



JoinUP! SESO's Community Meet-ups Wrap Up Report / External

JoinUP! SESO's Meet-Ups in Brief

JoinUP! Is an EU-funded project, implemented by Oxfam (lead), TTi (Local partner) and Diesis (European Partner), JoinUP! seeks to 'contribute to increase economic and social inclusion and job creation especially for women and disadvantaged / marginalized groups in Jordan' combining the experience and skill sets of national and international partners to focus on the growth of social enterprises and a more inclusive formal economy in Jordan.

The JoinUP! "SESO Community Meet-ups" were considered within the JoinUp scope in order to encourage synergies within the social entrepreneurship ecosystem in Jordan. TTi and in close collaboration with Oxfam will work on the facilitation of monthly meet-ups between key Social Entrepreneurship Support Organizations, in conclusion, 20 networking events will be organized with the primary objective of "To encourage cooperation and collaboration between SESOs in Jordan and the establishment and sustainability of the SESO network".

The main anticipated objectives of the SESO Community Meet-ups are:

1. Encouraging cooperation and collaboration between SESOs in Jordan.
2. Supporting the establishment and sustainability of the SESO network.
3. Discussing common challenges, new business opportunities, new trends / new projects and or products/services that better support Social Enterprises (SEs) in Jordan.
4. Involving SESO's and relevant stakeholders from north, middle and south of Jordan; as meet-ups will be held in Irbid, Karak and Amman.

Meet-up Discussion Highlights

Meet-up introduction

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The meet-up was kicked-off with an introduction from the project team elaborating about JoinUP!, the SESO's meet-ups and the surrounding context. The introduction was closed by the EU representative remarks who empathized on the serious efforts put by the EU in order to support the well-development of an inclusive social entrepreneurship ecosystem in Jordan and the Arabic region, on all levels: MARCO, MESO and MICRO and by many parallel projects.

Discussion Topic #1: SE's Legal Framework – As companies:

- Similar to most of the countries and legal systems around the world, Jordan's legal context has no dedicated registration type for registering a social enterprise, the social enterprise advantages are taken by stating the social impact as part of the registered body purposes and description, other countries have developed an SE label for registered entities based on their community contribution.
- Attendees discussed various registration types available in Jordan and sort of compared and ranked them based on their convenience to social enterprises, keeping in mind the SE definition explained by the project team during the introduction, the best recommended registration type was the sole proprietorship registration and the least preferred was the non-for-profit society registration, as its regulations prohibit revenue making in an absolute manner, and SE's were defined as revenue makers community supporters.
- A representative of the chamber of commerce stated that the current companies' registration system is suitable for social enterprises' needs, because any type of a registered company may state a social / community support percentage of the its annual profits, this percentage will benefit from many advantages and the company will not be treated as equal as 100% for profit companies.
- Encouraged and led by Oxfam and Dawood law firm, Jordan is currently "prototyping" a model for social enterprises regulations framework in order to better enable the SE's local ecosystem.
- Attending Syrian social entrepreneurs interacted with the discussion about the regulation related to non-Jordanian investors, which usually requires additional approvals, ceiling for shares' percentages allowance for each registration type, and business type / industry. In light of the discussion, thus a recommendation encouraged to advocate for special terms for refugees or starting-up non-Jordanian entrepreneurs and not to deal with them as equal as wealthy investors, especially social entrepreneurs as they are solutions makers.
- Some social enterprises end up having more than one registered entity in order to be able to cope with the current legal context related to their work, as the for-profit entity will allow them make profits – which is essential for their scale up and sustainability- while non-for-profit activities allow them benefit from tax exemptions and apply to donors' grants, however a solid regulatory system may solve this out.
- The advantages of starting your business as sole proprietorship registration type vs. a company, in terms of set-up cost (registration fees). Assigning legal consultant / accredited financial auditor.
- One additional advantage of registering a limited liability company is to reduce the cost of failure.

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Discussion Topic #2: SE's Legal Framework – As Societies:

- Registering a society is a long process that ends up with allocating a “supervisory ministry” for each society, decided based on relevancy to the stated purposes of that society.
- If you are willing to run a social enterprise with a solid revenue-making business model, it's not preferred to register a non-for-profit society, alternatively most of the attendees agreed that SE's who are willing to register a non-for-profit entity should go for a non-for-profit company, mainly because the company registration will allow more flexibility of the owners in terms of decisions making and business purposes identification, additionally a company's registration allows the founders to get a monthly salary for their work, however the society's founder (when they are on the society's board of directors are not allowed to get salaries for their work).
- Closure of a community based society (registered under the ministry of social affairs) leads that all the assets of the closed society is taken-over by the ministry to be distributed again to another active society with similar / close purposes.

Discussion Topic #3: Taxation Regulations related to SE's

- A debate took place related to social enterprises taxation, the audience were split, part of them agreed that paying taxes is a community support act by-itself, as the government will use those taxes money to fuel community facilities and services, however the other part of the audience stated that the value for this money that is deducted as taxes will be much less for the community, giving an example of a waste-management company that when paying taxes, it will cost the government much bigger amounts dealing with waste.
- In light of the debate above a recommendation was out to increase the government effort related to spreading awareness as the social purpose and the percentage related to it is something that is not widely known.
- In light of the debate above the facilitator opened two questions which remained un-answered; the first is “do we need to change our perception about paying taxes to look at it as a community investment?”, and secondly “Does the common problem of lack-of-trust between Jordanian people and government affects how do we look to taxation?”

Discussion Topic #4: SE's Ecosystem need for Legal Awareness:

- Lack of legal awareness among social entrepreneurs is dangerous, it causes that we lose excellent ideas to scale up and rise because of the fear and misperception about registration; mainly because of misunderstanding of related laws and regulations such as taxation.

