



## **Disclosure**

Economic and Social Council of Jordan prepared a study on cooperative Associations and their role in the economic empowerment of women. It is a specialized study on the cooperative sector in Jordan within the framework of the partnership between the Economic and Social Council of Jordan and the USAID Makanati Activity.

The Makanati Activity is funded by the United States Agency for International Development (USAID) and implemented by EnCompass LLC. This study is made possible by the generous support of the American people through USAID. The contents are the responsibility of the Economic and Social Council of Jordan and do not necessarily reflect the views of USAID or the United States Government.

## Introduction

The cooperative sector is one of the cornerstones of the social economy that balances the economic motive with the spirit of cooperation. Jordan began its cooperative journey in the early 1950s, and the sector expanded to all fields and regions, contributing to creating job opportunities for men and women. However, the size and contribution of the cooperative sector remains relatively modest and less than aspired.

His Majesty King Abdullah II paid special attention to cooperatives in the Economic Modernization Vision that seeks to advance the Jordanian economy and provide job opportunities, especially for youth and females, which was reflected in the women's empowerment section of the plan.

Therefore, based on the Modernization Vision and the decline in women's economic participation in the Jordanian labor market, this study was conducted to shed light on cooperative Associations in Jordan and to determine their conditions, economic activities, and ability to provide employment for males and females alike, but with a focus on women's cooperative Associations. The study also specifically aimed to assess women's cooperative Associations and their role in generating job opportunities for their female members. Finally, the study emerged with a set of challenges and recommendations based on the findings in the hope of contributing to the advancement of this sector in all aspects.

This study relied on multiple methodologies, such as a sample survey, focus group discussions, and interviews with experts and officials, in addition to reviewing the legislation regulating cooperative work in Jordan.

Like any study, this is a group effort. Therefore, I extend my sincere thanks to the researchers, experts, field researchers, and the Council employees who contributed to the study, as well as to the heads of the Associations that were studied and the Cooperative Corporation for their cooperation with the study team.

Finally, many thanks to our partners in this study, the Makanti Activity, for all their support, whether financial or technical, which made conducting this study possible.

President of the Economic and Social Council of Jordan  
Professor Dr. Musa Shteivi  
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The Economic and Social Council of Jordan, in cooperation with the USAID Makanati Activity, implemented a study entitled “Cooperative Associations and Their Role in Empowering Women Economically in Jordan.” The study was aimed at evaluating the strategic role of cooperative associations in Jordan by focusing on their role in empowering women economically, as well as finding how these cooperatives contribute to economic and social growth and their efforts to create and provide new job opportunities, in addition to identifying the challenges these cooperatives face that could limit their role in economically empowering women in Jordan.

Various research methodologies were utilized for the purposes of achieving the objectives of this study. The questionnaire – one of the tools for collecting quantitative data – was used with members of associations and their directors. The method of key informant interview was utilized with experts and stakeholders from the relevant sectors to obtain qualitative data on the subject of the study, in addition to focus group discussions, to capture more comprehensive understanding of the role played by these associations empowering women economically and to formulate the most effective recommendations for improving and developing their role in the economic empowerment of women in Jordan.

The study reached a set of results, mainly: Despite the important role played by cooperative associations in enhancing production and improving living conditions, the gender gap has become evident in the membership and management of these associations, in which males make up the majority. In addition, these associations face challenges represented by weak organizational structures, lack of experience, and ineffective use of funding.





# Findings



## Findings

The percentage of men's representation in administrative bodies reached 70.3% compared to the percentage of women's representation of 28.8%. The Governorates of Ajloun, Madaba, and Balqa had a higher percentage of women's representation in administrative bodies at 60%, 58.6%, and 56%, respectively.

The qualitative results of the study showed general weakness in the structures of cooperative associations headed by women and that 62.4% of the cooperative associations under study achieved financial profits in 2023.

The study showed that 69.8% of the sample employ one to 100 male and female Jordanian workers. Nearly one-third, or 29.6%, of the associations confirmed that they do not employ any Jordanians, while males working in cooperative Associations reached 63.6%.

Mutual benefit and agricultural associations employ mostly males at 83.3% and 75.6%, respectively. The number of associations that do not employ females at all stood at 69.6%, while only 0.2% employ more than 100 female workers.

