DEVELOPING APPS, DEVELOPING JORDAN?
ICT STARTUP ENTREPRENEURS AS SUBJECTS OF INTERNATIONAL
DEVELOPMENT IN AMMAN’S ‘SILICON WADI.’

A thesis
submitted to the Faculty of the
Graduate School of Arts and Sciences
of Georgetown University
in partial fulfillment of the requirements for the
degree of
Master of Arts
in Arab Studies

By
Alexandra Robehmed, B.Sc.

Washington, DC
August 31, 2015
DEVELOPING APPS, DEVELOPING JORDAN?
ICT STARTUP ENTREPRENEURS AS SUBJECTS OF INTERNATIONAL DEVELOPMENT IN AMMAN’S ‘SILICON WADI.’

Alexandra Robehmed, B.Sc.

Thesis Advisor: Fida J. Adely, Ph.D.

ABSTRACT

Entrepreneurship has become a buzzword in international development, but what does it mean to be a tech entrepreneur in a developing country? This thesis argues that entrepreneurs occupy complex positions, both criticizing and supporting development interventions, using Jordan’s information and communications technology (ICT) startup ecosystem as a case study.

ICT startup entrepreneurs are central figures in development narratives in Jordan, embodying ideals of private sector growth, neoliberal individualism, and the knowledge society, in an economic context of high youth unemployment and a diminished public sector following structural adjustment policies. International development organizations support ICT startup entrepreneurs in Jordan through access to finance and educational initiatives. This thesis makes two key arguments: first, that ICT entrepreneurs criticize development interventions as changing funding and labor markets, distorting the free market that entrepreneurship is supposed to epitomize. Second, that entrepreneurs internalize the logics of development. As critics of development such as Arturo Escobar and James Ferguson note, it is through development that the subjects of development realize that they are underdeveloped. However, Jordan’s ICT startup entrepreneurs identify others as being underdeveloped, while they themselves have taken on developed subjectivities, having adopted practices, ideas, and attitudes prevalent in the paragon of ICT startup entrepreneurship, California’s Silicon Valley. I suggest that ICT entrepreneurship may be part of the construction and distinction of middle class identity. I conclude by recommending that Jordan look not to Silicon Valley as a model, but to more closely comparable ICT startup ecosystems.

The findings presented are based on three months of ethnographic fieldwork in Amman in the summer of 2014, including 46 interviews conducted with startup founders, investors and development professionals. This study contributes to an under-examined area of anthropological research on development and entrepreneurship in the Middle East, and is one of the first to focus on ICT startups.
ACKNOWLEDGEMENTS

While the idea for this project began several years ago, the research, writing, and final product could not have been possible without the help and guidance of many people.

First and foremost my thanks go to those in Amman’s ICT startup ecosystem in the summer of 2014, who generously agreed to speak with me and guided my research. Thank you for sharing your insights and often times your workspaces with me. I’m especially grateful for friendships that started during research and continue today.

Thank you to Fida Adely, for her constant support and help throughout this project - our discussions always guided me to notice significant points I would have otherwise overlooked, and encouraged me to explore new directions. I also thank Joseph Sassoon, for reminding me of the importance of numbers in telling this story. Thanks also to Ilana Feldman and the thoughtful comments of my Anthropology of Intervention classmates, where I began working on what became the third chapter. My thanks too to Columbia University’s MESAAS graduate student conference, particularly the helpful comments of Timothy Mitchell, which helped further shape the third chapter. And thank you to the peer support of the thesis cohort at CCAS, whose comments helped shape this final product - Craig Browne, Lindsey Cummings, Kelli Harris, Gareth Smail and Erica Vasquez - and Vicki Valosik for leading our thesis group.

This thesis could never have been completed without the support of my friends, whether editing, discussing ideas, or providing endless encouragement. Thank you to Marya Hannun and Natalie Robehmed for their invaluable editing, and to Ellie Swingewood, Sarah Drury, Chloe Teevan, Zachary Cuyler, Xuhui Sun and Shadia Murad. Thanks in particular to Noga Malkin, for her endless confidence and belief in me - talking through the main argument while making sushi is my fondest memory of the writing process!

Thank you to my parents - while my decisions must seem slightly crazy at times, I am grateful to you for your unwavering support and pride in everything I do.

This thesis was made possible thanks to the financial support of Georgetown University’s Center for Contemporary Arab Studies, including a summer grant funding this research, and a Bou Family Foundation scholarship in the 2014-2015 academic year.
TABLE OF CONTENTS

INTRODUCTION: WELCOME TO ‘SILICON WADI’.................................................................1
  The Ecosystem........................................................................................................................3
Entrepreneurs and Development Subjectivities.................................................................6
Development: the Not So ‘Invisible Hand’..............................................................................9
Overview of Jordan’s ICT Startup Ecosystem......................................................................12
Developing Ecosystems..........................................................................................................17
The Jordanian Context.............................................................................................................18
Methodology............................................................................................................................22
Thesis Structure.......................................................................................................................27

CHAPTER ONE: UNDERSTANDING ENTREPRENEURSHIP IN JORDAN..........................29
  The Hype Around ICT Startup Entrepreneurship..............................................................30
Development, Job Creation, and Hype.....................................................................................32
‘Real’ Entrepreneurs...............................................................................................................34
Motivations for Becoming and Being Entrepreneurs............................................................36
Not an Entrepreneur?..............................................................................................................39
History of Entrepreneurship..................................................................................................42
The Potential for Scale............................................................................................................44
The Role of ICT Entrepreneurs in the Neoliberal Economy..................................................45
Conclusion..............................................................................................................................47

CHAPTER TWO: VALUE AND THE BUSINESS OF SUCCESS............................................50
  Success and Value................................................................................................................51
Capacity Building................................................................................................................52
Investing in the Ecosystem?.................................................................................................55
Too Much Investment, Too Little Investment......................................................................56
Valuations and Metrics...........................................................................................................60
Investors Not “Adding Value”.............................................................................................63
“Jordan Is a Small Market”....................................................................................................65
Conclusion..............................................................................................................................68

