disrupting existing markets and creating economic development. His view of the entrepreneur is closely tied to the concept of creative destruction where new businesses and innovations continuously replace outdated ones.

- **Kirznerian Perspective:** Kirzner’s perspective emphasises the role of entrepreneurs as “alert” individuals who exploit market inefficiencies. According to Kirzner, entrepreneurship is about recognising opportunities for profit that others have missed.

Unlike Schumpeter's focus on innovation and disruption, Kirzner's theory centres on the ability of entrepreneurs to identify gaps in the market and capitalise on them.

Knightian Perspective: Knight's approach to entrepreneurship introduces the concept of risk and uncertainty. Knight believed that entrepreneurs are distinct from mere risk-takers because they assume both uncertainty and risk, which are essential to their function. Entrepreneurs, in Knight's view, are responsible for bearing the uncertainty inherent in business ventures, which is an essential aspect of entrepreneurship that distinguishes it from other forms of economic activity.

Regardless of what the differences between the Schumpeterian, Kirznerian, and Knightian perspectives are, they all share several elements in their respective definitions of entrepreneurship. Indeed, these common elements indicate any criteria for measuring entrepreneurship:

- a) **Enterprise:** Entrepreneurs transform ideas into marketable goods or services for profit.
- b) **Innovation:** Entrepreneurship involves combining resources into novel ways to create value.
- c) **Process:** Entrepreneurship is a temporary, dynamic process involving multiple stages.
- d) **Risk-Taking:** Entrepreneurs operate in uncertain conditions and assume risk.
- e) **Entrepreneurial Action:** Entrepreneurship ranges from radical innovations to small or incremental innovations.
- f) **Economic Change:** Entrepreneurship fosters job creation, competition, and economic expansion.

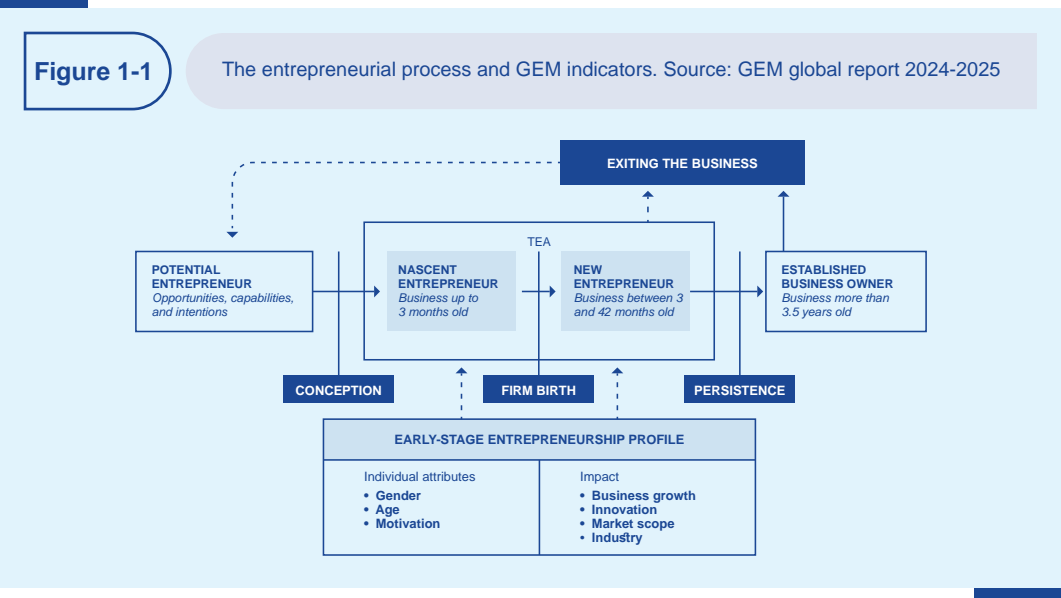
Within the context of this report, the Global Entrepreneurship Monitor (GEM) definition is used. GEM defines entrepreneurship as **any attempt at new business or new venture creation, such as self-employment, a new business organisation, or the expansion of an existing business, by an individual, a team of individuals, or an established business.**

1.2 The Global Entrepreneurship Monitor Framework

The Global Entrepreneurship Monitor (GEM) started in 1999 as a joint research project between Babson College (USA) and London Business School (UK). Since then, the consortium has become one of the most widely used measures of entrepreneurship and entrepreneurial ecosystems across the globe. In numbers, GEM carries-out 170,000+ interviews annually with “experts” and “adult populations” in 120 economies across all five continents. This effort involves 370+ specialists in entrepreneurship research, 150+ academic and research institutions, and the support from 150+ funding institutions.

The GEM framework collects the data through two surveys: **The National Experts Survey (NES)** is used to collect the views of experts (at least 36) on a wide range of items including Entrepreneurial Finance, Government Policy, Government Entrepreneurship Programmes, Entrepreneurship Education, Research and Development (R&D) Transfer, Commercial and Legal Infrastructure, Entry Regulation, Physical Infrastructure, and Cultural and Social Norms.

The second GEM survey is the Adult Population Survey (APS) is a survey instrument used to measure the level and nature of entrepreneurial activity around the world. Entrepreneurship is measured by Total Entrepreneurial Activity (TEA). The TEA is a calculation of the adult population engaged in entrepreneurial activity. It is administered by GEM National Teams to a national sample of at least 2000 respondents. “The goal is to explore the role of the individual in the lifecycle of the entrepreneurial process. The focus is not only on business characteristics, but also on people’s motivation for starting a business, the actions taken to start and run a business, as well as entrepreneurship related attitudes”. Figure 1-1 illustrates the entrepreneurial pipeline and major GEM measures of entrepreneurial activities.



For 2024, 51 countries performed GEM Adult Population Survey (APS). More than 150,000 people were surveyed. Those 51 countries represent more than 63% of the world’s population, as well as more than 77% of global Gross Domestic Product (GDP). Furthermore, 56 economies participated in GEM’s National Expert Survey, which gathers national experts’ assessments of the promoting factors of entrepreneurship — using carefully selected criteria — in each economy’s business context. For Jordan, 40 experts were surveyed in the NES exercise by the German Jordanian University (GJU) with the help of Ministry of Digital Economy and Entrepreneurship (MODEE) and Jordan Strategy Forum (JSF), while 2042 Jordanian adults were surveyed in the APS by NAMA Strategic Intelligence Solutions under the supervision of the German Jordanian University.

In 2024, Jordan participated in the Global Entrepreneurship Monitor exercise, marking the first time the country has taken part in two consecutive years (2023 and 2024). Previously, Jordan had engaged in the GEM assessment multiple times but not consecutively, making it challenging to track entrepreneurship trends and assess progress over time. By maintaining consecutive participation, Jordan is now laying the foundation for a comprehensive entrepreneurship database, which will provide valuable insights into the country's entrepreneurial ecosystem.

1.3 Entrepreneurship in Jordan: The Socio-Economic Context

Jordan's trade-dependent, small, and open economy has always been vulnerable to external shocks with a significant impact on its development and growth. Global and regional conflicts have shaped the economic reality of the country. The 9/11 attacks (2001) and "global war on terror," financial crisis of 2008, U.S. invasion of Iraq (2003), the Syrian conflict in 2015, and the Russia-Ukraine war have directly and indirectly impacted Jordan's economy. Regionally, Jordan faced disturbances caused by the 1990 Iraqi invasion of Kuwait, 2010 Arab Spring, and the 2011 reduction of gas supply from Egypt. Other shocks, including the COVID-19 pandemic (2020), and past as well as ongoing wars and conflicts in the region, have afflicted the country's economic stability. Despite these challenges, Jordan has been resilient, registering positive economic growth, albeit at relatively low rates since 2011.

Jordan has, over time, diversified its economy, especially into services, industry, and trade, despite poor natural resources. The services sector is the biggest contributor to GDP, with finance, education, health, and tourism being some of the most notable sectors. The country has become a regional business hub, with multinationals being attracted to it and investing in tourism facilities, leveraging its ancient monuments such as Petra, the Dead Sea, and Jerash. The industrial sector is significant, particularly in pharmaceuticals, chemicals, textiles, and mining—with Jordan as a leading exporter of phosphates, potash, and fertilisers. Jordan's information technology industry has also been expanding, driven by investment in education and infrastructure. The farming industry remains important, producing olives, citrus, and tomatoes for domestic markets, but it is extremely threatened by water shortages. Meanwhile, Jordan is also heavily investing in renewable energy in the solar and wind varieties to reduce dependence on imported energy.

Having recognised the importance of digital transformation and entrepreneurship, Jordan established the Ministry of Digital Economy and Entrepreneurship in 2019. The Ministry aims to drive the digital economy, entrepreneurship, and technology-led growth. In doing so, Jordan's age dependency ratio is the highest globally at 48.4%, compared to Singapore (15.5%), Japan (19.8%), and Tunisia (36.8%). This highlights the need for investments in skills development and education to equip Jordan's youth with tools for economic participation and entrepreneurship.

His Majesty King Abdullah II in June 2022 launched the "Economic Modernisation Vision," with ambitious national targets. The plan aims for an increase in real GDP from JD 30.2 billion to JD 58.1 billion, achieving a rate of annual growth of 5.6%.

It also intends to increase actual per capita income at an average growth rate of 3% each year and create over 1 million additional Jordanian income opportunities by the year 2033. The desires reflect the attention of the government on realising economic transformation in response to investment, innovation, and entrepreneurship.

Parallel to this vision, Jordan initiated the implementation of the National Entrepreneurship Policy (2021-2025) with the objective of creating an entrepreneurial ecosystem. The policy focuses on regulatory reform, expanding access to finance, and human capital development. The policy also aims at digital transformation, public-private partnership, and entrepreneurship education. In addition, the policy promotes gender inclusivity and empowerment of marginalised groups to become part of the entrepreneurial ecosystem.

In order to enable smooth implementation, the government has established a National Entrepreneurship Council for following progress, suggesting regulatory reforms, and establishing stakeholder collaboration. The overall objective is to turn Jordan into a regional centre for entrepreneurship, where investors and innovative startups are cultivated. All this is targeting raising economic resilience, employment, and competitiveness in global markets.

Entrepreneurship is the major force driving economic, social, and technological progress. In Jordan, too, entrepreneurship is important as it drives economic development, generates job opportunities, increases exports, and boosts government revenue from taxes. To build a thriving entrepreneurial economy, Jordan must address certain challenges while leveraging its strengths.

Priorities to foster entrepreneurship are education and human skills development, access to finance, and regulatory and policy framework conducive to entrepreneurship. Additionally, strengthening mentorship programmes, augmenting technology infrastructure, and promoting women's and youth entrepreneurship will be central to long-term success. Changing the culture to a risk-taking, innovative one, and effective partnership between the government and the private sector, will be crucial in making an entrepreneurial-friendly environment.

Jordan's investment in entrepreneurship, digitalisation, and economic modernisation is all elements of its overall strategy to ensure growth and enhance national competitiveness. Through policy-driven reforms, innovation investment, and ecosystem development, Jordan is well-positioned to be a model for the region for entrepreneurship and economic transformation.

The accurate measurement of entrepreneurship through GEM methodology allows policy-makers in Jordan to develop targeted strategies that foster economic growth, job creation, and innovation. Encouraging entrepreneurship requires a multifaceted approach, including government policies and support, access to funding, entrepreneurship education, cultural transformation, infrastructure enhancement, women's entrepreneurship promotion, and strengthened R&D. Through these efforts, Jordan aims to create a dynamic and sustainable entrepreneurial environment that drives long-term prosperity.

Chapter 2

Phases of Entrepreneurship

Phases of Entrepreneurship

Ahmad Almuhtady and Ahmad Alshwawra

The Global Entrepreneurship Monitor methodology categorises entrepreneurial activity into different stages to provide a comprehensive understanding of business formation and sustainability. Total Early-Stage Entrepreneurial Activity represents individuals actively involved in starting or managing a business that is less than 42 months old, capturing both early-stage entrepreneurs and emerging business trends. Within TEA, Startup/Nascent Businesses refer to individuals actively involved in establishing a business but have not yet paid salaries or wages for more than three months.

As businesses progress, they transition into the Baby Business Owner stage, where entrepreneurs manage businesses that have been operational for more than three months but less than 42 months and have started generating revenue. Businesses that successfully surpass this early period and continue to operate beyond 42 months are classified under Established Business Owners, indicating a higher level of stability and sustainability. This classification allows policymakers and researchers to analyse the factors influencing entrepreneurial success and challenges at each stage, guiding the development of strategies to support business growth and longevity.

It is also worth noting that GEM classifies countries into three groups based on their GDP per capita. Category A includes high-income countries with a GDP per capita exceeding or equal \$40,000, category B consists of middle-income countries with a GDP per capita between \$20,000 and \$40,000, and category C comprises low-income countries where GDP per capita is below \$20,000. This classification helps in analysing entrepreneurial trends across different economic contexts and comparing how economic conditions influence business activity. Jordan falls in group C with GDP per capita of about \$10,000.

2.1 Stages of Entrepreneurship

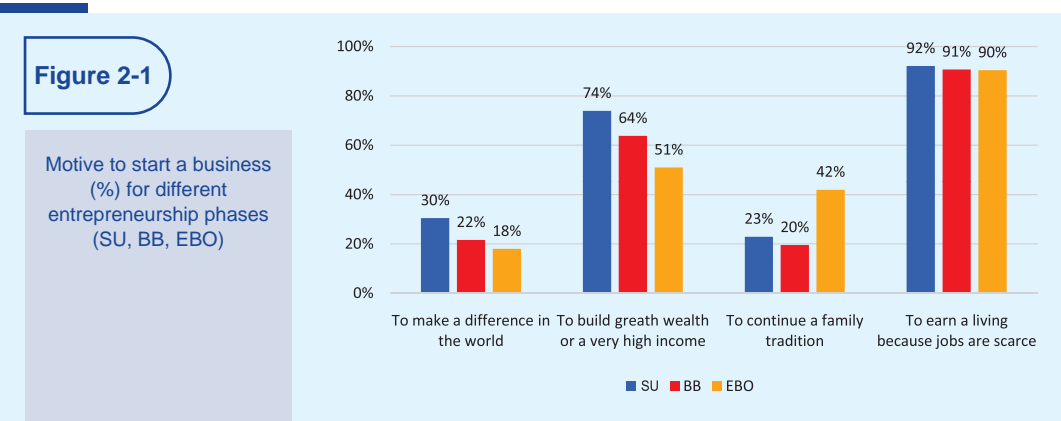
According to Jordan's Adult Population Survey 2024, 21.1% of individuals aged 18-64 were classified under Total Early-Stage Entrepreneurial Activity (TEA), marking a 34% increase from 2023. This surge is primarily driven by the doubling of Startup/Nascent Businesses (SU) from 8% in 2023 to 16% in 2024, reflecting a more supportive entrepreneurial ecosystem. However, the percentage of Baby Business Owners (BB) declined from 8% in 2023 to 6% in 2024, raising concerns about the sustainability of new ventures. Additionally, the decline in Established Business Owners (EBO) from 7% to 5% further underscores the challenge of long-term business viability. Ideally, each SU progresses to BB and eventually to EBO, but in reality, not all startups successfully scale. A higher conversion rate from TEA to EBO signifies stronger entrepreneurial conditions and greater economic impact, making sustainability a key area for further investigation.

