

A Gender Perspective on Measuring Asset Ownership for Sustainable Development in Jordan

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1. Introduction

Achieving gender equality for women's economic empowerment and sustainable progress requires measures to compensate for existing disadvantages that prevent equal opportunities. This paper identifies several areas where women are at a disadvantage. These key areas include: equitable access to resources and opportunities for both women and men. This paper is an attempt to shed light on these key areas and to identify how the gender gap in access to assets including land, financing, and other inputs.

2. Why is gender equitable access to resources, including land, financial resources, important for women's economic empowerment?

Women constitute not only an important demographic workforce, but are also the youth that represent the next generation. Therefore, their well-being has implications not only for their own lives, but also for society at large. Their ability to play this role effectively depends on how far society supports their development. Women's contribution to economic development is well documented. Yet there exist several barriers to optimizing women's economic potential. These barriers include cultural, religious, traditional, and legal discrimination—amongst other. In a male dominated society, women have always been underestimated and discriminated in all spheres of life. Moreover, the traditional duties of managing households create hindrances in women's social and economic empowerment.

Women empowerment is a crucial challenge which calls for constant review of policies, re-assessment of priorities, commitment of adequate financial resources, and effective program implementation. Over time, the Jordanian Government and Non-Governmental organizations have worked to promote women empowerment. These efforts started with major revisions to the Personal Status Law in 2012 that affected women's family and personal rights, such as introducing new grounds for divorce and improving services related to alimony and child support payments. Other notable reforms include women's control over economic assets—inheritance in particular; increasing women's political participation through quotas in parliament and local councils; and addressing domestic violence. However, implementation of laws and regulations is often problematic in Jordan, especially when they conflict with social norms. According to The World Bank's World Development Report (WDR) 2012, productivity could increase by as much as 25 per cent in some countries through the removal of discriminatory barriers such as access to finance and property laws.

3. Women's access to financing

Access to finance can be broadly defined as access to financial products (e.g. deposits and loans) and services (e.g. insurance and equity products) at a reasonable cost.

3.1. Women's access to formal financing

In Jordan, there are almost two million women and over two million men between the ages of 15 and 64 years old. Together, they accounted for 61.3% of Jordan's total population. Despite the percentage of working age women, women's labor force participation rates are very low. In 2015, only 13.3% of working age women participated in the country's labor force, while 60% of men did. Also in 2015, the unemployment rates for women and men were 22.5% and 11%, respectively. When women's labor is underused or misallocated due to discrimination in markets or societal institutions that prevents women from completing their education, entering certain occupations results in economic losses. Aggregate data from Jordan's Department of Statistics confirms the widely held perception of a pay gap between employed men and women of 10 percent and represents the difference between the average monthly earnings of employed women and men. According to the 2012 World Development Report, eliminating barriers that prevent women from working in certain occupations or sectors would reduce the productivity gap between male and female workers by one-third to one-half, and increase output per worker from 3 to 25 percent.

These facts probably affect women's needs and expectations in terms of funding for entrepreneurship since certain women will indeed engage in small income-generating activities to compensate for their exclusion from the labor market. As a result, women will look for a source of funding to start-up their own businesses with limited capital from formal financial sources such as commercial banks. Evidence from data obtained from Jordan's Central Bank¹ in 2015 shows that women's access to formal financing (commercial banks) compared to men's access is very low. Men have over four times greater access to credit compared to women though women's deposits constitute 33 percent of the total aggregate deposits. Additionally, the mean value of men's loans is greater than the mean value of women's loans by eighteen percent. Likewise, the data show that the monetary share of women's loans did not exceed 17.2% while men's was 82.8%.

The data for year 2015 also reveals that the mean value of men's deposits is higher than the mean value of women's deposits by 33%. Similarly, the data shows that the monetary share of women's deposit was 27.3% compared to 72.7% for men. On the other hand, the data shows that one out of five debit/ATM cards holders were women.

These findings resonate with the findings of the United Nations Center for Human Settlements (UNCHS) report 2009, which states that globally, nearly 75% of women cannot get formal bank loans because they lack permanent employment and land or housing titles that they can offer as collateral, or because the laws of their countries classify them as minors i.e. not eligible to make legal transactions

Women's ability to obtain formal financing is impacted by traditional property arrangements (see section 5 for more elaboration). Although women are legally allowed to own property, in practice, their husbands may own the household property titles. As a result, women often do not have the collateral that is necessary to access commercial loans. This results in low debt financing ratios for women.