CHAPTER THREE: “MINDSET,” “MENTALITY” AND “CULTURE”: FRICTIONAL
  ENCOUNTERS WITH SILICON VALLEY..............................................................................71
  Haya and Mohammed...........................................................................................................72
Comparing Silicon Valley and Jordan....................................................................................75
Friction and Silicon Valley.....................................................................................................76
Development and Failures of the Nation...............................................................................79
Education and “Mindset”.......................................................................................................80
Work Culture and “Mentality”..............................................................................................84
Failure and “Culture”..............................................................................................................85
Conclusion..............................................................................................................................87

CONCLUSION.......................................................................................................................89

BIBLIOGRAPHY......................................................................................................................94

APPENDIX 1............................................................................................................................108
INTRODUCTION

Welcome to ‘Silicon Wadi’

In May 2014, a group of Jordanian founders of technology startups travelled to Silicon Valley with King Abdullah II on a trip called “Innovative Jordan.” Funded by the United States Agency for International Development (USAID), Innovative Jordan aimed to showcase Jordan as an ICT ecosystem and expose the entrepreneurs, who were selected by the Royal Court and the Information and Communications Technology Association of Jordan (Intaj), to Silicon Valley’s ICT startup ecosystem. ‘Silicon Valley’ refers to the area in between two mountain ranges on the US West coast, in northern California. Apple, eBay, Facebook, Google, Intel, Yahoo, and thousands of other information communications technology (ICT) companies and startups are based in San Jose, Palo Alto, Mountain View, and other cities in the area. During the trip, King Abdullah II stressed the importance of ICT startup entrepreneurs for “jobs-rich, export-oriented growth” - in other words, a particular kind of development. He also situated ‘Silicon Wadi,’ the ICT startup ecosystem in Jordan’s capital Amman, as an important site globally and regionally.

In a speech delivered at University of California, Berkeley during “Innovative Jordan,” to an audience with representatives from some of the biggest technology companies based in Silicon Valley, King Abdullah II (2014) said:

I have always been fascinated by the ability of entrepreneurs to take a brick … see in it a house - and build a whole city. But new enterprises need solid ground to build on. And that’s Jordan's vision. An economy open to jobs-rich, export-oriented growth. A level playing field. Investments in education; R&D and infrastructure. Help for ICT and other startups: enterprise and development zones, innovation accelerators and more.
Why this commitment? Two words: National interest. Our country wants and needs jobs - good jobs - especially for young people, the majority of our population. Private-sector creativity is key…
From a tiny position fifteen years ago, ICT is now the fastest-growing sector in our economy ... contributing 12 percent of our GDP, and directly and indirectly, some 80 thousand jobs. Jordanian ICT has had its challenges, but today, IT exports are up eight fold, reaching some 60 countries. Our climate of innovation has brought Jordan the name of “Silicon Wadi.” Amman has become the regional capital for startups, and the tenth best place to start a technology company in the world. Companies are scaling-up and making successful exits to global industry leaders. Jordan is home to the three most popular content portals in the Arab world, managing 75 percent of Arabic user-generated content...

Across the Middle East, ICT startups and entrepreneurs are increasingly celebrated in the media and championed by governments and policy makers, particularly since 2010. Media discourses have called the growth of ICT startup ecosystems the region’s “Startup Spring” in the wake of the “Arab Spring” (e.g. Seligson 2011, Knowledge@Wharton 2012, Sleiman 2012, Economist 2013, MacBride 2013). Jordan today has one of the largest ICT ecosystems in the region, worth US$2.2 billion (Intaj 2014), over 600 ICT companies and 300 startups (Rahal 2014). However, unlike elsewhere in the world, the ICT ecosystem is supported not only by a combination of private and public government funding, but also by international development funding from bilateral and multilateral donors. International development organizations see the ICT sector as a top priority given its growth potential and promise of developing Jordan into a technologically advanced nation with a free market and neoliberal values. Moreover, ICT startup entrepreneurship aligns with concerns about the Arab ‘youth bulge’ and the necessity of building knowledge economies to achieve twenty-first century prosperity. With high youth unemployment among college graduates in Jordan, ICT startup entrepreneurship is viewed as an ideal way of creating ‘good jobs’ and stimulating innovative and creative private-sector economic growth. In other words, it is the ideal way to develop Jordan.
ICT startup entrepreneurs are central figures in development narratives in Jordan, embodying ideals of progress, private sector growth, neoliberal individualism, and the future. How do entrepreneurs understand being an entrepreneur, and their role within development? And how do entrepreneurs and other actors in the ecosystem see themselves and Amman’s ICT startup ecosystem within the nation, the region, and the world? This thesis is preoccupied with what it means to be an ICT entrepreneur in Jordan – paradoxically receiving assistance as the subject of development interventions, while being celebrated for epitomizing the ideal neoliberal subject who is not reliant on the state.

The Ecosystem

ICT entrepreneurship in Jordan is a ‘startup ecosystem,’ the term my interlocutors used to refer to the loosely bound-together and often overlapping companies and supporting initiatives; employees, entrepreneurs, investors, and development interventions by the state, NGOs, bilateral and multilateral donors that are concerned with ICT entrepreneurship. The ICT startup ecosystem refers to the supportive environment of numerous economic actors facilitating new businesses. Aihwa Ong poetically defines ecosystems as vibrating webs of interaction configured by the “situated mobilizations of strategic knowledge, resources... a self-spun web of symbiotic relationships among diverse elements for the strategic production of specific material and social values” (Ong 2006:8). The multiplicity of actors and institutions in the Jordanian ICT startup ecosystem are connected by webs of personal and professional relationships and flows of capital, and frequently interact through training sessions, mentorship networks, community startup events, and the consumption of products and services.
‘Startups,’ meanwhile, are newly created businesses (though there are no rules as to how new) led by entrepreneurs: Steve Blank’s definition of a ‘startup’ avoids using time, revenue or profit as means of defining startups. Instead, he defines a startup as “an organization formed to search for a repeatable and scalable business model” (Blank 2010). Paul Graham, an entrepreneur, investor, and founder of renowned Silicon Valley accelerator Y Combinator, defines startups as companies designed to grow quickly. “Being newly founded does not in itself make a company a startup. Nor is it necessary for a startup to work on technology, or take venture funding, or have some sort of ‘exit.’ The only essential thing is growth. Everything else we associate with startups follows from growth” (Graham 2012). Startups are distinct from large, established multinational ICT companies present in Jordan like Microsoft and Oracle, and telecommunications operators like Orange and Zain. However, these large organizations can play an important supporting role in the ecosystem in terms of the experience they give to potential future entrepreneurs and the support they can provide to the startup community through expertise, capital, and resources.

