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# **Realms of Influence: The Dynamics of Social Entrepreneurship in the Kingdom of Jordan**

## **Abstract**

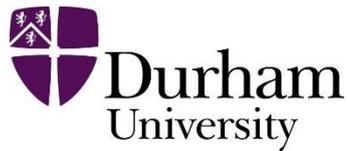
Social enterprises are organizations that employ business-like tactics to achieve primarily social goals, with the distinguishing qualities of having social objectives, using social capital, and creating social value. While there is a body of literature that demonstrates the potential of social entrepreneurship to address various issues in the Middle East, this research instead analyses social enterprises' actual ability to achieve their goals as independent, community-responsive actors. The work is situated in the wider debates about democratization in the region by assessing the impact that regime surveillance tactics have on the development of social capital. This thesis evaluates social entrepreneurship in its political and legal context and is based on fieldwork in Jordan using semi-structured interviews with social entrepreneurs, members of their support networks, and government officials.

By supporting social entrepreneurship, the international community implicitly supports development initiatives that rely on social capital, because social capital is intrinsic to social enterprises. This is problematic because the value of social capital in development is disputed; it can have positive or negative, exclusionary effects. This means that international actors may be supporting a strategy that has been shown to promote only 'accepted' kinds of association and perpetuate the status quo. The issue that therefore arises is what the role of social capital is in Jordan, an authoritarian regime where government surveillance is prevalent.

This thesis finds that the Jordanian regime uses surveillance and bureaucratic mechanisms to direct and restrict the work of social enterprises by imposing structural restrictions on the development of social capital. Confusing bureaucratic policies, the ministries' pervasive oversight, restrictions in the legal code, a foreign funding control mechanism, and royal NGOs' co-optation of social entrepreneurship are all indicators of persisting semi-authoritarian governance approaches. Therefore, Jordan's social enterprises fail to contribute to the growth of an independent civil society and are not effective development agents due to the many regulatory restrictions that govern them.

Through an examination of the impact of the regime's surveillance on the political liberalization process and the development of social capital, the thesis argues that state support or involvement with social enterprises and social capital can build hierarchical associational relationships instead of social networks that lead to political empowerment. Such social networks have been theorized to lead to mutually beneficial collective action that results in steps towards democratization. In Jordan, however, state surveillance interrupts the pathway from social capital development to democratization.

Through the case of social enterprises, the thesis demonstrates that the regime's interference with social capital negates any theoretical potential it may have to be the 'building block' of civil society because it renders social capital the dependent variable. Thus, the state's influence extends to the very foundations of any democratization processes in Jordan.



Realms of Influence:  
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Jordan

Lilian Alexandra Tauber

PhD Thesis

School of Government & International Affairs  
Durham University

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## List of Abbreviations

CEWAS – International Centre for Water Management Services  
CPF – Crown Prince Foundation  
CSO – civil society organization  
CSR – civic social responsibility  
ESRC – UK Economic and Social Research Council  
EU – European Union  
GDP – Gross Domestic Product  
GDPR – General Data Protection Regulations  
GDR – German Democratic Republic  
GID – General Intelligence Directorate of Jordan  
GIZ - Deutsche Gesellschaft für Internationale Zusammenarbeit (German Organization for International Collaboration)  
GONGO – government-organized non-governmental organization  
IAF – Islamic Action Front  
ICCPR – International Covenant on Civil and Political Rights  
ICT – Information Communication Technology  
IGO – intergovernmental organization/international organization  
IMF – International Monetary Fund  
INGO – international non-governmental organization  
IYF – International Youth Foundation  
JOD – Jordanian Dinar  
JOHUD – Jordanian Hashemite Fund for Human Development  
JRF – Jordan River Foundation  
KAAYIA – King Abdullah Award for Youth Innovation and Achievement  
KAFD – King Abdullah Foundation  
MENA – Middle East and North Africa  
NATO – North Atlantic Treaty Organization  
NFR – National Front for Reform  
NGO – non-governmental organization  
NHF – Noor Al Hussein Foundation  
OECD – Organisation for Economic Co-operation and Development  
PLO – Palestinian Liberation Organization  
PSSE – product- and service-oriented social enterprise  
QRF – Queen Rania Foundation  
RONGO – royal non-governmental organization  
SCI – Social Capital Initiative  
SDGs – Social Development Goals  
SLP – Social Leaders Program  
SME – small or medium enterprise  
STSE – structural transformation-based social enterprise  
TTi – The Tank for Innovation  
UNCCT – United Nations Counter-Terrorism Centre

UNDP – United Nations Development Program

UNESCO – United Nations Educational, Scientific and Cultural Organization

UNICEF – United Nations Children’s Fund

US – United States

USAID – United States Agency for International Development

USAID CIS – United States Agency for International Development Civic Initiatives  
Support

USAID LENS – United States Agency for International Development Local Enterprise  
Support

USD – United States Dollar

## **Statement of Copyright**

The copyright of this thesis rests with the author. No quotation from it should be published without the author's prior written consent and information derived from it should be acknowledged.

To my parents

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## Introduction

*Social enterprises shift behaviour from automation to community disruption.<sup>1</sup>*

*In our part of the world, human relationships are our biggest asset: the ability to mobilize our resources with the resources of another, and our values with the values of another, to create some form of change in our life. ... Here, relationships are at the heart of the theory of power.<sup>2</sup>*

These statements by Jordanian social entrepreneurs reflect their perception of the power of social enterprise to have lasting and transformative effects on society due to their ability to mobilize community relationships through innovative approaches. In short, they believe that their use of social capital will allow them to create positive change where their government, civil society, and other actors have failed to do so. Social entrepreneurs in Jordan do not operate in a vacuum but rather in the complex political environment of a state that has employed a range of control mechanisms in its resistance to change. This thesis evaluates the extent of social enterprises' autonomy in Jordan by examining their relationship with the state. The resulting analysis seeks to comment on the current status of authoritarianism in Jordan.

## Background

The countries of the Middle East and North Africa (MENA) lie at the epicentre of a fragmenting Arab state system and changing regional order. These countries have also experienced a significant demographic youth bulge in recent years; persons aged 15 to 29 years across the region comprise almost twenty seven percent of the region's

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<sup>1</sup> Interview with 'ZM3' (STSE), Amman, Jordan, January, 2018.

<sup>2</sup> Interview with 'UL6' (STSE), Amman, Jordan, April, 2018.

population.<sup>3</sup> This portion of the population grapples daily with issues of tradition versus modernity, staggering unemployment rates, the impact of refugee crises, and wider regional turmoil.<sup>4</sup> The seeming stability of semi-autocratic governments rests on pervading attributes of neo-patrimonialism and the security state, both of which, it has been claimed, have led to a civil society that is fragile or even synthetic.

Optimism about possible democratisation in the Middle East, fuelled by the third wave of democracy in the 1990s, led to an academic focus on the idea that civil society expansion and economic development would significantly liberalize the MENA political sphere.<sup>5</sup> There has been little tangible democratisation in the region, however, despite the emergence of civil societies, economic transformation, and Western democracy promotion efforts.<sup>6</sup> More recent scholarship recognizes the hybrid quality of many Arab states, whose governments are neither entirely autocratic nor fully democratic. These ‘semi-autocracies’ allow limited political openness and competition, but ultimately, power remains within the regimes. Nominal democratic advances serve as a ‘safety valve’

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<sup>3</sup> Navtej Dhillon, ‘Middle East Youth Bulge: Challenge or Opportunity?’ Brookings, May 22, 2008, <https://www.brookings.edu/on-the-record/middle-east-youth-bulge-challenge-or-opportunity/>; Georgetown University in Qatar and Silatech, *Youth in the Middle East* (Qatar: Center for International and Regional Studies, 2016).

<sup>4</sup> R. Assaad and F. Roudi-Fahimi, ‘Youth in the Middle East and North Africa: Demographic Opportunity or Challenge?’ Population Reference Bureau, April 19, 2007, <https://www.prb.org/youthinmena/>; L. Beehner, ‘The Effects of “Youth Bulge” on Civil Conflicts,’ Council on Foreign Relations, April 27, 2007; Antonello Cabras, ‘The Implications of the Youth Bulge in Middle East and North African Populations,’ NATO Parliamentary Assembly, January 25, 2011; P. Salem, ‘The Middle East in 2015 and Beyond: Trends and Drivers,’ Middle East Institute, November 18, 2014, <https://www.mei.edu/publications/middle-east-2015-and-beyond-trends-and-drivers>.

<sup>5</sup> M. Hudson, *Arab Politics: The Search for Legitimacy* (New Haven, CT: Yale University Press, 1977); S. P. Huntington, *The Third Wave: Democratization in the Late Twentieth Century* (Norman: University of Oklahoma Press, 1991); S. E. Ibrahim, ‘Crises, Elites, and Democratization in the Arab World,’ *Middle East Journal* 47, no. 2 (1993): 292–305; A. R. Norton, ‘The Future of Civil Society in the Middle East,’ *Middle East Journal* 47, no. 2 (1993): 205–16; M. K. Al-Sayyid, ‘The Concept of Civil Society and the Arab World,’ in *Political Liberalization and Democratization in the Arab World: Theoretical Perspectives*, ed. R. Brynen, B. Korany, and P. Noble (Boulder: Lynne Rienner, 1995), 131–47; R. Brynen, B. Korany, and P. Noble, eds., *Political Liberalization and Democratization in the Arab World: Theoretical Perspectives* (Boulder, CO: Lynne Rienner, 1995).

<sup>6</sup> O. Schlumberger, ‘The Arab Middle East and the Question of Democratization: Some Critical Remarks,’ *Democratization* 7, no. 4 (2000): 104–32; M. S. Ottaway, et al., ‘Democracy: Rising Tide or Mirage?’ *Middle East Policy* 12, no. 2 (2005): 1–27; V. Durac and F. Cavatorta, ‘Strengthening Authoritarian Rule Through Democracy Promotion? Examining the Paradox of the US and EU Strategies: The Case of Bin Ali’s Tunisia,’ *British Journal of Middle Eastern Studies* 36, no. 1 (2009): 3–19.

for civil society, while the general public is excluded from meaningful participation in government.<sup>7</sup> Such regimes generally survive due to a skilful combination of co-optation and repression aimed at collectives or individuals.<sup>8</sup>

In addition, neo-patrimonialism and clientelism still pervade state structures in most MENA countries.<sup>9</sup> Neo-patrimonialism refers both to macrostructures (the society, state, and economy) and microstructures (the family and individual). Neo-patrimonial society exhibits facets of modernity externally but remains beholden to clan, tribe, ethnic, and sectarian identity structures, which often determine the dispensation of power. Patrimonial rule depends on the loyalty of a personal network of bureaucrats to govern. In the modern Middle Eastern state, this is manifested in both civil and military bureaucracies that have remained little more than extensions of the ruler.<sup>10</sup> Several countries such as Jordan, Egypt, and Morocco, among others, rely heavily on their military's expansive political role; the professional armies and security apparatuses have reached great capacity for maintaining domestic stability and protecting regime interests.<sup>11</sup>

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<sup>7</sup> D. Brumberg, 'Liberalization Versus Democracy: Understanding Arab Political Reform,' Middle East Series Working Papers, no. 37 (Washington, DC: Carnegie Endowment for International Peace, May, 2003); D. Brumberg, *Democratization Versus Liberalization in the Arab World* (Carlisle, PA: US Army War College Strategic Studies Institute, 2005); H. A. Barari, 'The Persistence of Autocracy: Jordan, Morocco and the Gulf,' *Middle East Critique* 24, no. 1 (2015): 99–111.

<sup>8</sup> O. Schlumberger, ed., *Debating Arab Authoritarianism: Dynamics and Durability in Nondemocratic Regimes* (Stanford, CA: Stanford University Press, 2007).

<sup>9</sup> E. Bellin, 'The Robustness of Authoritarianism in the Middle East: Exceptionalism in Comparative Perspective,' *Comparative Politics* 36, no. 2 (2004): 139–57; E. Lust, 'Competitive Clientelism in the Middle East,' *Journal of Democracy* 20, no. 3 (2009): 122–35; M. P. Posusney, 'Enduring Authoritarianism: Middle East Lessons for Comparative Theory,' *Comparative Politics* 36, no. 2 (2004): 127–38.

<sup>10</sup> N. Ayubi, 'Civil-Military Relations,' in *Over-Stating the Arab State: Politics and Society in the Middle East* (London: I. B. Tauris, 1995); J. Bill and R. Springborg, *Politics in the Middle East*, 5th ed. (New York: Longman, 2000); M. Hudson, *Arab Politics: The Search for Legitimacy* (New Haven, CT: Yale University Press, 1977); M. Weber, *The Theory of Social and Economic Organization* (New York: Free Press, 1964).

<sup>11</sup> A. Bligh, 'The Jordanian Army: Between Domestic and External Challenges,' *Middle East Review of International Affairs* 5, no. 2 (2001); R. Owen, 'The Military In and Out of Politics,' in *State, Power, and Politics in the Making of the Modern Middle East* (London: Routledge, 1991).

Another key aspect of patrimonial rule is the strategic fragmentation of potential opposition forces, both within the personal advisory network and in groups outside the ruling regime, in order to hinder the development of strong power concentrations outside the ruler's sphere.<sup>12</sup> This strategy of inhibiting the emergence of a civil political culture can extend as far as regulating satellite television and telecommunications.<sup>13</sup> Thus, regime-challenging institutions are often weak and, in part, provide external legitimation to the existing state order. In some cases, such as in Iran and Saudi Arabia, governments have been found to control non-governmental organizations (NGOs) by acting as the organizations' sole, or predominant, financial benefactors. Such NGOs are known as government-organized-non-governmental organizations (GONGOs); these groups may be benign but are often another tool used by repressive regimes.<sup>14</sup>

Democracy promotion efforts often support civil society organizations, which supposedly create a buffer between citizen and state.<sup>15</sup> Civil society in any context, however, is dependent upon the government to allow the political space for civil society to evolve and develop.<sup>16</sup> It is unlikely that even reformist autocratic regimes would be willing to give up their monopoly of power and coercion and instead expand the middle class and build a strong civil society.<sup>17</sup> For example, the process of economic

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<sup>12</sup> J. Bill and R. Springborg, *Politics in the Middle East*, 5th ed. (New York: Longman, 2000).

<sup>13</sup> E. C. Murphy, 'Problematizing Arab Youth: Generational Narratives of Systemic Failure,' *Mediterranean Politics* 17, no. 1 (2012): 5–22.

<sup>14</sup> M. Naim, 'Democracy's Dangerous Impostors,' *Washington Post*, April 21, 2007; L. Weeden, 'Abandoning 'Legitimacy': Reflections on Syria and Yemen,' in *The Crisis of the Arab State: Study Group Report*, ed. M. Hudson (Cambridge, MA: Harvard Kennedy School, Middle East Initiative, 2015).

<sup>15</sup> L. Diamond, 'Rethinking Civil Society: Toward Democratic Consolidation,' *Journal of Democracy* 5, no. 3 (1994): 5; A. R. Norton, *Civil Society in the Middle East* (Leiden, the Netherlands: E. J. Brill, 1995); N. Salam, *Civil Society in the Arab World: The Historical and Political Dimensions* (Cambridge, MA: Islamic Legal Studies Program, 2002), 3; J. Schwedler, ed., *Toward Civil Society in the Middle East?* (London: Lynne Rienner, 1995).

<sup>16</sup> O. Schlumberger, 'Dancing with Wolves: Dilemmas of Democracy Promotion in Authoritarian Contexts,' in *Democratization and Development: New Political Strategies for the Middle East*, ed. D. Jung (New York: Palgrave, 2006), 33–60; Q. Wiktorowicz, 'Civil Society as Social Control: State Power in Jordan,' *Comparative Politics* 33, no. 1 (2000): 43–61.

<sup>17</sup> R. Hinnebusch, 'Authoritarian Persistence, Democratization Theory, and the Middle East: An Overview and Critique,' *Democratization* 13, no. 3 (2006): 373–95; O. Schlumberger, 'The Arab Middle

liberalisation that was initiated by the Arab republics in the 1970s and 1980s helped the autocratic regimes to modify their state apparatus and adapt to new conditions. Thus, economic liberalisation enabled the old autocratic regimes to transform into more resilient ‘new autocratic regimes.’ Instead of building pluralistic democracies, these regimes evolved the state-society relationship through new patronage systems that did not, however, allow for any meaningful political liberalisation.<sup>18</sup> It is therefore plausible that the monarchies employed the same strategy with regards to the expansion of civil society as a controlling mechanism.

The so-called ‘Arab Spring’ generated renewed optimism about the future of a strong civil society and democratic governance in the region. Meaningful democratic advances were expected, in part because Arab autocrats face a structural crisis of legitimacy brought about by a serious economic crisis as well as strong Western expectations of democratisation and market-economic reforms.<sup>19</sup> The autocratic republics of Tunisia, Egypt, Libya, and Syria did suffer extensive internal turmoil and even changes in regime as a result of this movement. In contrast, the oil-rich Gulf monarchies of Saudi Arabia, the United Arab Emirates, Oman, Kuwait, Qatar remained stable, in large part because rent from oil revenues allowed for the strategic forestalment of political opposition movements.<sup>20</sup> These regimes manipulate oil wealth by allocating much of its income for security expenses and other targeted patronage measures to maintain the status quo.<sup>21</sup> The Gulf monarchies’ politics of patronage continued as a reaction to the 2011

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East and the Question of Democratization: Some Critical Remarks,’ *Democratization* 7, no. 4 (2000): 104–32; O. Schlumberger, ‘Dancing with Wolves.’

<sup>18</sup> S. J. King, *The New Authoritarianism in the Middle East and North Africa* (Bloomington: Indiana University Press, 2010).

<sup>19</sup> H. Albrecht and O. Schlumberger, ‘“Waiting for Godot”: Regime Change without Democratization in the Middle East,’ *International Political Science Review* 25, no. 4 (2004): 371–92.

<sup>20</sup> H. A. Barari, ‘The Persistence of Autocracy: Jordan, Morocco and the Gulf,’ *Middle East Critique* 24, no. 1 (2015): 99–111.

<sup>21</sup> H. H. Al-Alkim, ‘The Prospect of Democracy in the GCC Countries,’ *Critical Middle Eastern Studies* 5, no. 9 (1996): 29–41.

uprisings; political challenges were met with financial benefits to key parts of society in order to effectively ‘buy allegiance’ to the ruling families.<sup>22</sup>

Without its oil wealth, the semi-autocratic monarchy of Jordan was unable to employ targeted patronage measures towards ensuring stability and felt pressure from the ‘regional demonstration effect.’<sup>23</sup> Instead, it relied on continued security measures and nominal changes in government (e.g. the dissolution of parliaments, dismissal of prime ministers, and appointment of new ministers) to quell popular protests. Eight years after the beginning of the ‘Arab Spring,’ optimism for change has turned to criticism of a period that led to an ‘Arab Winter,’ and pessimism for the future of civil society in the MENA countries.<sup>24</sup>

It is within this context that the Hashemite Kingdom of Jordan finds itself ‘between Iraq and a hard place,’ as King Abdullah II remarked in 2012.<sup>25</sup> From the founding of the state of Transjordan in 1921, Jordan’s monarchs have had to balance citizen demands with stipulations from Western or Arab aid donors, on whom the country is heavily dependent.<sup>26</sup> Tribal divisions, social cleavages, Islamist demands, and the threat of social unrest have shaped the regime’s alternating repression and liberalization tactics.

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<sup>22</sup> S. Hertog, ‘The Costs of Counter-Revolution in the GCC,’ *Foreign Policy*, May 31, 2011, <https://foreignpolicy.com/2011/05/31/the-costs-of-counter-revolution-in-the-gcc/>.

<sup>23</sup> G. F. Gause, *Kings for All Seasons: How the Middle East’s Monarchies Survived the Arab Spring* (Doha, Qatar: Brookings Doha Center, 2013); M. Ottaway and M. Muasher, *Arab Monarchies: Chance for Reform, Yet Unmet* (Washington, DC: Carnegie Endowment for International Peace, 2011).

<sup>24</sup> Daniel L. Byman, ‘After the Hope of the Arab Spring, the Chill of an Arab Winter,’ *Brookings*, December 4, 2011, <https://www.brookings.edu/opinions/after-the-hope-of-the-arab-spring-the-chill-of-an-arab-winter/>; Dimitar Mihaylov, ‘Why the Arab Spring Turned into Arab Winter: Understanding the Middle East Crises through Culture, Religion, and Literature,’ *Israel Journal of Foreign Affairs* 11, no. 1 (2017): 3–14; Richard Spencer, ‘Middle East Review of 2012: The Arab Winter,’ *The Telegraph* (December 31, 2012), <https://www.telegraph.co.uk/news/worldnews/middleeast/9753123/Middle-East-review-of-2012-the-Arab-Winter.html>; Howard J. Wiarda, ‘Arab Fall or Arab Winter?’ *Journal of the National Committee on American Foreign Policy* 34, no. 3 (2012): 134–37.

<sup>25</sup> King Abdullah II of Jordan used this phrase to describe his country’s complicated political situation in an interview with Jon Stewart on *The Daily Show* (September 25, 2012).

<sup>26</sup> Jeremy M. Sharp, ‘Jordan: Background and U.S. Relations,’ *Congressional Research Service*, November 21, 2011; Amaney A. Jamal, ‘Becoming Jordan and Kuwait: The Making and Consolidating of U.S. Client Regimes,’ in *Of Empires and Citizens* (Princeton, NJ: Princeton University Press, 2012), 38–62.

In the present day, high youth unemployment rates and the influx of refugees exacerbate the issues Jordan faces as a resource-poor country. As opposed to the Gulf monarchies, Jordan cannot use oil rents to forestall political opposition movements.<sup>27</sup> The regime must therefore employ other tactics to maintain stability, for example by fragmenting opposition forces to prevent the establishment of strong power concentrations outside its sphere of influence.<sup>28</sup>

### **Innovative Civil Society? Social Enterprises in Jordan**

The primary foreign aid donors in Jordan are the United States, the European Union/Europe, the United Nations, and their affiliates. They have led civil society promotion initiatives which have not, however, brought about the political liberalization for which they were intended.<sup>29</sup> In addition, economic issues remain. Since the 2011 Arab uprisings, policymakers have turned to social entrepreneurship in Jordan in the hope that it can reduce the youth unemployment rate and increase popular participation in civil society. Social enterprises are defined in this thesis as the employment of business-like tactics to achieve primarily social goals, with the distinguishing qualities of having social objectives, using social capital, and creating social value. While the precise number of social enterprises in Jordan is unknown, there is a consensus that the social entrepreneurship scene in Jordan is expanding.<sup>30</sup> In 2010, it was estimated that there were

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<sup>27</sup> H. A. Barari, 'The Persistence of Autocracy: Jordan, Morocco, and the Gulf,' *Middle East Critique* 24, no. 1 (2015): 99–111.

<sup>28</sup> J. Bill and R. Springborg, *Politics in the Middle East*, 5th ed. (New York: Longman, 2000).

<sup>29</sup> Steven Heydemann, 'Upgrading Authoritarianism in the Arab World,' Saban Center for Middle East Policy at the Brookings Institution Analysis Paper, no. 13 (Washington, DC: Brookings Institution, October, 2007). See also Jason Brownlee, *Democracy Prevention: The Politics of the US-Egyptian Alliance* (Cambridge, UK: Cambridge University Press, 2012) and Tamara Cofman Wittes, *Freedom's Unsteady March: America's Role in Building Arab Democracy* (Washington, DC: Brookings Institution, 2008).

<sup>30</sup> Sidło, Katarzyna, Mohammed Al-Jafari, and Reema Al-Balous, 'Social Entrepreneurs' Responses to the Refugee Crisis in Jordan and Lebanon,' FEMISE Research Papers, FEM 44-12 (September 2019), 13, <http://www.femise.org/en/slideshow-en/social-entrepreneurs-responses-to-the-refugee-crisis-in-jordan-and-lebanon-report-fem44-12/>.

78 ‘globally recognized’ social enterprises in the Middle East and North Africa region.<sup>31</sup> In 2016, the estimate for Jordan alone lay at approximately 100 such enterprises.<sup>32</sup> The figure of total social enterprises is likely much higher when including those who have not received global awards, and any figure depends on the criteria used to identify social enterprises. Still, these estimates give an approximate idea of the reach of these organizations.

The stated goals for social entrepreneurship promotion programmes among foreign actors are far-reaching and varied; among them are the promotion of communal inclusivity, achieving equity for women and minorities, increasing employment opportunities for youth, aiding economic growth, and even reducing the threat of violent extremism. Initiatives in the Ministry of Social Development and in various royal non-governmental organizations (RONGOs) also support the development of social entrepreneurship in the kingdom, both as a vehicle for development and to combat the threat of extremism. While there is a body of literature that demonstrates the potential of social entrepreneurship to address various issues in the Middle East in theory,<sup>33</sup> this research instead analyses social enterprises’ actual ability to achieve their goals as independent, community-responsive actors.

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<sup>31</sup> Ehaab Abdou, et al., ‘Social Entrepreneurship in the Middle East: Toward Sustainable Development for the Next Generation,’ Brookings Institute Wolfensohn Center for Development, the Dubai School of Government, and Silatech, April 22, 2010, <https://www.brookings.edu/research/social-entrepreneurship-in-the-middle-east-toward-sustainable-development-for-the-next-generation/>.

<sup>32</sup> H. W. Al Nasser, ‘New Social Enterprises in Jordan: Redefining the Meaning of Civil Society,’ Chatham House, September, 2016, <https://reader.chathamhouse.org/new-social-enterprises-jordan-redefining-meaning-civil-society#>.

<sup>33</sup> See Soushiant Zanganehpour, ‘The Rise of Social Entrepreneurship in the Middle East: A Pathway for Inclusive Growth or an Alluring Mirage?’ in *Social Entrepreneurship in the Middle East*, ed. Dima Jamali and Alessandro Lanteri, vol. 1 (Basingstoke, UK: Palgrave Macmillan, 2015), 67-83; Rebecca Hill and Medea Nocentini, ‘Social Enterprise in the MENA Region: False Hope or New Dawn?’ in *Social Entrepreneurship in the Middle East*, ed. Dima Jamali and Alessandro Lanteri, vol. 1 (Basingstoke, UK: Palgrave Macmillan, 2015), 84–106; Clare Woodcroft-Scott and Fatimah S. Baeshen, ‘Social Enterprises: A Panacea for Engaging Youth and Inspiring Hope?’ in *Social Entrepreneurship in the Middle East*, ed. Dima Jamali and Alessandro Lanteri vol. 1 (Basingstoke, UK: Palgrave Macmillan, 2015), 107–26; among others.

## Research Methodology and Methods

### Epistemology and Ontology

This thesis takes a post-positivist approach and therefore uses qualitative, inductive research methods. Both positivism and post-positivism adopt realism and assume that there is an objective ‘reality.’ However, post-positivism ‘differs from positivism in holding that reality can only be known probabilistically.’<sup>34</sup> To more fully understand this difference, it is important to examine the tenets of classical positivism and how the positivist epistemology understands ‘truth.’ In positivist inquiry, researchers seek to discover truth ‘through the verification and replication of observable findings’ as is common in the physical sciences.<sup>35</sup> Classical positivism assumes that there is no dichotomy between appearance and reality, which means that a theory’s validity can be tested by direct observation and that observers can be objective. It is thus also possible to establish causal relationships between social phenomena ‘using theory to generate hypotheses which can be tested by direct observation.’<sup>36</sup> This perspective assumes that an objective reality exists independent of the researcher.<sup>37</sup> Fundamental to the positivist stance is also the rejection of metaphysical speculations in favour of a ‘correspondence view of truth’ in which truth depends on the ‘correspondence of belief to facts present in external reality.’<sup>38</sup> Another assumption is that it is possible to separate the empirical questions (about what *is*) from normative questions (about what *should be*), and that when

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<sup>34</sup> Robert P. Gephart Jr., ‘Qualitative Research and the *Academy of Management Journal*,’ *Academy of Management Journal* 47, no. 4 (2004): 457.

<sup>35</sup> Alexander M. Clark, ‘The Qualitative-Quantitative Debate: Moving from Positivism and Confrontation to Post-Positivism and Reconciliation,’ *Journal of Advanced Nursing* 27 (1998): 1243.

<sup>36</sup> Paul Furlong and David Marsh, ‘A Skin Not a Sweater: Ontology and Epistemology in Political Science,’ in *Theory and Methods in Political Science*, ed. David Marsh and Gerry Stoker, 3rd ed. (New York: Palgrave Macmillan, 2010), 193.

<sup>37</sup> G. Holton, *Science and Anti-Science* (Boston: Harvard University Press, 1993).

<sup>38</sup> Clark, ‘The Qualitative-Quantitative Debate,’ 1244.

this is done, social science can be objective and value free.<sup>39</sup> Positivism in social science thus strives to be methodologically similar to natural science.

One of the main criticisms against positivist inquiry is its view of researchers' involvement in the research process, which in positivism is atheoretical and unbiased. Classical positivism values rationality and intellectualism, but the focus is on objectivity and non-self-reflectiveness in inquiry.<sup>40</sup> Thus, positivism views researchers as neutral observers able to report observations without 'cultural, social, or experiential based biases.'<sup>41</sup> Consequently, in positivism, only individuals who are completely detached and bias free can discover objective 'truth.' Another criticism of positivism is that it focuses on discovering universal laws which do not change based on context.<sup>42</sup> Positivism rules out various sources of understanding such as those deriving from human experience, reasoning, and interpretation; it thus ignores context. In the social sciences, however, these sources and views are of great importance, and positivism has been criticised for attempting to describe the nature of the social world with single universal 'truths.'<sup>43</sup> Several theorists have challenged this law-centred view, and discuss the issues arising from universally generalizing from a limited number of cases.<sup>44</sup> Additionally, they note that 'situational and perceptual factors' may influence researchers' work.<sup>45</sup>

Due to these criticisms, post-positivism has increasingly taken the place of positivism in underpinning contemporary empirical social science research activity. Post-

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<sup>39</sup> Furlong and Marsh, 'A Skin Not a Sweater,' 194.

<sup>40</sup> Holton, *Science and Anti-Science*.

<sup>41</sup> D. Phillips, 'Postpositivistic Science Myths and Realities,' in *The Paradigm Dialog*, ed. E. Guba (London: Sage, 1990), 31–45.

<sup>42</sup> Clark, 'The Qualitative-Quantitative Debate,' 1244.

<sup>43</sup> Nick J. Fox, 'Post-positivism,' in *The SAGE Encyclopaedia of Qualitative Research Methods*, ed. L. M. Given (London: Sage, 2008).

<sup>44</sup> See for example: R. G. A. Dolby, *Uncertain Knowledge* (London: Cambridge University Press, 1996); D. Hume, *Enquiry Concerning Human Understanding* (Oxford: Clarendon Press, 1975); T. Kuhn, *The Structure of Scientific Revolutions*, 2nd ed. (Chicago: University of Chicago Press, 1970); K. Popper, *The Logic of Scientific Study* (London: Hutchinson, 1959).

<sup>45</sup> Clark, 'The Qualitative-Quantitative Debate,' 1244.

positivism continues to endorse the natural sciences' rigor in that it favours logic and empiricism.<sup>46</sup> Post-positivists such as Karl Popper, Jacob Bronowski, Thomas Kuhn and Charles Hanson proposed a conceptualization of truth that differs from the understanding of truth in positivism.<sup>47</sup> As with positivism, post-positivism still rejects metaphysical considerations, but unobservable factors are recognized and deemed to have the ability to explain phenomena which are observable.<sup>48</sup> Additionally, post-positivist research accepts qualitative data and data outside the quantitative methods used in the sciences. Although post-positivism still emphasizes cause and effect, it is less strict in that it recognizes that cause and effect is a probability which 'may or may not occur.'<sup>49</sup> Importantly, 'post-positivism does not reject the truths present in methodologies focusing on the experiences or meanings of individuals.'<sup>50</sup> Indeed, post-positivism holds that researchers and their perceptions cannot be entirely detached from their inquiry, and that context matters and affects analytical findings. Therefore, knowledge gained from post-positivist inquiry is not universally generalizable to all cases and situations due to the 'contextually bound nature of research findings, consequential in the acknowledgement of researcher and theoretical biases.'<sup>51</sup> Post-positivists also regard understanding rather than explanation as the objective of their inquiry; understanding is 'constrained by acknowledgements of context and contingency.'<sup>52</sup> Social science researchers using empirical methods thus now more frequently adopt the post-positivist, rather than the positivist, epistemology and ontology.

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<sup>46</sup> Peter Burnham, et al., *Research Methods in Politics* (New York: Palgrave Macmillan, 2004), 24.

<sup>47</sup> Clark, 'The Qualitative-Quantitative Debate,' 1245.

<sup>48</sup> J. Bronowski, *Science and Human Values* (London: Penguin, 1956); Clark, 'The Qualitative-Quantitative Debate,' 1245.

<sup>49</sup> Creswell, *Qualitative Inquiry and Research Design*, 24.

<sup>50</sup> Clark, 'The Qualitative-Quantitative Debate,' 1245.

<sup>51</sup> Clark, 'The Qualitative-Quantitative Debate,' 1246.

<sup>52</sup> Fox, 'Post-positivism.'

An early manifestation of the contextually-bound researcher occurs in Max Weber's works in which he describes the role of the social scientist and the concept of 'verstehen.'<sup>53</sup> Weber recognized that researchers must understand social realities from the perspective of the subject, not the observer, and in context, rather than in isolation. This involves recognizing that actors are not simply objects of social forces but active subjects who produce their social reality. Alfred Schutz argued that social science research subjects are 'sense-making' human beings 'who are engaged in interpreting and ascribing meaning to their world in interaction with each other.'<sup>54</sup> For the researcher, this means that understanding involves not only comprehending rational thoughts but also the factors that contribute to an actor's social reality. Methodologically, this requires a degree of empathy, and also 'reflexivity about the processes by which constructs are generated and deployed in the creation of social reality.'<sup>55</sup> One of the main tenets of post-positivism has thus become that objects of study are engaged in producing the social world, which necessitates accepting the context of every case without simplistic limitations of study to social 'facts.'

Within post-positivism, two contrary perspectives have emerged: the realist and the constructivist perspectives. Realist post-positivism holds that there is an objective reality in the social world, while acknowledging that social science is interpretative and involves subjective sense-making, and thus accepts that objective reality is unlikely to be discovered. Constructivists believe that objective knowledge is impossible to acquire due to interpretation problems, and also argue that 'reality is itself multiple, contingent and value-laden.'<sup>56</sup> Peter Berger and Thomas Luckmann's work *The Social Construction of*

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<sup>53</sup> Max Weber, *The Theory of Social and Economic Organization*, trans. A. M. Henderson and Talcott Parsons (Oxford: Oxford University Press, 1947).

<sup>54</sup> Fox, 'Post-positivism.'

<sup>55</sup> Fox, 'Post-positivism.'

<sup>56</sup> Fox, 'Post-positivism.'

*Reality* represents the root of the realist ontological compromise. They argue that because people work together to make sense of the world inter-subjectively, a ‘common-sense’ reality emerges that layers institutions, traditions, and social norms, which have stable meanings in a particular society, and which take on the appearance of objective reality. Though society is not created by individuals, it is reproduced and transformed by them. This means that the social world is available to empirical enquiry independent of human agency. Enduring social structures, institutions and processes are conditions of human agency that constitute an independent social reality that can be objectively studied, understood, and described.<sup>57</sup> This realist post-positivist position is not simply a revival of classical positivism: it recognizes that, in studying the social world, researchers’ tools (which include human understanding and interpretation) are ‘value-laden, theory-laden, and context-dependent.’ Through continual efforts in methodological rigour, triangulating various data sources and analysing data meticulously, however, researchers can discover an approximation of reality.<sup>58</sup>

Although this research takes an empirical approach, classical positivism is too inflexible for the method of inquiry. Instead, the thesis adopts a realist post-positivist epistemology and ontology which allow for a ‘softer’ understanding of reality, accept the role of researchers’ bias in analyses, and view examination of context as a necessary feature of research. Realist post-positivism allows for an empirical approach to social scientific research without sacrificing the important human aspects of the types of questions asked in social science, and without necessitating the discovery of universally applicable, non-contextual ‘truths.’

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<sup>57</sup> Peter L. Berger and Thomas Luckmann, *The Social Construction of Reality: A Treatise in the Sociology of Knowledge* (New York: Anchor, 1966), 19–45.

<sup>58</sup> Fox, ‘Post-positivism.’

Social entrepreneurs have been understood to be active shapers of the social world instead of passive actors, so Weber's previously described post-positivist concept of *verstehen* is all the more relevant. Further, positivism would view social entrepreneurs as supportive of the state; thus, social entrepreneurs and the state function as part and parcel of the same actor. However, post-positivism understands that social entrepreneurs can function as separate actors that could pose a challenge to an all-powerful state. Additionally, entrepreneurship and social entrepreneurship are historically European concepts. Simply applying these concepts to the Middle East presents an inherent research bias which must be addressed, and can be addressed, by using post-positivism. By acknowledging this bias and explaining its effect on the research, it may be possible to have a deeper understanding of how social entrepreneurship functions in the region. Rather than using a case study to illustrate existing theory, the thesis examines a case to test the theory. This could lead to a review and revision of some aspects of social entrepreneurship as it has been understood thus far.

### Research Questions and Main Arguments

This thesis investigates how the Jordanian regime uses surveillance to influence and direct the work of social enterprises in the kingdom, thereby reducing the effect their work might otherwise have on a democratisation process in the country. To address this question, the thesis sets out to test the theoretical framework of 'social entrepreneurship' using the post-positivist approach described below. The term 'social entrepreneurship' is increasingly becoming a buzzword for development and youth unemployment solutions in the Middle East, but there is a necessity for more in-depth study of the phenomenon, which might discover not only how social enterprises function in the region and how they can be understood across various sectors of society, but also how this compares to the

extant classical literature on entrepreneurship and the recent literature on social entrepreneurship, which may prompt a review and revision of social entrepreneurship theory.

There has been some debate about whether social entrepreneurship is a part of civil society, which is defined as ‘the sphere of uncoerced human association between the individual and the state, in which people undertake collective action for normative and substantive purposes, relatively independent of government and the market.’<sup>59</sup> Some scholars have described social entrepreneurship as a growing subsector of civil society or a new generation of civil society actor.<sup>60</sup> Thus, social entrepreneurship is better understood as a fluid concept, which, precisely because of the adaptability of its functions, is found in diverse realms. It will be interesting to explore the function of social entrepreneurship in Jordan, and whether it is as fluid, diverse, and adaptable there as the literature suggests.

The adaptability of social entrepreneurship lends it distinct advantages over other established institutions which are more rigid and raises questions of its role in social and political change in an autocratic country such as Jordan. The academic literature suggests that the ability of social enterprises to restructure and blur familiar organizations makes them more flexible, adaptable, and faster to respond to complex, modern, and increasingly global issues.<sup>61</sup> This distinctive re-assembling of established institutions leads to innovation which ranges from incremental changes to disruptive interventions.<sup>62</sup> If this is true in Jordan, it raises questions about the democratization process.

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<sup>59</sup> Michael Edwards, ‘Introduction: Civil Society and the Geometry of Human Relations,’ in *The Oxford Handbook of Civil Society*, ed. Michael Edwards (Oxford: Oxford University Press, 2011), 4.

<sup>60</sup> Alex Nicholls, ‘Social Enterprise and Social Entrepreneurs,’ in *The Oxford Handbook of Civil Society*, ed. Michael Edwards (Oxford: Oxford University Press, 2011), 80–92.

<sup>61</sup> Nicholls, ‘Social Enterprise and Social Entrepreneurs,’ 81–88.

<sup>62</sup> Nicholls, ‘Social Enterprise and Social Entrepreneurs,’ 84.

The challenges that Jordan faces, combined with its relative enduring stability, present ample potential opportunities for social enterprises to emerge and thrive. However, the question remains whether social enterprises in Jordan are treated similarly to civil society organizations, whose function and effectiveness to mediate between society and the state remain limited despite reforms, which are widely criticised as being superficial. This raises the additional questions of whether social enterprises in Jordan are able to address social issues, and if so, how, and under what conditions. Thus, the working hypothesis is that the Jordanian government more readily accepts social enterprises as avenues for solving social problems than civil society, which is associated with democratisation. Social entrepreneurship perhaps poses a smaller challenge to state authority because it is associated simply with positive change while accomplishing similar objectives to other civil society organizations.

This thesis addresses the following question: What role do social enterprises play in Jordan's civil society? It discusses the following sub-questions:

- Why and how are social enterprises formed in Jordan?
- What are their sources of financial, material, human, and social capital?
- What, if any, laws and regulations apply to forming and upholding these social enterprises?
- What sources of support are available to social enterprises in Jordan, and conversely, what difficulties do they face?
- Do social enterprises face restrictions from the Jordanian regime, and if so, what are they?
- How do social enterprises use social capital and is social capital impacted by regime repression tactics?

The work is situated in the wider debates about democratization in the region by assessing the impact that regime surveillance tactics have on the development of social capital. This thesis evaluates social entrepreneurship in its political and legal context and is based on fieldwork in Jordan using semi-structured interviews with social entrepreneurs, members of their support networks, and government officials. The focus of this thesis is on the relationship between the state and social enterprises, with particular

emphasis on the role of state surveillance and its impact on social capital. These analyses seek to contribute to the debate on democratization and authoritarianism in the Middle East. While foreign actors and foreign aid mechanisms are discussed, the thesis is not primarily concerned with macro-level evaluation of how the structures of the international political economy influence social enterprises.

### Operationalization

Answering the above listed research questions requires, first, identifying social enterprises in Jordan. Ashoka, Innovators for the Public is one of the key organizations that seeks to foster social entrepreneurship globally. Ashoka has established five criteria of social entrepreneurship to use in deciding whether an individual is a social entrepreneur. Ashoka begins by first identifying candidates who most likely would meet their criteria of possessing ‘social mission, social innovation, social change, entrepreneurial skills, and [entrepreneurial] personality.’<sup>63</sup> Through a rigorous selection process that involves holding interviews and analysing interviewees’ responses, Ashoka determines whether the social entrepreneurship candidates are, in fact, social entrepreneurs. A key factor for determining this is that ‘only this rare amalgam of [the five aforementioned] qualities makes a social entrepreneur.’<sup>64</sup> Ashoka argues that only social entrepreneurs ‘are advanced in all five dimensions, whereas other leaders (social activists, professional innovators, and socially responsible business people) may excel only in some;’<sup>65</sup> this makes it possible to distinguish social entrepreneurs from other civil society actors.

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<sup>63</sup> ‘Five Criteria for the Ashoka Fellowship,’ Ashoka, accessed May 7, 2018, <https://www.ashoka.org/en/program/ashoka-venture-and-fellowship>; R. Praszkie and A. Nowak, ‘Dimensions of Social Entrepreneurship,’ in *Social Entrepreneurship: Theory and Practice* (Cambridge: Cambridge University Press, 2012), 24.

<sup>64</sup> Praszkie and Nowak, ‘Dimensions of Social Entrepreneurship,’ 24.

<sup>65</sup> Praszkie and Nowak, ‘Dimensions of Social Entrepreneurship,’ 25.

This thesis takes a similar approach to identifying social entrepreneurship, albeit using the criteria outlined in the literature review in Chapter One on entrepreneurship and social enterprises. The review establishes that social entrepreneurship involves innovation, assumption of risk and/or uncertainty, autonomy in leadership and decision-making, management and investment of capital, social objectives, and social value creation. Additionally, social entrepreneurship may involve aspects such as a dependency-provision cycle and the cooperation or involvement of society. In order to identify social entrepreneurs, I conducted interviews with persons or organizations that self-identify as social entrepreneurs or social enterprises, as well as with persons or organizations that I identified as possible social entrepreneurs or social enterprises. I also spoke to persons familiar with social enterprises in Jordan, such as university faculty, members of the government, and entrepreneurship support organizations. Through the interviews, I determined whether the persons or organizations in question meet the social entrepreneurship criteria, and how social enterprises function in Jordan.

However, in keeping with the ideals of post-positivism, it is necessary to recognize that the aspects of social entrepreneurship identified in the literature review are rooted in a long tradition of European political and economic thought. It is thus important to remain open to the idea that in an Arab, Islamic, or Middle Eastern social, political, cultural, and economic context, social entrepreneurship may manifest itself differently. To not impose an entirely Western framework, the analysis remained open to the ideas of Jordanian social entrepreneurs and consider how they define social entrepreneurship and its functions. This approach allowed for the discovery of what it means to be a social entrepreneur in Jordan, and the role of social entrepreneurship in Jordan's civil society. Determining what role social enterprises can play will show to what extent they are able to act as agents of social and political change. Crucial to this was examining how the

enterprises function, whether they are able to function independently, and whether they face any restrictions, such as intimidation by security forces or issues with bureaucracy or the legal system.

### Interview Methods

The thesis takes a qualitative, inductive research approach. I conducted primary research in the form of in-person semi-structured interviews with the social entrepreneurs themselves to find out the details of how their enterprises operate. I also spoke to local academics, government officials, members of social entrepreneurship support organisations, and others familiar with social entrepreneurship in Jordan and the region. I identified some potential interviewees through online research; for example, several social enterprises in Jordan have current websites. Other interviewees were selected through the ‘snowball sampling’ process, in which one interviewee may recommend another potential interviewee who is also knowledgeable on the topic. Interviews were conducted between January and April 2018 in Jordan.

The conversational nature of semi-structured interviews allows for open-ended questions and the opportunity to follow relevant topics that may move on from the prepared questions, which can lead to the discovery of information that might not have been revealed using the standardised questions and answers of the structured interview or survey method.<sup>66</sup> I followed an ‘interview guide’ with indicative questions relating to my research questions. This technique aims to give interviewees the freedom to express their views in their own terms and explore issues they feel are important.<sup>67</sup> Semi-structured

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<sup>66</sup> D. Cohen and B. Crabtree, ‘Qualitative Research Guidelines Project,’ July, 2006, <http://www.qualres.org/HomeWhat-3513.html>; R. Longhurst, ‘Semi-Structured Interviews and Focus Groups,’ in *Key Methods in Geography*, ed. N. Clifford, S. French, and G. Valentine (London: Sage, 2010), 103–13.

<sup>67</sup> D. Marsh and G. Stoker, eds., *Theory and Methods in Political Science* (London: Macmillan, 1995).

interviews are particularly useful for exploring complex ideas, experiences, and opinions, especially in sensitive areas. These qualities were useful in my research, as social entrepreneurship is only an emerging concept in Jordan and has not been widely studied.<sup>68</sup> At the same time, I remained as neutral as possible, because keeping myself ‘out of the data’ is an important aspect of post-positivism and allowed me to ‘elicit relatively objective approximations of empirical truth’ that I can use as evidence in my analysis.<sup>69</sup> I conducted the interviews in Arabic or English depending on the preference of the interviewee in order to minimize errors in communication where possible. Many interviewees were proficient in English, but when there was a question of English proficiency, conducting the interviews in Jordanians’ native language aided in avoiding miscommunication errors.

I analysed interview data with the help of NVivo software. The use of NVivo, a computer-assisted qualitative data analysis software, will add another level of analysis to the research in that it will help to identify trends and cross-examine information by classifying, sorting, and arranging relationships found in the transcribed interview data.<sup>70</sup> In keeping with post-positivist methodology, and because interviewing can be combined well with other kinds of data-collection techniques, I consulted written sources such as journalistic accounts, legal documents, and other primary documents, as well as reports of primary research gathered by research institutes and think tanks, to supplement information gathered in the interviews. This accompanying documentary research helped to fill in the gaps in interviewees’ memories and served to cross-check information

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<sup>68</sup> G. Stedward, ‘On the Record: An Introduction to Interviewing,’ in *Surviving the Research Process in Politics*, ed. P. Burnham (London: Pinter, 1997); A. Bryman, *Social Research Methods* (Oxford: Oxford University Press, 2001).

<sup>69</sup> Diana Kapiszewski, Lauren M. MacLean, and Benjamin L. Read, *Field Research in Political Science: Practices and Principles* (Cambridge: Cambridge University Press, 2015), 191.

<sup>70</sup> ‘What is NVivo?’ QSR International, accessed November 11, 2019, <http://www.qsrinternational.com/what-is-nvivo>.

given.<sup>71</sup> This makes cross-checking information imperative so that the analysis will be as accurate as possible. The interview questions are listed in a section of the appendix.

There are some limitations to the data that could be gathered from the interviews. For example, if it had been possible to speak with members of international organizations, a clearer understanding of these organizations' development and civil society goals might have emerged. Additional interviews with Jordanian government officials, particularly higher-ranked officials, might similarly have given more insight into the government's perception of social enterprises. Finally, interviewing journalists and members of other civil society organizations would offer more details on how social enterprises and their work are perceived in Jordan's society and could provide further commentary on how social enterprises and other CSOs compare. These could perhaps be conducted in future research and would contribute to the wider context of authoritarianism and democratization as they could offer insights that did not emerge from the other interviews.

### Ethics

I conducted my interviews in person. They took place either in the interviewee's office, or in a public space such as a café, when it was not possible or desirable for the interviewee to speak to me in his/her office. The interviewee and I determined a mutually agreed safe location. Before beginning the interview, I obtained written consent where possible; this was possible in almost all cases besides the video or phone interviews. In these cases, I obtained oral consent rather than written consent. In the case of providing a written summary, the same principles applied. If it was not possible to provide a written explanation, I provided an oral explanation of everything in the written statement. Oral

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<sup>71</sup> Kapiszewski, et al., *Field Research in Political Science*.

consent was recorded and stored securely on my university (J) drive separately from the interview recording, and inaccessible from my personal laptop.

I made my interviewees aware of my research topic and that the information they provided would be used to develop my PhD thesis at Durham University. I also explained to them my connection to the Economic and Social Research Council since I received studentship funding for the research. My interviewees had the option to withdraw from (end) the interview at any time or to retract specific statements. I anonymised interviewees' information automatically due to the sensitive nature of the topic of regime surveillance, and each interviewee was assigned a randomly generated number-letter code to be used in the thesis text instead of their name. A key to the code is made available only to the examiners for the viva and will not be included in the formal thesis submission. This coding method protects interviewees' information while still allowing for an analysis and understanding of how the information given fits into the research questions.

There is nothing particularly problematic about studying social entrepreneurship in Jordan. Much of the information about entrepreneurs is public; for example, on their own websites or in articles by the *Jordan Times*. However, in the case that any of the interviewees expressed discontent with or criticism of the government, the monarchy, an international organization or a funding agency, or any other group on which they rely or criticism of whom may influence their projects in any way, this information needed to be handled carefully and securely. Further, the progression of the thesis to the discussion of how the regime uses surveillance measures required anonymization of interview information. Following the interviews, I transferred the recordings from the voice recorder to a separate device and deleted it from the recorder. A list that identifies the interviewees with the recordings was kept separately and made unidentifiable by name, with a random number code attributed to the interviewee and his/her recording. I offered

to give interviewees a copy of my notes. Automatically sending the notes to them may have negative effects for the interviewees as a written statement may end up in the wrong hands. If the interviewee agreed to having a written record of the interview, then I gave them a copy of my notes.

For the further protection of my interviewees, I deleted/destroyed data containing personal details that would lead to the identification of interviewees (e.g. their email addresses, telephone numbers, physical addresses, etc but not consent forms) as soon as possible. I retained contact details only until the interviewee participated in the study, or until they informed me that they did not wish to participate. If an interviewee indicated that they would like to receive a copy of my notes or the research findings at the end of the study, then I retained their contact details until this information was sent out. I also adhered to the University of Durham Data Protection Policy,<sup>72</sup> the ESRC Framework for Research Ethics,<sup>73</sup> and the European General Data Protection Regulations (GDPR) during this study. During data analysis abroad, the laptop was off-line to prevent hacking. On completion of the analysis, I transferred the data from my laptop to my university (J) drive and deleted it from my laptop, which ensured that the information was kept securely but separately from me. This was especially important since I was not allowed to carry my laptop on my person on my return from Jordan to the United Kingdom due to recently implemented aviation security regulations.

## **Chapterisation**

The primary difficulty in studying entrepreneurship arises in ascertaining a definition for these organizations, as there is a multitude of conflicting definitions in the

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<sup>72</sup> 'Data Protection Policy,' Durham University, February 2018, <https://www.dur.ac.uk/ig/policies/dppolicy/>.

<sup>73</sup> 'Research Ethics,' Economic and Social Research Council, accessed October 1, 2017, <http://www.esrc.ac.uk/funding/guidance-for-applicants/research-ethics/>.

literature. Chapter One reviews classical entrepreneurship studies and addresses this difficult question. Following a review of conceptualizations of entrepreneurship from Richard Cantillon to Joseph Schumpeter and beyond, the chapter identifies aspects of entrepreneurship consistent throughout the literature which can be used to definitively distinguish enterprises from other organizations. These characteristics are innovation, assumption of risk and/or uncertainty, autonomy in leadership and decision-making, and management and investment of capital. Next, the chapter explores the first mentions of the 'social' aspect of social entrepreneurship, from Cyril Belshaw's idea of the social entrepreneur as agent of social change to Gregory Dees' assessment that social enterprises necessarily depend on the use of social capital. The chapter thus identifies social objectives and social value creation as the defining characteristics of social entrepreneurship, which distinguish it from other types of entrepreneurship. Finally, the chapter outlines characteristics of social entrepreneurship that are non-essential, but which can define its function in some cases. These are a dependency-provision cycle and the cooperation and/or involvement of society. The chapter emphasizes the importance of social capital social entrepreneurship and outlines the ways in which different types of social capital are theorized to aid democratization or lead to authoritarian retrenchment.

Chapter Two reviews the domestic and international relations of the Kingdom of Jordan. It shows how successive monarchs, including the current King Abdullah II, have had to carefully balance international policies with citizen demands, tribal divisions, and economic problems. During times of social unrest or in an effort to appease international donors, the regime has implemented either more repressive or more liberal policies, while simultaneously dealing with various refugee crises and high youth unemployment. The chapter also outlines the relationship between Jordan's monarchy and civil society and the ways in which the regime has allowed for a degree of citizen participation while

maintaining its power and stability and appeasing international aid donors who expect democratization efforts. The state's heavy reliance on international aid restricts its policy options both at home and abroad.

Chapter Three outlines the nature of social entrepreneurship in Jordan and identifies and defines two distinct types of social enterprises. Each type has distinct qualities that affects its role in Jordan's socio-political landscape. The first type, structural transformation-based social enterprises (STSEs) focuses on addressing structural social issues. They focus on self-sustainability and continuity and employ independent or hybrid funding models to avoid dependence on international or domestic aid sources. Instead, they rely on social capital to succeed and aim to incorporate their goals into the community to change community norms. In contrast, product-and service-oriented social enterprises (PSSEs) focus on providing a specific good or service which the founders hope will address a certain social need in the short term. PSSEs depend on foreign and domestic grants and loans, much as non-governmental organizations do, and often struggle to maintain ongoing funding sources. This chapter outlines STSEs' objectives, funding models, use of 'targeted creative reorganization,' the challenges they face, and their resiliency tactics. It then explains PSSEs' formation process and how they are impacted by their reliance on the entrepreneurship ecosystem. STSEs are better able to address community needs and act as independent organizations due to their non-reliance on external funding sources, which allows them to formulate their objectives and implement their plans freely. PSSEs are dependent on their financial benefactors, and therefore cannot implement long-term plans, but they have some potential to make advances in small-business creation.

Studies of social entrepreneurship in the Middle East and North Africa have taken a positive and hopeful approach and evaluated it based on its potential to effect change in

various areas that governments will not, or cannot, address. When evaluating the role of social enterprises as members of Jordan's civil society, it is however not their theoretical potential that matters, but rather their actual ability to achieve their goals as community-responsive actors. Thus, Chapter Four, Five, and Six take a critical approach to social entrepreneurship.

Through the lens of social capital theory and its criticisms, Chapter Four analyses how the international community's implicit support for social capital creation actually restricts social enterprises' spheres of operation and influence. It provides an overview of social capital theory, showing the utility and the negative effects of social capital, outlines Jordan's political economy and the regime's strategies for security, within which international aid programmes operate and to which social capital development is subject. The chapter shows how foreign aid impacts Jordan's civil society, and more specifically, social entrepreneurship. The chapter assesses the role of foreign actors in the Jordanian social entrepreneurship ecosystem and concludes that the international community contributes to the confinement of the political space in Jordan. External aid for social entrepreneurship implicitly promotes a development strategy that relies on social capital, because social capital constitutes a defining aspect of social entrepreneurship. This is problematic because the utility of social capital in development remains disputed. Instead of supporting economic growth and political participation, international actors may instead be supporting a strategy that has been shown to be exclusionary, perpetuate the status quo, and promote only the 'correct' kind of association, all while emphasizing the obligation of individuals to solve their own problems. These issues raise the question of the role of social capital in authoritarian regimes, where government surveillance is prevalent.

Chapter Five analyses how the Jordanian regime uses administrative power and surveillance to devise various tactics for dictating social enterprises' political space, as is evident in its interactions with and influence over and social enterprises. The Jordanian government uses soft power through bureaucratic obstacles during the registration process; oversight in the form of 'awards', working with enterprises through royal NGOs, and even co-optation; and controlling the availability of foreign funds to regulate the work of social enterprises. From the government's use of administrative power and establishment of permissible and restricted activities, a clear hierarchy of social enterprises emerges. The more closely a social enterprise is affiliated with the government, the more it is tolerated, because the government exercises more management over it. Conversely, the more independent a social enterprise is, the less it is tolerated and subjected to greater repression methods, because the government must attempt to exercise more control. The emergence of social enterprises has prompted a mixed response of both toleration and repression from the government, creating a tension between social enterprises and the regime. The government's response thus far has been a mix of state-led top-down control and toleration of government-affiliated (and to some degree managed) social enterprises. Thus, the chances of social enterprises achieving their objectives without external interference and functioning as truly community-responsive organizations, rather than being beholden to the demands of the regime, are slim. Most Jordanian social enterprises are ultimately extensions of the regime's neopatrimonial rule, and only select few function independently.

Having established the role of state surveillance in Jordan, Chapter Six examines to what extent the regime's surveillance tactics penetrate civil society. The chapter focuses on the effect this has on social entrepreneurship by analysing the relationship between regime surveillance, the development or destruction of social capital, and the

political liberalization process. The chapter begins with an outline of the ways in which social enterprises can theoretically support progress in political liberalization. It then describes the types of social capital, i.e. positive, negative, bonding, bridging, structural, and cognitive social capital. Next, the chapter discusses how state support or involvement with social enterprises and social capital can build hierarchical associational relationships instead of social networks that lead to political empowerment. The chapter takes a structural-institutional approach to social capital analysis. It does not discuss cognitive aspects of social capital due to the difficulty in determining this from the existing interview data. Through the structural-institutional approach, it is possible to determine that structural social capital comprises the rules, regulations, and procedures that can aid, but also hinder, mutually beneficial collective action that, according to the 'Putnam School,' would lead to a process of democratization. The chapter examines the relationship between public administration, surveillance, and civil liberties and argues that pervasive state surveillance negatively impacts social capital development. The chapter shows how the pathway from social capital development to democratization is compromised with state surveillance. When social capital is restricted and directed by a top-down process, there is no progress in political liberalization.

# Chapter 1: Understanding Social Entrepreneurship

## Introduction

Entrepreneurship studies have been wrought with several problems, as Gartner,<sup>74</sup> Koppl and Minniti,<sup>75</sup> and Alvarez<sup>76</sup> have demonstrated. First, within much of the literature, definitions of the entrepreneur have been vague, or missing entirely. Second, few studies use the same definition or even the same criteria to evaluate entrepreneurship. Third, due to the variation in definition, so many different qualities have been attributed to the entrepreneur that, if all proposed definitions were correct, the entrepreneur would be superhuman and full of contradictions. While a range of definitions has added richness to the field, it has also denied it a common theoretical framework.

The word *entrepreneur* first appeared in fifteenth-century French, and is defined simply as ‘celui qui entreprend quelque chose,’ or ‘someone who undertakes something.’<sup>77</sup> Over time, the term came to be used more widely in the study of economics and, until the end of the 1940s and beginning of the 1950s, the standard textbook definition of the entrepreneur’s function was that of ‘making fundamental policy decisions in an enterprise,’ including decisions on the combination of productive factors, the quantity and variety of goods to produce, price policies, and potential financing or refinancing of the enterprise.<sup>78</sup>

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<sup>74</sup> William Gartner, ‘“Who is an Entrepreneur?” Is the Wrong Question,’ *American Journal of Small Business* (Spring 1988): 11-32.

<sup>75</sup> R. Koppl and M. Minniti, ‘Market Processes and Entrepreneurial Studies,’ in *Handbook of Entrepreneurship Research* ed. Z. Acs and D. Audretsch (Kluwer Press International, 2003), 81-102.

<sup>76</sup> S. Alvarez, ‘Theories of Entrepreneurship,’ *Foundations and Trends in Entrepreneurship* 1, no. 3 (2005): 105-148.

<sup>77</sup> E. Littré, ‘Entrepreneur,’ in *Dictionnaire de la Langue Française* (Paris: L. Hachette, 1873), electronic version created by François Gannaz, [www.littre.org/definition/entrepreneur](http://www.littre.org/definition/entrepreneur). See also B. Hoselitz, ‘The Early History of Entrepreneurial Theory,’ *Explorations in Entrepreneurial History* 3, no. 4 (1951): 193-220.

<sup>78</sup> O. Smalley, ‘Variations in Entrepreneurship,’ *Explorations in Entrepreneurial History* 1, no. 3 (1964): 250.

There does appear to be a common emphasis on the entrepreneur as a dynamic rather than passive actor; however, this would be a vague and insufficient definition for what is so complex a subject that it has generated this degree of contrariety. Historically, entrepreneurship has also been consistently associated with leadership. In the earliest literature, royalty, military leaders, and even merchants were considered entrepreneurial because they subjected themselves to risk in a way that others did not, and at the same time positioned themselves to gain significant political, personal, or economic benefits.<sup>79</sup>

Traditionally, scholars have analysed the entrepreneur as operating within an economic market, describing the entrepreneur variously as a risk-taker; the supplier of financial capital; an innovator; a decision maker; an industrial leader; a manager, supervisor, and organizer; and the owner of an enterprise, the employer of production factors, or the contractor, among others. In short, the entrepreneur 'is a difficult person to pin down.'<sup>80</sup> Regardless, some overarching themes of entrepreneurship have emerged from the literature. Most authors agree that entrepreneurship involves assumption of risk and/or uncertainty, innovation, decision-making and leadership, and management and investment of capital. This review thus begins by examining the seminal ideas of classical writers associated with one of the aspects of economic entrepreneurship mentioned above. It then addresses the question of 'who' may be an entrepreneur. From there the review progresses to an examination of literature that has emerged which has identified entrepreneurship as inherently 'social.' The themes emerging from the review will inform the working definition of social entrepreneurship for this thesis.

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<sup>79</sup> R. Hébert and A. Link, 'Historical Perspectives on the Entrepreneur,' *Foundations and Trends in Entrepreneurship* 2, no. 4 (2006): 9-10.

<sup>80</sup> Hébert and Link, 'Historical Perspectives on the Entrepreneur,' 4.