In 2024, 9.2% of TEAs were independent business owners, a figure similar to 2023. The increase in TEA is largely attributed to a 95% rise in TEA with sponsored businesses, where entrepreneurs hold partial ownership alongside employers, reaching 11.9%. Among early-stage entrepreneurs, 8.73% were SU with a sponsored business, while 6.72% were nascent entrepreneurs with independent businesses. Meanwhile, 3.51% were BB owners with a sponsored business, and 2.71% were BB owners with an independent business, showing consistency with 2023 except for SU with a sponsored business, which rose significantly from 2.43%. These numbers indicate an improvement in access to finance for entrepreneurs in 2024 compared to 2023. Regarding established businesses, 2.69% were EBO with a sponsored business, while 2.11% were EBO with an independent business, highlighting the need to further explore the factors affecting business longevity and growth.

2.2 Drive and Motivation

It is always important to analyse what are the motives that drive individuals to start a new business or even participate in maintaining an established one. Understanding these motives can shed light on how to properly implement policies that are consistent with these motives and also understand the results of comparisons with neighbouring countries. The GEM's APS motives are to “earn a living because jobs are scarce”, “continue a family tradition”, “build great wealth or a very high income”, and to “make a difference in the world”.

Respondents can choose more than one motive, and the results are depicted in Figure 2-1. It is clear that, regardless of being involved in a new business or being involved in an established one, the economic motivation is dominant where more than 90% agree that job scarcity motivates them (highest amongst Group C according to GEM Global Report). Also, it is clear that aiming to build a great wealth or a very high income drives many involved in the new business category (whether talking about SU or BB). This motivation is less prevalent in the established business, where almost similar percentage has stated that their motivation in this category is to continue a family tradition. Finally, it is worth mentioning here that making a difference in the world is answered by almost one third of the respondents in the Nascent Entrepreneurs and this is still below the average in Group C countries. This motivation decreases even more in the established businesses. Clearly, this means that there is a need to create mechanisms (like in education) that enhance the awareness of such an important motivation and its impact on both the economic environment and the sustainability of the world for future generations. One can be optimistic when comparing the 2023 with the 2024 APS results in Jordan. This motivation for the TEA increased from 21% to 28%, suggesting such mechanisms are in place but most likely require more time to take effect.



Regional comparisons explaining the motive to start a business among TEA are demonstrated against similar Category C Arab countries in Figure 2-2, and Categories A and B Arab countries in Figure 2-3. It can be seen that with the exception of Oman, monetary motives still dominate motives in TEA with scarcity of jobs demonstrating strong motive amongst Category C countries in particular. It is also worth noting that the respondents in Saudi Arabia, United Arab Emirates, and Egypt are well aware of the sustainable motive concerning making a difference in the world, and this reflects that such a notion is not limited to high income countries, but rather to a cultural value that can be planted in future generations.

Figure 2-2

A regional comparison explaining the motive to start a business among TEA (vs. Group C Countries)

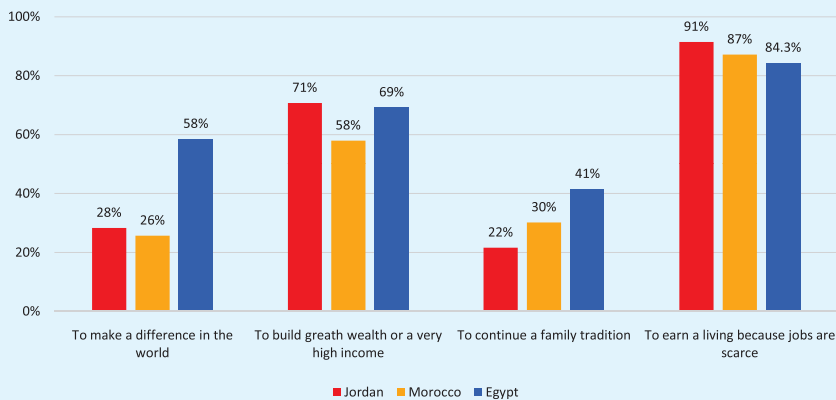
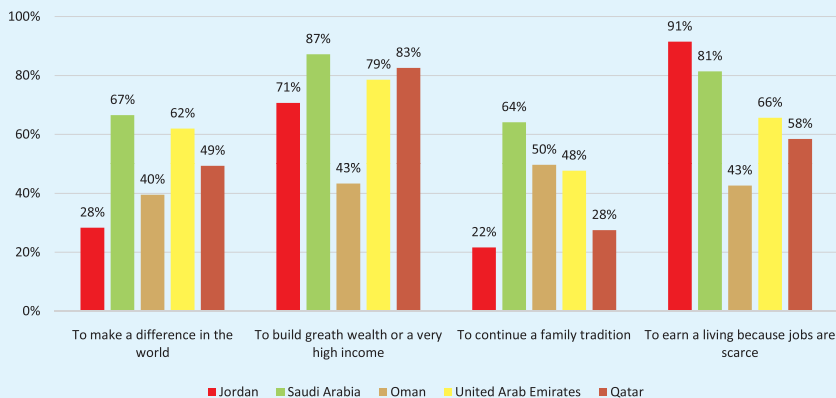


Figure 2-3

A regional comparison explaining the motive to start a business among TEA (vs. Groups A and B)

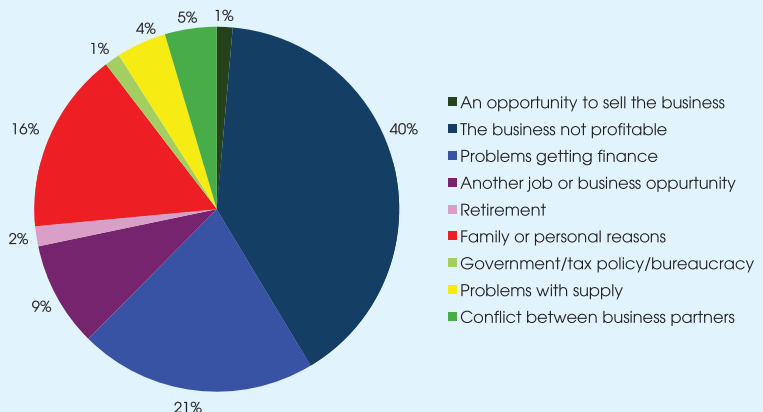


2.3 Entrepreneurship Sustainability

Examining the sustainability of entrepreneurship is an important activity as it is not a self-sustaining act on its own unless all factors of potential failing have been addressed. A supportive ecosystem can enhance the chance of an entrepreneurship activity to succeed and in most cases, this will enhance both employment stability and provide service consistency once new businesses morph into established ones. Unfortunately, that is not the case in Jordan as **the Established Business Ownership Rate has dropped from 7.2% in 2023 to 4.8% in 2024**, indicating the need to investigate the reasons for quitting the business (see Figure 2-4). Not all of these reasons are necessary negative in the sense of the word, such as having an opportunity to sell the business, retirement, or allocating another (most likely better) job or business opportunity, which stands in Jordan at 1%, 2%, and 9%; respectively. This means that the main driving force for exiting businesses are related to failure. In standard Economic theories, there are numerous reasons why a business could potentially fail, usually related to shortcomings in one or more of the following: planning, funding, marketing, management, adaptation to market changes, and legal issues. From Figure 2-4, **the number one reason for exiting a business in Jordan lies in the business not being profitable with 40% while the next reason is related to problems in getting finance at 21%.** These two align strongly with the reasons why a business could fail, highlighting the absolute necessity to devise mechanisms that will enable potential entrepreneurs with sufficient knowledge to sustain their businesses. Proper education that could start from as small as elementary school can instill values and ideas in the future potential entrepreneurs that will avoid them such unpleasant outcome. The latter could even impact the significant number of respondents who felt that family or personal reasons have forced them to exit their businesses, as well-educated and well-organized individuals can identify methods to overcome such issues. At the end, **talent alone cannot be a sustainable entrepreneurship driving force.** A very significant statistic that can be deduced from Figure 2-4, is that **only one out of one hundred respondents think governmental procedures, tax policies, or bureaucracy in Jordan is a hindering force to entrepreneurship**, highlighting the governmental efforts in attempting to foster a welcoming ecosystem especially for new businesses as much as the economy allows. It is interesting that this number is lower in Category C regional countries (Egypt 2.3% and Morocco 2.8%) than in Category A and B regional countries (Qatar 10.2%, Oman 8.1%, and Saudi Arabia 4.3%), except for the worldly renowned business super friendly environment located in United Arab Emirates (0.6%).

Figure 2-4

The percentage showing the most important reasons for quitting the business in Jordan



2.4 Educational Level

As mentioned before, education plays a significant role in sustaining entrepreneurship activities. Therefore, APS investigates the educational qualifications of respondents involved in TEA and EBO; depicted with regional comparisons in Figures 2-5 and 2-6, respectively. Jordan, as a Middle East and North Africa (MENA) country, has been always characterised by having strong education and significantly low percentage of illiterates. As a matter of fact, Jordan produces educated people, more than the standard local job market can sustain. Therefore, one can observe the significant percentages of each educational category that are involved in TEA. **One out of five respondents with some secondary degree or lower is involved in TEA. One out of four respondents with secondary degree or post-secondary degree is involved in TEA. In addition, 37% of the respondents who have graduate degree experience are involved in TEA.** This is a typical case when the job market is not capable of absorbing graduates and motivates them to experiment with new ventures and new businesses. It is interesting to note that in 2024, these percentages are higher than in 2023 APS. Indeed, the first three educational categories have seen the largest increase.

Regionally, Jordan is unmatched in those involved in TEA with certain educational qualifications, whether talking about similar “Category C” regional countries, or even Category A and B regional countries), because the standard job markets are still absorbing the majority in these countries, except for Saudi Arabia. The latter has obviously adopted new economic policies which encourages all educational categories to engage in new businesses and new ventures.

When it comes to educational level analysis for those involved in an established business, Figure 2-6 demonstrates the low percentages across all education level categories. These are even lower than 2023 APS results, which prompts the question about the viability of established businesses in Jordan and its ability to sustain its operations after morphing from TEA. Interesting to see that these low percentages are consistent across all regional countries (from categories A, B, and C), except again for Saudi Arabia. Saudi Arabia’s established businesses are not only flourishing but capable of absorbing significant percentages of the low and high educational level categories, namely: with some secondary degree or lower and with graduate experience. This means that less than 30% of respondents in Saudi Arabia having graduate experience are neither in TEA nor in EBO. These are either working in Governmental jobs (most likely) or unemployed (small percentage), again reflecting the strong economy there. In terms of Jordan, it is second best regionally in the same comparison where less than 60% of respondents having graduate experience are neither in TEA nor in EBO.

Figure 2-5

The percentage of respondents with certain educational qualifications involved in TEA

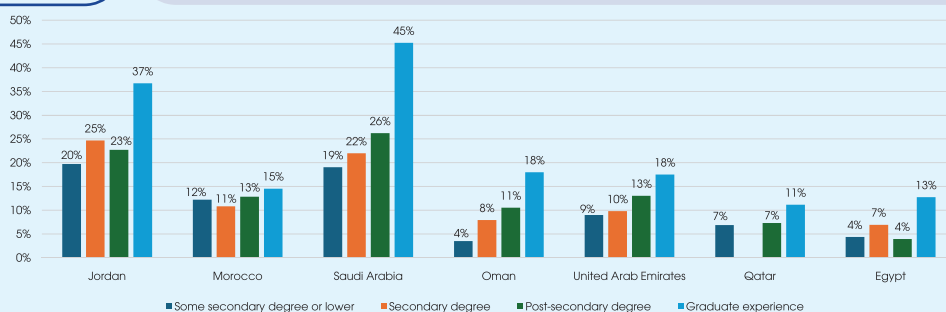


Figure 2-6

The percentage of respondents with certain educational qualifications involved in EBO

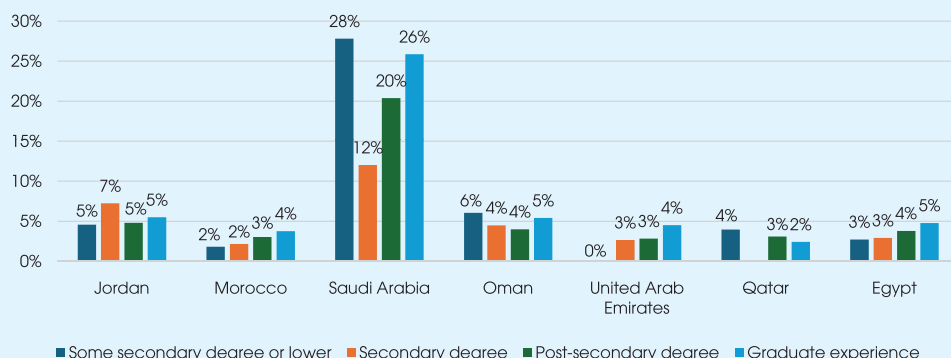
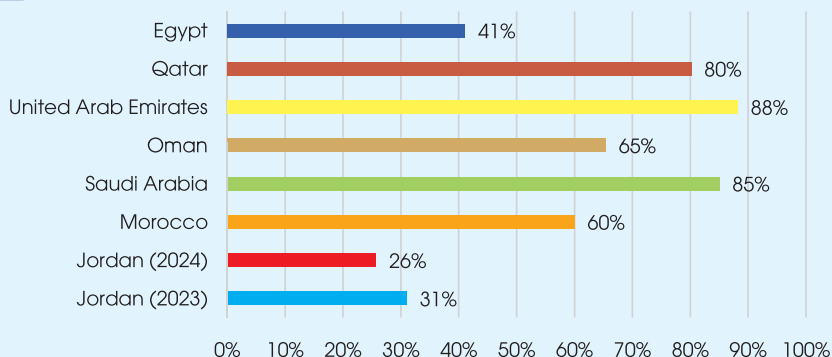


Figure 2-7 demonstrates the percentage of respondents with the TEA with at least a post-secondary education with regional comparison. First, one can observe that between 2023 and 2024, this percentage dropped for Jordan from 31% to 26%. This could be interpreted by a number of factors. For example, since TEA in Jordan has increased from 2023 to 2024, one can deduce that this is a direct result of more low educational level respondents getting involved in TEA. That is, as the job market is shrinking in Jordan, the population is learning that it is not always necessary to gain (or more promptly wait to gain) high level education to start involving yourself in a new business. While such notion shows increased initiatives amongst youngsters, one must realise they are more susceptible to failure. Therefore, **the government should host more training programmes or free online lessons to educate them about the basics of sustaining a business for these youngsters, to mitigate the risks they will be facing**. Regionally, Jordan is the lowest in this percentage; even for 2023. However, in 2023, Jordan was much closer to Category C and B regional countries.