Aside from entrepreneurs, the ecosystem is comprised of numerous other actors. Investors are private wealthy individuals or venture capitalists (VCs) who mobilize others’ wealth into funds. They exchange investment for a stake in a startup with the intention of making a profit when that company grows and is subsequently profitable, sold to another company, or floats on a stock market. Incubators and accelerators seek to rapidly grow startups, offering office space and sometimes capital. Development initiatives include government departments, quasi-government organizations encouraging the creation of small businesses, advocacy organizations and non-governmental organizations (NGOs). Bilateral and multilateral donors are also involved in numerous ways, working at institutional levels on issues like improving access to capital and the ease of doing business, as well as through projects offering training,
advice and mentorship to startups, and funding non-profit NGOs and governmental organizations in the ecosystem.

During my three months of field research in Amman in the summer of 2014, I could not help but notice a malaise. Throughout the course of participant observation and interviewing 46 entrepreneurs, investors and development professionals, I heard numerous criticisms and explanations as my interlocutors justified the current state of Jordan’s ICT startup ecosystem. This strongly contrasted with the optimism and excitement in the press. The 2009 sale of Jordanian startup Maktoob by one of Silicon Valley’s tech giants, Yahoo, for US$ 168 million created expectations that other startups would follow suit. Yet five years on, this was not the case, with Yahoo eventually closing their office in Amman (MacMillan 2014). Expectations were replaced by a sense among my interlocutors that the ICT startup ecosystem was not performing as expected and had not fulfilled its potential.

This thesis seeks to explore two questions. Are entrepreneurs internalizing the subjectivities created by development? Or are they criticizing development’s role in the ICT startup ecosystem? Actors in the ecosystem identify problems: Jordan’s market is too small; there is not enough later-stage investment; investors add little value beyond money; valuations are not measured correctly; public education does not create an entrepreneurial mindset; Jordanians do not have a certain work mentality; and there is a lack of a cultural acceptance of failure. Listening to these grievances about the ecosystem, it seems that entrepreneurs criticize other Jordanians for embodying particular subjectivities and practices that prevent entrepreneurship and inhibit the success of the ecosystem. This echoes the kinds of subjectivities that development creates - ideas about Jordanians and Jordan as ‘developing’ and therefore currently ‘underdeveloped.’ While entrepreneurs are developed subjects formed
by development discourse, they are critical of development’s effects. Entrepreneurs criticize distortions in the market caused by development interventions, especially the prevalence of seed funding for young new entrepreneurs which creates a lack of investment for existing startups. They want the country to be more ‘developed,’ yet want development to play less of a role in the ‘free market’ of the startup ecosystem.

**Entrepreneurs and Development Subjectivities**

One of the key arguments this thesis will make is that although developing the ICT ecosystem is a new type of development, it still follows development’s traditional logic. Development in the ICT sector is not a development of violent interventions, of famine, crop failures and swollen bellies, of poverty, tattered clothes and slums. The subjects of development in ‘Silicon Wadi’ are not hungry, illiterate or needy. Poverty and the familiar imagery of the typical bottom-of-the-pyramid subjects/objects of development are a world away from the middle class ICT entrepreneurs, investors and development professionals in Jordan’s startup ecosystem who are my interlocutors. The products they create are also often targeted at middle class consumers, such as online shopping and online food delivery services. The new neoliberal middle class - such as Jordan’s ICT startup entrepreneurs and the consumers of their products and services - are “organized around ideologies of ‘free trade,’ individual entrepreneurial success, and unabashed assertions of private property” (Heiman et al 2012:15). Capitalism, with its particular relations of production, circulation and consumption, and principles, rights and moral values, is necessary for the formation of middle class subjects - subjects which embody neoliberal freedom and individual entrepreneurship (ibid:16, 19). Developing the ICT startup ecosystem is therefore about developing Jordan’s middle class and constructing a particular form of capitalism. I argue
that although it is a development project of a very different kind, it still creates similar subjectivities of development.

Building the ICT startup ecosystem is, on paper at least, one of the best ways to develop Jordan into a free market neoliberal knowledge economy. ICT startups hold the promise of growing rapidly in a short space of time compared to brick and mortar businesses. Furthermore, the technology and innovation aspect of ICT offers the possibility of ‘leapfrogging’ (Hanna 2010). ICT startups epitomize a convergence of private sector enterprise and the knowledge economy.

However, it is also through the ICT sector - which is meant to make Jordan more developed - that entrepreneurs identify the ways in which Jordan is underdeveloped. They highlight certain motivations, values, attitudes and cultural practices that are lacking and compare Jordan to the more developed markets in Gulf countries and Silicon Valley’s startup ecosystem. Development tends to project images of the subjects of development. As Arturo Escobar describes, “the ‘Third World’ has been produced by the discourses and practices of development since their inception in the early post-World War II period” (Escobar 1995:4). Development is a historical discourse producing a developed West and an underdeveloped Third World. Development is an “interpretive grid through which the impoverished regions of the world are known to us” (Ferguson 1990:xiii), “us” being those in the West. Through forms of knowledge and systems of power, development as a discourse creates subjectivities through which people come to see themselves as developed or underdeveloped. Those doing the developing see development’s subjects in a certain way, which is internalized by the subjects themselves. Part of the image of this developed subjectivity is a subject that is
“oppressed by its own stubbornness, lack of initiative and traditions” (Escobar 1995:8). Thus the only way to develop is to change these seemingly innate qualities in people.

The parallels between Jordan’s development through ICT startups and James Ferguson’s seminal ethnography of development in the 1980s in Lesotho are astounding. He writes that development experts often told him that: “while Lesotho has no natural resources, with the right attitude almost anything could be accomplished” (Ferguson 1990:86). Development experts compared Lesotho to Japan, which also had no resources but had become developed through its industrious, hard working people. As such “the burden of underdevelopment is thus placed on the shoulders of each and every individual Mosotho [people of Lesotho], and ‘development’ appears largely as a task of education, the introduction of changes in ‘traditional’ attitudes” (Ferguson 1990:86). Although aid is ostensibly meant to develop subjects of development, it is only through the subjectivities created by development that people recognize that they are ‘underdeveloped,’ and the ways in which they are underdeveloped. The burden of development is thus placed on these individuals.