Lending bank practices represent non-legal institutional barriers. Although bankers argue that their credit policies are gender neutral, Jordanian business women claim that their male counterparts receive more favorable treatment. For instance, men can apply for financing through lower collateral for

¹ Central Bank of Jordan (CBJ) is the main source of monetary data obtained from commercial banks that function in Jordan

similar loan amounts and they do not require spousal guarantee. On the other hand, women need their husbands' guarantee. Women business owners also claim that men have more favorable responses to new business ideas. The lack of a private credit bureau is also problematic for loan approvals, meaning that the cultural or social disposition of loan officers may have a greater influence on decisions.

Additionally, more than half of employed and independent female workers in Jordan are in the service sector, where banks have difficulty quantifying output as there are no physical assets, such as machinery, to serve as a basis for loan assessment. Therefore, women are at a disadvantage, as they are disproportionately employed in the service sector where capitalization is lower and output is often intangible.

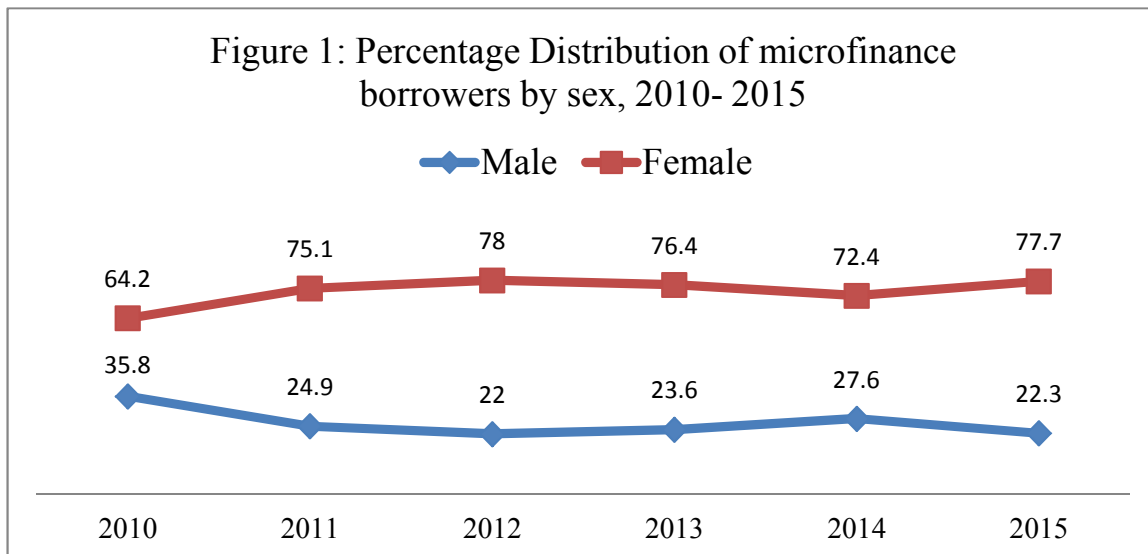
3.2. Women's access to Microfinance

Microcredit is the provision of lending to low-income clients who traditionally lack access to formal finance and related services. Microcredit is considered a tool through which low-income people who are excluded from the traditional banking sector may get access to financial resources necessary to start and develop revenue-generating activities.

In Jordan, the only institution that specifically targets women when offering micro-credits is the Micro-Fund for Women (MFW). Other private funds like the small credit scheme of the Jordanian Hashemite Fund for Human Development (JOHUD) and the Ahli Micro-financing Company have a significant number of female clients. Similarly, two of the major government institutions providing microcredits are the Agricultural Credit Corporation and the Development and Employment Fund, which had 34% and 71% of female borrowers, respectively (data for year 2015).

The percentage of women reached by microfinance institutions is shown in figure 1. Figure 1 shows how this percentage has grown exponentially from 64.2% in 2010 to nearly 78% in 2015 an increase of 14 percentage points. On the other hand, data for year 2015 reveals that the percentage of men reached by microfinance institutions did not exceed 22%.