## Critical Aspects of the Entrepreneur in Economic Theory

### Assumption of Risk and/or Uncertainty

The English term for an entrepreneur, 'undertaker,' at first referred to someone who set out to complete a project or job, but the concept evolved into that of government contractor. This was someone who performed a government task at his own financial risk. Over time, the connection to the government was dropped, and the term designated 'someone involved in a risky project from which an uncertain profit might be derived.'<sup>81</sup>

Richard Cantillon established the entrepreneur as one who assumes risk and/or uncertainty in his work *Essai sur la nature du commerce en general*, first published in 1755. Cantillon's entrepreneur is 'an arbitrageur, an individual that equilibrates supply and demand in the economy, and in this function bears risk or uncertainty.'<sup>82</sup> Cantillon described uncertainty as all those 'unknowable' things inherent in the economic market, which are now understood to be 'Knightian uncertainty.' Thus, in Cantillon's work, there is a direct link between entrepreneurship and uncertainty, a condition which he understood to be inherent in the economic system.<sup>83</sup>

Another crucial development in the theory of uncertainty and risk in entrepreneurship emerged in Frank Knight's early 20<sup>th</sup> century work. Knight explicitly argues that the entrepreneur exercises judgment over uncertainty and functions as a sort of insurance agent. Knight's entrepreneurs are company owners who receive profits. The entrepreneur initiates innovations or other useful changes, adapts to changes in the environment, and, most distinctively, assumes the consequences of uncertainty and risk.<sup>84</sup> According to Knight, management does not imply entrepreneurship, but a manager

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<sup>81</sup> B. Hoselitz, 'The Early History of Entrepreneurial Theory,' in *Essays in Economic Thought: Aristotle to Marshall*, ed. J.J. Spengler and W. R. Allen (Chicago: Rand McNally, 1960), 240-242.

<sup>82</sup> J. Iversen, R. Jørgensen, and N. Malchow-Møller, 'Defining and Measuring Entrepreneurship,' *Foundations and Trends in Entrepreneurship* 4, no. 1 (2008): 4.

<sup>83</sup> R. Cantillon, *Essai sur la nature du commerce en general*, ed. H. Higgs (London: Macmillan, 1931); Hébert and Link. 'Historical Perspectives on the Entrepreneur,' 17-20.

<sup>84</sup> Iversen, Jørgensen, and Malchow-Møller, 'Defining and Measuring Entrepreneurship,' 6-7.

becomes an entrepreneur when his work requires exercising ‘judgment involving liability to error.’<sup>85</sup> Knight took the same approach as Cantillon; both writers stressed that the essence of entrepreneurship is not found in whether an entrepreneur owns capital. As Knight wrote, ‘the only “risk” which leads to [entrepreneurial] profit is a unique uncertainty resulting from an exercise of ultimate responsibility which in its very nature cannot be insured nor capitalized nor salaried.’<sup>86</sup>

One of Knight’s most important contributions was to clearly distinguish between the concepts of insurable risk and non-insurable uncertainty. He argued that previous theories about the entrepreneur and risk or uncertainty were ambiguous because they did not distinguish sufficiently between the two concepts. Knight wrote that ‘risk’ refers to a measurable quantity, i.e. the objective probability that an event will happen; risk is not an uncertainty because it can be shifted from the entrepreneur to another entity by an insurance contract. On the other hand, ‘uncertainty,’ often confused with risk, is an unmeasurable factor such as the inability to predict consumer demand.<sup>87</sup> Recent literature, including a clarifying work by Sharon Alvarez,<sup>88</sup> makes three distinctions where Knight made two. ‘Risk’ refers to situations where the probability of possible outcomes is calculable and known. ‘Uncertainty’ occurs when possible outcomes are known but their probability distribution is not known. Entrepreneurs face ‘radical uncertainty’ in situations in which possible outcomes are neither known nor knowable.<sup>89</sup>

Other writers who agreed with Cantillon’s and Knight’s assessment that risk and uncertainty are defining aspects of entrepreneurship are Johann Heinrich von Thünen,<sup>90</sup>

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<sup>85</sup> F.H. Knight, *Risk, Uncertainty and Profit* (New York: Houghton Mifflin, 1921), 276.

<sup>86</sup> Knight, *Risk, Uncertainty and Profit*, 310.

<sup>87</sup> Hébert and Link, ‘Historical Perspectives on the Entrepreneur,’ 88.

<sup>88</sup> S. Alvarez, ‘Theories of Entrepreneurship,’ *Foundations and Trends in Entrepreneurship* 1, no. 3 (2005), 105-148.

<sup>89</sup> Hébert and Link, ‘Historical Perspectives on the Entrepreneur,’ 89.

<sup>90</sup> J.H. von Thünen, ‘The Isolated State in Relation to Agriculture and Political Economy,’ in *The Frontier Wage*, trans. B. W. Dempsey (Chicago: Loyola University Press, 1960), 187–368.

Hans von Mangoldt,<sup>91</sup> Frederick Hawley,<sup>92</sup> Herbert Davenport,<sup>93</sup> Ludwig von Mises,<sup>94</sup> Arthur Cole,<sup>95</sup> and George L.S. Shackle.<sup>96</sup>

### Innovation

Baudeau and Schumpeter established the idea that the entrepreneur is innovative. Abbe Nicolas Baudeau developed a theory of entrepreneurship describing the entrepreneur as innovative and able to apply new ideas to reduce costs and increase profits.<sup>97</sup> He and his colleagues known as the ‘Physiocrats’ were convinced that profit opportunities would create desirable innovations with the availability of the right knowledge, an idea which foreshadowed Schumpeter’s own thinking, in particular the concept of ‘creative destruction.’<sup>98</sup>

Most modern theories of entrepreneurship assume the qualities that Joseph Schumpeter outlined in his seminal work. He opposed the view of the entrepreneur as simply risk-bearer and company-manager. He instead argued that the entrepreneur is principally an innovator: an individual who creates a new good or quality; creates a new production method; opens a new market; captures a new supply source; or creates a new organization or industry.<sup>99</sup> For Schumpeter, the entrepreneur is the main instrument of change, the one who disturbs the status quo through a process of ‘creative destruction.’ Over time, the ‘new’ becomes part of the ‘old.’ According to Schumpeter, ‘everyone is

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<sup>91</sup> H. von Mangoldt, ‘The Precise Function of the Entrepreneur and the True Nature of Entrepreneur’s Profit,’ in *Some Readings in Economics*, ed. F.M. Taylor (Ann Arbor, MI: George Wahr, 1907), 34–49.

<sup>92</sup> F.B. Hawley. ‘The Fundamental Error of Kapital and Kapitalzins,’ *Quarterly Journal of Economics* 6 (1892): 280-307.

<sup>93</sup> H. Davenport, *Economics of Enterprise* (New York: Macmillan, 1913).

<sup>94</sup> L. von Mises, *Human Action: A Treatise on Economics* (New Haven, CT: Yale University Press, 1949).

<sup>95</sup> A.H. Cole, ‘Entrepreneurship and Entrepreneurial History,’ in *Change and the Entrepreneur*, prepared by the Research Center in Entrepreneurial History (Cambridge, MA: Harvard University Press, 1949), 85-107.

<sup>96</sup> G.L.S. Shackle, *Uncertainty in Economics* (Cambridge: Cambridge University Press, 1955).

<sup>97</sup> N. Baudeau, *Premiere introduction à la philosophie economique*, ed. A. Dubois (Paris: P. Geuthner, 1910).

<sup>98</sup> Hébert and Link, ‘Historical Perspectives on the Entrepreneur,’ 24-26.

<sup>99</sup> Iversen, Jørgensen, and Malchow-Møller, ‘Defining and Measuring Entrepreneurship,’ 6.

an entrepreneur only when he actually “carries out new combinations,” and loses that character as soon as he has built up his business, when he settles down to running it as other people run their businesses.’<sup>100</sup> The appeal of Schumpeter’s theory lies in its simplicity and power, which can be summarised in the phrase, ‘the carrying out of new combinations we call “enterprise;” the individual whose function it is to carry them out we call “entrepreneurs.”’<sup>101</sup>

Following Schumpeter, Jeremy Bentham and Johann Heinrich von Thünen also emphasized the entrepreneur’s innovative nature. Bentham wrote that entrepreneurs are ‘talented individuals whose imagination and inventiveness have been responsible for the progress of nations.’<sup>102</sup> He viewed entrepreneurs as innovators whose work is responsible for the development of human progress. In his view, entrepreneurs ‘create utility’ by creating new products or ‘in meliorating the quality, or diminishing the expense, of any of those which are already known to us.’<sup>103</sup> Von Thünen’s work marked a significant advancement in entrepreneurial theory in that he viewed the entrepreneur as both risk-bearer and innovator. The entrepreneur bears the anxiety that accompanies his ‘business gamble,’ but von Thünen argued that this anxiety leads to productive thoughts about his plans and solutions for avoiding failures. Additionally, von Thünen wrote, ‘the entrepreneur through his troubles will become an inventor and explorer in his field.’<sup>104</sup>

Israel Kirzner based his approach to entrepreneurship on Ludwig von Mises’ idea of the market as an entrepreneurial process, the notion that the marketplace contains a learning process, and the argument that entrepreneurial activities are creative acts of

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<sup>100</sup> J. Schumpeter, *The Theory of Economic Development*, trans. R. Opie from the 2<sup>nd</sup> German edition [1926] (Cambridge: Harvard University Press, 1934), 78.

<sup>101</sup> Schumpeter, *The Theory of Economic Development*, 74.

<sup>102</sup> Hébert and Link, ‘Historical Perspectives on the Entrepreneur,’ 43-44.

<sup>103</sup> J. Bentham, *Jeremy Bentham’s Economic Writings*, ed. W. Stark (London: Allen & Unwin, 1952), 170.

<sup>104</sup> von Thünen, ‘The Isolated State,’ 248.

discovery.<sup>105</sup> He viewed the economy as being in a constant state of disequilibrium in which economic agents suffer from ‘utter ignorance’ of various information which may or may not be available to them.<sup>106</sup> In this environment, the entrepreneur’s function is to be alert and to discover and exploit new opportunities.

### Decision-Making and Leadership

Several writers include the theme of decision-making in their work on entrepreneurship. In his *Principles of Economics*, Carl Menger established a distinctive school of economic thought which focuses on the subjectivist act of human valuation, meaning that economic change arises from individuals’ understanding of circumstances, not the circumstances themselves. Menger’s theory relies on the role of knowledge in individual decisions, and thus his entrepreneur uses his calculating and decision-making abilities to align productive resources over time. Menger wrote that the entrepreneur’s activities include gaining knowledge about the economic situation, cost-production calculations to maximise efficiency, assigning production processes, and supervising the production plan.<sup>107</sup>

Friedrich von Wieser added to Menger’s ideas, which heavily influenced him. He expanded on the entrepreneur’s dimensions, among them leadership and alertness. Von Wieser wrote that the entrepreneur directs an economic enterprise and that ‘he supplies not only the necessary capital but originates the idea, elaborates and puts into operation the plan, and engages collaborators. When the enterprise is established, he becomes its

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<sup>105</sup> I.M. Kirzner, *Discovery and the Capitalist Process* (Chicago: University of Chicago Press, 1985).

<sup>106</sup> Iversen, Jørgensen, and Malchow-Møller, ‘Defining and Measuring Entrepreneurship,’ 9.

<sup>107</sup> C. Menger, *Principles of Economics*, trans. J. Dingwall and B. F. Hoselitz (Glencoe, IL: Free Press, 1950), 160.

manager technically as well as commercially.’<sup>108</sup> He also described entrepreneurs as ‘bold technical innovators, organizers with a keen knowledge of human nature.’<sup>109</sup>

Alfred Marshall, who dominated British theoretical economics at the beginning of the 20<sup>th</sup> century, was influenced by the biological evolution principles of Charles Darwin. Marshall argued that the skill and ability of the entrepreneur are shaped by the economic struggle for survival created by the competitive market. He understood the entrepreneur to be a business manager, but by this he meant more than simply superintendence, arguing that business managers emerge from a process of specialization and division of labour similar to the evolutionary process.<sup>110</sup>

Various authors have also described the entrepreneur specifically as a leader in some form, whether as manager, superintendent, organizer, employer, or contractor. In *Principles of Political Economy*, John Stuart Mill established the entrepreneur as a manager or superintendent – one who has direction and control over the enterprise.<sup>111</sup> Leon Walras similarly characterized the entrepreneur as the coordinator of resources in *Elements of Pure Economics*.<sup>112</sup> François Quesnay’s entrepreneur is the independent owner of a business, one who ‘manages and makes his business profitable by his intelligence and his wealth.’<sup>113</sup> Jean-Baptiste Say describes the entrepreneur as the main agent of production and distribution in the economy; he is the manager of a firm, yet separate from the capitalist.<sup>114</sup> Say also wrote that the entrepreneur’s most distinguishing quality is to have ‘good judgment,’ a term closely associated with leadership today.<sup>115</sup>

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<sup>108</sup> F. von Wieser, *Social Economics*, trans. A.F. Hindrichs (New York: Adelphi, 1927), 324.

<sup>109</sup> von Wieser, *Social Economics*, 327.

<sup>110</sup> A. Marshall, *Principles of Economics* (London: Macmillan, 1920).; Iversen, Jørgensen, and Malchow-Møller, ‘Defining and Measuring Entrepreneurship,’ 4-5; and Hébert and Link., ‘Historical Perspectives on the Entrepreneur,’ 70-71.

<sup>111</sup> J.S. Mill, *Principles of Political Economy*, ed. W.J. Askley (New York: Augustus M. Kelley, 1965).

<sup>112</sup> L. Walras, *Elements of Pure Economics*, trans. W. Jaffe (Homewood, Ill.: Richard D. Irwin, Inc., 1954).

<sup>113</sup> F. Quesnay, *Oeuvres Economiques et Philosophiques*, ed. A. Oncken (Frankfurt: M. J. Baer, 1888).

<sup>114</sup> J.B. Say, *Cours Complet d’Economie Politique Pratique* (Paris: Guillaumin, 1840).

<sup>115</sup> Iversen, Jørgensen, and Malchow-Møller, ‘Defining and Measuring Entrepreneurship,’ 4.

Other authors whose works attribute decision-making and leadership qualities to the entrepreneur are Amasa Walker<sup>116</sup> and his son, Francis Amasa Walker,<sup>117</sup> Arthur Cole,<sup>118</sup> George L.S. Shackle,<sup>119</sup> and Theodore Schultz.<sup>120</sup>

### Management and Investment of Capital

Adam Smith established the entrepreneur as the person who supplies financial capital.<sup>121</sup> He considered the ‘undertaker’ to be a ‘prudent man’ who accumulates capital because he is frugal; in this way, he encourages slow but steady progress.<sup>122</sup> Ludwig von Mises and Amme-Robert Jacques Turgot are among other scholars who emphasize that entrepreneurs supply financial capital, and most contemporary work assumes this attribute. Notably, Turgot’s contribution was to establish capital ownership as a separate economic function. He wrote that a capitalist does not need to be an entrepreneur, but that one cannot be an entrepreneur without being a capitalist.<sup>123</sup> The different forms of capital which an entrepreneur may manage and invest in are financial capital, physical capital, human capital, and social capital, defined below:

1) *financial capital* - Resources measured in terms of money with which the organization’s assets are acquired and its operations are funded.<sup>124</sup>

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<sup>116</sup> A. Walker, *The Science of Wealth* (Boston: Little, Brown, 1866).

<sup>117</sup> F.A. Walker, *The Wages Question* (New York: Henry Holt, 1876).

<sup>118</sup> Cole, ‘Entrepreneurship and Entrepreneurial History.’

<sup>119</sup> Shackle, *Uncertainty in Economics*.

<sup>120</sup> T.W. Schultz, ‘The Value of the Ability to Deal with Disequilibria,’ *Journal of Economic Literature* 13 (1975): 827-846.

<sup>121</sup> A. Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, ed. R.A. Campbell and A. S. Skinner. Oxford: Oxford University Press, 1976.

<sup>122</sup> A. Smith, *The Theory of Moral Sentiments*, ed. D.D. Raphael and A.L. Macfie (Oxford: Oxford University Press, 1976), 215.

<sup>123</sup> A.R.J. Turgot, *The Economics of A. R. J. Turgot*, ed. and trans. P.D. Groenewegen (The Hague: Martinus Nijhoff, 1977).

<sup>124</sup> Business Dictionary, ‘Financial Capital,’ <http://www.businessdictionary.com/definition/financial-capital.html>.

2) *physical capital* – Tangible assets, such as machinery, construction supplies and office buildings, that are used somehow in production.<sup>125</sup>

3) *human capital* – Renewable resource of capital, such as knowledge, skills, motivation, and creativity, which is owned by individuals, but which contributes to the organization's activities.<sup>126</sup>

4) *social capital* - Entrepreneurs are known to 'mobilize the resources of others to achieve their entrepreneurial objectives.'<sup>127</sup> This is also known as social capital, which refers to the actual or potential resources accessible and acquired through a network of social connections.<sup>128</sup>

#### Entrepreneur: Identity or Function?

There has been some debate regarding the entrepreneur's identity and whether s/he is one person, a group of people, or an organization.

Although the classical scholars were less explicit about this point, they generally agreed that the term 'entrepreneur' may be applied widely to various actors and is not restricted to a single person or a businessperson. For example, Richard Cantillon wrote that even beggars could be entrepreneurs, so long as they faced some type of uncertainty.<sup>129</sup> Ludwig von Mises offered an even more expansive definition of the

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<sup>125</sup> Business Dictionary, 'Physical Capital,' <http://www.businessdictionary.com/definition/physical-capital.html>.

<sup>126</sup> Business Dictionary, 'Human Capital,' <http://www.businessdictionary.com/definition/human-capital.html>.

<sup>127</sup> J. Gregory Dees, 'The Meaning of "Social Entrepreneurship,"' *Duke Innovation and Entrepreneurship* (30 May 2001), <https://entrepreneurship.duke.edu/news-item/the-meaning-of-social-entrepreneurship/>.

<sup>128</sup> This definition is based on Phillip H. Kim and Howard E. Aldrich, 'Social Capital and Entrepreneurship,' *Foundations and Trends in Entrepreneurship* 1, no. 2 (2005): 55-104; P. Bourdieu, 'The Forms of Capital,' in *Handbook of Theory and Research for the Sociology of Education*, ed. JG Richardson (New York: Greenwood Press, 1985), 241-258; Alejandro Portes, 'Social Capital: Its Origins and Applications in Modern Sociology,' *Annual Review of Sociology* 24 (1998): 1-24; Francis Fukuyama, 'Social Capital, Civil Society, and Development,' *Third World Quarterly* 22, no. 1 (2001): 7-20; and Paul S. Adler and Seok-Woo Kwon, 'Social Capital: Prospects for a New Concept,' *Academy of Management Review* 27, no. 1 (2002): 17-40.

<sup>129</sup> Hébert and Link, 'Historical Perspectives on the Entrepreneur,' 17-20.

entrepreneur. He said that ‘every actor is always an entrepreneur’ because participants in the actual economy must make choices and deal with uncertainties, which he generalized to all market activities.<sup>130</sup> Theodore Schultz extended the idea to include non-market activities such as household decisions or time allocation. Considering this, entrepreneurs could be any labourer reallocating his or her services: students, home-makers, and consumers reallocating their time or efforts.<sup>131</sup> To Amasa Walker, the entrepreneur was an employer, manager, projector, businessman, merchant, farmer, or ‘what-ever else he may be called whose services are indispensable.’<sup>132</sup> Jeff Skoll agreed, writing that not only governments, corporations, or high-level officials ‘are in a position to determine where and how resources are allocated.’<sup>133</sup> Schumpeter elaborated that the entrepreneur is not necessarily ‘a single physical person’ and that ‘every social environment has its own ways of filling the entrepreneurial function.’<sup>134</sup> More recent work has established that even an entire government may be entrepreneurial.<sup>135</sup>

Fredrik Barth clarified this debate when he wrote that the word describes ‘an *aspect of a role*: it relates to actions and activities, ... [and] it characterises a certain quality or orientation.’<sup>136</sup> As Gartner wrote, because entrepreneurship consists of a set of behaviours, ‘it is something one does rather than something one is.’<sup>137</sup> Similarly, Peredo and McLean argued that the characteristics of entrepreneurship ‘could be thought of as

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<sup>130</sup> von Mises, *Human Action: A Treatise on Economics*, 253.

<sup>131</sup> Schultz, ‘The Value of the Ability to Deal with Disequilibria,’ 832.

<sup>132</sup> Walker, *The Science of Wealth*, 279.

<sup>133</sup> J. Skoll, ‘Preface,’ in *Social Entrepreneurship: New Models of Sustainable Social Change* ed. Alex Nicholls (Oxford: Oxford University Press, 2006), v.

<sup>134</sup> J. Schumpeter, ‘Economic Theory and Entrepreneurial History,’ in *Essays on Entrepreneurs, Innovations, Business Cycles, and the Evolution of Capitalism*, ed. by R.V. Clemence (Oxford: Transaction Publishers, 1951), 260.

<sup>135</sup> A.N. Link and J.R. Link, *Government as Entrepreneur* (Oxford: Oxford University Press, 2009), 4.

<sup>136</sup> F. Barth, ‘Introduction,’ in *The Role of the Entrepreneur in Social Change in Northern Norway*, ed. Fredrik Barth (Bergen: Norwegian Universities Press, 1963), 6.

<sup>137</sup> Gartner. “Who is an Entrepreneur?” Is the Wrong Question.’

roles in a performance; roles which may be split and/or shared.’<sup>138</sup> Because of this, Drucker added, everyone ‘can learn to be an entrepreneur and to behave entrepreneurially.’<sup>139</sup>

This means that ‘being an entrepreneur’ is a phrase that refers to a person’s, group’s, or organization’s function and behaviours rather than describing their identity or profession. Because its ‘membership’ is not limited to any one profession or sector of society, entrepreneurship is a broad and far-reaching concept: Any person, any group, any organization, any movement, or even any society, may be entrepreneurial as long as they carry out the functions of entrepreneurship described previously.

### **Critical Aspects of the Social Entrepreneur**

Beginning in the mid-1950s, some scholars tentatively began to apply the concepts of the entrepreneur to spheres beyond the strictly economic model. Cyril Belshaw was perhaps the first to establish the position of the entrepreneur as influencing society beyond economic developments. He wrote that entrepreneurs both represent and influence the direction of social change, because ‘their values and methods are a reflection of the synthesis between old and new that is the developing culture.’<sup>140</sup> Belshaw argued that scholarship must determine what constitutes the ‘business’ of social entrepreneurship in each case study of the entrepreneur as agent of social change.<sup>141</sup> Described below are aspects of social entrepreneurship that appear consistently in the literature.

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<sup>138</sup> Ana Maria Peredo and Murdith McLean, ‘Social Entrepreneurship: A Critical Review of the Concept,’ *Journal of World Business* 41 (2006): 64; see also A. Stewart, *Team Entrepreneurship* (Newbury Park: Sage Publications, 1989).

<sup>139</sup> Peter F. Drucker, *Innovation and Entrepreneurship* (London: Elsevier Ltd, 2010), 23.

<sup>140</sup> C.S. Belshaw, ‘The Cultural Milieu of the Entrepreneur: A Critical Essay,’ *Explorations in Entrepreneurial History* 7, no. 3 (1955): 146.

<sup>141</sup> Belshaw, ‘The Cultural Milieu of the Entrepreneur,’ 147.

## Social Objectives

The most distinguishing feature of social entrepreneurship is that a social mission forms a part of the objectives of the enterprise. Although a number of innovations address social needs, the ‘distribution of financial and social value [is] tilted toward society’ only for social innovations.<sup>142</sup> A social innovation can be ‘a product, production process, or technology (much like innovation in general), but it can also be a principle, an idea, a piece of legislation, a social movement, an intervention, or some combination of them.’<sup>143</sup> Peredo and McLean outlined a range of ways in which social objectives can feature in an enterprise, and conclude that ‘there appears to be a continuum of possibilities, ranging from the requirement that social benefits be the only goal of the entrepreneurial undertaking to the stipulation merely that social goals are somewhere among its aims.’<sup>144</sup> This changes the way in which social entrepreneurs assess opportunities, because instead of wealth creation being the only criterion, possible mission-relation impact features prominently in assessments instead, and wealth creation may only be a means to an end.<sup>145</sup> In contrast, for business entrepreneurs, profit, wealth creation, and customer satisfaction are the gauge of value creation; for social entrepreneurs, ‘social impact is the gauge.’<sup>146</sup>

## Social Value Creation Through Social Change

Joseph Schumpeter offered some early insight into the entrepreneur’s relationship with society, writing that entrepreneurial functions involve not only the ability to perceive and implement new opportunities but also the ‘will power adequate to break down the resistance that the existing social environment offers to change,’ which is known as

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<sup>142</sup> James A. Phillis, Jr., et al., ‘Rediscovering Social Innovation,’ *Stanford Social Innovation Review* (Fall 2008): 39.

<sup>143</sup> Phillis, et al., ‘Rediscovering Social Innovation,’ 39.

<sup>144</sup> Peredo and McLean, ‘Social Entrepreneurship: A Critical Review of the Concept,’ 63.

<sup>145</sup> Dees, ‘The Meaning of “Social Entrepreneurship,”’

<sup>146</sup> Dees, ‘The Meaning of “Social Entrepreneurship.”’

‘creative destruction.’ In this way, entrepreneurial activity ‘extends to the structure and the very foundations of ... society.’<sup>147</sup> This introduction of entrepreneurs’ role in society led to the development of social entrepreneurship theory, on which Fredrik Barth expanded. Barth’s contribution is his more precise explanation of how an entrepreneur might function in terms of social change. He built on the idea of the cooperation of the population, writing that a ‘corporate group’ will arise around the entrepreneur which is new in terms of membership, function, and perhaps even composition and structure. The resulting organisation establishes ‘innovations and patterns which, proven successful, may be expected to become prototypes for the formation of further similar units.’ Therefore, this definition of the word *entrepreneur* ‘leads us directly to highly seminal points of social change, and to basic social processes of replacement and activity in general.’<sup>148</sup>

Other authors also viewed entrepreneurs in a favourable light, describing them as persons who improved the status of society because they ‘not only swept and garnished their own houses but initiated a ... process of social amelioration in an age facing insuperable problems of social adjustment.’<sup>149</sup> Wilson’s concept of social amelioration has carried through to present day analyses of social entrepreneurs. Skoll writes that ‘social entrepreneurs take workable value creation models and adapt them for the benefit of [all] communities.’<sup>150</sup> Social entrepreneurship involves ‘creating and sustaining social value.’<sup>151</sup> a term which refers to ‘contribution of welfare or wellbeing in a given human community.’<sup>152</sup> Creating and sustaining social value ‘is the core of what distinguishes

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<sup>147</sup> J. Schumpeter, ‘The Creative Response in Economic History,’ *The Journal of Economic History* 7, no. 2 (1947): 157-158.

<sup>148</sup> Barth, ‘Introduction’ in *The Role of the Entrepreneur in Social Change in Northern Norway*, 5-6.

<sup>149</sup> C. Wilson, ‘The Entrepreneur in the Industrial Revolution in Britain,’ *Explorations in Entrepreneurial History* 7, no. 3 (1955): 141.

<sup>150</sup> Skoll, ‘Preface,’ in *Social Entrepreneurship*, v.

<sup>151</sup> Dees, ‘The Meaning of “Social Entrepreneurship.”’

<sup>152</sup> Peredo and McLean, ‘Social Entrepreneurship: A Critical Review of the Concept,’ 59.

social entrepreneurs from business entrepreneurs ... Social entrepreneurs look for a long-term social return on investment.<sup>153</sup> Further, because entrepreneurship is based on economic theory, which sees change as normal and healthy, the entrepreneur is best able to create social value through social innovations; this process may involve Schumpeter's creative destruction of known norms. In fact, as Drucker points out, 'the rapid changes in today's society, technology, and economy are simultaneously an even greater threat to [government agencies, etc] and an even greater opportunity [for innovation and entrepreneurship].'<sup>154</sup> Social entrepreneurship may, due to its flexibility, achieve purposeful, directional, and controlled change in pragmatic, modest, and gradual ways, as opposed to the dogmatic, grandiose, and abrupt methods of revolution, civil war, or economic catastrophes.<sup>155</sup>

#### Cooperation of Society & Dependency-Provision Cycles

Social enterprises do not, of course, function in a vacuum; rather, precisely because they are *social*, they may depend on the approval of others to succeed. Freudenberger develops this further: 'Despite the awareness of its needs, a society may be hostile to the means with which the innovator wishes to satisfy them.'<sup>156</sup> This drives the entrepreneur to undergo a process by which the entrepreneur 'destroys important social organisms that a given society wishes to but is unable to protect.'<sup>157</sup> However, the efforts of the social entrepreneur might be unsuccessful; one major reason for this is that the society protected the status quo, 'to be sure at the expense of eventual social improvement.'<sup>158</sup>

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<sup>153</sup> Dees, 'The Meaning of "Social Entrepreneurship."'

<sup>154</sup> Drucker, *Innovation and Entrepreneurship*, 161.

<sup>155</sup> Drucker, *Innovation and Entrepreneurship*, 230.

<sup>156</sup> H. Freudenberger, 'An Exploration in Entrepreneurial Motivation and Action,' *Explorations in Economic History* 7, no. 4 (1970): 433.

<sup>157</sup> F. Redlich, *Der Unternehmer* (Göttingen: Göttingen University Press, 1964), 45-46.

<sup>158</sup> Freudenberger, 'An Exploration in Entrepreneurial Motivation and Action,' 433-434.

Other authors have described an enterprise's ability to capture 'the active cooperation of considerable segments of the population.'<sup>159</sup> Barth agreed, and wrote that entrepreneurs recognise and develop a 'set of needs in a population which places clients in the strongest relation of dependence to himself.' In this way, clients begin to view those needs as vital, and the entrepreneur 'can present himself as singularly qualified and able to cater for precisely [those] needs.'<sup>160</sup> On entrepreneurship in politics, Holcombe wrote that 'entrepreneurial opportunities arise in politics for many of the same reasons that they appear in markets, to reduce the inefficiency. ... If the political system is unstable ... then change is more likely.'<sup>161</sup> These aspects imply a type of supply and demand, or dependency-provision, contract between the entrepreneur and society, in which the entrepreneur has become situated in a position to be the best, or main, provider of some type of good or service which society requires.

### **Social Capital and Civic Engagement**

Entrepreneurs are known to 'mobilize the resources of others to achieve their entrepreneurial objectives.'<sup>162</sup> This means that their opportunities are not bounded by the resources they have direct access to: 'their reach exceeds their grasp.'<sup>163</sup> Entrepreneurs access these resources, also known as social capital. As some scholars have argued, social capital is unlike other forms of capital because it is not 'owned' by actors themselves but is instead located in the structure of their relationships with other actors. If one of the actors withdraws, then the connection and the social capital it contained disappears.<sup>164</sup>

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<sup>159</sup> G. Ranis, 'The Community Centered Entrepreneur in Japanese Development,' *Explorations in Economic History* 8, no. 2 (1955): 80.

<sup>160</sup> Barth, 'Introduction,' in *The Role of the Entrepreneur in Social Change in Northern Norway*, 13-14.

<sup>161</sup> R. Holcombe, 'Political Entrepreneurship and the Democratic Allocation of Economic Resources,' *The Review of Austrian Economics* 15, no. 2/3 (2002): 143-144.

<sup>162</sup> Dees, 'The Meaning of "Social Entrepreneurship."'

<sup>163</sup> Dees, 'The Meaning of "Social Entrepreneurship."'

<sup>164</sup> Portes, 'Social Capital'; J.S. Coleman, 'Social Capital in the Creation of Human Capital,' *American Journal of Sociology* 94 (1988): 95-121.

Social capital can also be understood as ‘an instantiated informal norm that promotes co-operation between two or more individuals.’ These norms can range from reciprocity between friends to complex religious doctrines, but they must involve an actual human relationship.<sup>165</sup>

Throughout the literature, there are various definitions and analyses of social capital. There are three major perspectives on social capital, based on the ideas of Pierre Bourdieu, James Coleman, and Robert Putnam. Bourdieu studied the concept in his exploration of how dominant classes remain dominant, which he believed could not be explained only by economics. Bourdieu defined social capital as ‘the sum of the resources, actual or virtual, that accrue to an individual or a group by virtue of possessing a durable network of more or less institutionalized relationships of mutual acquaintance and recognition.’<sup>166</sup> Bourdieu wrote that social networks from which social capital may arise are not a given, and that they ‘must be constructed through investment strategies oriented to the institutionalization of group relations.’<sup>167</sup> In other words, social capital acquisition does not occur automatically and requires deliberate investment in resources. Bourdieu’s definition shows that social capital consists of both ‘the social relationship itself that allows individuals to claim access to resources possessed by their associates’ and ‘the amount and quality of those resources.’<sup>168</sup>

In contrast to other scholars who view social capital as a fundamentally positive network of social connections, Bourdieu understood social capital as inherently representative of the saying, ‘it’s not what you know, it’s who you know.’ Bourdieu thus used the concept to explain the frameworks of social inequality, where social capital is

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<sup>165</sup> Fukuyama, ‘Social Capital, Civil Society, and Development,’ 7.

<sup>166</sup> Pierre Bourdieu and Loïc J.D. Wacquant, *An Invitation to Reflexive Sociology* (Chicago: Chicago University Press, 1992), 119.

<sup>167</sup> Alejandro Portes, ‘Social Capital: Its Origins and Applications in Modern Sociology,’ *Annual Review of Sociology* 24 (1998), 3.

<sup>168</sup> Portes, ‘Social Capital,’ 3-4.

simply another tool the elite use as ‘gatekeepers’ of their circles.<sup>169</sup> Bourdieu’s approach shows that social capital can be exclusionary, in addition to not being freely available.

James Coleman, on the other hand, viewed social capital as valuable for various types of communities including marginalized ones, rather than only for dominant classes. Coleman’s model of social capital positions it alongside other potential resources a person can use, such as human capital, physical capital, and economic capital. In contrast to these sources of capital, however, Coleman posited that individuals cannot own social capital. Instead, this is a resource which is simply available to them, because it is ‘a resource based on trust and shared values and develops from the weaving-together of people in communities.’<sup>170</sup> Coleman defined social capital by analysing its function. To him, social capital is ‘a variety of different entities, with two elements in common: they all consist of some aspect of social structures, and they facilitate certain actions of actors – whether persons or corporate actors – within the same structure.’<sup>171</sup> Social capital functions in the same way as other types of capital in that it enables achievement of certain goals that would not be possible without it. However, social capital can be valuable in making possible certain actions but be ‘useless or even harmful for others.’<sup>172</sup> Coleman additionally shows the role of social capital as a source of norms and sanctions that can be facilitative, but also restrictive: ‘norms can constitute a powerful form of social capital. This social capital, however, ... not only facilitates certain actions; it constrains others.’<sup>173</sup> Further, ‘effective norms in an area can reduce innovativeness in an area, not only deviant actions that harm others but also deviant actions that can benefit everyone.’<sup>174</sup> Thus, social

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<sup>169</sup> David Gauntlett, *Making is Connecting: The Social Meaning of Creativity, from DIY and Knitting to YouTube and Web 2.0* (Boston: Polity Press, 2011), 2. Extract available at [www.makingisconnecting.org](http://www.makingisconnecting.org).

<sup>170</sup> Gauntlett, *Making is Connecting*, 4.

<sup>171</sup> James Coleman, ‘Social Capital in the Creation of Human Capital,’ *American Journal of Sociology* 94 (1988) Supplement: ‘Organizations and Institutions: Sociological and Economic Approaches to the Analysis of Social Structure,’ S98.

<sup>172</sup> Coleman, ‘Social Capital in the Creation of Human Capital,’ S98.

<sup>173</sup> Coleman, ‘Social Capital in the Creation of Human Capital,’ S105.

<sup>174</sup> Coleman, ‘Social Capital in the Creation of Human Capital,’ S105.

capital realized through norms-acceptance may in fact inhibit innovation in a community by restricting perceptions of what is acceptable. Thus, both Bourdieu and Coleman emphasize that social capital is inherently intangible, in contrast to other forms of capital: ‘whereas economic capital is in people’s bank accounts and human capital is inside their heads, social capital inheres in the structure of their relationships.’<sup>175</sup> This means that a person must have a connection with others to possess social capital, because it is those others who are the source of the capital.

Robert Putnam agrees with Coleman that social capital is productive. He defines social capital as ‘features of social organization, such as trust, norms, and networks, that can improve the efficiency of society by facilitating coordinated actions.’<sup>176</sup> Further, social capital facilitates spontaneous collaboration. Putnam draws on Clifford Geertz’ work on credit associations, who explains that ‘cooperation is founded on a very lively sense of the mutual value to the participants of such cooperation.’<sup>177</sup> Therefore, social capital ‘serves as a kind of collateral’ in which ‘participants in effect pledge their social connections’ in situations where it is not possible to offer physical assets as guarantees.<sup>178</sup> Through social capital in networks, trust among individuals becomes ‘transitive and spread: I trust you, because I trust her and she assures me that she trusts you.’<sup>179</sup> Further, most types of social capital can be called ‘moral resources’ which are ‘resources whose supply increases rather than decreases through use and which become depleted if *not* used.’<sup>180</sup> This is because the more two individuals show a type of social capital, such as trust towards one another, the more confidence they have in each other. Other types of

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<sup>175</sup> Portes, ‘Social Capital,’ 7.

<sup>176</sup> Robert Putnam, *Making Democracy Work: Civic Traditions in Modern Italy* (Princeton: Princeton University Press, 1993), 167.

<sup>177</sup> Clifford Geertz, ‘The Rotating Credit Association: A “Middle Rung” in Development,’ *Economic Development and Cultural Change* 10 no. 3 (1962): 241-263.

<sup>178</sup> Putnam, *Making Democracy Work*, 169.

<sup>179</sup> Putnam, *Making Democracy Work*, 169.

<sup>180</sup> Putnam, *Making Democracy Work*, 169.

social capital such as social norms and networks also increase with use and decrease with disuse, or misuse. Putnam therefore argues that ‘we should expect the creation and destruction of social capital to be marked by virtuous and vicious cycles.’<sup>181</sup> In addition, social capital is ‘ordinarily a public good, unlike conventional capital, which is ordinarily a private good.’<sup>182</sup> Putnam agrees again with Coleman, and builds on the work of Dasgupta,<sup>183</sup> writing that social capital does not belong to any one individual who benefits from it because it is ‘an attribute of the social structure in which a person is embedded.’<sup>184</sup> Putnam points out that the concept of social capital as facilitator of cooperation in society relates in important aspects to the work of Robert Keohane, who argued that international institutions facilitate cooperation in the global political economy.<sup>185</sup>

Putnam further explains that all societies, whether democratic or authoritarian, capitalist or not, have formal and informal networks of ‘interpersonal communication and exchange.’<sup>186</sup> These can be horizontal, in which individuals of equal power and status are brought together, or vertical, where individuals of various hierarchies and dependencies are linked. Civic engagement networks such as sports associations and neighbourhood societies are examples of ‘intense horizontal interaction.’<sup>187</sup> These types of networks are an important kind of social capital. As Putnam notes, ‘the denser such networks in a community, the more likely that its citizens will be able to cooperate for mutual benefit.’<sup>188</sup> Putnam draws on Elinor Ostrom to explain why this occurs: ‘networks of civic engagement foster robust norms of reciprocity.’<sup>189</sup> Individuals who interact in many

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<sup>181</sup> Putnam, *Making Democracy Work*, 169-170.

<sup>182</sup> Putnam, *Making Democracy Work*, 170.

<sup>183</sup> Partha Dasgupta, ‘Trust as a Commodity,’ in *Trust: Making and Breaking Cooperative Relations*, ed. Diego Gambetta (Oxford: Blackwell, 1988), 49-72.

<sup>184</sup> James Coleman, *Foundations of Social Theory* (Cambridge: Harvard University Press, 1990), 317.

<sup>185</sup> Putnam, *Making Democracy Work*, 241 note 20. See also Robert O. Keohane, *After Hegemony: Cooperation and Discord in the World Political Economy* (Princeton: Princeton University Press, 1984).

<sup>186</sup> Putnam, *Making Democracy Work*, 173.

<sup>187</sup> Putnam, *Making Democracy Work*, 173.

<sup>188</sup> Putnam, *Making Democracy Work*, 173.

<sup>189</sup> Putnam, *Making Democracy Work*, 173.

different contexts ‘develop strong norms of acceptable behaviour,’<sup>190</sup> and these norms are reinforced by ‘the network of relationships that depend on the establishment of a reputation for keeping promises and accepting the norms of the local community regarding behaviour.’<sup>191</sup> In addition, networks of civic engagement ‘facilitate communication and improve the flow of information,’ particularly regarding other individuals’ trustworthiness.<sup>192</sup>

In contrast, vertical networks ‘cannot sustain trust and cooperation’ because the information flows within them are less reliable and trustworthy than those in horizontal networks. For example, clientelist relationships are characterized by ‘interpersonal exchange and reciprocal obligations’ but this exchange is vertical, and the obligations are asymmetric.<sup>193</sup> Putnam argues that democracy has been more effective than autocracy because ‘vertical networks are less helpful than horizontal networks in solving collective action.’<sup>194</sup> For Putnam, therefore, there are two kinds of social capital, namely, positive social capital as characterized by horizontal social networks and negative social capital, which is found in vertical social networks. Positive social capital based in horizontal social networks leads to achievement of community goals, which facilitates democratization, in his view. Negative social capital based in vertical social networks instead shores up patterns of autocracy. As Putnam states: ‘social capital ... bolsters the performance of the polity.’<sup>195</sup>

As Portes explains, the term social capital has ‘evolved into something of a cure-all for the maladies affecting society.’<sup>196</sup> The reasons it has entered everyday discourse

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<sup>190</sup> Elinor Ostrom, *Governing the Commons: The Evolution of Institutions for Collective Action* (Cambridge: Cambridge University Press, 1990), 206.

<sup>191</sup> Ostrom, *Governing the Commons*, 206.

<sup>192</sup> Putnam, *Making Democracy Work*, 174.

<sup>193</sup> Putnam, *Making Democracy Work*, 174.

<sup>194</sup> Putnam, *Making Democracy Work*, 175.

<sup>195</sup> Putnam, *Making Democracy Work*, 176.

<sup>196</sup> Portes, ‘Social Capital,’ 2.

and become popular are twofold. First, its less attractive features have been ignored in favour of focusing on the ‘positive consequences of sociability.’<sup>197</sup> Second, it highlights how ‘nonmonetary forms [of capital] can be important sources of power and influence.’<sup>198</sup> Portes further observes that social capital can be a source of social control, of family support, and of benefits through networks outside the family.<sup>199</sup> In networks outside the family, social capital can lead to stratification and is often invoked ‘as an explanation of access to employment, mobility through occupational ladders, and entrepreneurial success.’<sup>200</sup> Tight community networks create the type of controlling social capital that is useful to various authority figures, such as teachers or police, as they ‘seek to maintain discipline and promote compliance among those under their charge.’<sup>201</sup> Other scholars have commented on the role of social capital for social control in legal matters.

Kim and Aldrich define social capital as ‘the social connections people use to obtain resources they would otherwise acquire through expending their human or financial capital.’<sup>202</sup> Through their work on social network analysis, they further observed that there are three factors that limit access to social capital. First, individuals tend to associate with others of similar backgrounds, rather than others of dissimilar backgrounds, ‘thus generating social networks characterized by low diversity.’ Second, people live in ‘semi-permeable communities’ such as their family, and those communities have ‘strong boundaries [that] deflect social relationships back upon themselves, creating and maintaining concentrated social networks.’<sup>203</sup> Third, individuals’ activities are limited by ‘ignorance and uncertainty’ because they do not, and cannot, know the ‘full

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<sup>197</sup> Portes, ‘Social Capital,’ 2.

<sup>198</sup> Portes, ‘Social Capital,’ 2.

<sup>199</sup> Portes, ‘Social Capital,’ 9.

<sup>200</sup> Portes, ‘Social Capital,’ 12.

<sup>201</sup> Portes, ‘Social Capital,’ 10.

<sup>202</sup> Phillip H. Kim and Howard E. Aldrich, ‘Social Capital and Entrepreneurship,’ *Foundations and Trends in Entrepreneurship* 1, no. 2 (2005): 93.

<sup>203</sup> Kim and Aldrich, ‘Social Capital and Entrepreneurship,’ 93-94.

potential of pursuing indirect network ties.’<sup>204</sup> This means that ‘people often ignore potentially valuable relationships and unknowingly cultivate ties that harm them.’<sup>205</sup> These factors can limit the usefulness of pursuing social capital, and complicate the use of social capital, because they impact individuals’ ability to benefit from it.<sup>206</sup>

It has also been demonstrated that social capital may be a source of social control, whereby community or hierarchical relationships render formal or overt controls to maintain discipline and promote compliance unnecessary.<sup>207</sup> In political science, a high amount of social capital has been associated with a robust civil society; civil society forms as a result of social capital but does not constitute social capital itself.<sup>208</sup> An abundance of social capital makes organization and action towards a common goal in a community easier; this may produce a dense civil society. Likewise, low levels of social capital hinder the establishment of a robust civil society.<sup>209</sup> Social capital is thus a powerful resource for entrepreneurs if they manage and invest in it well. Entrepreneurs may also exercise considerable influence over various sectors of society and even government through their use of social capital, if they choose to do so. One of the gaps in the social capital literature is that the involvement of external actors, such as international aid donors and national governments, is under-explored. In particular, there are few empirical studies that address citizens’ ability to create, develop, and use social capital in authoritarian contexts. This thesis explores Jordanian social entrepreneurs’ use of social capital and their ability to use it effectively, with reference to restrictions imposed by international aid programmes

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<sup>204</sup> Kim and Aldrich, ‘Social Capital and Entrepreneurship,’ 94.

<sup>205</sup> Kim and Aldrich, ‘Social Capital and Entrepreneurship,’ 94.

<sup>206</sup> Kim and Aldrich, ‘Social Capital and Entrepreneurship,’ 93-94.

<sup>207</sup> Portes, ‘Social Capital,’ 10; A. Smart, ‘Gifts, Bribes, and Guanxi: A Reconsideration of Bourdieu’s Social Capital,’ *Cultural Anthropology* 8 (1993): 388-408; and E. Weede, ‘Freedom, Knowledge, and Law as Social Capital,’ *International Journal of Unity in the Sciences* 5 (1992): 391-409.

<sup>208</sup> Fukuyama, ‘Social Capital, Civil Society, and Development,’ 7.

<sup>209</sup> Portes, ‘Social Capital,’ 18; Fukuyama, ‘Social Capital, Civil Society, and Development,’ 11; and R.D. Putnam, ‘The Prosperous Community: Social Capital and Public Life,’ *The American Prospect* 13 (1993): 35-36.

and regime policies. Chapters Four, Five, and Six analyse the effect of authoritarianism and aid-dependence on social capital.

### **Social Entrepreneurship and Civil Society in the Middle East**

Reports written by civil society organizations and non-governmental organizations have used the term ‘social entrepreneurship’ in the Middle East overwhelmingly to refer to local start-ups or small businesses which aim to have a positive social impact in a community.<sup>210</sup> Inter-governmental organizations such as the United Nations tend to view social entrepreneurship as a solution that addresses the more systemic issues in the Middle East, complementary to civil society.<sup>211</sup> CSOs, NGOs, and IGOs view social entrepreneurship as an opportunity to increase civic engagement and achieve stability, empower women and other minorities, and, most prominently, capitalize on the youth bulge while reducing youth unemployment.<sup>212</sup> The organizations described in these reports more closely resemble socially responsible businesses rather than true social enterprises, as they usually refer to small businesses meant to create jobs and accumulate capital to redistribute in the local community for a social cause.

There are exceptions to this; for example, the organizations *Beyond Reform and Development* and *Ashoka* sponsor and teach entrepreneurship in the Middle East, encouraging local community members to use their resources and connections to devise

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<sup>210</sup> Ehaab Abdou, et al., ‘Social Entrepreneurship in the Middle East: Toward Sustainable Development for the Next Generation,’ *Brookings Institute Wolfensohn Center for Development, the Dubai School of Government, and Silatech* (22 April 2010), <https://www.brookings.edu/research/social-entrepreneurship-in-the-middle-east-toward-sustainable-development-for-the-next-generation/>, 8.

<sup>211</sup> United Nations Development Project, ‘Social Impact Fund,’ <http://undp.socialimpact.fund/>.

<sup>212</sup> Suzi Sosa, ‘Why We Need Social Entrepreneurship in the Middle East,’ *Inc* (23 February 2011), <http://www.inc.com/articles/201102/suzi-sosa-why-we-need-social-entrepreneurship-in-the-middle-east.html>; Gilbert Doumit, ‘Social Entrepreneurship in the Middle East: Old Practice, New Concept,’ *Stanford Social Innovation Review* (27 January 2017), [https://ssir.org/articles/entry/social\\_entrepreneurship\\_in\\_the\\_middle\\_east\\_old\\_practice\\_new\\_concept#bio-footer](https://ssir.org/articles/entry/social_entrepreneurship_in_the_middle_east_old_practice_new_concept#bio-footer); and Synergos, ‘Arab World: Social Entrepreneurship in a Region of Change,’ <http://www.synergos.org/socialinnovators/overview.htm>.

an innovative way to solve a problem in their area.<sup>213</sup> There are also start-ups which design new technology to deal with issues such as drinking water, farmland, urban transportation, waste collection, recycling, and others, and are therefore truly enterprising.<sup>214</sup> Typically, however, the organizations are simply described as ‘projects that are not only businesses but also fulfil some kind of social mission;’<sup>215</sup> this understanding lacks the important entrepreneurial trait of innovation.

There has been some debate about whether social entrepreneurship is a part of civil society, which is defined as ‘the sphere of uncoerced human association between the individual and the state, in which people undertake collective action for normative and substantive purposes, relatively independent of government and the market.’<sup>216</sup> Some scholars have described social entrepreneurship as a growing subsector of civil society or a new generation of civil society actor.<sup>217</sup> However, it would be a mistake to limit social entrepreneurship to the civil society sector: it may be, but is not necessarily, a part of civil society, and as described previously, it has been established that social entrepreneurship can emerge in the government and the public sphere as well.<sup>218</sup> Thus, social entrepreneurship is better understood as a fluid concept, which, precisely because of the adaptability of its functions, is found in diverse realms.

The adaptability of social entrepreneurship lends it distinct advantages over other established institutions which are more rigid. The ability of social enterprises to

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<sup>213</sup> Beyond Reform and Development, ‘About Us,’ <https://www.beyondrd.com/>; and Ashoka, ‘Social Entrepreneurship: Building the Field,’ <https://www.ashoka.org/en/focus/social-entrepreneurship>.

<sup>214</sup> Christopher Schroeder, ‘What You Need to Know About the Middle East’s New Social Entrepreneurs,’ *Devex Impact* (15 August 2013), <https://www.devex.com/news/what-you-need-to-know-about-the-middle-east-s-new-social-entrepreneurs-81627>.

<sup>215</sup> Caroline Martinez, ‘Social Entrepreneurship in the Middle East,’ *Borgen Magazine* (22 May 2013), <http://www.borgenmagazine.com/social-entrepreneurship-in-the-middle-east/>.

<sup>216</sup> Michael Edwards, ‘Introduction: Civil Society and the Geometry of Human Relations,’ in *The Oxford Handbook of Civil Society*, ed. Michael Edwards (Oxford: Oxford University Press, 2011), 4.

<sup>217</sup> Alex Nicholls, ‘Social Enterprise and Social Entrepreneurs,’ in *The Oxford Handbook of Civil Society*, ed. Michael Edwards (Oxford: Oxford University Press, 2011), 80-92.

<sup>218</sup> As outlined by Link and Link, *Government as Entrepreneur*; Skoll, ‘Preface’ in *Social Entrepreneurship*; and Drucker, *Innovation and Entrepreneurship*.

restructure and blur familiar organizations makes them more flexible, adaptable, and faster to respond to complex, modern, and increasingly global issues.<sup>219</sup> This distinctive re-assembling of established institutions leads to innovation which ranges from incremental changes to disruptive interventions.<sup>220</sup> Businesses have cast social entrepreneurship as a development from socially responsible investment and as a new market opportunity, while governments have viewed it as part of a solution to state failures to provide essential services. Civil society organizations have embraced social entrepreneurship as a way to create new partnerships and as a method of driving social change and political transformation.<sup>221</sup>

Social entrepreneurship has received some criticism for its involvement with civil society, despite being viewed largely as a positive development meant to generate better outcomes than conventional models.<sup>222</sup> Social entrepreneurship has been described as the ‘marketization’ of civil society activities and collective action, and has thus been criticised for acting as ‘a mechanism by which business (and the state) can co-opt and compromise the integrity and independence of civil society’ instead of diversifying its social change models.<sup>223</sup> By its nature, social entrepreneurship makes innovations in, and thereby disrupts, existing *modi operandi* of private, public and civil society approaches to social issues. Thus, because some of the aspects of social enterprises challenge civil society rationales,<sup>224</sup> the potential does exist for them to disturb civil society organizations and their support bases.<sup>225</sup>

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<sup>219</sup> Nicholls, ‘Social Enterprise and Social Entrepreneurs,’ 81-88.

<sup>220</sup> Nicholls, ‘Social Enterprise and Social Entrepreneurs,’ 84.

<sup>221</sup> S. Alvord, L. Brown, and C. Letts, ‘Social Entrepreneurship and Societal Transformation: An Exploratory Study,’ *Journal of Applied Behavioral Science* 40, no. 3 (2004): 260-283.

<sup>222</sup> Fukuyama, ‘Social Capital, Civil Society, and Development’; Nicholls, ‘Social Enterprise and Social Entrepreneurs’.

<sup>223</sup> Nicholls, ‘Social Enterprise and Social Entrepreneurs,’ 80.

<sup>224</sup> C. Clotfelter, *Who Benefits from the Nonprofit Sector?* (Chicago: University of Chicago Press, 1992).

<sup>225</sup> Nicholls, ‘Social Enterprise and Social Entrepreneurs,’ 88.

Regarding the Middle East specifically, this is a region which boasts a high degree of social capital (a necessary component for both social entrepreneurship and civil society) due to clientelism, religion, and neo-patrimonialism pervading state and social structures. In the Middle East, autocratic governments might view rapid expansion of civil society as a threat to their monopoly on power, because a large civil society is understood to be a precursor and necessary component of democratisation.<sup>226</sup> Thus, it is probable that in this region, the concept of social entrepreneurship (once defined) is more easily understood and more readily accepted as a mechanism for social amelioration than civil society. Social entrepreneurship offers more concrete solutions and may pose a smaller challenge to state authority, because it is associated simply with change and not democratisation; it could be viewed as a technical, rather than political, establishment.

### **A Comprehensive Definition of Social Entrepreneurship**

As is evident from the literature review above, academic studies of entrepreneurship are multifaceted and varied. Thus, the study of social entrepreneurship also generally lacks a common theoretical framework. The following section identifies three categories for the many aspects of social entrepreneurship: essential non-distinguishing attributes, essential distinguishing attributes, and non-essential occasional attributes. Doing so brings clarity to this study and allows for more accurate identification of social enterprises. Carefully defining the aspects of social entrepreneurship also allows for the study to be replicated or expanded in future research.

Briefly, entrepreneurship involves innovation, assumption of risk and/or uncertainty, autonomy in leadership and decision-making, and management and

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<sup>226</sup> R. Hinnebusch, 'Authoritarian Persistence, Democratization Theory and the Middle East: An Overview and Critique,' *Democratization* 13, no. 3 (2006): 373–395; O. Schlumberger, 'The Arab Middle East and the Question of Democratization: Some Critical Remarks,' *Democratization* 7, no. 4 (2000): 104–132; and Schlumberger, 'Dancing with Wolves.'

investment of capital. Social entrepreneurship additionally must include social objectives and social value creation. On occasion, entrepreneurship of any type may involve aspects such as a dependency-provision cycle and the cooperation or involvement of society.

### **Essential Non-Distinguishing Attributes**

These characteristics are not unique to social entrepreneurship, but are essential to entrepreneurship in general, and distinguish enterprises from regular businesses and other organizations and undertakings.

Innovation: In keeping with the foundational scholarship on entrepreneurship, the social enterprise must be able to distinguish itself from similar or related undertakings with a characteristic that is new or different.

Assumption of Risk and/or Uncertainty: The entrepreneur assumes the risk and/or uncertainty of the enterprise. The enterprise's viability depends on the members' efforts and their ability to secure resources, as well as prudent management of capital. However, although the enterprise assumes risk and/or uncertainty, its primary focus is opportunity.

Autonomy in Leadership and Decision-Making: The enterprise is an autonomous project that is not managed, either directly or indirectly, by any other organization or authority, whether private or governmental. Thus, the enterprise may formulate its positions and organise its actions freely, as well as terminate the undertaking. The leaders of the enterprise manage, organise, and direct other members and resources.

Management and Investment of Capital: The entrepreneur manages the capital necessary to produce the enterprise's services and invests sufficient capital to ensure future operation of the enterprise. This can be in the form of financial, physical, human, or social capital. The latter in particular is a powerful tool which the entrepreneur may exploit.

### **Essential Distinguishing Attributes**

These characteristics differentiate social entrepreneurship from other forms of entrepreneurship such as business entrepreneurship or political entrepreneurship, i.e. these features make it inherently *social*.

Social Objectives: The social enterprise aims to serve society, or a part of society, to some degree. Social entrepreneurs assess opportunities in terms of their possible social impact rather than wealth creation.

Social Value Creation: The task of the entrepreneur is ‘creative destruction’ of existing norms in favour of change, which economic theory sees as normal and healthy. Essentially, social entrepreneurs exploit changes as opportunities for social value creation.

### **Non-Essential, Occasional Attributes**

These characteristics are neither distinguishing nor essential but occur and define the function of the entrepreneur in social (or other) entrepreneurship in some cases.

Dependency-Provision Cycle: The entrepreneur has identified a particular need in society and has engineered a way to position the enterprise as the sole, main, or best provider of the solution to those needs. In this way, society becomes dependent on the services provided by the entrepreneur, and likewise, the enterprise depends on society’s continued support of its objectives.

Cooperation and/or Involvement of Society: The enterprise may function with, and actively encourage, the support of the society in which it operates. In this case, the participation of members of society may become crucial to the success of the enterprise’s goals.

## **Conclusion**

Social entrepreneurs have likely always been a part of society, without necessarily having been identified explicitly as such. This chapter reviewed the literature on entrepreneurship and social entrepreneurship, tracing the origin of the term to the 15<sup>th</sup> century and following its evolution through the work of scholars such as Cantillon, Knight, Schumpeter, Menger, Smith, Skoll, and Barth, who identified the key aspects of entrepreneurship to be assumption of risk and/or uncertainty, innovation, decision-making and leadership, and management and investment of capital. A consensus has also emerged that entrepreneurship is not necessarily the work of one person but can refer to a group of people or even a government. From the 1950s onwards, scholarship began identifying social aspects of entrepreneurship which could not be confined strictly to the economic sphere. These aspects, which are now seen as distinguishing social entrepreneurship, are social objectives, social value creation, and the cooperation of society (and potentially dependency-provision cycles).

The literature on social capital was also outlined, because social capital can be an integral part of social enterprises. The ideas of Bourdieu, Coleman, and Putnam have defined the social capital field. They have demonstrated how social capital can be negative, exclusionary, and used as a method for social control, even though in many cases it enables the achievement of goals which could not have occurred without cooperation.

In addition, the chapter comments on social entrepreneurship in the Middle East and shows how various studies understand social enterprises as a solution to women's empowerment, youth unemployment, and to increase civic engagement. These studies usually do not emphasize the trait of innovation, however, so the following chapters will address this. In addition, the chapter discussed the debate of whether social enterprises

are part of civil society and showed how social entrepreneurship can be disruptive in all types of arenas, including civil society.

Finally, the chapter offers a working definition of social entrepreneurship which informs this thesis and can be used to identify social enterprises during fieldwork should there be a need to expand or replicate the study. The next chapter provides an overview of Jordan's domestic and international relations in order to contextualize the fieldwork findings and subsequent analysis.

## **Chapter 2: ‘Between Iraq and a Hard Place’<sup>227</sup>**

### **The Domestic and International Relations of the Hashemite Kingdom of Jordan**

#### **Introduction**

Jordan’s Hashemite monarchs have played a careful balancing act since the founding of the kingdom. Due to the country’s dependence on mostly Western aid, its international policies have at times been at odds with its citizens. From the beginning, there were also tribal divisions; around 40 percent of the population is affiliated with one tribe or another, and tribal leaders continuously vie for powerful positions close to the king. Adding to this are the social cleavages between the country’s ‘Jordanian’ citizens and its citizens of Palestinian origin. Politically, the Islamist associations and parties have put considerable pressure on the monarchy as well. In response to social unrest, or the threat thereof, and to appease international aid donors, the monarchy has become either more repressive or more liberalized; simultaneously it has balanced the demands of the tribes, the Islamists, and others while dealing with high youth unemployment and various refugee crises.

Bill and Springborg<sup>228</sup> have argued that the Jordanian monarchy has become adept at strategically keeping potential opposition forces fragmented, which serves to hinder the development of strong power concentrations outside the ruler’s sphere.<sup>229</sup> Whether the regime in Jordan has become a more resilient autocratic regime instead of moving towards political pluralism remains to be determined, but in any case, the intricacies of the monarchy’s international and domestic relations should be examined. This chapter first traces Jordan’s international relations and the history of its aid-dependency from the

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<sup>227</sup> King Abdullah II of Jordan used this phrase to describe his country’s complicated political situation in an interview with Jon Stewart on *The Daily Show* on 25<sup>th</sup> September 2012.

<sup>228</sup> J. Bill and R. Springborg, *Politics in the Middle East*, 3rd ed. (New York: Longman, 2000).

<sup>229</sup> Bill and Springborg, *Politics in the Middle East*.

establishment of the emirate of Transjordan in 1921. Next the course of the country's halting liberalization process is outlined, followed by an exploration of the monarchy's tense yet sometimes mutually beneficial relationship with the tribes, the Islamists, and the Palestinians. An understanding of these themes lends a solid background for discerning the environment in which civil society in Jordan has developed and operates.

### **International Relations and Aid-Dependency**

The political-economy approach of scholars such as Shaikh, Choucair-Vizoso, Jamal, and Brand show that the Jordanian monarchy's persistent role in establishing and maintaining positive relationships with international benefactors has played a significant role in maintaining the country's stability and security. International aid levels to Jordan have fluctuated, depending on political alignments or differences and in response to threats.<sup>230</sup> The United States, the European Union, and several Arab states have supported Jordan's interests along with their own, but this assistance has been used as both a reward and a punishment.<sup>231</sup>

Abdullah I, having just been installed on the throne of Transjordan as emir by the British in 1921, ruled over a resource-poor country with a small population of half a million, approximately half of which consisted of semi-nomadic tribes. Due to its underdeveloped economy and British regional plans, Jordan received a yearly subsidy from the United Kingdom.<sup>232</sup> Jordan's geographic position between Syria, Iraq, Israel, and Saudi Arabia has always been a vulnerability, as its neighbours have both limited its

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<sup>230</sup> Jeremy M. Sharp, 'Jordan: Background and U.S. Relations,' *Congressional Research Service* (Nov. 21 2011).

<sup>231</sup> Amaney A. Jamal, 'Becoming Jordan and Kuwait: The Making and Consolidating of U.S. Client Regimes,' in *Of Empires and Citizens* (Princeton: Princeton University Press, 2012), 46.