As the paragon of a successful ICT startup ecosystem, Silicon Valley is a model for the Jordanian ecosystem. Development initiatives focus largely on entrepreneurship education and cultivating changes in attitudes to mimic those in Silicon Valley. Yet Silicon Valley as the ideal means that developing Jordan’s ICT ecosystem is set to fail from the outset. In the same way that Lesotho can never be Japan, Silicon Wadi can never be Silicon Valley.

However, the case study in this thesis diverges from scholarly writings on development subjectivities. While actors in the ICT startup ecosystem internalize development’s logics, instead of recognizing themselves as ‘underdeveloped,’ they identify others as the cause for
Jordan’s slow development. Consumers in the Jordanian market, some investors, potential employees, Jordan’s education system - all of these were identified by ICT startup entrepreneurs as lacking in some way, particularly in comparison with the US and Silicon Valley. In order for the ecosystem to be successful, these had to change. I suspect that this particular development subjectivity, ICT startup entrepreneurs identifying others and not themselves as underdeveloped, is a marker of class distinction. Entrepreneurs had changed their attitudes and developed, becoming ideal neoliberal middle class citizens, while other Jordanians had not.

**Development: the Not So ‘Invisible Hand’**

This thesis will also make a second point: that international development policies and projects may obstruct the free market they seek to create. Since the late 1980s, the IMF, World Bank and bilateral donors like the US have prioritized private sector development in Jordan (Knowles 2005). A five year $10 million USAID project called Private Services Sector Development, launched in 1987 and cut short in the spring of 1991 due to the Gulf War, aimed to “assist the development and growth of private sector service enterprises to assume a fundamental role in transforming the private sector into the principal force for sustained economic growth in Jordan” (USAID 1992: 2). One of the four sectors the project targeted was ‘computer services.’ Since then, USAID has implemented several other successive five-year projects focused on private sector free market growth in Jordan, including AMIR, SABEQ, and most recently, the Jordan Competitiveness Program, each with ICT as a key industry of focus.

In Jordan, bilateral and multilateral donor’s intent on fostering a free market and using the ICT sector to do so is born out of the country’s economic history and discourses prevalent in
development. Since 1956, the US has been the main supporter of Jordan’s military and development. Prior to this, Jordan was dependent on British aid, since the creation of Transjordan as a state in 1922 (USAID 2012:4). In the 1970s and early 1980s, Jordan’s economy benefited immensely from the first oil boom, largely due to remittances from Jordanians working in the Gulf; remittances constituted 20.1% of GDP in 1980 (Istaiteyeh 2011:97). As these workers were steadily replaced by cheaper Asian labor in the 1980s, remittances shrank and between 1983 and 1989, Jordan experienced weak growth and accumulated large debt as the government borrowed to maintain the economic conditions of the 1970s and the large public sector. National debt, already at US$300 million in 1983, spiraled to US$1,150 million in 1988, more than 190% of GDP, making Jordan one of the most heavily indebted countries in the world at that time (Zaqqa 2006:66). This culminated in the economic crisis of 1988-9, when the dinar lost 50% of its value (Kanaan and Hanania 2009:143). In July 1989, the IMF granted Jordan the first of four Structural Adjustment Program loans, with the fourth delivered in 2002. These were conditional on economic reforms, such as the removal of certain subsidies. Economic restructuring and liberalization throughout the 1990s and early 2000s mirrored global development trends at the time, encapsulated by the Washington Consensus. When King Abdullah II ascended to the throne in 1999, he accelerated these liberalization reforms.

Economic restructuring has aimed to make citizens less dependent on the rentier state. Underlying liberalization efforts is the “claim that the market is better than the state at distributing public resources” (Ong 2006: 11). A strong sense of self-responsible individualism and the assumed economic efficiency of the private sector underlies neoliberalism, characterized “by new forms of power arrangements in which the self is a primary agent of the art of governing: the self is both subject and subjected” (Elyachar 2005:
193). Under this regime, “the neoliberal subject is therefore not a citizen with claims on the state but a self-enterprising citizen-subject who is obligated to become an entrepreneur of himself or herself” (Ong 2006: 14). Entrepreneurs are thus the ideal citizen-subjects in a neoliberal economy, embodying the free market. Entrepreneurship carries with it a powerful image. Some have argued that Jordan’s King Abdullah II himself projects an image of an entrepreneurial leader (Parker 2009:111). ICT startup entrepreneurs are particularly celebrated as subjects embodying neoliberalism, as this thesis will explore in the first chapter.

Similarly, startups are supposed to epitomize private enterprise. Yet this thesis will argue that entrepreneurs criticize development as distorting the market. My interlocutors felt that the focus of development efforts on training and financial support for young college graduates prevented Jordan’s ICT startup ecosystem from being as successful as it could be. When asked what kind of support they had received, entrepreneurs cited family and friends, private investors, and other entrepreneurs as their support - not development initiatives and programs. Experienced entrepreneurs see resources diverted towards young college graduates whose ideas are rewarded with early stage funding from development initiatives. In fact, from the perspective of entrepreneurs, development projects create incorrect ways of being an entrepreneur, by encouraging young graduates to become entrepreneurs with money and wealth as primary motivations. . According to entrepreneurs, so many early stage funding opportunities makes it difficult for later stage startups to survive and grow as they cannot obtain funding that might exist in a free market. I interpret this as entrepreneurs criticizing development’s distorting effects, acting as the not-so “invisible hand” in the free market.
Although development initiatives in Jordan’s ICT sector are trying to create a neoliberal economy with vibrant entrepreneurs, private enterprise and a free market, they instead distort the free market and bolster the state. One development professional, for instance, talked of a government agency supported by multilateral and bilateral donors that gave subsidies to startups. She described this as “like welfare.” Instead of diminishing the welfare state, development reformulates the welfare state through its own logics. Although developing private enterprise and ICT is a very different kind of development to the development taking place in Ferguson’s ethnography of rural Lesotho, development of different kinds can have similar unintended consequences: “alongside the institutional effect of expanding bureaucratic state power is the conceptual or ideological effect of depoliticizing both poverty and the state” (Ferguson 1990: 256). The paradox of developing Jordan’s ICT startup ecosystem is that in trying to create the ultimate site of neoliberalism, development instead both extends state assistance and acts as a parallel state.