Regarding memberships, the results showed that 66.4% have the maximum subscription limit of 30 to 70 cooperative society shares, while 9.3% of Associations hold a maximum subscription limit of 100 to 501 shares. On the other hand, the results indicated that the cooperatives under study adhere to the principles of governance. For example, 94.5% of associations adhere to annual meetings, 77.2% have their own headquarters, and 96.8% of the Associations document the minutes of meetings and commit to transparency.

Common interests constituted an important motivation for establishing cooperative associations. The study showed that common interests constituted the motivation for the establishment of 70% of agricultural cooperatives and 61.3% for tourism associations. In addition, the results confirmed that 70.8% of the total mutually beneficial cooperative associations were founded on the basis of family ties. This study also paid attention to the aspect of training and capacity building. The results found that 67.2% of the sample confirmed that they had participated in capacity building and training activities through their work in the cooperative sector. About 65.5% of the sample of individuals emphasized the importance of participating in workshops and training programs as reflecting on their abilities to operate and manage these associations effectively and efficiently, compared to 12.5% who stressed the opposite.

Mutual benefit cooperatives that include investment projects came in first at 75%, followed by agricultural associations at 70%. The associations that own investment projects stood at 76%, 75.9%, and 75% in the Governorates of Balqa, Madaba, and Mafraq, respectively. Women associations own investment projects stood at a high of 66.5%, while the housing and tourism cooperatives owning investment projects constituted a low of 37.5% and 51.6%, respectively. In addition, more than half of the women's associations under study, or 66.1%, confirmed that they had received a grant more than once, and 54.8% from non-bank financial institutions.

In the context of this study's objective to identify the role that cooperative associations play in the economic empowerment of women in Jordan, 96.8% of the sample members of women's associations confirmed that their associations may contribute to providing job opportunities for women. The results indicated that 72.6% of the women's cooperatives under study are "active" associations during the data collection process, compared to 22.6% that are struggling, while 4.8% of all these associations are not functional. n.

The legal review of regulations related to cooperatives confirmed that the basic legislation governing the establishment of the Jordan Cooperative Corporation and its work was issued in 1997, and that fundamental amendments must be made to its texts and provisions to strengthen the role of the Corporation in carrying out its desired work and the principles of responsibility and good governance in public administration.

The current law for cooperatives does not give the founders the right to object to the decision that rejects the application to register a cooperative society as in other comparative laws, such as the system of cooperative associations is devoid of provisions regulating the work of the management committee, except the legal provision that forbids membership in both the monitoring and the management committee. The bylaws do not include provisions related to the tenure of the monitoring committee, its functions for the purposes of monitoring the conduct of the association's work, its legal powers, or the extent of the legal obligation on the management committee to cooperate and coordinate with the monitoring committee.