Figure 2-7

% of respondents within the TEA with at least a post-secondary education



2.5 Income

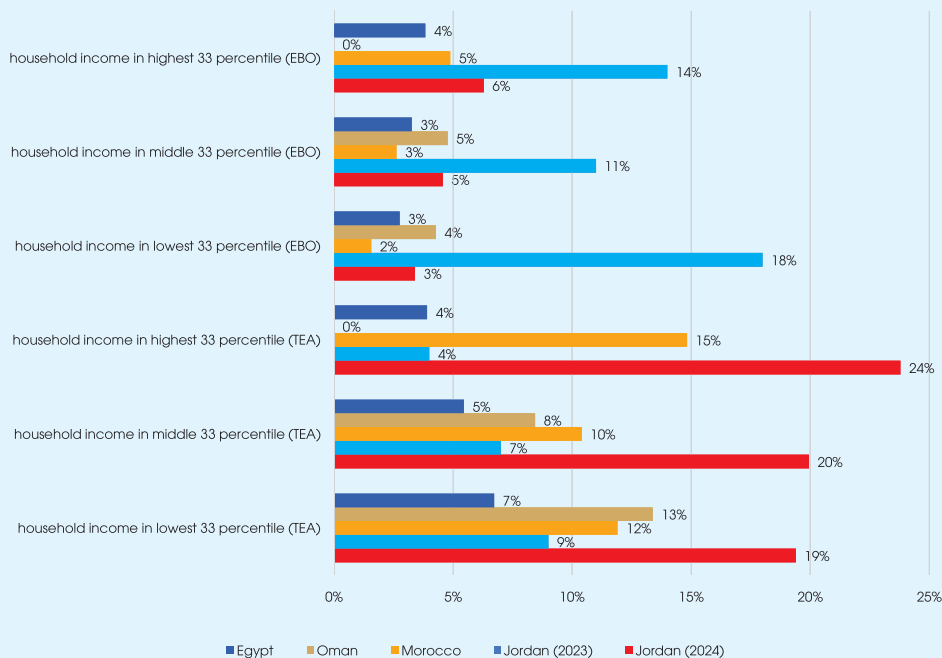
The percentages of respondents with a certain income level (divided into three levels) who are involved in TEA or EBO are shown in Figure 2-8. In addition to comparing these percentages against similar Categories C and B countries, the Figure also shows the results for Jordan in 2023 vs 2024.

In 2024, more respondents in Jordan across all income categories have shown involvement in TEA, with an increasing trend with increased household income. This is completely opposite to the findings of Jordan 2023 APS, indicating the quick dynamics of the Jordanian business market affected by political and economic issues. This prompts the necessity to sustain the APS activity on a yearly basis to properly read the quick changes occurring and devise necessary mechanisms to avoid adverse outcomes. As for those involved in the established business, there is a significant drop across all income categories of respondents in Jordan in 2024 vs 2023. Nonetheless, one can observe that regional countries of the same category or even category B, suffer from the same low percentages of respondents in the established business. This reflects that all of these countries' respondents are unlikely involved in EBO, meaning they are either involved in TEA, working governmental or mega-company jobs, or simply unemployed. The governments of these countries must pay attention to these low numbers, as again sustainable established businesses represent the core of a healthy economy. Economies need TEAs to regenerate and grow (exactly like the new cells in the human body), however, these are not enough on their own.

In Jordan, entrepreneurial activity (TEA) increased significantly from 2023 to 2024, particularly among lower- and middle-income groups, with TEA participation rising to **19% in the lowest 33 percentile income group** and **20% in the middle 33 percentile** compared with 9% and 7% respectively in 2023. This suggests a growing inclination towards necessity entrepreneurship, possibly due to improved opportunities or economic necessity. Notably, the highest 33 percentile income group in Jordan saw a dramatic rise in TEA from 4% in 2023 to **24% in 2024**, indicating a shift in entrepreneurial engagement among wealthier individuals. In contrast, **established business ownership (EBO) remained relatively low** across all income groups in Jordan, with the lowest-income group (33%) engaging the most in 2024. This trend highlights an evolving entrepreneurial landscape where early-stage businesses are increasingly emerging, particularly among middle- and lower-income groups, **positioning Jordan as a country with rising entrepreneurial dynamism.**

Figure 2-8

Regional Comparison (Countries of Group B and C) of the percentage of respondents involved in the TEA/EBO according to their household income



2.6 Policy Recommendations

The drop in Established Business Owners (EBO) from 7% to 5% indicates a weakness in business sustainability. To increase the transition rate from startups (TEA) to established businesses (EBO) it is recommended to:

- Enhance the implementation and continuity of government policies, and streamline regulatory processes to foster a more stable and supportive business environment.
- Develop a robust project capital framework to support the incubation of local talent and mitigate brain drain.
- Establish guidance and mentorship programmes whose aim is to assist businesses beyond the startup phase.
- Offer targeted training in financial management and market adaptation for entrepreneurs.
- Shift the government policy's focus from merely facilitating business creation to enhancing longevity and stability.

- Offer targeted training in market adaptation and financial management for entrepreneurs.
- Provide incentives for businesses to invest in research, marketing, and long-term growth strategies.

Moreover, **the findings reveal that a fairly high percentage of those who lack education are engaging in TEA.** However, these individuals face a considerable risk of failing. To overcome this issue, the following recommendations are suggested:

- Embed entrepreneurship education from the first elementary level into quite a number of horizons.
- Carry out such programmes that impart vocational training in entrepreneurship, thereby allowing those without formal education in the subject matter to enhance their practical competencies.
- Develop sponsored online training modules in business fundamentals.

Finally, the figures show that **over 90% of entrepreneurs are motivated by job scarcity and wealth-building, with little emphasis on making a difference in the world.** It is recommended to strengthen motivations beyond monetary gains by:

- Encouraging Innovation and Problem-Solving Entrepreneurship through establish innovation hubs, incubators, and R&D grants to support startups tackling social and environmental challenges.
- Expanding Impact Investment by developing dedicated impact investment funds, providing low-interest loans, and offering grants to startups with strong social and environmental impact goals.
- Promoting Entrepreneurial Education and Mindset Shift through Integrate entrepreneurship and social innovation courses into university curricula and launch competitions that encourage purpose-driven business ideas.
- Supporting Sustainable and Ethical Business Models through introduce tax benefits, certification programmes, and government procurement incentives for businesses prioritising corporate social responsibility (CSR) and sustainability.

Chapter 3

Demographic Analysis

Demographic Analysis

Ahmad Almuhtady and Ahmad Alshwawra

Using the GEM data for demographic analysis of entrepreneurs is essential for understanding their characteristics, challenges, and opportunities within different population segments. By analysing factors such as age, gender, education level, and income, policy-makers and researchers' feedback can identify trends in entrepreneurial activity and develop targeted support programmes. For instance, GEM data can reveal whether young entrepreneurs face greater financial constraints, whether women entrepreneurs have limited access to resources, or how education influences business sustainability. These demographic insights allow for evidence-based policymaking, ensuring that entrepreneurship initiatives are tailored to the needs of different groups, ultimately fostering a more inclusive and dynamic entrepreneurial ecosystem.

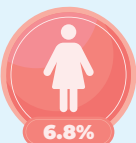
3.1 Gender

When it comes to entrepreneurship, it is always important to understand whether the gender affects the decision to engage in entrepreneurship activities. Figure 3-1 shows the percentage of male and female participation within TEA in Jordan for multiple years. In 2024, **slightly increased motivation of males over females can be depicted with a difference of 3%**. However, when considering the 2023, APS results for Jordan, where the percentage of females involved in TEA was half that of males, it becomes evident that **females in Jordan have acquired more courage and/or were equipped with more chances and mechanisms to increase their engagement in TEA from 11% to 20%**; and that is certainly quite the leap. As a matter of fact, the government has created several programmes to fund and assist female business initiative in the past years and it seems that the effects of such initiatives are starting to take effect in bridging the gender gap.

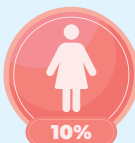
Figure 3-1

Development of male and female participation in TEA over years in Jordan

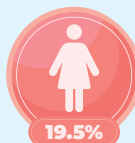
2019
Total early-stage
Entrepreneurial Activity



2023
Total early-stage
Entrepreneurial Activity



2024
Total early-stage
Entrepreneurial Activity



When it comes to EBO, Figure3-2 shows that there is a larger percentage of males who are involved in EBO in comparison to females. This indicates that the female workforce is more appealing to newly established or baby businesses in comparison to EBO. This difference was observed in 2023 APS exercise. Moreover, there is a decrease in each percentage. For males, it decreased from 11% to 7% and for females it slightly decreased from 3% to 2.5%.

Figure 3-2

The percentage of TEA and EBO according to gender in Jordan compared to other regional countries

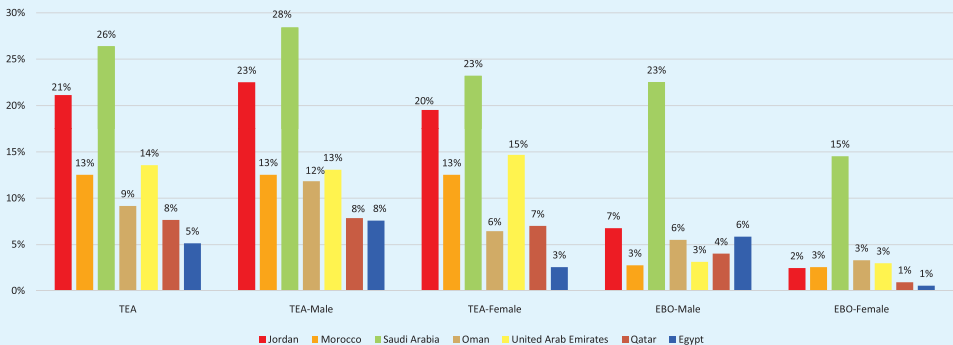


Figure 3-2also demonstrates a regional comparison of the percentage of a specific gender being involved in TEA and EBO. Regionally , Morocco, United Arab Emirates, and Qatar exhibited indifference to gender when talking about TEA or EBO. In Saudi Arabia, Oman, and Egypt, gender plays a significant role in influencing involvement in setting up a firm (SU) or owning a young business (BB).The gender effect increases even more in these countries when it comes to being involved in EBO. Finally, **all countries and irrelevant of gender, showed consistent drop in percentages when moving from TEA to EBO.**

3.2 Age

The APS exercise examines the relationship between age and involvement in TEA and EBO. Figure 3-3 shows a regional comparison of the percentage of respondents involved in the TEA in each age group for the population 18-64. The age groups were divided into five categories: 18-24 years, 25-34 years, 35-44 years, 45-54 years, and 55-64 years. It can be clearly seen that **for Jordan, the age group 25-34 years are the most interested in TEA.** A similar trend can be seen in Oman, Saudi Arabia and United Arab Emirates, despite them being Category A and B countries. For similar regional category countries (Morocco and Egypt), the situation is different. Egypt displays persistent low percentages of those involved in TEA for each age category, whereasin Morocco, age category 35-44 has the highest percentage. Nonetheless, **if one focuses on most countries, the general trend is that the largest percentages occur in the second and/or third age categories,** where lower percentages are on either side. This is consistent with common sense for what is being involved in TEA instigates. These age groups (being young but not too young and unexperienced) still maintain a spirit of taking risk, and as the age of marriage have increased significantly in these countries in the last years, many are not even hindered by fear of losing a family income.

Figure 3-3

The percentage of respondents involved in the TEA in each age group (18-64)

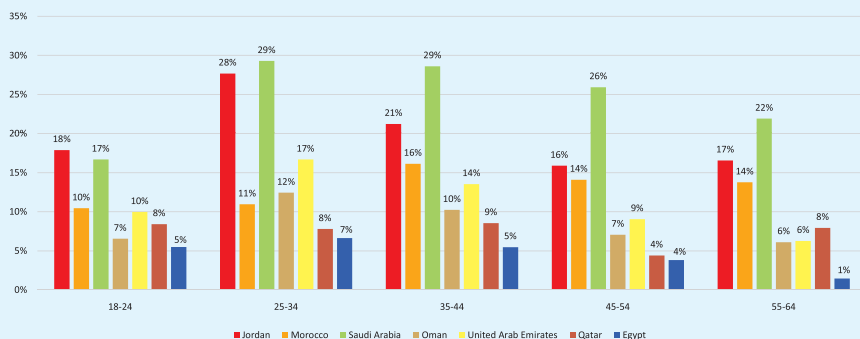


Figure 3-4 shows the percentage of respondents involved in established businesses for each age group with regional comparison. It is clear that the percentages are significantly much lower than those involved in TEA for Jordan, Morocco, Oman, and United Arab Emirates. **For Jordan, the age categories that gave the largest involvement in EBO are those older than 35 years.** The older the individual is, the more likely he/she would want to be involved with established business for secured income away from TEA risks. Also, the older an individual, the better chance he/she had to secure themselves in an entity described as EBO. For Saudi Arabia, not only large percentages are involved in EBO compared regionally, but also a clear increasing percentage trend going forward with age categories is demonstrated, with over one third of the respondents between 55-64 years old have involved themselves in EBO.

Figure 3-4

The percentage of respondents involved in the EBO in each age group (18-64)

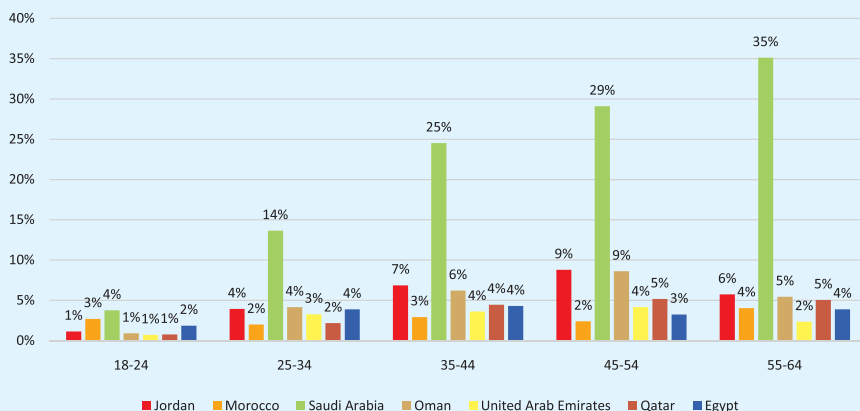


Figure 3-5 provides ability to understand how all those within TEA are distributed amongst age groups, for Jordan and other regional countries. In Jordan, around 60% of TEA participants are below the age of 34, which aligns with previous conclusions regarding the requirements for TEA participation and the associated risks. As a matter of fact, **only 10% in Jordan are above 45 years and involved in TEA**. Most regional countries exhibit similar trends, with slight distribution changes. For example, in Morocco, one needs to go all the way up to 54 years old to see 87% of TEA. It is interesting to mention that Jordan 2023 APS revealed similar TEA distributions amongst age categories.