Having explained the two key arguments my thesis seeks to make - regarding entrepreneurs as subjects of development who internalize its logics and as critics of development’s interference in the free market - in the remainder of this introduction, I will provide an overview of the ICT sector and its growth in Jordan. Subsequently, I will explore the Jordanian context of graduate unemployment, the country’s history of dependence on international aid, and finally, development discourses about the Arab ‘youth bulge,’ private enterprise, and the knowledge economy.

**Overview of Jordan’s ICT Startup Ecosystem**

Jordan was one of the first Arab countries to encourage, support, and facilitate the growth of the ICT sector. The earliest ICT companies were created in the 1980s and 1990s, during
which time there were about 19-20 software startups. In 1998, at the time of the global dotcom bubble, the number of startups rose to 33 then almost tripled to 82 in 1999 (Mohammed 2010:220). At this time, Jordan’s ICT policy formally began with the REACH initiative. Intaj claims that “in response to a challenge put forward by his Majesty King Abdullah II in 1999, Intaj directed its efforts at devising a comprehensive framework for Jordan's ICT sector, which resulted in the REACH initiative” (Intaj 2015). However, Intaj was only founded in 2000. In another narrative, REACH was “launched by the Jordan Computer Society in conjunction with [USAID project] AMIR in July 1999 in response to a request by King Abdullah II the previous month for a concrete proposal aimed at strengthening Jordan’s IT sector” (Knowles 2005:199). Since 1999, Jordan’s ICT sector growth has been supported and funded by international aid from its biggest bilateral donor, USAID.

Intaj, which initially represented 50 private sector ICT companies in Jordan (Oxford Business Group 2011:139), updated and published REACH in 2000 (Knowles 2005). The REACH initiative was a five year plan “nurturing a vibrant, export-oriented, and internationally competitive ICT sector” (Intaj 2015). It identified five goals: creating the regulatory framework, building the enabling environment and infrastructure, offering training programs, developing human resources, and enabling access to capital and finance. The ambitious plan aimed for ICT exports to increase from US$ 7.5 million in 1999 to US$ 550 million by 2004, and increase the number of jobs from 3,000 to 30,000 in the same period (Knowles 2005:199). These targets were not met, but there has been significant growth. The sector’s total revenue grew from US$60 million in 2000 to US$638 million in 2013. Export revenues have steadily grown, but in 2013, only reached $324 million, well below the initial goal set by REACH for 2004 (Intaj 2014).
<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICT sector revenues</td>
<td>US$ 60 million</td>
<td>US$ 638 million</td>
</tr>
<tr>
<td>(domestic and exports)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ICT exports</td>
<td>12 million</td>
<td>324 million</td>
</tr>
<tr>
<td>Number of direct employees</td>
<td>1250</td>
<td>11637</td>
</tr>
<tr>
<td>Number of startups</td>
<td>82</td>
<td>300+</td>
</tr>
</tbody>
</table>

Figure 1: Summary of Jordanian ICT Sector

In 2002, the Ministry of Information and Communications Technology (MoICT) was created because “the sectors within Information Technology (IT) and Telecommunications are identified as particular drivers and enablers of economic and social growth” (MoICT 2014). Subsequent five year national strategies have aimed to continue the sector’s growth. Royal NGOs, such as the incubator iPark and the Queen Rania Center for Entrepreneurship, which offers entrepreneurship training in universities, were established in 2003 and 2004 respectively, both based at Princess Sumaya University of Technology in the north of Amman (infoDev 2008, QRCE 2014). Jordan is also home to one of the earliest institutional venture capital investors focusing only on ICT: Accelerator Technology Holdings, which was created in 2004 by former Minister of Information and Technology Fawaz Zu’ubi (Accelerator Tech 2015).

Jordan’s ICT startup ecosystem received a boost in 2009, with the sale of Arabic mailing and search engine site Maktoob to one of Silicon Valley’s biggest companies, Yahoo! for $168

---

15 million. This remains the largest amount paid for an ICT startup in the Arab world. At the same time, two ambitious projects began to help grow the ecosystem - King Hussein Business Park and Oasis500. On the western outskirts of Amman is the King Hussein Business Park (KHBP). Built initially as a military facility, on King Abdullah II’s orders, it become a special economic free-zone for the ICT sector. Visible from the main road are the huge logos of international ICT companies Microsoft, Hewlett Packard (HP), Cisco, Oracle, Samsung, LG and Ericsson, as well as the home-grown success story Rubicon, which has 500 employees and a valuation of $200 million (Schroeder 2013). Within the business park is Oasis500, created in 2009 with the aim of building 500 ICT startups in five years through training, investment and incubation. An ambitious project, Oasis500 houses (or ‘incubates’) startups within its space in three month long batches, accelerating their growth.

A variety of development initiatives supporting startups are also based in KHBP, such as the royal NGO the King Abdullah II Fund for Development (KAFD). The US Chamber of Commerce and the Jordan Competitiveness Program - a major USAID project focusing on growing key sectors, of which one is ICT, administered by private contractor Development Alternatives Incorporated (DAI) - both had offices there, while other USAID projects related to small enterprises and ICT had offices elsewhere in the capital. International mentoring NGO Mowgli, and local non-profit advocacy and training organization, Young Entrepreneurs Association, which was supported by bilateral aid, are two examples of the diverse development organizations that shared one building. There were plans for telecommunications provider Zain’s innovation campus in the summer of 2014, which opened later that year. Several startups in sectors like gaming and e-payment had their offices in the business park but most were located outside, scattered across central and West Amman. VCs were also not located in KHBP, with plush offices in older neighborhoods of
the city. A 30-minute drive from the central Jabal Amman neighborhood to KHBP allowed entrepreneurs, investors, employees of accelerators and development initiatives to move between key sites in the ecosystem - their personal offices, KHBP, the offices of telecoms operators where large events were held, the offices of a large content creation startup in Jabal Amman, and a few Western-style cafes, for meetings, mentorship, and events in the ecosystem.