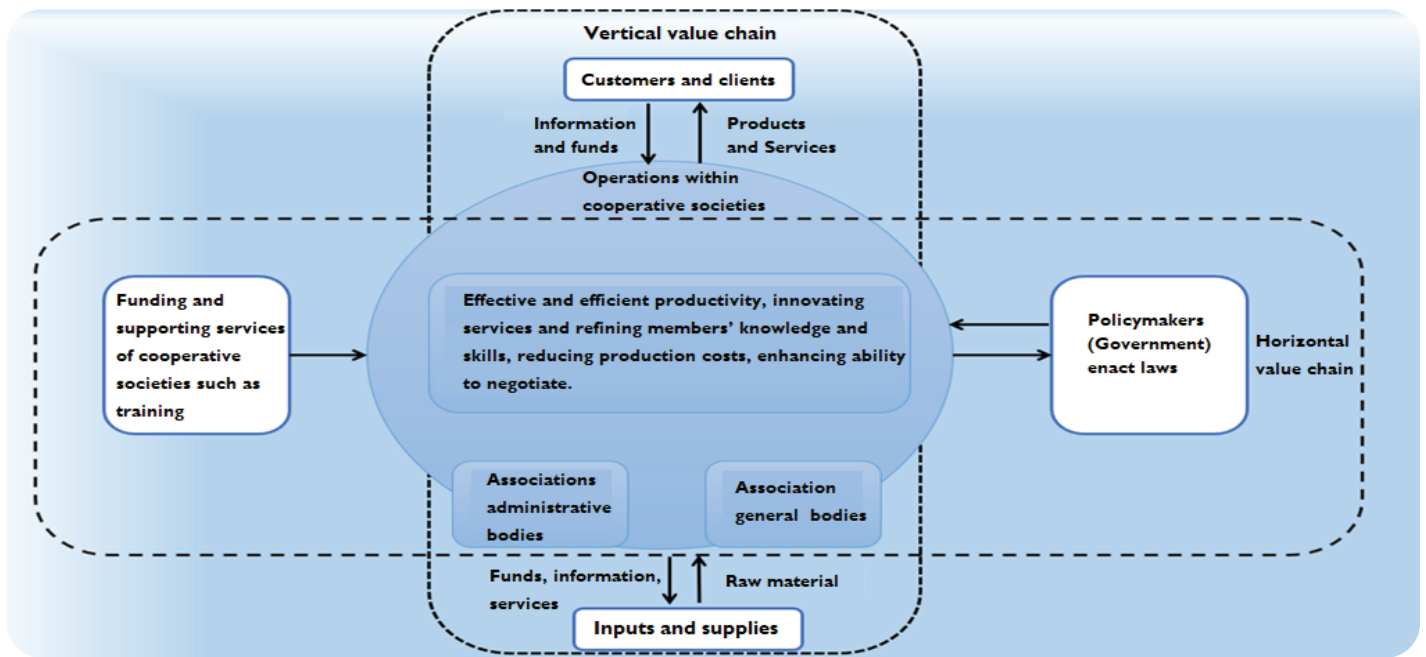
The current Cooperative Law provides the director general of the Jordan Cooperative Corporation the exclusive right to liquidate a cooperative society without the general assembly members of that cooperative association. As applicable in comparative laws, society members should have the right to vote on dissolving their cooperative in an extraordinary meeting if certain reasons are available, mainly the completion of the work for which the cooperative was established to achieve, if it became impossible for the association to carry out its assigned tasks and activities, or if its financial debts increased by a certain percentage of its capital.

The independence of the national body responsible for cooperative associations and unions has been in place since 1968 with the establishment of the Cooperative Association, which was replaced by the Jordan Cooperative Corporation in 1997. Therefore, maintaining and developing this independent body constitutes a continuation of the legislative approach applied in Jordan for decades.

What reinforces the legal opinion to maintain the Jordan Cooperative Corporation as an independent official institution is that it is headed by the Prime Minister or any other minister acting on his behalf for this purpose, as well as the fact that its membership includes a number of general secretaries and directors of relevant government institutions in addition to representatives of cooperative associations.

Accordingly, the study generally showed that Jordanian women's cooperative associations do not operate within clear and fixed value chains and they need greater evaluation and assistance in this aspect. The following diagram shows the best model of value chains for the operation of the cooperative sector in Jordan, its role in empowering women economically, and the need for associations to adopt it.





Value chains for the work of the cooperative sector in Jordan and its role in the economic empowerment of women

By adopting value chains, cooperative Associations in Jordan would contribute to achieving the following:

- Operational efficiency: Through a precise understanding of each stage in the value chain, these associations could improve their operations and manage resources more effectively; thus, reducing waste and maximizing the use of available resources. This directly reflects the general efficiency of the association and increases its ability to achieve its goals.
- Productivity increase: When every link in the value chain is well managed, the production process becomes smoother and more effective. This leads to improving the quality of the products or services provided and contributes to increasing productivity, which enhances the status of these associations in the market.
- Continuity ensured: Adaptability and continuity are vital elements in the changing business world. Clear value chains provide women's cooperatives with a framework that helps them anticipate future challenges and in planning to face them effectively, which supports the long-term sustainability of these cooperatives.
- Women's economic empowerment: This is perhaps the most important aspect. Women's cooperatives that manage effective value chains provide women with economic opportunities that are not limited to generating income, but extend to capacity building, skills development, and enhancing self-confidence, all of which contribute to enhancing the role of women in the Jordanian economy and society.