<sup>232</sup> Laurie Brand, "'In the Beginning was the State...': The Quest for Civil Society in Jordan,' in *Civil Society in the Middle East*, ed. Augustus Richard Norton, vol. 1 (London: E.J. Brill, 1994), 153.

manoeuvrability and occasionally posed direct threats.<sup>233</sup> However, various superpowers and Jordan's neighbours have also recognized the country's geostrategic location as an advantage, and have thus invested diplomatic, financial, and military resources into supporting the Hashemite monarchy as a regional stabilizing force.<sup>234</sup> It has served as a 'regional shock absorber' between Saudi Arabia and Syria, and Israel and Iraq, and is also closely involved with the Israel-Palestine issue.<sup>235</sup> By 1928, Jordan was recognized as instrumental to regional stability and peace.<sup>236</sup> Likewise, the political, military, and economic support given to the kingdom over the years by Britain, the United States, the European Union, and its neighbouring countries has served as a stabilizing force for the monarchy.

In the early years of Transjordan, Britain gave the monarchy an annual subsidy for infrastructure-building and to support the new emirate's security apparatus, the Arab Legion. In return, Abdullah I was expected to contain tribal violence and 'expel political undesirables.' This was the beginning of Jordan's hierarchical relationship with external powers, as it became clear that the monarchy 'was first accountable to its external patron, and only then to its own citizens.'<sup>237</sup> The Anglo-Transjordanian Treaty was signed in 1946 when Transjordan was granted independence and Abdullah I became king. This treaty was similar to previous agreements: in return for subsidies and funds for the Arab Legion, Transjordan agreed to having British military facilities within its borders for 25 years.<sup>238</sup> In 1949, the United States established diplomatic relations with Jordan. King

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<sup>233</sup> Asher Susser, 'Jordan – in the Maze of Tribalism, Jordanianism, Palestinianism, and Islam,' in *Challenges to the Cohesion of the Arab State*, ed. Asher Susser (Tel Aviv: The Moshe Dayan Center, Tel Aviv University, 2008), 116.

<sup>234</sup> Clement Moore Henry and Robert Springborg, *Globalization and the Politics of Development in the Middle East*, 2nd ed. (Cambridge: Cambridge University Press, 2010), 251.

<sup>235</sup> Susser, 'Jordan – in the Maze of Tribalism, Jordanianism, Palestinianism, and Islam,' 116.

<sup>236</sup> Jamal, 'Becoming Jordan and Kuwait,' 40.

<sup>237</sup> Jamal, 'Becoming Jordan and Kuwait,' 42-43.

<sup>238</sup> Jamal, 'Becoming Jordan and Kuwait,' 43.

Abdullah I sought closer ties to the US to decrease his vulnerability in the face of Egypt and Saudi Arabia's ridicule of the artificially created Transjordan. Diplomatic ties between Jordan and the US increased in the following decades.<sup>239</sup>

Following King Abdullah I's assassination in 1951, Prince Talal ruled Jordan for several years but was succeeded in 1953 by his son, Hussein. King Hussein understood that his rule would be in jeopardy without British support for the monarchy. Jordan was soon caught between Egypt's vision of non-alignment and Iraq, which signed the Baghdad Pact with the US and Britain in 1955. King Hussein considered joining the Pact, but in the face of massive demonstrations, he announced he would not join after all. He backed Egypt in the 1956 Suez Crisis and argued for war with Israel, despite prime minister Nabulsi's reminders of his obligations to Britain and the benefits of British subsidies. In favour of pan-Arab nationalism, and following pledges by Saudi Arabia, Egypt, and Syria to subsidize the kingdom, Hussein broke ties with London. However, Jordan found itself in a difficult position as only Saudi Arabia paid any part of its pledge. The new US Eisenhower Doctrine of 1957 offered Jordan a chance to once again align with a superpower, and King Hussein requested \$30 million in aid, which replaced British aid.<sup>240</sup> Jordan relied heavily on the United States for aid by the 1960s, and US aid helped the country to weather challenges such as the 1970 civil war, the Lebanese Civil War of the 1970s, the 1979 Iranian Revolution, the Iran-Iraq War beginning in 1981, and Israel's invasion of Lebanon in 1982.

In March 1979, Egypt signed a peace treaty with Israel, and when King Hussein refused to do the same, the United States terminated its aid package to Jordan.<sup>241</sup> Jordan's

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<sup>239</sup> Jamal, 'Becoming Jordan and Kuwait,' 44.

<sup>240</sup> Jamal, 'Becoming Jordan and Kuwait,' 44-46.

<sup>241</sup> Julia Choucair-Vizoso, 'Illusive Reform: Jordan's Stubborn Stability,' in *Beyond the Façade: Political Reform in the Arab World* ed. Marina Ottaway and Julia Choucair-Vizoso (Washington DC: Carnegie Endowment for International Peace, 2008), 50.

subsequent economic struggles demonstrated the country's heavy reliance and dependence on the United States.<sup>242</sup> At the same time, the Gulf states redirected their aid from Jordan to Iraq to support its war against Iran. The country's debt struggles and resulting austerity measures led to popular protests in the late 1980s. In 1989, Jordan defaulted on its foreign debt and took on an International Monetary Fund (IMF) loan with strict conditions, which led to popular unrest.<sup>243</sup> Jordan and Iraq's strong economic ties constrained Amman significantly when the Gulf War broke out in August 1990. Jordan did not join the US-led coalition against Iraq, but it did call for its withdrawal from Kuwait and rejected its annexation claim. This cautious stance allowed King Hussein to retain his domestic popularity, but the US, Kuwait, and Saudi Arabia halted their aid, which led to severe economic repercussions for Jordan.<sup>244</sup>

King Hussein thus realised that a rupture in US-Jordanian ties brought great instability and economic losses. His participation in the 1993 Oslo Accords gave Jordan the political cover to make an accommodation with Israel. Jordan finally signed a peace treaty with Israel in 1994, which resulted in a resumption of US aid packages, millions of dollars in debt cancellation by the United States, Britain, Germany, and France, and a partnership agreement with the European Union. The United States also added Jordan to the 'major non-NATO-ally' agreement in 1996.<sup>245</sup> In 1997, Jordan entered the Euro-Mediterranean Partnership, and received over €570 million between that year and 2008.<sup>246</sup>

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<sup>242</sup> Jamal, 'Becoming Jordan and Kuwait,' 47-48.

<sup>243</sup> Choucair-Vizoso, 'Illusive Reform: Jordan's Stubborn Stability,' 50-51.

<sup>244</sup> Curtis Ryan, 'Between Iraq and a Hard Place: Jordanian-Iraqi Relations,' *Middle East Report* no. 215 (summer 2000): 41.

<sup>245</sup> Jamal, 'Becoming Jordan and Kuwait,' 48-49; and Choucair-Vizoso, 'Illusive Reform: Jordan's Stubborn Stability,' 52.

<sup>246</sup> Choucair-Vizoso, 'Illusive Reform: Jordan's Stubborn Stability,' 65.

King Abdullah II, who succeeded his father in 1999, knew that strategic aid packages from abroad were one of the best ways to aid his country's economy. He strengthened Jordan's ties to the United States as well as major economic institutions such as the World Trade Organization and the International Monetary Fund. In addition, Abdullah II's strong support for the US after the September 11 attacks, American 'democratic values', and the subsequent Iraq War garnered Jordan a free trade agreement and the qualified industrial zone program with the United States, which is now Jordan's largest trading partner.<sup>247</sup> Another key trading partner is Saudi Arabia, usually a US ally, and 80% of Jordan's imports originate in Saudi Arabia's energy sector. Thus, Jordan depends on the United States and its allies for trade in addition to strategic rents.<sup>248</sup>

Besides economic ties, the United States and Jordan shared intelligence information on al-Qaeda, and Jordan allowed the US military to attack Iraq from its territories in 2003.<sup>249</sup> Jordan's support for American counterterrorism and general US regional strategic interests has created a closer relationship with the United States, and the monarchy has been rewarded with increased financial largesse. Total US assistance increased from \$228 million to \$818 million between 2001 and 2010.<sup>250</sup> From 2011 through 2016 alone, Jordan received \$6.62 billion in assorted US aid.<sup>251</sup> Military assistance grants have been used to purchase F-16 fighter aircraft, Black Hawk helicopters, missiles, and to build a counterterrorism operations centre.<sup>252</sup>

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<sup>247</sup> Salman Shaikh, 'Jordan: An Imperfect State,' in *The Arab Awakening: America and the Transformation of the Middle East* by Kenneth M. Pollack, Daniel Byman, et al. (Washington DC: Brookings Institution Press, 2011), 168; and Choucair-Vizoso, 'Illusive Reform: Jordan's Stubborn Stability,' 53.

<sup>248</sup> Jamal, 'Becoming Jordan and Kuwait,' 48-50.

<sup>249</sup> Jamal, 'Becoming Jordan and Kuwait,' 51-52.

<sup>250</sup> Shaikh, 'Jordan: An Imperfect State,' 168.

<sup>251</sup> Jeremy M. Sharp, 'Jordan: Background and U.S. Relations,' *Congressional Research Service* (June 1, 2017).

<sup>252</sup> Jamal, 'Becoming Jordan and Kuwait,' 53-54.

## The Halting Political Liberalization Process

Brand and other scholars warn against optimism regarding the political liberalization process in Jordan. They argue that this process has historically been carefully managed from above as a way to keep a delicate balance between appeasing the population, satisfying Western benefactors' demands for increased political openness, and maintaining security and stability for the country and the monarchy.<sup>253</sup> Ottaway additionally argues that reform does not equal liberalization as long as the institutions of the state remain unresponsive to citizens.<sup>254</sup> Despite the formation of parties and other indicators of liberalization in Jordan, civil society institutions are not yet very robust, and any state-directed liberalization has ebbed and flowed with the needs of the government.<sup>255</sup> As Shaikh demonstrates, the monarchy simply introduced reforms incrementally in response to popular demands, pressure from opposition movements, and foreign governments.<sup>256</sup>

One of the main issues in Jordan is that over the years the state 'developed a strong allocative as opposed to extractive role', meaning that instead of relying on taxes to survive, it distributes income from benefactors by expanding the bureaucracy, military, and security services, as well as developing the infrastructure.<sup>257</sup> As outlined in the previous section, the monarchy has relied on foreign aid for support, initially depending on British subsidies and then aid from the United States and conservative Arab states such as Saudi Arabia. The monarchy built a support base from the payoffs it could give from external assistance.<sup>258</sup> Bush argues that King Abdullah II has been particularly skilled at

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<sup>253</sup> Brand, "In the Beginning was the State...", 151.

<sup>254</sup> Marina Ottaway and Julia Choucair-Vizoso, eds., *Beyond the Façade: Political Reform in the Arab World* (Washington DC: Carnegie Endowment for International Peace, 2008), 11.

<sup>255</sup> Brand, "In the Beginning was the State...", 151.

<sup>256</sup> Shaikh, 'Jordan: An Imperfect State,' 170-171.

<sup>257</sup> Brand, "In the Beginning was the State...", 156.

<sup>258</sup> Choucair-Vizoso, 'Illusive Reform: Jordan's Stubborn Stability,' 47.

blending promises of reform and changes in government at home with requests for aid to sustain his regime abroad; he has adopted ‘the language but not the substance of democracy’.<sup>259</sup>

Historically, the monarchy has responded to challenges by sharply containing the political sphere. Political party activity was legal in 1955 and 1956, but the coup attempt of 1957 led to the state imposing martial law and outlawing political parties altogether.<sup>260</sup> Parties remained illegal despite a slight increase in political freedom between 1967 and 1970, and they were forced to remain underground until 1989, which marks the beginning of the liberalization process.<sup>261</sup> The constitution formally recognized freedom of expression and assembly, but after the 1967 war, penal and press laws were enacted to prevent criticism of the monarchs, the armed forces, and Jordan’s foreign policy. The General Intelligence Department (GID, or *Mukhabarat*) helped to suppress political activity during the following years. Parliament was also dissolved multiple times when the monarchy was faced with potential opposition and controversial legislation, notably between 1968 and 1989.<sup>262</sup> Despite these factors, key civil society institutions were able to operate. Professional organizations, such as lawyers’, doctors’, and engineers’ unions, which drew from Jordanians as well as Palestinians, remained active despite regime pressure. Labour unions and women’s unions were less able to serve their constituencies because they were ‘intimidated and co-opted by the state’.<sup>263</sup>

In the 1980s, the loss of the United States’ economic aid (punishment for not signing a peace treaty with Israel), combined with defaulting on its debt, led to Jordan

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<sup>259</sup> Sarah Sunn Bush, ‘Jordan: Aid in the Shadow of Geopolitics,’ in *The Taming of Democracy Assistance: Why Democracy Promotion Does Not Confront Dictators* (Cambridge: Cambridge University Press, 2015), 159.

<sup>260</sup> Choucair-Vizoso, ‘Illusive Reform: Jordan’s Stubborn Stability,’ 49.

<sup>261</sup> Brand, ‘“In the Beginning was the State...”,’ 161.

<sup>262</sup> Choucair-Vizoso, ‘Illusive Reform: Jordan’s Stubborn Stability,’ 49.

<sup>263</sup> Brand, ‘“In the Beginning was the State...”,’ 160.

accepting an IMF loan with strict austerity measures. This led to civil disturbances even among areas traditionally supportive of the monarchy, and rioters demanded that the government resign and hold new elections as well as punish corrupt officials. The monarchy was shaken by this and realized the importance of nationalist legitimation. In order to appease citizens, some liberalization in the political sphere was allowed.<sup>264</sup> One of the most significant developments was the parliamentary election of 1989, which was held for the first time in over 30 years. Independent candidates were allowed to campaign, albeit parties were still outlawed. Islamist candidates gained close to 40 percent of parliamentary seats.<sup>265</sup>

After the 1989 parliamentary elections, parties could operate more openly, and finally were able to register formally following the ratification of the National Charter in 1991.<sup>266</sup> In 1990 King Hussein had appointed a royal commission which included leftist and Islamist parties, to draft the Charter. It was not a new constitution, but it did open Jordanian politics to the creation of parties which operated within defined limits, and lifted martial law. In addition, the government relaxed demonstration restrictions and allowed political exiles to return.<sup>267</sup> In 1992, the prime minister and parliament passed the Political Parties Law which legalized parties, but required them to recognize the legitimacy of the monarchy in order to register.<sup>268</sup> A new Press and Publications law lifted some restrictions on print media in 1993. Although the law was criticized at the time, it is now recognized as the most liberal Jordan has had.<sup>269</sup>

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<sup>264</sup> Raymond A. Hinnebusch, 'Liberalization Without Democratization in "Post-Populist" Authoritarian States,' in *Citizenship and the State in the Middle East: Approaches and Applications*, ed. Nils A. Butenschon, Uri Davis, and Manuel Hassassian (New York: Syracuse University Press, 2000), 136 note 2.

<sup>265</sup> Choucair-Vizoso, 'Illusive Reform: Jordan's Stubborn Stability,' 50-51.

<sup>266</sup> Brand, "'In the Beginning was the State...'," 161.

<sup>267</sup> Choucair-Vizoso, 'Illusive Reform: Jordan's Stubborn Stability,' 51.

<sup>268</sup> Shaikh, 'Jordan: An Imperfect State,' 170.

<sup>269</sup> Choucair-Vizoso, 'Illusive Reform: Jordan's Stubborn Stability,' 51.

The liberalization process under King Hussein was short-lived, however, and by increasing its international patronage networks, the monarchy was able to entrench in the 1990s.<sup>270</sup> As a reward for signing the peace treaty with Israel in 1994, Hussein sought foreign aid and investments and debt reduction, a position which garnered considerable opposition by the Jordanian public. The government sharply curbed the ‘liberalization experiment’ and decided to depend on external support rather than domestic legitimation.<sup>271</sup> To decrease the influence of the opposition, notably the Islamists, the regime began curbing political liberties. The 1993 ‘one-person-one-vote’ amendment to the electoral law was aimed at the monarchy’s key opponents; it undermined large parties and bolstered tribal parties, who were traditionally loyal to the monarchy.<sup>272</sup> In 1997, a law increased restrictions on newspapers, as well as the restrictions on content they could publish. (In 1999, a more liberal law that reduced these restrictions was passed in response to international criticism). By the time King Hussein died in 1999, it had become clear that liberalization efforts were a tactic to reduce opposition to unpopular economic and political policies.<sup>273</sup> Civil society certainly made some gains after 1989. The emergence of political parties was accompanied by greater freedom of expression and the development of political satire, increased respect for human rights, and many open conferences and discussions on politics.<sup>274</sup> However, these gains aside, the monarchy was engaged in ‘managed liberalization’ which encouraged popular participation, but placed ‘clear limits on the range of expression and activity to be permitted.’<sup>275</sup> King Hussein did

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<sup>270</sup> Eva Bellin, ‘The Robustness of Authoritarianism in the Middle East: Exceptionalism in Comparative Theory,’ *Comparative Politics* 36, no. 2 (2004): 148-149.

<sup>271</sup> Lamis Andoni, ‘Jordan: Behind the Recent Disturbances,’ *Middle East International* 536 (Oct, 25 1996): 17-18; and Gudrun Krämer, ‘The Integration of the Integrationists: A Comparative Study of Egypt, Jordan, and Tunisia,’ in *Democracy Without Democrats: The Renewal of Politics in the Muslim World*, ed. Ghassan Salame (London: I. B. Tauris, 1994), 218-222.

<sup>272</sup> Ellen Lust-Okar and Amaney Ahmad Jamal, ‘Rulers and Rules: Reassessing the Influence of Regime Type on Electoral Law Formation,’ *Comparative Political Studies* 35, no. 3 (2002): 358.

<sup>273</sup> Choucair-Vizoso, ‘Illusive Reform: Jordan’s Stubborn Stability,’ 51-52.

<sup>274</sup> Brand, ‘”In the Beginning was the State...”’, 184.

<sup>275</sup> Brand, ‘”In the Beginning was the State...”’, 184-185.

not aim to truly decentralize authority – this was a tactic meant to ensure stability and order, as much for the country as for the monarchy, and was an obstacle to true liberalization and responsiveness.

There were some expectations that King Abdullah II would move forward with reform when he acceded to the throne in February 1999. When he opened the parliament in November, he proclaimed that democratic reforms were a ‘national and unwavering choice’, but it was soon clear that economic reform and regime stability would trump political reform. Abdullah II initially focused his efforts in much the same way his father had: by strengthening the monarchy’s support base and promoting national unity.<sup>276</sup> Indeed, just a few years after becoming king, security concerns led Abdullah II to restrict political activity. Regional pressure had increased due to the collapse of the Israeli-Palestinian peace process and the United States’ plans for a war in Iraq. Parliamentary elections originally scheduled for 2001 were first postponed to implement a new electoral law and then because ‘the regional climate was difficult’. The regime was likely concerned with criticism and public opposition to its quiet support of the war in Iraq. Due to foreign aid, Abdullah II did not have to rely on public taxes and backing, and was able to keep opposition minimal with rents to key supporters in the tribes.<sup>277</sup> While parliament was suspended from 2001 until 2003, Abdullah II issued over 200 provisional laws, many of which were a blow to civil liberties. For example, the 2001 public gatherings law banned rallies and public meetings without a permit, few of which were ever granted. Amendments to the penal code imposed fines and prison sentences for publications with ‘false or libellous information that can undermine national unity or the country’s

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<sup>276</sup> Choucair-Vizoso, ‘Illusive Reform: Jordan’s Stubborn Stability,’ 52-53.

<sup>277</sup> Ellen Lust-Okar, ‘Reinforcing Informal Institutions through Authoritarian Elections: Insights from Jordan,’ *Middle East Law and Governance* 1 (2009): 3-37; and Kevin M. Morrison, ‘Oil, Nontax Revenue, and the Redistributive Foundations of Regime Stability,’ *International Organization* 63, no. 1 (2009): 107-108.

reputation'. There were also restrictions to citizens' access to fair civil trials and limits to professional associations' activities.<sup>278</sup>

In 2002, King Abdullah II began to take steps to refocus attention from regional issues to domestic issues such as economic development, modernization, and political reform. Among his efforts are the 2002 'Jordan First' initiative, the 2003 establishment of a ministry of political development, and the 2006 'National Agenda'. These include specific recommendations regarding economic advancement and modernization but are vague about political change.<sup>279</sup> At the same time, however, political rights were restricted. In 2005, professional organizations were ordered to halt all political activities and work only to promote their members' skills and work. Two other laws meant to restrict associations and political parties were proposed that year, but the king dissolved the parliament before they could be enacted in response to public outcry. The 2007 elections were considered unfair, with independent organizations reporting that the government had been involved in vote-rigging.<sup>280</sup> In 2009, the king dissolved parliament again.<sup>281</sup>

In response to international criticism, Jordan began to adopt some democratic institutions and practices to satisfy its Western aid donors. Parliamentary elections were held in 2010 and 2013, and international election monitors were invited to observe the process. In addition, the quota for women in parliament was doubled from its 2003 number in 2010. The government also created human rights and women's organizations, although these are tied to the government.<sup>282</sup> These reform practices were designed to 'maintain a veneer of political openness and moderation that allows Jordan to pose (with

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<sup>278</sup> Choucair-Vizoso, 'Illusive Reform: Jordan's Stubborn Stability,' 53-54.

<sup>279</sup> Choucair-Vizoso, 'Illusive Reform: Jordan's Stubborn Stability,' 54.

<sup>280</sup> Shaikh, 'Jordan: An Imperfect State,' 170-171.

<sup>281</sup> Bush, 'Jordan: Aid in the Shadow of Geopolitics,' 163.

<sup>282</sup> Bush, 'Jordan: Aid in the Shadow of Geopolitics,' 163-164.

a special eye on Western donor countries) as a modern and relatively progressive polity amid the surrounding turmoil of the troubled Middle East.’<sup>283</sup> The reforms did not target the distribution of political power; the relationship between citizens and the regime remained the same. The royal court and security services continued to make the substantive decisions, albeit public grievances could be expressed through parliament.<sup>284</sup> The king could, at will, dissolve parliament and delay elections, issue temporary laws without parliamentary consent, and gave parliament little authority to make laws. Freedom of expression and assembly were also sharply restricted and survey respondents stated that they were ‘afraid to criticise their government.’<sup>285</sup> These domestic constraints and international factors impacted local and international organizations’ ability to function as liberalizing agents.<sup>286</sup>

Regional instability repeatedly placed security, stability, and economic growth efforts above political reform; combined with a weak opposition and a strong support base for the regime, meaningful reform has been minimal at best. However, economically, King Abdullah II’s policies have been a great advantage to Jordan. The United States values Jordan’s stability and dependability, and European states have similarly recognized the country’s ‘stabilizing and modernizing’ force in the region, as well as its significant role in finding a solution to the Israeli-Palestinian conflict. The United States has rewarded Jordan’s ‘stability’ with annual grants of \$450 million since the beginning of the Iraq War, in addition to \$1 billion meant to aid the country’s security and bolster its economy. Jordan also received over €570 million from the European Union’s Euro-Mediterranean Partnership between 1997 and 2007.<sup>287</sup> In 2010, Jordan received a \$275

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<sup>283</sup> Sean M. Yom, ‘Jordan: Ten More Years of Autocracy,’ *Journal of Democracy* 20, no. 4 (2009): 152.

<sup>284</sup> Choucair-Vizoso, ‘Illusive Reform: Jordan’s Stubborn Stability,’ 55-56.

<sup>285</sup> Yom, ‘Jordan: Ten More Years of Autocracy,’ 161.

<sup>286</sup> Bush, ‘Jordan: Aid in the Shadow of Geopolitics,’ 163.

<sup>287</sup> Choucair-Vizoso, ‘Illusive Reform: Jordan’s Stubborn Stability,’ 64-65.

million grant from the US Millennium Challenge Corporation and a €223 million aid package from the European Union for having made ‘significant progress in the area of governance and transparency’.<sup>288</sup> The US additionally gave Jordan \$258 million in economic aid and \$380 million in military aid.<sup>289</sup> None of this aid was conditional on domestic political reform in Jordan.

In line with regional turmoil now known as the ‘Arab Spring’, beginning in mid-January 2011, regular protests occurred in Jordan, but did not reach the same intensity as in neighbouring countries. The demonstrations highlighted Jordan’s political, economic, and social instabilities, and focused on economic and political inequality, and the Islamic Action Front (IAF) called for constitutional reform.<sup>290</sup> In response, King Abdullah II announced new reform programs, dismissed his cabinet, and replaced prime minister Samir Rifai with Marouf al-Bakhit. However, these changes appeared as superficial as in previous instances. The new cabinet retained six former key ministers, and Al-Bakhit was a ‘member of the old guard’.<sup>291</sup> The March 2011 creation of the National Dialogue Committee, charged with revising the electoral and political party laws and amending the constitution, was a more meaningful development. In June, Abdullah II pledged that future parliaments would have ‘active political party representation... that allows the formation of governments based on parliamentary majority’, and that corruption would be addressed.<sup>292</sup> Opposition parties were not appeased, however, and various IAF members stated that the king had promised nothing new, and that no specifics or guarantees given. Unsatisfied by the electoral law proposed by the National Dialogue Committee, the IAF, the Jordanian Communist Party, the Jordanian Democratic Popular

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<sup>288</sup> Hani Hazaimah, ‘Jordan Makes Tangible Progress in Reforms – EU,’ *Jordan Times*, May 13, 2010.

<sup>289</sup> Bush, ‘Jordan: Aid in the Shadow of Geopolitics,’ 164.

<sup>290</sup> Shaikh, ‘Jordan: An Imperfect State,’ 169-170.

<sup>291</sup> Shaikh, ‘Jordan: An Imperfect State,’ 171.

<sup>292</sup> Shaikh, ‘Jordan: An Imperfect State,’ 171.

Unity Party, two Ba'athist groups, the National Party, the Jordanian Women's Union and the Social Left movement created the National Front for Reform (NFR). The NFR was a reform coalition that called for constitutional amendments, anticorruption efforts, government accountability, greater press freedoms, improvements in education, and other economic, security, and legal reforms.<sup>293</sup> In August 2011, the king announced constitutional amendments proposed by the Royal Committee on Constitutional Review, which are the most significant changes to the constitution since its drafting in 1952.<sup>294</sup> Meanwhile, Jordan continued to successfully request and receive foreign aid from its usual donors, and the country remained stable, especially relative to others in the region.<sup>295</sup> The price for this stability has been the perpetuation of the status quo.<sup>296</sup>

### **Tribalism and Patrimonialism**

Neo-patrimonialism persists in Jordan and is most evident in the monarchy's continuing emphasis on the importance of tribal identity, which has its roots in the 1921 founding of Transjordan. Various scholars have argued that the tribes provide the foundation of legitimacy for the Jordanian monarchy and constitute a key part of the Jordanian security forces, and thus form one of the main pillars of stability for the Hashemites.<sup>297</sup> Al-Oudat and Alshboul refer to the symbiotic relationship between the Hashemite kings and the tribes.<sup>298</sup> They argue that, because 'the king's social legitimacy derives from traditional claims of kinship, religion and historical performance', the monarchs, who in a sense are considered tribal leaders, have worked closely with the

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<sup>293</sup> Shaikh, 'Jordan: An Imperfect State,' 172.

<sup>294</sup> Shaikh, 'Jordan: An Imperfect State,' 174.

<sup>295</sup> Roula Khalaf, 'Kings Trump Aid for Arab Spring Nations,' *Financial Times*, July 16, 2012.

<sup>296</sup> Nermeen Murad, 'How Jordan Escaped the Arab Spring,' *Al-Jazeera*, February 9, 2014.

<sup>297</sup> Susser, 'Jordan – in the Maze of Tribalism, Jordanianism, Palestinianism, and Islam,' 116.

<sup>298</sup> Mohammed Ali Al-Oudat and Ayman Alshboul, "'Jordan First': Tribalism, Nationalism and Legitimacy of Power in Jordan,' *Intellectual Discourse* 18:1 (2010), 65-96.

Bedouins, thus affording them institutional legitimacy in the legal processes. As a result, the tribes have received state support and sponsorship in return for their support of the monarchy in trying times, and indeed tribal leaders have historically been among the Hashemites' most loyal supporters.<sup>299</sup>

Tribal members' dominance in the security forces has contributed to the continuation and survival of the regime.<sup>300</sup> While tribes in many other regions of the Middle East historically rebelled against the central government's authority, the opposite has been true of the Bedouins in Jordan. Shortly after the founding of Transjordan, the British established and founded a police force and army which were combined to form the Arab Legion in 1923. Recruitment was not universal; rather, members of the Bedouin tribes of the south were sought to create a carefully cultivated alliance between the new monarch and the tribes. This provided poor sectors with employment and enforced the legitimacy of the new state among the groups of Jordan's south. It also established a patron-client pattern that continued after the departure of the British, which still serves as 'the bedrock of regime support'.<sup>301</sup> The tribes have formed an intricate bond between themselves, the monarchy, and the military, from their integration into the Arab Legion (renamed in 1956 to the Arab Army and now called the Jordanian Armed Forces) in the 1930s, and their entrance into various civil service branches.<sup>302</sup> The Jordanian monarchy still relies heavily on its military's expansive political role; the professional army has

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<sup>299</sup> Al-Oudat and Alshboul, "'Jordan First': Tribalism, Nationalism and Legitimacy of Power in Jordan,' 70-72.

<sup>300</sup> Al-Oudat and Alshboul, "'Jordan First': Tribalism, Nationalism and Legitimacy of Power in Jordan,' 72.

<sup>301</sup> Brand, "'In the Beginning was the State...'," 153-154.

<sup>302</sup> Susser, 'Jordan – in the Maze of Tribalism, Jordanianism, Palestinianism, and Islam,' 107.

reached great capacity for maintaining domestic stability and protecting regime interests.<sup>303</sup>

Most of the security forces continue to be recruited from the tribes due to their enduring loyalty and commitment to the state. They thus constitute a significant aspect of Jordan's stability. The country's population of 9.5 million is low relative to that of its neighbours; Syria for example has a population of 18.4 million and Egypt has a population of 95.6 million,<sup>304</sup> but Jordan's security organizations are large for its size and need only control a relatively small territory, with only the northern part of the kingdom being densely populated. Thus, the population can be controlled 'with relative ease.'<sup>305</sup>

Additionally, the monarchy has 'cultivated tribal identity as a symbol of Jordan's unique national identity' and has adopted the 'familial and tribal identities into the greater Jordanian identity'.<sup>306</sup> The tribes have accepted this identity and view the state as the representative of the Jordanians (as opposed to the Palestinians). They are generally committed to ensuring the security and welfare of the kingdom. Although the tribes' political autonomy has weakened considerably, the tradition of family loyalty has remained, and Transjordanians have a systemic advantage over Palestinians in matters of government employment. Susser refers to this as a 'bedoucracy' which perpetuates itself.<sup>307</sup>

Despite having transformed from a predominantly tribal, rural, and colonial creation to a predominantly urban and economically modern state in the past decades,

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<sup>303</sup> A. Bligh, 'The Jordanian Army: Between Domestic and External Challenges,' *Rubin Center*, June 4, 2001; and R. Owen, 'The Military In and Out of Politics,' in *State, Power and Politics in the Making of the Modern Middle East* (London: Routledge, 1991).

<sup>304</sup> The World Bank, 'Data for Jordan, Syrian Arab Republic, Egypt,' accessed July 25, 2016, <http://data.worldbank.org/?locations=JO-SY-EG>.

<sup>305</sup> Susser, 'Jordan – in the Maze of Tribalism, Jordanianism, Palestinianism, and Islam,' 116.

<sup>306</sup> Susser, 'Jordan – in the Maze of Tribalism, Jordanianism, Palestinianism, and Islam,' 108.

<sup>307</sup> Susser, 'Jordan – in the Maze of Tribalism, Jordanianism, Palestinianism, and Islam,' 108.

Jordan's society is still heavily influenced by tribal values. The family and the tribe are among the most prominent institutions in Jordan, as evidenced by the political system.<sup>308</sup> King Abdullah I aimed to act as an 'honest broker' among the tribes and other prominent families, and his successors have followed suit. It appears that the monarchy has made a strategic choice not to marry into the Jordanian tribes to maintain its neutral position. Thus far, royal spouses have been Hashemites, foreigners, or Palestinians. Another indication of the careful neutrality the monarchy has sought to uphold becomes clear when senior government positions are appointed. The various tribal families seek power and influence while serving the Hashemites, and thus pursue positions as close to the king as possible. Once appointed, these families' elites remain in their positions for a short time before the positions are rotated to representatives of other families. Thus, it appears that one of the king's main domestic concerns is to maintain a careful balance between the elite tribal family members, whose connections to their corresponding tribal constituencies make them highly influential. It also seems that many of the same families who supported King Abdullah I, now, in their third generation, support King Abdullah II.<sup>309</sup>

The Hashemite monarchy has strategically used legal amendments to use the tribes' support to its advantage, even following periods of liberalization such as the years between 1989 and 1993. This is evident, for example, in the key role of the tribes in the 1993 elections, when an amendment to an election law was introduced by the monarchy to reduce its opponents' influence.<sup>310</sup> The Islamist parties had been increasingly well-organized and popular, and so in August 1993 the election law was amended.<sup>311</sup> The

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<sup>308</sup> Brand, "'In the Beginning was the State...'", 180.

<sup>309</sup> Yoav Alon, 'From Abdullah (I) to Abdullah (II): The Monarchy, the Tribes and the Shaykhly Families in Jordan, 1920-2012,' in *Tribes and States in a Changing Middle East* ed. Uzi Rabi (London: Hurst & Co, 2016), 33-35.

<sup>310</sup> Brand, "'In the Beginning was the State...'", 180.

<sup>311</sup> Lust-Okar and Jamal, 'Rulers and Rules,' 358.

amendment restricted each voter to choosing only one candidate, no matter the number of seats to be filled, and became known as the 'one-person one-vote law'. Previously voters could cast as many votes as there were seats in their district.<sup>312</sup> The amendment was aimed at curtailing any strong opposition movement, and it succeeded: as voters could make only one choice, they tended to choose the candidates they knew personally and thereby reinforced tribal representation at the expense of urban parties.<sup>313</sup> In addition, deliberate gerrymandering enforced by the 1993 and 2003 electoral laws in Jordan has been used to manage opposition groups. Greater access to parliament has been ensured for those from traditional bases of support for the regime. Due to proportional over-representation, the rural and tribal districts have more members and greater influence in Parliament than the urban and Palestinian-dominated districts.<sup>314</sup>

### **Islam and the Islamists**

The legitimacy of the Hashemite monarchy of Jordan stems in large part from the king's Islamic credentials. Since its founding in 1923, Islam has been nurtured as a powerful state-building tool. King Abdullah I's nationalism was both religious and ethnic. He held a hereditary religious office in Mecca, which helped him to gain support for taking a leading role in the Arab revolt against the Ottomans in the first World War. As Emir of Transjordan and later king of Jordan, Abdullah I established an enduring pattern of cooperation between the monarchy and Islam. Islam is the state religion, and the king still exercises the role of protector and benefactor of Islam.<sup>315</sup> Abdullah I emphasized the

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<sup>312</sup> Shaikh, 'Jordan: An Imperfect State,' 172.

<sup>313</sup> Henry and Springborg, *Globalization and the Politics of Development in the Middle East*, 250; and Choucair-Vizoso, 'Illusive Reform: Jordan's Stubborn Stability,' 52.

<sup>314</sup> Ellen Lust-Okar, 'Elections Under Authoritarianism: Preliminary Lessons from Jordan,' *Democratization* 13, no. 3 (2006): 464.

<sup>315</sup> Jennifer Noyon, 'Islam and the Jordanian Monarchy,' in *Islam, Politics and Pluralism: Theory and Practice in Turkey, Jordan, Tunisia and Algeria* (London: Royal Institute of International Affairs, 2003), 81.

important cultural and religious role of Islam in his new state and stressed the need for religious lessons in schools. King Hussein continued Abdullah I's policies and encouraged the building of mosques. He also encouraged Islam in society and everyday life. The emphasis on Islam also had a political utility. Because Jordan was dependent on British support until 1953, critics argued that it was too dependent on Western powers. The Hashemite monarchs' legitimacy was bolstered by their strong Islamic roots.<sup>316</sup>

Jordan has given Islamists more freedom and autonomy in social and political activities than most other Arab states; it is one of the few Arab states where the Muslim Brotherhood has had legal standing and where the organization has not been repressed, though individual members have been persecuted.<sup>317</sup> The Muslim Brotherhood in Jordan is dominated by the professional elite and the middle class, as well as some tribal leaders. In the early years of the kingdom, the Brotherhood's leaders frequently met with the king for political consultation.<sup>318</sup> The 'alliance' that the monarchy has with the Muslim Brotherhood has helped the monarchy in domestic and foreign issues. The Brotherhood's 'pan-Islamic, modernist and activist approach' was instrumental in helping Abdullah I gain respect in the region, and in return, it obtained legal status as a charitable society in 1945 and broader legal status as 'a general and comprehensive Islamic committee' in 1953.<sup>319</sup> Despite a ban on political party activities following a failed coup against King Hussein in 1957, the Muslim Brotherhood was allowed to continue its activities as a humanitarian and educational institution, and it ran schools, a hospital, and other clinics.<sup>320</sup> While party politics were suspended, the Brotherhood was still able to create a political space close to the regime. Hussein's willingness to allow the Islamists some

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<sup>316</sup> Noyon, 'Islam and the Jordanian Monarchy,' 82-83.

<sup>317</sup> Katerina Dalacoura, *Islamist Terrorism and Democracy in the Middle East* (Cambridge: Cambridge University Press, 2011), 124; and Noyon, 'Islam and the Jordanian Monarchy,' 83-84.

<sup>318</sup> Noyon, 'Islam and the Jordanian Monarchy,' 84-85.

<sup>319</sup> Dalacoura, *Islamist Terrorism and Democracy in the Middle East*, 124.

<sup>320</sup> Noyon, 'Islam and the Jordanian Monarchy,' 85.

degree of freedom served him well in using the Brotherhood as a counterweight to Egypt's Gamal Abd al Nasser's pan-Arab nationalism during the 1950s and 1960s.<sup>321</sup> In return, King Hussein allowed the Brotherhood to spread its influence throughout Jordanian society, and gave its members influential positions in economic, cultural, and financial institutions.<sup>322</sup>

Although usually a loyal supporter of the monarchy, the Muslim Brotherhood did sometimes criticize policies. For example, when in 1958 the monarchy agreed to a British military presence in response to the threat of pan-Arab nationalism and the overthrow of the Hashemite monarchy in Iraq, the Muslim Brotherhood protested. The Brotherhood also became increasingly critical in the time leading up to the 1980 crisis with Syria, and the king blamed the Brotherhood for its inflammatory role and arrested several of its members. This began a period of tension between the monarchy and the Brotherhood, but this did not last. Near the end of the 1980s, dialogue and accommodation had increased and the Brotherhood participated in the 1989 election campaign.<sup>323</sup> Involving the Muslim Brotherhood was advantageous to the monarchy during this period as protests over economic issues had spread even to areas in which the Brotherhood was prevalent. King Hussein promised liberalization and an election was scheduled, although political parties were still outlawed. This election enhanced the Islamist parties' role as they were parliament's largest bloc in elections that year, winning nearly half of the seats.<sup>324</sup>

The Brotherhood's entry into politics as a political opposition movement rather than supporters of the monarchy tested the nature of the traditional relationship between the king and the Islamists, however.<sup>325</sup> The organization was still restricted in some ways,

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<sup>321</sup> Henry and Springborg, *Globalization and the Politics of Development in the Middle East*, 250.

<sup>322</sup> Dalacoura, *Islamist Terrorism and Democracy in the Middle East*, 125.

<sup>323</sup> Noyon, 'Islam and the Jordanian Monarchy,' 86.

<sup>324</sup> Dalacoura, *Islamist Terrorism and Democracy in the Middle East*, 125.

<sup>325</sup> Dalacoura, *Islamist Terrorism and Democracy in the Middle East*, 127-128.

but during the Gulf crisis, it organized anti-American rallies and demonstrations with nationalists and secularists. In an attempt to moderate the Brotherhood's views and activities, King Hussein gave seven cabinet positions to the Islamists, among which were the ministries of justice, religious affairs, education, and social development. The king's willingness for dialogue and openness for a greater role for Islamists in government eased a tense situation.<sup>326</sup>

In 1992, after a new law was passed on political parties, the Islamic Action Front Party (IAF) was formed. It united Muslim Brotherhood members with other Islamists who wanted Islam to play a larger role in politics. The Muslim Brotherhood and the IAF remained distinct organizations, however.<sup>327</sup> In their new role as political actors in the IAF, Jordan's Islamists needed to redefine their relationship with the monarchy to avoid unproductive confrontation while maintaining a strong independent position. Because Jordanian society was already mostly conservative and Islamic, the IAF elected to focus on foreign affairs and issues such as human rights and corruption.<sup>328</sup>

The 1993 amendment to the electoral law, discussed previously, resulted in a setback for Islamists and a corresponding advantage for tribal candidates. Tribal representation was deliberately increased at the expense of the more organized urban Brotherhood.<sup>329</sup> The 1994 peace treaty with Israel was an additional shock and many Islamists viewed it as discrediting the government.<sup>330</sup> Further dissatisfaction among Islamists arose in 1997 when the elections appeared rigged; the Islamic Action Front called for a boycott of the elections, but in the end, a few Islamist candidates were elected

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<sup>326</sup> Noyon, 'Islam and the Jordanian Monarchy,' 88.

<sup>327</sup> Dalacoura, *Islamist Terrorism and Democracy in the Middle East*, 125-126.

<sup>328</sup> Noyon, 'Islam and the Jordanian Monarchy,' 90-91.

<sup>329</sup> Henry and Springborg, *Globalization and the Politics of Development in the Middle East*, 250.

<sup>330</sup> Noyon, 'Islam and the Jordanian Monarchy,' 91.

after all.<sup>331</sup> The IAF pointed to ‘the deterioration of democracy’ due to the changes in voting and press laws and stated that ‘boycotting the 1997 elections is necessary to establish democracy and protect the homeland’.<sup>332</sup> Built-up frustration throughout the Islamist stream led to a split between older moderate members and younger members who wished the Muslim Brotherhood and IAF to be a stronger voice of opposition. By the end of the 1990s, four currents had developed within the Islamist movement in Jordan: the pragmatists, who advocated working with the government by consensus; the activists, who emphasized political reforms, international Arab solidarity and ‘non-normalization’ with Israel; traditional conservatives, who worked for cultural, legal, and social matters, and the ultra-conservatives, who were ‘were doctrinaire on social issues and rejectionist concerning foreign policy.’<sup>333</sup>

In 1999, King Abdullah II inherited a deliberalizing government. On the advice of the military, and to court United States approval, he expelled the leaders of Hamas. Security forces conducted a widespread search for Islamist terrorists who followed Osama bin Laden. Despite these intimidating tactics, the monarchy continued its dialogue with the Muslim Brotherhood and its political sector, the IAF. Both of these organizations had advocated for pragmatism, openness, and pluralism in their political agendas from 1989 onwards, and they were thus not targeted by the monarchy’s expulsion efforts. Over the past decades both the Muslim Brotherhood and the IAF have continued to embrace moderation, especially regarding political issues, even declaring a commitment to democracy. The Muslim Brotherhood’s understanding of democracy is evident in its 1997 statement to boycott the elections; it outlined three ‘bases’ of democracy as follows: ‘(1)

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<sup>331</sup> Dalacoura, *Islamist Terrorism and Democracy in the Middle East*, 127; Henry and Springborg, *Globalization and the Politics of Development in the Middle East*, 250-51.

<sup>332</sup> Michaëlle L. Browsers, *Democracy and Civil Society in Arab Political Thought* (Syracuse: Syracuse University Press, 2006), 153.

<sup>333</sup> Noyon, ‘Islam and the Jordanian Monarchy,’ 92.

elected representative governing institutions, (2) a free press and freedom of expression, and (3) “political pluralism and parties.”<sup>334</sup> The IAF placed itself alongside leftists, nationalists, secularists, liberals, and even tribal leaders when it signed on to the National Charter of 1991. Since then, the Islamists have cooperated with other groups, and the IAF has been flexible with its social principles when necessitated by politics. Despite having boycotted the 1997 elections, the IAF was convinced to participate in the 2003 and 2007 elections. It downplayed its conservative social visions before the 2007 elections and instead emphasized governance and corruption issues in its agenda in an attempt to gain more votes.<sup>335</sup> It has also been a priority for the Muslim Brotherhood and the IAF to disassociate from terrorism and violence. Their non-violent position was made very clear during terrorist incidents in the early 2000s, which were linked to the insurgency in Iraq. No Muslim Brotherhood or IAF members were implicated in these events and they condemned the violence strongly.<sup>336</sup> In addition, Islamists in business and financial positions supported Abdullah II in his efforts to globalize the economy, even though they participated only tangentially in the reform process.<sup>337</sup>

Close, relatively constructive ties between the Islamists and the monarchy have acted as a moderating and cohesive force in Jordan. Ties to the Muslim Brotherhood and then the IAF helped the monarchy deal with periods of unrest and likewise spared the Islamists the repression their counterparts in other countries faced.<sup>338</sup> It has thus been a mutually cooperative relationship not dissimilar from the symbiotic relationship between the tribal entities and the monarchy.

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<sup>334</sup> Browsers, *Democracy and Civil Society in Arab Political Thought*, 153.

<sup>335</sup> Dalacoura, *Islamist Terrorism and Democracy in the Middle East*, 128-129.

<sup>336</sup> Dalacoura, *Islamist Terrorism and Democracy in the Middle East*, 129-130.

<sup>337</sup> Henry and Springborg, *Globalization and the Politics of Development in the Middle East*, 251.

<sup>338</sup> Noyon, ‘Islam and the Jordanian Monarchy,’ 92-93.

## **The Palestinians in Jordan**

An additional social and demographic challenge facing the Hashemite monarchy is its Palestinian population. There are estimates that 50 to 65 percent of the Jordanian population is of Palestinian origin.<sup>339</sup> There are social and economic cleavages between the Palestinian and non-Palestinian population, one of which is that the Palestinians have become the business elite whereas non-Palestinians are less well-off financially.<sup>340</sup>

Palestinian refugees arrived in waves beginning in 1948 and their presence brought 'an urbanized, educated, and politicized element' with no particular loyalty to the monarchy into Jordan. Many of these families made a fortune during the 1970s oil boom and have therefore developed an interest in the monarchy's stability.<sup>341</sup> Since then, the large population of Palestinians has been a defining element of Jordan's domestic politics and social affairs. The government offered citizenship to the Palestinian refugees of the 1948 war and after the 1967 Israeli occupation of the West Bank, but they nevertheless felt they were treated unfairly.<sup>342</sup> In particular those families who arrived as refugees in 1967 and are still living in camps have been less interested in merging with the Jordanian identity, but they only comprise 10 percent of Palestinians in Jordan.<sup>343</sup> Wealthier Palestinians who came to Jordan from Kuwait during the 1990 Iraqi invasion integrated more and became part of the economic elite. Jordanians of Palestinian origin, who live in urban areas, still remain underrepresented in politics, the public sector, and the armed forces as the monarchy has favoured rural, pro-monarchy districts.<sup>344</sup>

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<sup>339</sup> Shaikh, 'Jordan: An Imperfect State,' 173; and Noyon, 'Islam and the Jordanian Monarchy,' 81.

<sup>340</sup> Shaikh, 'Jordan: An Imperfect State,' 173.

<sup>341</sup> Susser, 'Jordan – in the Maze of Tribalism, Jordanianism, Palestinianism, and Islam,' 110.

<sup>342</sup> Choucair-Vizoso, 'Illusive Reform: Jordan's Stubborn Stability,' 48.

<sup>343</sup> Susser, 'Jordan – in the Maze of Tribalism, Jordanianism, Palestinianism, and Islam,' 109.

<sup>344</sup> Choucair-Vizoso, 'Illusive Reform: Jordan's Stubborn Stability,' 49.

The presence of such a high percentage of Palestinians created a long-lasting debate in Jordanian politics concerning Jordanian identity.<sup>345</sup> The Palestinians ‘do not fit into either the country’s mainstream historical narrative or the political status quo that the narrative serves.’ Both King Hussein and King Abdullah II have tried to integrate the Palestinians into Jordanian society and identity by giving them a sense of belonging and a stake in the country’s stability. Most Palestinians wish to become full citizens and are dissatisfied with the occasional government positions they are given due to their professional skills. They would rather ‘become full partners in the administration of the state’s affairs by virtue of their civil right, and not as a favour given to a guest,’ or to fill a passing political need. On the other hand, non-Palestinian Jordanians are wary of the Palestinians’ demographic and economic strengths.<sup>346</sup>

King Abdullah II followed in his father’s footsteps by referring to citizens as ‘Jordanians of their various origins;’ Hussein had called them Jordanians ‘from every origin and of any descent’ to try to help foster a unified national identity. When he became king, Abdullah II spoke in favour of integrating more Palestinians into the political establishment, but this was put on hold due to the al-Aqsa intifada in 2000.<sup>347</sup> In 2005, Abdullah II established a committee to create a national agenda for cohesion between Jordanians and to create ‘balanced representation.’ The king has found himself in a difficult situation, however. On the one hand, integrating Palestinian citizens more fully into all parts of government would likely serve his long-term interests well, but on the other hand, this absorption would have to come at the expense of the ruling establishment to whom the Hashemites have owed their rule for several generations. As a result, the

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<sup>345</sup> Al-Oudat and Alshboul, ‘‘Jordan First’’: Tribalism, Nationalism and Legitimacy of Power in Jordan,’ 74.

<sup>346</sup> Susser, ‘Jordan – in the Maze of Tribalism, Jordanianism, Palestinianism, and Islam,’ 108-110.

<sup>347</sup> Susser, ‘Jordan – in the Maze of Tribalism, Jordanianism, Palestinianism, and Islam,’ 110.

national agenda was made public but has been dropped from national discourse. It is important to remember, though, that the rift between Jordanians and Palestinians is superficial, and that their shared history, religion, culture, language, and historical political ties are strong bulwarks against any real rift. If there are social lines in Jordan, they have less to do with Jordanian and Palestinian identities and more with religious and communal differences.<sup>348</sup>

### **The Development of Civil Society**

There are various definitions of civil society, but the term is generally understood to be the various ‘associational forms that occupy the terrain between individuals and the state.’ Civil society refers to ‘collective empowerment that enhances the ability of citizens to protect their interests and rights from arbitrary or capricious state power.’<sup>349</sup> In theory, the development of a vibrant and robust civil society is seen as a necessary precursor to democratic transitions, and a remedy to authoritarian rule. The United States in particular allocates substantial resources to civil society organizations in the Middle East to promote democratic reform in the region;<sup>350</sup> since the early 2000s, Jordan has also benefited from these efforts. In practice, the equation is more complex and shoring up civil society institutions has not (yet) delivered the expected results.<sup>351</sup>

The previous sections demonstrate that Jordan’s civil society development has been impacted both by domestic upheavals and the security role that Jordan has played

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<sup>348</sup> Susser, ‘Jordan – in the Maze of Tribalism, Jordanianism, Palestinianism, and Islam,’ 111-113.

<sup>349</sup> Quintan Wiktorowicz, ‘Civil Society as Social Control: State Power in Jordan,’ *Comparative Politics* 33, no. 1 (2000): 43.

<sup>350</sup> Bush, ‘Jordan: Aid in the Shadow of Geopolitics,’ 159-186; and Marina Ottaway and Julia Choucair-Vizoso, eds., *Beyond the Façade: Political Reform in the Arab World* (Washington DC: Carnegie Endowment for International Peace, 2008).

<sup>351</sup> Wiktorowicz, ‘Civil Society as Social Control: State Power in Jordan,’ 45-46.

over the years for Britain, the United States, and its Arab neighbours, depending on the period. The subsidies that the state received created and reinforced the roles of the security forces, and Jordan's international political alignments raised tensions with its citizens on several occasions. In response to domestic upheavals, the monarchy repeatedly curbed the activity of civil society organizations, most notably politically oriented organizations. However, despite the long the period of martial law before 1989, during which political party activity was outlawed, professional organizations, trade unions, charitable societies, religious organizations, community development groups, and even the Muslim Brotherhood were allowed to function as civil society organizations, although any activity that was seen to be challenging the state was outlawed.<sup>352</sup> In the early 1970s, King Hussein also established the Jordanian National Union, which was open to all except communists and Marxists. The Union was not meant to be a political party but rather a formal space for Jordanians to express their opinions on political matters. In 1978 a consultative council was created that could submit recommendations to the cabinet, but the council's decisions were not binding. Nevertheless, both the Union and the consultative council represent the earliest stages of the creation of a space for political participation in Jordan.<sup>353</sup>

In 1989, a process of liberalization began that led to 'unprecedented gains' for civil society in Jordan. This was marked by the legalization and development of political parties, free and regular parliamentary elections, greater respect for human rights including freedoms of expression and for the press, the development of political satire, and the ability for citizens to hold discussions and conferences on politics and civil

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<sup>352</sup> Brand, "'In the Beginning was the State...'", 184-185.

<sup>353</sup> Atef Odhibat, 'Civil Society in Jordan: A Preliminary Study' in *Toward Civil Society in the Middle East* ed. Jillian Schwendler (London: Lynne Rienner Publishers, 1995), 57.

matters.<sup>354</sup> Despite these positive developments, Brand argues, ‘the king and his advisors are involved in a process of “managed liberalization.”’ While civil society has been allowed to grow and citizens have been encouraged to participate in the political process, there are no concrete plans to decentralize authority.<sup>355</sup> Milton-Edwards agrees, observing that the political reform process in Jordan has been ‘slow, incremental and completely dictated by the palace and ultimately the monarch.’<sup>356</sup> This kind of reform is called ‘top-down’ reform and, because the reform process begun in 1989 began in response to domestic unrest,<sup>357</sup> Milton-Edwards points to an argument put forth by Huntington: an ‘oligarchy will choose democratization over other options [such as repression] “as a means to other goals, such as prolonging their own rule, achieving international legitimacy, and minimizing domestic opposition.”’<sup>358</sup> She therefore concludes that Jordan’s liberalization efforts were tightly controlled and determined by King Hussein’s own political agenda, rather than a desire to move to popular sovereignty. Mufti adds that Jordan’s liberalization process is made up of a ‘series of bargains between government and [Islamist] opposition elites.’<sup>359</sup> Robinson explains that Jordan’s political liberalization ‘is best understood as a series of pre-emptive measures designed to maintain elite privilege’, in which the regime implemented reforms to ensure its own survival, without altering the core power structures.<sup>360</sup>

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<sup>354</sup> Brand, ‘“In the Beginning was the State...”’, 184.

<sup>355</sup> Brand, ‘“In the Beginning was the State...”’, 185.

<sup>356</sup> Beverley Milton-Edwards, ‘Façade Democracy and Jordan,’ *British Journal of Middle Eastern Studies* 20, no. 2 (1993): 192.

<sup>357</sup> Curtis R. Ryan and Jillian Schwedler, ‘Return to Democratization or New Hybrid Regime?: The 2003 Elections in Jordan,’ *Middle East Policy* 11, no. 2 (2004): 140.

<sup>358</sup> Milton-Edwards, ‘Façade Democracy and Jordan,’ 193-194.

<sup>359</sup> Malik Mufti, ‘Elite Bargains and the Onset of Political Liberalization in Jordan,’ *Comparative Political Studies* 32, no. 1 (1999): 100.

<sup>360</sup> Glenn E. Robinson, ‘Defensive Democratization in Jordan,’ *International Journal of Middle East Studies* 30, no. 3 (1998): 387-410.

For Jordan's civil society, this context presents deep-rooted challenges. Civil society is always regulated by a certain system of law, whether in a democratic or authoritarian context, that constrain and regulate its activities through a system of regulations such as tax codes and permit requirements. This means that 'civil society is never autonomous from the state; it has only varying degrees of independence.'<sup>361</sup> The Jordanian monarchy, faced with multiple international and domestic challenges, has permitted civil society to grow in a very controlled manner since the 1990s. Civil society organizations in Jordan are subjected to many bureaucratic regulations and legal codes which allow the regime to monitor these organizations; thus the regime 'utilizes the growth of civil society institutions through non-governmental organizations to enhance state social control using order and visibility.'<sup>362</sup> This tactic was begun under King Hussein and has continued with King Abdullah II since his accession to the throne in 1999. This serves to maintain the power and stability of the regime, allows citizens to participate in collective action, and appeases international aid donors who increasingly expect democratization efforts, but it does not truly empower citizens. When civil society has been co-opted by the regime, collective action becomes 'predictable, transparent, and thus controllable.'<sup>363</sup> The effectiveness of civil society in this instance remains inherently limited, because it has become another mechanism of state social control.

### **The Arab Spring and Beyond**

When the Arab Spring erupted in 2011, thousands of protesters across the Middle East and North Africa took to the streets and demanded reform, first economic, and then political. Several dictatorial leaders, such as Zine El Abidine Ben Ali of Tunisia and

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<sup>361</sup> Wiktorowicz, 'Civil Society as Social Control: State Power in Jordan,' 57.

<sup>362</sup> Wiktorowicz, 'Civil Society as Social Control: State Power in Jordan,' 57.

<sup>363</sup> Wiktorowicz, 'Civil Society as Social Control: State Power in Jordan,' 58.

Hosni Mubarak of Egypt, were successfully removed from power. Jordan, too, felt the effects of the regional demonstrations. Although citizens' demands echoed those of their peers across the region, the size of protests in Jordan never neared the turnout in Bahrain, let alone Egypt. The monarchy's response was one of appeasement. Police were seen handing out water bottles to protesters, and King Abdullah tried to placate his citizens with an increase in government salaries and pensions and by reinstating subsidies on fuel and food. When this approach failed, the king dismissed his prime minister and appointed a new one, who, he hoped, would convince Jordanians that a reform effort was underway.<sup>364</sup>

Smaller scale protests continued through the next years, calling for tax reforms, opposing the government's withdrawal of subsidies on fuel, and demanding an end to widespread corruption. Despite citizens' varied grievances, protests still failed to reach large scales such as those seen elsewhere in the region. In part this may be due to the United States government's interest in maintaining Jordan's status as a 'safe zone' in an unstable region. The US has enormous influence over the General Intelligence Directorate (GID), or *Mukhabarat*, and maintains army bases in the country. The US Embassy is also involved in Jordanian policymaking, such as through aiding in drafting the new 2009 tax law. Thus, external influences may have contributed to the stemming of widespread and large protests in the country, although Jordanians also viewed the deteriorating situation in Syria with great concern.<sup>365</sup> In the latter half of 2012, there were larger protests around the country, which even came close to calling for regime change. By the time of the parliamentary elections several months later in January 2013, however, the protests had

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<sup>364</sup> Nicolas Pelham, 'Jordan's Balancing Act,' *Middle East Report Online*, February 22, 2011. <https://merip.org/2011/02/jordans-balancing-act/>.

<sup>365</sup> Pete Moore, 'Why Not Jordan?,' *Middle East Report Online*, November 14, 2012. <https://merip.org/2012/11/why-not-jordan/>.

subsided.<sup>366</sup> Jordan came to be known as the country where citizens chose ‘evolution over revolution.’<sup>367</sup> In a similar vein, around this time, social entrepreneurship in Jordan began to become more established as an alternative to traditional civil society organizations, in part due to international organizations pivoting their support towards social enterprises.

In the following years, reforms and constitutional amendments appeared to consolidate increasing power in the king. Furthermore, regional security challenges posed by conflicts in neighbouring Iraq and Syria with the Islamic State (IS, or ISIS, also known as *Daesh*) and the subsequent huge influx of refugees into the kingdom led to additional restrictions on civil society. The regime cracked down on those suspected of terrorism but extended its effort to repressing the free speech rights of activists, journalists, and other dissidents. Revisions to the 2014 anti-terrorism law not only forbid criticism of the king, which had existed previously, but also classified statements that ‘disturb Jordan’s relations with foreign states’ as terrorism. The GID was reported to repeatedly harass peaceful dissenters and torture government critics. All forms of public assembly, including some entertainment such as concerts, were also shut down in the name of security.<sup>368</sup> These new challenges facing Jordanians and their government created ample opportunities for social enterprises to thrive in Jordan. In fact, as social entrepreneurship theory suggests, the more difficulties a society faces, the more social enterprises should thrive as they provide solutions to these challenges. From 2015 to 2018, when fieldwork for this research was conducted, the number of social enterprises in Jordan increased

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<sup>366</sup> Nicholas Seeley, ‘The Jordanian State Buys Itself Time,’ *Middle East Report Online*, February 12, 2013. <https://merip.org/2013/02/the-jordanian-state-buys-itself-time/>.

<sup>367</sup> Fareed Zakaria, ‘Arab Spring’s Hits and Misses,’ *Washington Post*, January 30, 2013. [https://www.washingtonpost.com/opinions/fareed-zakaria-arab-springs-hits-and-misses/2013/01/30/fc72dcc2-6b15-11e2-af53-7b2b2a7510a8\\_story.html](https://www.washingtonpost.com/opinions/fareed-zakaria-arab-springs-hits-and-misses/2013/01/30/fc72dcc2-6b15-11e2-af53-7b2b2a7510a8_story.html).

<sup>368</sup> Jillian Schwedler, ‘Jordan Drops the Pretense of Democratic Reform,’ *Middle East Report Online*, April 28, 2016. <https://merip.org/2016/04/jordan-drops-the-pretense-of-democratic-reform/>.

significantly. Like other civil society organizations, however, they soon experienced resistance from the regime.

In June 2018, political contestation again reared its head in Jordan when a coalition of professional associations and labour unions called for a general strike to oppose the proposed amendments to the income tax law. This turned into a large range of groups protesting nationwide over several days, asking not only for a repeal of the income tax law but also for a reversal on price hikes on fuel and electricity as well as the dismissal of the prime minister. Protesters felt that the regime was asking them to shoulder more of the kingdom's financial burden and pay more of its debts, amid increased poverty and educational inequality, chronic unemployment, and corruption. After some hesitation, King Abdullah dismissed Prime Minister Hani Al-Mulki and his entire cabinet, replacing him with the Minister of Education Omar Al-Razzaz. While this protest movement surprised many, it likely had roots in long-standing and recurrent issues.<sup>369</sup>

Smaller protests associated with these larger ones continued into 2019, with activists meeting regularly. The breadth of movements across the kingdom since 2011 suggests that a more unified opposition coalition might be possible, but so far, this has not materialized. Since the summer 2018 protests, the regime has established and enforced five 'red lines' that protesters are expected not to cross, and these have allowed the regime to reduce the impact of a potential unified protest movement. The five 'rules' that protests should follow in Jordan are that protesters should focus on the government and not the monarchy, that they should not insult key allies of the regime, that they cannot occupy protest areas for extended periods of time, that protests in the capital cannot be linked to those in governorates, and finally, that there may not be cross-class or cross-

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<sup>369</sup> Pete Moore, 'The Fiscal Politics of Rebellious Jordan,' *Middle East Report Online*, June 21, 2018. <https://merip.org/2018/06/the-fiscal-politics-of-rebellious-jordan/>.

national alliances. The activists, of course, push back against these ‘red lines’ to make a point or to challenge the regime, and likewise, the regime sometimes cracks down on protesters even if they keep within their boundaries. The larger-scale protests that emerged in Lebanon, Algeria, Iraq, and Sudan, seen by some as a second Arab Spring, may explain why the regime has again taken a harsher stance vis-à-vis these movements.<sup>370</sup> Restrictions for social enterprises, especially those with political motives, has also likely continued. The careful balancing act between civil society and the regime has thereby continued from 2011 to the present.