It is difficult to quantify Amman’s ICT startup ecosystem precisely due to the lack of appropriate data, made more difficult by the fluidity of startups, which frequently fail, change name, or relocate. Almost all of the ICT entrepreneurs I spoke with registered their startup in the British Virgin Islands or the US state of Delaware for tax purposes, ease of business, and as these systems were familiar to investors (which was the most common reason cited). While Intaj collects data, out of the 124 companies who completed their most recent survey (Intaj 2014) few respondents were the same startups that I encountered in the ecosystem. This is because Intaj’s member pool, like the ICT sector, is extremely broad, from call centers to companies selling physical computers. However, an infographic compiled by Intaj and USAID to promote ‘Innovative Jordan’ estimates the size of ICT startup ecosystem at over 300 companies (see Appendix 1).

AngelList, a global networking platform for startups and investors, is another means of estimating the size of Jordan’s ICT startup ecosystem. There are 84 companies with an average investment of US$2 million in Jordan on the platform (AngelList, 2015). This is a self-selecting group, as startups and investors list themselves. However, it is also not completely accurate, as some of these companies may no longer exist, while others may not have listed themselves on AngelList. Meanwhile, other Jordanian startups have listed their
location as ‘Mountain View,’ a startup location in California’s Silicon Valley - which seems to be the case if they have spent some time at a Silicon Valley accelerator. As a point of comparison, there are 16,787 companies and 23,849 investors currently listed on AngelList, and these companies have a US$4.8 million average valuation.

Wamda, a community for Arab startups with news, research, resources, and offline events, has 145 startups from Amman registered on the site since 2011. From this database, 13% are focused on the consumer web market and 11% are focused on media, with Amman recognized as a favored ecosystem by game developers (Moor 2014).

**Developing Ecosystems**

Countries and cities across the world are striving to develop their ICT sectors, using public funding to support ICT startup entrepreneurship. Signs on lampposts around the city I currently live in, Washington, DC, promote “Digital DC: The Innovation Capital.” The US Small Business Administration sponsors entrepreneurial programs across the country, while US cities use public funding to promote themselves as technology hubs (Gill and Larson 2014). Similarly, in Canada and the UK, government officials and public sector policies support entrepreneurs and promote cities as ICT centers (Khan 2013).

While in the US and Europe, ICT hubs are supported by government funding, in developing countries, non-governmental organizations and international development actors focus on entrepreneurship for the poor through microfinance. One model is that of Bangladeshi NGO BRAC, who supports “bottom-up entrepreneurship,” by building an entrepreneurial ecosystem for the poor not only with small amounts of capital but also through training and tried-and-tested business models (Davis 2012). The most famous example of microfinance is
the Grameen Bank of Bangladesh, but countless institutions in developing countries provide “empowerment debt” (Elyachar 2005:193) - microloans for the poor to help themselves. In the 1990s, under James Wolfensohn, microlending became central to the World Bank’s programs (ibid). Microlending for the poor was also instituted in the Arab world. The first international summit on ‘Microfinance in the Arab World’ was held in Amman on October 2004 (Isaia 2005: 441). Jordan has numerous microfinance institutions and development initiatives facilitating microenterprise. Yet the examples of microenterprise in Jordan - for instance, a widow in Karak who bought goats with a microloan to make butter to sell (Seibel et al 2002) - are a far cry from the ICT sector.

The Jordanian Context

An ICT startup ecosystem is not a typical object of international development. Yet in the past 15 years, development initiatives have helped grow the ICT sector to the third most important in Jordan’s economy, reportedly contributing 12% of Jordan’s GDP after manufacturing (17%) and tourism (15%) (Oxford Business Group 2011: 139). How has Jordan’s ICT startup ecosystem become a site for development? By way of explanation, this section of the introduction aims to explore development discourses on private enterprise, knowledge economies and the Arab ‘youth bulge,’ in conjunction with the socio-economic historical context of Jordan.

International development actors are interested in the ICT sector as a way to create jobs. Although Jordan experienced high growth in the first decade of the new millennium, averaging a rate of 6.5%, this has been “jobless growth” (Kanaan and Hanania 2009:155), as Jordan has had consistently high unemployment, averaging between 13% and 16% (Assaad 2014:1). Jobs that have been created have largely been in low-paid sectors like construction
and textiles. Yet in comparison with other Arab countries, Jordan has a highly educated population, particularly among young people. University graduates in the working population have increased rapidly, from 8% in 2000 to 13% in 2010 (ibid: 7). Yet it has been difficult to create jobs for these college graduates - 12% of the unemployed in 2000 had university degrees, but this number increased significantly to over 30% in 2010 (ibid:9). Those with a bachelor’s degree and higher are also most likely to be unemployed - the unemployment rate for this group was 16.8% in the last quarter of 2014 (DOS 2015).

Historically, Jordan has had a large public sector, financially supported by international development aid. Highly educated workers are attracted to public sector jobs in Jordan, expecting non-wage benefits and stability. Yet with economic liberalization of the 1980s and 1990s, government hiring in Jordan “dropped precipitously” (Assaad 2014: 34). While from the mid-1970s, almost half of new entrants to the labor market took government jobs, this figure declined sharply after 1990 to reach 25% in 2000 (ibid:13). While 38% of total jobs in 1995 came from government employment, this dropped to 32% in the early 2000s and has remained at this level (ibid:12). According to a recent Jordan Times article about startups, “small- and medium-sized projects represent 90 per cent of companies in Jordan and contribute 40 per cent to the country’s gross domestic product. About 70 per cent of jobs created in Jordan are by these enterprises” (Ghazal 2015). With government employment remaining stable, new jobs in Jordan’s economy are created by the private sector, particularly small and medium enterprises.