When it comes to the EBO, the age distribution, reflects a different story as depicted in Figure 3-6. For example, **in Jordan, almost 70% of the respondents involved in EBO are 35 years or older**. In Morocco, almost 50% of the respondents who are within EBO are 34 years or younger. As a matter of fact, **except for Egypt and Morocco, all regional countries have more than 80% of their individuals involved in EBO are between 25 and 54 years old**. This indicates that in Egypt and Morocco, established businesses tend to include both very young and relatively old individuals. This trend is likely linked to the nature of businesses that do not require a university-level education, as individuals aged 18-24 working in EBO are less likely to have higher education qualifications. Finally, and relative to the 2023 APS results, in Jordan, there is an increase of almost 10% in the percentages of those within EBO and are within the age 35-54 years old. This implies that established businesses in Jordan depend more on individuals in such age for what they provide in terms of dependability and consistency in output with intermediate salaries.

Figure 3-5

The percentage of respondents within the TEA in each age group (18-64)

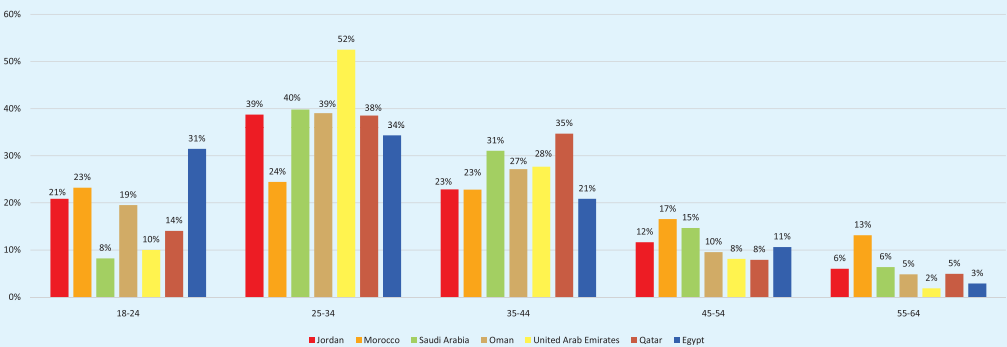
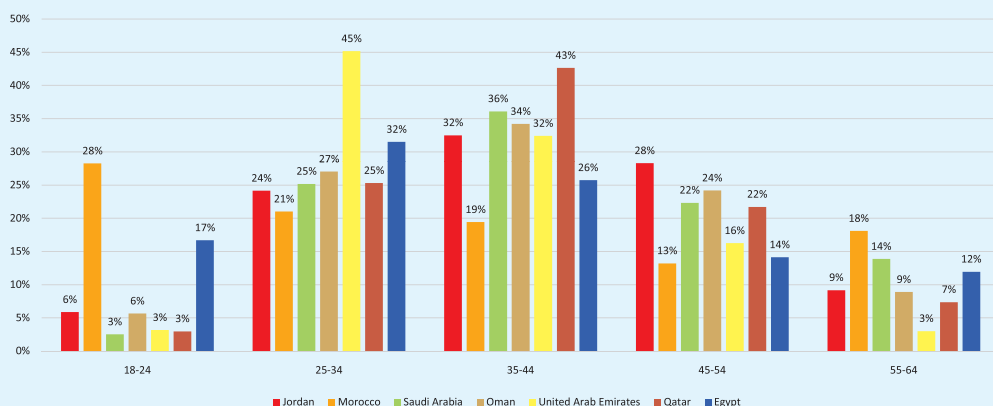


Figure 3-6

The percentage of respondents within the EBO in each age group (18-64)

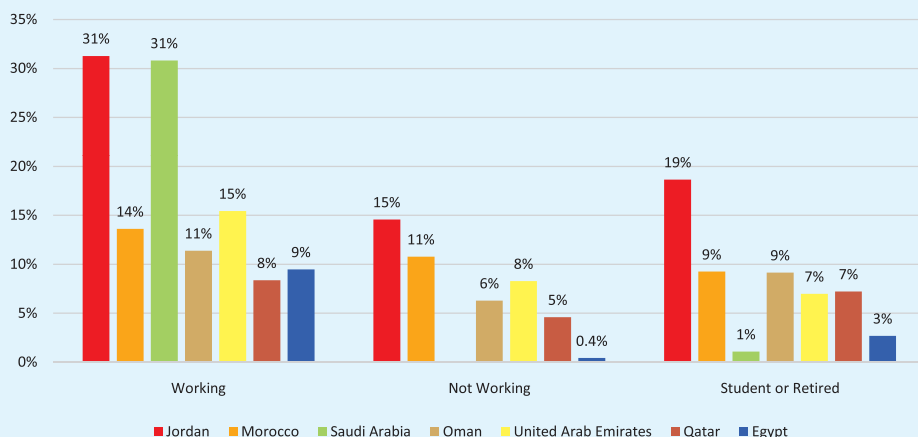


3.3 Working Status

The APS exercise also examines the working status of those involved in TEA. Figure 3-7 shows that **almost one third of Jordanian working individuals are interested in getting involved in TEA**. This prompts the conclusion that working individuals feel more confident with experiencing new businesses since TEA to them is a second source of income. The 15% of the non-working population highlights what is described as necessity entrepreneurship. This means that nearly one in seven individuals who responded to the survey and are not currently employed have been motivated to engage in TEA activity. This is double the number found in 2023 APS, meaning that necessity entrepreneurship is casting itself more on the Jordanian population. Interesting to mention that for the student/retired category, Jordan witnessed a significant increase from 11% in 2023 to 19% in 2024 in the attractiveness of being involved in TEA. Regionally, Saudi Arabia follows a similar pattern to Jordan in terms of the working category. However, the non-working, retired, and student categories have shown little interest in participating in TEA in that country. As a matter of fact, the strong motivation of getting involved in a TEA with having a working status compared to not working or being retired or student is consistent amongst all regional countries with smaller differences, where Oman and Qatar show the slightest impact of that status in the decision of getting involved with TEA.

Figure 3-7

The percentage of respondents involved in TEA according to their working status



3.4 Policy recommendation

The figures indicate a significant increase in female TEA participation, rising from 11% to 20%, driven by government initiatives. Nevertheless, female participation in EBO is very low (just 2.5%), highlighting a major obstacle to business sustainability. To support the transition of female entrepreneurs from TEA to EBO, the following recommendations are proposed:

- Target mentorship and fund programmes intended for facilitating scaling of female-led businesses beyond the startup phase.
- Increase awareness campaigns about financing and investment readiness for female entrepreneurs

The majority of TEA participants, according to the APS results, are below 34 years of age (60%), thus demonstrating strong youth involvement. Participation in EBO advances with age, indicating, However, young entrepreneurs face significant challenges in sustaining long-term businesses. To support them in scaling their ventures, the following measures are recommended:

- **Establish government-supported accelerator programmes** for youth-led businesses.
- **Provide risk-reducing grants or tax incentives** for young businesses that survive beyond three years.
- **Implement structured business training programmes** for entrepreneurs under 35 to enhance their management skills

The figures provide strong evidence of a growing trend in necessity entrepreneurship. The proportion of necessity entrepreneurs entering TEA has risen to 15%, doubling the 2023 rate, viewing entrepreneurship as a survival strategy. Therefore, the following recommendations are proposed:

- **Organise business sustainability workshops** to help necessity-driven entrepreneurs improve long-term viability.
- **Provide subsidised microloans** with lower interest rates for unemployed individuals starting a business.

Finally, approximately one-third of the surveyed employed entrepreneurs engage in TEA as a secondary source of income. However, many have not transitioned to full-time business ownership. To support this transition from secondary income to primary business ownership, the following recommendations are outlined:

- **Develop structured part-time-to-full-time entrepreneurship transition programmes**, incorporating financial security mechanisms such as phased funding or insurance.
- **Encourage corporations to implement entrepreneurial leave policies**, enabling employees to test business ideas without risking job security.
- **Promote flexible work arrangements for employee-entrepreneurs**, allowing them to grow their businesses while maintaining their primary income.

Chapter 4

Attitudes and Perceptions

Attitudes and Perceptions

Ahmad Alshwawra and Ala' Khalifeh

Fostering a thriving entrepreneurial ecosystem requires an understanding of people's attitudes and perceptions toward entrepreneurship. This chapter explores Jordan's entrepreneurial attitudes, capabilities, and concerns related to failure. Drawing on data from the Adult Population Survey, it provides insights into how individuals perceive opportunities, challenges, and the role of media in shaping entrepreneurship. Additionally, it examines the skills, strategic decision-making, and fear of failure that often influence entrepreneurial success and deter potential business owners.

4.1 Entrepreneurial Mindsets: Opportunities, Challenges, and Media Influence

Entrepreneurial mindsets are shaped by the perception of opportunities, ease of starting a business, and the influence of media in promoting entrepreneurship. Figure 4-1 illustrates APS scores related to Jordanian entrepreneurial mindsets versus some of the region's selected economies.

Jordan lags the neighbouring countries in key entrepreneurial dimensions according to the diagram shown in Figure 4-1. **Only 40% of the respondents believe that it is easy to start a business, far below Saudi Arabia (93%), the UAE (76%), and Qatar (59%).** This finding implies that regulatory or structural barriers suppress entrepreneurship in Jordan.

In addition, **80% of Jordanians report rarely seeing business opportunities even when they have expertise in a particular field, the highest percentage among surveyed countries**—compared to Morocco (71%), Saudi Arabia (76%), and the UAE which reported lower levels of agreement. This indicates a strong perception of scarcity that may discourage potential entrepreneurs.

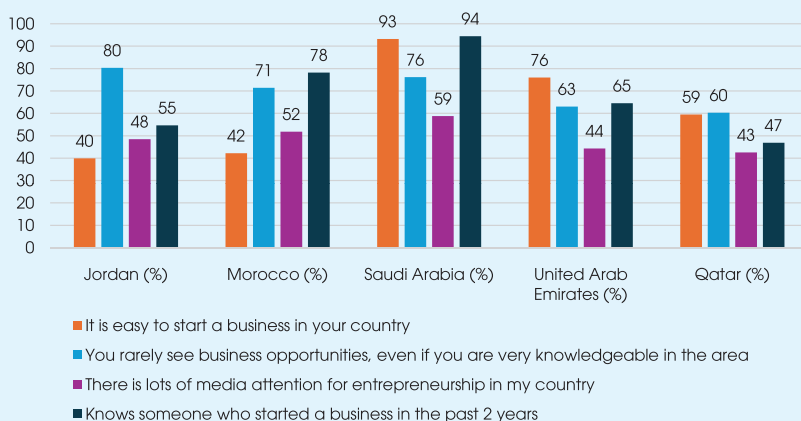
Regarding media coverage of entrepreneurship, Jordan scores 49%, lower than Saudi Arabia (59%) and Morocco (52%), underscoring the need for greater entrepreneurial promotion in the media.

Awareness of new businesses also remains low, with only 55% of Jordanians knowing someone who started a business in the past two years—compared to Saudi Arabia (94%) and Morocco (78%).

These findings, as reflected in Figure 4-1, **underscore Jordan's need to enhance the regulatory environment, enhance access opportunities, and develop a stronger entrepreneurial culture through media involvement and networking activity.**

Figure 4-1

APS results relevant to entrepreneurial mindsets: opportunities, challenges, and media influence



4.2 Entrepreneurship Skills, Strategic Decisions, Opportunity Action, and Fear of Failure

Entrepreneurship success relies on key skills and smart decision-making. Therefore, it is important to observe and act on opportunities in a competitive market. However, many are held back by the fear of failure, which can prevent them from taking action. Analysing these factors and addressing them is essential for nurturing a strong and innovative entrepreneurial mindset. Based on the survey results illustrated in Figure 4-2, a brief description of these factors is provided below.

The confidence in entrepreneurial skills among Jordanians is relatively high, with **72% of respondents stating that they have sufficient knowledge and skills to start a business**. This is far better than in Egypt (60%), Qatar (64%) and UAE (68%), while behind Saudi Arabia (93%) and Morocco (75%).

This observation indicates that positive initiatives have been undertaken to build a strong foundation for entrepreneurship in Jordan. However, additional training and mentorship programmes could further enhance business readiness. Long-term career planning is closely important to entrepreneurial success.

In Jordan, 82% of respondents agree that their decisions are part of a long-term career strategy, closely aligning with the UAE (83%) but trailing behind Saudi Arabia (93%). This suggests that while many Jordanians take a strategic approach to their careers, there is still room to develop more structured entrepreneurial pathways.

This also reflects the readiness to take action on opportunities that promise profit. When combining these factors into a single measure, **Jordan receives a score of 59%, indicating that many entrepreneurs act on business opportunities rather than**

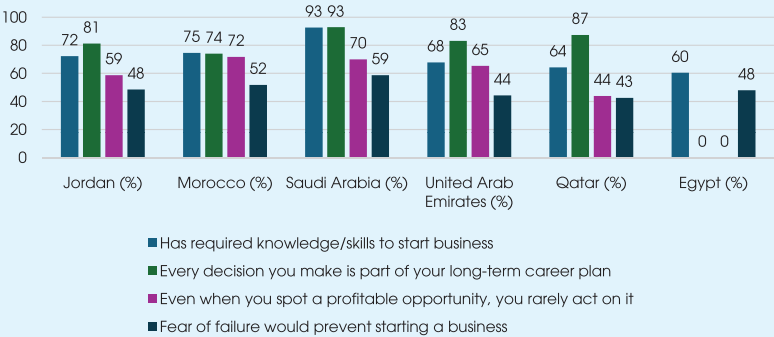
hesitate. This score is closely aligned with the UAE (65%) and Qatar (44%), where similar attitudes are observed. On the other hand, Morocco (72%) and Saudi Arabia (70%) show a higher tendency to hold back, suggesting a more cautious approach to entrepreneurship.

On the positive side, however, fear of failure remains a dominant concern in Jordan, with 48% of respondents indicating that it would prevent them from starting a business. This level of concern is comparable to Egypt (48%) and Morocco (52%) but lower than Saudi Arabia (59%), while still higher than in the UAE (44%) and Qatar (43%). Addressing this fear can be achieved by improving access to resources, mentorship, and business support, fostering a more resilient and thriving entrepreneurial environment in the country.