### **Social Capital in Jordan**

Historically, a combination of political and economic conditions affected the level and nature of social capital in Jordan. Social capital in the country can primarily be found in nationalism, tribalism, Islamism, and *wasta*, which is a significant form of social capital throughout the Arab World. *Wasta* refers to the use of one’s connections or influence and to the norms of reciprocity between the beneficiary and the provider. It can be defined as relying on an intermediary, usually a person with good connections and high social status, to achieve a particular end. *Wasta*, combined with the way nationalists influenced public policy, especially after the 1971 civil war, significantly undermined social ties in Jordan and weakened general trust. Furthermore, this led to an increase in poverty, polarization in social and economic spheres, and political instability.<sup>371</sup>

Following the 1948 war against Israel, hundreds of thousands of Palestinians left their homeland, and many settled in Jordan. The 1950s in Jordan were characterized by

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<sup>370</sup> Curtis Ryan, ‘Resurgent Protests Confront New and Old Red Lines in Jordan,’ *Middle East Report* 292, no. 3 (Fall/Winter 2019). <https://merip.org/2019/12/resurgent-protests-confront-new-and-old-red-lines-in-jordan/>.

<sup>371</sup> Hamed El-Said and Jane Harrigan, “‘You Reap What You Plant’: Social Networks in the Arab World – The Hashemite Kingdom of Jordan.’ *World Development* 37, no. 7 (2009): 1235-1237.

political turmoil, but socially, the Palestinian influx contributed to the formation of a new stock of social capital. Palestinians became socially and economically active, and ‘built trust, informal insurances, and a stock of [social capital] through intermarriages and participation in civil society organizations.’ They also brought new skills, experiences, and financial capital with them, which they invested locally in industries, services, and real estate.<sup>372</sup> During this period *wasta* played an important role in building social capital between Palestinians and Jordanians, and both communities resorted to *wasta* to resolve their challenges. Jordanians and Palestinians, supported by their Arab identity and nationalism, perceived their problems as one. Following the 1957 ban on civil society organizations, Palestinians and Jordanians together established informal civic institutions and networks that brought together members of both communities to discuss and solve common problems.<sup>373</sup> From the 1950s to the mid-1960s, therefore, strong social capital developed in Jordan and was associated with economic growth and political stability, especially after 1957.<sup>374</sup> This was undermined in the late 1960s and early 1970s, however.

The 1967 war with Israel created another large wave of 400,000 displaced Palestinians to Jordan and strained Jordan’s resources and infrastructure.<sup>375</sup> Further, the creation of the Palestinian Liberation Organisation (PLO) in 1964 led to increased social tensions between Jordanian and Palestinian communities. The PLO relied on social capital to achieve its goals and its guerrillas employed violent tactics such as plane hijackings, kidnapping, and executing military operations against Israeli targets. Israel responded with reprisals against Jordanian towns; the situation led to the 1970-1971

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<sup>372</sup> El-Said and Harrigan, “‘You Reap What You Plant,’” 1239.

<sup>373</sup> Y. Trooquer and R. Al-Oudat, ‘From Kuwait to Jordan: The Palestinians’ third exodus.’ *Journal of Palestine Studies* 3 (1999): 44.

<sup>374</sup> R. Singh, ‘Liberalisation or democratisation? The limits of political reform and civil society in Jordan.’ In *Jordan in Transition 1990-2000*, edited by G. Joffe. London: Hurst, 2002, 77.

<sup>375</sup> World Bank, *Jordan: Economic development in the 1990s and World Bank assistance*. Washington, DC: World Bank, 2004, 1.

armed conflict between Jordanian armed forces and the Palestinian guerrillas. Ultimately the guerrillas and their supporters were expelled to Lebanon. The lack of political competition and political liberalization in Jordan during this time did not support associational life, and led to a stagnation in the development of social capital.<sup>376</sup> While the social capital that had previously developed between the Jordanian and Palestinian communities did protect and facilitate their ability to coexist, the PLO guerrillas' activities and the subsequent conflict created a rift between the two communities. For Jordanian nationalists, 'the issue of origin became of paramount importance' from this point forward.<sup>377</sup> They began to see Palestinians as 'guests whose presence in the army, security, and public sector represented a threat to Jordanian national identity.'<sup>378</sup>

The process of "Jordanization" that followed consisted of purging both Palestinian and Jordanian dissidents and was made possible by the security services, the Mukhabarat and the Jordanian army.<sup>379</sup> King Hussein aimed for social cohesion and stability in his quest for national unity, but at the same time could not aggravate the Jordanian nationalists, which had become the backbone of his regime. He therefore opted to reduce the number of Palestinians in his administration and relied more on Jordanians to fill influential cabinet, army, and security positions.<sup>380</sup> They, in turn, co-opted their relatives and friends too, and thus tribal and regional ties, constituting bonding social capital, undermined bridging social capital.<sup>381</sup> By the late 1970s, a division of labour based on ethnicity developed: Jordanians dominated the public sector, while Palestinians

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<sup>376</sup> D. Narayan, *Bonds and bridges: Social capital and poverty*. Washington: Poverty Group, PREM, World Bank, 1999, 10, 36.

<sup>377</sup> El-Said and Harrigan, "'You Reap What You Plant,'" 1240.

<sup>378</sup> El-Said and Harrigan, "'You Reap What You Plant,'" 1240.

<sup>379</sup> V. Yorke, *Domestic politics and regional security: Jordan, Syria and Israel: the end of an era?* Sydney: Gower, 1988, 13, 41; and A. Abu-Odeh, *Jordanians, Palestinians and the Hashemite Kingdom in the Middle East peace process*. Washington, DC: United States Institute of Peace Press, 1999.

<sup>380</sup> S. M. Braizat, *The Jordanian Palestinian relationship: The bankruptcy of the confederal idea*. London: The British Academy, 1998, 157.

<sup>381</sup> El-Said and Harrigan, "'You Reap What You Plant,'" 1241.

dominated the private sector. In effect, ‘wasta came to determine almost everything.’<sup>382</sup> With the rise in poverty and unemployment from the mid-1980s, the nature of wasta changed, and aided in building bridging social capital during good times and a supportive public policy environment. On the other hand, it also played a harmful role as a tool that strengthened bonding social capital during times of biased and corrupt public policy. Previous political cooperation between Palestinians and Jordanians seemed to be forgotten, many Palestinians left Jordan to seek employment in the Gulf, and bribery, corruption, and nepotism became more prevalent instead.<sup>383</sup> Therefore, after the 1970-1971 civil war, social capital’s negative bonding aspects came to outweigh its positive bridging elements.<sup>384</sup>

Following the 1990-1991 Gulf War, the process of Jordanization became more intense, and additionally, over 300,000 Jordanians of Palestinian origin returned to Jordan from the Gulf. The structural readjustment programs that the IMF and World Bank had promoted since 1989 aimed to reduce the state’s economic role. Due to the Jordanian-public sector versus Palestinian-private sector divide, ‘Transjordanians felt threatened by the economic restructuring from which Palestinians seemed poised to benefit,’ while Transjordanians felt they were ‘gradually losing control of their country to successive waves of outsiders.’<sup>385</sup> Palestinians returning to Jordan were seen as outsiders and competed for already scarce resources and employment.<sup>386</sup> Furthermore, each sector envied the other its successes, and since the mid-1990s, both communities have been

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<sup>382</sup> El-Said and Harrigan, “‘You Reap What You Plant,’” 1241.

<sup>383</sup> A. Al-Hamaneh, ‘The social and political effects of transformation processes in Palestinian refugee camps in The Amman Metropolitan Area (1989-99).’ In *Jordan in Transition 1990-2000*, edited by G. Joffe, 72-190. London: Hurst, 2002, 187.

<sup>384</sup> El-Said and Harrigan, “‘You Reap What You Plant,’” 1241-1242.

<sup>385</sup> L. Brand, ‘Palestinians and Jordanians: A crisis of identity.’ *Journal of Palestine Studies* 24, no. 4 (1995): 55-56.

<sup>386</sup> United Nations Development Programme (UNDP), *Arab human development report: Towards freedom in the Arab world*. New York: Regional Bureau for Arab States, 2004, 43, 62.

unsatisfied with the status quo: both are reminiscing ‘those days...[when life] was good.’<sup>387</sup> Therefore, from the 1970s onwards, public policy and increased hardship, poverty, and inequality have eroded not only bridging social capital across communities in Jordan, but also bonding social capital within communities.<sup>388</sup>

## **Conclusion**

Since the founding of the emirate of Transjordan and later as the Hashemite Kingdom of Jordan, the country’s ruling elite have faced challenges on multiple fronts. The monarchy has had to carefully balance the demands of its international aid donors with those of its citizens, and mostly resorted to repression to control public upheaval. In return, however, the country has benefited from enough international aid to ensure its wellbeing. The kings also have struggled with tribal divisions, which it managed by rotating the senior tribal members through important government positions. In return for these patrimonial gestures, the tribes have mostly been staunch allies of the regime, and the manipulation of voting districts ensures their overrepresentation in the parliament. The kingdom still recruits overwhelmingly from tribal areas for the expansive security forces that are an additional pillar of stability. The monarchy additionally relies on its strong ties to Islam, and its amicable relationship with Islamists in politics. The Muslim Brotherhood and the Islamic Action Front have served as a moderating force in Jordanian politics and have helped the monarchy to deal with periods of unrest. In return, they have not been repressed as their counterparts in neighbouring countries were. The issue of the Palestinians in Jordan has also been challenging, with the kings seeking to integrate them

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<sup>387</sup> Department for International Development (DFID), *Participatory poverty assessment in Jordan, near east foundation*. Amman: DFID and Ministry of Social Development, 2001, 11.

<sup>388</sup> El-Said and Harrigan, “You Reap What You Plant,” 1242-1243.

into Jordanian politics and society while simultaneously ensuring the 'Transjordanian' supporters continued loyalty to the regime. The relationship that the monarchy has had with these groups over the years has been mutually beneficial to varying degrees. The tribes and the Islamists both serve a distinct purpose to the monarchy, as of course do international aid donors. The Palestinians and more broadly, civil society, pose perhaps a greater challenge to the Hashemites. Civil society in particular has been alternatively more or less repressed, depending on the other circumstances facing the regime during a certain period of time. This sector is still emerging and growing, and its relationship with the government of Jordan will likely be redefined several times.

## **Chapter 3: Defining and Identifying Social Entrepreneurship in Jordan**

### **Introduction**

Social entrepreneurs in Jordan come from diverse socio-economic and geographic backgrounds. They are a mix of men and women from all major cities of Jordan. While they are not strictly part of the ‘youth’ as defined in the literature,<sup>389</sup> they are, apart from one interviewee in his sixties, among the younger generations, with their ages ranging from approximately twenty to forty-five years. Social entrepreneurs are also educationally and socially diverse, ranging from a refugee of Palestinian descent who grew up an orphan in Souf Camp, Jerash and dropped out of school in the eighth grade, to an Ammani from an upper-class family with a doctoral degree in medicine. Approximately half of those interviewed came from a middle-class background. Social entrepreneurs appear to be divided roughly equally among men and women, although a broader survey would be required to show an accurate gender comparison. In terms of geography, most social enterprises are based in Amman, but often work in non-Ammani communities such as in other cities or rural areas. The entrepreneurs themselves are primarily from Amman, however; perhaps their social connections based in the capital city make them more likely to succeed. For all social entrepreneurs, their social capital and the extent to which they were able to involve their communities in their work was decisive in determining the extent of their initiatives’ success. This was more important than their gender, class, level of education, or geographic location alone. Entrepreneurs’ ability to use social capital effectively could override any disadvantages they might

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<sup>389</sup> There are many age definitions for ‘youth’ but generally the term encompasses persons aged in their teens to their mid-thirties. For example, the United Nations determines youth to be between 15 and 24 years of age, but the African Youth Charter expands the range to 15 to 35 years. UNESCO, ‘What Do We Mean by Youth?’, Accessed October 7, 2018, <http://www.unesco.org/new/en/social-and-human-sciences/themes/youth/youth-definition/>.

otherwise have, such as having little formal education or coming from a rural background. Their initiatives are varied as they address issues in society regarding race and class, poverty, gender equality, education, refugees and rural communities; environmental issues, especially as related to water, health, and sanitation; and politically-related topics such as governmental accountability and tackling corruption, dialogue between citizens, and general civic participation. It appears that the only thing they all have in common is a desire to provide a social service to their community and country.

From the interview analysis, however, it became clear that ‘social entrepreneurship’ in Jordan is not homogeneous. There are two groups of social enterprises, each with distinct qualities that affect their roles in Jordan’s socio-political landscape. Structural transformation-based social enterprises (STSEs) focus on addressing structural social issues. The founders of STSEs know that social changes are gradual and take time, and thus focus on self-sustainability and continuity, and employ independent or hybrid funding models. STSEs rely heavily on social capital in the form of community resources to succeed. The objective is to incorporate the enterprise’s goals into the community to change community norms. In contrast, product- and service-oriented social enterprises (PSSEs) more closely resemble what are known as ‘socially responsible businesses’ or SRBs.<sup>390</sup> PSSEs depend on external grants and loans, both foreign and domestic, much as non-governmental organizations do. The missions of PSSEs focus on providing a specific good or service which the founders hope will address a certain social need.

This chapter describes both types of social enterprises and analyses their roles in Jordan, using the findings of forty-three semi-structured interviews conducted from

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<sup>390</sup> See for example the definition in David Lewis, ‘Promoting Socially Responsible Business, Ethical Trade and Acceptable Labour Standards’ (Social Development Systems for Coordinated Poverty Eradication, Paper No. 8, London School of Economics, January 2000), <http://www.chs.ubc.ca/lprv/PDF/lprv0495.pdf>.

January through April 2018 in the Hashemite Kingdom of Jordan. Most of the interviews took place in Amman, the capital city, but interviewees also worked in various other cities around the country, namely Jerash, Irbid, Karak, and Zarqa. Although many interview participants agreed to the use of direct quotes in this thesis, some preferred that quotations not be attributed to them, i.e. to remain anonymous, and some interviewees requested that certain statements remain anonymous while the remainder of the interview could be attributed to them. However, due to the sensitive nature of this research regarding state surveillance, all statements made by interviewees have been anonymised for their protection. For this reason, each interviewee was assigned a randomly generated number-letter identity, and this identity is used to cite their statements.

The chapter begins with an overview of STSEs, outlining their objectives, funding model, their use of ‘targeted creative reorganization’, challenges, and resiliency tactics. The first section gives preliminary suggestions of how the work of STSEs alters societal norms. Then PSSEs, their formation process and their reliance on the ‘entrepreneurship ecosystem’ are discussed, including an explanation of this sector’s deficiencies and the organizations attempting to aid PSSEs. The chapter concludes by offering comprehensive and concise definitions of STSEs and PSSEs and gives recommendations for identifying each type of enterprise.

### **Structural Transformation-based Social Enterprises (STSEs)**

Structural transformation-based social enterprises (STSEs) address ways of thinking and doing. Their missions focus on changing mindsets between and among communities, towards the government, and about social responsibility. They recognize that they are working on long-term goals and that any sustainable change is gradual. They focus on what they perceive to be root causes to alleviate the symptoms Jordan is suffering

from. The emphasis is on social impact and social investment throughout the community. Due to these enterprises' strong belief in their social mission and drive to be sustainable and independent of outside influence, they generally adopt the independent funding model, and they rely primarily on social capital. STSEs strive to be community-responsive and use targeted creative reorganization to achieve their objectives.

#### Structural Transformation-based Social Entrepreneurs' Criticism of Jordanian NGOs, CSOs, and Foreign Funding

When asked about their enterprises, structural transformation-based social entrepreneurs in Jordan generally agreed that implementing their goals requires self-sustainability in their funding model in order to ensure the long-term continuity of their initiatives. In connection to this, they commented on their opinions and concerns regarding the role of the international donor community and how this affects civil society organizations in Jordan. The entrepreneurs also discussed the various funding models they considered for their enterprise and why they chose the model they are currently implementing; and how they feel that their enterprises are better equipped to address Jordan's social problems because of this choice.

As part of their reasoning for choosing to create a social enterprise, rather than an NGO for example, STSEs expressed their frustration with the way they perceived civil society to normally operate in Jordan. Their main criticism with civil society organizations (CSOs) was that they depend on mostly foreign funding and thus on the goals of the international community to operate. Interviewee 'ZM3,' founder of an STSE focused on education, said, 'civil society is supposed to be the voice of the nation, or the voice of the locals. Now they operate as the donor voice, not the people's voice.'<sup>391</sup> Another social entrepreneur, interviewee 'HY3,' similarly stated that 'civil society in

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<sup>391</sup> Interview with 'ZM3' (structural transformation-based social enterprise), Amman, Jordan, January, 2018.

Jordan remains project-based, grant-dependent, grant-shaped, and the funding comes mainly from foreign aid.<sup>392</sup> He added that local funding for CSOs remains very limited, and that even local companies' contributions to civil society through their corporate social responsibility (CSR) programmes are very small. Interviewees from most mentorship and training organizations, among them CEWAS, BADIR, TTi, and Injaz, made similar remarks. Thus, most CSOs must rely on funding from international donors, an arrangement which imposes certain conditions on Jordan's civil society.

### *Issues of Sustainability and Continuity*

One of the main criticisms structural transformation-based social entrepreneurs have for the civil society funding model is that they perceive it as unsustainable and lacking in continuity. STSEs understood CSOs to be lacking in continuity because they continuously go through the 'rat race of raising funds'<sup>393</sup> from one grant application cycle to the next. Only those CSOs which manage to secure funds year after year continue to exist, and those who cannot secure funding shut down. The frequent changing of topics that are driven internationally also jeopardizes the continuity of CSO's programs. Interviewee 'CI5,' a social entrepreneur, gave the example that, 'one year, we have a hundred campaigns on child abuse, and the next year we have zero campaigns on child abuse because the donor ran out of money, and now they're doing women's rights. We have a hundred campaigns on women's rights now.'<sup>394</sup> When the goals of the international community change, funding for previous objectives shifts towards the new objectives, thus leaving CSOs with no choice but to amend their programmes to match the new objectives or risk shutting down due to lack of funding. Additionally, interviewee 'A28,'

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<sup>392</sup> Interview with 'HY3' (structural transformation-based social enterprise), Amman, Jordan, March, 2018.

<sup>393</sup> Interview with 'A28' (Social Entrepreneurship Support Organisation), Amman, Jordan, February, 2018.

<sup>394</sup> Interview with 'CI5' (structural transformation-based social enterprise/royal NGO), Amman, Jordan, February, 2018.

a regional social entrepreneurship trainer, reported that in her many years of experience previously working with various CSOs, she saw that this funding model can cause CSOs to amend or even change not only their programmes but also their core missions, only to be able to continue to function.<sup>395</sup> Interviewee ‘R34’ was one of the STSEs who encountered this issue while applying for a large grant from an international organization. During the grant-writing process, he felt that he began to change his initial objectives to those favoured by the donor, and ultimately, he decided not to apply for the grant at all. He explains:

In the beginning we wanted to get a huge fund. ... While working on this, and sending the proposal back and forth, after three, four months, we looked at the proposal, and it was something else. ... That’s when we said we don’t want [the grant]. Because they started saying, “you know the jury would like something else, so how about we add something about dropouts? This is good, and how about dropout boys connected with sports?” But this is not our project.<sup>396</sup>

Interviewee ‘R34’ was in the position to be able to continue his organization’s work without the international grant due to funding from other sources. A CSO relying entirely on grant funding would be in a more difficult situation with less room for a choice like this and might be forced to change its project objectives to more closely match those of the donor.

Social entrepreneurs criticized international organizations for the brevity of the projects they implement. Interviewee ‘LR2,’ a social entrepreneurship project developer working for an international organization commented that ‘in general, [international organizations’] thinking is based on project durations’ and that they often ‘don’t have money to develop a ten-year program that [they] know would make more sense than a two-year program’.<sup>397</sup> ‘LR2’ lamented that there is not enough funding, or not enough

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<sup>395</sup> Interview with ‘A28.’

<sup>396</sup> Interview with ‘R34’ (structural transformation-based social enterprise), Amman, Jordan, February, 2018.

<sup>397</sup> Interview with ‘LR2’ (Social Entrepreneurship Support Organisation), Amman, Jordan, March, 2018.

funding allocated over long time periods, to be able to develop long-term projects on the ground in Jordan. The resulting short-term projects are known as ‘hit and run projects’ and one social entrepreneur expressed the following critical view: ‘[They have] 5000 JD<sup>398</sup> to do a project, throw it in one community, take a couple of photos, write a report, out. With this regard, what impact did that have on the community? It ... gave them false impact.’<sup>399</sup> Another entrepreneur, interviewee ‘CI5,’ commented that this is ‘the way foreign aid money is deployed, and this is not unique to Jordan. ... You have a specific budget for a specific time, so I wouldn’t entirely say that it’s this party’s fault or that party’s fault. What I would say in general, is that [the donor’s] program design needs to include an element of sustainability.’<sup>400</sup> This inhibits the ability of CSOs to implement long-term programs usually necessary to implement lasting changes, as they can only rely on short-term funding.

#### *Issues of Programme Content and Implementation*

Another problem that structural transformation-based social entrepreneurs described is that international organizations drive the programmes connected to the initiatives they perceive as important in the community. In and of itself, this was not perceived to be a problem, but social entrepreneurs are frustrated that in connection to this, locals’ own expressions of their problems are not addressed. This suggests a paternalistic approach on the part of the international community, bordering on orientalist tendencies. Interviewee ‘R34,’ a structural transformation-based social entrepreneur, illustrated this point with an anecdote:

For example, the problem in Jordan Valley is the flies, but now no one mentions the flies ... because no organization wanted to fund such projects. So even the community started not seeing it as a problem, or not remembering to mention it.

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<sup>398</sup> JD = Jordanian Dinar

<sup>399</sup> Interview with ‘ZM3.’

<sup>400</sup> Interview with ‘CI5.’

They repeat the problems that most organizations came to tell them are their problems.<sup>401</sup>

Interviewee 'CI5' said that the presence of foreign aid has an overall positive effect on Jordan by promoting growth and helping the government address various areas it cannot afford to or does not have the ability to address. However, he said, 'when you look at the effect on civil society, what I am seeing from my humble experience is that there's this whole group of NGOs that does whatever the donor wants them to do.'<sup>402</sup> These CSOs are therefore not necessarily representative of the Jordanian people, but rather of the topics that are driven internationally and for which funding is provided in any given time. In such a donor-driven and donor-dependent environment, the political space in Jordan is conditioned not only by the government but also by the international donors.

Further, STSEs expressed concerns that international organizations are out of touch with the communities in which they work. Interviewee 'ZM3' recounted that in his experience working with international organizations, 'they lack the perspective of the local community ... They're not listening to what the local community is saying.'<sup>403</sup> In a specific example, interviewee 'ZM3' described an entrepreneurship training programme hosted by an international organization in Zarqa, a city northeast of Amman. Entrepreneurship training programmes have recently become one of the ways that international organizations aim to increase employment in Jordan, especially among youth.

A Canadian organization with a local partner conducted a four-day training on social entrepreneurship in Zarqa. One of the kids who was in it messaged me. ... Supposedly he should come up with a project and they will pick three out of ten projects to fund, to continue. He called me when he was taking the training, telling me about his idea. He asked me, "is this social entrepreneurship or not? Is it a business that leads to social responsibility?" I said, "I don't think so, did you tell the trainers about it?" He was telling me, "I did, and they told me it's great." And I knew his idea was not going to work in Jordan. He wanted to create a mobile

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<sup>401</sup> Interview with 'R34.'

<sup>402</sup> Interview with 'CI5.'

<sup>403</sup> Interview with 'ZM3.'

caravan that sells juices for people with allergies and diabetes. First, in Jordan, we don't authorize mobilized sellers. So, you will never see a caravan or a car selling tea or coffee or sandwiches. How can you say it's a good idea knowing that he can't be successful? At the end of the training, he pitched the idea. They told him, "your idea is great," even though the trainers and the funder knew that it's not feasible. They pushed him to end the training, so they just had him as a number.<sup>404</sup>

This example illustrates that the organization running the training was not familiar enough with local laws and regulations in Jordan to accurately assess whether a project developed by a participant has a chance of success, much less offer appropriate advice.

Interviewee 'ZM3's' example sheds light on an additional issue. The way international organizations appear to measure success is by counting numbers of participants, as illustrated by interviewee 'R34':

For example, if you're teaching music, a lot of organizations say they want to see a concert at the end. But is really the concert the thing that counts? Don't you think that the process was also so important for people? ... [The international donors] don't care, they want numbers. Fifty youth in front of two thousand people: Bravo! But if [the community] took funds but they couldn't make a concert, the donors consider it a failure. No. A lot of things happened during the process.<sup>405</sup>

Seeking high participation rates has evidently led international organizations on multiple occasions to offer cash incentives for Jordanians to attend their programmes. Interviewee 'ZM3' noted that the organizers of this particular training programme seemed to be more concerned with the number of participants they could report back to their superiors in their impact statement than with the quality and applicability of the training itself. Interviewee 'ZM3' later added that his acquaintance had received 20 JD as payment for participating in the training session. He reported that he himself had also been paid 40-50 JD for each training held by the United States Agency for International Development (USAID) he attended. He expressed concern that many of the other training participants were in attendance primarily because of the financial reward offered, and not because

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<sup>404</sup> Interview with 'ZM3.'

<sup>405</sup> Interview with 'R34.'

they were interested in the skills or knowledge they could gain. In the same vein, other entrepreneurs expressed frustration at international organizations and their implementing partners paying 20 to 30 JD per day to their volunteers, and that this practice has warped Jordanians' understanding of what community service is. One structural transformation-based social entrepreneur said, 'if I want [youth] to come to volunteer, they ask me, "how much are you paying me?"' And that's a ripple effect of what the international organizations did. They changed the mentality.'<sup>406</sup> For those social entrepreneurs dedicated to increasing civic activism and involvement in community service, this trend was particularly worrying, not only because they felt that people's expectations of the rewards of volunteering had changed. They also reported difficulties in recruiting volunteers to help with their initiatives because they cannot afford to pay their volunteers, like international organizations do.

### STSE Funding Models

Instead of relying on the donor-funded model, structural transformation-based social entrepreneurs in Jordan use business-like strategies to ensure their enterprise's longevity. Both independent and hybrid funding models are popular with social entrepreneurs as they seek to provide an alternative to the foreign-aid-dependent funding model most used by other CSOs and hope to thereby avoid some of the issues civil society faces in Jordan. The independent model appeared to be the preferred model for social enterprises when fiscally possible. In this model, social enterprises use only their own capital from sales of products, sponsorship from local companies such as telecommunication companies or banks, and members' direct contributions. They rely on the community's cooperation and involvement. They often reject foreign funding entirely

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<sup>406</sup> Interview with 'ZM3' (structural transformation-based social enterprise), January 2018.

in favour of being more sustainable and politically independent. For interviewee ‘ZM3,’ the choice to be entirely financially independent was clear, and he explained that he wants his enterprise to act as a role model for other organizations: ‘So far ILearn operates on ... local sponsorship and funding. I’m trying to prove something. Why can’t we do it by ourselves? Why don’t we get funded by ourselves? Why do we always need a foreign hand to show us how?’<sup>407</sup> Similarly, interviewee ‘X2K’ explained that he insists on not receiving grants or other funding from anyone because he is ‘trying to prove that you can make great change if you really put determination and focus into it.’<sup>408</sup> For interviewee ‘X2K,’ the long-term continuity of his objectives plays an important role in the decision not to accept grants. He stated,

I have pure and clear goals and objectives that are constant that I’m focusing on for the next 20 years. I’m not going to be "fake" just so I can satisfy the granter or the donor. This is another reason why I don’t apply to grants. It’s more about continuing the ideas that I started with and staying consistent, rather than going with what is fashionable in grant industry.<sup>409</sup>

Interviewee ‘R34’ said, ‘our model is to give people hope, that yes, you can work and have an organization that is independent and still exist’.<sup>410</sup> His reasoning for choosing an independent funding model is based on experience. He said that in the early 2000s, many CSOs received USAID funding. When the grants ran out several years later, many of these organizations closed because they were unable to find other sources of funding. Interviewee ‘R34’s’ social enterprise is connected to a parallel for-profit consultancy company, and profits from this company help to sustain the STSE. Interviewee ‘A28’s’ organization is an example of a social enterprise which changed its funding model from being dependent on donors to being independent. She explained she no longer wanted to

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<sup>407</sup> Interview with ‘ZM3.’

<sup>408</sup> Interview with ‘X2K’ (structural transformation-based social enterprise), Amman, Jordan, February, 2018.

<sup>409</sup> Interview with ‘X2K.’

<sup>410</sup> Interview with ‘R34.’

go through the cycle of cultivating a relationship with a donor and then having to worry about the money. She said, ‘for example, [our program funded by] Coke: That grant was such a big grant, it was such a beautiful program. Then at some point they changed their CSR strategy and they decided to stop funding the program. Now it's shut.’<sup>411</sup> STSEs often see choosing the independent funding model as part of their mission to be independent and sustainable and also to serve as a role model for other organizations. The independent model allows them to focus on their mission for as long as they see fit without any external influence and without the threat of being forced to adjust or end programmes.

In the hybrid model, structural transformation-based social enterprises use their own capital to sustain themselves but apply for and receive foreign funds for specific projects. They use foreign support to run particular programs but remain inherently politically independent and do not rely on foreign funding to exist. This allows them to work with donors and receive grants which reflect their core mission and ideals, rather than adapting their projects to fit donors’ objectives. Commenting on the hybrid model as a possibility for funding a social enterprise, interviewee ‘R34’ said that ‘[foreign funding] is good for a specific project, but not the whole organization.’<sup>412</sup> He strongly believes that the hybrid model can only be successful if the STSE’s main funding model is not dependent on foreign funds. Interviewee ‘HY3’ explained the way he adapted the funding model of his social enterprise to be more sustainable using the hybrid model:

When we first started Leaders of Tomorrow, we were registered as an NGO and we were heavily aid dependent. The initiatives that were sustained by foreign aid were difficult to keep going. ... But it’s imperative for any organization or civil society initiative to be independent and sustainable, and to do that it must have its own income. ... We now have some income generating units. We sell some services. So, it is a hybrid model of funding. For example, we have the art market. People can buy the art.<sup>413</sup>

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<sup>411</sup> Interview with ‘A28.’

<sup>412</sup> Interview with ‘R34.’

<sup>413</sup> Interview with ‘HY3.’

Interviewee ‘6V2’s’ STSE also uses the hybrid funding model. Most of the enterprise’s income stems from founding members’ direct contributions, so that the enterprise is self-sustainable. He said, ‘we’ve made it a point not to get external funding, definitely not for our running costs.’<sup>414</sup> He explained that he is currently looking for foreign funding sources for one of the enterprise’s initiatives, but that he does not want the enterprise itself to depend on foreign funds. By using the hybrid funding model, STSEs can use foreign aid to supplement the enterprise’s income and thereby fund specific projects, but at the same time still remain politically independent and financially self-sustainable.

#### Why Social Entrepreneurship?

Social entrepreneurs are acutely aware that Jordan and the Middle East face many issues, and the solutions that are provided are mostly given by the government, public institutions, or international donors. As interviewee ‘LR2,’ social entrepreneurship project developer for an international organization, points out, ‘the sustainability of those can be questioned often. ... In all the sectors, I think a lot of localized solutions are still missing.’<sup>415</sup> Interviewee ‘A28’ agrees, saying that ‘people are looking for sustainability and they are looking for smart sustainability. How can you do good, but also sustain yourself and not be funder driven?’<sup>416</sup> Structural transformation-based social entrepreneurs are trying to provide the localized solutions that interviewees ‘LR2’ and ‘A28’ mention. Interviewee ‘HY3’ defines a social enterprise as ‘something independent, sustainable, and strategic.’ He believes that ‘social enterprises can go beyond the concepts

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<sup>414</sup> Interview with ‘6V2’ (structural transformation-based social enterprise), Amman, Jordan, February, 2018.

<sup>415</sup> Interview with ‘LR2.’

<sup>416</sup> Interview with ‘A28.’

of grants leading to projects, to a general programmatic approach in which the passion for a particular issue or set of issues is sustainable.’<sup>417</sup> The issue of self-sustainability, and the ability to ensure continuity of the enterprise’s core mission(s), lies at the core of social entrepreneurs’ choice to create STSEs rather than another type of civil society organization. In the words of interviewee ‘X2K,’ founder of an STSE:

I could sum it up by a quote by from Chuck Palahniuk. It says “We all die. The goal isn’t to live forever, it’s to create something that will”. What I wanted to do was create [this enterprise] to be my legacy, to continue and enhance humanity even after my departure. ... You need to create something that continues to grow even after you’re gone.<sup>418</sup>

Structural transformation-based social entrepreneurs expressed considerable concerns regarding the way the international donor community operates in Jordan. While they recognized that international aid does help to promote growth and address certain issues the government is unable to deal with, they also felt that in certain regards, civil society organizations’ reliance and dependence on foreign aid funding weakens the overall ability of civil society to engage in solutions to Jordanians’ needs. STSEs noted that the involvement of international organizations seemed to change local CSOs’ goals to the goals of the international community, with not enough regard for the needs the local community expressed. They also said that CSOs’ reliance on international donors restricts their project implementation to just a few years with limited funding.

For these reasons, the founders of STSEs chose to establish independent financial models for their organizations, which gives them the opportunity to be self-sustainable, i.e. not reliant on foreign or domestic grants or loans. This further allows them to protect the integrity of their mission and projects so that they are not influenced by external actors. Therefore, STSEs are better positioned to reflect the needs of the communities

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<sup>417</sup> Interview with ‘HY3.’

<sup>418</sup> Interview with ‘X2K.’

they serve, and are more able to provide long-term solutions, than other civil society actors.

STSEs face many of the domestic issues present in Jordan that affect civil society, such as bureaucratic obstacles and occasional harassment by security forces. Adopting more independent funding models is one of the demonstrable ways that these social enterprises are more flexible and adaptable than most of their CSO counterparts. This makes them better equipped to work on long-term solutions to community issues because they are not constrained by the various issues that arise from dependence on international funds. Jordan's STSEs address diverse issues through their enterprises' programmes. Additionally, through their adoption of business-like practices, they have provided an alternative to dependence on foreign aid, which they view as one of the structural issues facing civil society in the country. Social entrepreneurs' adaptability in this regard allows them to be more directly responsive to the communities they serve, as well as ensure the continuity of their programmes and the self-sustainability of their enterprises.

#### STSE Objectives and Their Achievement Through Targeted Creative Reorganization

STSEs seek to transform the communities in which they operate through comprehensive mobilization tactics. Through the work of the STSE, and the STSE's extensive use of social capital, community members become so involved in the STSE that the enterprise becomes not only self-sustainable but also self-perpetuating. STSEs' substantial reliance on social capital in ensuring the success of the enterprise matches well their desire to be independent of governmental and international resources. This social capital manifests itself in collaboration and cooperation with the community in which the STSE works. Since a large part of STSEs' work focuses on creating positive social impact and social investment in the community, the use of social capital not only

allows the STSEs to function, but also serves to achieve their greater objectives. STSEs have two layers of objectives: the first, publicly stated objective, tends to be superficial, though it is still a cause that is important to the STSE, and relates to providing a good or service to the community. The second layer of objectives goes deeper and is meant to address the structural issues the STSE sees in society. The publicly stated objective is the vehicle through which the STSE ‘creatively reorganizes’ existing community norms and replaces them with new social values that are more closely aligned with the social entrepreneur’s vision of what is necessary for the community and the country to progress. Thus, STSEs have public and hidden agendas, of public engagement versus their wider objectives, respectively.

STSEs achieve their objectives and become self-sustainable and self-perpetuating through Targeted Creative Reorganization (TCR). This process generally follows similar steps from one STSE to another (Figure 3.1). Initially, the STSE determines its objectives based on a need it has found in society. This need could be social, political, economic, or even environmental. Then, the STSE identifies various sectors of society whose needs and capabilities fit into the STSE’s plan to achieve its objectives. These sectors of society become the pillars on which the STSE’s work and, indeed, success, rests and relies. In the next stage, the STSE reorganizes the interaction between these pillars and inserts itself into their activities to create a symbiotic relationship. It does this by assigning new roles, beneficial to the STSE’s work, to the chosen sectors of society, and by simultaneously addressing the need(s) of these same sectors of society. Consequently, the acceptance of revised social norms into society occurs as the new work of the sectors of society becomes routine. STSEs often choose sectors of society which are well-established and thus trusted by the community, which consequently aids in the community’s acceptance of the STSE’s work; the STSE faces less resistance to change in this way. In the final stage, society

integrates and normalizes the STSE's objectives, as community members initiate and implement independent programs of their own which are in line with the STSE's objectives. As this occurs, individual members of society take on new roles, and collectively, the community normalizes new socio-political values. Through this process, the STSE ensures that its work is self-sustainable and self-perpetuating, but also that its greater objectives are achieved through thorough integration of its values into society.

The phenomenon of targeted creative reorganization of existing societal norms is best illustrated with an example, to show how this manifests itself in practice. Interviewee 'ZM3,' who works in an STSE, has successfully employed this tactic in several communities in Jordan. Interviewee 'ZM3's' personal experiences allowed him to identify issues in his community, Jerash and Souf refugee camp, that he felt should be resolved so that future generations of children can have access to improved educational possibilities. As stated on the organization's web page, 'ILearn started by mobilizing youth volunteers to work with children and provide them with access to non-traditional learning opportunities and access to safe spaces where they can interact, express themselves freely, and acquire the skills, attitudes and behaviors necessary in life.'<sup>419</sup> Interviewee 'ZM3' created 'a model that works on disruption, mobilization, and then organization.'<sup>420</sup> ILearn operates in eight communities in four of Jordan's municipalities and targets what interviewee 'ZM3' calls the 'three pillars' available to schoolchildren in Jordan to provide the components necessary for ILearn to provide new educational solutions to underprivileged children. The three pillars consist of university students, schoolteachers, and existing community organizations. Each of the three also gains an advantage in exchange for their participation in ILearn's initiative.

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<sup>419</sup> ILearn, 'About,' Accessed September 17, 2018, <http://ilearnjo.com/about-i-learn/>.

<sup>420</sup> Interview with 'ZM3.'

Interviewee 'ZM3' examined each of the sectors. He noted that university students' main worry is unemployment, particularly for students who come from rural villages and do not have powerful connections in Amman. These students also lack the ability to receive training that prepares them for the job market. Interviewee 'ZM3' arranged for local start-ups to give these university students the training they need, and in return, the students provide volunteering hours to ILearn. They also help ILearn to reach the school dropouts and unemployed youth. The second pillar, schoolteachers, often need to show evidence of community service or training from professional academies to be awarded promotions or for their schools to receive awards. Again, ILearn helps teachers receive this training and they gain community service hours by coming to ILearn and volunteering their time by teaching ILearn's children. The teachers also work with ILearn to create a dropout prevention program. The local organizations benefit from donating their training services to the university students and schoolteachers as well, because they are able to network and build their infrastructure in this way. Additionally, they can list their cooperation with ILearn as a 'corporate social responsibility' (CSR) activity, which improves the local community's trust in the organization. The local organizations also allow ILearn to use their spaces for free, and the community's trust in ILearn grows with its trust in the local organization. In addition, these organizations are often charities and are well situated to be able to identify poverty pockets and find children who are working instead of attending school. In this model, therefore, three different sectors of the local community mobilize and work towards ILearn's objectives, while at the same time benefiting themselves, and no financial capital is exchanged. Interviewee 'ZM3' calls the process of convincing the three 'pillars' to participate the 'mobilization' stage. The 'disruption' phase occurs at the same time, because when interviewee 'ZM3' successfully convinces a university student, schoolteacher, or local

organization to participate in ILearn, he has already disrupted their norm. He explained, ‘we create a routine, so our old lifestyle that the university students are just doing whatever they want, the teacher whatever they want, this no longer exists. Now you have social pressure and responsibility to come to this space and offer something.’<sup>421</sup>

Interviewee ‘ZM3’s’ initiative, ILearn, has consequences beyond the reach of simply providing better education opportunities for children. The university students, more equipped for the job market, receive better employment opportunities but also acquire a sense of personal responsibility and commitment to their community. Schoolteachers are better able to teach and with the incentive of awards or promotions, potentially work harder in their professions, but also learn how to identify at-risk children and how to help them. Finally, the local organizations have a strong incentive to continue their involvement in the community. Notably, this pattern became so ingrained in the communities where ILearn works that interviewee ‘ZM3’ noticed that ‘they started organizing by themselves. After a year and two months of implementing this program in a small community, we realized that the community started creating their own initiatives. The mother, if she has an unemployed youth, she starts telling her youth, “go do something” ... It became a mentality, a mindset.’<sup>422</sup> In a relatively short time period, ‘it became a taboo for someone who is privileged not to show up’ and contribute to his/her community in some way: ‘It became, if you don’t do these volunteering hours, you don’t count as a productive community member. ... It opened their eyes, so the way they perceived their community is no longer the way it is.’<sup>423</sup> People accepted ILearn’s targeted creative reorganization of the previous norm and now actively participate in perpetuating the new norm. This is significant in multiple ways. First, ILearn’s publicly

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<sup>421</sup> Interview with ‘ZM3.’

<sup>422</sup> Interview with ‘ZM3.’

<sup>423</sup> Interview with ‘ZM3.’

stated objective, to provide better educational opportunities for underprivileged children, can be achieved. Second, ILearn does this without using external resources, relying instead on the resources of the communities in which it operates; the STSE is thereby an initiative both for, and by, local community members. In this way it can be directly reflective of and efficiently responsive to community needs. Finally, ILearn's successful targeted creative reorganization created a powerful ripple effect throughout the communities, going beyond education to addressing deeply rooted issues by normalizing social responsibility, reciprocity within the community, and active citizenship.

Other STSEs in Jordan employ similar methods to achieve their objectives. Crucially, they all work directly with the community members they aim to serve, use only limited, if any, financial capital, and primarily seek to address structural challenges on a localized scale, rather than simply providing a particular good or service. In this way they hope to make tangible changes in Jordan's civil society, because their initiatives deal with citizenship, government accountability, civic participation and responsibility, and dialogue among citizens. The use of social capital, or directly engaging community members in the STSE's work, ensures that the changes STSEs wish to create are achieved from within, rather than being imposed. This makes the STSE an influential sector of civil society, and perhaps one that can be more effective (albeit on a smaller, more confined scale) than other sectors of Jordanian civil society.

### STSE Challenges and Adaptations

Due to STSEs' underlying objectives, which address Jordan's structural issues society and politics, they are at risk of facing serious challenges. One of the greatest challenges is repression by the government through intimidation by the security forces or even being shut down because civil society organizations in Jordan are only rarely

permitted to truly address political issues, and social issues are contentious as well. Additionally, the STSEs which work outside of Amman and the larger cities and focus on rural communities can be subject to more oversight because these communities are viewed as areas where popular uprisings and radicalization can occur more easily. Often, the STSEs state only their superficial objectives publicly, i.e. on websites and social media platforms and in their official registration papers. STSEs' structural objectives often seek to change social and political norms, and they fear repercussions from Jordan's legal system and security forces if they express and advocate these objectives openly.

Several STSEs discussed being harassed by security forces and government employees and reported that there were multiple occasions when their programmes or events were shut down or otherwise prevented from operating as planned. One of these STSEs, who requested to remain anonymous, stated that after legally registering with the organization with the Ministry of Social Development, they felt that they were always a suspect with the government and the intelligence services. The interviewee said that ministry officials required them to communicate all of their activities with the ministry, 'because they need to tell the intelligence about our work'.<sup>424</sup> This made their day-to-day operations stressful because they felt a lot of pressure from the constant government observation. This particular STSE had been more open about their political objectives, but explained that they encountered issues because 'we're not allowed to be involved in any political activities or they will close [us] ... they want us just to be volunteers ... for them it's threatening, so you're not allowed to talk politics or make any political activities'.<sup>425</sup> They reported that police presence almost always accompanies their activities in the rural communities, and that government officials often call to inquire

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<sup>424</sup> Interview with 'R34' (structural transformation-based social enterprise), February, 2018.

<sup>425</sup> Interview with 'R34.'

about the names of persons involved in events. A particularly challenging instance was when members of Zamzam, a centre-right Islamist political party, attended one of the STSE's events to observe their work. The interviewee recalled that

The government made many phone calls: "why are they coming, what do they want, do you know who this is?" I told them, for me, anyone is welcome to the project, [the party leader is] not coming to make a political speech. He wants to see what we are doing. I can't say to anyone not to come. So, it was a little bit tense. And then... they started calling the people [in the rural community] and making them afraid.<sup>426</sup>

The STSE continued to explain that these things occur because 'sometimes [the government is] afraid of someone influencing the community to start a movement, so they're always looking at who's coming, who's doing what ... it's risky to start any movement in rural areas and governmental places that they are known to be loyal people.'<sup>427</sup> Organizations that address social or political issues in particular are subject to government oversight, involvement and intimidation practices.

The STSEs explained that this harassment occurred until they changed their strategies. Interviewee 'R34' described that the STSE had originally been legally registered as a non-governmental organization with the Ministry of Social Development, but that it is now registered as a not-for-profit company with the Ministry of Trade and Finance. This move from one legal registration to another has afforded the STSE substantial freedom to operate as it wishes, because government involvement has become reduced to the standard taxation procedures, and harassment by the security forces occurs only rarely. As 'R34' said, 'they are more relaxed. Now the issues are only bureaucratic'.

<sup>428</sup> With the registration as a not-for-profit company, the STSE operates the same way as it did when it was registered as an NGO, except without the restrictive intimidation and oversight measures. Most STSEs had similar experiences. Interviewee 'HY3' also

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<sup>426</sup> Interview with 'R34.'

<sup>427</sup> Interview with 'R34.'

<sup>428</sup> Interview with 'R34.'

founded an STSE that is politically oriented and stated that a major challenge was dealing with the government and security services. The founder said,

Our activism has caused problems, like when we held large public debates. Other things are mostly OK. We want to affect society. The concept of debates, we didn't invent that, but it is pretty new here in Jordan. We made people focus on reinforcing their arguments with facts and numbers and we held officials accountable. We had huge debates in the open, in Rainbow Street and Wasadt al Balad.<sup>429</sup> We invited many officials, ministers ... afterwards, they made trouble for us.<sup>430</sup>

This STSE has 250,000 users on its online platform and reaches around a million people every week. The scope of this STSE was likely an additional concern for the government, besides its political messages. The founder explained that the STSE also experienced significant pressure from the security services, but that 'the pressure from the security services is usually not on the enterprise, it's on the person, it's on me. It's really bad, more than you can expect. It was really difficult to deal with and keep going.'<sup>431</sup> However, the STSE persevered and also changed its tactic; it is now registered as a business, not as an NGO, and like 'R34', reports much fewer current issues with the government.

An experienced official working for the USAID Civic Initiative to Support (CIS) programme, which works to promote and support civil society organizations in Jordan through training and grants, commented on the challenges that any politically oriented organization faces. The official wished to remain anonymous but explained that,

The bottleneck is the acceptance of the government. Usually anything related to politics, anything related to religion, it's more difficult ... especially the political issues. ... If you are working with something related to-- issues related to Israel, any other political things... Avoiding the sensitive issues will be welcomed by the government.<sup>432</sup>

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<sup>429</sup> The areas around Rainbow Street and Wasadt al Balad are in the centre of Amman and are often considered the heart of the capital's social and cultural scene.

<sup>430</sup> Interview with 'HY3' (structural transformation-based social enterprise), Amman, Jordan, March, 2018.

<sup>431</sup> Interview with 'HY3.'

<sup>432</sup> Interview with 'VG4' (USAID Civic Initiatives Support Program Employee), Amman, Jordan, April, 2018.

Some STSEs were aware of this issue when they founded their organization; others only realized the full extent of government and security forces' oversight, and the consequences of this, when they began to operate. Each STSE, however, has adapted to the situation and made its operations more covert. Most STSEs have done this by hiding their true objectives behind 'superficial' objectives, as explained in the previous section. A few avoid 'detection' by not registering their organization with the government and operating out of their homes. Others have chosen to keep their true objectives clear, but have changed their legal registration from NGO-status (in the Ministry of Social Development, which exercises extensive oversight) to business-status (in the Ministry of Trade and Finance, which only oversees organizations' financial matters). In some cases, STSEs had to employ both tactics, but the end result overall is that these changes have allowed the STSEs to continue to operate throughout politically unstable periods of time without compromising their ability to function, and indeed, thrive.

### **Product- and Service-oriented Social Enterprises (PSSEs)**

Product- and service-oriented social enterprises (PSSEs) address specific problems and focus on quicker solutions to effect short- and medium-term improvements. They address issues such as women's and refugees' employment, providing specific services to the disabled, introducing services in the water, sanitation, and health sector, or developing technological advances to aid in medicine or pharmaceutical services. The emphasis is on improving a particular aspect of a specific community sector. In this way, PSSEs resemble businesses that are socially responsible, with the difference being that PSSEs are usually not financially self-sustainable. This is because they rely on national or international donor funding to operate, which also has the disadvantage of making

these enterprises adapt to the changing needs of the international donor community (e.g. shifting the focus from ‘leadership’ to ‘helping refugees’ in recent years).

### PSSE Formation Processes and Their Reliance on the Jordanian ‘Entrepreneurship Ecosystem’

The formation process of PSSEs generally follows that of any other start-up or small enterprise in Jordan, and they are therefore heavily dependent on what is known in economics and business terms as the ‘entrepreneurship ecosystem’. The ‘entrepreneurship ecosystem’ is defined as ‘a set of interdependent actors and factors coordinated in such a way that they enable productive entrepreneurship within a particular territory.’<sup>433</sup> It is thus understood to be the ‘environment’ in which an enterprise operates. Entrepreneurship ecosystems comprise a myriad of domains, which are usually grouped into six categories: government policies, private- and public-sector support, access to human capital, access to financial capital, the market, and the culture which influence an enterprise’s function and success. For example, this could consist of incubators and training programs; support from the government, the monarchy, GONGOs, INGOs, and international organizations; and private, public, and international funding in the forms of grants and loans.<sup>434</sup> Economic development plans in many cities and countries cite fostering entrepreneurship as a core component. It is seen as part of the answer to high unemployment rates, especially among youth. In its 2015 report examining the Sustainable Development Goals (SDGs) set by the United Nations and outlining a

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<sup>433</sup> Erik Stam and Ben Spigel, ‘Entrepreneurial Ecosystems’ (Discussion Paper Series, no. 16-23, Utrecht School of Economics, 2016), 1, <https://EconPapers.repec.org/RePEc:use:tkiwps:1613>.

<sup>434</sup> Daniel Isenberg, ‘Introducing the Entrepreneurship Ecosystem,’ *Forbes*, May 25, 2011, <https://www.forbes.com/sites/danisenberg/2011/05/25/introducing-the-entrepreneurship-ecosystem-four-defining-characteristics/#530f986d5fe8>.

framework to achieve these goals, Jordan lists the creation of ‘an enabling environment for entrepreneurship’ as a main objective.<sup>435</sup>

In Jordan, the general entrepreneurship ecosystem is expanding, but the social entrepreneurship ecosystem is barely emerging. Since 2010, and especially in the last 4-7 years, the word ‘entrepreneurship’ has become trendy in Jordan and in this period, the entrepreneurship ecosystem really emerged. The term ‘social entrepreneurship’ has become more popular only in the last 2-4 years. There are just a few organizations which specifically support social enterprises. All the others support enterprises in general, and although some are socially oriented, most focus on entrepreneurship in technology, water, sanitation, and health, and environmental issues. Social enterprises and the few organizations which support them both report that a lack of awareness (in every sector) about social enterprises has hindered the growth of existing social enterprises and affects the ability of new social enterprises to form.

Among the main supporting organisations of entrepreneurs in Jordan, which also work with socially-oriented enterprises, are the telecommunication companies Umniah and Zain, which run the entrepreneurship incubation facilities known as ‘The Tank’ and ‘ZINC’, respectively; Oasis500 which focuses on seed funds and ‘scaling’ i.e. growing enterprises; int@j, which focuses on technology-oriented start-ups; Seven Circles Consulting, which connects enterprises with suitable investors; the International Youth Foundation (IYF)/BADIR which specifically targets youth entrepreneurs; the Abdul Hameed Shoman Foundation; TTi and Ruwwad, which offer logistical support and advice; and Injaz, which seeks to teach and promote entrepreneurship among schoolchildren and university students across the Middle East. Notable international

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<sup>435</sup> Hashemite Kingdom of Jordan, ‘Jordan’s Way to Sustainable Development,’ September 28, 2015, 38, <https://sustainabledevelopment.un.org/content/documents/16289Jordan.pdf>.

governmental and intergovernmental entities offering training and funding for enterprises are the United States Agency for International Development Local Enterprise Support Project (USAID LENS); the embassies of the United States, Canada, United Kingdom, Australia, and the Netherlands; the German Gesellschaft für Internationale Zusammenarbeit (GIZ); the European Union; the World Bank (mostly in the form of loans); and the Swiss organization CEWAS. In recent years, several of Jordan's royal NGOs (RONGOs) have also added the promotion of entrepreneurship through small funds, training courses, and education to their objectives: the Queen Rania Foundation (QRF)/Edraak, the Crown Prince Foundation, the Jordanian Hashemite Fund for Human Development (JOHUD), the King Abdullah Fund for Development (KAFD), and the King Abdullah II Award for Youth Innovation and Achievement (KAAYIA). Additionally, the government, in the Ministry of Youth and the Ministry of Social Development, have been working to promote entrepreneurship. The University of Jordan, in its Innovation and Entrepreneurship Center, and the German-Jordanian University, offer courses and other resources to students to encourage them to found enterprises while they are studying or shortly afterwards. While this list mentions the most prominent actors in the entrepreneurship ecosystem of Jordan, it is not exhaustive. TTi created a more comprehensive 'map' of the ecosystem detailing the roles of organizations known to work with entrepreneurs.<sup>436</sup>

Support for PSSEs coming from royal NGOs and international organizations has received a lukewarm response, however. In recent years, royal NGOs have become interested in supporting entrepreneurship in Jordan through direct investments, in the form of grant awards, and entrepreneurship training. The response of PSSEs to these RONGOs' involvement is somewhat divided. Some PSSEs appreciate the recognition and

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<sup>436</sup> This map is available at <http://tinnovation.org/entrepreneurship-ecosystem-map-in-jordan/>.

the exposure that working with RONGOs gives them and view royal involvement in the issue as a positive development for the country, hoping that royal ‘patronage’ of entrepreneurship will help to bring about positive developments in official government policies. Other PSSEs are wary and, in some cases, even suspicious of these royal initiatives, and believe that royal NGOs are just another extension of the security state monitoring and interfering with private citizens’ initiatives. There is a similar attitude towards grants, loans, and training offered by foreign governments, international organizations, and intergovernmental organizations. Some PSSEs appreciate the foreign aid while others categorically oppose it, explaining that foreign entities cannot sufficiently understand Jordan’s needs, or even that these foreign entities have ulterior motives that do not really serve Jordanians’ interests but rather support their neoliberal foreign policy objectives.<sup>437</sup>

It is in this environment that PSSEs progress through the various stages of development. Generally, the initial step for the founder of a PSSE is to create a vision for a profitable business, and to attend entrepreneurship or innovation training programmes, often called ‘bootcamps’. There, they learn business practices and often receive networking help to connect with organisations offering financial investment for small and medium enterprises (SMEs). This financial investment can take the form of grants, loans, free office space, free web hosting platforms, or a combination of these. Various organisations also offer competitions or ‘awards’ which consist of several days’ training at the end of which participants present their ideas to a panel of judges, who then decide which participants should receive financial aid. Other organisations offer ‘incubation’ for enterprises. In this model, the enterprise founders apply to the organisation with their business idea, and if accepted, they receive desk space and IT support in an office shared

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<sup>437</sup> Based on multiple interviews.

with other start-ups, networking support, legal support, and attend workshops and conferences. The enterprises also receive financial aid in the form of ‘seed funds’, usually a few thousand Jordanian Dinars, intended to cover enterprises’ expenses until they become formally established, registered with the government, and earn enough profits to sustain themselves. After that it is up to the PSSE founder to decide whether the enterprise should grow, or ‘scale up’ in business terminology.

#### The PSSE ‘business model’ and challenges to becoming established

Unfortunately, most PSSEs in Jordan struggle to even reach the self-sustainability stage and constantly rely on grants and loans from national and international sources to continue operating. Product- and service-oriented social enterprises mostly follow the dependent funding model, in which the enterprise uses external funds and resources and depends on the renewal of these funds or acquisition of funds from other sources. It chooses sponsors to match its ideals but must sometimes adapt its own mission or programs to fit existing funding programs, which reportedly change frequently (e.g. from ‘women’s empowerment’ to ‘youth leadership’, etc). This is somewhat surprising, because most PSSEs’ founders participate in many training periods, workshops, and certification programmes offered by local and international organizations specifically designed to help them learn sustainable business strategies. Some of these programmes provide extended periods of mentorship as well, to help start-ups ingrain these strategies into their operations. This means that PSSEs should have established methods for financial self-sustainability in which they are not reliant on external funding sources and patterns. Whether it is the programme content, method of teaching, issues in the ‘entrepreneurship ecosystem’ or a combination of these factors that prevents entrepreneurship training organizations from being effective and producing robust

enterprises is unclear. However, there are undoubtedly several structural issues in Jordan which prevent PSSEs from reaching their potential or even their initial goals. As mentioned previously, every PSSE interviewee and organization working with PSSEs mentioned deficiencies in the entrepreneurship ecosystem as a major hindrance to the success of PSSEs in Jordan. The areas in which the Jordanian ecosystem is lacking most, according to their reports, are in governmental policies, issues related to *wasta* and the prerequisite of having powerful connections, securing sustainable financial income, and cultural challenges related to involvement in a high-risk occupation.

*Governmental policies, laws and regulations, and 'wasta'*

One of the issues in Jordan for PSSEs is that there is no designated legal registration option for enterprises as there is in other countries. Jordanian enterprises register either with the Ministry of Trade and Finance as for-profit companies or not-for-profit companies, or with the Ministry of Social Development as non-governmental organizations. Founders choose the registration type depending on which is best suited for their goals and which has the greatest financial advantages. A growing number of PSSEs also chooses to officially register their enterprise abroad in a country that has a specific registration for enterprises, and associated financial and legal advantages, such as the United Arab Emirates. They then benefit from various benefits such as tax breaks and favourable market legislation, but still work on the ground in Jordan. Others decide to move the entire enterprise abroad.<sup>438</sup> This strategy is even encouraged among entrepreneurs, as observed by interviewee 'K38': 'A lot of entrepreneurs, successful people, they always advise us the following: "Don't register in Jordan. Go to Dubai or go to somewhere else."' <sup>439</sup> Interviewee '73L' explained this very clearly. He said that

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<sup>438</sup> Interview with 'FN7' (RONGO), Amman, Jordan, March, 2018.

<sup>439</sup> Interview with 'K38' (product- and service-oriented social enterprise), Amman, Jordan, February, 2018.

it's easy for [entrepreneurs] to go to Saudi, to Dubai, the United Arab Emirates. It's the same language, almost. So, it's easy to move there. Plus, there's no taxes there. There's a lot of taxes here... It is a numbers game. You just calculate, what's the game here, what's the game there, what do I pay here, what do I pay there. And sometimes [entrepreneurs] find that it's economically better to go [abroad].<sup>440</sup>

While there are economic advantages to the PSSEs themselves, neither tactic of moving the enterprises abroad is particularly beneficial to the Jordanian economy as tax revenues are collected from a foreign country and human talent is also exported.

Besides not having a legal registration for enterprises that could encourage their formation and retention in Jordan, most entrepreneurs explained that it was difficult to go through the registration process itself. Those who experienced fewer issues had hired a lawyer, but not every PSSE founder can afford to do this and most need to navigate the web of rules, regulations, and ministry employees alone. PSSEs also reported that working with government officials during the registration process was discouraging and frustrating, and that some of their peers gave up on trying to found a PSSE because of this. One entrepreneur who had interacted with various officials in different ministries said that the experience was 'awful' because 'these guys have a bad mentality ... if I want to speak to this official, he will not understand my passion, my struggle, or my needs.'<sup>441</sup> This reflects both an unwillingness on the part of the ministry official to make an effort to help and a basic lack of understanding of entrepreneurship in general. Other entrepreneurs had to give bribes to government employees before being allowed to register their PSSE. Those entrepreneurs with well-positioned personal connections were able to register their enterprises more easily and swiftly. The almost necessary reliance on personal connections, however, is another weakness in Jordan's entrepreneurship ecosystem.

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<sup>440</sup> Interview with '73L' (Social Entrepreneurship Support Organisation), Amman, Jordan, February, 2018.

<sup>441</sup> Interview with '9F1' (Product- and Service-Oriented Social Entrepreneur), Amman, Jordan, February, 2018.

When trying to establish a PSSE, most entrepreneurs learned that *wasta*, or personal connections, are an implicit requirement for success. This is a structural issue throughout Jordan but in addition to the other challenges PSSEs face, it can be truly debilitating, especially in the earliest stages. As interviewee ‘VL4’ commented, ‘if you know about *wasta*, then you know exactly how everything works in Jordan... it’s a tribal system.’<sup>442</sup> This means that many resources are only accessible to Jordanians who are already privileged and come from well-connected backgrounds. For example, even being able to contact bank or telecommunication companies, who could provide essential funding opportunities, is out of reach of most Jordanians.<sup>443</sup> Interviewee ‘GK9’ pointed out that this makes social entrepreneurship and the entrepreneurship ecosystem in Jordan ‘quite elitist’, even though ‘the people who come up with the best solutions to the deep-rooted problems are the people who are facing those problems who don’t necessarily speak English and cannot attend a workshop in English, who don’t have those connections, etc.’<sup>444</sup> Consequently, many of the PSSEs who do manage to overcome various challenges are from privileged backgrounds and possibly not as aware of the specific needs of society’s most vulnerable sectors. This is how PSSEs whose purpose is to address a social problem, such as education, through on-line programmes are created. Such a programme cannot achieve its intended objective. While many Jordanian children even in low-income families might own a smartphone, their families cannot afford an internet connection, so these children cannot access the on-line learning platform created to help them.<sup>445</sup> This is only one example of many PSSEs which are well-intentioned but ultimately too detached to be suitable for the target community.

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<sup>442</sup> Interview with ‘VL4’ (Hult Prize Employee), Amman, Jordan, April, 2018.

<sup>443</sup> Interview with ‘ZM3.’

<sup>444</sup> Interview with ‘GK9’ (PSSE), Amman, Jordan, March, 2018.

<sup>445</sup> This example is based on the accounts of multiple interviewees.

### *Securing steady financial income*

Each PSSE and organization working with PSSEs identified the inability of enterprises to secure financial income as one of the greatest, if not the greatest, challenge to their success. Accessing finances, having seed money, or other types of capital is difficult for all entrepreneurs in Jordan due to the developing entrepreneurial ecosystem. Banks and telecommunications companies are some of the greatest investors in entrepreneurship, but they support primarily technology-oriented start-ups. It is very difficult to find an investor interested in the social entrepreneurship sector.<sup>446</sup> If a social enterprise happens to also be technology-oriented, they can secure funding in this way, but if not, there are few options. Private sector companies often do not understand the main purposes of social entrepreneurship or are unable to justify to themselves investing in a social enterprise, where the return on investment is difficult to measure. The companies that do invest in social enterprises often award their grants or loans to their personal connections, rather than following a fair process, because they feel it reduces their risk.<sup>447</sup> One entrepreneurship consultant described an ‘access to capital’ event that took place with the purpose of bringing entrepreneurs together with banks who might invest in them:

It was a heated discussion between both sides, but eventually the entrepreneurs basically poured their hearts out about how the banks are being very strict with asking for papers and very strict with the amounts and all of that. But in return the banks said, ‘this is a risk for us. We need to study this risk very carefully so that we decide whether we’re going to lend you the money or not, because what if the idea doesn’t work out? Then who will pay?’ Then came up the problem of the collateral. The banks said, ‘if you really want the money then we need a collateral, just for us as a security.’ It was a bit heated and then I realized going to a bank for money is the last option for entrepreneurs.<sup>448</sup>

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<sup>446</sup> Interview with ‘VL4.’