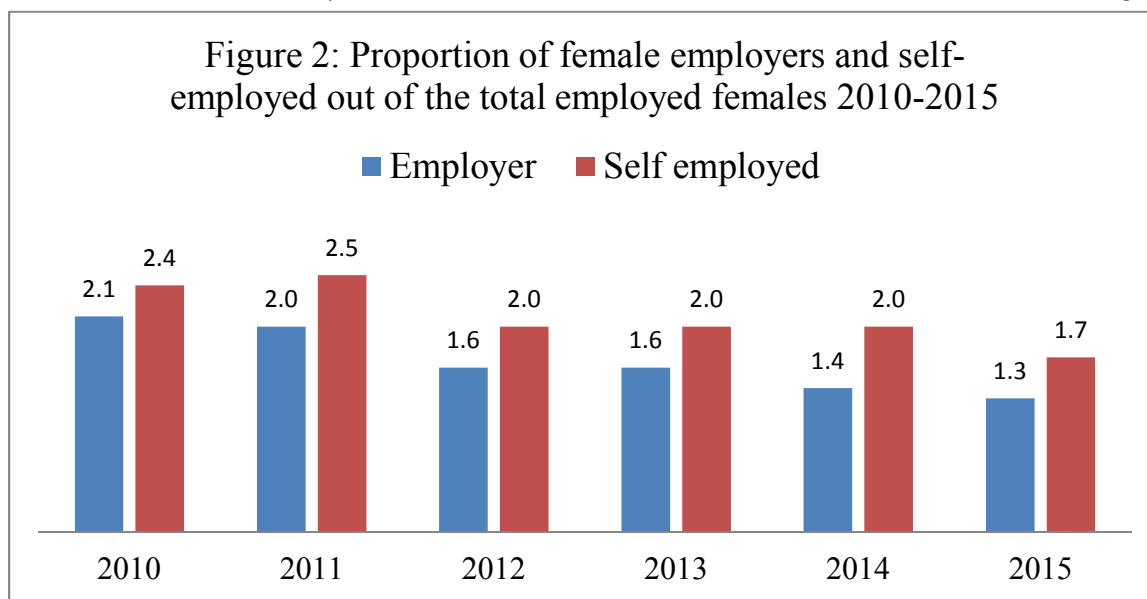
The data for year 2015 also shows that fourteen out of one thousand women in the working age group (i.e. 15-64 years old) have a microfinance loan; while for men in the same age working group this



proportion was four out of one thousand. The exponential growth in the percentage of women reached by microfinance institutions is largely due to microfinance programs lending primarily to women; leading to microfinance gaining ground in the last decade. In a country like Jordan, some even consider microfinance as a major tool for starting and consolidating income-generating activities in a country.

Interestingly, data obtained from the Gender database at the Department of Statistics in Jordan for year 2015 shows that the mean value of microfinance loans provided to women loan was three times higher than the mean value for men's; while the monetary share of women's microfinance loans was 48.5% compared to 51.5% for men. Though these results do not directly imply that women's access to these loans had an effect on economic empowerment by providing them with employment opportunities. Findings from labor force surveys for years 2010 through 2015 indicate that the percentage of women as employer and self-employer- is still very modest (Figure 2).

Questions have been raised on the impact of microfinance provided to women. Some people argue that women's high repayment levels do not necessarily imply that women have used the loan in themselves. Men may take these loans from women or women may choose to invest the loans in men's activities. Others argue that while there may not be automatic female empowerment benefits, the fact that women are more likely to share their loans with male members of the household strengthens the



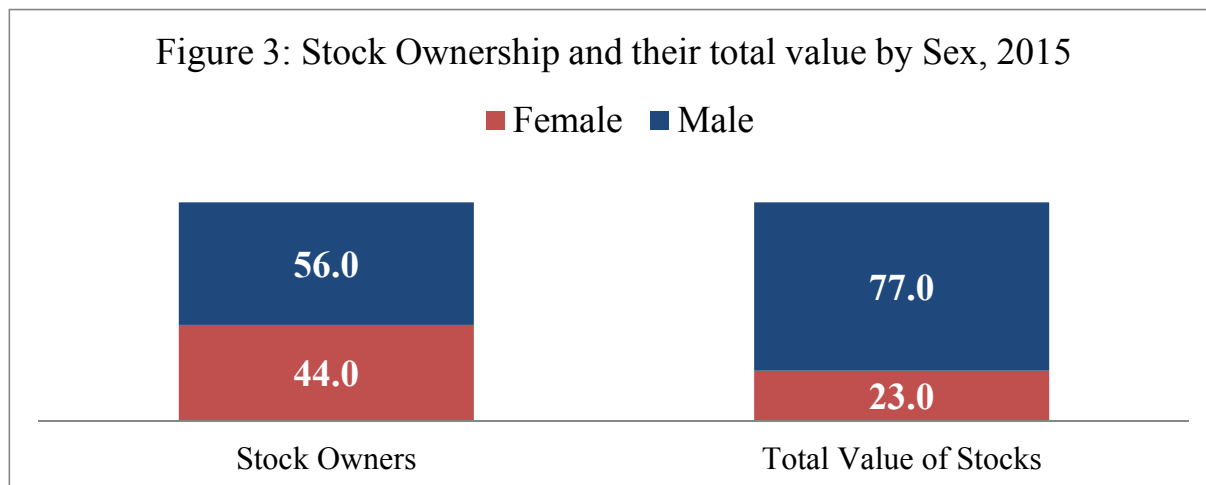
arguments favoring female lending, as the entire family is more likely to benefit economically, and women are more likely to benefit personally and socially (Kabeer, 2000).