As shown in Figure 4-2, the Jordanian population demonstrates a promising entrepreneurial mindset, with strong confidence in skills and a willingness to act on opportunities. However, reducing the fear of failure and fostering long-term career strategies aligned with entrepreneurship will be crucial for sustaining and expanding the country's entrepreneurial ecosystem.

Figure 4-2

APS results relevant to entrepreneurship skills, strategic decisions, opportunity action, and fear of failure .



4.3 Gender Perspectives on Entrepreneurship: Exploring Fear, Opportunity, and Skill Readiness

Gender plays a crucial role in shaping entrepreneurial experiences, influencing how individuals perceive and respond to challenges and opportunities. Males and females may face different levels of fear of failure, affecting their confidence to launch a business, and may have different perception on the living conditions and environment and their influence in launching new businesses. Similarly, gender can impact the belief in having the necessary skills to succeed. Understanding these differences is crucial for creating supportive environments that promote entrepreneurship across diverse gender groups.

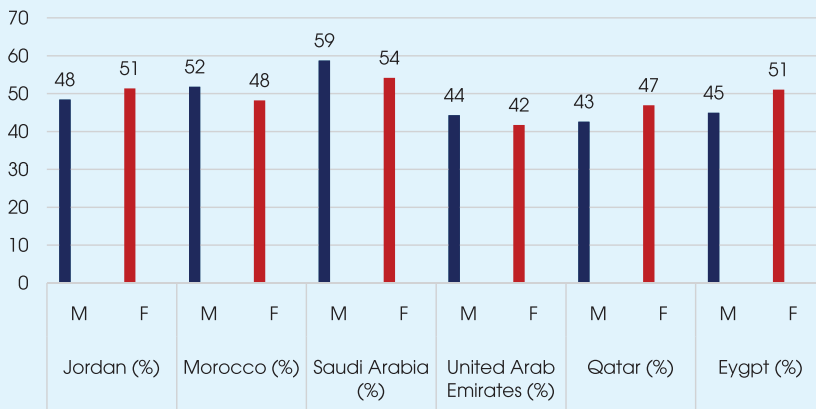
The gender-based differences in responses to fear of failure as barriers to entrepreneurship in various countries, particularly Jordan, are shown in Figure 4-3. In this respect, the data demonstrate that a slightly larger percentage of females (51%) than males (48%)

in Jordan feel that fear of failure would deter them from establishing a business. This trend portrays a gendered view of failure and risk in entrepreneurial attitudes. Such contrasts warrant targeted interventions to address gender-related concerns that would serve to mitigate fear of failure, especially among females. For comparison, while the trend in Jordan shows a slighter gain for females, this can hardly be generalised. In Morocco, for example, more males (52%) than females (48%) consider fear of failure as a barrier. In Saudi Arabia, however, the fear of failure is greater among males (59%) than among females (54%). In the UAE, males (44%) exhibit more fear than females (42%). In Qatar and Egypt, the pattern mirrors that of Jordan, with a higher percentage of females reporting fear of failure as a major impediment to entrepreneurship; (47%) in Qatar and (51%) in Egypt, compared to (43%) and (54%) of males, respectively.

Such an inter-country comparison illustrates how fear of failure continues to be a concern across the region, but its gendered implications vary, necessitating context-specific approaches to promoting entrepreneurship. By targeting the slight increase in fear shown by females in Jordan, these initiatives will be critical to fostering higher female participation will assist in reducing fear and stimulate entrepreneurship.

Figure 4-3

Male (M)/female (F) responses on fear of failure prevents starting a business



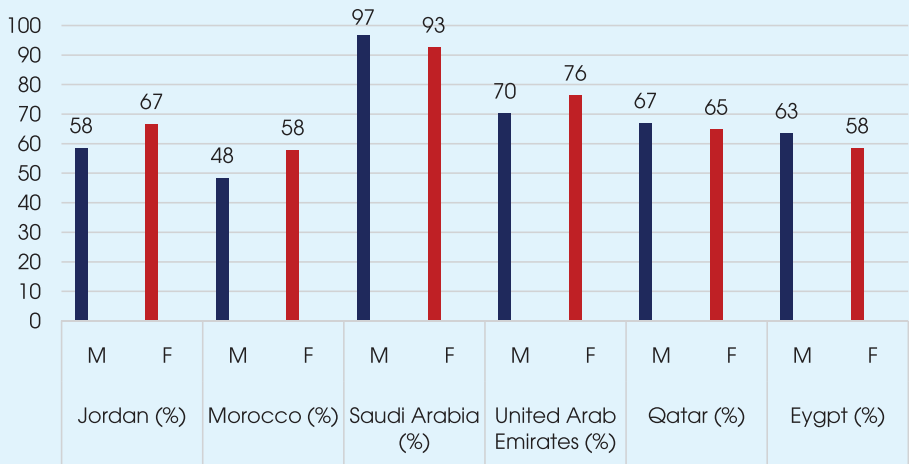
While figure 4-4 depicts gender differences in the perception of living conditions and impacts on starting a business in the next six months, it is interesting to note that talking about Jordan from the data, a higher percentage of females (67%) believe living conditions are very supportive for starting a business compared to males (58%). This means that these Jordanian women have a more optimistic perception of their environment's role as a catalyst for entrepreneurship compared to their male counterparts. This trend is also studied in Morocco, where more females (58%) than males (48%) are confident that their living conditions will foster new business ventures; hence, both countries share common grounds of optimism among women.

In contrast, Saudi Arabia is showing a very high level of confidence for both genders: 97% of males and 93% of females agree that their living environment is very supportive for starting a business. Overall, this shows strong belief in the environment being conducive for entrepreneurship in Saudi Arabia, but it does not resemble the gender-based gap witnessed in countries such as Jordan or Morocco. The United Arab Emirates is on the positive track where support is being garnered with more females (76%) compared to males (70%) making good comments about their living conditions concerning entrepreneurship. There is, however, that pattern reversed in Qatar and Egypt, where more males (67%) in Qatar and (63%) in Egypt than females (65%) and (58%) respectively believed that their surroundings could encourage entrepreneurship development.

These results highlight the importance of the context in forming entrepreneurial attitudes and also differences between the genders in perception of living conditions that favour establishing enterprises across the region. When it comes with regard to the support their living conditions provide in Jordan, the high percentage of females who think this indicates a possibly stronger base towards fostering female entrepreneurship, since women in Jordan probably exhibit more confidence in their environment as a support mechanism for business creation.

Figure 4-4

Male (M)/female(F) responses on whether there are good conditions to start a business in the coming 6 months in the area they live



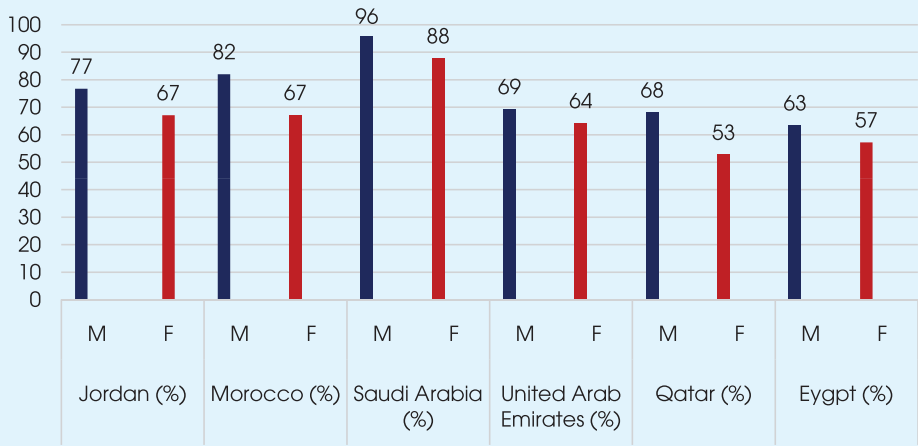
In the Figure 4-5, the gender differences in perceiving oneself as having acquired the necessary knowledge and skills to start a business are shown. Jordan's results indicate a significant gender gap where more males (77%) than females (67%) felt capable of entrepreneurship with respect to acquired skills. This infers that compared to females, more males in Jordan believe they are ready to start a business, which indicates gender differences in such an assessment regarding entrepreneurial readiness.

This trend is also manifested in Morocco, where 82% of males believe they have the skills to start a business, with 67% of females agreeing. Saudi Arabia presents much stronger confidence across both genders: 96% of males and 88% of females feel equipped to start a business, suggesting that actually, both genders feel particularly equipped in Saudi Arabia. In the UAE and Egypt, the gender gap in confidence in entrepreneurial skills is narrower, with 69% of males and 64% of females in the UAE, and 63% of males and 57% of females in Egypt expressing confidence, meaning a medium gap. Qatar presents the most conspicuous gender gap in the region: 68% of males versus 53% of females indicate confidence in being equipped to start a business. This points at a significant divide in gender concerning self-appraised skills in Qatar.

These readings indicate, on the whole, a persistent trend: All the countries show a general tendency for the males to project more confidence in entrepreneurial capabilities than females. With this particularly playing out in Jordan—where the gap is significant, but not the largest—tackling gender disparity might be, therefore, a way of promoting increased entrepreneurial confidence and readiness among women and thus possibly alleviating some perceived skills gaps.

Figure 4-5

Male (M)/female(F) responses on whether they have the required knowledge/skills to start a business



4.4 Policy Recommendations

Fear of failure is a significant barrier that discourages people from becoming entrepreneurs, with 48% of Jordanians citing it as a reason for not starting a business. To address this challenge and reduce its impact, the following recommendations are proposed:

- **Develop failure-tolerant financing models**, such as second-chance funding for entrepreneurs with promising new ideas.

- **Implement entrepreneurial resilience training**, focusing on risk management and strategies for overcoming setbacks.
- **Establish a business failure support network**, where experienced entrepreneurs mentor those who have previously faced business challenges.
- **Organise regular networking events, workshops, and seminars**, connecting aspiring entrepreneurs with successful business owners, mentors, and investors.

Furthermore, the APS results show that 80% of Jordanians report rarely seeing business opportunities, even when they are knowledgeable in a field. This perception of scarcity can discourage potential entrepreneurs. In this regard, it is recommended to:

- Identify and promote sector-specific opportunities in areas where Jordan has a competitive advantage, such as technology, renewable energy, and tourism.
- Provide targeted support and resources for entrepreneurs in these sectors.

Based on the finding that fewer females in Jordan (67%) than males (77%) feel they have the necessary knowledge and skills to start a business, the following recommendations aim to address the gender gap in entrepreneurial readiness:

- Launch comprehensive training initiatives tailored for women that emphasise practical business skills to boost self-confidence and competence.
- Highlight and celebrate stories of successful Jordanian women entrepreneurs

Finally, the figures indicate that media coverage of entrepreneurship in Jordan (49%) is lower than in other regional countries. This can affect the perception of business opportunities. For that it is recommended to:

- **Enhance media coverage of entrepreneurship**, including success stories, available resources, and business opportunities.
- **Encourage collaboration between media outlets and entrepreneurial organisations** to increase awareness of innovation and startup success.
- **Leverage digital platforms and social media campaigns** to promote entrepreneurship and inspire aspiring business owners.

Chapter 5

Impact Characteristics

Impact Characteristics

Ahmad Alshwawra and Ala' Khalifeh

The impact of entrepreneurship extends beyond individual businesses, influencing job creation, market scope, innovation, and sectoral development. This chapter explores growth expectations, market reach, innovation, and industrial sector involvement in Jordan, with regional comparisons to Morocco, Saudi Arabia, the UAE, and Qatar. The analysis is based on data from the Adult Population Survey , as it goes on to highlight how entrepreneurship has added value to the economic development of the country.

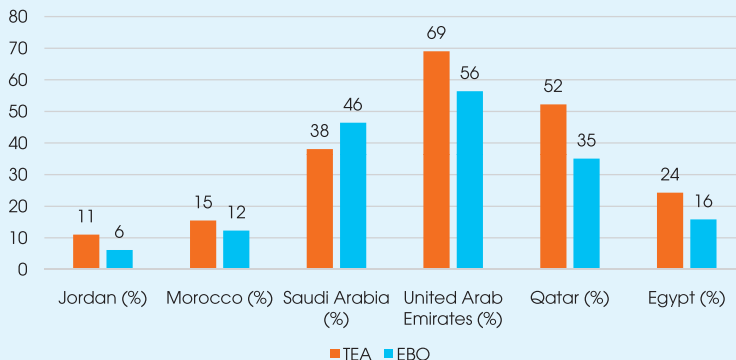
5.1 Growth Expectations

Growth expectations for startup companies in their early stages serve as a key indicator of a region's economic health and future potential, particularly for those aiming to foster innovation and job creation. The UAE leads in growth expectations for early-stage entrepreneurship, with 69% of respondents anticipating significant job creation and business expansion. In Qatar, this figure stands at 52%. Compared to these two countries, expectations **in Jordan are notably lower, with only 11% of TEA participants projecting high growth**. This highlights substantial room for improvement in fostering higher growth expectations among Jordanian entrepreneurs.

Regarding the Established Businesses, The UAE remains on top with 56%, followed by Saudi Arabia at 46%. In contrast, Jordan reports a significantly lower figure of just 6%. This finding highlights the substantial challenges Jordan's entrepreneurial ecosystem faces in establishing high-growth businesses, as reflected in Figure 5-1.

Figure 5-1

Percentage of respondents within TEA/EBO with high job expectation
(10+ jobs and over 50% in 5 years)



5.2 Market Scope

Without the ability to generate income from international markets, long-term growth will not be realised. An analysis of export revenue at various stages of entrepreneurship (SU, BB, EBO) reveals strong indications that Jordan's international market engagement is quite minimal compared to the regional counterparts.

Startups in Jordan do poorly in engaging the international market. Among startups generating (1-25%) of their revenue from exports, only 6% originate from Jordan, a figure significantly lower than Morocco (16%), the UAE (14%), Qatar (9%), and Egypt (8%). Higher export categories (25-75% and 75-100% of revenue) also show minimal participation, with Jordan reporting only 5% and 3%, respectively. This highlights strong dependence on the local market and opportunity for international trade.

Figure 5-2 presents an analysis of international revenue orientation in Early-stage Entrepreneurial Activities (TEA). **In the region, 35% of TEA businesses in the UAE reflect a strong international orientation. This ratio is much lower in Jordan (8%) and shows that the focus is more domestic.** This finding indicates that entrepreneurs in Jordan may have opportunities and do not take advantage of global expansion. Moreover, Figure 5-3 compares ventures with no international revenue. Jordan stands at 85%, one of the highest in the region, indicating a strong reliance on the domestic market.