<sup>447</sup> Interview with ‘E7U’ (product- and service-oriented social enterprise), Amman, Jordan, March, 2018.

<sup>448</sup> Interview with ‘R41’ (Social Entrepreneurship Support Organisation), Amman, Jordan, February, 2018.

Additionally, most investors only give between five and twenty thousand Jordanian Dinars, which is not enough to really start a business, and various interviewees argued that it would also not be enough to have a real impact on the economy.<sup>449</sup> Apart from the private sector, the ‘big monsters in the market’ which invest heavily in development are USAID and the UNDP. They, however, receive criticism for inconsistent investment in different sectors. Just as STSEs had commented,

getting funding from international organizations is not very sustainable in the long term. Maybe it’s good to start out, but you have to move on because otherwise if next year they all shift to women’s empowerment, what happens to the entrepreneurs? ... Then you just close your business.<sup>450</sup>

For many PSSEs, therefore, the help they receive from family members, friends, and ‘accelerators’ only helps in the beginning, and as their enterprises grow, access to funds becomes more and more elusive. The director of a centre focused on entrepreneurship at a Jordanian university, interviewee ‘YC3,’ said that ‘more than 95 percent, if not more, up to almost 99 percent, of these social initiatives, they are just one shot. They die after just one month, or two months, because they are not sustainable at all.’<sup>451</sup> Even those enterprises which do survive beyond the first stages struggle to continue generating funds, and some are forced to become opportunistic in this regard. Instead of being able to secure funds from organizations that align with their objectives and needs, many PSSEs must instead match their enterprise’s aims with those of the funding body.<sup>452</sup> This of course does not allow them to work consistently or in a manner true to their objectives.

### *Cultural challenges*

The cultural challenges to PSSEs in Jordan are twofold. First, Jordanian society is generally risk-averse, and from this arises the second cultural challenge: both men and

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<sup>449</sup> Interview with ‘N9X’ (product- and service-oriented social enterprise), Amman, Jordan, March, 2018.

<sup>450</sup> Interview with ‘FN7.’

<sup>451</sup> Interview with ‘YC3,’ (Professor at the University of Jordan), Amman, Jordan, April, 2018.

<sup>452</sup> Interview with ‘VG4.’

women face pressure from their families to become financially stable and/or start families rather than become involved in an uncertain undertaking. As interviewee ‘YC3,’ professor at the University of Jordan, observed, ‘the culture doesn’t support at all something called start-ups and self-employment.’ For young people, it still seems better to ‘find a job than to start a company and take the risk of failure.’<sup>453</sup> Interviewee ‘73L,’ who works for an organization that provides various resources to enterprises in Jordan, further explained that ‘there is a shame attached to failure. Most of us don’t want to be called or titled or stamped with failure.’<sup>454</sup> Interviewee ‘N9X’ agreed that this fear of failure affects Jordanians’ likelihood to start an enterprise. She said that no one wants ‘people thinking of them as failures.’<sup>455</sup>

This is an issue because that mind frame deters Jordanians from even considering creating their own enterprise. Interviewee ‘73L’ said that Jordanian society needs to realize that ‘it’s ok to start something and to fail. You are not a failure if you fail.’ Risk and uncertainty are simply aspects of entrepreneurship that can hardly be avoided. Jordan’s geographic and political situation are not conducive to a positive attitude towards risk, however. Interviewee ‘FN7,’ employee of a royal NGO, explained that

The region is on fire and we’re in the middle of that fire. As much as we want to feel safe, I’m sure everyone deep inside is just terrified. Will I actually start something now and make it big and expand, or should I wait another year and see the political situation? And then that year goes for another.<sup>456</sup>

One of the things that needs to change, therefore, is people’s perception of failure. As interviewee ‘VL4’ stated, ‘people don’t understand that it’s a part of the journey’. He suggested that one way to make it easier for people to accept failure would be to show that even entrepreneurs with ‘amazing success stories’ experienced severe difficulties and

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<sup>453</sup> Interview with ‘YC3.’

<sup>454</sup> Interview with ‘73L.’

<sup>455</sup> Interview with ‘N9X.’

<sup>456</sup> Interview with ‘FN7.’

setbacks, so that taking risks and ‘failing’ can become more normalized in Jordan.<sup>457</sup> Publicizing the complete story of an enterprise could help to encourage and inspire beginning entrepreneurs.

The fear of risk and failure not only affects Jordanians’ willingness to start an enterprise, but also influences others’ acceptance of it. This became evident in the interviews with PSSEs who spoke of their family and social circle’s limited understanding and support of their endeavours. There is pressure on young people to become doctors, lawyers, or engineers, but these fields are over-saturated. Instead, some university graduates, undeterred by risk, are tending towards creating a start-up or enterprise. However, both men and women face cultural challenges. Men have a lot of pressure from their families and social circle to start earning money, so that they are financially stable and can marry and support a family. One PSSE who preferred to remain anonymous said that his family is somewhat supportive but ‘they want to see me studying a PhD, having something permanent, something sustainable. I’m 30, I’m moving into 31 now and for them I’m wasting my life in a sense.’<sup>458</sup> Another explained that ‘it took my family around 4 years to understand that I’m doing something. I remember my dad always bringing me business cards. Once he got me a business card from a computer shop telling me, “if you want to work again, maybe you want to consider it and fix PCs there.”’<sup>459</sup> Most PSSEs’ families had the same reaction, asking their sons if they were crazy and remarking that they were just wasting their time, while they could be working and building a steady career elsewhere.<sup>460</sup> Interviewee ‘W71’ described that there are ‘some cultural barriers within the community here...Everybody wants their kid to become either a doctor or an

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<sup>457</sup> Interview with ‘VL4.’

<sup>458</sup> Interview with ‘G08’ (Product- and Service-oriented Social Entrepreneur), February, 2018.

<sup>459</sup> Interview with ‘VL4.’

<sup>460</sup> Interview with ‘VL4.’

engineer, ... and after they graduate, they want their son to get married.’<sup>461</sup> It can take two or more years for an enterprise to become established and begin earning revenues, and this process requires full-time commitment. During this time, PSSEs’ families become impatient and do not understand why their sons would dedicate themselves to such an undertaking instead of starting to earn money through regular employment.

Women on the other hand still sometimes face the challenge that they should be looking for a spouse rather than spending time and resources on developing an enterprise. Even women who have attended university are encouraged to find a husband soon after graduating, as in the case of interviewee ‘DZ6’:

My mother asked me every day, ‘When will you get married? Fatimah, where is a husband? Fatimah, there is a good guy from your art club.’ I didn’t find it’s the time to get married yet ... originally, she had this thought in her mind, because my aunts asked her, ‘Why is your Fatimah not married?’ In my family some girls got married and engaged. So, you have some pressure from others.<sup>462</sup>

Other female entrepreneurs told similar stories. For example, interviewee ‘N9X’ explained that her family supports her, but that they are equally confused about her motivations. She said, ‘it’s a problem within my family for a start. They all believe in me, they all love me, they are okay, but they also ask, “what the heck are you doing?”’<sup>463</sup> As interviewee ‘LR2’ explained, PSSEs’ families’ acceptance of their work also ‘very much depends on where you are, if you’re in Amman or if you’re in a village somewhere.’<sup>464</sup> Women from more rural areas experience more pressure from their families to marry than those living in urban areas, and starting an enterprise does not fit this desire.

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<sup>461</sup> Interview with ‘W71’ (structural transformation-based social enterprise), Amman, Jordan, April, 2018.

<sup>462</sup> Interview with ‘DZ6’ (product- and service-oriented social enterprise), Amman, Jordan, March, 2018.

<sup>463</sup> Interview with ‘N9X.’

<sup>464</sup> Interview with ‘LR2.’

## **Conclusion: Defining and Identifying Social Enterprises**

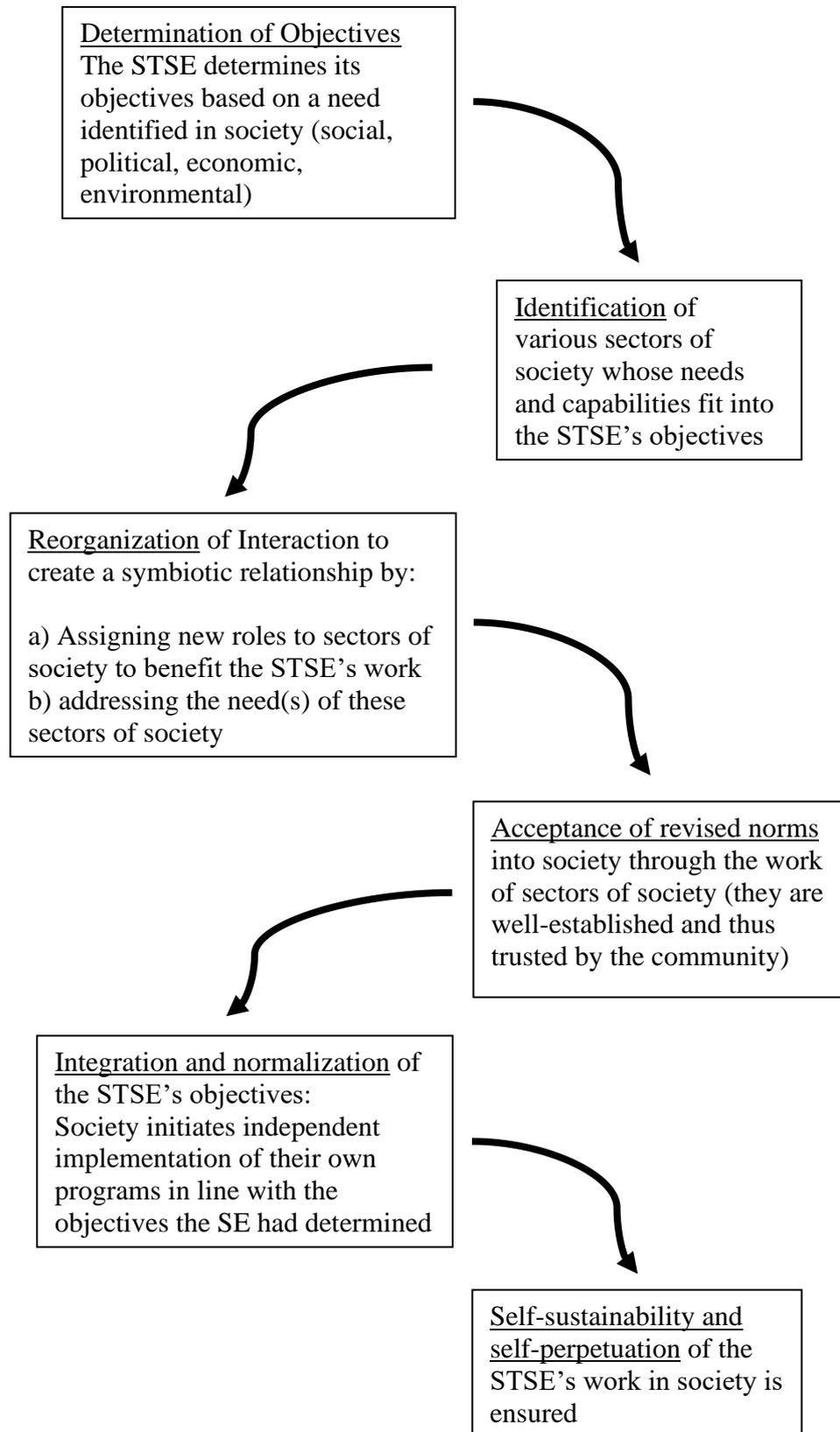
Because there are two types of social entrepreneurs in Jordan, it is important to clearly define them and their attributes. It is insufficient to rely on their legal registration type: as outlined previously, both STSE and PSSE founders choose the registration type based on whichever category they feel will best suit their goals and be most advantageous for them financially. This means that it is impossible to determine the type of social enterprise based on whether it is officially registered as a non-governmental organization, a for-profit company, or a not-for-profit company. Instead, it is necessary to closely examine the following defining characteristics of STSEs and PSSEs: objectives, function, and sustainability models. Based on this, an STSE is defined as a self-sustainable and self-perpetuating organization which seeks to address structural issues and change social norms through targeted creative reorganization of society, relying primarily on social capital and community resources. In contrast, a PSSE is a business-oriented organization that seeks to ameliorate a specific social issue by providing a product or service, using business strategies to reinvest profits into the community by offering additional products and services. PSSEs do not purposefully engage in targeted creative reorganization to achieve their objectives. Of course, targeted creative reorganization may still occur, but it is not part of the PSSEs' plan and is not done in a calculated manner. PSSEs have the potential to be self-sustainable if the business becomes profitable; in Jordan, this is rare due to the restrictions of the entrepreneurship ecosystem, and PSSEs therefore rely on externally provided finances in most cases.

Due to these social enterprises' very different functions, they take on different roles in Jordan. STSEs, with their purposeful reorganization of society and goal of addressing structural issues, have a greater role in civil society. They are actively responsive to community needs and wish to solve the deeply rooted issues they feel are

at the heart of many of Jordan's problems. Because they are independent organizations, they are able to minimize pressure from the government and international or intergovernmental organizations. In this way they are at liberty to formulate their objectives and implement their plans freely and can have a powerful influence on the communities in which they work. STSEs wish to be an alternative to Jordan's NGOs and CSOs, which they view as flawed. PSSEs also exercise important work, though more in political economy terms. These enterprises have the potential to make advances in small-business creation. If the entrepreneurship ecosystem continues to improve and more PSSEs can move beyond the very beginning stages in which they rely on external financial capital, to more advanced stages in which they are profitable and self-sustaining. If this occurs, PSSEs could be one of the solutions to high rates of unemployment, especially among Jordan's youth. PSSEs are an alternative to regular profit-centred businesses, because their founders wish not only to make a personal profit but also to address a social need.

(Figure 3.1)

### The Process of STSEs' Targeted Creative Reorganization



## Chapter 4: Social Entrepreneurship and Social Capital as International Development Goals

Many studies of social entrepreneurship in the Middle East have taken a positive and hopeful approach, evaluating it based on its potential to effect change in various areas including youth unemployment, marginalization of social groups, and addressing various social issues governments are unable or unwilling to solve. For example, social entrepreneurship in the Middle East has been called ‘a pathway for inclusive growth,’ ‘a panacea for engaging youth and inspiring hope,’ and a ‘new dawn’ for creating sustainable social impact.<sup>465</sup> In evaluating the role of social enterprises in Jordan’s civil society, however, it is not the theoretical potential of social entrepreneurs that matters, but rather their actual, current ability to achieve their goals as independent, community-responsive actors. Therefore, chapters five and six take a critical approach to social entrepreneurship.

Through the lens of social capital theory and its criticisms, this chapter analyses how the international community’s implicit support for social capital creation actually restricts social enterprises’ spheres of operation and influence. The chapter begins with an overview of social capital theory in all its promises and pitfalls, showing the debate between the utility of social capital and its negative effects. It then progresses to an outline of the context of Jordan’s political economy and regime security, within which international aid programmes operate and to which any social capital development is subject. Following this is a discussion of how foreign aid impacts upon civil society in

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<sup>465</sup> See Soushiant Zanganehpour, ‘The Rise of Social Entrepreneurship in the Middle East: A Pathway for Inclusive Growth or an Alluring Mirage?’, in *Social Entrepreneurship in the Middle East*, ed. Dima Jamali and Alessandro Lanteri, vol. 1 (Basingstoke: Palgrave Macmillan, 2015), 67-83; Rebecca Hill and Medea Nocentini, ‘Social Enterprise in the MENA Region: False Hope or New Dawn?’, in *Social Entrepreneurship in the Middle East* ed. Dima Jamali and Alessandro Lanteri, vol. 1 (Basingstoke: Palgrave Macmillan, 2015), 84-106; and Clare Woodcroft-Scott and Fatimah S. Baeshen, ‘Social Enterprises: A Panacea for Engaging Youth and Inspiring Hope?’, in *Social Entrepreneurship in the Middle East*, ed. Dima Jamali and Alessandro Lanteri, vol. 1 (Basingstoke: Palgrave Macmillan, 2015), 107-126; among others.

Jordan in general, situating within this the role of social entrepreneurship support in addressing concerns over youth, unemployment, and political participation. The chapter then focuses on the politicization of youth and how youth policy is framed in terms of a market economy and democratization approach. It shows how youth are given opportunities within a narrowly prescribed space, which may support the status quo rather than progress. Finally, the chapter assesses the role of foreign actors in the Jordanian social entrepreneurship ecosystem.

### **Social Capital and its Critiques**

In economic development, social capital is seen as a valuable resource that should be tapped; the rationale is that social cohesion is directly related to growth and prosperity. Theoretically, individuals with stronger associations among one another can better communicate and coordinate for mutual benefit.<sup>466</sup> Collective action is understood to build trust through repeated association and reciprocity, which should lead to greater developmental capacity.<sup>467</sup> Prosperity is also linked to political representation, as social capital supposedly enables people to better participate collectively in local decision making, monitor government agencies, and lobby for better services.<sup>468</sup> Social capital theory, as based on the work of Robert Putnam, suggests that trust, cooperation, and public participation will lead to citizens being more active and engaged in government institutions. Likewise, government processes are predicted to become transparent and

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<sup>466</sup> Frances Cleaver, 'The Inequality of Social Capital and the Reproduction of Chronic Poverty,' *World Development* 33, no. 6 (June, 2005): 893.

<sup>467</sup> See for example E. Ostrom and T.K. Ahn, *Foundations of Social Capital* (Cheltenham: Edward Elgar, 2003); and N. Uphoff and C.M. Wijayaratra, 'Demonstrated Benefits from Social Capital: The Productivity of Farmer Organisations in Gal Oya, Sri Lanka,' *World Development* 28, no. 11 (2000): 1875-1890.

<sup>468</sup> Cleaver, 'The Inequality of Social Capital and the Reproduction of Chronic Poverty,' 893.

accountable through citizens' increased engagement.<sup>469</sup> Thus, social capital has been theorized to have both economic and political development benefits.

During the 1990s, national governments and international agencies discovered social capital as a valuable means to attain their development outcomes and commissioned projects as well as studies exploring the relationship between social capital and development. The World Bank, the Organisation for Economic Co-operation and Development (OECD), and UNDP heralded social capital as the 'missing link' in explaining development in comparative perspective.<sup>470</sup> In 1996, the World Bank launched the Social Capital Initiative (SCI) that represents one of the main endeavours in this field. The SCI aimed at both assessing how social capital can influence the effectiveness of development interventions as well as at identifying ways in which development assistance might affect its creation. At the same time, the SCI sought to develop methods and indicators to monitor and measure the impact of social capital on development.<sup>471</sup>

In the second half of the 2000s the SCI was disbanded, and the notion of social capital became unfashionable among decision makers worldwide. In academic circles, the use of social capital in development was initially criticized due to the difficulty in defining, measuring, and theorizing the concept. The positive view of social capital has been challenged by studies that outline the exclusionary processes of cooperative action,<sup>472</sup> outlined in Chapter One. Other studies have shown that local groups and associations are unable to compensate for failed governments and do not operate

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<sup>469</sup> See Robert Putnam, *Making Democracy Work: Civic Traditions in Modern Italy* (Princeton: Princeton University Press, 1993).

<sup>470</sup> Frans J. Schuurman, 'Social Capital: The Politico-Emancipatory Potential of a Disputed Concept,' *Third World Quarterly* 24, no. 6 (2003): 991-992, doi: 10.1080/01436590310001630035.

<sup>471</sup> World Bank, 'The Social Capital Project,' accessed August 26, 2019, <https://socialcapitalproject.com/world-bank-social-capital-initiative/>.

<sup>472</sup> See for example Tor A. Benjaminsen and C. Lund, 'Formalisation and Informalisation of Land and Water Rights in Africa: An Introduction,' *The European Journal of Development Research* 14, no. 2 (December, 2002): 1-10, doi: 10.1080/714000420; and Lyla Mehta, Melissa Leach, and Ian Scoones, 'Environmental Governance in an Uncertain World,' *IDS Bulletin* 32, no. 4 (2001): 1-14.

equitably in inequitable communities.<sup>473</sup> In addition, criticism turned to the depoliticizing aspects of social capital, with accusations that development frameworks focusing on social capital form part of the apolitical post-Washington Consensus.<sup>474</sup>

As Cleaver points out, there is major criticism of the concept of social capital which focuses on its agency in addressing inequality. This is because social capital studies ‘seemingly [account] for power differences without proper consideration of the negative aspects of social life, or the structural constraints on empowerment of the poor.’<sup>475</sup> Further, there is a possibility that social capital can lead to the exclusion of certain groups of people. Other studies view social capital through the lens of rational action theory, in which ‘people are conceived as social entrepreneurs, consciously investing in relationships of trust and the creation of norms in anticipation of reciprocity and tangible benefits.’<sup>476</sup> In this kind of relationship, people can trade and transform the assets available to them through their relationships, and they can use them strategically to achieve their own goals.<sup>477</sup> Some critics understand social capital as ‘dynamic and negotiated’ social resources or social networks and processes, which, in contrast to other forms of capital, cannot be accumulated and stored easily. Thus, resources coming from social capital are both enabling and constraining for individuals, and ‘may reproduce structural inequalities’ of the status quo.<sup>478</sup>

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<sup>473</sup> See for example E. La Ferrara, ‘Unequal Access to Social Capital? Evidence from Tanzania,’ *Development Research Insights* 34 (September, 2000); and Frances Stewart, ‘Groups for Good or Ill,’ *Oxford Development Studies* 24, no. 1 (1996): 9-24, doi: 10.1080/13600819608424101.

<sup>474</sup> See for example Schuurman, ‘Social capital,’ 991-1010; and Cleaver, ‘Inequality of Social Capital and Reproduction of Chronic Poverty,’ 893-906.

<sup>475</sup> Cleaver, ‘Inequality of Social Capital and Reproduction of Chronic Poverty,’ 894.

<sup>476</sup> Cleaver, ‘Inequality of Social Capital and Reproduction of Chronic Poverty,’ 894.

<sup>477</sup> See Ostrom and Ahn, *Foundations of Social Capital*; and Frank Ellis, *Rural Livelihoods and Diversity in Developing Countries* (Oxford: Oxford University Press, 2000).

<sup>478</sup> Cleaver, ‘Inequality of Social Capital and Reproduction of Chronic Poverty,’ 894. See also Jo Beall, ‘Valuing Social Resources or Capitalizing on Them? Limits to Pro-Poor Urban Governance in Nine Cities of the South,’ *International Planning Studies* 6, no. 4 (2001): 357–375, doi: 10.1080/13563470120092377.

Additional analyses examine how the application of social capital theory to neoliberal policies depoliticize and ‘domesticate’ it and thus limits its ‘politico-emancipatory possibilities.’ This makes it easier for autocratic regimes to embrace. Cleaver argues that when social capital is used to explain ‘inequality, prosperity, and political participation through associated relationships, it legitimizes a policy focus on individual and collective action and shifts responsibility for “social inclusion” from economy to society and from government to individual.’<sup>479</sup> The assumption that people can use their network of connections and participate in institutions to improve their disadvantaged positions can lead to a view that people are individually responsible for their own social capital deficit and marginalization.<sup>480</sup> Social capital has been heavily criticized as being ‘an apolitical approach to explaining agency,’<sup>481</sup> an ‘anti-politics machine,’<sup>482</sup> and a ‘source of social control.’<sup>483</sup> Frances Cleaver’s view of social capital presents a particularly troubling analysis of how social capital reinforces the status quo:

... Institutions as embodiments of social process ensure that things are done ‘the right way’ in cultural and symbolic terms. The ‘right ways’ of socializing, associating, and participating in public are generally those that confirm dominant world views, which reinforce existing relations of authority and which channel routinized and habitual everyday actions to reproduce such social structures.<sup>484</sup>

Cleaver further argues that social capital remains a weak policy tool when insufficient attention has been given ‘to linking the social with the political, to the need to transform institutional arrangements, and to challenging systemic sources of power.’<sup>485</sup> Efforts to promote participation, engagement, and social capital formation must consider structural

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<sup>479</sup> Cleaver, ‘Inequality of Social Capital and Reproduction of Chronic Poverty,’ 894.

<sup>480</sup> Schuurman, ‘Social capital,’ 992.

<sup>481</sup> Cleaver, ‘Inequality of Social Capital and Reproduction of Chronic Poverty,’ 894.

<sup>482</sup> J. Harriss, *Depoliticizing Development: The World Bank and Social Capital* (London: Anthem Press, 2002), 120.

<sup>483</sup> Alejandro Portes and Patricia Landolt, ‘Social Capital: Promise and Pitfalls of its Role in Development,’ *Journal of Latin American Studies* 32, no. 2 (May, 2000): 531.

<sup>484</sup> Cleaver, ‘Inequality of Social Capital and Reproduction of Chronic Poverty,’ 895.

<sup>485</sup> Cleaver, ‘Inequality of Social Capital and Reproduction of Chronic Poverty,’ 904.

obstacles and constraints on individuals' agency: 'social capital is *not* automatically created from association, trust *does not* magically emerge from repeated interaction.'<sup>486</sup>

As Schuurman outlines, the main problems with using the concept of social capital in political/emancipatory programs are as follows. First, there is a tendency to blame the victim: 'individuals, neighbourhoods, villages, regions, countries are underdeveloped because supposedly they do not have the "right" kind of social capital' but at the same time, 'the poor are expected to pull themselves out of a problematic situation by developing the right kind of social capital.'<sup>487</sup> Second, the Putnam theories assume that membership of any association will lead to increased political awareness and engagement. However, to detect whether there is any meaningful relationship with political participation, it is necessary to examine the type of association. Third, the argument has been made that 'of the two components of social capital, it is primarily social trust and not associational networks that seems the most active component related to democratic development.'<sup>488</sup> Fourth, as various authors have pointed out, social capital can have negative effects such as exclusion; to identify whether social capital is exclusionary in a particular case, it is crucial to identify whether it is bonding or bridging social capital.<sup>489</sup> Bonding social capital refers to 'ties among actors who are members of the network' while bridging social capital refers to 'ties that interconnect actors from otherwise separate networks,' with bridging social capital being preferred for economic and political development.<sup>490</sup> Finally, it remains unclear whether social capital acts as the independent or dependent variable in relation to the state, that is, whether social capital influences the way the state functions, or vice versa. For Putnam, social capital is the independent

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<sup>486</sup> Cleaver, 'Inequality of Social Capital and Reproduction of Chronic Poverty,' 904.

<sup>487</sup> Schuurman, 'Social capital,' 1000.

<sup>488</sup> Schuurman, 'Social capital,' 1001.

<sup>489</sup> Schuurman, 'Social capital,' 1002.

<sup>490</sup> K.G. Pillai et al., 'The Negative Effects of Social Capital in Organizations: A Review and Extension,' *International Journal of Management Reviews* 19 (2015): 98.

variable, but Hyden<sup>491</sup> and Foley and Edwards<sup>492</sup> have shown how local and national government exerts considerable influence on the way social capital works. If social capital is indeed beholden to top-down processes, it would instead be an independent variable. Thus, the concept of social capital and its utility in application to development remains disputed.

### **Jordan's Changing Political Economy and Regime Security**

Jordan's political economy has changed significantly in the past two decades, which has put pressure on the regime's stability. The state has reduced its privilege and patronage circle and retreated from citizens' economic lives. In addition, Jordan is now dealing with many thousands of refugees, who may remain in the country long-term.<sup>493</sup> Jordan adopted an IMF economic liberalization program in 1989; analysts attributed this to the country's economic crisis in the late 1980s and the 'crisis of the rentier state.'<sup>494</sup> Rentier states, such as the oil-rich monarchies of the Gulf, rely on external revenue sources more heavily than on popular taxation, while semi-rentier states rely on external revenue in a more limited way. Semi-rentier states, such as Jordan, depend on foreign aid instead of oil.<sup>495</sup>

Prior to the economic crisis of the late 1980s, the monarchy relied on an 'authoritarian bargain,' which 'offered citizens economic security in exchange for their

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<sup>491</sup> Goran Hyden, 'Civil Society, Social Capital and Development: Dissection of a Complex Discourse,' *Studies in Comparative International Development* 32, no. 3 (March, 1997): 3-30.

<sup>492</sup> Michael W. Foley and Bob Edwards, 'Beyond Tocqueville: Civil Society and Social Capital in Comparative Perspective,' *American Behavioral Scientist* 42, no. 1 (1998): 5-20.

<sup>493</sup> Faysal Itani, 'Stability Through Change: Toward a New Political Economy in Jordan,' *Atlantic Council Rafik Hariri Center for the Middle East*, Issue Brief, (December, 2013), 1.

<sup>494</sup> See for example Laurie Brand, 'Economic and Political Liberalization in a Rentier Economy: The Case of the Hashemite Kingdom of Jordan,' in *Privatization and Economic Liberalization in the Middle East*, ed. Iliya Harik and Denis J. Sullivan (Bloomington: Indiana University Press, 1992); and Rex Brynen, 'Economic Crisis and Post-Rentier Democratization in the Arab World: The Case of Jordan,' *Canadian Journal of Political Science* 25, no. 1 (March, 1992): 69-96.

<sup>495</sup> Hazem Beblawi and Giacomo Luciani, eds., *The Rentier State* (London: Croom Helm, 1987).

political loyalty (or at least acquiescence) to the Hashimite [sic] monarchy.<sup>496</sup> The regime ensured the vital support of East Bank Jordanians through generous patronage. In the late 1980s, this patronage ‘social contract’ came under increasing pressure and was nearly destroyed in 1989, when the economic crisis and falling energy prices led to a recession in oil-exporting countries, on which Jordan was ‘heavily dependent for expatriate remittances, trade, and foreign aid.’<sup>497</sup> Following the Khartoum Agreement in 1967, Kuwait, Libya, and Saudi Arabia had agreed to provide Jordan with JOD 37.7 million in aid grants annually. From 1967 to 1985, Jordan received approximately 82.4 percent of its total foreign aid from oil-producing Arab countries.<sup>498</sup> From the 1950s through 2017, Jordan has also received approximately USD 20.4 billion in total bilateral aid; it is currently the third largest recipient of US aid globally.<sup>499</sup> In Jordan, the economic crisis thus led to high inflation, a GDP collapse, a currency crisis, large external debt, and a budget deficit. In addition, unemployment reached 30-35 percent. Thus, Jordan’s ‘political model [was] incompatible with its economic constraints;’ the patronage network on which the regime relied was unsustainable and needed to be re-evaluated, especially given Jordan’s own lack of natural resources and water scarcity, and dependence on fuel imports.<sup>500</sup>

These events led the monarchy to establish a new relationship with its support base to ensure the regime’s survival; Greenwood calls this is the ‘new liberal bargain.’ The authoritarian and new liberal bargain have in common that they are both influenced by policy-makers’ need for budget security and regime security.<sup>501</sup> Brand defines budget

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<sup>496</sup> Scott Greenwood, ‘Jordan’s “New Bargain”’: The Political Economy of Regime Security,’ *Middle East Journal* 57, no. 2 (Spring, 2003): 250.

<sup>497</sup> Itani, ‘Stability Through Change,’ 2.

<sup>498</sup> Fawzi Khatib, ‘Foreign Aid and Economic Development in Jordan: An Empirical Investigation’ in *Politics and the Economy in Jordan*, ed. Rodney Wilson (London: Routledge, 1991), 65.

<sup>499</sup> Jeremy M. Sharp, ‘Jordan: Background and US Relations,’ *Congressional Research Service Report* (April 9, 2019), 12, <https://fas.org/sgp/crs/mideast/RL33546.pdf>.

<sup>500</sup> Itani, ‘Stability Through Change,’ 2.

<sup>501</sup> Greenwood, ‘Jordan’s “New Bargain,”’ 250.

security as ‘a state or leadership’s drive to ensure the financial flows necessary for its survival’ and regime security as the ability of a regime to persist over time.<sup>502</sup> Brand uses these terms to explain Jordan’s foreign policy, but Greenwood argues that they can be useful in analysing Jordan’s liberalization progress (or lack thereof) since 1984. As in other Middle Eastern countries, Jordan undertakes liberalization as a survival strategy to ensure that the regime can survive in the long term. Greenwood notes, ‘a key aspect of this survival strategy is the need for the government to secure the loans and grants necessary to cover its annual budget deficits and pay the costs of economic restructuring.’<sup>503</sup> Without this external financial revenue, the government would need to take drastic measures leading to the unemployment of many public employees, eliminating subsidies on basic commodities, and reducing spending on social services, all of which would severely erode the carefully-balanced patronage networks upholding the regime’s support base.<sup>504</sup> Thus, King Hussein sought to establish and keep a productive relationship with the IMF.

The 1989 economic crisis was likely a critical factor influencing King Hussein to pursue liberalization, but there were political reasons as well, as put forward by Greenwood’s notion of the ‘new liberal bargain’ of economic liberalization post-1989.<sup>505</sup> Jordan’s liberalization tactics, as seen in the resumption of national elections and revival of Parliament, were part of an effort to strengthen the monarchy’s relationship with East Bank Jordanians and the business community, both of whom constitute the monarchy’s traditional support base. Iraq’s invasion of Kuwait in 1990 put the kingdom in a difficult position, because it was unwilling to join the US-led coalition against Iraq. The United

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<sup>502</sup> Laurie Brand, *Jordan's Inter-Arab Relations: The Political Economy of Alliance Making* (New York: Columbia University Press, 1994), 277.

<sup>503</sup> Greenwood, ‘Jordan’s “New Bargain,”’ 250.

<sup>504</sup> Greenwood, ‘Jordan’s “New Bargain,”’ 250.

<sup>505</sup> Greenwood, ‘Jordan’s “New Bargain,”’ 248-268.

States and Jordan's allies in the Gulf thus cut off their aid support to Jordan, which threatened its budget security. Subsequently, King Hussein supported the US-sponsored Madrid peace process, for which he hoped to receive an increase in aid and cancellation of Jordan's foreign debt. The insecurity of the early 1990s 'undermined the government's ability to ensure long-term budget security and gain access to the economic resources needed to maintain its bases of political support.'<sup>506</sup> Consequently, the regime realized that a new type of political bargain, in the form of some liberalization, was necessary.<sup>507</sup>

Jordan turned to the IMF for support and began to liberalize sectors of the economy and balance public expenditures. In general, Jordan's reforms have been labelled a success and have met IMF targets, although various challenges such as inflation, budget deficit, and high debt remain. The industry and communications sectors have benefited from foreign investment, but many Jordanians cannot gain from this because the jobs created there require skills not supplied by the state's education system. Small-business development is inhibited by regulatory obstacles and lack of available capital, so the market economy has done little for many Jordanian citizens and has not addressed massive youth unemployment. In addition, a small circle of 'regime insiders' comprises a new urban economic elite.<sup>508</sup>

Among the reforms Jordan was asked to implement is a reduction of the state subsidy programme, on which the regime has historically relied as part of its patronage system in order to ensure a level of stability among the populace. As Itani points out, 'the government can no longer afford to continue this level of subsidization, but any attempt to reduce subsidies risks provoking large-scale public discontent amid accusations that the government is unfairly financing itself at citizens' expense,' as seen in November

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<sup>506</sup> Greenwood, 'Jordan's "New Bargain,"' 255.

<sup>507</sup> Greenwood, 'Jordan's "New Bargain,"' 255-259.

<sup>508</sup> Itani, 'Stability Through Change,' 2-3.

2012 when the government reduced subsidies on fuel, which triggered rioting.<sup>509</sup> Jordan's economic liberalization reforms have improved 'some basic macroeconomic indicators at the cost of widespread public alienation and a narrowing of the regime's support base.'<sup>510</sup>

King Abdullah II has continued the late King Hussein's strategy of maintaining strong relationships with foreign funders, with the most significant difference between him and his father being Abdullah's commitment to support the United States in its post-2001 'war on terror' and in the US-Iraq War. With this, Abdullah has secured increases in military and economic aid from the United States. Abdullah thus pursues regime security by aligning more closely with the United States' interests and pursuing his 'Jordan First' strategy, with the hope that these will ensure regime survival through any short-term difficulties. Greenwood argues that this is an evolution and refinement of the 'new liberal bargain' due to domestic and regional developments and challenges.<sup>511</sup> Overall, 'policies designed to promote the regime's long-term security take precedence above all else.'<sup>512</sup>

### **Foreign Aid and Its Impacts on Civil Society in Jordan**

Foreign aid for entrepreneurship and social entrepreneurship in Jordan has not brought about political liberalisation, participation, or true youth empowerment, which are normative goals aligning with neoliberal foreign policy objectives of the United States, Europe, and their allies. Rather, foreign aid funding for entrepreneurship and social entrepreneurship shores up the Jordanian government to ensure the country's continuing stability. This stability is aided by economic growth, expanded employment

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<sup>509</sup> Itani, 'Stability Through Change,' 3.

<sup>510</sup> Itani, 'Stability Through Change,' 3.

<sup>511</sup> Greenwood, 'Jordan's "New Bargain,"' 263-265.

<sup>512</sup> Greenwood, 'Jordan's "New Bargain,"' 268.

opportunities, especially for youth, and upholding the public-participation ‘safety valve.’ Entrepreneurship and social entrepreneurship are avenues for each aforementioned goal. Foreign aid funding that prioritizes Jordan’s stability over other objectives restricts the political space and influences the way civil society and, within this, social enterprises can function. This section demonstrates this by first outlining the issues associated with neoliberal foreign aid programmes focused on political liberalization, and how these programmes have failed to produce significant advances and instead inadvertently aided the entrenchment of authoritarian governments. A brief examination of the rhetoric of international actors elucidates the underlying objectives of their entrepreneurship promotion efforts and situates these findings within the wider debate of foreign aid policies and youth as a ‘security risk.’

The primary foreign aid donors for development in Jordan are the United States, the European Union/Europe, the United Nations, and their affiliates. They have in recent years observed that their ‘civil society’ promotion initiatives have not brought about the political liberalization of the Middle East for which they were designed,<sup>513</sup> however. Economic issues, among them high levels of youth unemployment, also remain.<sup>514</sup> According to the International Labour Organization and the World Bank, Jordan’s youth unemployment rate has risen from 28.6% in 2008 to 39.7% in 2017. Indeed, international efforts have arguably shaped strategies of authoritarian survival, rather than promoting reform. Jordan’s King Abdullah II has, so far successfully, combined ‘promises to reform and government shake-ups at home with pleas for more aid to sustain his regime

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<sup>513</sup> Steven Heydemann, ‘Upgrading Authoritarianism in the Arab World,’ Saban Center for Middle East Policy at the Brookings Institution Analysis Paper, no. 13 (Washington, DC: Brookings Institution, October, 2007); see also Jason Brownlee, *Democracy Prevention: The Politics of the US-Egyptian Alliance* (Cambridge: Cambridge University Press, 2012); and Tamara Cofman Wittes, *Freedom’s Unsteady March: America’s Role in Building Arab Democracy* (Washington, DC: Brookings Institution, 2008).

<sup>514</sup> World Bank, ‘Unemployment, Youth Total (% of total labor force ages 15-24),’ September, 2018. <https://data.worldbank.org/indicator/SL.UEM.1524.ZS>.

abroad.’<sup>515</sup> In 2016 he cited the Syrian refugee crisis and regional instability combined with his country’s continuing economic issues as the reason continued foreign aid is necessary.<sup>516</sup> This plea was successful: in 2018, Jordan and the United States signed a five-year memorandum of understanding on economic and military cooperation which will provide Jordan with \$6.3 billion in assistance. The aid is meant to ‘enable Jordan to continue reform and development programmes, and to mitigate the impact of the refugee burden’ and in return, Jordan will continue to work with the United States in military and counterterrorism cooperation.<sup>517</sup> This is an example of a ‘quid pro quo’ or ‘aid-for-policy’ deal, in which ‘donor leaders give aid to recipient leaders in return for policy concessions.’<sup>518</sup> As Bueno de Mesquita and Smith explain, ‘while questionable from a normative perspective, aid-for-policy deals are a rational allocation of resources and efforts by both recipients and donors that advance the interests of political elites in each nation’ and even ‘promotes the political survival of leaders.’<sup>519</sup> Ultimately, ‘democracy promotion’ in the region is meant to promote stability and continuity, rather than encourage change, as this could lead to ‘unruly or take-to-the-streets revolutionary upheavals’ which might not be in the best interests of the international aid donors.<sup>520</sup> Thus, it should not be surprising when this aid fails to fulfil normative goals such as political and/or economic liberalisation.

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<sup>515</sup> Sarah Sunn Bush, ‘Jordan: Aid in the Shadow of Geopolitics,’ in *The Taming of Democracy Assistance: Why Democracy Promotion Does Not Confront Dictators* (Cambridge: Cambridge University Press, 2015), 159.

<sup>516</sup> Michael Holden, ‘Jordan Needs International Help Over Refugee Crisis: King Abdullah,’ *Reuters*, February 2, 2016, <https://www.reuters.com/article/us-mideast-crisis-jordan/jordan-needs-international-help-over-refugee-crisis-king-abdullah-idUSKCN0VB0WI>.

<sup>517</sup> ‘US Pledges \$6.3b in Assistance to Jordan for 5 Years,’ *Jordan Times*, February 14, 2018, <http://www.jordantimes.com/news/local/us-pledges-63b-assistance-jordan-5-years>.

<sup>518</sup> Bruce Bueno de Mesquita and Alastair Smith, ‘A Political Economy of Aid,’ *International Organization* 63, no. 2 (2009): 310.

<sup>519</sup> Bueno de Mesquita and Smith, ‘A Political Economy of Aid,’ 310.

<sup>520</sup> Sheila Carapico, *Political Aid and Arab Activism: Democracy Promotion, Justice, and Representation* (Cambridge: Cambridge University Press, 2014), 189.

As in other Arab republics, neopatrimonial governance in Jordan has been reinforced by this foreign aid mechanism. As noted, Jordan is poor in resources, in contrast to the Gulf monarchies, so its neopatrimonial framework depends on foreign aid, which allows the government to provide essential services to citizens which it otherwise could not. The government thus can position itself as the benefactor of the people, and the Hashemite monarchy in particular makes extensive use of this. King Abdullah II, and some other royal family members, regularly visit hospitals, schools, rural villages, injured citizens and military veterans in a show of solidarity and empathy with citizens. The king does so especially when there is tension and frustration among Jordanians. King Abdullah II also shows a great deal of support and respect for young Jordanians and has in the past visited universities for ‘youth forums’ in which he invites students for dialogue. He also holds various recognition events for ‘exceptional’ youth to celebrate their achievements. During these events he tends to emphasize the contributions of young people and reassures them that their opinions and struggles matter to the government. Since receiving his degree in International History from Georgetown University in the US and graduating from Sandhurst Military Academy in the UK, Crown Prince Hussein often accompanies his father during these engagements. Recently, for example, on 13 May 2019 King Abdullah II and Crown Prince Hussein held an event during which the king:

stressed the need for adopting youth’s ideas and encouraging their political engagement, noting that young Jordanians must realise that their voice is heard and has an impact. During the meeting, attended by HRH Crown Prince Hussein, King Abdullah expressed pride in young Jordanians, noting that they give hope in Jordan’s economic, political and social reform endeavours.<sup>521</sup>

Similarly, in January 2018, King Abdullah II met with students at the University of Jordan in Amman where he discussed ‘various local and international issues.’ He later stated on

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<sup>521</sup> ‘King Calls for Encouraging Youth’s Political Involvement,’ *Jordan Times*, May 13, 2019, <http://jordantimes.com/news/local/king-calls-encouraging-youths-political-involvement>

social media that the dialogue ‘strengthened [his] faith that the youth of the homeland are the pillars of its future and capable of bearing the responsibility of continuing building and modernisation.’<sup>522</sup> On the first Friday of Ramadan in 2019, King Abdullah II also visited a small town in Irbid where he joined Jordanians in the Friday prayer and made a surprise visit to two underprivileged families. In one of the families, both parents suffer from major health issues, and in the second family, there is an injured former military member. In both cases, the king directed his personnel to ensure the families receive better healthcare, more furniture and better homes. In addition, ‘His Majesty also instructed Royal Hashemite Court officials to ensure that 15 housing units are built for underprivileged families in Al Mukheiba, in line with the regulations of the Ministry of Social Development.’<sup>523</sup> Further, King Abdullah II and other members of the royal family have established a variety of royal initiatives, also known as royal NGOs (RONGOs), that address diverse needs, in addition to the work of the government ministries. The RONGOs also play a role in upholding the monarchy’s appearance as popular benefactors, which as stated previously, is important to preserve the constructs of neo-patrimonialism.

The Jordanian government, headed by the monarchy, has instituted a model of managed change based on reforming political institutions in a way that gives the illusion of reform but does not redistribute power in a significant way.<sup>524</sup> Reformists in Jordan have attempted to use this managed reform to position opposition networks and civil society groups within the government’s reform agenda, aiming thereby to increase the

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<sup>522</sup> ‘King Meets With UJ Students,’ *Jordan Times*, January 30, 2018, <http://jordantimes.com/news/local/king-meets-uj-students>.

<sup>523</sup> ‘King visits Al Mukheiba Town in Irbid on First Friday of Ramadan,’ *Jordan Times*, May 12, 2019, <http://jordantimes.com/news/local/king-visits-al-mukheiba-town-irbid-first-friday-ramadan>.

<sup>524</sup> Michele Dunne and Marina Ottaway, ‘Incumbent Regimes and the “King’s Dilemma” in the Arab World,’ in *Getting to Pluralism: Political Actors in the Arab World*, ed. Marina Ottaway and Amr Hamzawy (Washington, DC: Carnegie Endowment for International Peace, 2009), 19.

government's credibility both nationally and internationally. With these reformist tactics, King Abdullah II has gained favour with Washington, which has pressured Jordan to introduce reforms since 2001, and consequently his country benefits from aid packages, military cooperation, and trade agreements. Due to the unpredictability of change caused by potentially radical opposition forces, the United States and Europe have favoured the managed reform process,<sup>525</sup> perhaps even more so since the regionally destabilizing 'Arab Spring' and its aftermath. Additionally, the Jordanian government itself realizes that extensive political liberalization could bring forces to power that oppose foreign actors, which would jeopardize the flow of foreign aid. One of the main concerns is that greater political liberalization would allow Islamists to gain strength but limiting Islamists' access to power is one of the United States' major interests in the Middle East.<sup>526</sup> The Jordanian government has also been concerned with the youth bulge and the challenges it poses. In 2013, King Abdullah II wrote, 'in recent years, we came to a challenge unlike any before. Jordan entered the 21st century with a large youth population, young men and women who have the same high expectations as their peers across the world.'<sup>527</sup> Then, Jordan introduced Resolution 2250 on Youth, Peace and Security to the United Nations Security Council in 2015, the first time that the role of youth in global security was directly addressed by the Security Council.<sup>528</sup>

Additionally, the monarchy's objective is to maintain the existing political order and keep the country stable in the face of real and perceived threats to its authority, among which resource scarcity, economic struggles, a lack of a cohesive national identity, and

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<sup>525</sup> Dunne and Ottaway, 'Incumbent Regimes and the "King's Dilemma" in the Arab World,' 36-39.

<sup>526</sup> Amaney A. Jamal, *Of Empires and Citizens: Pro-American Democracy or No Democracy at All?* (Princeton: Princeton University Press, 2012), 3-5.

<sup>527</sup> World Policy Institute, 'In His Own Words: King Abdullah II of Jordan,' September 23, 2013, accessed February 6, 2019, <https://worldpolicy.org/2013/09/23/in-his-own-words-king-abdullah-ii-of-jordan/>.

<sup>528</sup> Mayssoun Sukarieh and Stuart Tannock, 'The Global Securitisation of Youth,' *Third World Quarterly* 39, no. 5 (2017): 854, 857.

susceptibility to regional geopolitics rank high.<sup>529</sup> The top-down managed reform process favoured by the Jordanian monarchy and foreign aid donors alike has not led to substantive change, ‘making at best a marginal difference on specific issues but not leading to the redistribution of power that a true process of democratization and even liberalization would entail.’<sup>530</sup> In fact, true democratic transitions require reforms leading to a citizen-responsive political system rather than institutional (re-)arrangements that are purely formal and meant to assuage citizens’ discontent.<sup>531</sup>

Sibille Merz argues that civil society, ‘together with a few key terms, such as democracy, human rights, participation, self-help and empowerment, ... is at the very top of a neoliberal development agenda, which, driven by the twin motors of neoliberal economics and liberal democratic theory, sees private institutions and NGOs as the main agents of democratisation.’<sup>532</sup> Thus civil society is closely tied to political and economic liberalisation in development policy. Following the ‘war on terror,’ development policies themselves became reframed in terms of security, ‘in the name of opportunity and empowerment.’<sup>533</sup> As Mark Duffield explains, development efforts in this sense are a security mechanism that ‘promises to mobilize the poor and aggrieved against society’s enemies.’<sup>534</sup> In Jordan, one of these perceived ‘enemies of society’ could be the influence of the Islamic State and radicalization towards violent extremism by other actors. Here, too, normative goals are utilized to support security- and stability-related objectives.

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<sup>529</sup> Julia Choucair-Vizoso, ‘Illusive Reform: Jordan’s Stubborn Stability,’ in *Beyond the Façade: Political Reform in the Arab World*, ed. Marina Ottaway and Julia Choucair-Vizoso (Washington, DC: Carnegie Endowment for International Peace, 2008), 46-47.

<sup>530</sup> Dunne and Ottaway, ‘Incumbent Regimes and the “King’s Dilemma” in the Arab World,’ 40.

<sup>531</sup> Robert Dahl, *Polyarchy: Participation and Opposition* (New Haven, CT: Yale University Press, 1972).

<sup>532</sup> Sibille Merz, ‘“Missionaries of the New Era”: Neoliberalism and NGOs in Palestine,’ *Race and Class* 54, no. 1 (2012): 52, doi: 10.1177/0306396812444820.

<sup>533</sup> Merz, ‘Missionaries of the New Era,’ 53.

<sup>534</sup> Mark Duffield, ‘Racism, Migration and Development: The Foundations of Planetary Order,’ *Progress in Development Studies* 6, no. 1 (2006): 76, doi: 10.1191/1464993406ps128oa.

## The Securitization of Youth in the Development Discourse

The foreign aid discourse surrounding youth, development, and security has driven policies and programming in Jordan. The link between youth and security is deeply entrenched in how youth have been understood: ‘youth has always had a double-sided aspect, such that for every stereotypical representation of youth as problem and pathology there exists an inverse idealisation of youth as possibility and panacea.’<sup>535</sup> In the current period, there has been a shift from youth being a local to a global security concern. As Sukarieh and Tannock argue, three frameworks of understanding youth as major security concerns emerged: the ‘problem of expanding surplus populations,’ often called the ‘youth bulge;’ ‘the ideal of “youth as peacebuilders,”’ entrepreneurs, and agents of change that attempts to mould ‘young people into supporting the contemporary global economic order;’ and fear of increasingly-connected youth becoming radicalized and recruited for terrorism.<sup>536</sup> More attention has been paid to the impacts of the ‘youth bulge’ and the effects of ‘alleged youth extremism’ since the United States launched its global war on terror.<sup>537</sup>

These issues encapsulate the global securitisation of youth, where securitisation can be defined as ‘the process of presenting an issue in security terms, in other words as an existential threat.’<sup>538</sup> Buzan, Wæver and de Wilde identify securitization as the process of state actors turning subjects into security matters; it is a form of politicization in which extraordinary means can be used in the name of security.<sup>539</sup> As Roe points out, securitization can be viewed as a negative process in which democratic processes are

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<sup>535</sup> Sukarieh and Tannock, ‘The Global Securitisation of Youth,’ 855.

<sup>536</sup> Sukarieh and Tannock, ‘The Global Securitisation of Youth,’ 855.

<sup>537</sup> Mayssoun Soukariéh and Stuart Tannock, *Youth Rising? The Politics of Youth in the Global Economy* (London: Routledge, 2015), 2.

<sup>538</sup> Sukarieh and Tannock, ‘The Global Securitisation of Youth,’ 856.

<sup>539</sup> Barry Buzan, Ole Wæver, and Jaap de Wilde, *Security: A New Framework for Analysis* (Boulder: Lynne Rienner Publishers, 1998), 25.

undermined and attention is turned away from scrutinizing political elites towards the subject of securitization; in this case, the youth population.<sup>540</sup> To counter the above-mentioned concerns, the international community has implemented various programmes for youth, involving, among others, empowerment, inclusion, participation, and entrepreneurship, which ultimately ‘promote the interests of business and political elites.’<sup>541</sup>

The positive youth development movement is presented as a shift from presenting youth in a negative light to a ‘sense of positivity and a new-found commitment to embracing and empowering the young.’<sup>542</sup> In this new adaptation of youth in policymaking agendas, youth are understood as important resources that can be developed into an asset, as opposed to being a problem that needs to be managed.<sup>543</sup> The United Nations Security Council Resolution 2250 (S/Res/2250) aligns with the positive youth development movement, ‘recognizing the important and positive contribution of youth in efforts for the maintenance and promotion of peace and security.’<sup>544</sup> Despite its positive approach, it still emphasizes the role of youth in preventing violence and extremism, and ‘stresses the importance’ of promoting entrepreneurship among youth so that they can ‘positively contribute to peacebuilding efforts.’<sup>545</sup> Youth are still:

being used to package and promote social change – a phenomenon that has been particularly pronounced in capitalist society, with its relentless promotion of radical social, economic and technological invention and upheaval. In this sense, it is perfectly understandable that neoliberal reformers would seek both to link neoliberal ideals and ideology with the image of youth, and to inculcate neoliberal subjectivities among the youth through education, training and development

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<sup>540</sup> Paul Roe, ‘Is securitization a “negative” concept? Revisiting the normative debate over normal versus extraordinary politics,’ *Security Dialogue* 43 no. 3 (2012): 249–266.

<sup>541</sup> Mayssoun Sukarieh and Stuart Tannock, ‘In the Best Interests of Youth or Neoliberalism? The World Bank and the New Global Youth Empowerment Project,’ *Journal of Youth Studies* 11, no. 3 (2008): 301.

<sup>542</sup> Sukarieh and Tannock, *Youth Rising?*, 17.

<sup>543</sup> Sukarieh and Tannock, *Youth Rising?*, 20.

<sup>544</sup> United Nations Security Council, Resolution 2250, Increase Representation of Youth in Decision-Making at All Levels, S/Res/2250, ¶ 1 (December 9, 2015).

<sup>545</sup> S/Res/2250, ¶ 4.

programs that promote such concepts as youth entrepreneurship and financial literacy.<sup>546</sup>

Youth development policies and programmes globally appear to have been focused on teaching the principles of neoliberal ideologies, including financial literacy, free market economic theory and values, and encouraging and sponsoring youth entrepreneurship. Rather than empowering youth and leading to their political emancipation, however, these programmes impose a ‘narrowly prescribed set of legitimate practices and viewpoints’ on participants and often function as mechanisms for control and management of the social space.<sup>547</sup> This criticism is very much like the criticism of social capital as development policy – that it is prescriptive and exclusionary.

Via the positive development approach, youth policy has been formulated through the lens of market economic and democratization demands of the international community. This understanding of youth as a social category ‘subordinate[s] it to the changing needs of the labour market and disrupt[s] the emergence of broad-based resistance or class consciousness.’<sup>548</sup> The political institutions promoting neoliberal interests across the Middle East have created an understanding of youth that isolates them from other, older, generations and thereby ‘disrupts broader class consciousness.’ This allows for the legitimisation of managing and controlling youth, and youth policies and programmes are ‘a means of distracting attention from the deeper structural failings of national economies and the political regimes which rule them’<sup>549</sup> rather than granting them meaningful modes of participation. Youth are instead given the capabilities and skills necessary to overcome their problems themselves, but they are not allowed to drive their own agenda and must remain within a tightly managed political and economic

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<sup>546</sup> Sukarieh and Tannock, *Youth Rising?*, 24.

<sup>547</sup> Sukarieh and Tannock, *Youth Rising?*, 28-29.

<sup>548</sup> Emma Murphy, ‘A Political Economy of Youth Policy in Tunisia,’ *New Political Economy* 22, no. 6 (2017): 676-691, doi: 10.1080/13563467.2017.1311848.

<sup>549</sup> Murphy, ‘A Political Economy of Youth Policy in Tunisia,’ 677.

framework. Social entrepreneurship has followed on from this and been framed in much the same way. Through the networks of association that social entrepreneurship support initiatives establish, the avenues for social capital available to youth have been clearly defined, confined, and monitored to serve certain purposes, such as countering radicalization and increasing economic productivity.

A brief examination of the rhetoric of the main international actors involved with entrepreneurship promotion in Jordan sheds light on how they have framed their development objectives, specifically regarding social entrepreneurship. Foreign aid for social enterprises in Jordan originates from three sources: the European Union and European governments, the United States, and international organizations. Each of these will be examined in turn to show the aims and objectives of this aid, and the rationale behind the donor's desire to support social enterprises.

Foreign aid for entrepreneurship from the European Union and European governments and non-governmental organizations focuses on two primary objectives: First, developing the local economy through creating jobs and thereby reducing poverty, and second, increasing economic inclusiveness which includes empowering women. In a 2018 call for project proposals, the European Commission states, for example, that projects should 'contribute to poverty reduction and social inclusion of people confined in the informal economy and disadvantaged/marginalised groups. The design of the proposed actions should aim at generating jobs and developing competitive and social enterprises in Jordan.'<sup>550</sup> Similarly, the European Union EU Neighbours 'MedUP!' initiative for 2018-2022 seeks to promote the 'development of the social entrepreneurship

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<sup>550</sup> Delegation of the European Union to Jordan, 'Call for Proposals: Skills for Employment and Social Inclusion' accessed November 28, 2018, [https://eeas.europa.eu/delegations/jordan/45879/call-proposals-skills-employment-and-social-inclusion\\_en](https://eeas.europa.eu/delegations/jordan/45879/call-proposals-skills-employment-and-social-inclusion_en).

sector as a driver for inclusive growth and job creation.<sup>551</sup> The smaller programme ‘Shamal Start’ is an EU-funded programme specifically for the Irbid and Mafrq communities, and while focused on manufacturing and service industries, also emphasizes job creation and local economic development.<sup>552</sup> European initiatives from individual countries are more focused, but are in line with the broader objectives of the European Union. ‘She Entrepreneurs,’ a leadership and innovation programme by the Swedish Institute and the government of Sweden is designed for women entrepreneurs, and works for ‘an equal and sustainable society using entrepreneurial principles.’<sup>553</sup> She Entrepreneurs seeks to create ‘a strong and active network of likeminded women entrepreneurs who inspire and support each other in driving important changes in society.’<sup>554</sup> Meanwhile, the Swiss non-profit organization CEWAS’ Middle East branch addresses the region’s environmental challenges through entrepreneurship support. CEWAS states that ‘entrepreneurs and change-makers’ are needed to ‘invent the technologies and services for the green revolution in the Middle East’ because these have not been ‘brought about by conventional industrial solutions, governments, or development aid.’<sup>555</sup> For this same reason, the British Council launched an initiative in 2017 to include social entrepreneurship as a main pillar of education worldwide, because social entrepreneurs work ‘towards a world that has a fair and equal society where the potential of all people is fully realised. ... They combine insight, compassion and imagination to solve social and environmental problems.’<sup>556</sup> From the viewpoint of the

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<sup>551</sup> EU Neighbours, ‘MedUP! Promoting Social Entrepreneurship in the Mediterranean Region,’ accessed November 28, 2018, <https://www.euneighbours.eu/en/south/stay-informed/projects/medup-promoting-social-entrepreneurship-mediterranean-region>.

<sup>552</sup> Shamal Start, ‘About Us,’ accessed November 20, 2018, <http://www.shamalstart.com/about.html>.

<sup>553</sup> Swedish Institute, ‘She Entrepreneurs,’ accessed December 3, 2018, <https://si.se/en/apply/leadership-programmes/she-entrepreneurs/>.

<sup>554</sup> Swedish Institute, ‘She Entrepreneurs.’

<sup>555</sup> CEWAS Middle East, ‘Start-up Programme,’ accessed December 3, 2018, <https://cewasmiddleeast.org/start-up-programme/start-up-programme/>.

<sup>556</sup> British Council, ‘Social Entrepreneurship in Education: Empowering the Next Generation to Address Society’s Needs,’ accessed January 22, 2019, [www.britishcouncil.org/society/social-enterprise](http://www.britishcouncil.org/society/social-enterprise).

European Union and individual European governments, social entrepreneurship promises to be a leader and an inspiration for economic growth and solving social problems that the government has not addressed.

Entrepreneurship aid from the United States government also seeks to promote job creation and a strong local economy in Jordan<sup>557</sup> but emphasizes that creating these opportunities is not just ‘an economic imperative, but a security one as well.’<sup>558</sup> One of the main ways in which the US government has supported social entrepreneurship is through the United States Agency for International Development (USAID) Civic Initiatives Support (CIS) programme, which in fiscal year 2019 has received approximately \$32.5 million from the United States government.<sup>559</sup> The USAID CIS programme ‘aims at cultivating a strong and vibrant civil society in Jordan through supporting a broad range of civic initiatives.’<sup>560</sup> The hope is for enterprising Jordanians to lead development in ‘environment, water, energy, education, STEM<sup>561</sup> education, democracy, and rights’<sup>562</sup> through locally-driven solutions.<sup>563</sup> Injaz, formerly a project under Save the Children funded by USAID, seeks to address ‘the wide range of needs of young Jordanians’ and prides itself in reaching ‘over 370,000 youth a year’ through its capacity-building programmes.<sup>564</sup> One of these is the Social Leaders Program (SLP) which ‘empowers Jordanian youth to effect positive change in their communities through

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<sup>557</sup> Andrea López-Tomás, ‘US-Funded Project to Enhance Jordan’s Ecosystem for Startups’ Development,’ *Jordan Times*, November 16, 2017, <http://www.jordantimes.com/news/local/us-funded-project-enhance-jordan%E2%80%99s-ecosystem-startups%E2%80%99-development>.

<sup>558</sup> Alice G. Wells, ‘Creating a Future of Prosperity: The U.S.-Jordanian Partnership,’ Remarks to the Young Entrepreneurs Association, November 15, 2015, <https://jo.usembassy.gov/creating-a-future-of-prosperity-the-u-s-jordanian-partnership-november-15-2015/>.

<sup>559</sup> United States Department of State, ‘Transaction Data | Jordan,’ accessed May 10, 2019, <https://www.foreignassistance.gov/explore/country/Jordan>.

<sup>560</sup> USAID Civic Initiatives Support, ‘About Us,’ accessed November 20, 2018, <http://www.cisjordan.org/AboutUs.aspx>.

<sup>561</sup> STEM = Science, Technology, Engineering, and Mathematics

<sup>562</sup> Interview with ‘VG4’ (USAID Civic Initiatives Support Program Employee), Amman, Jordan, April 2018.

<sup>563</sup> USAID Civic Initiatives Support, ‘About Us.’

<sup>564</sup> Injaz, ‘Overview,’ accessed February 6, 2019, <http://injaz.org.jo/Pages/viewpage.aspx?pageID=111>.