4. Women and Stock ownership

The number of individuals that own stocks and shares has been growing to incorporate a larger social spectrum, including the less wealthy, lawyers, professional men, skilled workers and women.

Women have become more important in terms of the number of shareholders and the value of holdings thus comprising a growing proportion of shareholders. Data obtained from the Jordan Securities Commission² for year 2015 displayed in figure 3 shows that 44% of stock owners are women. Nevertheless, the total value of women’s stocks did not exceed 23% of the total value of the stocks.

5. Access to land and housing



As highlighted in the WDR 2012, economic growth can improve the material conditions for women, through higher incomes, greater access to services and expanded infrastructure. Earning and controlling their own assets increases women’s bargaining power within the household and their ability to accumulate autonomous assets. But restrictions on female earning and lack of control over their own incomes and economic assets undermine their progress. Despite some improvement, women continue to control fewer key economic assets than man. These assets include, incomes, land, bequests, pensions and marital assets.

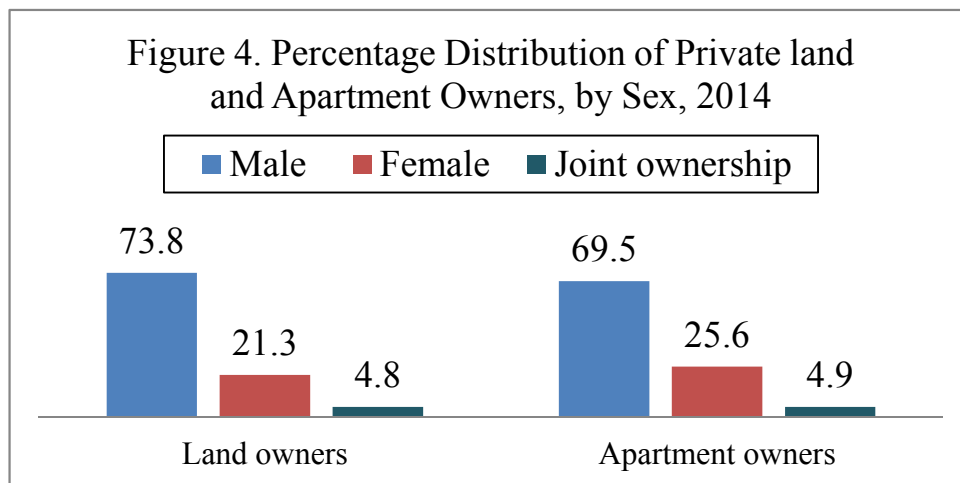
In the Jordanian context, Low labor force participation of women and obstacles to economic assets, such as land and inheritance, may imply less access to economic assets for them than for men. Thus women end up being more reliant on the assets that are obtained by men, and their husbands in particular. This reliance on men becomes even more relevant given the low participation of married women in the labor market; labor force participation of married women in Jordan in 2015 was 12%, which is much lower than the 18% of single women, and the 5% of divorced and widowed women. In the case of divorce, apart from dowries and alimony payment women may end-up with very few of the assets they accumulated throughout their marriage.

² The Jordan Securities Commission (JSC) was established in 1997 as a public institution with financial and administrative autonomy to regulate, monitor, and supervise the business operations of the [Amman Stock Exchange](#)

The percentage of female land-owners and the amount of land owned by women remain low even though there are no legal restrictions on the ownership, purchase or sale of land by women³. Women also have equal rights in registering land both as individuals, and jointly through marriage (Figure 4).

This is likely a result of several factors⁴. The first one is related to the transfer of land through inheritance. Shares of inheritance are determined by the *Personal Status Code*, which is based on Sharia principles and is administered to both Muslims and Christians. In some instances, female inheritors receive less shares than their male relatives. Property acquired during marriage is not treated as jointly-owned or common property by the law; instead, it belongs solely to the person that is registered with the land registry. Registering the land jointly as a married couple would allow women to automatically retain ownership of their portion of the property, and they would be entitled to inherit further shares of the property from their husbands’ portions of land. Yet, despite the fact that there are no legal restrictions on joint ownership of assets, such arrangements are the exception. For example, land obtained during or prior to marriage can be jointly registered to both spouses, but this is not the norm. Only 5% of the land and 5% of the apartment units have joint ownership titles. Joint titles would increase the amount of land that a wife can inherit in case of death of a husband, or to obtain ownership in case of divorce. Joint ownership could also potentially increase women’s access to credit by providing them with the required collateral. For Muslim women, stipulations could be made in marriage contracts that provide a more equitable dissolution of assets.