Figure 5-2

TEA international revenue orientation

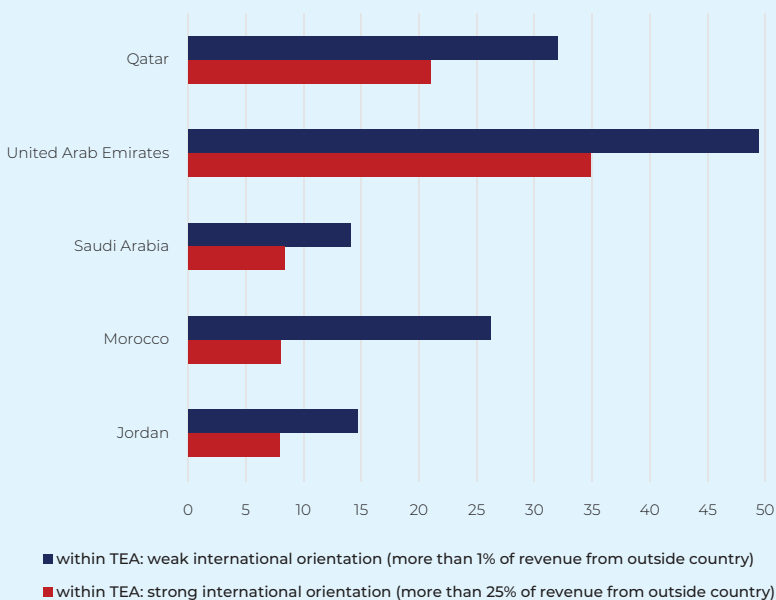
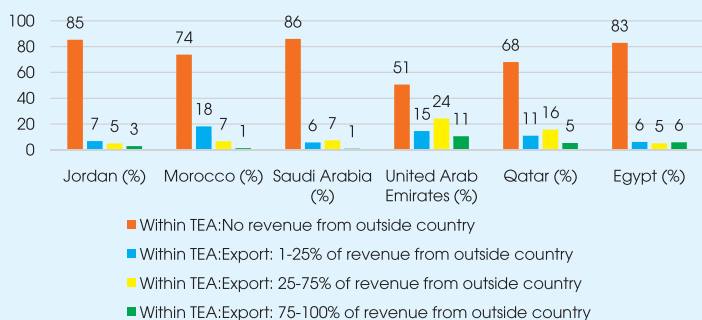


Figure 5-3

Export revenue within TEA businesses



5.3 Innovation

Innovation is a key driver of economic growth and sustainability. However, Jordan's performance in this area indicates significant room for improvement. Only 1.5% of TEA ventures operate at a national market level and introduce new products or processes, as shown in Figure 5-4.

This proportion is lower than in other regional leaders such as Saudi Arabia (3.0%) and the UAE (2.9%) and indicates a rather weak national focus on innovation and new product development. Hence, the entrepreneurial ecosystem in Jordan could use more supportive policies or initiatives designed to foster innovation. When the international aspects of innovation are taken into account, figure 5-5 shows that only 0.3% of TEA in Jordan operates with an international market scope and introduces a new product or process. This figure remains relatively low compared to Saudi Arabia (0.7%) and the UAE (0.7%). This underscores the need for Jordan to expand its global outreach and enhance international product development to remain competitive.

Figure 5-4

TEA national scope for market and at least national scope for new product or new process (%)

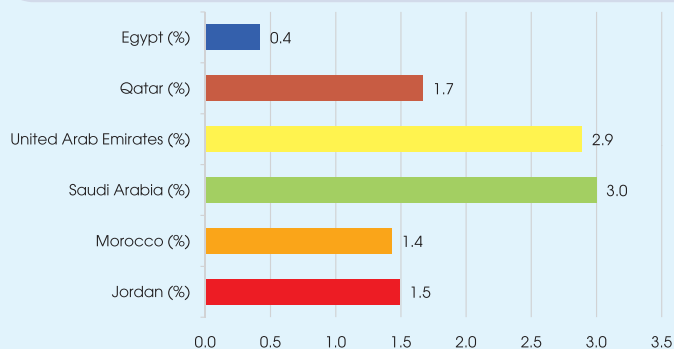
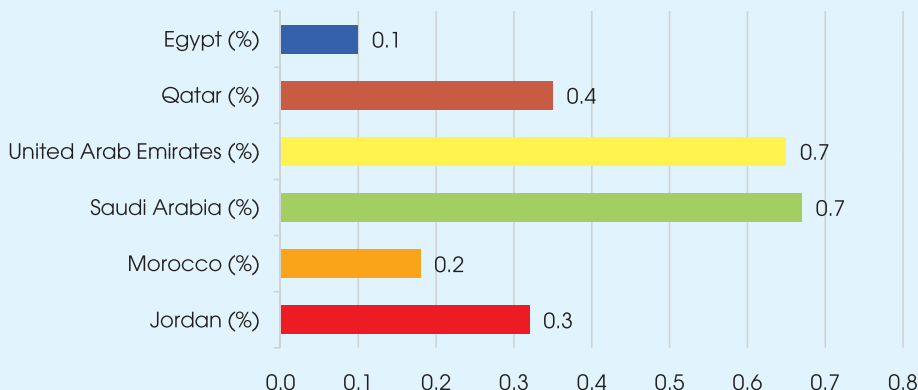


Figure 5-5

TEA international scope for market and at least international scope for new product or new process (%)



5.4 Ventures Industrial Sectors Landscape

As shown in Figure 5-6, sectoral engagement among early-stage entrepreneurs in **Jordan is notably high in the transforming sector, which absorbs 23% of TEA—the highest in the region.** This sector encompasses both manufacturing and services, indicating that Jordan indeed diversifies its economy outside of traditional sectors.

However, **Jordan's presence in the technology sector remains minimal, with only 4% of early-stage entrepreneurs operating in this field,** as shown in Figure 5-6—significantly lower than the UAE (8%).

For established businesses, Figure 5-7 indicates that **Jordan leads the region in the transforming sector, with 36% of its businesses falling into this category,** tied with Qatar but significantly ahead of other countries.

Despite this strength, **Jordan lags behind in technology and export-oriented sectors, which to some extent limits its overall competitiveness at the international level.**

Figure 5-6

The percentage of respondents with the TEA who are working in a certain sector

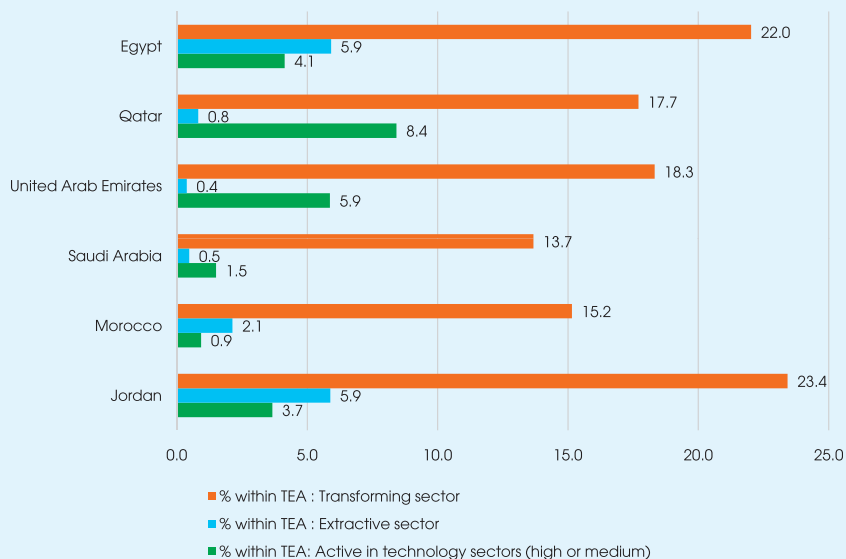
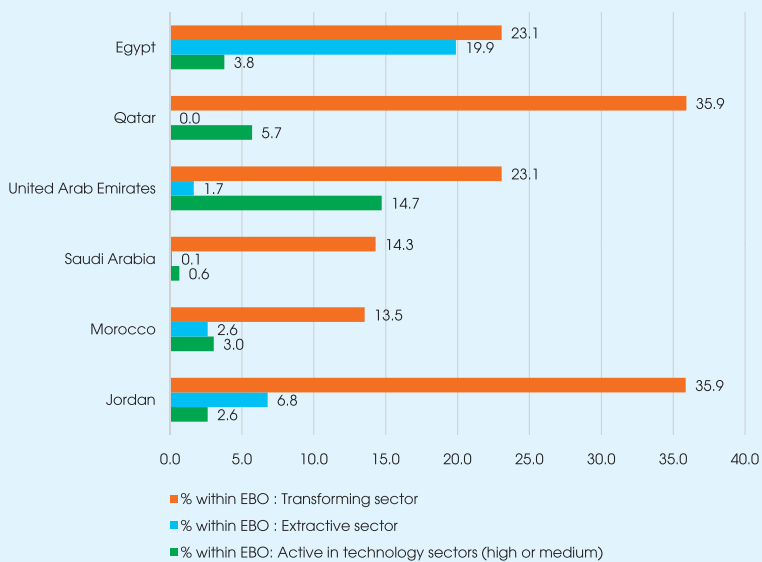


Figure 5-7

The percentage of respondents with the EBO who are working in a certain sector



5.5 Policy Recommendations

Based on the data showing low growth expectations among early-stage and established businesses in Jordan, the following policy recommendations aim to stimulate high-growth entrepreneurship in Jordan:

- Introduce targeted funding schemes and scale-up grants for early-stage ventures that demonstrate innovation, export potential, or job creation capacity, especially in strategic sectors like technology, renewable energy, and agribusiness.
- Develop national accelerators that provide advanced support to growth-ready startups to facilitate their access to regional or global investor networks.
- Review and reform investment-related regulations, particularly those affecting foreign investors, to remove disincentives and encourage greater investment inflows.
- Develop national indicators to track startup and SME growth performance, identify bottlenecks, and inform evidence-based policymaking

Insight into the current status of export revenues in Jordan indicates that an entrepreneurial ecosystem largely concentrates its effort on domestic markets. Such dependence on domestic market hinders any growth potential of both the manufacturing and services sectors towards a more formidable export economy. To address this, the following strategic recommendations are proposed:

- **Establish partnerships with global e-commerce platforms** (e.g., Amazon, Alibaba) to enable Jordanian startups to expand their market reach and sell internationally.
- **Encourage the adoption of AI-driven market analytics and automation tools** to enhance export strategies and improve decision-making for businesses.
- **Implement national capacity-building programmes** focused on digital marketing, Search Engine Optimisation (SEO), cross-border e-commerce, and social media advertising to help entrepreneurs leverage online markets effectively.
- **Facilitate virtual trade fairs and Business-to-Business (B2B) networking events** to connect Jordanian startups with foreign investors, distributors, and buyers.
- **Integrate export and international trade education** into university business programmes and entrepreneurship training centres to nurture globally-minded entrepreneurs.
- **Provide specialised training on export processes, foreign market entry strategies, and international branding** to strengthen the global competitiveness of Jordanian businesses.

Jordan counts almost all itsTEAs nationally or locally. In addition, 1.5% have a national scale for innovation and just 0.3% have an international scale pertaining to new products or processes. This indicates low innovation activity, which is crucial for sustained economic growth. . To strengthen Jordan's technology sector and drive innovation, the following strategic improvements could be implemented:

- **Promote collaboration between universities, research institutions, and businesses** to accelerate technological advancements and industry-driven research.
- **Introduce grants and tax incentives** to encourage companies to invest in R&D and foster a culture of innovation.
- **Establish innovation hubs and technology parks** to serve as dynamic centres for entrepreneurs, researchers, and investors, facilitating knowledge exchange, startup incubation, and technological breakthroughs.

While 23% of early-stage entrepreneurs in Jordan operate in the transforming sector, the country lags behind in technology and export-oriented industries, with only 4% of early-stage entrepreneurs engaged in technology. To enhance entrepreneurship in high-value sectors, the following policies are recommended:

- **Attract international tech companies** to invest in Jordan and collaborate with local entrepreneurs, fostering knowledge transfer and innovation.
- **Promote the integration of advanced technologies into traditional industries** to enhance productivity and competitiveness, potentially through technology upgrade subsidies and digital transformation training programmes.
- **Develop targeted support programmes for technology and export-oriented sectors**, including funding, mentorship, and initiatives to improve market access.

Chapter 6

Quality of Entrepreneurial
Ecosystem in Jordan:
National Expert Survey

Quality of Entrepreneurial Ecosystem in Jordan: National Expert Survey

Maysa Ammouri and Ahmad Alshwawra

This chapter presents the key findings from the National Expert Survey . A total of 40 experts were surveyed in the summer of 2024 to provide feedback on various frameworks related to entrepreneurship in Jordan. The experts' evaluation which is based on the NES survey resulted in an overall evaluation of the framework that is summarised in the National Entrepreneurship Context Index (NECI).

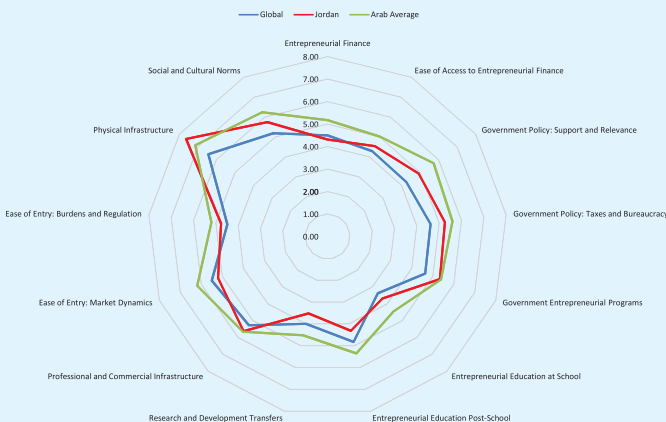
6.1 Entrepreneurial Framework Conditions

Figure 6-1 illustrates the comparison between Jordan and the average of Arab countries participating in the 2024/2025 GEM report. These countries are Egypt, Morocco, Saudi Arabia, Oman, United Arab Emirates, Bahrain, and Qatar.

Compared to the Arab countries' average, Jordan performs on par in the professional and commercial infrastructure, as well as government programmes. However, Arab countries outperform Jordan in other framework conditions except for the physical infrastructure framework, where Jordan is remarkably outperforming both the global and Arab countries' average. This is facilitated by the affordability of telecommunication, utilities, and office spaces as stated by the national experts.