... innovative and impactful social initiatives.’<sup>565</sup> Ten enterprises are selected and paired with mentors for 18 months to help them implement their ideas. Injaz states that it invests in this programme ‘with the goal of impacting a much larger pool of beneficiaries than the ten SLP leaders and their teams. ... with each program cycle the SLP can potentially create ten new nationwide social enterprises, each impacting their own specific pool of beneficiaries and each addressing an independent social concern or need.’<sup>566</sup> Injaz’ SLP is thus an example of a social entrepreneurship support programme that focuses specifically on youth and aims for the beneficiaries themselves to further promote the SLP’s goals so that youth address their own needs through social enterprises. The United States’ justifications for supporting social enterprises show that this funding is, much like funding from Europe, intended to give Jordanians agency to address their own problems, and further, that those who received US aid are expected to ‘pay it forward’ by supporting others.

The United States’ emphasis on social entrepreneurship as one possible solution or deterrent for youth ‘extremism’ becomes evident in the remarks of Alice Wells, US ambassador to Jordan from 2014 to 2017, at an entrepreneurship event in Amman in 2015:

With Da’esh at our doorstep, we’ve seen how violent extremists are exploiting and tapping into the frustrations of our youth. While poverty alone has not been shown to cause terrorism or violence, investments in youth entrepreneurship and education are some of the most powerful antidotes that we have to combat violent extremism. Job creation is a key to our shared prosperity and security.<sup>567</sup>

The former ambassador’s remarks outlined the United States’ view that there is a distinct causal relationship between promoting entrepreneurship, especially among youth, and ensuring both economic prosperity and the future security of Jordan, particularly regarding violent extremism. Regardless of whether this is accurate, it shows the US’

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<sup>565</sup> Injaz, ‘Social Leaders Program (SLP) & Competition,’ accessed February 6, 2019, <http://injaz.org.jo/DetailsPage/DetailsPrograms.aspx?NewID=86>.

<sup>566</sup> Injaz, ‘Social Leaders Program (SLP) & Competition.’

<sup>567</sup> Wells, ‘Creating a Future of Prosperity.’

primary objective for promoting entrepreneurship is Jordan's stability, which ties into the broader US geopolitical goal to ensure regional stability. A 2018 US embassy call for grant applications states that grants will be given to projects that focus on the strategic priorities of economic stability, which includes expanding employability and creating economic opportunities for youth and women and promoting entrepreneurship.<sup>568</sup> The application page further states that the second major objective is 'political stability through an engaged civil society' which can be achieved through 'innovative approaches to solving societal challenges,' or social entrepreneurship.<sup>569</sup> The US embassy in Jordan views social entrepreneurship as one of the 'moderating forces' it supports to counter 'radical extremism and the forces that contribute to radicalization.'<sup>570</sup> The United States expects social entrepreneurs to not only tackle social and economic problems, but also to counter radicalization and extremism in their communities. The rationale appears to be that unemployed youth are automatically at risk of radicalization, and that social entrepreneurship can prevent this from occurring by giving them a productive avenue of activity which also contributes to their community.

International organizations focus primarily on economic empowerment, much as Europe-based initiatives do, and stress the engagement of youth. The United Nations Development Programme (UNDP), for example, 'sees entrepreneurship as a central driver of economic and social stability, and supports initiatives that tap into local skills, expertise, and resources.'<sup>571</sup> Regarding youth involvement in entrepreneurship, the World Bank Group Youth Innovation Fund provides grant funding, meant to engage and

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<sup>568</sup> United States Embassy in Jordan, 'Public Affairs Section Notice of Funding Opportunity,' accessed November 21, 2018, <https://jo.usembassy.gov/embassy/jordan/sections-offices/public-diplomacy/small-grants/>.

<sup>569</sup> United States Embassy in Jordan, 'Public Affairs Section Notice of Funding Opportunity.'

<sup>570</sup> United States Embassy in Jordan, 'Public Affairs Section Notice of Funding Opportunity.'

<sup>571</sup> Jennifer Colville, 'Unleashing the Entrepreneur Spirit for Economic Growth in Jordan: Let Me Count the Ways' (United Nations Development Programme August 24, 2016), <http://www.undp.org/content/undp/en/home/blog/2016/8/24/Unleashing-the-entrepreneur-spirit-for-economic-growth-in-Jordan-Let-me-count-the-ways.html>.

empower youth,<sup>572</sup> for them to implement innovative projects to help combat youth unemployment worldwide.<sup>573</sup> The United Nations Children’s Fund (UNICEF) Office of Innovation also gives grants to youth to support their use of technology to address challenges facing children; they state that ‘in today’s world, innovation has become even more vital’ for this purpose.<sup>574</sup> The project ‘Prevention of Violent Extremism through Youth Empowerment in Jordan, Libya, Morocco and Tunisia’ by the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the United Nations Counter-Terrorism Centre (UNCCT) takes youth entrepreneurship a step further. This project, launched in April 2018, is designed to ‘support youth driven initiatives on the ground in education, sciences, culture, and the media to prevent violent extremism.’<sup>575</sup> The rationale is that youth empowerment through employment and youth engagement in local communities will lead to critical thinking, cross-cultural dialogue, and integration with constructive activities as an antidote to cycles of extremism.<sup>576</sup> This mirrors the image of youth entrepreneurship as a solution to violent extremism outlined by US ambassador Alice Wells in 2015. Again, youth are presented with entrepreneurship as an all-inclusive solution to their own unemployment, frustrations, and potential radicalization. At the same time, youth are expected to contribute to the solution of social and economic problems; this is no small task.

The aforementioned foreign actors have turned to ‘entrepreneurship’ and ‘social entrepreneurship’ as new buzzwords for their development agenda as an extension of

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<sup>572</sup> Youth to Youth Community, ‘Youth Innovation Fund (YIF),’ December 19, 2017, <https://y2ycommunity.org/youth-innovation-fund-yif/>.

<sup>573</sup> World Bank, ‘Youth Innovation Fund 2015: Empowering Young People to Translate Ideas into Jobs,’ September 4, 2015, <http://www.worldbank.org/en/news/feature/2015/09/04/youth-innovation-fund-2015-empowering-young-people-to-translate-ideas-into-jobs>.

<sup>574</sup> UNICEF Office of Innovation, ‘What We Do,’ accessed November 20, 2018, <https://wcmprod.unicef.org/innovation/what-we-do>.

<sup>575</sup> UNESCO, ‘Young Leaders and UN Join Forces to Prevent Violent Extremism,’ April 25, 2018, <https://en.unesco.org/news/young-leaders-and-join-forces-prevent-violent-extremism>

<sup>576</sup> UNESCO, ‘Young Leaders and UN Join Forces to Prevent Violent Extremism.’

‘civil society’ support. Entrepreneurship, and especially social entrepreneurship, are well situated to address, in their view, economic development in a ‘self-help’ manner. It also allows foreign actors a less visible hand of influence, which may be met with less resistance in Jordan. As interviewee ‘73L’ commented, both the Jordanian government, foreign governments, and international organizations are motivated to support entrepreneurship in Jordan: ‘What’s the motive? We have a high rate of unemployment here. What’s the solution? One of the most appealing solutions is for the unemployed to start their own business and employ others. So, it is appealing for everybody.’<sup>577</sup> Simultaneously, social entrepreneurship has the potential to alleviate issues related to participation, empowerment, youth, and even violent extremism. In short, foreign actors support entrepreneurship in Jordan because they see it as a promising vehicle for economic development leading to greater state stability. They thus place social entrepreneurship at the intersection of support for development and civil society and the effort to prevent extremism.

The Jordanian Ministry of Youth has taken a similar approach to youth and social entrepreneurship and has included some of the international actors’ foreign funding ideas into its own initiatives. The Ministry’s activities for youth have included camps, trips, cultural, arts and sports activities, recycling and waste management, and are intended to enhance youth capabilities and their participation in their community. In early 2016, the Ministry of Youth incorporated training on entrepreneurship for youth into the activities offered at its 120 youth centres located throughout the country. According to a Ministry of Youth official, the purpose of these activities, besides providing them training on small jobs that can make them qualified for employment and bring them some income, is ‘to

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<sup>577</sup> Interview with ‘73L’ (Social Entrepreneurship Support Organisation), Amman, Jordan, February, 2018.

keep the youth busy.’<sup>578</sup> The main reason for ‘keeping the youth busy’ is ‘to face the unemployment problem and to face the political situation in the surrounding countries so that it will not affect the youth, not to be brainwashed and go in this direction.’<sup>579</sup> This approach echoes the objectives of international actors regarding keeping Jordan’s youth from becoming radicalized. The introduction of social entrepreneurship promotion to address the youth’s challenges and prevent the development of extremism is much the same method as the one implemented by the international community. Several of Jordan’s royal NGOs (RONGOs) have also begun offering support for entrepreneurship, including social entrepreneurship, in recent years. These RONGOs are partnered with large international organizations and foreign aid donors such as USAID, the World Bank, and the International Youth Foundation, who presumably have at least some degree of influence over the RONGOs through financial support. Recently, the King Abdullah II Fund for Development (KAFD)<sup>580</sup> announced plans to expand its entrepreneurship support pillar to include the ‘social entrepreneurship challenge,’ which ‘aims to support young people’s solutions for social challenges as well as provide self-recruitment opportunities.’<sup>581</sup> The KAFD entrepreneurship pillar will also include a project on ‘applied scientific research’ that is ‘devoted to young people who conduct applied scientific research and seeks to support those who have found solutions to their communities’ problems.’<sup>582</sup> Thus, the government and monarchy-related organizations are incorporating the current development discourse regarding youth and social enterprise into their initiatives.

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<sup>578</sup> Interview with ‘MB1’ (Official in the Ministry of Youth), Amman, Jordan, February 2018.

<sup>579</sup> Interview with ‘MB1.’

<sup>580</sup> King Abdullah II Fund for Development, ‘KAFD’s Vision,’ accessed May 17, 2019, <https://www.kafd.jo/en>.

<sup>581</sup> ‘KAFD Launches Five New Projects Targeted Towards Youth,’ *Jordan Times*, March 24, 2019, <http://www.jordantimes.com/news/local/kafd-launches-five-new-projects-targeted-towards-youth>.

<sup>582</sup> ‘KAFD Launches Five New Projects Targeted Towards Youth.’

The current development discourse surrounding social entrepreneurship is legitimating the Jordanian government and monarchy's restrictions on the youth's political and social space. On the one hand, the funding parameters of foreign actors restricts the space in which youth as social entrepreneurs can function by determining the topics that will receive support, and thus managing the areas where social enterprises can work. On the other hand, once foreign funding reaches Jordan, global goals and intentions also become subject to national power structures, ranging from the highest points of the Jordanian hierarchy (the monarchy and its royal NGOs) to the lowest (the ministries' bureaucrats who handle social enterprise registration procedures). Further, because the international community stresses the importance of youth de-radicalization and overall Jordanian stability, the government can, in the eyes of foreign actors, use these same reasons to validate its own approaches to managing youth, civil society, and within this, social enterprises. Thus, the greater power structures framing Jordan's political and social space restrict social enterprises' establishment, function, and programmes to those that are accepted by both the international community and the government.

Through entrepreneurship and social entrepreneurship programmes, grants, and other support structures, foreign actors have introduced market principles into governance in Jordan. The old formula of 'market economy + democracy = peace'<sup>583</sup> is being applied to youth and other Jordanians through social entrepreneurship, which combines aspects of both market economic and democratic values, to maintain Jordan's relative stability. The question remains whether it is possible at present for social enterprises in Jordan to fulfil the objectives the international community has defined. As outlined in the previous chapter, there are various obstacles in Jordan for entrepreneurs to become established and

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<sup>583</sup> Constanze Schellhaas and Annette Seegers, 'Peacebuilding: Imperialism's New Disguise?' *African Security Studies* 18, no. 2 (2010): 4, doi: 10.1080/10246029.2009.9627524.

self-sufficient, among them bureaucratic and legal issues and an inability to become financially self-sustainable, which leads to their continuous financial dependency on international aid, which itself can be short-term and changeable. This insecurity coupled with the financial dependency on international aid leads to international donors dictating, in effect, the work of Jordan's civil society organizations and social enterprises, particularly product- and service-oriented social enterprises (PSSEs). Due to structural transformation-based social enterprises' (STSEs) non-reliance on international aid, they are less affected by this issue. Encouraging entrepreneurship, while well intentioned, also relieves the government of its responsibility to address problems and instead places this burden on citizens. Many entrepreneurship programs and funders also emphasize that these entrepreneurs should be youth, thereby saddling them with the responsibility of addressing their own unemployment, while at the same time solving various social issues.

Another issue that arises from foreign actors and the Jordanian regime supporting social entrepreneurship development issues is that they appear to assume that social entrepreneurship is an independent variable for development. However, as seen in the section on the criticisms of social capital, which is a defining aspect of social entrepreneurship, it is not at all clear that this is the case. Social capital may not be an independent factor which, once fostered and expanded, will lead to development in economy and politics. This key aspect of social enterprises may in fact be subject to external influences and could even be a dependent variable, that is, that external factors determine the function of social capital, and not vice versa. Therefore, social entrepreneurship may also be largely dependent on external factors, and, in fact, its success has been shown to rely on various features of the social entrepreneurship ecosystem. It is not clear that social entrepreneurship support programmes can achieve their objectives.

The following section assesses the role that foreign actors play in the Jordanian entrepreneurship ecosystem and evaluates the efficacy of the current foreign funding model for social entrepreneurship in light of social entrepreneurs' needs.

### **Assessing the Role Foreign Actors Play in the Jordanian Entrepreneurship Ecosystem**

Foreign actors' emphasis on promoting entrepreneurship among youth as a way to alleviate high unemployment, increase civic participation, and counter extremism and violence indicates that especially the United States and international organizations view youth as a threat to Jordan's stability and security. It is clear, further, that the US and international organizations believe that countering extremism and violence requires keeping youth occupied and satisfied, which can be achieved by creating employment opportunities, helping them to become involved in their communities, and encouraging political and civic inclusion. Social entrepreneurship has the potential to accomplish all of these, and, moreover, helps place the burden of doing so on the youth themselves, thereby removing pressure from the Jordanian government. The country's youth bulge and unemployment issues must be addressed, but social entrepreneurship in Jordan, as encouraged and funded by international actors and the Jordanian government, is part of a development policy that is perhaps overly concerned with 'reducing young people to a security risk,' which Milton-Edwards warns against.<sup>584</sup> Despite international trends to view youth as a positive changing force rather than a security threat, development efforts in Jordan have framed support for youth social entrepreneurship initiatives in terms of both reducing the security threat of youth and this population sector's potential for positive development. Thus, youth are still being politicized, particularly by the United

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<sup>584</sup> Beverley Milton-Edwards, 'Marginalized Youth: Toward an Inclusive Jordan,' policy briefing (Doha, Qatar: Brookings Doha Center, June, 2018), 1.

States and international organizations. Instead of de-‘securitizing’ youth, these social entrepreneurship support programmes take the responsibility of addressing the youth ‘security issue’ from governments and place it in the hands of youth themselves.

Further, the Jordanian entrepreneurship ecosystem does not yet have the potential to solve social problems. As outlined by Bibars, an environment that enables social entrepreneurship requires financial investment; establishing effective networks and collaboration between stakeholders such as the social sector, the business sector, the government, and educational bodies; partnership with the media; and documentation and dissemination of effective practices. Bibars argues that these would allow for existing resource maximisation and population empowerment.<sup>585</sup> At present, the Jordanian entrepreneurship ecosystem has not reached this point. An evaluation of foreign actors’ social entrepreneurship support mechanisms follows.

Foreign actors fund enterprises because they constitute an attractive, self-sustainable avenue for problem solving that can continue after the foreign funder has departed. The self-sustainable nature of the enterprise means that the organization will depend on foreign funds only at the beginning, and that after becoming well-established, the foreign funder can withdraw, confident that the funds were invested in an entity that will continue to benefit the community independently. In theory this is a brilliant way to make often limited and short-term foreign aid funds last longer and to build bottom-up organizations that can continuously evolve to be responsive to community needs. Funding social enterprises promises an even better, two-in-one deal: these enterprises provide solutions to social issues while boosting the local economy and providing essential goods and services. In a country such as Jordan where both the international community and the

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<sup>585</sup> Iman Bibars, ‘A Decade of Social Entrepreneurship in the Region,’ in *Social Entrepreneurship in the Middle East* ed. Dima Jamali and Alessandro Lanteri, vol. 1 (Basingstoke: Palgrave Macmillan, 2015), 33.

monarchy favour stability, any initiative that might lead to increased social cohesion would be viewed as beneficial.

There are two issues with this approach in Jordan. First, it assumes that the ‘entrepreneurship ecosystem’ is robust, meaning that the network of support systems for enterprises is well-developed. This support system includes financial, legal, mentorship, and bureaucratic aspects. Jordan’s entrepreneurship ecosystem is only emerging, and as described previously, not yet able to offer entrepreneurs the range of support they require. Second, it assumes that enterprises can flourish with small short-term investments. The approach appears to be that it is better to fund many enterprises with small grants, rather than a few enterprises with large grants. The issue is that start-ups require significant initial financial investments to become established and self-sustainable, and that grants of a few thousand JOD are insufficient. For example, every registered company in Jordan must have an office space; office rental fees might consume most of these small grants, with little funding left over for running the enterprise. Isaac outlines the requirements for foreign aid to efficiently support social enterprises:

If local entrepreneurs were trained to develop solutions to their endemic issues, if agencies worked through local entrepreneurs to develop sustainable solutions for such issues, if such entrepreneurs were then equipped with tools and funding necessary to sustain them within a future free market, such empowerment would go a long way for foreign aid.<sup>586</sup>

This description contains many ‘ifs’ of potential, theoretical circumstances that must take place for this model to work. Moving forward, the foreign aid model for social entrepreneurship in Jordan must be adjusted in several ways if foreign actors wish their investment to have positive outcomes, that is, for foreign aid money to translate into self-sustainable and continuing social enterprises.

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<sup>586</sup> Cheryl Isaac, ‘Social Entrepreneurship and Foreign Aid: 3 Ways This Model Could Work in Developing Economies,’ *Forbes*, July 20 ,2012, <https://www.forbes.com/sites/worldviews/2012/07/20/entrepreneur-aid-3-ways-such-a-model-could-help-foreign-aid-work-in-developing-economies/#1c533a836903>.

## **Conclusion**

The chapter argues that the international community contributes to the confinement of the political space in Jordan as is evident in its interactions with and influence over civil society and social entrepreneurship. The chances of social enterprises achieving their objectives without external interference and functioning as truly community-responsive organizations, rather than being beholden to the demands of the international community, are slim. Most Jordanian social enterprises, especially product- and service-oriented social enterprises (PSSEs) ultimately depend on sponsorship from the international community, and thus the related funding proscriptions define the areas in which social entrepreneurs can work. Only very few, mostly structural transformation-based social enterprises (STSEs), have established independent funding avenues and can therefore function more freely of the demands of foreign actors.

When international organizations and foreign governments support social enterprises, they are promoting a development strategy that implicitly relies on social capital. This is because social capital constitutes an integral and defining aspect of social entrepreneurship. This is problematic because the concept and utility of social capital in development remain disputed. Rather than aiding political participation and economic growth, international actors might inadvertently be supporting a strategy that has been shown to be exclusionary, perpetuate the status quo, and promote only the 'right' kind of association, all while emphasizing the obligation of individuals to solve their own problems.

Social enterprises established with support from foreign actors serve those actors' purposes and represent those actors' interests; thus, they are not, and cannot be, 'bottom-up' organizations that wholly represent the interests of Jordanian communities. As shown in Chapter Three, the majority of product- and service-oriented social enterprises (PSSEs)

relies on continuing external funding, much of which comes from foreign governments or international organizations. These foreign actors include various requirements in their financial aid to foreign enterprises, beginning with the application process. Funders may require that social enterprises focus on one or a set of specific issues; to even be eligible for funding, therefore, social enterprises must match their work to that of the funder. If they do not, they will not receive this funding. These requirements also shift regularly, with funders adjusting their application requirements to overarching consensus on development needs. In Jordan in recent years, the shift has been from ‘empowering women’ to ‘empowering youth’ to ‘aiding refugees,’ with few funders’ requirements remaining constant. As social entrepreneurs continually amend their work in line with these shifts, they lose the ability to be independent community-responsive actors. This is not to say that the international community’s efforts and focuses are necessarily misplaced or incorrect, but that the way foreign actors interact with and impact the development of social enterprises renders them ineffective as civil society actors, and makes them inadequate in terms of economic development as well, since so many of them ultimately never become financially independent. The mode of social entrepreneurship support that foreign actors currently implement restricts social enterprises’ functions, and indeed directs their areas of work. At the same time, social entrepreneurs are not adequately equipped to become the independent, self-perpetuating ‘pay-it-forward’ organizations that foreign funders would ideally like them to be, because foreign investment has thus far been too minor, and social entrepreneurship training is lacking in some key areas.

Social entrepreneurship, with its combined market economic and democratic principles, is an attractive way for foreign actors to support Jordan’s stability by preventing radicalization in youth, creating employment and inclusion opportunities, and

allowing for increased civic participation. At present, however, there are various changes that need to occur in the social entrepreneurship ecosystem in Jordan, including reforms to the way foreign actors approach their funding mechanisms. These reforms will need to occur before social enterprises as a sector can be effective change agents, whether economic or governance related.

A key aspect of social entrepreneurship is the use and creation of social capital, a concept which is contested in development approaches, so its utility in this case must be considered. By promoting and supporting social enterprises, international organizations and foreign governments implicitly rely on social capital as an economic and civil society development tool. However, promoting social capital in development, in any form, faces certain issues. It is exclusionary and/or restricted to the 'elite;' it tends to promote 'correct' or acceptable modes of association that reproduce the status quo; and it is unclear whether social capital is an independent or dependent variable, that is, whether increasing social capital (and social entrepreneurship) leads to development at all.

In addition, as established in chapters one and four, social entrepreneurship can be a fundamentally destabilizing force due to its tendency to uproot traditional accepted values and its drive to create lasting structural change. Those citizens who have recently been financially and civically empowered by social entrepreneurship will be given a voice, will have certain demands that need to be met, and will take actions in their and their communities' interests, which may not align with regime interests, and thus create tension. Further, Jordan's government is not only unhelpful but is actively creating and enforcing obstacles for social entrepreneurs, particularly for those who rely in whole or in part on international aid. The Jordanian government's involvement in social entrepreneurship is analysed in greater detail in the following chapter.

Finally, another question arises: what happens to social capital in authoritarian regimes, or in contexts where the regime uses extensive surveillance? If social capital processes can be influenced by external factors, as the critical literature suggests, then it becomes necessary to examine them, as well as how this in turn affects the way social enterprises function. This will be explored in the following two chapters.

## **Chapter 5: The Restrictive Policies and Practices of the Jordanian Government**

### **Introduction**

This chapter explores the relationship between the Jordanian government's policies and the emergence of social entrepreneurship. The framework of the 'surveillance state' and regime uses of administrative power allow for an examination of the Jordanian government's tactics to manage, control, and ultimately repress social enterprises. The government implements extensive bureaucratic obstacles, including consistently confusing registration policies, ministry over-involvement, and other measures of oversight. It further implements restrictions through the legal code regarding the nature and function of associations and has implemented a foreign funding control mechanism. The monarchy has also systematically inserted itself, through royal NGOs, into the work of social entrepreneurs. These are all indicators of persisting neopatrimonial and semi-authoritarian governance approaches.

From the government's use of administrative power and establishment of permissible and restricted activities, a clear hierarchy of social enterprises emerges. The more closely a social enterprise is affiliated with the government, the more it is tolerated, because the government exercises more management over it. Conversely, the more independent a social enterprise is, the less it is tolerated and subjected to greater repression methods, because the government must attempt to exercise more control. The emergence of social enterprises has prompted a mixed response of both toleration and repression from the government, creating a tension between social enterprises and the regime. The government's response thus far has been a mix of state-led top-down control and toleration of government-affiliated (and to some degree managed) social enterprises.

The chapter begins with an overview of the ‘surveillance state’ and government administrative control in theory, relating these to the development of political rights, and defining how ‘surveillance’ will be understood in this chapter. Following this is an analysis of the government-created social entrepreneurship hierarchy and which types of social enterprises are most or least likely to face government repression. This is related to Robert Dahl’s theories on polyarchy, totalitarianism and the likelihood of regimes tending towards repression or toleration. The chapter then discusses the Jordanian government’s various control tactics, including bureaucratic obstacles, ministry oversight, the control of foreign funding, and the work of royal NGOs. From this emerges an outline of the surveillance tactics the government implements; namely, direct control, intimidation and repression, and close monitoring. The chapter concludes by discussing the rationale behind the Jordanian government’s mixed toleration-repression approach to managing social entrepreneurship.

### **Defining Surveillance**

As Horn outlines, states ‘can encourage, discourage, co-opt or restrict the effects of social entrepreneurship, particularly when structures of state power are threatened by new rules and norms created through the practice of social entrepreneurship.’<sup>587</sup> The limitations that social entrepreneurship places on state power may not always be positive, because it signifies the state’s (partial) loss of its ability to guide and direct social and economic structures.<sup>588</sup> Consequently, in the case of autocracies or semi-autocracies, the state’s response can be restrictive and repressive to achieve a re-balancing of power in its

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<sup>587</sup> Denise M. Horn, *Democratic Governance and Social Entrepreneurship: Civic Participation and the Future of Democracy* (London: Routledge, 2013), 10.

<sup>588</sup> Horn, *Democratic Governance and Social Entrepreneurship*, 10-11.

favour, thereby again negating any positive effects. States' responses can take the form of control through administrative power and surveillance.

Government surveillance over citizens has likely existed in some form, to some extent, throughout history.<sup>589</sup> Raeff argues that the Reformation and the end of the Thirty Years' War, which is generally understood to establish the modern concept of state sovereignty, also established the earliest versions of the modern police state, and its establishment of early forms of surveillance. Because the Catholic Church no longer offered religious and moral guidance in Protestant-controlled areas, secular rulers had to become interventionist and regulatory. In addition, it was believed that the welfare of subjects depended on the establishment of strong governments and leaders; likewise, the welfare and prosperity of subjects would benefit the state and increase the power of rulers. Thus, directing public welfare was believed to benefit the state and morality.<sup>590</sup>

This led to a shift from the government's traditional, passive role of preserving justice to the new active role of 'fostering the productive energies of society and providing the appropriate institutional framework for it.'<sup>591</sup> Just as the Church had previously regulated morality, now it was the obligation of the ruler to 'enact the laws and regulations that shape society and keep it on the right path,' which led to centralization and regulation, and the 'tyrannical control and supervision of every facet of public and economic life' found in states' legislation.<sup>592</sup> When the government took on this additional responsibility, it increased the degree of control and supervision its councils and central offices exercised over officials and institutions. Government oversight over institutions

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<sup>589</sup> Jane Duncan, 'Theorising the Surveillance State,' in *Stopping the Spies: Constructing and Resisting the Surveillance State in South Africa* (Johannesburg: Wits University Press, 2001), 28.

<sup>590</sup> Marc Raeff, 'The Well-Ordered Police State and the Development of Modernity in Seventeenth- and Eighteenth-Century Europe: An Attempt at a Comparative Approach,' *The American Historical Review* 80, no. 5 (1975): 1223-1225.

<sup>591</sup> Raeff, 'The Well-Ordered Police State,' 1226.

<sup>592</sup> Raeff, 'The Well-Ordered Police State,' 1226.

and corporations was meant to favour entities that supported its interests. This also meant that an individual's interests were subordinated to those of the community, 'as personalized by the ruler or materialized in the state.'<sup>593</sup> At the same time, the state fostered individual creativity through 'centralized and directed controls' because of the belief that this would allow the state to direct this creativity 'into useful channels of innovation and dynamic progress.'<sup>594</sup> Governments also realized that having a police force was the best way to tend to the population's general welfare, which would allow it to maximize resources and the public's potential.<sup>595</sup> Regulation, supervision, and securitization were meant to maximize the potential of the population to play the role designed for it by the state. States justified their increased regulatory role by claiming that individuals' selfishness needed to be kept in 'socially tolerable bounds.' Thus, states encouraged individualism, to the extent that it served state interests, and restricted individualism where it threatened 'communal solidarities' and did not benefit the state.<sup>596</sup> Raeff thus draws a clear conceptual link between community welfare, government power, and state surveillance in this historical case, one whose basic ideas can be seen in arguments for surveillance in the present day.

Surveillance in contemporary society has been conceptualized and theorized in different ways. Michel Foucault's use of Jeremy Bentham's 'panopticon' as a metaphor for contemporary surveillance is one of the most influential in the study of surveillance. In a society under surveillance, individuals have very little agency. Instead, they are in the 'panoptic machine, invested by its effects of power.'<sup>597</sup> The 'panoptic machine' is a metaphor for the state's constant surveillance which acts as a means of control: citizens,

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<sup>593</sup> Raeff, 'The Well-Ordered Police State,' 1229.

<sup>594</sup> Raeff, 'The Well-Ordered Police State,' 1229.

<sup>595</sup> Raeff, 'The Well-Ordered Police State,' 1235.

<sup>596</sup> Raeff, 'The Well-Ordered Police State,' 1241.

<sup>597</sup> Michel Foucault, *Discipline and Punishment: The Birth of the Prison*, trans. Alan Sheridan (New York: Vintage Books, 1977), 217.

feeling watched and monitored, are presumably more complacent to state-prescribed norms due to the threat of discipline. Management institutions shape the social and political space through bureaucratic and legal means, which citizens accept. The government's surveillance, and its consequent gathering and 'formation of knowledge,' increase its power, and discipline is passive rather than active. In this pattern, 'the formation of knowledge and the increase in power regularly reinforce one another in a circular process.'<sup>598</sup> As in the 'panopticon' prison, an idea developed by Jeremy Bentham,<sup>599</sup> citizens self-regulate their behaviour. The state, with this approach, can exert power over citizens without exerting physical punishment.<sup>600</sup> Bentham defined surveillance as 'a new mode of obtaining power of mind over mind;' this definition links surveillance to social control.<sup>601</sup> This means that it is meant for the gathering of information about a person with the goal of coercion.<sup>602</sup> Surveillance and management thus offer attractive benefits for states seeking to control certain population sectors without taking too great a risk of either tolerating or repressing opposition overtly, an idea further developed by Robert Dahl.

Bentham's panopticon has become a metaphor in the surveillance literature for a state that has created what Foucault calls a 'disciplinary society' in which citizens under surveillance constantly feel watched. Foucault thus established that this subjectification to constant observance makes overt violence unnecessary because citizens police themselves. One of the issues Foucault does not address is that surveillance can be used to identify citizens that need to be controlled more overtly. For example, as Duncan notes, 'policing decisions about protests may be either facilitative or militarised depending on

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<sup>598</sup> Foucault, *Discipline and Punishment*, 224.

<sup>599</sup> Jeremy Bentham, *The Panopticon Writings* (London: Verso, 1995).

<sup>600</sup> Foucault, *Discipline and Punishment*. 203.

<sup>601</sup> Armand Mattelart, *The Globalisation of Surveillance* (Cambridge: Polity Press, 2010), 7.

<sup>602</sup> Duncan, 'Theorising the Surveillance State,' 22.

the extent of the threat that the police identify through surveillance.’<sup>603</sup> A pertinent example in the contemporary period is the Israeli government’s surveillance and control over its Palestinian minority population through the educational system. As Sa’di demonstrates, the government’s frequent screening of educators reminds them of their economic insecurity, keeps them dependent on collaboration with the government, and coerces them to provide information on any dissent within the education system.<sup>604</sup> This creates ‘something analogous to a panopticon within a panopticon, where watchful eyes and eavesdropping ears that might see or hear dissent were imagined everywhere.’<sup>605</sup> From the various works discussing the panopticon metaphor, it becomes evident that nation states tend to move towards ‘surveillance societies’ which are characterized by ‘increased investments in bureaucracies and techniques to systematically – and over longer time periods – collect, store, and use information.’<sup>606</sup>

Other scholars have argued that Bentham’s panopticon is not appropriate as a metaphor and point out that the greater diversity of surveillance actors in contemporary society means that the state-centric approach to surveillance studies is not relevant. One such scholar is Kevin Haggerty, who argues that surveillance now has a variety of functions beyond policing ‘problem subjects;’ therefore, surveillance should be understood in more neutral, less negative, terms.<sup>607</sup> Haggerty and Samatas also acknowledge that surveillance constitutes ‘assorted forms of monitoring, typically for the ultimate purpose of intervening in the world.’<sup>608</sup> One of the ways surveillance has become

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<sup>603</sup> Duncan, ‘Theorising the Surveillance State,’ 22-24.

<sup>604</sup> Ahmad Sa’di, *Thorough Surveillance: The Genesis of Israeli Policies of Population Management, Surveillance and Political Control towards the Palestinian Minority* (Manchester: Manchester University Press, 2014), 119-149.

<sup>605</sup> Sa’di, *Thorough Surveillance*, 147.

<sup>606</sup> Kees Boersma, et al., ‘Introduction,’ in *Histories of State Surveillance in Europe and Beyond*, ed. Kees Boersma, et al. (London: Routledge, 2014), 1.

<sup>607</sup> Kevin Haggerty, ‘Tear Down the Walls: On Demolishing the Panopticon,’ in *Theorising Surveillance: The Panopticon and Beyond*, ed. David Lyon (London: Routledge, 2006), 23-45.

<sup>608</sup> Kevin Haggerty and Minas Samatas, eds. *Surveillance and Democracy* (New York: Routledge-Cavendish, 2010), 2.

more widespread and ‘democratic’ is citizens’ use of technologies ‘against the powerful and exposing their abuses of power’<sup>609</sup> which is known as ‘sousveillance.’<sup>610</sup> This challenges the view that surveillance is inherently negative. Thomas Mathiesen developed a term opposite to the panopticon: the ‘synopticon,’ where the many watch the few through mass media, as in the case of the general public observing celebrities’ and politicians’ lives.<sup>611</sup> Further, diverse methods with diverse purposes can be used for surveillance, so it is no longer necessarily conducted by states in a top-down fashion. It also ‘transcends the boundaries of separate institutions,’<sup>612</sup> which led Bauman and Lyon to coin the term ‘liquid surveillance.’ This type of surveillance relies on data coding and tracking through multiple data flows.<sup>613</sup> Lyon defines surveillance as ‘any collection and processing of personal data ... for the purposes of influencing or managing those whose data have been garnered,’<sup>614</sup> which includes the information gathered through increased computerization that has rapidly expanded the surveillance capacity of any organization, public or private.<sup>615</sup> He has further emphasized the need for researchers to study the ways in which people agree to, and even participate in, surveillance through internet and social media use.<sup>616</sup> He coined the term ‘surveillance culture’ which refers to people accepting that information about them is collected and analysed, for better or for worse.<sup>617</sup> Rule distinguishes between ‘systems of surveillance’ and ‘systems of control.’ He explains that

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<sup>609</sup> Duncan, ‘Theorising the Surveillance State,’ 24.

<sup>610</sup> Steve Mann, Jason Nolan and Barry Wellman, ‘Sousveillance: Inventing and Using Wearable Computing Devices for Data Collection in Surveillance Environments,’ *Surveillance and Society* 1, no. 3 (2002): 331-355.

<sup>611</sup> Thomas Mathiesen, ‘The Viewer Society: Michel Foucault’s ‘Panopticon’ Revisited,’ *Theoretical Criminology* 1, no. 2 (1997): 215-234.

<sup>612</sup> Duncan, ‘Theorising the Surveillance State,’ 25.

<sup>613</sup> David Lyon, ‘Liquid Surveillance: The Contribution of Zygmunt Bauman to Surveillance Studies,’ *International Political Sociology* 4 (2010): 325-338.

<sup>614</sup> David Lyon, *Surveillance Society: Monitoring Everyday Life* (Buckingham: Open University Press, 2001), 2.

<sup>615</sup> David Lyon, *The Electronic Eye: The Rise of Surveillance Society* (Cambridge: Polity Press, 1994).

<sup>616</sup> David Lyon, *Surveillance after Snowden* (London: Polity Press, 2015), 16.

<sup>617</sup> David Lyon, ‘Surveillance Culture: Engagement, Exposure and Ethics in Digital Modernity,’ *International Journal of Communication* 11 (2017): 824-842.

systems of surveillance refer to ‘activities having to do with collecting and maintaining information’ whereas systems of control encompass the ‘actual management of behaviour, through sanctioning or exclusion.’<sup>618</sup>

Thus, the scholarship on surveillance can broadly be divided into two categories, panoptic and non-panoptic. The most important difference between the two is whether surveillance is inherently negative or whether scholarship should take a more neutral approach to it. The latter, non-panoptic and neutral approach, accepts the broader definition of surveillance as ‘an inevitable feature of modern bureaucracies.’<sup>619</sup> The former, panoptic and negative approach, views surveillance as being used for ‘the collection and analysis of information primarily for repressive purposes.’<sup>620</sup> Proponents of this approach argue that non-panoptic scholars depoliticize the problem of surveillance by including types of information collection in their definitions that should not be included. For example, Gary Marx argues that surveillance can be non-strategic, where information is gathered routinely and not for a particular end.<sup>621</sup> Similarly, Clarke understands surveillance to be the systematic collection of information about persons and their associates.<sup>622</sup> These broad definitions argue that surveillance is simply inevitable in modern bureaucracies and is not necessarily negative. This chapter follows the panoptic and negative approach to defining surveillance: it is the collection and analysis of information for the purpose of political or social control. As Boersma et al. point out, ‘managing personal data implies a control perspective.’<sup>623</sup> The chapter views surveillance through the lens of power and coercion and focuses on top-down state-citizen monitoring.

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<sup>618</sup> James Rule, *Private Lives and Public Surveillance* (London: Allen Lane, 1973), 23.

<sup>619</sup> Duncan, ‘Theorising the Surveillance State,’ 28.

<sup>620</sup> Duncan, ‘Theorising the Surveillance State,’ 29.

<sup>621</sup> Gary Marx, ‘“Your Papers Please”: Personal and Professional Encounters with Surveillance,’ in *Routledge Handbook of Surveillance Studies*, ed. Kirstie Ball, Kevin D. Haggerty, and David Lyon (London: Routledge, 2012), xxv.

<sup>622</sup> Roger Clarke, ‘Information Technology and Dataveillance,’ *Communications of the ACM* 35, no. 5 (1988): 498-499.

<sup>623</sup> Boersma, et al. ‘Introduction,’ 2.

The chapter follows Giddens' understanding of surveillance and situates the Jordanian case in this context.

Giddens writes that surveillance occurs in the storage of information, which a state can use to increase its range of administrative control over persons by monitoring the activities of disobedient or potentially disobedient population sectors. Surveillance as the integration of information is thus related to surveillance as direct supervision. The state can regulate popular conduct by manipulating and controlling the civil society space.<sup>624</sup> One of the most important aspects of this is a state's constitution and legal code. Written laws, which can be both permissive and restrictive, establish what conduct is allowed and outline the formal repercussions of violations of the law. Surveillance can be understood as the mobilization of administrative power.<sup>625</sup> Administrative power derives from disciplinary procedures, i.e. regularized supervision, and the legal code. The state can use this power to 'inculcate or to attempt to maintain certain traits of behaviour' in its subjects<sup>626</sup> with the ultimate goal of internal pacification. Internal pacification refers to the state's process of 'the monopolization of physical force,' and can be divided into the pacification of 'observable behaviour' and of 'behavioural norms.'<sup>627</sup> Due to the pacification of norms related to states' use of violence internally, administrative power and surveillance have become the new norm of state control. The state's involvement in the civil society space through surveillance restricts people's civil and political rights; this then becomes a clear area of conflict between state and populace. The state uses judiciary and executive organizations to control 'deviant' conduct. Further, citizens'

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<sup>624</sup> Anthony Giddens, *The Nation-State and Violence* (Cambridge: Polity Press, 1985), 45-47.

<sup>625</sup> Giddens, *The Nation-State and Violence*, 181.

<sup>626</sup> Giddens, *The Nation-State and Violence*, 184-185.

<sup>627</sup> Jonathan Fletcher, *Violence & Civilization: An Introduction to the Work of Norbert Elias* (Cambridge: Polity Press, 1997), 36.

rights can themselves be mobilized as tools of surveillance, where the regime expands its control through its involvement in them.<sup>628</sup>

In contrast to democracy/polyarchy, totalitarianism/autocracy depends on the state's involvement in much of the population's quotidian activities, made possible by a high level of surveillance. The state achieves such surveillance through information coding and documentation, and supervision of significant segments of the population. Another element of totalitarian rule is the management of activities, as carried out by increased policing.<sup>629</sup> There is significant evidence of the state's use of administrative power to control citizens in various ways through social entrepreneurship in Jordan. RONGOs' support for social entrepreneurship represents the state's establishment of permissible activity, whereas the foreign funding control mechanism, the restrictive Law of Societies, and the inhibiting character of the ministries' bureaucracies represents the state's administrative restrictions of certain activities. The various ways in which the Jordanian regime applies this administrative power has created a hierarchy of social enterprises, each of which is subject to a different level and type of surveillance and control.

### **A Hierarchy of Social Enterprises**

The Jordanian social enterprise hierarchy relates to their degree of acceptance and surveillance by the regime. Those social enterprises that are more closely linked to the regime are more accepted, but subject to greater surveillance. The regime views those which are more independent as more threatening. The independent social enterprises cannot be monitored as closely as those directly linked to the regime, and thus they are

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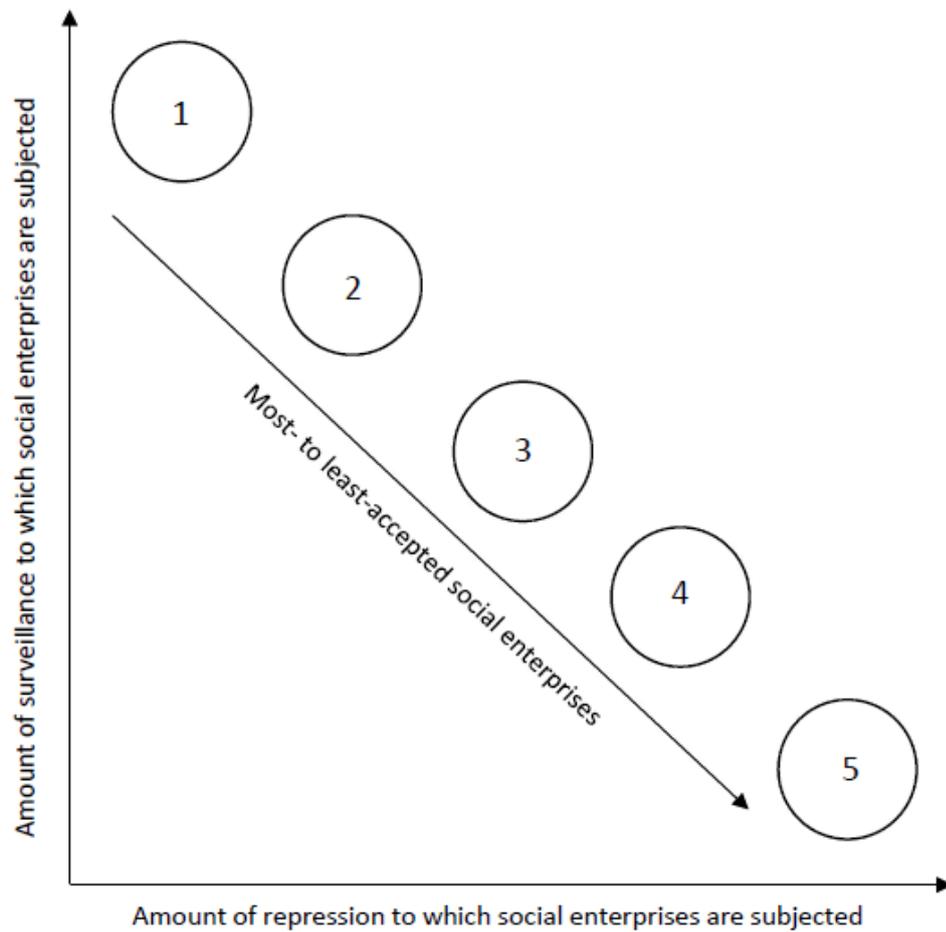
<sup>628</sup> Giddens, *The Nation-State and Violence*, 205.

<sup>629</sup> Giddens, *The Nation-State and Violence*, 302-303.

less easily controlled. The regime upholds bureaucratic and legal obstacles and employs intimidation methods with these independent social enterprises to exert some degree of control over them. The hierarchy of social enterprises is as follows, from most to least accepted (see Figure 5.1):

1. Enterprises associated with the regime through RONGOs
2. Enterprises reliant on foreign aid, the distribution of which the regime controls through the foreign funding control mechanism
3. Enterprises whose projects rely on foreign or national grants or aid, which the regime controls, but whose organization is independently funded
4. Enterprises such as PSSEs which are independent but focus on ‘non-threatening’ activities
5. Enterprises that are fully independent and focus on structural change, such as STSEs

## The Hierarchy of Social Enterprises in Jordan



(Figure 5.1)

The degree to which a social enterprise associates with the government is inversely correlated to the amount of risk the social enterprise faces. That is, the more closely a social enterprise is associated with the government, the lower the risk of government intimidation, harassment, and bureaucratic obstacles. The more independent a social enterprise is, the more likely it is to encounter government opposition and repression. Two key points emerge from this. First, association with the government subjects the social enterprise to more direct government management and/or interference but affords it a degree of government approval, which leads to smoother functioning. Second, greater independence from the government subjects the social enterprise to government control and repression tactics but allows it to be a more robust and

community-responsive organization, because the government does not directly dictate its work. Simultaneously, more independent social enterprises will likely be subject to increased surveillance through, at the very least, monitoring activities.

The Jordanian regime's management and control of social enterprises follows Dahl's argument that 'the likelihood that a government will tolerate an opposition increases as the expected costs of toleration decrease.'<sup>630</sup> In other words, the government tolerates social enterprises more closely associated with it because they represent a relatively small threat to the Jordanian status quo. The regime incurs few 'costs' in tolerating these social enterprises because it already monitors and controls them closely. The more independent social enterprises pose a greater threat to the regime, so the government perceives the 'cost' of tolerating them to be higher, and consequently enacts more measures to limit their space of operation.

On the other hand, the government cannot be excessively repressive towards social enterprises, particularly because international organizations and foreign governments champion and indeed seek to fund social enterprises in Jordan. Therefore, Dahl's argument that 'the likelihood that a government will tolerate an opposition increases as the expected costs of suppression increase'<sup>631</sup> also applies. The Jordanian regime depends on international aid in its various forms and cannot risk any kind of international backlash in response to repression. The government's repression tactics must therefore be furtive and subtle and cannot be extraordinary. This explains why the government supports social enterprises through RONGOs, awards prizes, and allows them to register, but simultaneously upholds a bureaucratic maze, a foreign funding control mechanism, and restrictive legal frameworks. This tactic appeases the

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<sup>630</sup> Robert A. Dahl, *Polyarchy: Participation and Opposition* (New Haven: Yale University Press, 1971), 15.

<sup>631</sup> Dahl, *Polyarchy*, 15.

government's 'audiences', namely its population and international actors, but also suits its own needs. The Jordanian regime has implemented a series of surveillance tactics to influence, control, and direct the work of social enterprises.

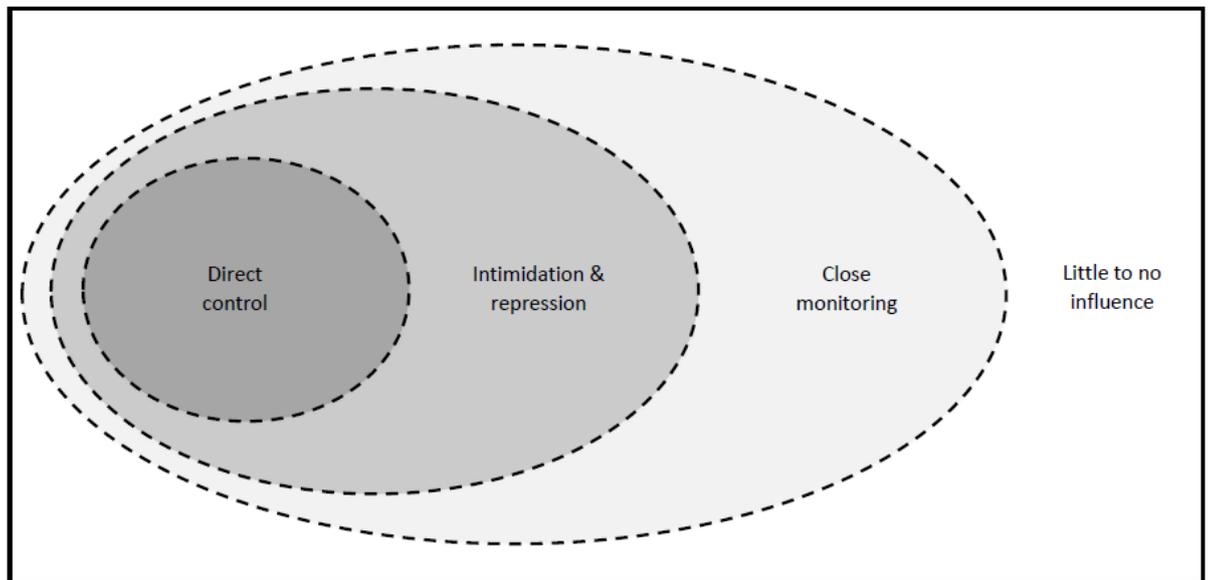
### **Regime surveillance tactics**

As part of the Jordanian regime's surveillance, it employs three interrelated and interlinked tactics: direct control, intimidation and repression, and close monitoring. Of these, close monitoring is the most broadly applied, followed by intimidation and repression, whereas direct control remains limited (see Figure 5.2). In the first method, direct control, the regime inserts itself directly into the work of social enterprises or directly manages their sources of financial and social capital. This leads to depoliticization of the social enterprise as the government removes or directs its political agency. The regime implements the direct control tactic through the foreign funding control mechanism, the law on associations, and the monarchy's role in RONGOs, and their associated 'awards' and co-optation activities.

In the second method, intimidation and repression, the regime restricts the establishment of social enterprises and uses intimidation and repression tactics on established social enterprises, which restricts their political agency, though not as much as in the direct control method. The regime carries out this method through police and security forces' attendance of social enterprises' offices and events, by intimidating individual entrepreneurs rather than the organization as a whole, by intimidating the social enterprise's target community, and by formally restricting the areas in which organizations may work and shutting down organizations or events which breach these restrictions.

The third method, close monitoring, applies to the previous two methods as well. In this method, the regime observes social entrepreneurs and their work through administrative and bureaucratic mechanisms, oversees social enterprises and uses monitoring tactics, which leads to social entrepreneurs constantly feeling observed. This can lead to social entrepreneurs self-censoring statements and activities in fear of more serious tactics. The regime achieves this tactic through the bureaucratic obstacles during registration procedures, formal oversight in the legal system, and requiring applications and reports on foreign funding sources.

Regime Realms of Influence over Social Enterprises: Surveillance Tactics



(Figure 5.2)

In each of the three methods, the regime exercises considerable control over social enterprises, ranging from direct control to inducing self-censorship, each of which affects social enterprises' ability to achieve their goals. Social enterprises that are not formally registered with the government lie outside the regime's targeted surveillance tactics, but because they are not legally established organizations, they are inherently limited by their need to be undetectable. In this way, the regime influences even those social enterprises outside its direct surveillance mechanisms: the threat of surveillance keeps these

enterprises from registering and minimizes their functionality, even though they are formally more independent than registered enterprises.

Government policies play a significant role in shaping the opportunities for social entrepreneurs. Policies for small- and medium-sized businesses and for non-governmental organizations all affect social entrepreneurs, especially regarding what function these organizations can have and how they are allowed to be financed.<sup>632</sup> The Jordanian regime uses soft power through bureaucratic obstacles and oversight, a foreign funding control mechanism, and in some cases co-optation to manage and control the work of social enterprises. Each of these will be discussed in turn in the following sections.

### **Bureaucratic Obstacles**

In Jordan, registration policies for nongovernmental organizations and businesses are carefully outlined, but not clearly, which complicates the registration process for social enterprises. As one social entrepreneur said, ‘every ministry has its own criteria, and some of them, by the way, they are not clear. ... [There is a] list of about 600 pages, but it’s not clear within this list, which are the objectives that the organization is allowed to work in, so, it’s a mess and it’s a hassle.’<sup>633</sup> Navigating these registration policies is one of the greatest challenges for social entrepreneurs, and interviewee ‘A28’ explained that because they are not clear, this stage of becoming established is ‘demotivating’ and discouraging.<sup>634</sup> There are would-be enterprises which never legally registered and finally gave up on the enterprise because of this. Additionally, there are ‘no clear policies or

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<sup>632</sup> Diana Greenwald and Samantha Constant, ‘The Context for Social Entrepreneurship,’ in *Social Entrepreneurship in the Middle East* ed. Dima Jamali and Alessandro Lanteri, vol. 1 (New York: Palgrave Macmillan, 2015), 51.

<sup>633</sup> Interview with ‘0H6’ (Product- and Service-Oriented Social Entrepreneur), Amman, Jordan, January, 2018.

<sup>634</sup> Interview with ‘A28’ (Social entrepreneurship support organisation), Amman, Jordan, February, 2018.

legislation in Jordan regarding entrepreneurship.’ This means that every entrepreneur applying for governmental papers must ‘learn it by doing it,’ which interviewee ‘BR1’ described as ‘exhausting.’<sup>635</sup> This process becomes very drawn out and tiring, and ‘unless you know someone inside, your papers can take a year sometimes.’<sup>636</sup> Those wishing to register a social enterprise in Jordan must be extraordinarily resilient, determined, and patient – or well-connected, as outlined in the previous chapter.

Social entrepreneurs who went to the Ministry of Social Development or the Ministry of Trade and Finance to receive guidance during the process were also exasperated. Interviewee ‘OH6’ explained, ‘I tried to go to the ministry, back and forth, back and forth, asking if I am allowed to do this, or this. ... And they said, “no, no, you are not allowed.”’<sup>637</sup> Others described the negative attitude ministry employees had towards entrepreneurs, and that they struggled until they found the right person to speak with.<sup>638</sup> Many social entrepreneurs described ministry employees as unhelpful and uncommunicative, and that many of them seemed to have been employed not because of their qualifications for the job but because of their personal connections, making them not only unqualified but seemingly uninterested in aiding the establishment of social enterprises. According to social entrepreneur ‘ZM3,’ ‘there are good people inside the ministries, but you have to go through a hundred until you find them.’<sup>639</sup>

There were also accounts of social enterprises facing new bureaucratic obstructions from ministry officials even after registration. One interviewee outlined the process of trying to open an enterprise-related restaurant:

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<sup>635</sup> Interview with ‘BR1’ (Product- and Service-Oriented Social Entrepreneur), Amman, Jordan, January, 2018.

<sup>636</sup> Interview with ‘ZM3’ (Structural Transformation-based Social Entrepreneur), Amman, Jordan, January, 2018.

<sup>637</sup> Interview with ‘OH6.’

<sup>638</sup> Interview with ‘9F1’ (Product- and Service-Oriented Social Entrepreneur), Amman, Jordan, February, 2018; and Interview with ‘YC3,’ (Professor at the University of Jordan), Amman, Jordan, April, 2018.

<sup>639</sup> Interview with ‘ZM3.’

One day the government, the ministry asked, ‘you need to have two parking spots in front of the restaurant in order for us to give you the license.’ Once they secured the spots, [the ministry] said, ‘no, you need three.’ When they had secured three, [the officials] said, ‘no, there’s something wrong.’<sup>640</sup>

Interviewee ‘R41,’ who works to connect entrepreneurs with suitable funding sources, explained that government officials ‘always come up with something,’ arguing that this tactic is a purposeful hindrance to the whole process.<sup>641</sup> Another interviewee also observed that the government tends to arbitrarily ‘impose new fees or taxes without cause,’ which can have serious adverse effects on the smooth running of social enterprises.<sup>642</sup>

The ministries’ bureaucratic obstacles appear to be deliberate and systematic, designed to achieve three things. Firstly, these policies discourage social entrepreneurs from establishing their enterprise. Secondly, if the social entrepreneur overcomes the discouragement, they face various obstacles in registering the enterprise properly, risking legal action if it is not registered in the correct category according to its work. Finally, after successfully registering, the enterprise faces ongoing bureaucratic obstacles, from being required to apply for more permits to dealing with direct government oversight over their operations. The government thus uses its bureaucratic and administrative power to implement surveillance tactics that ultimately manage and control social enterprises’ establishment, function, and continuity.

## **Oversight**

The government ministries also exercise considerable oversight of registered organizations; this constitutes perhaps the most easily identifiable surveillance measure

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<sup>640</sup> Interview with ‘R41’ (Social Entrepreneurship Support Organisation), Amman, Jordan, February, 2018.

<sup>641</sup> Interview with ‘R41.’

<sup>642</sup> Interview with ‘G08’ (Product- and Service-Oriented Social Entrepreneur), Amman, Jordan, February, 2018.

implemented by the regime. The level of involvement, supervision, and control over these organizations, or ‘associations’ as they are known, is especially high from the Ministry of Social Development. As Interviewee ‘0H6’ explained, ‘the ministry will be involved in the association: they want to know your plans, they want to check on your financial records, they come and monitor what you are doing, and you have to report everything.’<sup>643</sup> Social development ministry officials are allowed to attend official meetings of non-governmental organizations, so they must be informed of any planned meetings. Ministry officials and even police officers then ‘sit in the meeting when you’re discussing ... and see what is happening,’ so social entrepreneurs feel pressure and intimidation from being watched.<sup>644</sup> A ministry official confirmed that he and his colleagues ‘follow up and monitor’ societies to check how they work, how they are spending money, what grants they receive, and whether they are abiding by ministry laws. The official explained that this was to prevent corruption in civil society.<sup>645</sup>

Jordan’s social entrepreneurs perceive this government oversight differently, however. According to them, ministry involvement in their enterprises constitutes a type of social and political control. Because they feel that the ministry is constantly observing them and is suspicious of their activities, they always feel the burden to show that their work is legal and ‘not starting a movement.’<sup>646</sup> At every step, communication with the government is key to being allowed to function unhindered. If the ministry becomes suspicious of the organization’s activities, officials arrive unannounced to inspect the office and paperwork: ‘one day five people came from the government to search in our papers and notes, to find one payment in all the invoices, so that they can find any

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<sup>643</sup> Interview with ‘0H6.’

<sup>644</sup> Interview with ‘R34’ (Structural Transformation-based Social Entrepreneur), Amman, Jordan, February, 2018.

<sup>645</sup> Interview with ‘Q8L’ (Ministry of Social Development Employee), Amman, Jordan, March, 2018.

<sup>646</sup> Interview with ‘R34.’

issue.<sup>647</sup> The need to constantly report back to the ministries slows the social enterprises' work, and ministry harassment of this nature, in the name of countering corruption, is damaging to the enterprises' ability to function. It may also lead to social enterprises self-censoring their statements and activities, simply to be able to continue operating. One social entrepreneur, referring to his speeches and social media posts relating to his enterprise, said, 'if I keep speaking like this, [the enterprise] is not going to continue.'<sup>648</sup> As another interviewee stated, 'this is for civil society to not think and not work a lot: to be controlled.'<sup>649</sup>

Another issue is that organizations in Jordan are not allowed to undertake 'political' activities or objectives. For social enterprises, this presents a particular challenge because social issues are, more often than not, perceived to be political issues in Jordan.

We're not allowed to be involved in any political activities as an NGO, or they will close it, which is stupid, because what we do is political. You can't divide politics and social issues. They want us just to be volunteers, because for them political activities are threatening, so we're not allowed to talk politics or have any political activities. Indirectly in the law, you are not allowed. They shut you down.<sup>650</sup>

Other social enterprises are afraid to register in the first place due to the government's reputation for oversight and shutting down organizations that are 'too political.' To avoid registering, they operate as initiatives under the umbrella of another organization, or simply work secretly. One social entrepreneur whose enterprise was operating as part of an NGO explained that he would soon need to register with the Ministry of Social Development, because a financial supporter had requested it. He said, however, 'I'm afraid to register...I have to register this month, but I'm worried...if someone [in the

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<sup>647</sup> Interview with 'R34.'

<sup>648</sup> Interview with 'ZM3.'

<sup>649</sup> Interview with 'R34.'

<sup>650</sup> Interview with 'R34.'

ministry] hates me, they will just kick me out of the whole equation. They can literally stop me like this.’<sup>651</sup> A social entrepreneur who independently and secretly runs his enterprise explained that only very few people know about the existence of the enterprise. He said, ‘I believe in a place like Jordan, if you want to [work on a social or political issue], you just have to work from your house and say, “hey, I’m here” and have people pay [for services and products] in cash...if you operate openly, you may go to prison in this country.’<sup>652</sup> Operating illegally and secretly raises other issues, including not being able to advertise or fundraise on large scales, and risking severe legal consequences if discovered.

The practical challenges Jordan’s social entrepreneurs encounter stem directly from the country’s legal code, which significantly restricts Jordanians’ freedom of association. The 2008 Law on Associations, and its 2009 amendments, prohibits organizations with ‘political goals’<sup>653</sup> or that are ‘contrary to the public order’<sup>654</sup> to form; these terms are broad and facilitate authorities’ refusal to register organizations. Further, if an organization is found to have political objectives or violate the public order, the registration committee of the Ministry of Social Development may dissolve it on recommendation of the minister.<sup>655</sup> Authorities may refuse registration or dissolve an organization based on criteria taken from Article 22 of the International Covenant on Civil and Political Rights (ICCPR), which states: ‘No restrictions may be placed on the exercise of [the right to freedom of association] other than those which are prescribed by law and which are necessary in a democratic society in the interests of national security

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<sup>651</sup> Interview with ‘ZM3.’

<sup>652</sup> Interview with ‘S41’ (Structural Transformation-based Social Entrepreneur), Amman, Jordan, March, 2018.

<sup>653</sup> Article 3.A.1, Law of Societies No. 51 of 2008 (as amended by Law No. 22 of 2009), accessed Jan. 28, 2019, <http://www.icnl.org/research/library/files/Jordan/51-2008-En.pdf>.

<sup>654</sup> Article 3.D, Law of Societies No. 51 of 2008.

<sup>655</sup> Human Rights Watch, ‘Human Rights Watch Statement on Proposed Amendments to Jordan’s 2008 Law on Associations,’ Aug. 7, 2016, <https://www.hrw.org/news/2016/08/07/human-rights-watch-statement-proposed-amendments-jordans-2008-law-associations>.

or public safety, public order (*ordre public*), the protection of public health or morals or the protection of the rights and freedoms of others.’<sup>656</sup> The Law on Associations and its amendments does not, however, show how the restrictions on freedom of assembly are ‘necessary in a democratic society’ as required by the ICCPR. According to the International Center for Non-Profit Law, Jordanian authorities must demonstrate how restricting freedom of association based on ICCPR’s article 22 is necessary for a democratic society, but the Law on Associations does not address this.<sup>657</sup> Additionally, authorities would need to justify the severe restrictions, such as the Ministry of Social Development’s power to dissolve associations. Again, this is lacking.<sup>658</sup> Jordanian authorities maintain ultimate authority to decide whether an organization can be established or not and decides which organizations should be shut down. Prospective associations have the right to challenge a denial of registration in administrative court,<sup>659</sup> but because the government may deny permission to register without reason, and the ‘law includes no criteria for denying permission,’ any judiciary action can only evaluate whether authorities made a legal procedural error, rather than the reason for the decision itself.<sup>660</sup>

The Law on Associations has another problematic provision, which is that a representative from the Minister and from the Register of Associations may attend any meeting of a general assembly of an association.<sup>661</sup> In addition, minutes of meetings of the board of directors and financial registers must be accessible to the Ministry at any

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<sup>656</sup> UN General Assembly, No. 14668, International Covenant on Civil and Political Rights, 999/14668 (March 23, 1976), <https://treaties.un.org/doc/publication/unts/volume%20999/volume-999-i-14668-english.pdf>.