Interestingly, market research performed by Women’s World Banking (WWB) found that even where women have the right to property title, other subjects such as the high cost of property registration may result in fewer women transferring property under their names. The high cost of registration “title” makes it difficult to change property ownership from the husband or father- in- law even years after the male relative passed away.



Additionally, social norms further diminish women’s access to land by favoring male inheritance and providing disincentives for women to purchase land. It is not uncommon for female recipients to abandon their inheritance rights in favor of male relatives—in the face of social pressure—a process

³ Source: Jordan Department of Land and Survey

⁴ 2012 World Bank Country Gender Assessment for Jordan

known as takharoj.⁵ The often elaborated justification for the inequality of legal rights and social norms is that men are traditionally expected to provide financial support for their families, and thus have a greater need for receiving economic assets through inheritance. For instance, in Jordan once women marry the ownership and control of their assets usually get transferred to their husbands. Families therefore tend to avoid female ownership of family land titles, as they try to prevent losing their wealth to another family once a woman marries.

Legal and social restrictions on land inheritance have particularly adverse effects on poor women, since often in poorer, rural areas the primary way in which wealth is transferred is through land inheritance. Moreover, the acquisition of land by single or married women is viewed as outside the usual social norms, which is not the case for single or married men, as is the registration of wives as joint-owners of property of their husbands. Likewise, given the customary patrilineal inheritance systems, where property is transferred to and through male members of the family, women offend up performing unpaid family work on family farms or agriculture.. For instance, women account for only 5% of agriculture holders in Jordan⁶, though the number of large (100 dunm and above) agricultural area owned by men is twice as large that of female holders.⁷

On the other hand, the 2012 Jordan population and health (DHS) survey revealed that married women ownership of house and land titles increases with age and wealth. Urban married women and those from the non-Badia area or living in areas out of refugee camps are more likely to own a house than are rural married women. In contrast, married women living out of refugee camps are more likely to own land than are married women living inside refugee camps. Women with higher education are also more likely to own either land or house titles. Moreover, the data obtained from the Household Income and Expenditure survey show that the share of assets and land owned by women are positively associated with higher food expenditures. According to the FAO, women make up about 43 percent of the agricultural labour force in developing countries. If these women had the same access to productive resources as men, they could increase yields on their farms by 20 to 30 percent, raising total agricultural output in developing countries by 2.5 to 4 percent. For rural women and men, land is the most important asset to support production and provide for food, nutrition and income security.

6. Conclusions

Are microfinance programmes enablingg women empowerment by increasing access to credit and financial services? While attractive statistics presented in this paper are twisted, certain critical questions remain. One pretains to access to resources and financing, and the other is related to the control over these resources and financing – the latter being critical for true women empowerment, as well as continuous poverty alleviation. Results displayed in the table below raise questions about what checks are in place to ensure that women who have access to credit actually have control over the use of these funds. As Feiner and Barker (2007) noted, “The evidence of the effects of microcredit on women empowerment is ambiguous. Access to credit is not the sole determinant of women empowerment and autonomy. Credit may, for example, increase women labor market partitipation and unpaid household labor. It may also increase conflict within the household if men, rather than women, control how the money that comes from loans is used.

⁵ 2012 World Bank Country Gender Assessment for Jordan

⁶ 2007 Agriculture Census

⁷ 1 dunm equals 1000 square meter.

There are many examples of how the final users of credit microcredit tend to be men, and women are proxy recipients—rather than something else, unless, there is a significant change in perception of women about their rights and privileges vis-a-vis compared to those of men in the household, Thus, microcredit and financial services only provide a veneer of empowerment and do not acutally empower women.

Table 1: Assets and Liabilities for Microcredit Provided to Women	
Assets	Liabilities
<ul style="list-style-type: none"> • Some automatic empowerment by being a part of the microfinance platform • Few asset ownership for women within the household • Cash obtained as loans is used for consumption and/or production 	<ul style="list-style-type: none"> • Increased liabilities • Increased financial pressure for repayment, including obligations and responsibilities