Therefore, adopting clear and robust value chains not only increases the effectiveness of women's cooperatives and improves their outputs, but it also provides a powerful tool for achieving the economic empowerment of women, which, in turn, contributes to achieving sustainable and comprehensive development.





# Recommendations



## Recommendations

Based on these findings, the study makes the following recommendations:

### I. Restructuring cooperative association through:

- Shifting toward the principles of collective cooperation: The shift from the individual approach to the collective approach is considered the basis for enhancing the sustainability of cooperative Associations. Organizational structures must be based on the principles of cooperation and participation, ensuring a fair distribution of resources and responsibilities.
- Enhancing transparency and accountability: It is necessary to adopt governance systems that ensure the transparency of operations and decisions within the cooperatives. Clear accountability policies must be implemented that allow all members to access information and participate in decision-making.
- Building trust among members: Creating a cooperative environment based on trust is a vital element for the success of any cooperative sector. Effective communication and mutual support must also be encouraged among members, which contributes to building strong relationships that enhance harmony and cooperation.
- Achieving sustainable development goals: By strengthening the cooperative model, cooperative Associations can contribute more effectively to achieving sustainable development goals. This includes supporting the local economy, improving food security, conserving environmental resources, and promoting social justice by providing equal opportunities for all members.

### 2. Enhancing capabilities and developing training programs through:

- Strengthening the cooperative culture: Cooperative Associations need to establish a culture of cooperation among their members to ensure effective and fruitful participation. Training programs must include awareness of the principles of cooperation, the importance of joint action, and how to achieve common goals through cooperation and mutual understanding. Training and awareness programs should be implemented for members about the importance of good governance and its role in the success of cooperative Associations. Providing the necessary support and resources to enhance the capacities of members in the areas of governance and management will contribute to raising the standard of management and transparency across the Associations.
- Developing administrative and organizational capabilities: It is necessary to provide appropriate training that covers various aspects of management and organization within cooperative Associations. Such training should include leadership skills, project management, accounting and finance, as well as strategic management and planning. Developing the skills of members and staff in the areas of innovation, marketing, and technology is vital to enhancing the internal capabilities of cooperatives.
- Continuous training programs: To ensure continuous updating of knowledge and skills, training programs must be periodic and depend on the latest updates in the areas of management and organization. This ensures that members maintain their competence and ability to keep pace with rapid market and social changes.

- **Enhancing practical skills:** In addition to theoretical knowledge, training programs must include practical workshops that allow members to apply what they have learned in simulated environments or real projects. This helps consolidate information and improve practical application skills.
- **Evaluation and follow-up:** It is important to conduct regular evaluations of the effectiveness of training programs to ensure that they meet the changing needs of members and cooperatives. Training materials must be updated based on the results of evaluations and feedback from participants.

### **3. Targeted financing and improving governance through:**

- **Conducting feasibility studies:** Carrying out detailed feasibility studies is the basis for evaluating the effectiveness of proposed projects and ensuring that financial resources are used in a way that serves the objectives of cooperative Associations. These studies help identify opportunities and challenges and provide accurate data that contribute to making informed investment decisions.
- **Providing appropriate financing:** It is necessary to develop flexible financing mechanisms that suit the needs of cooperative Associations, including long-term loans, support grants, and financing projects with high social and economic returns. Funding must be directed toward projects that enhance the sustainability and growth of cooperatives.
- **Improving governance:** Strengthening governance systems within cooperative Associations is a critical element for increasing transparency and accountability. Clear management and control standards must be applied, including periodic financial reports, regular reviews, and evaluation of management performance to ensure effectiveness and the Associations' commitment to the highest standards of integrity and professionalism.

- **Enhancing women's participation:** Achieving gender equality in the administrative structures of cooperative association is an important step toward the full utilization of human capabilities. Policies must be developed to encourage and support the participation of women in leadership and decision-making positions, ensuring their equal and effective representation.