<sup>657</sup> The International Center for Not-for-Profit Law, ‘Civic Freedom Monitor: Jordan,’ Aug. 15, 2018, <http://www.icnl.org/research/monitor/jordan.html>.

<sup>658</sup> The International Center for Not-for-Profit Law, ‘Civic Freedom Monitor: Jordan.’

<sup>659</sup> Article 20.C, Law of Societies No. 51 of 2008.

<sup>660</sup> ‘Human Rights Watch Statement on Proposed Amendments to Jordan’s 2008 Law on Associations.’

<sup>661</sup> Article 14.B.2, Law of Societies No. 51 of 2008.

time.<sup>662</sup> Further, all board members ‘must be vetted by state security officials.’<sup>663</sup> Non-governmental organizations cannot operate independently from the government under these conditions. This degree of executive oversight, cemented in the legal code, allows for the systematic control over organizations which have, or which have the potential to, ‘disrupt the public order,’ with authorities given the power to approve or reject both registration and foreign funding, as well as close with immediate effect associations they see as too ‘political’ or otherwise objectionable. Any social enterprise seeking to register with, or already registered, with the Ministry of Social Development is subject to these regulations and practices. This can severely hinder their ability to function as a robust civil society organization, as they are forced to either self-censor, or risk being penalized or shut down. In this way, surveillance has become legalized through the Law on Associations. The provisions in the law allow government officials to keep tabs on social enterprises (and other organizations) in the name of national security and preserving the country’s communal values. This is reminiscent of Raeff’s historical analysis of post-Reformation states in Europe which also used this reasoning to establish regulatory, surveillant government mechanisms.

### **Control of Foreign Funding**

Even though Jordan ratified the International Convention on Civil and Political Rights (ICCPR) in 1975, the government still curbs fundamental rights and freedoms, due to claims of protecting national security.<sup>664</sup> One example of this, which directly impacts Jordan’s social enterprises, is the 2008 Law on Associations and its 2009 amendment.<sup>665</sup>

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<sup>662</sup> Article 14.A, Law of Societies No. 51 of 2008.

<sup>663</sup> Freedom House, ‘Freedom in the World 2018: Jordan,’ accessed Jan. 28, 2019, <https://freedomhouse.org/report/freedom-world/2018/Jordan>.

<sup>664</sup> The International Center for Not-for-Profit Law, ‘Civic Freedom Monitor: Jordan’

<sup>665</sup> Law of Societies No. 51 of 2008.

This law restricts the foreign funding, including any donations, grants, or gifts that civil society organizations may receive.<sup>666</sup> Under the law, associations must obtain government approval before they can receive foreign funding. The amendment, called the Law Amending the Law on Associations (Law 22 of 2009) further stipulates that associations must apply to receive foreign funding to the Registration Directorate under the Ministry of Social Development and state the ‘amount, method of reception, and purpose for which the money will be spent.’<sup>667</sup> The applications must provide extensive information about the project for which funding is requested, and explain ‘how the project accords with Jordan’s national and development goals’ with numerous supporting documents.<sup>668</sup> If the directorate approves the request, it will be sent to the council of ministers for approval. The council is not legally required to state the reason for rejecting a foreign funding request. Additionally, the government can reject funding requests simply by not responding to requests within thirty days. If funding is approved, the receiving group must submit a report and budget for the funding in addition to the normal reporting requirements.<sup>669</sup>

Due to the foreign funding control mechanism, nongovernmental organizations in Jordan are required to request approval for foreign funding from the Ministry of Social Development. No justification for funding rejection is required to be given by the government. The new restrictions under the amendment to the 2008 law appears to ‘provide a legal framework’ for this foreign funding control mechanism.<sup>670</sup> Jordanian authorities argued that ‘they needed to better organize the nongovernmental sector and avoid duplication of work by various groups’ to justify the measures. An employee with

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<sup>666</sup> The International Center for Not-for-Profit Law, ‘Civic Freedom Monitor: Jordan’

<sup>667</sup> ‘Human Rights Watch Statement on Proposed Amendments to Jordan’s 2008 Law on Associations.’

<sup>668</sup> The International Center for Not-for-Profit Law, ‘Civic Freedom Monitor: Jordan’

<sup>669</sup> ‘Human Rights Watch Statement on Proposed Amendments to Jordan’s 2008 Law on Associations.’

<sup>670</sup> ‘Human Rights Watch Statement on Proposed Amendments to Jordan’s 2008 Law on Associations.’

the United States Agency for International Development Civic Initiatives Support (USAID CIS) noted that there are two sides of the government's acceptance for foreign funding applications. On the one hand, as mentioned in the previous chapter, it is clear to both social enterprises and their international funding partners that projects related to sensitive topics, such as politics, religion, or any other subject currently being debated by activists, such as education reform, stands only a very low chance of receiving foreign funding approval. As one entrepreneur explained, a government employee had mentioned the reason for this is that 'it is afraid to allow funding from terrorist organizations' into Jordanian organizations.<sup>671</sup> It appears, however, that the responsible government ministry is more concerned with the proposed programme content not addressing contested issues.

For example, improving the education curriculum in Jordan became a topic of great discussion among activists in early 2018, to the point that it became politicised and taboo: the 'activists scaled it up to a level that it became one of the issues that no one should discuss...[because] it's political with a foreign agenda.'<sup>672</sup> Thus, in spring 2018, proposals for projects related to developing education curricula requiring foreign funding were effectively 'stuck with the government'<sup>673</sup> and not receiving approval from the ministry. This means that 'if the organization can't get their foreign funding approval, we can't, as a donor, transfer the money to their account,'<sup>674</sup> and the enterprise will be unable to run their project with foreign funds.

On the other hand, 'if there is a donor and this donor will tackle the issue of renovating a school or rehabilitating a health centre, [the government] will welcome any

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<sup>671</sup> Interview with 'W71' (Structural Transformation-based Social Entrepreneur), Amman, Jordan, April, 2018.

<sup>672</sup> Interview with 'VG4' (USAID Civic Initiatives Support Program Employee), Amman, Jordan, April, 2018.

<sup>673</sup> Interview with 'VG4.'

<sup>674</sup> Interview with 'VG4.'

kind of ideas like this, or also something related to education.’<sup>675</sup> There is a clear division between the kinds of projects the government deems acceptable and unacceptable, benign or threatening. Proposals for non- ‘political’ or non-taboo services are likely to be approved, whereas ‘political’ proposals are rejected; this has little to do with counterterrorism.

The foreign funding control mechanism gives authorities the power to choose which organizations are allowed to carry out what projects, thereby undermining their ‘ability to function free of disproportionate government interference.’<sup>676</sup> Thus, NGOs and social enterprises dependent on foreign aid, mostly product- and service-oriented social enterprises (PSSEs) cannot operate independently of government approval. Further, this legal framework constitutes both a barrier to foreign funding resources for civil society and social enterprises and a restriction on the effectiveness of foreign actors’ aid goals.

### **Co-Optation Through Royal NGOs**

Royal NGOs, or RONGOs, have been criticized for their involvement in civil society in the Middle East. They are a type of government-organized NGO (GONGO), sometimes referred to as semi-official NGOs. RONGOs insert themselves into civil society debates, and, through their dominance, exert a degree of control over the direction of these debates.<sup>677</sup> In this way, RONGOs limit and direct the political liberalization process. RONGOs are, however, able to use their influence and stature to draw attention to worthy causes and provide services to citizens, even if their connection to the regime

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<sup>675</sup> Interview with ‘VG4.’

<sup>676</sup> ‘Human Rights Watch Statement on Proposed Amendments to Jordan’s 2008 Law on Associations.’

<sup>677</sup> Steven Heydemann, ‘Upgrading Authoritarianism in the Arab World,’ Saban Center for Middle East Policy at the Brookings Institution Analysis Paper, no. 13 (Washington, DC: Brookings Institution, October, 2007), 9, <http://www.brookings.edu/~media/Files/rc/papers/2007/10arabworld/10arabworld.pdf>.

undermines civic mobilization. The monarchy thus takes on both ‘advocacy and watchdog roles’ through RONGOs.<sup>678</sup>

RONGOs work in a privileged political environment; they have a close relationship with both the state and international donors. As one social entrepreneur observed, ‘royal NGOs have a halo around them. They have special guidelines that protect them, certain exemptions, and certain ways to collect funds.’<sup>679</sup> Through RONGOs, the state infiltrates civil society, and because of their dominance over international aid funding, which is actually intended to bypass the state and reach grassroots organizations, they increase competition for smaller independent NGOs and prevent them from accessing necessary resources.<sup>680</sup> At the same time, the government, or more specifically, the monarchy, positions itself as social benefactor by addressing issues the government cannot afford to through state mechanisms. RONGOs ‘offer regimes opportunities to posture as supporters of civil society while preventing the emergence of autonomous civic life and insulating themselves from any meaningful public accountability.’<sup>681</sup>

Wiktorowicz explains,

A presumably independent space – civil society – is ‘colonized’ by the regime as it extends its reach through GONGOs...Through this strategy, the state gets the best of both worlds – it continues to receive international aid (through NGOs controlled by the regime) while reducing formal state expenditures, thus fulfilling neoliberal requirements of structural adjustment and privatization.<sup>682</sup>

Authentic non-governmental civil society organizations become weaker due to limited resource availability: because GONGOs are better able to access international funding, they thrive, while other NGOs are ‘weeded out through a kind of donor-driven Darwinian

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<sup>678</sup> Heydemann, ‘Upgrading Authoritarianism in the Arab World,’ 9.

<sup>679</sup> Interview with ‘X2K,’ (STRUCTURAL TRANSFORMATION-BASED SOCIAL ENTREPRENEUR), Amman, Jordan, February, 2018.

<sup>680</sup> Quintan Wiktorowicz, ‘The Political Limits to Nongovernmental Organizations in Jordan,’ *World Development* 30, no. 1 (2002): 85.

<sup>681</sup> Heydemann, ‘Upgrading Authoritarianism in the Arab World,’ 9.

<sup>682</sup> Wiktorowicz, ‘The Political Limits to Nongovernmental Organizations in Jordan,’ 86.

selection.<sup>683</sup> Due to Jordan's strategic role in the Middle East peace process and its perceived role as a regional stabilizing influence, it appears that international donors are more interested in sponsoring organizations that enhance the country's political and economic stability, rather than ensuring funding for a civil society independent and distinct from the regime.<sup>684</sup>

In Jordan, there are several large RONGOs sponsored by various members of the Hashemite royal family with programmes focusing on development, education, youth, women, refugees, culture, the environment, and even advocating the regime's moderate Islamic message. The two largest RONGOs are the Jordanian Hashemite Fund for Human Development (JOHUD),<sup>685</sup> which was established by royal decree and contains various other organizations under its umbrella, and the Noor Al Hussein Foundation (NHF),<sup>686</sup> headed by Queen Noor. Other RONGOs<sup>687</sup> include the Jordan River Foundation (JRF),<sup>688</sup> chaired by Queen Rania, the Arab Thought Forum,<sup>689</sup> run by Prince Hassan, the Crown Prince Foundation (CPF),<sup>690</sup> recently established by Crown Prince Hussein, the Queen Rania Foundation for Education and Development (QRF),<sup>691</sup> also headed by Queen Rania, and the King Abdullah II Fund for Development (KAFD).<sup>692</sup>

Since the terms 'entrepreneurship' and 'social entrepreneurship' have entered the discourse of international organizations, some of these RONGOs have adopted

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<sup>683</sup> Wiktorowicz, 'The Political Limits to Nongovernmental Organizations in Jordan,' 86.

<sup>684</sup> Wiktorowicz, 'The Political Limits to Nongovernmental Organizations in Jordan,' 91 n. 9.

<sup>685</sup> Jordanian Hashemite Fund for Human Development, 'Who We Are,' accessed Jan. 30, 2019, <http://www.johud.org.jo/WhoWeAre>.

<sup>686</sup> Noor Al Hussein Foundation, 'About Us,' accessed Jan. 30, 2019, <http://www.nooralhusseinfoundation.org/index.php?pager=end&task=view&type=content&pageid=1>.

<sup>687</sup> This list is only illustrative, not exhaustive.

<sup>688</sup> Jordan River Foundation, 'Who We Are,' accessed Jan. 30, 2019, <https://www.jordanriver.jo/en/about>.

<sup>689</sup> Arab Thought Forum, 'About the Forum,' accessed Jan. 30, 2019, <http://www.atf.org.jo/?q=en/node/1409>.

<sup>690</sup> Crown Prince Foundation, 'About the Foundation,' accessed Jan. 30, 2019, <https://www.cpf.jo/en/about-us>.

<sup>691</sup> Queen Rania Foundation, 'Who We Are,' accessed Jan. 30, 2019, [www.qrf.org](http://www.qrf.org).

<sup>692</sup> King Abdullah II Fund for Development, 'About KAFD,' accessed Jan. 30, 2019, <http://www.kafd.jo/en/page/kafd-brief>.

entrepreneurship programmes and sponsorship, sometimes known as ‘awards.’ For example, the Jordan River Foundation supports local social enterprises led by women through its ‘Building Social Enterprises’ programme. The JRF ‘strives to create sustainable economic opportunities for local community women and female refugees by capitalizing on their potential as independent breadwinners.’ The programme is designed to give women ‘employability and social skills,’ and teach them how to run a business.<sup>693</sup> The ‘Ebtekarthon forum’ is organized by the Jordan Hashemite Fund for Human Development and held under the patronage of Princess Basma, where young entrepreneurs present their business ideas. JOHUD ICT for Development Director Ruba Hijazi said the Ebtekarthon forum emphasizes ‘the social aspect of entrepreneurship’ by helping participants combine their business ideas with social issues.<sup>694</sup> Six finalists compete in the Princess Basma Award for Development and Community Service. This award was launched in 2011 and focuses on youth social entrepreneurship.<sup>695</sup>

In September 2018, the Queen Rania Foundation launched the Queen Rania Award for Education Entrepreneurship, a competition which ‘recognizes the achievements and potential of home-grown education businesses in the Arab World that combine social impact with sustainable business models.’ Awards of 200,000 US dollars for business acceleration (growth) are given to three enterprises, and are meant to ‘recognise and support innovative approaches making a real difference in the lives of learners.’<sup>696</sup> Keeping in mind that education reform for Jordan was a contentious topic

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<sup>693</sup> Jordan River Foundation, ‘Building Social Enterprises,’ accessed Jan. 30, 2019, <https://www.jordanriver.jo/en/programs/building-social-enterprises>.

<sup>694</sup> Jordan Hashemite Fund for Human Development, ‘100 Young Entrepreneurs Include Social Responsibility in Business Plans,’ Aug. 13, 2018, <http://www.johud.org.jo/News/40213>.

<sup>695</sup> ‘Winners of Princess Basma Award for Development Honoured,’ *Jordan Times*, Oct. 10, 2018, <http://www.jordantimes.com/news/local/winners-princess%20A0-basma-%20A0award%20A0-%20A0-development%20A0-honoured>.

<sup>696</sup> Queen Rania Foundation, ‘The Queen Rania Foundation Launches Award for Education Entrepreneurship in the Arab World,’ accessed Jan. 30, 2019, <https://www.qrf.org/news/queen-rania-foundation-launches-award-education-entrepreneurship-arab-world>.

among civil society organizations in early 2018, and that many independent applications for foreign funding for projects addressing education reform were denied or stalled in this period, it is significant that the QRF is now supporting education reform initiatives. The regime can, through the Queen Rania Award, hand pick which entrepreneurial ideas will succeed, and which will not. This is a clear example of social control through a RONGO: citizens may address an issue of pressing concern to them, but only on the monarchy's terms.

One of the four main purposes of the Crown Prince Foundation is to encourage innovation and entrepreneurship 'to activate youth engagement through participation, leadership, and competitiveness.'<sup>697</sup> The CPF 'will incubate and launch our youth's accomplishments and innovations.'<sup>698</sup> Evidently, this includes co-optation of related social enterprises. In July 2018, the CPF officially launched Naua, an online 'social impact platform' that connects individuals wishing to volunteer or donate, charity organizations, and the private sector in order to increase the effectiveness of charity work and build a relationship of trust between charity organizations and users. The CEO, Ahmad El Zubi, stated that a major challenge for charity organizations is 'the lack of trust and sufficient information, and the difficulty to communicate together. ... Naua serves as a third neutral party that bridges the gap of trust through a transparent and efficient approach.'<sup>699</sup> Naua achieves this by measuring and documenting the accomplishments of charity organizations, as well as the impact individuals have had through their volunteer hours and monetary donations. Users and organizations create profiles on the platform

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<sup>697</sup> Crown Prince Foundation, 'Vision/Mission and Focus Areas,' accessed Jan. 30, 2019, <https://www.cpf.jo/en/about-cpf/vision-mission-and-focus-areas>.

<sup>698</sup> Crown Prince Foundation, 'Message from the Crown Prince,' accessed Jan. 30, 2019, <https://www.cpf.jo/en/message-crown-prince-0>.

<sup>699</sup> Crown Prince Foundation, 'CPF Launches Online Charity Work Platform "Naua,"' accessed Jan. 30, 2019, <https://www.cpf.jo/en/media/press-release/cpf-launches-online-charity-work-platform-%E2%80%9Cnaua%E2%80%9D>.

and then record their work in quantifiable terms, such as the number of hours volunteered, the amount of money donated, how many trees were planted, or how many children gained access to education. Both organizations and individuals enter data about their social engagement into a database which is under the umbrella of the monarchy, and thus easily accessible to the government, which is problematic in and of itself.

Naua was not intended to be part of the CPF: ‘this organization started out as a private initiative by a couple of very well-meaning individuals in society. The idea was that civil society in general is quite fragmented,’ unorganized, co-opted by the government, and dictated by donors.<sup>700</sup> It was meant to be ‘an independent organization that has no stake in any of the operations’ which would measure social impact for individuals, companies and NGOs to encourage individuals to ‘do more and organize better’ and that ‘funds [would] be more efficiently directed towards more effective projects.’<sup>701</sup> From 2015 until mid-2017, Naua’s founders registered the company, worked to gather support from companies and NGOs, and hired a developer to build the online platform. In 2017, the founders ‘were excited to launch – but then [they] got a phone call from the Crown Prince Foundation. ... [The CPF] loved the idea, they were in the middle of revamping their work and restructuring their operations. ... They decided that [Naua should become] one of the three main pillars of the Crown Prince Foundation, ... promoting a culture of giving.’<sup>702</sup> Naua and the CPF signed an agreement by which Naua has royal patronage. In practical terms, the agreement stipulates that the CPF now owns 51% of the company, the CPF chooses four of seven seats of Naua’s board of directors, and the chairman of the board of directors is a CPF employee. Naua’s office also moved from its original location to within the CPF office. The CPF is now involved in all

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<sup>700</sup> Interview with ‘CI5’ (Structural Transformation-based Social Entrepreneur and Royal NGO), Amman, Jordan, February, 2018.

<sup>701</sup> Interview with ‘CI5.’

<sup>702</sup> Interview with ‘CI5.’

strategic decisions, and Naua manages its day-to-day operations. In return, the CPF covers most of Naua's budget requirements, and Naua has better access to large domestic and international donors due to the CPF's position and influence. Thus, a social enterprise whose goal was to address a problem in Jordan's system of charity and volunteerism has been co-opted by the CPF, which offered both material (funding and office space) and immaterial (strategic partnership, prestige) incentives and support. Its operation and strategic planning depend on CPF involvement and financing, and the information it gathers through the online platform is easily accessible to the CPF. This is another way in which the monarchy has managed to control a would-be independent social enterprise; it can now direct every aspect of Naua to align with its own purposes and avoid Naua's work generating any kind of meaningful opposition to the regime.

The King Abdullah II Fund for Development includes the King Abdullah II Award for Youth Innovation and Achievement (KAAYIA).<sup>703</sup> King Abdullah II launched the Award in 2007 during the World Economic Forum; the Award is meant to 'honor and support Arab social entrepreneurs of both genders who come up with innovative solutions to address pressing challenges in their communities.'<sup>704</sup> The Award consists of a financial reward of 50,000 US dollars for the finalists, 10,000 US dollars for the runners-up, and several days' leadership and financial management training. One of the award-holders, after gaining insight into the competition process, remarked that

They say they are supporting the youth, but it's more for public relations. If you want to really support us, there are a lot of things that need to be fixed: in universities, in the elections, putting so much pressure on us. On the ground there is no real support. In the end of the day an award is a gesture, whereas the government coming by and checking papers and harassing us is a real impediment.<sup>705</sup>

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<sup>703</sup> King Abdullah II Fund for Development, 'KAAYIA,' accessed Jan. 31, 2019, <http://www.kafd.jo/en/program/kaayia>.

<sup>704</sup> King Abdullah II Fund for Development, 'KAAYIA.'

<sup>705</sup> Interview with 'R34.'

Supporting entrepreneurship through RONGOs may be a public relations strategy in which the monarchy positions itself as benefactor for the people, as it is known to do. In addition, however, it could be a way for the monarchy to exercise deliberate control over an emerging civil society sector. Through the KAAYIA, Kreitmeyr explains, ‘the Jordanian regime became more strategically involved’ in social entrepreneurship in Jordan. In fact, this is one of the few cases in which a ruler himself, not only elites, is involved in the social entrepreneurship network,<sup>706</sup> which is composed of social entrepreneurs, business and political elites, and international actors. Kreitmeyr argues that social entrepreneurship networks ‘foster processes of authoritarian renewal through neoliberal forms of co-optation’ because links between elites and ‘hand-picked social entrepreneurs’ are strengthened.<sup>707</sup> This achieves close control and management over social enterprises and ensures their alignment to the regime’s political objectives. The KAFD and its KAAYIA makes this possible, as does the QRF’s Queen Rania Award.

Co-optation is ‘the capacity to tie strategically-relevant actors (or a group of actors) to the regime;’ this includes resource allocation, privileges, concessions, and patronage,<sup>708</sup> all of which allow regimes to pre-empt demands for reform and expand the basis of their legitimacy.<sup>709</sup> Regimes use co-optation so that the target actor does not obstruct regime interests and instead acts ‘in line with the ruling elite’s demands.’<sup>710</sup> Co-optation can be voluntary to a degree, when individuals or organizations prefer association with the regime because it allows them to achieve their objectives more efficiently. In this case, it is easier for the regime to employ the co-optation strategy

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<sup>706</sup> Nadine Kreitmeyr, ‘Neoliberal Co-optation and Authoritarian Renewal: Social Entrepreneurship Networks in Jordan and Morocco,’ *Globalizations* 16, no. 3 (2018): 6.

<sup>707</sup> Kreitmeyr, ‘Neoliberal Co-optation and Authoritarian Renewal,’ 3-5.

<sup>708</sup> Johannes Gerschewski, ‘The Three Pillars of Stability: Legitimation, Repression, and Co-Optation in Autocratic Regimes,’ *Democratization* 20, no. 1 (2012): 22.

<sup>709</sup> Francesco Cavatorta, ‘More than Repression: The Significance of *Divide et Impera* in the Middle East and North Africa – The Case of Morocco,’ *Journal of Contemporary African Studies* 25, no. 2 (2007): 191.

<sup>710</sup> Gerschewski, ‘The Three Pillars of Stability,’ 22.

because ‘there is a market for it.’<sup>711</sup> High unemployment rates, the ‘youth bulge,’ international support for social enterprises, and citizens’ demand for participation in the political process have created this market. The Jordanian entrepreneurship ‘ecosystem’ suffers from lack of financial options, bureaucratic difficulties, and legal obstacles. The monarchy’s RONGOs are well-equipped to address these issues, as they are able to give large grants to social enterprises. Further, affiliation with a RONGO offers social enterprises name-recognition, special status as ‘royally certified’ entrepreneurs,<sup>712</sup> and prestige. In fact, several KAAYIA winners were subsequently recognized by international social entrepreneurship supporters Synergos and Ashoka. Adopting support for social enterprises suggests that the regime has devised a new component of its tactic of garnering support from citizens and international actors alike. The Hashemite monarchy’s targeted co-optation of the kingdom’s social enterprises through RONGOs is evidence of the resilience of authoritarian rule that seeks to neutralize potential opposition while appearing, on the surface, to be supportive of a potential transformative new sector of civil society.

The work and influence of RONGOs constitutes one way in which neopatrimonial rule persists in Jordan. King Abdullah II and members of the royal family control and direct civil society through their patronage of royal organizations. The promotion of social enterprises, which include the ‘market’ concepts of self-empowerment, competition, and responsibility is part of a restructuring of ‘social relations and state power, economy and society.’<sup>713</sup> Jordanian RONGOs’ involvement in social enterprises ‘facilitates the co-optation and creation of a new generation of socio-economic elites’<sup>714</sup> that are complacent in shoring up the regime’s power. Any social enterprise that is

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<sup>711</sup> Cavatorta, ‘More than Repression,’ 191.

<sup>712</sup> Kreitmeyr, ‘Neoliberal Co-optation and Authoritarian Renewal,’ 6.

<sup>713</sup> Kreitmeyr, ‘Neoliberal Co-optation and Authoritarian Renewal,’ 3.

<sup>714</sup> Kreitmeyr, ‘Neoliberal Co-optation and Authoritarian Renewal,’ 3.

established through a RONGO training program, or that receives an ‘award’ or other funding from a RONGO, is in effect an extension of the monarchy’s rule – controlled, watched, registered, and tolerated only insofar as it benefits regime interests. International organizations and foreign governments supporting social enterprises through RONGOs are bolstering this neopatrimonial system. By focusing on social entrepreneurship funding through RONGOs, international organizations are helping to confine social entrepreneurs’ funding access to avenues dictated by the regime, and they are thus aiding the regime in its surveillance and control tactics.

### **Surveillance, Social Enterprises, and Civil Society Development**

Thus, while the emergence of social enterprises in Jordan impacts development and builds civil society, it does not necessarily amount to civic empowerment in equal measure. The introduction of social entrepreneurship may grow civil society, but social entrepreneurship, as part of civil society, does not lead to greater political participation or democratization, contrary to expectations.<sup>715</sup> Social entrepreneurship can also be understood as an avenue for microresponsibility, where economic empowerment of the individual and especially minorities through innovation and entrepreneurship leads to economic and other forms of empowerment. Microresponsibility represents a potential limitation to state power, as the provision of services shifts from the state to the individual, and it is also a potential ‘site of disruption.’<sup>716</sup>

There is thus a tension between state governance and social entrepreneurship. On the one side is a developing country, Jordan, which is complying with Western-centric ideas of neoliberal and free market policies, where services normally provided by the state

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<sup>715</sup> See for example Thomas Carothers and Marina Ottaway, *Funding Virtue: Civil Society Aid and Democracy Promotion* (Washington: Carnegie Endowment for International Peace, 2000); and Larry Diamond and Mark Plattner, eds., *Democracy After Communism* (New York: Taylor and Francis, 2002).

<sup>716</sup> Horn, *Democratic Governance and Social Entrepreneurship*, 10-11.

were encouraged to be left to the private sector and civil society, thus forcing an expansion of civil society.<sup>717</sup> On the other side is the neopatrimonial, clientelist, and semi-autocratic regime attempting to maintain control and balance the demands of various civil sectors against collective national challenges and international demands, which has thus far driven a restriction of civil society. In the middle is social entrepreneurship, which expands the potential of developing a ‘shadow state’ in which the private sector provides goods and services that can both support and challenge the regime. Meanwhile, the regime has established its own ‘shadow state’ of RONGOs and other state initiatives that complement the work of government ministries and also allow the regime, and more specifically the monarchy, to position itself as a benefactor of the people. For example, the King Abdullah II Fund for Development complements the Ministry of Social Development, and Queen Rania’s education initiative ‘Madrasati’<sup>718</sup> complements the Ministry of Education. These ‘shadow’ initiatives directly compete with civil society, the traditional establisher of a ‘shadow state.’ In its resistance to regime challengers, the state seeks to maintain established structures of power by limiting social enterprises’ work and influence, similar to how it has sought to limit civil society organizations’ influence. However, in this attempt the state is equally restricted to the limitations set out by the international community. As stated previously, the government cannot be too repressive without risking repercussions itself. Such repercussions could come in the form of a reduction in international aid, on which Jordan depends, but also in the form of popular unrest.

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<sup>717</sup> Horn, *Democratic Governance and Social Entrepreneurship*, 108-109.

<sup>718</sup> Queen Rania, ‘About Madrasati,’ accessed May 2, 2019, <https://www.queenrania.jo/en/initiatives/madrasati>.

The Jordanian regime's solution to this tension is a mix of 'state-centered, top-down social engineering'<sup>719</sup> and toleration of government-controlled and -managed social enterprises. This is reminiscent of the 'management apparatus' developed by authoritarian republics such as Egypt and Libya, where leaders feared that any entity outside the top of their 'hierarchical pyramid' might compete with and challenge their hold on power. A bureaucratic apparatus such as the one devised in the Arab republics 'was relatively easier to control than other arms of the state.'<sup>720</sup> Jordan's monarchy appears to have taken a similar approach through its involvement in social enterprises through RONGOs and through the management of social enterprises through the foreign funding mechanism. The regime tolerates social enterprises registered with the ministries, so long as they operate within the regime's ever-changing framework of acceptable topics. Allowing social enterprises to become established and work in Jordan appears to be a kind of 'safety valve' mechanism. As outlined by Ottaway, semi-autocratic regimes often allow public participation 'safety valves' that allow avenues of 'social discontent, but not so much as to permit challenges to the incumbent regime,' through carefully managed levels of popular participation.<sup>721</sup> Managing social enterprises allows the Jordanian government to not only manage popular participation but also influence the direction of economic development, especially where the expansion of microresponsibility might challenge the state's control.

Social entrepreneurship is, of course, political by nature, but it 'becomes politicized when the state ... views social entrepreneurship as a threat to its own

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<sup>719</sup> Jan Nederveen Pieterse, 'My Paradigm or Yours? Alternative Development, Post-Development, Reflexive Development,' *Development and Change* 29, no. 2 (2002): 370.

<sup>720</sup> Joseph Sassoon, *Anatomy of Authoritarianism in the Arab Republics* (Cambridge: Cambridge University Press, 2016), 66.

<sup>721</sup> Marina Ottaway, *Democracy Challenged: The Rise of Semi-Authoritarianism* (Washington DC: Carnegie Endowment for International Peace, 2003), 17.

power.<sup>722</sup> Although it may be advantageous to the state for citizens to attend to their own needs, the state would no longer control all aspects of social and material goods distribution, and social entrepreneurship requires citizens to think and act independently, which may also be perceived as a threat to the state.<sup>723</sup> In fact, because social entrepreneurs not only act independently but also innovatively, they pose an even greater challenge to the state. Their methods are unique, adaptive, and changing, and in the case of structural transformation-based social enterprises (STSEs), they are also actively and intentionally disruptive of the status quo.

Social enterprises have, by nature, the strong potential to effect structural change in political and social contexts. In this sense, both types of Jordanian enterprises, whether product- and service-oriented (PSSEs) or structural transformation-based (STSEs), pose significant potential challenges to the state. A single PSSE is unlikely to create far-reaching social change, as outlined in Chapter Three. However, the establishment of a multitude of PSSEs throughout the country, their subsequent normalization, and the consequent increase in citizens' direct involvement in governance at some level, might lead to a shift in citizen activism and attitudes towards the government. This threatens the regime's own hand-crafted 'shadow state' which has given it a greater degree of control over civil society simply by infiltrating it. Further, STSEs specifically target structural change in the communities in which they work, and thus directly challenge the regime's status quo. The regime must therefore create new mechanisms of control, or apply old mechanisms, in response. The main issue it faces is that it must simultaneously 'deal with threats without undermining support for the regime.'<sup>724</sup> A 'coercive institution' is necessary to keep potential centres of opposition under control without allowing the

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<sup>722</sup> Horn, *Democratic Governance and Social Entrepreneurship*, 111.

<sup>723</sup> Horn, *Democratic Governance and Social Entrepreneurship*, 111-112.

<sup>724</sup> Sassoon, *Anatomy of Authoritarianism in the Arab Republics*, 72.

institution itself to become an alternate concentration of power. Therefore, a certain type of institution which is allied closely enough with the regime must take on this role, as it occurred in the authoritarian republics of the Middle East.<sup>725</sup> For the Hashemite monarchy, its royal NGOs are perfectly situated for this role.

## **Conclusion**

Through targeted use of administrative power and surveillance, the Jordanian regime has devised various tactics for dictating social enterprises' political space, as is evident in its interactions with and influence over and social enterprises. The Jordanian government uses soft power through bureaucratic obstacles during the registration process; oversight in the form of 'awards', working with enterprises through royal NGOs, and even co-optation; and controlling the availability of foreign funds to regulate the work of social enterprises. Thus, the chances of social enterprises achieving their objectives without external interference and functioning as truly community-responsive organizations, rather than being beholden to the demands of the regime, are slim. Most Jordanian social enterprises are ultimately extensions of the regime's neopatrimonial rule, and only select few function independently.

The tension between the government and the emergence of social enterprises in Jordan may be representative of a potential shifting balance of power between the regime and citizens. At present, the government is working hard to control social enterprises, however, and appears to have successfully maintained the old balance thus far. The government certainly has not overlooked the potential challenge social entrepreneurs pose to the status quo. With only very few social enterprises working outside the reach of government influence, and every social enterprise subject to some degree of government

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<sup>725</sup> Sassoon, *Anatomy of Authoritarianism in the Arab Republics*, 38-72.

control, it is questionable whether the government's carefully orchestrated balance will shift. The regime's avenues of influence over every aspect of civil society through various administrative, legal, and financial means are significantly inhibiting the establishment of independent social enterprises. For change to occur in Jordan through social entrepreneurship, at least one of two scenarios would need to take place: the government must relax its administrative control, or social entrepreneurs must become more consistently and habitually innovative, not in the products and services they provide, but in the way they function. In other words, they must remain 'one step ahead' of government policies and/or creatively make use of any loopholes that exist in these policies. The former scenario is unlikely, and the latter would certainly prove difficult. The more innovative and unusual social entrepreneurs' practices become, the more they may appear to be a threat to the regime, prompting ever more repressive tactics.

## Chapter 6: Social Capital Under Surveillance

### Introduction

Having established the role of state surveillance in Jordan in the previous chapter, this chapter examines to what extent the regime's surveillance tactics penetrate civil society. The chapter focuses on the effect this has on social entrepreneurship by analysing the relationship between regime surveillance, the development or destruction of social capital, and the political liberalization process. The chapter begins with an outline of the ways in which social enterprises can theoretically support progress in political liberalization. It then describes the types of social capital, i.e. positive, negative, bonding, bridging, structural, and cognitive social capital. Next, the chapter discusses how state support or involvement with social enterprises and social capital can build hierarchical associational relationships instead of social networks that lead to political empowerment. The chapter takes a structural-institutional approach to social capital analysis. It does not discuss cognitive aspects of social capital due to the difficulty in determining this from the existing interview data. Through the structural-institutional approach, it is possible to determine that structural social capital comprises the rules, regulations, and procedures that can aid, but also hinder, mutually beneficial collective action that, according to the 'Putnam School,' would lead to a process of democratization.

The chapter examines the relationship between public administration, surveillance, and civil liberties and argues that pervasive state surveillance negatively impacts social capital development. The role of social capital in the pathway to democratization is outlined according to the 'Putnam School,' and the chapter shows how this pathway is compromised with state surveillance. When social capital is restricted and/or directed by a top-down process, there is no progress in political liberalization. The next section comprises an analysis of the structural determinants of social capital

regarding social entrepreneurship in Jordan, and how these structural determinants restrict social enterprises' work. In addition, the chapter argues that structural factors render social capital the dependent variable, which challenges the basic assumption of the 'Putnam School' that social capital is the independent variable which determines the type of governance. Finally, the chapter offers a comparison of social enterprises in Jordan with the attributes of social entrepreneurship previously identified in Chapter One. The chapter concludes by evaluating social entrepreneurship in a civil society under surveillance, with reference to known Jordanian regime repression tactics.

This chapter argues that the regime acts as gatekeeper of success for social enterprises because it regulates their access to social capital through its administrative control and surveillance measures. In this way, it constrains any potential progress in political liberalization by interfering with the core of what has been called the 'building block' of democracy.

### **The Promise of Social Entrepreneurship as Catalyst for Democracy**

Following the establishment of the Washington Consensus and International Monetary Fund (IMF) adjustment programs, governments took on less responsibility in fulfilling social needs such as health care, poverty alleviation, and education.<sup>726</sup> Government downsizing and 'changes in the nature of government support' for basic services have given rise to non-profits taking on 'market-like approaches such as social enterprise.'<sup>727</sup> NGOs and other non-state actors 'became the de facto provider of social services in the age of post-welfarism.'<sup>728</sup> One of these types of non-state actors are social

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<sup>726</sup> Denise M. Horn, 'Social Entrepreneurship, Democracy, and Political Participation' in *Social Entrepreneurship: An Affirmative Critique*, ed. Pascal Dey and Chris Steyaert (Cheltenham, UK: Edward Elgar, 2018), 230.

<sup>727</sup> Angela M. Eikenberry, 'Social Entrepreneurship and Democracy' in *Social Entrepreneurship: An Affirmative Critique*, ed. Pascal Dey and Chris Steyaert (Cheltenham, UK: Edward Elgar, 2018), 212.

<sup>728</sup> Horn, 'Social Entrepreneurship, Democracy, and Political Participation,' 230.

entrepreneurs, who are seen by many to be heroes who can change the world with the application of their new ideas to solve the most pressing issues.<sup>729</sup> Social enterprises ‘can help to build participation, social interaction, political engagement and bonding social capital.’<sup>730</sup> Some studies link social entrepreneurship and democracy<sup>731</sup> although the argument has been made that ‘social entrepreneurship may lead to increased political empowerment *only* if human capabilities are fostered and states are willing to support these efforts.’<sup>732</sup>

If social entrepreneurship is considered ‘an ethical and normative pursuit’ this opens up a space in which individuals may become empowered citizens who ‘strengthen democracies by deliberating their needs, demanding their rights, and participating to their fullest.’<sup>733</sup> In reality however, various challenges to this idea have been observed in practice. First, projects that appeared to have the perfect solution to an issue have been extensively funded ‘only to result in abject failure, unintended consequences, or to find that the project rests upon unexamined assumptions.’ A second major issue is that ‘success in one community is assumed to translate to success in others,’ so that when projects are replicated to other areas, ‘an increasing amount of hierarchy and abstraction becomes necessary, and local needs are less relevant,’ becoming replaced instead by top-down structures, which social entrepreneurship was intended to replace.<sup>734</sup> The third

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<sup>729</sup> Eikenberry, ‘Social Entrepreneurship and Democracy,’ 213.

<sup>730</sup> Eikenberry, ‘Social Entrepreneurship and Democracy,’ 219. See also Simon Teasdale, ‘How Can Social Enterprise Address Disadvantage? Evidence from an Inner City Community,’ *Journal of Nonprofit & Public Sector Marketing* 22, no. 2 (2010): 89-107.

<sup>731</sup> See, for example, Trish Ruebottom, ‘Deliberative Democracy In Social Entrepreneurship: A Discourse Ethics Approach to Participative Processes of Social Change’ in *Social Entrepreneurship: An Affirmative Critique*, ed. Pascal Dey and Chris Steyaert (Cheltenham, UK: Edward Elgar, 2018); Eikenberry, ‘Social Entrepreneurship and Democracy’; Denise M. Horn, *Democratic Governance and Social Entrepreneurship: Civic Participation and the Future of Democracy* (London: Routledge, 2013).

<sup>732</sup> Horn, ‘Social Entrepreneurship, Democracy and Political Participation,’ 230. Emphasis added.

<sup>733</sup> Horn, ‘Social Entrepreneurship, Democracy and Political Participation,’ 230.

<sup>734</sup> Horn, ‘Social entrepreneurship, democracy and political participation,’ 232.

problem arises when ‘empowerment’ becomes an important variable to measure the success of social enterprises. As Horn writes,

At the heart of the matter is whether or not personal empowerment translates to political empowerment, and how this impacts an individual’s relationship with the state. Social entrepreneurship can be an effective tool in increasing democratic participation and growth, but only inasmuch as there is a focus on increasing capabilities and creating a relationship with the state itself.<sup>735</sup>

Thus, there is a certain caveat associated with the ability of social enterprises to lead to political ‘empowerment,’ participation, and ultimately democratization: the social entrepreneurs’ relationship to the state. From this emerges the question of how social entrepreneurship is impacted if the state is hostile to the work of (independent) non-governmental actors, as is the case in authoritarian regimes. To understand the role of the state in the development of social entrepreneurship, it is necessary to investigate the relationship between the state and one of the key resources social entrepreneurship draws upon: social capital.

### **The State and Social Capital**

Robert Putnam defined social capital as ‘the connections among individuals’ social networks and the norms of reciprocity and trustworthiness that arise from them;’ these connections have value just as other forms of capital do.<sup>736</sup> Social capital can be divided into four broad categories: bonding, bridging, positive, and negative. This brief review of the types of social capital begins with the difference between bonding and bridging social capital. These categories refer to the types of associations in a community or group. Bonding social capital occurs within a community, while bridging social capital is found among social groups (whether divided by geographic location, social class,

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<sup>735</sup> Horn, ‘Social entrepreneurship, democracy and political participation,’ 233.

<sup>736</sup> Robert Putnam, *Bowling Alone: The Collapse and Revival of American Community* (New York: Simon & Schuster, 2000), 19.

religion, race, etc.). Putnam distinguished between the two categories and asserted that bonding social capital is for 'getting by' whereas bridging social capital is for 'getting ahead,' thereby linking bridging social capital to greater progress while bonding social capital represents a maintenance of the status quo.<sup>737</sup> Putnam suggested that bonding social capital is inward-looking, reinforces exclusivity, and promotes homogeneity. In contrast, he saw bridging social capital as outward-looking, and promoting links between diverse individuals and groups. Bonding social capital is found in networks 'with a high density of relationships between members, where most, if not all, individuals belonging to the network are interconnected because they know each other and interact frequently with each other.'<sup>738</sup> Bridging social capital is found in 'associations between people with shared interests or goals but contrasting social identity.'<sup>739</sup> Van Staveren and Knorringa additionally described the difference between bonding and bridging social capital as different types of trust, where bonding social capital can be understood as ascribed trust and bridging social capital as earned trust.<sup>740</sup>

The second major distinction between types of social capital lies in whether it is positive or negative. For Putnam, positive social capital comprises horizontal social networks; this can lay the foundation for democratization. Negative social capital, on the other hand, is found in vertical social networks which, due to their inherent relationships of inequality, can shore up autocracy. Therefore, social capital can be a source of social control in which community or hierarchical relationships make formal or overt discipline and control unnecessary. As Sotiropoulos outlines,

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<sup>737</sup> Putnam, *Bowling Alone*, 23.

<sup>738</sup> Tristan Claridge, 'What is Bonding Social Capital?' Social Capital Research, January 6, 2018, <https://www.socialcapitalresearch.com/what-is-bonding-social-capital/>.

<sup>739</sup> Tristan Claridge, 'What is Bridging Social Capital?' Social Capital Research, January 7, 2018, <https://www.socialcapitalresearch.com/what-is-bridging-social-capital/>.

<sup>740</sup> Irene van Staveren and Peter Knorringa, 'Unpacking Social Capital in Economic Development: How Social Relations Matter,' *Review of Social Economy* 65, no. 1 (2007): 107–35.

Positive social capital is conducive to the strengthening of civil society. By contrast, negative social capital has exclusionary effects, limiting social ties to small-scale communities, sectoral interests and professional guilds, like-minded groups of people, and minorities sharing the same religious, ethnic or racial characteristics. Thus, if negative social capital prevails in social relationships, there are no benefits for wider civil society.<sup>741</sup>

Sotiropoulos further demonstrates how top-down strategies to increase social capital may not lead to the development of civil society, because these strategies do not necessarily bring about an increase in trust in institutions. Developing institutions at the state level could lead to ‘overbearing institutions’ that ‘stifle individual and civic initiatives springing up from the level of society.’<sup>742</sup> As in societies under Communist rule, state intervention past a certain degree can negatively impact social capital.<sup>743</sup> The implication of this is that states can be purposefully ‘overbearing’ and ‘stifling’ through various institutional mechanisms as a form of social control. Thus, it becomes necessary to examine the context in which social capital exists to determine its role as either the independent or dependent variable for civil society.

### **A Structural-Institutional Approach to Social Capital**

The concept ‘social capital’ has been used in the ‘Putnam School’ (consisting of Putnam and his followers) to represent six types of trust: ‘interpersonal trust, social solidarity, general norms of reciprocity, belief in the legitimacy of institutionalised norms, confidence that these will motivate the action of institutional actors and ordinary citizens (social solidarity), and the transmission of cultural traditions, patterns, and values.’<sup>744</sup> As outlined in Chapter Four, one of the problems with the ‘Putnam School’ of social capital

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<sup>741</sup> Dimitri A. Sotiropoulos, ‘Positive and Negative Social Capital and the Uneven Development of Civil Society in Southeastern Europe,’ *Southeast European and Black Sea Studies* 5, no. 2 (2005): 246.

<sup>742</sup> Sotiropoulos, ‘Positive and Negative Social Capital,’ 251.

<sup>743</sup> Sotiropoulos, ‘Positive and Negative Social Capital,’ 251.

<sup>744</sup> J. Grix, ‘Social Capital as a Concept in the Social Sciences: The Current State of the Debate,’ *Democratization* 8, no. 3 (2001): 195.

is that it does not analyse the quality of associational relationships. Grix argues that it is not the density of civic associations but the ‘types of association, the breadth of their memberships, and the quality of relations between the associations themselves and between them and local government’ that indicates social capital. The density of associations does not necessarily relate to the robustness of democracy. Another problem with the ‘Putnam School’ is that it tends to assume that social capital is positive for society and does not address negative social capital. Clientelism, prominent in mafia groups for example, is an indicator of social capital, but has negative effects for society.<sup>745</sup>

More recent scholarship has made a useful distinction between structural and cognitive social capital; evaluating social capital in these ways allows for research on the social context for social capital.<sup>746</sup> Norman Uphoff distinguishes between structural and cognitive social capital in that structural social capital comprises ‘roles, rules, precedents and procedures as well as a wide variety of networks’ which aid in establishing mutually beneficial collective action. On the other hand, cognitive social capital comprises ideology, values, norms, culture, and attitudes and beliefs. Structural and cognitive social capital are interrelated because structural factors initially stem from cognitive processes.<sup>747</sup> Grix explains that the difference between cognitive and structural social capital can be understood as ‘two areas in which social capital resides, or through which

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<sup>745</sup> Grix, ‘Social Capital as a Concept in the Social Sciences,’ 197–98; see also G. Poggi, ‘Clientelism,’ *Political Studies*, 31 (1983): 662–67; R. Rose, W. Mischler, and C. Haerper, *Democracy and its Alternatives: Understanding Post-Communist Societies* (Cambridge: Polity, 1998), 96–97; A. Portes and P. Landolt, ‘The Downside of Social Capital,’ *American Prospect* 26 (May-June 1996); M. Woolcock, ‘Social Capital and Economic Development: Toward a Theoretical Synthesis and Policy Framework,’ *Theory and Society, Renewal and Critique in Social Theory* 27, no. 2 (1998): 193.

<sup>746</sup> Grix, ‘Social Capital as a Concept in the Social Sciences,’ 198.

<sup>747</sup> N. Uphoff, ‘Understanding Social Capital: Learning from the Analysis and Experience of Participation’ in *Social Capital: A Multifaceted Perspective*, ed. Partha Dasgupta and Ismail Serageldin (Washington, DC: World Bank, 2000), 218; Grix, ‘Social Capital as a Concept in the Social Sciences,’ 198–99.

it can be generated.’ Cognitive social capital is found at the individual level of analysis, while structural social capital is found at the institutional level of analysis.<sup>748</sup>

Other scholars such as Foley and Edwards have called for a ‘conception of social capital that recognizes the dependence of its “use value” and “liquidity” on the specific social contexts in which it is found’ which means that ‘access to social resources is neither brokered equitably nor distributed evenly.’<sup>749</sup> Maloney, Smith, and Stoker argue that the context for associational activity is shaped by political structures and institutions. They identify trust, access, and resources as three important factors for the formation of social capital at the micro level.<sup>750</sup> Thus, Grix points out, it becomes necessary to evaluate ‘whether a particular mode of governance is more conducive than other modes to the creation or maintenance of social capital.’<sup>751</sup> Dictatorial governance, for example, creates a lack of institutional trust and renders social capital the dependent variable.<sup>752</sup> Similarly, in communist societies, ‘the horizontal ties of reciprocity, the hallmark of a vibrant civil society, [are] replaced by hierarchical ties of clientelism between rulers and ruled.’<sup>753</sup> This is because resource access in these conditions is limited to citizens with good connections and popular participation is ‘regulated and demanded by the state via state-run associations.’ The social capital developed in this circumstance is not ‘based on trust relations and real reciprocity, but on a pragmatic coexistence between the ruled and rulers.’<sup>754</sup> Former communist states also established not only a ‘legacy of hierarchical power relations’ but also a ‘lack of experience in horizontal relations of reciprocity

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<sup>748</sup> Grix, ‘Social Capital as a Concept in the Social Sciences,’ 199.

<sup>749</sup> M. W. Foley and B. Edwards, ‘Is it Time to Disinvest in Social Capital?’ *Journal of Public Policy* 19, no. 2 (1999): 146.

<sup>750</sup> W. Maloney, G. Smith, and G. Stoker, ‘Social Capital and Urban Governance: Adding a More Contextualised ‘Top-Down’ Perspective,’ *Political Studies*, 48 (2000): 802–20.

<sup>751</sup> Grix, ‘Social Capital as a Concept in the Social Sciences,’ 204.

<sup>752</sup> Grix, ‘Social Capital as a Concept in the Social Sciences,’ 205, Fig. 1.

<sup>753</sup> Grix, ‘Social Capital as a Concept in the Social Sciences,’ 205.

<sup>754</sup> Grix, ‘Social Capital as a Concept in the Social Sciences,’ 205; see also J. Grix, *The Role of the Masses in the Collapse of the GDR* (Basingstoke, UK: Macmillan, 2000).

between actors in society.’ This has long-term negative effects such as a lack of trust in state institutions, politicians, and political parties and thus hinders the creation of social capital,<sup>755</sup> which serves to uphold authoritarian government.

It is important to examine the institutional and structural frameworks in which social capital can (or cannot) develop, because these frameworks determine individuals’ or groups’ ‘access to resources or influence on decisions.’<sup>756</sup> In short, treating social capital as a dependent variable, that is, analysing the extent to which governance types and institutions matter in creating and maintaining social capital, allows for an analysis of how social contexts between and among actors and institutions facilitate or hinder the creation of social capital. This fills the gap in the ‘Putnam School’ literature by showing how social contexts influence the types and levels of social capital and corresponding variety of political outcomes.<sup>757</sup> This chapter takes the approach that social capital can be rendered the dependent variable through overbearing state institutional mechanisms. One of the ways social capital can be transformed to the dependent variable is when the state employs inhibiting public administration procedures and surveillance tactics; the implications of this are discussed in the following section.

### **Public Administration, Surveillance, and Civil Liberties**

Public administration comprises not only public service administration and facilitation, but also surveillance.<sup>758</sup> States have always been concerned with ‘legibility,’ or the ‘arranging of population in ways that simplify traditional state activities such as

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<sup>755</sup> Grix, ‘Social Capital as a Concept in the Social Sciences,’ 205–06.

<sup>756</sup> Grix, ‘Social Capital as a Concept in the Social Sciences,’ 206.

<sup>757</sup> Grix, ‘Social Capital as a Concept in the Social Sciences,’ 206.

<sup>758</sup> C. William and R. Webster, ‘Public Administration as Surveillance’ in *Routledge Handbook of Surveillance Studies*, ed. Kirstie Ball, Kevin Haggerty, and David Lyon (London: Routledge, 2014), 313.

taxation, conscription, and thwarting civil unrest.<sup>759</sup> As Webster argues, the fact that public administrations ‘create, monitor and process large quantities of information so that citizens can participate in everyday life’ has been normalized.<sup>760</sup> This information processing in public administration drives the modern surveillance society because of its central role in ‘sustaining surveillance apparatus, practices and norms,’ for these practices to flourish, and for surveillance norms ‘to be embedded in citizen-state relationships.’<sup>761</sup> Bigo shows how citizens voluntarily give information to the surveillance state in return for ‘being securitized, to be protected by a group of professionals in charge of security.’ When faced with the alternative of violence, Bigo asks, ‘who would not be seduced by promises of enhanced security?’<sup>762</sup> However, the danger of this is that when surveillance is carried out through the exercise of state power, it can constitute citizens’ ‘susceptibility to state force and violence and deception.’<sup>763</sup> Thus, surveillance becomes a civil rights issue. Much of the surveillance literature to date has been concerned with how surveillance affects rights to privacy and less so with other civil liberties.<sup>764</sup> However, other civil rights depend on privacy rights to develop effectively; this includes freedom of expression and association.<sup>765</sup> The basis of freedom of association lies in people’s ability to access, form, and develop social capital, which has been theorized to be the ‘building block’ of democratization. This section investigates the relationship between surveillance and social capital.

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<sup>759</sup> Yasmineen Abu-Laban, ‘The Politics of Surveillance: Civil Liberties, Human Rights, and Ethics’ in *Routledge Handbook of Surveillance Studies*, ed. Kirstie Ball, Kevin Haggerty, and David Lyon (London: Routledge, 2014), 421.

<sup>760</sup> Webster, ‘Public Administration as Surveillance,’ 319.

<sup>761</sup> Webster, ‘Public Administration as Surveillance,’ 319–20.

<sup>762</sup> Didier Bigo, ‘Security, Surveillance, and Democracy’ in *Routledge Handbook of Surveillance Studies*, ed. Kirstie Ball, Kevin Haggerty, and David Lyon (London: Routledge, 2014), 277.

<sup>763</sup> David Lyon, Kevin D. Haggerty, and Kirstie Ball, ‘Introducing Surveillance Studies’ in *Routledge Handbook of Surveillance Studies*, ed. Kirstie Ball, Kevin Haggerty, and David Lyon (London: Routledge, 2014), 9.

<sup>764</sup> Abu-Laban, ‘The Politics of Surveillance,’ 420.

<sup>765</sup> Abu-Laban, ‘The Politics of Surveillance,’ 423.

The negative relationship between social capital and surveillance has been documented, but the literature remains limited. Two different studies on the effect of pervasive surveillance on social capital development were conducted in the former German Democratic Republic (GDR) by Jacob and Tyrell and by Lichter, Löffler and Siegloch. Both studies used quantitative analysis to draw conclusions based on GDR spy density and various quantifiable indicators of social capital. The two studies are described below.

Jacob and Tyrell explain that, in order for policymakers to design policies and initiatives that support social capital development in the long term, it is necessary to explore how social capital accumulates and deteriorates.<sup>766</sup> Through an investigation of surveillance density, social capital, and economic patterns in the former GDR, Jacob and Tyrell explore how surveillance negatively affects social capital development and economic development even twenty years after the end of the surveillance regime.<sup>767</sup> Having lived ‘in a regime with the world’s most pervasive and intrusive surveillance apparatus’ led to former East Germans retaining a ‘lingering sense of mistrust of members of society outside the immediate family circle.’<sup>768</sup> The GDR’s state security system and its thousands of formal and informal informers created an environment ‘that narrowed social and cultural horizons, and fostered cultural traits that demoted social spiritedness and hurt economic development.’<sup>769</sup> As Howard points out, people’s prior experiences with organizations and individuals in the GDR affected their desire to participate in voluntary organizations and cooperate with other members of society, because they

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<sup>766</sup> Marcus Jacob and Marcel Tyrell, ‘The Legacy of Surveillance: An Explanation for Social Capital Erosion and the Persistent Economic Disparity Between East and West Germany,’ *SSRN Electronic Journal*, April 15, 2010, 2, <https://ssrn.com/abstract=1554604>.

<sup>767</sup> Jacob and Tyrell, ‘The Legacy of Surveillance,’ 2–3.

<sup>768</sup> Jacob and Tyrell, ‘The Legacy of Surveillance,’ 3.

<sup>769</sup> Jacob and Tyrell, ‘The Legacy of Surveillance,’ 3.

viewed them, and still view them, with mistrust and suspicion.<sup>770</sup> This makes it difficult to ‘bridge the wide gap between private and public spheres, and to build trust extending beyond the immediate family circle.’ Social connections in the GDR thus were narrowly restricted to close friends and family members, which ‘allowed only very limited experimentation of free civic interaction and cooperation.’<sup>771</sup>

Jacob and Tyrell measure social capital in terms of three factors: electoral turnout, organizational involvement, and post-mortem organ donation. They measure surveillance in terms of the density of state security (Stasi) officers and formal and informal informants across the GDR districts. Jacob and Tyrell found that ‘a one standard deviation increase in informer density in a district in the former GDR (about 2.73 informers per thousand people) is associated with a 0.6 percentage point decrease in electoral turnout, a 10% decrease in organizational involvement, and a 50% reduction of the number of organs donated post mortem in the district today.’<sup>772</sup> These comparisons are made with the Federal Republic of Germany, for which Jacob and Tyrell assumed zero surveillance. The threat of a Stasi informant observing some type of unacceptable behaviour influenced most, if not all, social, political, and economic interactions. As Jacob and Tyrell point out, ‘the regime knew a number of possibilities for dealing with the independent-minded: denial of higher education, inability to achieve positions of leadership, discrimination in career and chosen profession, and restrictions on travel, publications, and assembly.’<sup>773</sup> As Ostrom argues, ‘authoritarian policies deteriorate social capital by ... undermining

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<sup>770</sup> Marc Morjé Howard, *The Weakness of Civil Society in Post-Communist Europe* (Cambridge: Cambridge University Press, 2003), 26.

<sup>771</sup> Jacob and Tyrell, ‘The Legacy of Surveillance,’ 3.

<sup>772</sup> Jacob and Tyrell, ‘The Legacy of Surveillance,’ 4.

<sup>773</sup> Jacob and Tyrell, ‘The Legacy of Surveillance,’ 6.

citizens' ability to experiment solutions to their problems and learn from experimentation over time.'<sup>774</sup>

Lichter, Löffler and Siegloch come to similar conclusions. Social capital theory 'predicts an unambiguously negative effect of surveillance on economic performance.' Surveillance over the population is destructive of social capital, or interpersonal and institutional trust.<sup>775</sup> Through an analysis of the GDR, Lichter, Löffler and Siegloch find that spying has both a negative and long-lasting effect on social capital and economic performance; 'more government surveillance leads to lower trust in strangers and stronger negative reciprocity.' Those individuals who grew up entirely in the GDR experienced the greatest negative effect on interpersonal trust.<sup>776</sup> Further, in areas where surveillance was denser in the GDR, 'self-employment rates and the number of patents per capita are significantly lower' than in other areas of lesser surveillance.<sup>777</sup>

The authors measure surveillance through the spy density per capita and social capital through intention to vote in elections. They found that an increased spy density has a significant negative effect on citizens' intention to vote.<sup>778</sup> They measure economic performance through self-employment rates, patents per capita, and unemployment rates.<sup>779</sup> Lichter, Löffler and Siegloch analysed the effect of surveillance on entrepreneurship, because a lack of interpersonal trust leads to extensive monitoring of 'possible malfeasance by partners, employees, and suppliers [and] less time to devote to innovation in new products or processes.'<sup>780</sup> The authors found that in counties with

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<sup>774</sup> Elinor Ostrom, 'Policies That Crowd Out Reciprocity and Collective Action' in *Moral Sentiments and Material Interests*, ed. Herbert Gintis, et al. (Cambridge, MA: MIT Press, 2005), 223–48.

<sup>775</sup> Andreas Lichter, Max Löffler, and Sebastian Siegloch, 'The Economic Costs of Mass Surveillance: Insights from Stasi Spying in East Germany,' *Forschungsinstitut zur Zukunft der Arbeit/Institute for the Study of Labor (IZA)*, Discussion Paper Series No. 9245, July 2015, 2.

<sup>776</sup> Lichter, Löffler and Siegloch, 'The Economic Costs of Mass Surveillance,' 3.

<sup>777</sup> Lichter, Löffler and Siegloch, 'The Economic Costs of Mass Surveillance,' 4.

<sup>778</sup> Lichter, Löffler and Siegloch, 'The Economic Costs of Mass Surveillance,' 15–19.

<sup>779</sup> Lichter, Löffler and Siegloch, 'The Economic Costs of Mass Surveillance,' 20–22.

<sup>780</sup> S. Knack and P. Keefer, 'Does Social Capital Have an Economic Payoff? A Cross-Country Investigation,' *Quarterly Journal of Economics* 112, no. 4 (1997): 1252–53.

higher spy densities, the self-employment rate is significantly lower, there are significantly fewer patents, and unemployment rates are higher.

McCahill and Finn show how ‘the actions and choices of surveillance subjects are shaped by “the internalization of the objective patterns of their extant social environment” and by the position they occupy.’<sup>781</sup> In other words, context matters in the development or destruction of social capital and in political liberalization. When public administration and surveillance move beyond gathering and sorting data for the purpose of efficiency to analysing the data to exert control over certain population sectors, social capital and the processes of democratization are undermined. This is explained in further detail in the following section.

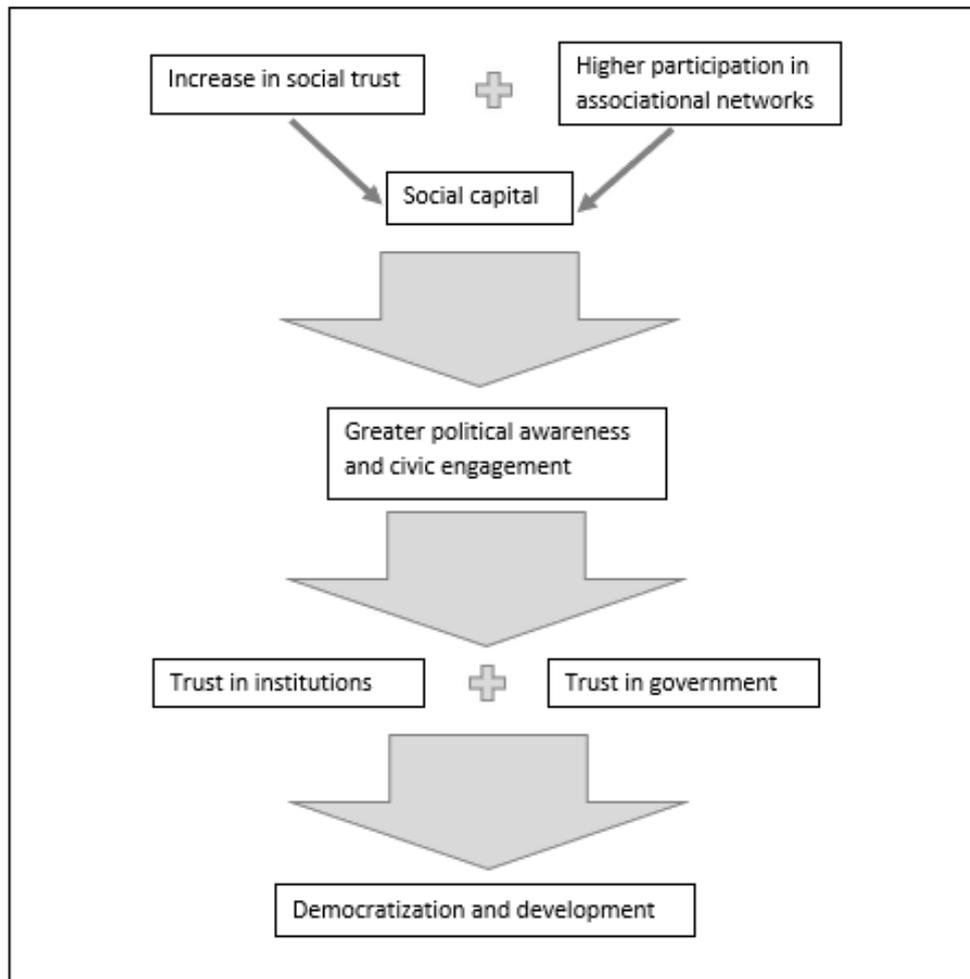
### **Social Capital, Surveillance, and Pathways to Democratization**

According to Putnam’s theories, social capital constitutes the ‘building block’ of democracy. This is because social capital and its two components, interpersonal trust and participation in associational networks, should lead to greater political awareness and civic engagement. This in turn leads to trust in institutions, and trust in government, which Putnam argues creates a pathway for democratization and development (Figure 6.1). However, this raises the question of what happens if any part of this social capital flow to democracy is interrupted, and whether a part of this process can be co-opted and controlled to produce a certain outcome.