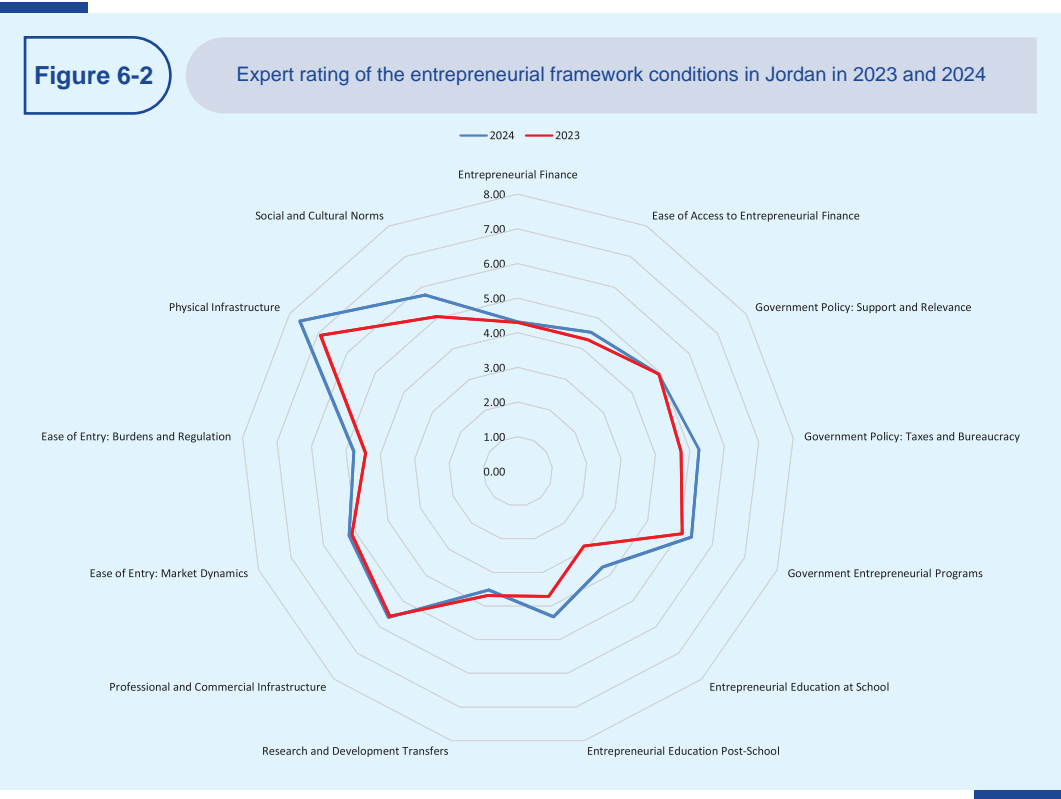
Figure 6-1

Expert rating of the entrepreneurial framework conditions in Jordan, Global countries, and Arab countries in 2024



With respect to the Global average, Jordan performs relatively close to that average, with a deviation of around ± 0.5 in different frameworks. Greater positive deviations indicate better performance perception in Jordan, particularly in physical infrastructure (+1.2), government entrepreneurial programmes (+0.7), government policy: support and relevance (+0.7), and government policy: taxes and bureaucracy (+0.7).

Figure 6-2 illustrates the comparison between Jordan's rating in 2023 and 2024 across-different frameworks. The data clearly shows an improvement in most frameworks. The performance is just above sufficient in physical infrastructure, social and cultural norms, government entrepreneurial programmes, government policy: taxes and bureaucracy, and professional and commercial infrastructure frameworks.



6.2 Research and Development Transfer

Based on Figures 6-1 and Figure 6-2, selected frameworks are analysed. First, the research and development (R&D) transfers framework is examined, as detailed in Table 6-1. The gap is calculated as the difference relative to Jordan's rating in 2024, where a positive gap indicates an improvement in 2024. In this framework, although two categories show progress compared to 2023, it is clear that all of the framework categories got lower rating relative to both the Arab countries and the global average.

Table 6-1: NES results for research and development transfers framework

In my country, ...	2024	2023	gap	Arab countries	gap	Global	gap
new technology, science, and other knowledge are efficiently transferred from universities and public research centres to new and growing firms	2.9	3.1	-0.2	4.2	-1.3	4.1	-1.2
new and growing firms have just as much access to new research and technology as large, established firms	3.4	3.2	0.2	4.1	-0.7	3.8	-0.4
new and growing firms can afford the latest technology	3.4	3.7	-0.2	4.2	-0.8	3.6	-0.2
there are adequate government subsidies for new and growing firms to acquire new technology	3.5	3.8	-0.3	4.6	-1.1	3.9	-0.4
the science and technology base efficiently supports the creation of world-class new technology-based ventures in at least one area	4.1	4.6	-0.5	4.7	-0.6	4.5	-0.4
there is good support available for engineers and scientists to have their ideas commercialized through new and growing firms	3.8	3.8	0.0	4.6	-0.8	4.2	-0.4

6.3 Entrepreneurial Education

Entrepreneurial education is another low rated framework (Table 6-2), which illustrates the improvement in ratings compared to 2023 in all framework categories. However, this improvement is not sufficient to surpass the Arab countries' average rating. based on these ratings, the following conclusions can be drawn:

- **Colleges and universities are rated the highest in providing adequate preparation for starting and growing new businesses** (4.5 out of 10), indicating that these institutions play a vital role in the entrepreneurial education.
- **Vocational, professional, and continuing education systems are as well considered contributors to entrepreneurial education.**
- **Teaching in primary and secondary schools is not sufficient**, indicating the potential opportunity of integrating more market economic principles and entrepreneurial-focused content in the school curricula.

Table 6-2: NES results for entrepreneurial education framework

In my country, ...	2024	2023	gap	Arab countries	gap	Global	gap
teaching in primary and secondary education encourages creativity, self-sufficiency, and personal initiative	3.9	3.1	0.8	4.6	-0.7	3.7	0.2
teaching in primary and secondary education provides adequate instruction in market economic principles	3.6	2.9	0.7	4.3	-0.7	3.3	0.3
teaching in primary and secondary education provides adequate attention to entrepreneurship and new firm creation	3.5	2.7	0.8	4.1	-0.6	3.1	0.4
Colleges and universities provide good and adequate preparation for starting up and growing new firms	4.5	3.7	0.8	5.4	-0.9	4.7	-0.2
the level of business and management education provide good and adequate preparation for starting up and growing new firms	4.2	3.6	0.6	5.2	-1.0	5.1	-0.9
the vocational, professional, and continuing education systems provide good and adequate preparation for starting up and growing new firms	4.3	3.9	0.4	5.2	-0.9	4.8	-0.5

6.4 Entrepreneurial Finance

Tables 6-3 and 6-4 show the comparison related to entrepreneurial finance and ease of funding, showing the fluctuating ratings relative to 2023. Overall, national experts observed that obtaining funding for entrepreneurs became easier in 2024, with ratings significantly higher than the global average. From the assessed categories, the following insights can be drawn:

- **The highest score is observed for venture capital funding (5.3 out of 10)**, indicating that experts evaluate it as relatively most accessible funding for entrepreneurs in Jordan compared to other sources. This could indicate a developed investment ecosystem for high-growth startups.
- **There is relatively balanced accessibility for the other types of fundings**, such as equity, debt, government subsidies, and informal investors.
- **The highest score for the ease of getting the financial support is observed for the attracting investors in the post-startup phase (5.3 out of 10)**, indicating the confidence in sustaining financial support for these businesses. Conversely, **the ease of getting debt scored the lowest (3.4 out of 10)**, indicating challenges the entrepreneurs face in securing loans.

Table 6-3: NES results for entrepreneurial finance framework

In my country, there is/ are ... for new and growing firms	2024	2023	gap	Arab countries	gap	Global	gap
sufficient equity funding available	4.8	4.5	0.3	5.5	-0.7	4.6	0.2
sufficient debt funding available	4	3.5	0.5	5.4	-1.4	4.8	-0.8
sufficient government subsidies available	4.5	4.6	-0.1	5.5	-1	4.8	-0.3
sufficient funding available from informal investors (family, friends and colleagues) who are private individuals (other than founders)	4.9	4.9	0	5.7	-0.8	5.1	-0.2
sufficient funding available from professional Business Angels	4.8	4.6	0.2	5	-0.2	4.6	0.2
sufficient funding available from venture capitalists	5.3	5.5	-0.2	5.3	0.0	4.6	0.7
sufficient funding available through initial public offerings (IPOs)	2.4	2.6	-0.2	4	-1.6	3.5	-1.1
sufficient funding available through private lenders' funding (crowdfunding) available	3.6	3.7	-0.1	4.2	-0.6	4.1	-0.5

Table 6-4: NES results for ease of getting finance framework

In my country, it is easy:	2024	2023	gap	Arab countries	gap	Global	gap
sufficient funding available from professional Business Angels	4.8	4.6	0.2	5	-0.2	4.6	0.2
sufficient funding available from professional Business Angels	4.8	4.6	0.2	5	-0.2	4.6	0.2
sufficient funding available from informal investors (family, friends and colleagues) who are private individuals (other than founders)	4.9	4.9	0	5.7	-0.8	5.1	-0.2
sufficient funding available from professional Business Angels	4.8	4.6	0.2	5	-0.2	4.6	0.2

6.5 Sustainable Development Goals

The Sustainable Development Goals (SDGs) framework has gained importance in recent years. Table 6-5 presents a comparison related to this framework. Based on national expert ratings, Jordan demonstrates an advanced rating compared to the Arab countries' and global averages. From the given ratings, the following insights can be derived:

- The highest rate given to the "equal economic opportunities for minority groups" suggest the effectiveness of inclusion policies (6.9).
- The government regulations support sustainability-focused startups and firms.

- **New and growing firms are relatively interested in the integration of energy and environmentally friendly practices.**
- **The lowest ranking is found for the investor interest in funding firms with social responsibility focus (4.6).**
- **Policies and programmes could be developed to increase the social responsibility of firms to increase their focus on social contribution and paying taxes.**

Table 6-5: NES results for Sustainable development goals framework

In my country, ...	2024	2023	gap	Arab countries	gap	Global	gap
new and growing firms increasingly prioritise their social contribution rather than solely focusing on profit and wealth creation	5.5	4.6	0.9	4.8	0.7	5.1	0.4
new and growing firms integrate social responsibility principles into their business operations	5.6	4.9	0.7	5	0.6	5.3	0.3
investors are particularly interested in funding new firms that focus on social responsibility	4.6	4.9	-0.3	4.7	-0.1	5	-0.4
firms see paying taxes as part of their social responsibility	4.9	3.7	1.2	4.4	0.5	4.6	0.3
investors and stakeholders are satisfied with the economic performance of companies they have invested in	6.8	4.5	2.3	5.5	1.3	5.2	1.6
new and growing firms founded by members of minority groups have the same economic opportunities as other new firms	6.9	4.5	2.4	5.2	1.7	5.1	1.8
most new and growing firms implement environmentally-conscious practices when producing products or supplying services	5.3	4.4	0.9	4.8	0.5	5.1	0.2
most new and growing firms prioritise energy efficiency practices in their operations	5.8	5.1	0.7	5.1	0.7	5.3	0.5
most new and growing firms see environmental problems as a potential opportunity	5.7	5.3	0.4	5.1	0.6	5.4	0.3
sustainability practices are seen as very important within the national culture	6.4	4.7	1.7	5.3	1.1	5.3	1.1
there are prominent examples of entrepreneurial activities related to Sustainable Development Goals (SDGs) within the business sector	6.2	5.3	0.9	5.5	0.7	5.8	0.4
the national government has specific regulations that support sustainability-focused startups	6.6	4.9	1.7	5	1.6	4.8	1.8
the national government supports sustainability-focused firms through grants, special rights and/or tax cuts	6.1	4.4	1.7	4.7	1.4	4.6	1.5

6.6 Women Entrepreneurship

Women's entrepreneurship is evaluated based on the support available and access to resources. In Jordan, the perception of women access to resources is rated at around 4.9 out of 10, while the support for women entrepreneurship is rated at 4.4 out of 10. Table 6-6 provides a detailed rating and comparison.

Overall, the 2024 ratings show improvement over 2023 and are comparatively better than the global average. However, some Arab countries have made notable advancements in this framework, highlighting a potential area for further improvement in Jordan.

Relative to the above, the following key observations can be noted:

- **The highest rating is found for greater access to market for men compared to women entrepreneurs (5.8)**, indicating that while women entrepreneurs have moderate market accessibility, disparities remain.
- **Women entrepreneurs receive a moderate financial support and funding (around 5.0).**
- **Regulatory support for women entrepreneurs is rated relatively low (4.0)**, highlighting the need for improvements in policies and frameworks to enhance women's participation in entrepreneurship.
- **Support services, such as childcare, are also rated moderately low**, suggesting the need for further improvements to help women entrepreneurs balance family responsibilities with business growth.



Table 6-6: NES results for Sustainable development goals framework

In my country, ...	2024	2023	gap	Arab countries	gap	Global	gap
there are sufficient support services (i.e., child-care, home services, after school programmes, elder care ...) so that women can continue to run their businesses even after they have started a family	4.7	3.8	0.9	5.3	-0.6	4.3	0.4
the support services (i.e., child-care, home services, after school programmes, elder care ...) are affordable so that women can access them so they help them to run their businesses even after they have started a family	4.4	3.4	1	4.8	-0.4	4	0.4
regulations for entrepreneurs are so favourable that women prefer becoming an entrepreneur instead of becoming a public or private employee	3.9	3.3	0.6	4.7	-0.8	3.4	0.5
the national culture encourages women as equally as men to become self-employed or start a new business	4.6	4.1	0.5	5.9	-1.3	4.6	0
markets are usually more accessible for male than for female entrepreneurs	5.8	6.1	-0.3	5.2	0.6	5.7	0.1
public procurement is usually more accessible for male than for female entrepreneurs	4.3	5.4	-1.1	4.6	-0.3	4.7	-0.2
access to financing (of any type of financing source) is usually easier for male than for female entrepreneurs	5.1	5.1	0	4.5	0.6	4.9	0.1
getting seed funds (from any type of financing source) is usually easier for male than female nascent entrepreneurs	4.6	4.8	-0.2	4.4	0.2	4.9	-0.3

6.7 Artificial Intelligence

Artificial Intelligence (AI) is increasingly recognised as a key driver of innovation and economic growth, influencing various industries worldwide. The Artificial Intelligence (AI) framework is added for 2024 (Table 6-7). A comparison with the global average and participating Arab countries reveals the following insights:

- **Overall, Jordanians demonstrate strong awareness of AI and its benefits** compared to the global and Arab country averages.
- **According to expert evaluations, education and training for Jordanian entrepreneurs in AI needs improvement** relative to the Arab countries' average.
- **The long-term viability and growth of firms depend on adopting AI solutions**, with new firms increasingly integrating these technologies.
- **Employee awareness of the need to develop AI competence is rated as moderate-high (6.0)**, but actual employee AI competence remains low, rated at 4.7.