While the lack of public sector jobs and their desirability partly explains high unemployment figures for college-educated youth, another factor is the growing number of young people. Proportionally, Arab countries have the largest youth population (aged 15-29) globally. In
Jordan, the labor force has grown by 2.2% a year since 2000 (Kanaan and Hanania 2009: 151). “The government estimates that 50,000 new jobs must be created annually just to maintain the current employment rate” (ibid:145). Region-wide, the World Bank estimated that close to 100 million jobs would need to be created by 2020 to absorb the young people joining the workforce (World Bank 2004).

The Arab world’s ‘youth bulge’ is a priority for domestic governments and international development for social and economic reasons. Arab youth are depicted paradoxically in policy and development reports (Sukarieh and Tannock, 2008). On the one hand, youth present challenges, namely domestic social unrest and international terrorist threats in a post 9/11 world (ibid). On the other, youth represent opportunities, as potential leaders and agents of change and powerful drivers of economic growth, with Asian countries pointed to as a prime example (Dhillon 2008).

Creating jobs for youth intersects with development institutions’ efforts to create free open markets and cut bloated public sectors. To meet both the challenges and opportunities of the youth bulge in the Arab world, the World Bank advocated for private sector growth, market and ease-of-doing-business reforms, plus entrepreneurial education (Aubert & Reiffers 2003). The World Economic Forum noted that for a region facing the challenge of job creation: “one way is to encourage entrepreneurship. Startups attract bright, innovative people; their determination for success drives economic activity, generates jobs and opens new opportunities for others” (WEF 2011:34).

While the private sector and entrepreneurship are sources of job creation and economic growth in development discourse, ICT is particularly valuable as a “new source of growth
and keystone sector of the knowledge economy” (Hanna 2010: 135). The term ‘knowledge economy’ has its origins in the 1960s, when Peter Drucker (1969) noted a change in work patterns, as work moved from manual to mental labor, valuing ideas, knowledge and information instead of manufactured goods. Today, calls to ‘build a knowledge society’ are at the forefront of development discourses (Mazawi 2010: 201). In its annual development report, the World Bank stated, “knowledge has become perhaps the most important factor determining the standard of living – more than land, than tools, than labor. Today’s most technologically advanced economies are truly knowledge-based” (World Bank 1999). A knowledge economy is thus a marker of ‘advanced,’ ‘developed’ economies, representing a higher standard of living than economies built on agriculture, manufacturing, or services.

From 2002, successive Arab Human Development Reports called on Arab countries to create knowledge economies, stating that countries “cannot make any tangible progress in the long term without acquiring the knowledge and the technological capacities that are indispensable for prosperity in the new millennium” (AHDR 2003:vi). Critics point out that knowledge economies are an “outcome not of planning but of highly developed market forces in post-industrial economies” (Bayat 2005:1231). Furthermore, they note that the AHDR reports employs a culturalist discourse that “hinges on human capital theory, modernization theory and their value-laden assumptions regarding ‘progress’ and development ‘phases’” (Mazawi 2010: 2006). Critics question whether knowledge economies can be ‘built’ in Arab countries the same way that they have emerged in Europe and North America.

According to Asef Bayat, in the knowledge economy phase of late capitalism science and technology play an important role (Bayat 2005:1231); ICT is increasingly central to “growth, productivity, innovation, transformation and investment climate in a knowledge-based
economy” (Hanna 2010:271). As a USAID (2012) report notes, knowledge economy sectors like ICT create higher paying jobs - the kind of “good jobs” requiring specialized skills for university graduates that King Abdullah II referred to in his speech. For development initiatives, focusing on ICT is a way of “broadening a high value-adding middle class by leveraging Jordan’s national investment in education” (USAID 2012:7). Development reports on Jordan repeatedly state that Jordan has no natural resources other than its human capital, a sentiment echoed by some of my interlocutors. In this narrative, building a knowledge economy and especially sectors like ICT becomes the only way for Jordan to develop.

ICT startup entrepreneurship epitomizes the entrepreneurial, private sector solution to Jordan’s economic problems of growth, the youth bulge, brain drain, and a highly skilled unemployed workforce. At the same time, ICT startup entrepreneurship also epitomizes the best kind of development - Jordan as an innovative (in other words, advanced and modern) knowledge economy.

Methodology

This thesis is based on ethnographic field research in the Jordanian capital Amman during the summer of 2014, from late May to early August. Throughout my field research, I worked in the office of a small ICT startup and also at an ICT startup accelerator that ran entrepreneurial training programs and gave new startups investments and office space. I conducted participant observation at ICT startup related events, ranging from an awards ceremony celebrating the successful conclusion of a development project, a weekend gathering, a mentoring event, and a fireside chat and networking event.² I also observed two training sessions. I interviewed 23 entrepreneurs, five investors and 18 employees who

² No startup events were held during the month of Ramadan, however I was surprised that my interlocutors still worked a fairly typical day, so my research was not greatly impact by Ramadan.
worked for development initiatives supporting the growth of the ICT sector. Interviews took place mostly in my interlocutors’ offices, with five of the interviews taking place in cafes of my interlocutors’ choosing.

I used a snowball sampling methodology for the people I interviewed. I emailed some directly, but often I was introduced via email, and at the beginning, actively asked for recommendations from my interlocutors about who they thought I should speak to. Often, they would recommend possible interviewees without prompting.

Because of this snowball methodology, and due to other issues with timing and travel schedules, I was not able to speak with as many female entrepreneurs as I initially intended. Of the 23 entrepreneurs I spoke with, only five were female, two of whom were interviewed with their male cofounders. Schroeder (2013) notes that there are more female ICT entrepreneurs in the Middle East than in the US. Certainly, at events, I witnessed a large number of women in attendance, often between 30% and 40%. Intaj’s most recent survey states that 31% of the ICT sector workforce is female (Intaj 2014:33). Furthermore, there are myriad development initiatives which specifically target women. Women in entrepreneurship is also the focus of much of the existing research on entrepreneurship in Jordan and the Middle East more broadly, whether high tech ICT entrepreneurship (e.g. UN Women 2014, Mathew 2010, Elnaggar 2007, Fariz 2002) or small and medium enterprises (SMEs) and microenterprise (Al-Dajani and Carter 2010, Al-Dajani and Marlow 2010, Chamlou 2008, Ahmed 2004). As my sample seems skewed by too few interviews with female entrepreneurs, I have decided to not address gendered aspects of ICT entrepreneurship in Jordan in this thesis but recognize that it would be an interesting area for future study.