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<sup>781</sup> Michael McCahill and Rachel L. Finn, *Surveillance, Capital, and Resistance* (London: Routledge, 2014), 3.

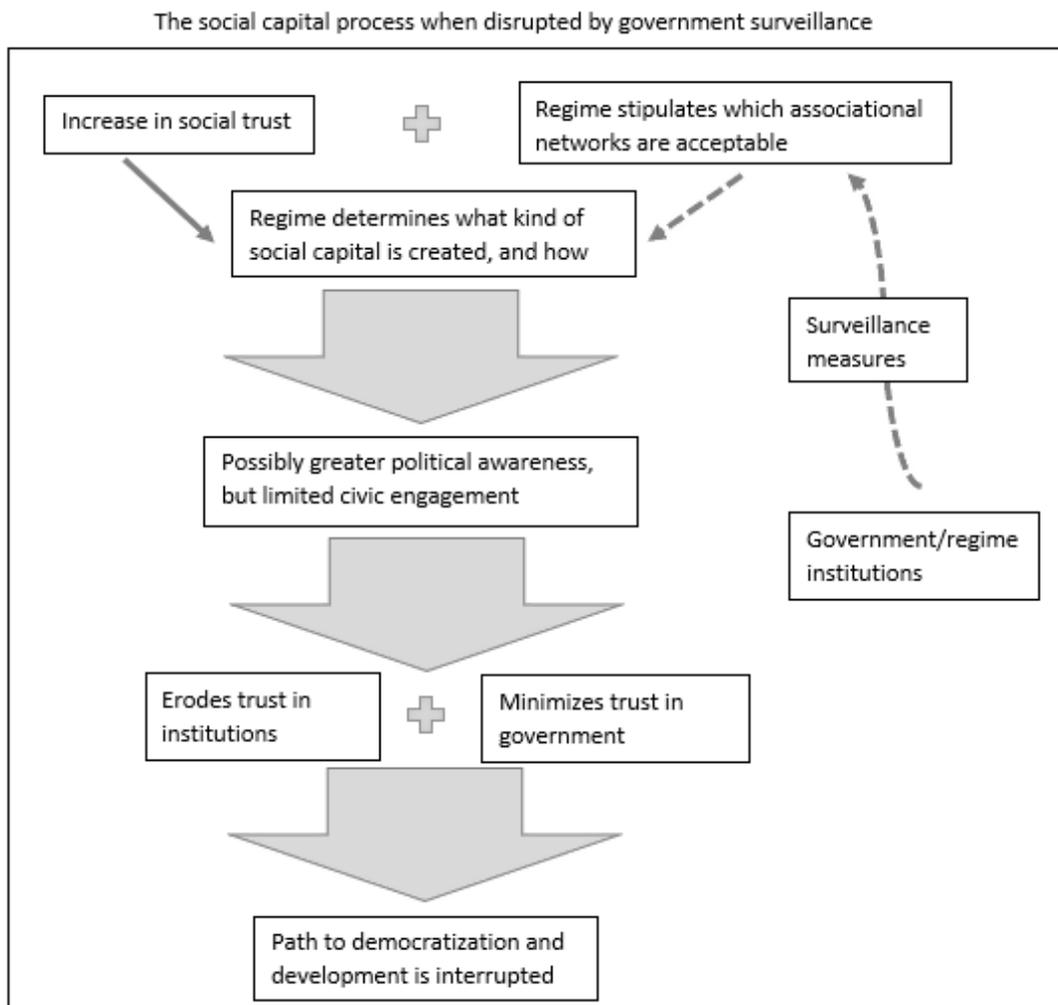
Social capital as 'building block' of democratization – according to Putnam



(Figure 6.1)

The regime's involvement in social capital impacts the flow of the social capital-democratization process (Figure 6.2). Rather than social capital leading to participation, trust, and accountable government, the state directs its institutions in a way that prescribes what kind of associational networks are acceptable and/or possible. In this way, the regime determines what type of social capital is created, among whom, to what extent, and how. Because social capital is still created, this may lead to greater political awareness, but civic engagement is limited due to the regime dictating its nature and extent. As far as citizens are aware of these regime processes (e.g. because they feel 'watched' or because they constantly encounter resistance in associational activities), this erodes trust in state institutions and minimizes trust in the government, thereby rendering

the theorized effects of social capital creation inexistent. Thus, the state’s surveillance measures interrupt the path to democratization and development at its root. The regime’s surveillance tactics impact social capital development by perpetuating and expanding existing networks and therefore it disrupts the (theoretical) progression to increased political participation. The addition of regime surveillance measures to the social capital-to-democratization process leads to social capital becoming the dependent variable that is influenced by a top-down process, rather than being the independent variable that initiates the democratization process from below.



(Figure 6.2)

## Structural Determinants of Social Capital

Social enterprises in Jordan depend on unrestricted social capital in various ways. Two of the most important of these are access to finances and access to networking. Social entrepreneurs need to gain access to various actors who can provide them with financial capital, such as incubators and accelerators, banks, Jordanian government organizations or royal NGOs, international organizations and foreign countries that give grants or loans for enterprises. They also need to be able to network effectively. Additionally, social entrepreneurs are more successful when they have access to smoother registration procedures, which can be achieved by deftly employing *wasta*, hiring legal counsel, receiving help from programs run by foreign actors, and through the “stamp of approval” gained by working with royal NGOs. These factors are part of what is known as structural social capital.

Structural social capital consists of rules, procedures, precedents, and networks that can aid in establishing mutually beneficial collective action,<sup>782</sup> but these also clearly define in what capacity and to what extent social capital can be generated. It can thus be a restrictive form of social capital. Social capital generated from rules and procedures also can be controlled by those same rules and procedures. When examining the context for social capital, it is thus necessary to analyse the role of structural factors. These determine the formation of social capital at the micro level because they influence two of the most important determinants of social capital creation: access and resources.<sup>783</sup> The third and normative determinant of social capital formation identified by Maloney, Smith, and Stoker is trust. This chapter does not discuss trust, however, because it is difficult to measure and evaluate. In addition, there was insufficient qualitative information about

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<sup>782</sup> Grix, ‘Social Capital as a Concept in the Social Sciences,’ 189–210.

<sup>783</sup> Maloney, Smith, and Stoker, ‘Social Capital and Urban Governance,’ 802–20.

this in the data gathered in the interviews to be able to offer more than anecdotal evidence. This section thus analyses only the way structural factors affect the existence and development of social capital in Jordan, specifically regarding social enterprises.

If people cannot gain the access or resources they need, they cannot form social capital. Likewise, if the types of access and resources are predetermined, controlled, or subject to surveillance by structural factors, then only certain types or amounts of social capital can emerge. The structural factors that affect social capital in Jordan, specifically with regard to social entrepreneurship, are: bureaucratic obstacles, ministry oversight, the restrictive association law, the foreign funding control mechanism, *wasta*, RONGOs' co-optation of social enterprises, RONGOs' influence over support organizations, the stratification of social enterprises, and regime surveillance tactics. These structural factors create hierarchical relationships between the regime and various population sectors and make overt discipline and control unnecessary.

Jordan's maze of bureaucratic obstacles complicates and delays the legal registration process for social enterprises, which is a necessary step and if successful, affords the enterprises a degree of legal protection and eligibility for certain funds and other resources. In addition, employees of the Ministry of Social Development and the Ministry of Trade and Finance are often either unwilling or unable to offer guidance during this process, which further exacerbates the problem. Even after registration, the bureaucratic issues continue, with entrepreneurs reporting that ministry officials make additional and sometimes unreasonable demands. Through bureaucratic obstacles such as these, the types of access and resources through social capital available to social entrepreneurs are restricted.

The ministries responsible for social enterprises also exercise considerable oversight over them. Ministry officials may attend meetings, can inspect paperwork

unannounced, must be informed of any enterprise activities, and ensure that enterprises do not undertake ‘political’ activities. This oversight erodes trust between government institutions and social entrepreneurs. Entrepreneurs may feel obligated to self-censor statements and plan activities which they know would be acceptable for the regime. Other enterprises may work secretly to avoid regime surveillance. Thus, regime surveillance exercised through government institutions’ oversight over social enterprises constitutes a structural restriction on social capital and social entrepreneurship.

The 2008 Law on Associations restricts social enterprises’ activities in a formalized way; it prohibits the formation of organizations with ‘political goals’ or that might upset the public order. These broad terms make it easier for ministry officials to reject social entrepreneurs’ registration applications. It also allows the ministries to dissolve a social enterprise if it is deemed to have political objectives. Therefore, social enterprises, which are inherently political, might not be able to access the types of resources they need because this could attract ministry attention, so they must operate without these resources or change their objectives. This means, for example, that an enterprise planning political activities cannot advertise or receive funding from banks or other organizations.

Another way in which the 2008 Law on Associations limits social enterprises’ access to resources is by restricting the foreign funding that associations may receive. The law stipulates that the government must approve any foreign funding given to associations in Jordan. To apply for foreign funding approval, social enterprises must provide the Ministry of Social Development with the amount, type, and purpose for which the funds will be spent, including detailed information about the specific projects for which funding has been requested, as well as how these projects serve the national interest. The ministry may reject the funding application without explanation. The foreign funding control

mechanism is thus another way in which the regime controls social capital formation by institutional means: some social enterprises would be entirely unable to function without foreign funding and must therefore adapt to the regime's interpretations of 'acceptable' objectives and programs. Through this mechanism, the regime determines in part which social enterprises can become established and continue to exist, so rather than social enterprises' access and use of social capital, it is top-down external involvement in their source of financial support that determines their success.

Another 'area' in which social capital emerges in Jordan is in the widespread reliance on *wasta*. This term describes the personal connections people use in order to access certain resources or even gain employment. However, *wasta* is not equitable; not everyone has powerful personal connections. The reliance on *wasta* can therefore exclude certain sectors of the population from achieving what more privileged or well-connected persons can do with a telephone call to a family friend or colleague. This type of social capital is negative and promotes the status quo. It is also a type of bonding social capital, in which members of one social sector access resources through their connections but do not 'bridge,' or make available, this social capital to members from other social sectors. Unfortunately, many social entrepreneurs cited *wasta* as one of the most important factors for their success, because it helped them reach the 'right' person at the ministry to register their enterprise or allowed them to gain financial or legal aid.

The involvement of royal NGOs (RONGOs) in Jordan's civil society increases competition for other non-governmental organizations and can prevent them from accessing necessary resources, because many international aid donors give funding to RONGOs. Jordan's royal family sponsors and directs several RONGOs with varying missions; in recent years, they have adopted social entrepreneurship support into their agendas. In at least one case, a RONGO has also co-opted a previously independent social

enterprise. Due to RONGOs' special status for international funding and government approval, it can be advantageous for social enterprises to work under the umbrella of a RONGO or in association with a RONGO initiative. By doing this, however, the social enterprises open themselves to oversight and direction by the RONGO, and thus, by the monarchy. Therefore, when social enterprises tap into the social capital afforded by affiliation with a RONGO, they are tapping into a source of negative, stratified, top-down social capital which may harm their ability to achieve their objectives rather than leading to mutually beneficial cooperation.

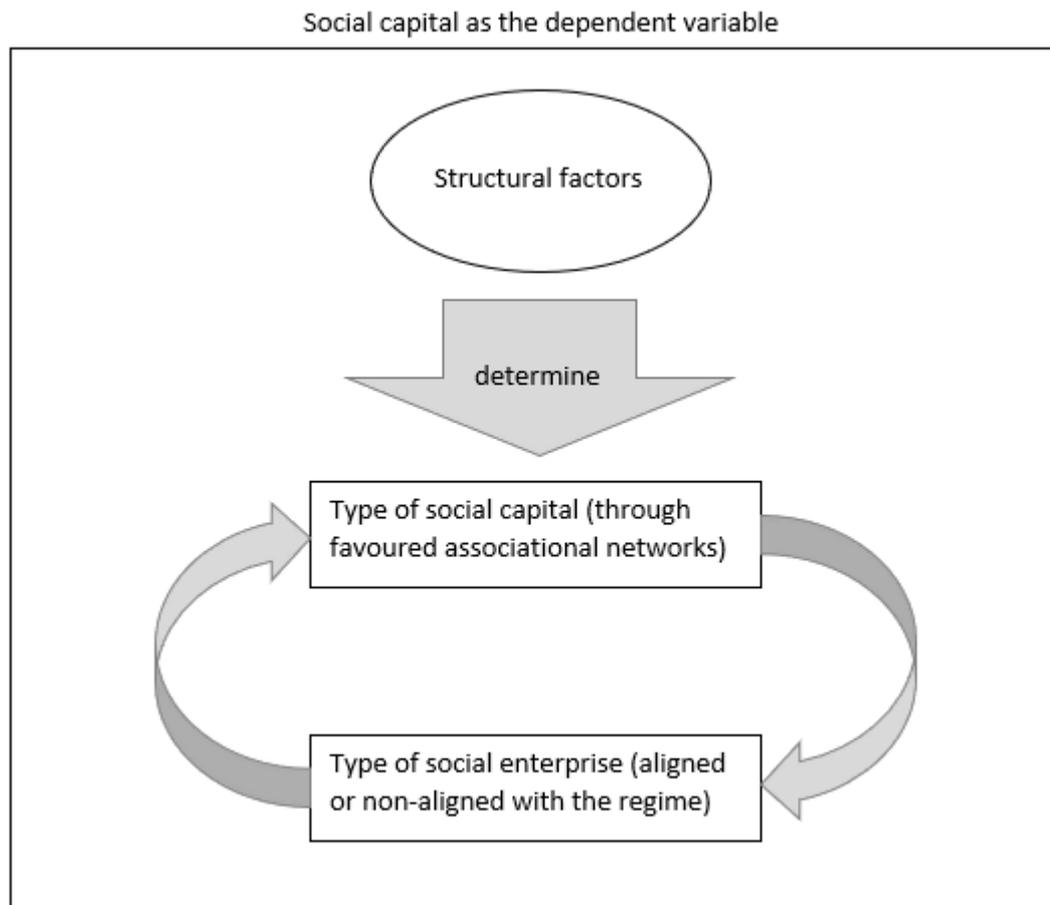
There is also evidence that Jordanian RONGOs exercise considerable influence over other areas of the social entrepreneurship ecosystem's support network, such as incubators and accelerators. Incubators and accelerators typically provide start-up funds, training, networking opportunities, and office space for enterprises that have not become established enough to be financially self-sustainable. For example, Oasis500 is an accelerator that was created in 2010 'by direction from His Majesty King Abdullah II' to support 'technology and creative startups.'<sup>784</sup> In 2019, Oasis500 wanted to expand and start a special sector or umbrella for social enterprises, but it was denied permission to do so, and instead, the Queen Rania Foundation raised funds for a social enterprise support sector instead.<sup>785</sup> This suggests considerable influence of RONGOs over the entrepreneurship ecosystem's support network, in that they do not necessarily prohibit social entrepreneurship or support for social enterprises, but rather manage and direct through which channels social enterprises can work. Working with the Queen Rania Foundation instead of Oasis500 potentially subjects social enterprises to greater regime oversight and thus any social capital generated from this connection is hierarchical.

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<sup>784</sup> 'About Us,' Oasis500, accessed October 2, 2019, <https://www.oasis500.com/en/about-us>.

<sup>785</sup> Interview with 'T8Y' (Social Entrepreneurship Support Organisation/Bank), Skype, July, 2019.

Overall, the various methods the regime employs have the effect of stratifying social enterprises according to their degree of ‘acceptance’ by the regime. As shown in the previous chapter, those social enterprises which are more closely aligned with the regime are viewed as less threatening to the status quo, because the regime can monitor them more closely and regulate them if necessary. Independent social enterprises are seen as more threatening because they are less easily monitored and require more overt repression methods. This stratification also means that enterprises more closely associated with the regime have easier access and use of resources because the regime places fewer obstacles in their way and they have a ‘stamp of approval’ by working with the regime. This affects the formation of social capital, as social entrepreneurs may orient themselves towards associational networks more favourable to the regime and avoid those which could pose a risk. Thus, the regime’s social enterprise stratification through various structural factors leads to a cycle in which the type of associational network favoured by social enterprises is predetermined and likewise also leads to the type of social enterprises that are established (i.e. aligned with the regime or not). In this scenario, social capital (as determined through associational networks) becomes the dependent variable. (Figure 6.3)



(Figure 6.3)

Social enterprises, particularly structural transformation-based social enterprises (STSEs), are trying to build bridging social capital, but the impact of government measures results in mostly negative and bonding social capital. It is stratified hierarchically, and exclusive, due to government restrictions, co-optation, and control over various social capital sources. State surveillance influences civil society and any potential democratization process from the ground up, as it infiltrates even the development of social capital and determines which associational networks are acceptable.

The Jordanian regime has manipulated the social entrepreneurship ecosystem through its surveillance tactics such that it can effectively act as gatekeeper of success for social enterprises. Local or international support for social enterprises and social capital development therefore does not support civil society growth and may also not lead to

economic growth. The social entrepreneurship scene could instead be another part of the regime's political and economic liberalisation façade. Through the social entrepreneurship programs run by RONGOs, the regime positions itself as a supporter of Jordan's social enterprises. Instead, however, the state's institutions impose structural restrictions on social enterprises that interrupt their capacity to create social value.

### **A Comparison of Social Enterprises**

The literature review in Chapter One established eight attributes of social entrepreneurship, of which four are essential to entrepreneurship, two make social entrepreneurship inherently *social*, and two are 'optional' attributes which many, but not all, social enterprises have. The four essential attributes to entrepreneurship distinguish it from other businesses, organizations, and undertakings. They are innovation, assumption of risk and/or uncertainty, autonomy in leadership and decision-making, and management and investment of capital. The two attributes which differentiate social entrepreneurship from other forms of entrepreneurship, i.e. that make it inherently social, are social objectives and social value creation. The final two attributes are not essential to social enterprises but do occur and define the function of social entrepreneurship in many cases. These attributes are a dependency-provision cycle and cooperation and/or involvement of society. This section reviews each attribute in turn and compares it with the qualities of the two types of social enterprises found in Jordan. This allows for an evaluation of structural transformation-based social enterprises (STSEs) and product- and service-oriented social enterprises (PSSEs) in light of the structural factors that influence their operation and success (Table 6.1).

<b>A Comparison of Social Entrepreneurship Attributes</b>		
<b>In social entrepreneurship theory</b>	<b>Structural transformation-based social enterprises (STSEs)</b>	<b>Product- and service-oriented social enterprises (PSSEs)</b>
<b>Innovation</b>	Innovative in use of targeted creative reorganization and social capital	Innovative in product and/or delivery
<b>Assumption of risk and/or uncertainty</b>	Risk from regime opposition and uncertainty from future operations	Uncertainty from insufficient resources and financial risk
<b>Management and investment of capital</b>	Rely on social capital but this is restricted by structural factors	Use mainly financial, material, and human capital
<b>Autonomy in leadership and decision-making</b>	More autonomous than PSSEs but also subject to surveillance and/or repression tactics	Limited autonomy due to regime management, co-optation, and surveillance
<b>Social objectives</b>	Aim to transform society and address structural issues	Seek to solve a specific issue in the short term
<b>Social value creation</b>	Work to destroy and replace existing norms to serve society	(Collectively) create social value by normalizing the entrepreneurial spirit
<b>Dependency-provision cycle</b>	Usually establish this cycle as part of targeted creative reorganization	Do not engage in this
<b>Cooperation and involvement of society</b>	Rely on society's cooperation and involvement almost entirely due to reliance on social capital	This is often essential to operations (e.g. volunteer workers) but PSSEs rely more on sponsors, donors, INGOs, and the government

(Table 6.1)

One of the key attributes of entrepreneurship is innovation. In order to distinguish itself from similar or related undertakings, a social enterprise must have a characteristic that is new or different, whether that is the product, its conduct, its management or any other attribute. STSEs and PSSEs are both innovative, with STSEs innovating mostly in their employment of targeted creative reorganization and use of social capital to achieve their objectives. PSSEs are innovative in the product they design or the delivery of that product to the community. Thus, both STSEs and PSSEs match the criteria for innovation in entrepreneurship.

Enterprises assume risk and/or uncertainty from various factors. The viability of an enterprise depends not only on members' efforts but on their ability to secure resources and manage capital. Again, both STSEs and PSSEs deal with risk and uncertainty, albeit in different ways. STSEs face greater risk from government opposition and consequently uncertainty from not knowing whether they will be allowed to operate in the future. PSSEs face mostly financial risk and their uncertainty stems from the possibility of being unable to generate sufficient resources, in part due to the changeability of the international funding on which so many PSSEs rely. Aside from general risk and uncertainty that any enterprise might face, both STSEs and PSSEs deal with risk and uncertainty generated by structural factors.

The third attribute of entrepreneurship is the management and investment of capital. This refers to the entrepreneur managing the capital necessary to produce the enterprise's services and to investing sufficient capital so that the future operation of the enterprise is secured. Enterprises can use any combination of financial, physical, human, or social capital. STSEs rely mainly on social capital; in fact, creating, managing, and investing in social capital tends to be one of their main objectives. PSSEs are more reliant on financial, material, and human capital, but often need to use some form of social capital to access those. For both STSEs and PSSEs, structural factors influence the types of capital available to them and impacts how and to what extent they can use social capital.

The final attribute essential to entrepreneurship is autonomy in leadership and decision-making, meaning that enterprises are not managed, directly or indirectly, by any private or governmental organization or authority. In theory this means that enterprises should be able to formulate their positions and organize their actions freely, as well as terminate their work. Both STSEs and PSSEs in Jordan fail to achieve this due to the regime's systematic control, management, and surveillance measures. Enterprises around

the world are subject to structural factors, such as rules and regulations, that impose certain limits on their work, such as antitrust or labour laws. Within this framework, they are free to make autonomous decisions regarding the enterprise. In an authoritarian context, however, these structural factors are such that enterprises can no longer be considered autonomous. Instead, they are managed, to varying degrees, in a way that restricts them to a narrow set of regime-‘approved’ functions.

Social enterprises must have social objectives; they must aim to serve society, or a sector of society, to some degree. Social entrepreneurs assess opportunities in terms of their possible social impact, rather than financial wealth creation. This is one of the attributes that distinguishes them from other types of entrepreneurs. As discussed in Chapter Three, social enterprises in Jordan fall into two broad categories which are divided mainly by their social objectives. STSEs, with their focus on structural transformation, seek to transform society in a significant way over the long term, while PSSEs work to solve a specific issue in the short term by providing a certain product or service.

The second essential distinguishing attribute of a social enterprise is its focus on social value creation, which it does through ‘creative destruction’ of existing norms to effect change. This can also be understood as exploiting changes as opportunities for social enterprises. Social value is difficult to measure, but STSEs incorporate goals for social value creation into their work by replacing existing norms through targeted creative reorganization of society, which is their social objective and what makes them innovative. PSSEs can collectively create social value by normalizing the ‘entrepreneurial spirit’ in society. The extent of STSE and PSSE social value creation is limited to the frameworks approved by the regime, however.

The final two attributes that social enterprises may have are the establishment of a dependency-provision cycle and the cooperation and involvement of society. A dependency-provision cycle occurs when an enterprise has identified a need in society and positions itself as the best provider of solutions to those needs. Thus, society becomes dependent on the social enterprise's services, but the enterprise also depends on society's continued support. STSEs often create a dependency-provision cycle as part of the targeted creative reorganization process; this is what makes the process work best. PSSEs do not aim to establish a dependency-provision cycle, although they do seek to create an influential product or service. The cooperation and involvement of society refers to the social enterprise functioning with and encouraging the support of the community in which it operates; in this case, community members' participation may become crucial to the social enterprise's success. Again, STSEs tend to rely on this almost entirely through their use of social capital and the targeted creative reorganization method. For PSSEs, this can be essential for everyday operations (such as through volunteers) but they tend to rely more on the involvement of sponsors and donors such as international organizations or national support organizations. Thus, there are aspects of a dependency-provision cycle and the cooperation and involvement of society found in both STSEs and PSSEs.

In sum, the classical entrepreneurship literature assumes that enterprises are established as bottom-up organizations, that is, without significant aid, hence the importance placed on the idea of autonomy in leadership, management, and funding. However, enterprises established with international aid or through national initiatives, and which are subject to significant regime management tactics, are top-down and therefore have limited autonomy.

## Social Entrepreneurship in a Civil Society Under Surveillance

Civil society is composed of associations that occupy the space between the state and individuals, and is generally understood to be an organic, bottom-up mechanism for collective empowerment with which citizens protect themselves from the state. There are various contending definitions of civil society, but most approaches assume that association leads to social empowerment<sup>786</sup> because individuals acquire norms of democratic interaction and subsequently ‘create institutions capable of resisting authoritarian power.’<sup>787</sup> This view also points to the importance of social capital because ‘a sphere of voluntary, purposive association’ can counter ‘forces of chaos [and] oppression.’<sup>788</sup> Civil society has also been used as a prescriptive device by various approaches that argue that civil society can empower individuals and groups against authoritarianism.<sup>789</sup> The idea is that civil society can construct an independent sphere of interaction with parallel institutions and structures are created that serve the needs of ordinary citizens; this is sometimes called a shadow state.<sup>790</sup>

In studies of the Middle East, civil society is seen as having an important role, even if limited, in mobilizing dissent and opposition voices and in providing an arena for empowerment for citizens who are otherwise excluded from formal politics.<sup>791</sup> Indeed, the number of nongovernmental organizations in the region has grown and professional

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<sup>786</sup> John Hall, *Civil Society: Theory, History, Comparison* (Cambridge, UK: Blackwell, 1995).

<sup>787</sup> Quintan Wiktorowicz, ‘Civil Society as Social Control: State Power in Jordan,’ *Comparative Politics* 33, no. 1 (2000): 44.

<sup>788</sup> Bob Edwards and Michael W. Foley, ‘Civil Society and Social Capital beyond Putnam,’ *American Behavioral Scientist* 42 (1998): 125.

<sup>789</sup> Bob Edwards and Michael W. Foley, ‘Beyond Tocqueville: Civil Society and Social Capital in Comparative Perspective,’ *American Behavioral Scientist* 42, no. 1 (1998): 5–20.

<sup>790</sup> Václav Havel, ‘The Power of the Powerless’ in *The Power of the Powerless*, ed. John Keane (Armonk, NY: M. E. Sharpe, 1985), 78–79.

<sup>791</sup> See, for example, Augustus Richard Norton, ed., *Civil Society in the Middle East*, vols. 1–2 (Leiden: E. J. Brill, 1996); Jillian Schwedler, ed., *Toward a Civil Society in the Middle East? A Primer* (Boulder, CO: Lynne Rienner, 1995).

organizations are active in public policy debates.<sup>792</sup> The 2019 month-long Jordan Teachers Association strike, during which teachers asked for higher wages and an acknowledgement of and apology for the government's infringement on teachers' political rights during a sit-in protest, is one example of this.<sup>793</sup> However, as Weber has stated, 'the quantitative spread of organizational life does not always go hand in hand with its qualitative significance.'<sup>794</sup> Civil society expansion does not necessarily translate to increased avenues for meaningful political participation, and 'nondemocratic forces and movements' can undermine it. Therefore, the political context for civil society is relevant when evaluating its possible effects on the democratization process.<sup>795</sup>

In the Middle East, the political context differs from Eastern Europe and Latin America. In these two regions, civil society was 'an organic grass-roots process in which actors from civil society challenged the state and incumbent regimes.'<sup>796</sup> In contrast, in the Middle East, civil society emerged in large part because 'regimes in the region initiated political liberalization to enhance legitimacy in a context of prolonged economic crisis'<sup>797</sup> in the 1980s and 1990s in order to stave off the destabilizing effects of widespread collective action and popular protests.<sup>798</sup> This also means that civil society has been controlled and regulated by a web of administrative procedures and bureaucracy,

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<sup>792</sup> Mustapha Kamel al-Sayyid, 'Professional Associations and National Integration in the Arab World, with Special Reference to Lawyers Syndicates' in *Beyond Coercion: Durability of the Arab State*, eds. Adeed Dawisha and I. William Zartman (New York: Croom Helm, 1988).

<sup>793</sup> Raed Omari, 'Teachers' Month-Long Strike Over, Students to Return to School,' *Jordan Times*, October 6, 2019, <https://www.jordantimes.com/news/local/teachers-month-long-strike-over-students-return-school>.

<sup>794</sup> Max Weber quoted in Sheri Berman, 'Civil Society and the Collapse of the Weimar Republic,' *World Politics* 49 (April 1997): 407.

<sup>795</sup> Wiktorowicz, 'Civil Society as Social Control,' 46.

<sup>796</sup> Wiktorowicz, 'Civil Society as Social Control,' 46.

<sup>797</sup> Wiktorowicz, 'Civil Society as Social Control,' 43.

<sup>798</sup> For Jordan, see Katherine Rath, 'The Process of Democratization in Jordan,' *Middle Eastern Studies* 30 (July 1994): 530–57; Laurie Brand, 'Economic and Political Liberalization in a Rentier Economy: The Case of the Hashemite Kingdom of Jordan' in *Privatization and Liberalization in the Middle East*, ed. Iliya Harik and Denis J. Sullivan (Bloomington: Indiana University Press, 1992); Rex Brynen, 'Economic Crisis and Post-Rentier Democratization in the Arab World: The Case of Jordan,' *Canadian Journal of Political Science* 25 (March 1992): 69–97.

which is representative of a ‘trend away from overt repression toward less visible forms of social control,’ which calls into question the assumption that the existence of civil society is representative of social empowerment.<sup>799</sup> Moderate political liberalization has now been part of a regime survival strategy, known as ‘defensive democratization,’ for several decades, and civil society growth does not ‘precede or lead to political change; it follow[s] regime-sponsored reforms.’<sup>800</sup> With the emergence of regime-initiated political liberalization efforts, raw coercion has given way to alternative measures of social control.

The modern Middle Eastern state has shifted to the Foucauldian use of disciplinary power, described in greater detail in Chapter Five, that derives from partitioning society into units that state institutions can regulate through surveillance measures.<sup>801</sup> As Wiktorowicz describes it, ‘by dictating when and where individuals are present and even their relations with one another, the state enhances its social control.’<sup>802</sup> By disciplining society with an extensive administrative apparatus,<sup>803</sup> the state can engage in ‘domestic colonization’ so that it can eliminate ‘unsurveillable, uncontrollable space.’<sup>804</sup> In Jordan specifically, government ministries engage in pervasive engagement and control with associations, and each ministry has a specific area of responsibility. Organizations may not function in areas that are subject to multiple ministries. Besides limiting the options for organizations’ activities and objectives, this also means that ‘civil society is thus partitioned and segmented.’<sup>805</sup>

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<sup>799</sup> Wiktorowicz, ‘Civil Society as Social Control,’ 44.

<sup>800</sup> Wiktorowicz, ‘Civil Society as Social Control,’ 47–48.

<sup>801</sup> Michel Foucault, *Discipline and Punish* (New York: Vintage Books, 1979).

<sup>802</sup> Wiktorowicz, ‘Civil Society as Social Control,’ 48.

<sup>803</sup> Nazih N. Ayubi, *Overstating the Arab State: Politics and Society in the Middle East* (London: I. B. Tauris, 1995), 320–27.

<sup>804</sup> Peter Wagner, *A Sociology of Modernity: Liberty and Discipline* (London: Routledge, 1994), 99.

<sup>805</sup> Wiktorowicz, ‘Civil Society as Social Control,’ 49.

Wiktorowicz' 2000 analysis of state partitioning and surveillance of civil society in Jordan has not changed. He argued that the system the regime built relies on the 'predictability and visibility' of civil society, in which 'collective action in the niches of society' is minimized to reduce the threat to state power.<sup>806</sup>At present, this is demonstrated by the difficulties social enterprises report. They cannot operate under more than one ministry, must follow that ministry's strict yet obfuscated regulations, must report all activity to the relevant ministry, and are under surveillance. In addition, the regime has implemented certain measures to exercise administrative control and surveillance over social enterprises which have not reached the official ministry registration stage by nearly monopolizing these organizations' access to financial and social capital through the work of RONGOs. Thus, the independent realms in which social enterprises might function are significantly narrowed, and because the threat of regime surveillance and repression tactics are well-known, most social entrepreneurs choose pathways in which they are associated with the regime in some way. These avenues are more attractive because they offer more security and opportunity, and less risk of simply being shut down or receiving penalties of some sort.

## **Conclusion**

Since the 2011 Arab uprisings, policymakers have turned to social entrepreneurship in the Middle East in the hope that it can reduce the youth unemployment rate and increase popular participation in civil society. This chapter addresses whether any personal or collective empowerment does arise from social enterprises in Jordan, given the context of individuals' precarious relationship with the state. The regime's tactics for dealing with an emerging, and potentially independently-

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<sup>806</sup> Wiktorowicz, 'Civil Society as Social Control,' 49.

minded sector of civil society are analyzed through the lens of social capital and by focusing on structural factors.

This chapter has examined the relationship between social capital, a key resource for social enterprises, and the Jordanian regime's repression tactics in the form of administrative management and surveillance. The Jordanian regime uses surveillance to direct and restrict the work of social enterprises. Therefore, they fail to contribute to the growth of an independent civil society and are not effective development agents due to the many regulatory restrictions that govern them. The regime's interference with social capital effectively negates any theoretical potential it may have to be the building block of civil society. Specifically, regime surveillance strongly contributes to undermining bridging social capital, which affects how people internalize certain attitudes: citizens' trust in government and institutions is eroded, and Jordanians may even have become more suspicious of one another due to their fear of being observed. This chapter demonstrates that the Jordanian regime stipulates which associational networks are acceptable and subsequently controls those networks. The regime undermines the development of social enterprises in civil society by restricting citizens' ability to access mutually beneficial social capital. In this way, Jordan's social capital functions partly in the way Bourdieu described: it is for the few, not the many, and controlled by the elite who use it to 'gatekeep' avenues of political participation. It also appears to align with Grix's theories on social capital, in which he argues that under authoritarianism, social capital is the dependent variable, that is, dependent on the mode of governance. Social capital is certainly a source of social control in Jordan, as Portes demonstrated it has the potential to be. The regime's surveillance tactics contribute to the stifling of horizontal social networks and instead encourage top-down vertical networks that are characteristic of negative social capital. This situation, as Sotiropoulos explained, does not lead to a

strengthened civil society but rather one that is undermined by exclusionary hierarchical relationships that make formal control unnecessary. Thus, the regime perpetuates the status quo and disrupts the theoretical progression of the population to increased political participation. The state's influence extends to the very foundations of any democratization processes in Jordan.

## **Conclusion**

This thesis has addressed whether social enterprises act as independent civil society organizations in the Kingdom of Jordan, considering the pervasive surveillance mechanisms of the state. In so doing, it has examined why and how social enterprises are formed in Jordan, and what their sources of financial, material, human, and social capital are. It has discovered which laws and regulations apply to forming and upholding social enterprises. The support organizations and networks available to social enterprises were analysed, and likewise, the obstacles that social enterprises face were identified. The thesis examined whether social enterprises face restrictions from the Jordanian regime, as other civil society organizations do, and what these restrictions are. Finally, social enterprises' use of social capital and the way in which regime repression tactics impact social capital were investigated.

Chapter One reviewed studies on social entrepreneurship and investigated the origins and various meanings of the concept. The chapter identified innovation, assumption of risk and/or uncertainty, autonomy in leadership and decision-making, and management and investment of capital as aspects of entrepreneurship which distinguish it from other types of organizations. Likewise, social objectives and social value creation are crucial to social enterprises and distinguish them from other enterprises. The dependency-provision cycle and the involvement of society were shown to be non-essential characteristics of social entrepreneurship, which means that a social enterprise does not necessarily have these characteristics, but that they can influence how social enterprises function. This outline of social entrepreneurship lends clarity to the thesis, as the many definitions of social entrepreneurship vary and are sometimes vague. It also allows for consistent identification of social enterprises in the field, although the post-positivism approach explained in the introduction allows for some variation depending

on local context. The third chapter does take this approach and distinguishes between the Western-centric views on social enterprises and the aspects of social entrepreneurship in Jordan. Finally, Chapter One establishes the importance of social capital in social entrepreneurship and shows how the different types of social capital have been theorized to lead to either progression towards democratization or entrenchment of authoritarianism.

The domestic and international relations of the Kingdom of Jordan are outlined in Chapter Two. It explains how the monarchy has balanced international policies with tribal divisions, economic challenges, and citizens' demands through much of its history since its establishment as an independent state. This balancing act coincides with the regime's establishment of repressive or liberal policies, particularly during times of social unrest or when appeasing international donors. Simultaneously, Jordan has dealt with high youth unemployment rates and various refugee crises. Still, the regime has allowed for a degree of citizen participation and the growth of civil society, both of which it has managed carefully to maintain power and stability. The regime's reliance on aid from regional and international donors significantly restricts its policy options, as shown in the case of the Gulf War. Likewise, the regime restricts civil society and citizen activism to maintain a measure of control. Chapter Two thus contributes the background on the social and political context in which Jordanian social enterprises operate and shows how any initiative is tied up in the state's domestic and international objectives.

Chapter Three discusses the essence of social entrepreneurship in Jordan and identifies their sources of support, as well as the various challenges they face, from securing a sustainable income to dealing with government bureaucracy. Crucially, the chapter establishes that social enterprises in Jordan are not homogenous; there are two types that have distinct qualities and that take on different roles in the country's socio-

political landscape. Structural transformation-based social enterprises (STSEs) address structural social issues and focus on self-sustainability and continuity. In practice, they do this by creating independent or hybrid funding models so that they are independent of international and domestic aid sources. STSEs instead rely on social capital to succeed and incorporate their goals into the community they serve, with the objective of changing community norms. The chapter explains STSEs' objectives, funding models, use of 'targeted creative reorganization,' the challenges they face, and their resiliency tactics. Due to STSEs' independence from external funding sources, they are able to address community needs and can formulate their objectives and implement their plans freely. On the other hand, product- and service-oriented social enterprises (PSSEs) provide specific goods and services with the aim of addressing a specific social need in the short term. These enterprises depend on grants and loans and struggle with maintaining their funding sources. The chapter outlines PSSEs' formation process and the impact the entrepreneurship ecosystem has on them; they cannot implement long-term plans, but they do have the potential to make advances in smaller ways. Establishing the differences between STSEs and PSSEs is important for an accurate understanding of social entrepreneurship in Jordan and for analysing its relationship with the state, particularly because the two diverge in both function and objectives. They thus pose different challenges or create opportunities for the regime. The chapter also revises previous assumptions about entrepreneurship as the solution to a variety of issues in the Middle East by showing the complex problems social entrepreneurs themselves face. The potential for success that social enterprises have is not what matters, it is their actual ability to achieve their goals.

Through the lens of social capital theory and its criticisms, Chapter Four analyses how the international community's implicit support for social capital creation actually

restricts social enterprises. The chapter first reviews social capital theory and outlines both the positive and negative effects of social capital. Then it provides an overview of Jordan's political economy and the strategies the regime has used to bolster security. It is within this context that international aid programmes operate and where social capital development lies. The role of these foreign actors in the Jordanian entrepreneurship ecosystem is assessed and ultimately the chapter argues that the international community contributes to the restriction of the political space in Jordan. Foreign aid for social entrepreneurship implicitly promotes a development strategy that relies on social capital, which is problematic because the utility of social capital in development is disputed. This means that international actors may be supporting a strategy that has been shown to be exclusionary, promote only the 'correct' kind of association, and perpetuate the status quo, while emphasizing the individual's responsibility to solve her/his own problems. These issues raise the question of the role of social capital in an authoritarian regime such as Jordan, where government surveillance is prevalent.

The Jordanian regime's use of administrative power and surveillance to dictate social enterprises' political space is analysed in Chapter Five. The regime uses soft power through bureaucratic obstacles during the registration process, co-optation, oversight in the form of awards, the involvement of royal NGOs, and a foreign funding control mechanism to regulate social enterprises' work. A hierarchy of social enterprises emerges from the regime's use of administrative power and establishment of permissible and restricted activities. The more closely a social enterprise is affiliated with the government, the more it is tolerated, because the government exercises more management over it. Conversely, the more independent a social enterprise is, the less it is tolerated and subjected to greater repression methods, because the government must attempt to exercise more control. The emergence of social enterprises has prompted a mixed response of both

toleration and repression from the government. Thus far, the regime's response to social enterprises has been a mix of state-led top-down control and toleration of government-affiliated (and to some degree managed) social enterprises. Therefore, the chances of social enterprises achieving their objectives without external interference and functioning as truly community-responsive organizations, rather than being beholden to the demands of the regime, are low. Most Jordanian social enterprises are ultimately extensions of the regime's neopatrimonial rule, and only very few are independent. Thus, social enterprises are very much 'on the radar' of the regime, which appears to have adapted its strategies to include greater involvement of RONGOs in its surveillance activities. This demonstrates an evolution of authoritarianism in the country.

Chapter Six examines the impact of the regime's surveillance activities on civil society and focuses specifically on the effect this has on social entrepreneurship. The chapter examines the relationship between regime surveillance, the political liberalization process, and the development or destruction of social capital. It argues that state support or involvement with social enterprises and social capital can build hierarchical associational relationships instead of social networks that lead to political empowerment. Through the structural-institutional approach taken in the chapter, it is determined that structural social capital comprises rules, regulations, and procedures that can both aid and hinder mutually beneficial collective action; according to the Putnam School this collective action can lead to democratization processes. This chapter demonstrates how the pathway from social capital development to democratization is compromised with state surveillance. When social capital is restricted and directed by a top-down process, there can be no progress in political liberalization. Such is the case in Jordan, with social enterprises repressed by regime surveillance and bureaucratic management processes.

This thesis makes three contributions to the field; first, in how social enterprises can be understood in a non-Western context, second, in the way state surveillance tactics influence social capital, and third, in how the Jordanian state's authoritarian governance appears to be evolving.

The thesis establishes that social enterprises in Jordan are not like their counterparts found in Europe or North America. Social enterprises in Jordan appear in two subcategories and are thus not homogenous; each must be understood in the particular context of the opportunities they can take and the challenges they face. Product- and service-oriented social enterprises (PSSEs), for instance, are not autonomous in the sense they should be when understood in the Western definition of social enterprises, because they rely almost entirely on external funding. This also impacts their ability for independent decision-making and programme design. Structural transformation-based social enterprises (STSEs) are financially independent but suffer from far greater state interference through regime surveillance mechanisms. Due to these issues, neither type of social enterprise in Jordan is able to function as an independent civil society actor, contrary to what the dominant literature suggests.

Further, the thesis presents a criticism of the Putnam-based social capital literature which views it as the 'building block' of democracy. The case of Jordanian social enterprises, which rely on social capital, and the state's restriction of social capital through surveillance mechanisms shows how the process of social capital leading to liberalizing political processes can be co-opted and controlled. State surveillance disrupts the process of social capital formation and development. It can direct who and what circumstances create social capital. This undermines the next step in the process, the creation of trust in government institutions, and thus prevents any progress in democratization. Economic development and civil society promotion efforts, whether

national or international, are thus futile if they support organisations such as social enterprises whose success depends on social capital formation.

Finally, the challenges social entrepreneurs face in Jordan regarding state bureaucratic and surveillance mechanisms indicates that authoritarianism in the country is not only persistent but also evolving. That the regime would employ surveillance mechanisms to control social enterprises is, considering Jordan's history, to be expected. The involvement of royal NGOs in this process through sponsorship, awards, and co-optation of social enterprises, however, is new, particularly for King Abdullah II's reign. It suggests a more direct participation of the monarchy in the surveillance apparatus which was not present before. It also shows that the monarchy, through its direct involvement, is tightening the leash it has given civil society, and is devising new realms of influence through which society can be directed, restricted, and ultimately controlled.

Ultimately, this work questions the role social enterprises can play in authoritarian realms and concludes that with the emergence of social entrepreneurship in Jordan, sectors of both civil society and the state have evolved, each countering and balancing the other. Thus, the thesis contributes not only to our understanding of civil society's creative methods to defy repression strategies but also to debates on democratization processes and regime survival tactics.

# Appendix

## Departmental Ethics Approval Letter



Shaped by the past, creating the future

18 October 2017

Dear Lilian,

**Lilian Tauber**

Please accept this letter as formal ethical approval of your project: ***'Realms of Influence: The Dynamics of Social Entrepreneurship in the Kingdom of Jordan'***.

You should print it out and keep it for your records.

Please note the following restriction:

The approval relates only to the project proposal and questions that you have submitted for approval.

If you wish to change the project, for example to widen the scope of enquiry or substantially expand the scope of the questions then you **MUST** reapply to the Ethics Committee for further approval.

If you have any questions that you want to raise concerning your approval, please contact your supervisor or Dr. Lorraine Holmes [lorraine.holmes@durham.ac.uk](mailto:lorraine.holmes@durham.ac.uk).

We wish you well with your fieldwork and your research.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Lorraine Holmes', is written over a faint circular stamp.

**Dr Lorraine Holmes**  
**Research Administrator**



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Durham University is the trading name of the University of Durham

## INFORMATION SHEET

Title of Project:

‘Realms of Influence: The Dynamics of Social Entrepreneurship in the Kingdom of Jordan’

Name of Researcher:

Lilian Tauber

Research Summary:

This research investigates social enterprises in the Hashemite Kingdom of Jordan and examines their role in Jordanian society. It seeks to discover not only how social enterprises function in the country and how they can be understood across various sectors of society, but also how this compares to the extant classical literature on entrepreneurship and the recent literature on social entrepreneurship, which may prompt a review and revision of social entrepreneurship theory. In addition, because the effectiveness of Jordanian civil society organizations has in the past been questioned, the additional question arises of whether (and if so, how) social enterprises can be more effective as agents of addressing social issues.

Funding & Ethical Considerations:

This research project is being undertaken as part of doctoral research at the University of Durham, in Durham, England. The project receives funding from the United Kingdom Economic and Social Research Council (ESRC). The research and its methods were reviewed by the Ethics Committee of the Durham University School of Government and International Affairs. The Ethics Committee granted approval on October 18<sup>th</sup>, 2017.

Your participation in this research project and any interviews are voluntary and unpaid. You are free to withdraw and end the interview at any time. Interviews will be audio-recorded with your permission, and written notes will be kept. The recordings and the notes will be stored securely and confidentially and destroyed upon completion of the interview analysis. Interview data will be accessed only by the researcher. Interview participants’ data will not be anonymised automatically prior to publication, but prior to the interview, participants have the option to choose whether their data will be: completely anonymous (stating neither name nor position); partially anonymous (stating position or organization but not stating the name); or not anonymous (identifying the name and position). There are no risks associated with participating in an interview for this research.

If you have any further questions or concerns about this study, please contact Dr Clive Jones, thesis supervisor, at [c.a.jones@durham.ac.uk](mailto:c.a.jones@durham.ac.uk).

## ملخص المشروع

اسم المشروع:  
الماهية: حركة وتأثير ريادة الأعمال في المجتمع المحلي الأردني

اسم الباحث:  
ليليان توبر

نبذة عن موضوع البحث الأكاديمي:  
يدرس هذا البحث المؤسسات الاجتماعية في المملكة الأردنية الهاشمية، ويفحص دورها في المجتمع المحلي الأردني ككل. يهدف البحث الى اكتشاف آلية عمل هذه المؤسسات وإستجابة المجتمع المحلي بمختلف قطاعاته لهذه المؤسسات. بالإضافة الى المقارنة ما بين الوصف التقليدي المعتاد عليه لريادة الأعمال من جهة ومفاهيم الريادة الاجتماعية من جهة أخرى التي يجب مراجعتها واعادة صياغتها. في ظل التساؤل عن مدى فعالية دور مؤسسات المجتمع المدني في السابق وطرق تفعيل تأثيرها الإيجابي على المجتمعات المحلية في مواجهة القضايا الاجتماعية.

تمويل البحث وإعتبراته الأخلاقية:  
يعتبر تنفيذ هذا المشروع جزء من بحث رسالة الدكتوراة في جامعة درهام في درهام إنجلترا. وهو ممول من مجلس البحث الاجتماعي والاقتصادي في المملكة المتحدة. تمت مراجعة البحث وطرقه من قبل لجنة المبادئ والأخلاقيات الاجتماعية في جامعة درهام لدراسات العلاقات الحكومية والدولية. وتم منح الموافقة بتاريخ 18 تشرين الأول 2017.

- تعتبر مشاركتك في مشروع البحث وفي المقابلات طوعية وبدون اجر.
- لك الحرية بالانسحاب وانهاء المقابلة في اي وقت.
- سيتم تسجيل المقابلة صوتيا بموافقة منك، وسيتم الاحتفاظ بملاحظات مكتوبة.
- يتم حفظ التسجيلات والملاحظات بشكل آمن وسري وبعد الانتهاء من تحليل المقابلة يتم اتلافها.
- للباحث فقط حق الوصول لبيانات المقابلة.
- بيانات المشارك في المقابلة لن تكون مجهولة تلقائيا قبل النشر، لكن قبل المقابلة للمشاركين حق اختيار ما اذا بياناتهم ستكون:
  - مجهولة بشكل كامل (عدم ذكر الاسم والمسمى الوظيفي)،
  - أو مجهولة بشكل جزئي (ذكر المسمى الوظيفي او المؤسسة مع عدم ذكر الاسم)
  - أو غير مجهولة (ذكر الاسم والمسمى الوظيفي).
- لا يوجد مخاطر عند المشاركة في مقابلة لاغراض البحث.

اذا كان لديك اي اسئلة او استفسارات متعلقة بهذه الدراسة يرجى الاتصال مع مشرف الرسالة الدكتور كليف جونز على البريد الالكتروني: c.a.jones@durham.ac.uk

## CONSENT FORM

Title of Project:

‘Realms of Influence: The Dynamics of Social Entrepreneurship in the Kingdom of Jordan’

Name of Researcher: Lilian Tauber

Please initial box

1. I confirm that I have read and understand the information sheet dated _____ for the above project.	
2. I have had the opportunity to consider the information and ask any questions.	
3. I understand that my participation is voluntary and that I am free to withdraw at any time without giving any reason.	
4. I understand that the interview will be audio recorded and that the recordings will be stored securely and destroyed on completion.	
5. I understand that my data will only be accessed by those working on the project.	
6. I understand that my data will not be anonymised automatically prior to publication, but I have the option to choose whether my data will be:	
Completely anonymous (stating neither name nor position).	
Partially anonymous (stating my position or that I work in a particular organization but not stating my name).	
Not anonymous (identifying me by name and position).	
7. I agree to the publication of verbatim quotes.	
8. I am willing to be contacted in the future regarding this project or future projects.	
9. I agree to take part in the above project.	

Name of Participant  
Name of Researcher

Signature  
Signature

Date  
Date

### نموذج الموافقة

اسم المشروع:  
الماهية: حركة وتأثير ريادة الأعمال في المجتمع المحلي الأردني

اسم الباحث: ليليان توبر

يرجى وضع إشارة في المربع

	1. أؤكد أنني قرأت وفهمت ملخص المشروع المؤرخ بتاريخ _____ للمشروع المذكور أعلاه.
	2. اطلعت على ملخص المشروع وأتاحت لي الفرصة لطرح الأسئلة.
	3. أدرك أن مشاركتي طوعية وأن لدي حرية الانسحاب في اي وقت بدون اعطاء سبب.
	4. أدرك أن المقابلة ستسجل صوتيا وأن التسجيلات ستحفظ بشكل آمن وتلتف عند الانتهاء.
	5. أدرك أن بياناتي لن يتم الوصول اليها الا من قبل الاشخاص الذين يعملون على المشروع.
	6. أدرك أن بياناتي لن تكون مجهولة تلقائيا قبل النشر، ولكن لدي حق الاختيار ما اذا بياناتي ستكون: مجهولة بشكل كامل (عدم ذكر الاسم والمسمى الوظيفي).
	مجهولة بشكل جزئي (ذكر المسمى الوظيفي او المؤسسة التي اعمل فيها مع عدم ذكر الاسم).
	غير مجهولة (ذكر الاسم والمسمى الوظيفي).
	7. أوافق على نشر تعليقاتي بدقة.
	8. لدي الاستعداد ليتم الاتصال بي في المستقبل بخصوص هذا المشروع او مشاريع مستقبلية.
	9. أوافق على المشاركة بهذا المشروع.

التاريخ

التوقيع

اسم المشارك

التاريخ

التوقيع

اسم الباحث

## Interview Questions

Although the research was based on semi-structured interviews, which do not use a rigid question-and-answer system, there are indicative questions which show the types of questions asked or the topics I addressed. There were slight differences in the questions for social entrepreneurs themselves and for persons knowledgeable about social entrepreneurship, such as local academics, government officials, and members of non-governmental organizations. Both are listed below, with labels indicating which questions are for which group of interviewees.

In order to answer the previously mentioned research questions, social entrepreneurs must first be identified. One of the most determining factors will be whether the enterprise in question has a social ‘mission’, as this is central to the idea of a social enterprise. Having determined whether the enterprise is indeed a social enterprise, the interview progresses to the first and second research questions regarding, first, the circumstances that lead to the formation of social enterprises, and second, how the social enterprises are formed, and their function and purpose. The following indicative questions will help to identify social entrepreneurs and answer the first two research questions:

### For social entrepreneurs:

Can you tell me about your motivation for forming this enterprise? What circumstances led to your decision to form the enterprise?

Why did you choose [particular social issue] and why did you decide to try to solve it with an enterprise?

Can you describe the process of forming your enterprise, from the very beginning?

### For others:

What comes to mind when I mention ‘social enterprise’?

Have you personally participated in the work of one of these enterprises, observed their work, or otherwise interacted with a social enterprise?

Why do you think people are forming social enterprises in Jordan?

Following this, the interview will seek to determine the sources of financial, material, human, and social capital, which answers the third research question. The questions related to the enterprises' sources of capital are:

For social entrepreneurs:

Financial capital: What were your initial sources of funding? Can you describe your current funding sources?

Material capital: Do you receive any materials through donations? Do you have volunteers working with you?

Human capital: Do you or other members of the enterprise have any education or training that contributed to forming the enterprise? Did you participate in a training school specifically geared towards forming an enterprise? If so, which organization ran this training school?

Social capital: Who is involved in the enterprise besides yourself? Are you connected with them through ways other than the enterprise, e.g. are they family, friends, neighbours, or simply like-minded individuals? How do you get the word out about your enterprise? How do you find suppliers and customers? Do you use the internet (e.g. social media or a website) to advertise or to make connections?

For others:

To your knowledge, what are the sources of financial capital for social enterprises?

What are the sources of material capital (donated materials or volunteers)?

What are the sources of human capital (education, training, etc)?

What are the sources of social capital (social connections that facilitate the work)?

Answering the fourth question regarding who manages the social enterprises, who the entrepreneurs themselves are, and whether they constitute one particular part of Jordanian society (e.g. students, youth, businesses), is facilitated by the question:

For social entrepreneurs:

Who makes the decisions in this enterprise? Who manages the enterprise?

For others:

Are there particular social strata that seem to be forming social enterprises more than others? If so, who are they, and why are they in particular doing this?

Questions 5, 6, and 7 regarding what, if any, laws, regulations, and/or restrictions apply to forming and upholding social enterprises in Jordan, how these laws, regulations, and/or restrictions compare to those of civil society organizations, and whether there are

any ‘unofficial’, i.e. unregistered, social enterprises will be answered with documentary research but supplemented in the interviews with the following question:

For social entrepreneurs:

Can you tell me about the laws or other regulations that you must adhere to? Do you encounter any restrictions or support legally?

For others:

Are you aware of laws or regulations that apply to social enterprises in Jordan?  
Are these laws different from laws governing businesses or NGOs?

The following interview questions supplement the questions about legal issues and explore other challenges that social enterprises in Jordan may face:

For social entrepreneurs:

Have you encountered any problems with the enterprise? If so, what are/were they? How do you deal with these problems?  
What do you perceive to be the greatest obstacles to the success of your enterprise? How could these issues be alleviated?  
What do you think are your greatest sources of support? Do you think the support you receive is adequate?

For others:

Do you think that there are obstacles that social enterprises face in Jordan? If so, what are they, and how do you think they could be alleviated?  
What do you think are the sources of support for social enterprises in Jordan?  
Are they adequate?

Answers to the following interview questions will provide further understanding of social enterprises, entrepreneurs, how they function in Jordanian society, and how they might be understood across various strata of Jordanian society:

For social entrepreneurs:

Have you had any interaction with government officials? If so, can you tell me about these interactions?  
Have you had any interaction with non-governmental organizations or inter-governmental organizations such as the United Nations, World Bank, etc? If so, can you tell me about these interactions?  
What do you feel is the difference between working in your enterprise and working in an NGO/CSO that has a similar purpose? Is there a difference?  
Do you feel that there is a relationship between the work of your enterprise and the greater civil society in Jordan? If so, what is it? If not, why not?  
What do you feel is your social enterprise’s role in Jordanian society? What do you think is the role of social enterprises in general in Jordanian society?

For others:

What do you think has been the reaction of the government to the work of social enterprises?

What do you think is the difference between social enterprises and NGOs and the services they provide?

Can you tell me about the relationship between social enterprises and civil society?

What do you think is the role of social enterprises in Jordan?

### Glossary of Social Enterprises

Name of organization	Type of Social Enterprise	Objective
Accessible Jordan	PSSE	Raises awareness about accessibility issues and advocates for changes to cities and tourism sites to make them accessible to all Jordanians
Ayadeena	PSSE	Empowers and educates underprivileged women in poverty areas through employment in cross-stitching, which allows them to earn an income from home
Be Environmental	PSSE	Develops recycling solutions for urban neighbourhoods in Jordan to reduce waste in public spaces
Creative Club	PSSE	Offers arts and science programmes to children and youth to increase their ability to compete for private-sector employment, and provides young people with constructive ways to fill their time to help them reject violence and extremism
Deserttulip Jordan/Groasis	PSSE	Restores vegetation growth and gives underprivileged families a source of food and income with 'plant boxes' requiring minimal water or attention
EnvaTechs	PSSE	Creates recycling solutions for difficult-to-recycle materials such as Styrofoam to reduce waste, and raises awareness about environmental issues
Greening the Camps	PSSE	Provides refugee communities with environmentally friendly, sustainable, and independent sources of

		nutrition and income by installing rooftop gardens and teaching refugees basic gardening skills
Ilearn Jordan	STSE	Provides at-risk children with non-traditional learning opportunities and access to 'safe spaces' where they can interact, express themselves freely, and acquire the skills, attitudes and behaviours necessary in life
Kaamen	PSSE	Identifies the untapped opportunity for profitable social impact, where the interests of a corporation meet the interests of communities, and then designs investments and programmes, making enterprises leaders and beneficiaries of social progress
Leaders of Tomorrow/For9a	STSE	Advocates for widespread and accessible free speech, human rights, social equality, and educational opportunities
Naua	PSSE/RONGO	Raises awareness about the importance of social and development issues and active volunteerism in Jordan through an online platform that provides transparent information on various organizations' impact
Ruwwad	STSE	Helps disadvantaged communities overcome marginalisation through youth activism, civic engagement and education
SahhaTech	PSSE	Develops technology-based solutions for pharmaceutical issues in Jordan, aiming to make pharmaceutical information more accessible to all citizens

Shams Community	STSE	Promotes civic awareness and inter-personal dialogue through discussion-based shared meals in which participants discuss contentious topics in a safe environment
SheFighter	PSSE	Empowers women, gives them confidence, and combats domestic violence through self-defence courses
Taqaddam	STSE	Aims to build a strong progressively minded community of Jordanians through political and social communication and citizen engagement through an online platform, debates, and public outreach activities
Teenah	PSSE	Creates jobs for Syrian refugee women in the north of Jordan through printed cloth bag manufacturing
The Orenda Tribe	PSSE	Runs art workshops for people from all ages, mainly children, that focus on empowerment, breaking barriers and developing life-skills while raising awareness on different social issues
Turjumaa	PSSE	Translates WASH (Water, Sanitation, Hygiene) related materials from English to Arabic and aims to create Arabic content in water and sanitation fields
Under My Olive Tree	STSE	Promotes social activism, volunteering, the right of education and sustainable projects in less privileged areas in Jordan
Women in Business Arabia	PSSE	Provides an online platform for Arab women to connect and share experiences, advice, and knowledge regarding their independent businesses

YARA (Youth Association for Reality and Awareness)	STSE	Raises the awareness and potential of younger generations through education, dialogue, and self-realizing projects
Zikra Initiative	STSE	Bridges gaps between rural and urban communities through ‘exchange tourism’ to ease ethnic and socio-economic friction

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Interview with '53U.' Product- and Service-Oriented Social Entrepreneur. Amman, Jordan. February, 2018.

Interview with '6V2.' Structural Transformation-based Social Entrepreneur. Amman, Jordan. February, 2018.

Interview with '73L.' Social Entrepreneurship Support Organisation. Amman, Jordan. February, 2018.

Interview with '7RD.' Social entrepreneurship support organisation. Amman, Jordan. February, 2018.

Interview with '9F1.' Product- and Service-Oriented Social Entrepreneur. Amman, Jordan. February, 2018.

Interview with 'A28.' Social Entrepreneurship Support Organisation. Amman, Jordan. February, 2018.

Interview with 'BG8.' Social entrepreneurship support organisation. Amman, Jordan. February, 2018.

Interview with 'BR1.' Product- and Service-Oriented Social Entrepreneur. Amman, Jordan. January, 2018.

Interview with 'CI5.' Structural Transformation-based Social Entrepreneur/Royal NGO. Amman, Jordan. February, 2018.

Interview with 'D45.' Product- and Service-Oriented Social Entrepreneur. February, 2018.

Interview with 'DZ6.' Product- and Service-Oriented Social Entrepreneur. Amman, Jordan. March, 2018.

Interview with 'E67.' Product- and Service-Oriented Social Entrepreneur. February, 2018.

Interview with 'E7U.' Product- and Service-Oriented Social Entrepreneur. Amman, Jordan. March, 2018.

Interview with 'FN7.' Royal NGO. Amman, Jordan. March, 2018.

Interview with 'G08.' Product- and Service-Oriented Social Entrepreneur. Amman, Jordan. February, 2018.

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