- **Experts emphasise the need to enhance AI-related knowledge, curricula, and competencies in post-school education models**, rated at 4.1. Additionally, AI training for entrepreneurs and employees is necessary, with its availability rated at 4.3.
- **Public institution support for implementing and promoting AI solutions is rated as moderate-low.**
- **Moderate concerns exist regarding data security and privacy in AI implementation (6.1).**
- **Customer trust in AI solutions is moderate, rated at (5.1).**
- **Media coverage of AI's ethical dilemmas is relatively moderate, suggesting limited engagement with AI-related ethical concerns.**

Table 6-7: NES results for the Artificial Intelligence framework

	2024	Arab countries	gap	Global	gap
Awareness about the need to develop and implement AI solutions is common among entrepreneurs	6.7	6.4	0.4	5.7	1
Awareness about the need to develop and implement AI solutions is actively promoted in the business environment today	6.8	6.2	0.5	5.8	1
New and developing companies are purposefully including AI solutions in their business models	6.5	6.1	0.4	5.7	0.7
The viability and long term growth of emerging companies depends on the active implementation of AI solutions	6.6	6.3	0.3	6	0.7
Employees are aware of the need to develop AI competences	6	6	-0.1	5.3	0.6
Employees developing AI competences is a common phenomenon in my country	5.6	5.3	0.2	4.5	1.1
Employees have AI competences at the level currently appropriate for their positions	4.6	4.9	-0.2	4	0.7
AI-related knowledge and competences are included in post-school education models	4.1	4.7	-0.6	3.8	0.3
AI training is widely available to entrepreneurs and their employees	4.3	4.6	-0.3	4.2	0.2
Public institutions support the implementation of AI solutions, e.g. through subsidies, training offered to entrepreneurs and other actions	4.1	4.7	-0.6	3.7	0.3
Public institutions actively promote AI solutions	4.2	4.8	-0.5	3.7	0.5
Data security and privacy concerns receive a prominent place when discussing the implementation of AI solutions in companies	6.1	6	0	5.6	0.4
Customers are, in general, receptive to AI tools and put trust in the underlying algorithms	5.1	5.4	-0.3	4.9	0.2
The media (including social media) highlight the ethical dilemmas in AI decision-making	4.9	5.4	-0.5	5.2	-0.4

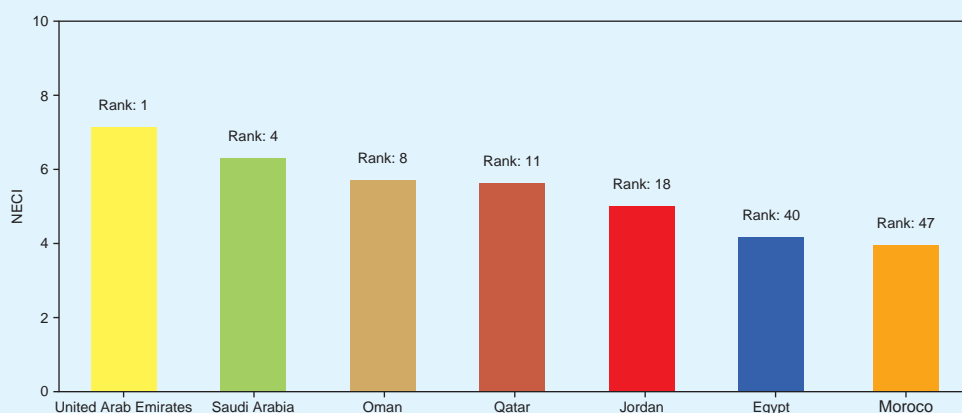
6.8 The National Entrepreneurship Context Index

The National Entrepreneurship Context Index provides a thorough assessment of the Entrepreneurial Framework Conditions (EFCs), offering a single score that reflects the overall environment for starting and running a business. Jordan's NECI score increased from 4.7 in 2023 to 5.0 in 2024, marking a significant improvement in the country's entrepreneurial landscape. This progress propelled Jordan's global ranking from **20th in 2023 to 18th in 2024**, representing a remarkable leap after a period of limited development in previous years.

The improvement in Jordan's NECI score is largely attributed to advancements across nearly all Entrepreneurial Framework Conditions (EFCs). As shown in Figure 6-3, Jordan ranks above Group C countries such as Morocco and Egypt. However, it still lags behind countries in Groups A and B, indicating that while significant progress has been made, further enhancements are necessary to reach the level of more developed entrepreneurial ecosystems.

Figure 6-3

National Entrepreneurship Context Index (NECI) and global ranking for Jordan and selected countries



In 2024, entrepreneurial framework conditions showed some improvements but continue to face challenges. The financial support category, specifically the sufficiency of financing for entrepreneurs, saw a slight increase from 4.30 to 4.32. However, a more notable improvement was observed in the ease of obtaining financing, which rose significantly from 4.30 to 4.54, reflecting enhanced access to funding opportunities for entrepreneurs.

Government policies and programmes experienced mixed results. While real policies, priorities, and support for entrepreneurship slightly declined from 5.00 to 4.93, improvements were noted in other areas. Government bureaucracy and tax policy improved from 4.70 to 5.26, indicating a reduction in regulatory burdens. Additionally, government programmes for entrepreneurs increased from 5.10 to 5.35, reflecting greater efforts to encourage business development.

Entrepreneurial education was improved immensely. The level of entrepreneurship education at the primary and secondary levels significantly increased, going from 2.90 to 3.68. Similarly, vocational, professional, college, and university education improved from 3.70 to 4.32, reflecting a stronger emphasis on entrepreneurial learning across all educational levels. However, challenges remain in the weak area of R&D-to-application transfer, which recorded a slight decline from 3.70 to 3.52, highlighting the need for further efforts to enhance the commercialisation of research and innovation.

Improvements were also observed in infrastructure and market dynamics. **Access to professional and commercial infrastructure saw a slight increase from 5.60 to 5.63, while internal market dynamics improved from 5.10 to 5.20,** reflecting enhanced competition among businesses. However, internal market burdens worsened, rising from 4.40 to 4.76, which may indicate emerging challenges that could impact business operations.

Improvement in general physical infrastructure and access to services was much more pronounced, increasing from 6.90 to 7.64, indicating improved facilities and logistics in support of business enablement. Together with the increasing endorsement of culture and social norms, the support for entrepreneurship went from 5.10 to 5.75, showing a boost in societal support and encouragement for entrepreneurial activity.

In short, Jordan is well-positioned to continue strengthening its entrepreneurial ecosystem, driven by substantial improvements in finance accessibility, government programmes, education, infrastructure, and societal support. However, further efforts are needed to enhance R&D commercialisation, ease market burdens, and improve government support arrangements. Although some progress has been recorded, Jordan must forge ahead toward becoming the first entrepreneurial destination in the region.

6.9 Expert's Policy Recommendations

In the open-ended questions in the NES exercise, the majority of experts highlighted government programmes and education initiatives as key activities for strengthening entrepreneurship and enhancing the entrepreneurial environment in Jordan, as shown in Figures 6-4 and 6-5.

The two word clouds shown in these figures provide insights into the recommendations provided by the expert respondents for improving entrepreneurship in Jordan. The prominent set of keywords in Figure 6-4, which captures activities to foster entrepreneurship, include terms such as 'government programmes', 'education', 'training', and 'funding', signalling the importance of government programmes and the education system in fostering entrepreneurship.

The terms with greater prominence, such as 'policies' and 'support,' indicate that experts emphasise the importance of a strong structural framework and institutional backing to empower entrepreneurs. In contrast, the frequent appearance of words like 'skills,' 'innovation,' and 'collaboration' reflects a belief in equipping individuals with essential operational skills and fostering partnerships to drive entrepreneurial development.

Figure 6-5, which highlights improvements for the entrepreneurial environment, features key terms such as 'regulatory reform,' 'tax incentives,' 'networking,' and 'public-private partnerships,' reflecting systemic recommendations for creating a more enabling ecosystem. The prominence of 'digital transformation' and 'market access' likely signals a shift toward modernisation and greater market integration, while the emphasis on 'mentorship' and 'awareness campaigns' suggests a focus on cultural transformation and grassroots support. Notably, the term 'education' appears again, this time in combination with 'entrepreneurial culture,' indicating that experts view education not merely as skill acquisition but as a means to shape societal attitudes toward innovation.

Figure 6-4

Word cloud for activities increasing entrepreneurship activities in Jordan



Figure 6-5

Word cloud for suggestions improving the entrepreneurship environment



Additionally, a high-level workshop was held in Amman on January 9, 2025, bringing together key stakeholders, including policymakers, CEOs, representatives from incubators, entrepreneurs, and the private sector. The workshop aimed to deliberate on expert recommendations to enhance and strengthen Jordan's entrepreneurship ecosystem. Discussions focused on three core areas: **research and development, entrepreneurial education, and government-supported policies and programmes.** Moreover, experts sent further recommendations via email in addition to the discussions held during the workshop. The outcomes of the workshop, including expert comments and policy recommendations, have been incorporated into this report under the relevant chapters. However, it is worth highlighting the following key recommendations across the discussed areas:

► **Government Policies and Programmes**

- Develop a clear and comprehensive legal framework for entrepreneurship.
- Improve the implementation and continuity of policies and reduce excessive regulations that hinder business development.
- Clarify the definition of entrepreneurship within policy frameworks and expand financial innovation programmes.
- Support not only startup-stage businesses but also provide sustainable frameworks for scaling and maintaining established enterprises.
- Review regulations that negatively affect foreign investors and eliminate disincentives to attract international capital.

► **Research and Development (R&D)**

- Strengthen collaboration between universities and the private sector to align academic research with market needs and practical business solutions.
- Bridge the gap between academic innovation and market demand by disseminating information on the market potential of graduate research.
- Establish a national R&D centre that integrates public, private, and academic sectors to facilitate collaboration and knowledge transfer.

► **Entrepreneurial Education**

- Introduce entrepreneurial education starting from kindergarten through to university using globally recognised curricula.
- Equip teachers with training and resources to implement innovative and experiential teaching strategies effectively.

- Develop frameworks for partnership between the private sector and the Ministry of Education to align educational content with market needs.
- Establish KPIs for entrepreneurial education that assess real impact rather than focusing solely on outputs.
- Modernise teaching methods to incorporate scientific and technological advances, fostering analytical thinking and problem-solving among students.
- Encourage extracurricular and non-academic avenues (e.g., clubs, sports, part-time jobs) for young people to develop entrepreneurial soft skills such as ambition, resilience, and teamwork.

Chapter 7

Conclusions

Conclusions

The present report for the year 2024-2025 analyses the entrepreneurial ecosystem in Jordan under the Global Entrepreneurship Monitor (GEM). Overall, the findings show that entrepreneurship is improving in the country. Notably, Total Early-Stage Entrepreneurial Activity (TEA) has increased by 34% between 2023 and 2024. This increase, is attributed to the revitalisation of startup activities. Nevertheless, interventions are needed to address sustainability challenges, access to funds, and gender gap in entrepreneurship.

The entrepreneurial ecosystem has greatly benefited from governmental interventions, such as the establishment of the Ministry of Digital Economy and Entrepreneurship (MoDEE), and the General entrepreneurship Policy (2021-2027), designed to drive regulatory reforms, digital transformation, and financial accessibility. The improvements in infrastructure, along with support for innovation and sustainable practices have contributed to a more productive environment for businesses. However, while efforts to include and empower women in entrepreneurship are a step in the right direction, challenges remain in ensuring their long-term business sustainability.

Business sustainability, however, remains an issue. The share of Established Business Ownership (EBO) has declined from 7% in 2023 to 5% in 2024 and this indicates that many startups are failing to transition into stable and long-term enterprises. The report suggests the need to enhance financial support and provide mentorship in sustainability enablers such as R&D commercialisation, to strengthen business longevity. Additionally, improving the entrepreneurial ecosystem requires advancements in entrepreneurial education, more effective regulatory interventions, and increased gender inclusiveness.

For sustaining and improving entrepreneurship in Jordan, a multi-pronged policy approach is required, which should address:

- **Expand access to finance** through venture capital, loan schemes, and financial inclusion programmes.
- **Enhance entrepreneurial education** by integrating innovation, problem-solving, and business management into academic curricula.
- **Strengthen R&D commercialisation efforts** by fostering stronger linkages between universities and industry.

- **Create an enabling business environment** with entrepreneur-friendly regulations that eliminate bureaucratic barriers.
- **Promote and support gender inclusivity** by providing targeted funding, training, and mentorship programmes for women entrepreneurs.
- **Enhance business sustainability** by introducing long-term support mechanisms such as post-startup funding, mentorship programmes, and tax incentives for businesses that survive beyond three years.
- **Improve market access** by facilitating trade partnerships, supporting participation in international trade fairs, and integrating Jordanian entrepreneurs into global e-commerce platforms.
- **Develop business sustainability indices** to assess and improve the long-term success rates of startups, ensuring continued ecosystem development.
- **Leverage and expand the use of GEM data** to build a robust entrepreneurship database, providing deeper insights for policymakers, investors, and stakeholders to track trends, measure policy impacts, and make data-driven decisions. Strengthening the analysis and dissemination of GEM findings can further enhance strategic planning and targeted interventions to support entrepreneurship in Jordan.
- In addition, GEM Jordan should conduct annual surveys to cultivate a robust entrepreneurship database that will aid policymakers, investors, and stakeholders in tracking trends, measuring policy impacts, and making informed decisions.

Jordan can emerge as the regional entrepreneur and innovation leader stimulating economic growth, job creation, and sustained prosperity if it can counter the challenges by building on its strengths. Therefore, **the findings of this report support providing a framework within which actionable strategies can be proposed to turn Jordan into an entrepreneurial hotspot for policymakers, educators, and stakeholders.**

Appendix A: Technical details for the Global Entrepreneurship Monitor (GEM) survey in Jordan

Table A-1:GEM Jordan, 2024: Adult Population Survey and National Expert Survey fieldwork sheet

APS SAMPLING FEATURES	APS INFORMATION
Target population	Adults (18–99 years of age) resident in Jordan
Target population size	6,340,709 people
Sample size	2042 people
Sample design	stratified cluster sampling
Type of sample	Random
Confidence level	95%
Sampling error	Sampling error $\pm 2.5\%$
Sampling period	August 2024
Interview method	Face to face
Sampling methodology	Random selection of house from list
Fieldwork carried out by	NAMA Strategic Intelligence Solutions
Data recording and SPSS database creation	NAMA Strategic Intelligence Solutions
Monitoring, quality control, and final verification	German Jordanian University
National Expert Survey (NES) sampling features	NES information
Target population	Experts in nine entrepreneurship conditions
Sample	40 experts
Type of sample	Purposive sample
Sampling period	June–July 2024
Interview method	Online
Fieldwork carried out by	GEM Jordan national team
Data recording and SPSS database creation	GEM Jordan national team

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