### **4. Developing marketing strategies and stimulating innovation through:**

- **Creating new products and services:** To enhance competitiveness among cooperative Associations, it is essential to invest in research and development to create and improve products and services, focusing on innovations that meet the changing needs of the market and providing added value to customers. This includes the use of modern technology and advanced techniques to improve quality and efficiency.
- **Improving marketing strategies:** Developing and implementing effective marketing strategies is the basis for increasing brand awareness and expanding access to new markets. Digital and traditional marketing channels should be used in a balanced way to target different audiences. Emphasis must also be placed on social and environmental marketing to boost the image of cooperatives as being socially and environmentally responsible institutions.
- **Exploring new opportunities:** Cooperative Associations should be distinguished by their entrepreneurial spirit in exploring new markets and untapped business opportunities. This includes geographical expansion and entry into new market sectors where cooperatives could provide unique value. Also, focusing on innovations that meet new consumer trends could enhance their status and facilitate their economic growth.



## **5. Building strategic partnerships and developing innovative business models through:**

- Strengthening partnerships with the private sector: Building strategic relationships with the private sector can provide cooperative Associations with valuable resources and expertise that contribute to improving capabilities and innovation. These partnerships could include knowledge exchange, technological support, and access to new markets, helping cooperatives expand their business and increase their economic and social impact.
- Developing effective business models: Modernization and innovation of business models are essential to preserve the sustainability and growth of cooperative Associations. New business models that take advantage of modern technologies and rely on market data should be explored to improve operations and provide added value to members and customers.
- Improving value chains: Review and improvement of the value chain within cooperatives can increase the efficiency of production and distribution. Focus should be placed on reducing waste, promoting sustainable production, and finding ways to collaborate with suppliers who share the same values and goals, which enhances the overall effectiveness of the Associations.
- Investing in technology: Investing in modern technology can enhance the capabilities of cooperative Associations in various departments from production to marketing. Using digital systems and artificial intelligence to analyze data can help make more effective decisions and allocate resources more efficiently.

- Developing community and international partnerships: Expanding the international network of partnerships could provide opportunities for mutual learning and development. Cooperation with international cooperatives and non-governmental organizations could enhance the resources of the Associations and open new horizons for growth and social impact.

## **6. Proposed recommendations on the legal framework regulating the work of cooperative association:**

- Reviewing the current Cooperative Law to include clear texts about establishing cooperative Associations and how to manage them, and not to suffice with referring to a special bylaw issued for this purpose. Achieving legislative stability in the cooperative sector necessarily requires that the texts regulating the establishment and management of cooperative Associations be stipulated in positive law, and that referral be made to a special bylaw to organize the procedural issues related to the registration and management processes.
- Reconsidering the composition of the Board of Directors of the Jordan Cooperative Corporation in favor of appointing its own president to prevent dual representation from some ministries, expanding the representation of cooperative Associations and unions on the Board of Directors, and determining a certain representation of women from this sector in Board membership.
- Establishing technical, financial, and administrative units and apparatuses to support the Cooperative Corporation to enable it to carry out its assigned tasks, such as a cooperative bank, cooperative institute, and an accounts control department.

- Expanding the powers of the Board of Directors of the Jordan Cooperative Corporation to include working to develop its sources of income, approving the contracts and agreements to which the Corporation is a party, proposing draft laws and regulations related to the cooperative sector, evaluating the performance of Associations and their activities in coordination with the relevant governmental and administrative agencies, and issuing an annual report on the conditions of cooperative Associations and unions in the Kingdom.
- Determining the legal responsibility of the Director General before the Board of Directors of the Jordan Cooperative Corporation and obliging him to submit periodic progress reports on work of the Corporation. And limit the contribution of Jordan Cooperative Corporation Director General's membership in the Board of Directors to be invited to participate in Board meetings for discussions but without the right to vote.
- Reviewing the authority assigned to the Director General to amend the bylaws of cooperative association and their merger in favor of making the request for amendment or merger legally accepted if the time period specified in the law has expired.
- Expanding the financial resources of the Cooperative Corporation to include explicitly accepting donations and investing the Corporation's funds, as well as the funds of cooperative Associations and unions whose legal personality expires without the presence of individuals or entities to whom its funds may be transferred.
- Accelerating the issuance of instructions to implement the provisions of the Cooperative Association Law No. 1 of 2023, which was endorsed by the Board of Directors of the Jordan Cooperative Corporation for the purpose of determining the types of association being registered.
- Issuing a special system for liquidating cooperative association that is similar to the liquidation of commercial companies in order to protect the rights of shareholders in cooperative Associations and all their creditors and debtors.





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