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'Supporting entrepreneurship key to growth in Jordan, Arab world'

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AMMAN - In Jordan and the rest of the Arab world, where the majority of jobs are currently provided by government agencies and mega-companies, there is a "serious" need for placing heavy emphasis on supporting entrepreneurship, according to experts.

Empowering entrepreneurs is key to creating jobs in Jordan and the rest of the Arab world, where around 100 million new jobs will need to be created over the next 20 years to keep pace with the growing population, said Usama Fayyad, executive chairman of the venture capital fund Oasis 500.

"Jobs in government and mega-companies are not sustainable. It is the entrepreneurs who can make a difference in today's world. Supporting an entrepreneur who succeeds in creating a company that has a potential to grow is better than creating 100 jobs," he said.

Entrepreneurs in Jordan, where most of the population is under the age of 25, can contribute significantly to the economy's growth if provided with support, added Fayyad, a former chief data officer at Yahoo! and executive vice president of Research and Strategic Data Solutions.

"Entrepreneurship is based on the provision of services and needs skilled manpower, and Jordan is distinguished in both. There are no resources such as water and energy in Jordan, so supporting its main resource, human beings, is a successful investment to support the country," he pointed out.

Farhan Kalaldeh, executive director of the Queen Rania Centre for Entrepreneurship, agreed.

The region is going through difficult economic times due to the inability of the private and public sectors to absorb the hundreds of thousands of new university graduates in different majors, which makes entrepreneurship a necessity, not an option, he said.

More than 90 per cent of new jobs created are through start-up companies established within the past five years, Kalaldeh stressed, adding that entrepreneurs not only create new jobs but also open new markets for the country.

Entrepreneurship in Jordan and in the rest of the Arab states faces many obstacles before it can reach its potential as an engine for prosperity, Fayyad said.

Arab society in general and Jordan in particular lack what he called a culture of entrepreneurship, holding back potential entrepreneurs who need finance and mentoring to grow.

"Awareness of the importance of entrepreneurs in supporting the economy is insufficient and this issue can be addressed by showing successful examples of entrepreneurs who made it big and established companies," the venture capitalist added.

"Entrepreneurs need support and most importantly finance at an early stage so they can start, but the problem is that there is a shortage of courageous investors who are willing to invest in such start-ups at an early stage," he said.

"Support for entrepreneurs usually comes only at a late stage, when they are already successful or about to be, and this is not right. Even banks do not take start-ups seriously and extend credit to them."

Fayyad, who has invested in several companies and start-ups in the Silicon Valley in the US, said Jordan is home to innovative and talented entrepreneurs who need support to grow and compete.

"In Jordan, the potential is huge for turning entrepreneurial ideas into successful projects, but there is a need to change society's view of entrepreneurs and institutionalise support for them at all levels," he emphasised.

In addition, he pointed out, the shortage of well established start-ups in the Arab world prevents the region from benefiting from funding and support from international organisations.

In Jordan, there are currently more than 10 entities that support entrepreneurs, but more and better support is needed, said Kalaldeh, agreeing with Fayyad that the main challenge for entrepreneurs is in securing early-stage financing.