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- Attending lawyers empathized on the importance of communication with lawyers to get enough awareness and advice about the legal ecosystem, this relationship should be transparent and governed by any type of a contract.
- The majority of the attendees agreed that legal awareness is very important so that social entrepreneurs understand the surrounding legal context and take strategic related decisions considering the best convenience for their enterprises' scope, so it was commonly advised that SESO's should consider the legal service (in terms of both awareness and support) as part of the package of services they provide for SE's.

Discussion Topic #5: SE's Ecosystem need for M&E Practices:

- It was also discussed that among the prerequisites for a strong enabled regulatory ecosystem is to empower and build the monitoring and evaluation components at working social enterprises, this component will enable SE's to measure and document their work, thus be better identified as active social enterprises plus their ability to develop their performance based on the M&E results, on a longer term hopes, those M&E activities' results should also be considered by the government in ranking and dealing with different enterprises, it should classify social enterprises into clusters based on the measured impact they achieve and then have access to various advantages set for each defined cluster.

Discussion Topic #6: The Anticipated Role of SESO's in the Legal Context:

- It's important to spread awareness what are SESO's and what are potential SESO's, this will help many organizations identify themselves better and work on their program to better perform as SESO's.
- The facilitators mentioned that there will be a survey for the various stakeholders to complete about the SESO's ecosystem, empathizing its importance to establishing a relevant up-to-date resources center for local social entrepreneurs.
- SESO's should contribute to building a well-developed legal context for social entrepreneur by many ways:
 1. They should build their own solid understating for the surrounding related legal context in order to be able to play their role at this front actively and efficiently.
 2. They should applying advocacy influencing better regulations to facilitate the SE's work.
 3. They should provide legal support services as part of their services' package, and if this is not technically doable due to any scope or budget constraints, SESO's should refer their SE beneficiaries for legal service providers or for related government entities to get advice and keep themselves up-to-date.

Discussion Topic #7: The status of SE's Ecosystem outside Amman:

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- A point raised by a SESO's spread on national level is that they witness extra challenges among the social entrepreneurs in the governorates, compared to their peers in Amman, for example the English language barrier that affects their ability to respond to various calls for applications / proposals, the centralization among many government entities so that they have to travel in order to complete simple transactions, additionally the less-exposure they have to related events and activities makes the quality of the ideas of youth in the governorates less than those in Amman.
- Following the point above, it was recommended to have a dedicated quota for youth from governorates in different opportunities so that they have equal access compared to those at Amman, here TTI referred to its experience dedicating offices in Irbid and Karak reaching out for young entrepreneurs there.

Recommendations

Recommendations:

1. Engaging Jordan investment board as part of the coming discussions, as an entity plays a significant role in the entrepreneurship ecosystem they should get in touch with the social entrepreneurship ecosystem.
2. Strengthen the M&E knowledge among SE's as a gateway for better impact measurement and community recognition and identification and more importantly a source of improvement, SESO's may play a significant role at this front.
3. Legal awareness should be a basic support service for SE's, SESO's are significant here.
4. Influencing some changes and modifications on current regulations related to entities registration in Jordan in order to better fit social enterprises' needs.
5. Consider differences between governorates' applicants compared to Amman's when designing the JoinUP! Call for sub-granting and capacity building applications.
6. It's the time to change the negative stereotype related to social entrepreneurs money making, our culture should encourage them to achieve their personal goals in line with their enterprises goals, allowing better ground of regulations for them to "enjoy" the profits they make!. In a nutshell social entrepreneurs should be empowered and motivated as individuals in order to be able to empower the communities around them.
7. The ministry of digital economy and entrepreneurship is a recent and up-to-date stakeholder, whom should understand the SE's ecosystem as part of the entire entrepreneurship ecosystem they are now involved in, they should also understand how social digital economy can be a local change driver, it's is

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great they have joined the meet-up but recommendations called for more engagement between the said ministry and SE's.

8. M&E systems should be carried out by the government in order to better classify SE's into clusters and qualify each cluster for a certain level of advantages.
9. Jordan should adopt regulations to facilitate the set-up of crowd-funding platforms which is being spread worldwide as a reliable income making alternative for social entrepreneurs.
10. As well as the start-up related regulations need to be revised for better alignment with SE's needs, the regulations of entities closure should also be revised in order to be easier and more practical.
11. Transparency and honesty are vital, business owners should be transparent with the various stakeholders of his social business such as partners, legal advisors, mentors...etc., conveying the real purpose of his business mainly the social vs. profit orientation.
12. Attendees representing local-spread stakeholders advised that meet-ups should take place at the governorates too.
13. Registering a non-for-profit entity is usually related to the eligibility to take grants from international donors, thus even social enterprises with solid business models tend to register non-for-profits, so it's recommended to advocate and reach out for donors to consider "for-profit" organizations illegible for funding, this will empower SE's register a for-profit entities which found more efficient for achieving sustainability.
14. An important point mentioned that all categories of stakeholders should spread awareness and advocate to change the perception associated to the relationship between social work and money making, "rich" social workers should not be any more criticized within our culture.
15. It is recommended to consider special terms for refugees or starting-up non-Jordanian entrepreneurs and not to deal with them as equal as wealthy investors, especially social entrepreneurs as they are solutions makers.
16. It is recommended that SESO's should build solid understanding for eth surrounding legal context.
17. It is recommended that SESO's should advocate for a better legal context for SE's.
18. It is recommended that SESO's should consider the legal service (in terms of both awareness and support) as part of the package of services they provide for SE's

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