3 Examples include USAID setting up a chapter of GirlsinTech, the US State Department’s TechWomen Initiative, the MEPI funded Women in Technology business training competition, and AMIDEAST’s Arab Women Entrepreneurship project funded by Citi Foundation.
My sample included a diverse range of the different types of ICT startups. Five startups provided services to consumers or directly to businesses, four were e-commerce, three created content, two were gaming startups, two were social, two were e-payment solutions, and one created software (see Appendix 2). Most of the startups were web-based platforms, though there were also five apps.

Everyone I contacted was willing to be interviewed. My interlocutors were all highly reflective about Jordan’s ICT ecosystem in relation to other Arab ecosystem and ecosystems around the world. Entrepreneurs and investors, as representatives of their brand, product, and business, were used to presenting themselves and their startup or investment company, making for engaging interviews. The individual lives of the entrepreneurs and investors I spoke with and the particularities of their ICT startups mean that they could be easily identified. Most of my interlocutors were skeptical about my ability to provide anonymity, saying that “it’s a small circle” and “everyone knows everyone,” yet they still seemed candid and open in our discussions. I have endeavored to do my best in protecting my interlocutors’ anonymity, giving everyone pseudonyms, and I have taken creative license and changed minor details to make individuals less identifiable. I also will refrain from specifying the product and sector of entrepreneurs’ startups.

Taking an anthropological approach, I was highly aware of my own positionality and role as a researcher. I introduced myself as a researcher from Georgetown University interested in entrepreneurship. I started all interviews with an oral consent process, and by introducing myself as a person with professional and personal (half Lebanese, having grown up in the UAE) links to the region. I also mentioned, especially to entrepreneurs and investors, that I had worked with ICT startups in Berlin, Germany. My background seemed to help explain
my interest in both the region and ICT startups. My work experience in particular lent me credibility and situated me within the startup world.

I conducted all of the interviews in English. Most startup events took place in English. This was often due to the number of international attendees - the facilitator of Startup Weekend flew in from Seattle, the MC of another event was an American who worked in the ecosystem, and at a mentoring and networking event expert investors and entrepreneurs flew in from around the Middle East, several of whom were European or North American, with only one of these non-Arabs speaking Arabic fluently. When presentations were made in Arabic, they often included a lot of English.

Limitations of the short fieldwork period meant that I did not become close enough to my interlocutors to be comfortable asking about sensitive issues like family origins and class. Given the sensitivity of identity in Jordan, I did not directly ask my interlocutors if their family was of Palestinian origin. Palestinian Jordanians are presumed to be the most active in the private sector, while “tribal” or “Jordanian” Jordanians were kept loyal to the Hashemites through public sector jobs. On two occasions, interlocutors brought up that their family was Palestinian, but my research cannot make any comment on identity and family origins of entrepreneurs in Jordan.

By asking open ended questions, such as how someone became an entrepreneur or an investor, I sometimes learned details that are markers of class, such as what kind of school my interlocutors attended. By meeting interlocutors in their offices, I saw how they chose to

---

4 I decided to conduct interviews in English not yet feeling confident enough to do so in Arabic and as my interlocutors’ were fluent in English. However this undoubtedly enhanced my positionality as an outsider, and while all my interlocutors were fluent in English they were more comfortable speaking in a mixture of both languages.
present themselves to others in a professional setting: their clothing and their work space. In a few instances, I met interlocutors at cafes or they offered to drop me home at the end of the day, giving further insights into consumptive practices. However, by not conducting fieldwork for a longer period, it was difficult for me to read class and to identify signifiers of class in Jordan. Class and its centrality to the kinds of development and entrepreneurship that was being promoted only became fully apparent after completing my fieldwork in Jordan. Given their social spaces, workspaces, and schooling, I can conclude that my interlocutors led middle class lives. However, there were social distinctions between those in the ecosystem that are slightly beyond my grasp. For instance, one interlocutor opined that Fadi Ghandour, as the son of the founder of Royal Jordanian Airlines, already had an advantage and had his family to fall back on should his business have failed. Although this interlocutor had a private school education and was relatively middle class himself, he singled out the country’s best-known entrepreneur on the basis of his background. I suspect there are class distinctions within the groups of entrepreneurs, investors and development professionals I interviewed that would become clearer over longer periods of fieldwork.

My interactions were in a professional domain, with minimal insight into private lives. As an unmarried woman in my mid-twenties, I perhaps subconsciously maintained this distinction so that there would not be any ambiguity. Except in one instance with a female entrepreneur, I did not see my interlocutors’ private lives, did not enter their homes, or meet their families and friends. My research is therefore limited in that it cannot draw conclusions on the blurring of work/life boundaries of entrepreneurial lives, as Freeman (2014) does in her ethnography of entrepreneurs in Barbados.
As far as I am aware, the research presented here is thus far the only ethnographic study of an ICT startup ecosystem in the Middle East, perhaps of any ‘developing’ country. With this thesis, I hope to contribute to scholarship that tries to make sense of the ways in which neoliberal development affects how the subjects of that development see themselves. While there have been previous studies critically examining the discourses created by neoliberal economic development and the kinds of subjectivities they produce (e.g. Ferguson 1990, Escobar 1995), only a few have looked at entrepreneurship projects, and these have focused on microenterprise targeting the poor (e.g. Elyachar 2002, Elyachar 2005, Karim 2011).

While microfinance entrepreneurs are impoverished, at the bottom-of-the-pyramid, and thus obvious subjects for development, my interlocutors were college educated, holding a degree in computer science, engineering, design or business. They lived in the wealthier neighborhoods of Amman and came from middle class families. There is growing scholarship on middle class consumption and subjectivities in the region (e.g. Deeb and Harb 2013, Schielke 2012, Tobin 2012, Peterson 2011, Singerman and Amar 2006, Cohen 2004). I hope to contribute to this literature by illuminating the aspirations, practices and subjectivities of middle class subjects of international development projects in the region.

**Thesis Structure**

In Lesotho, Ferguson saw that development “reduces political and structural causes of poverty to the level of individual ‘values,’ ‘attitudes,’ and ‘motivation’” (Ferguson 1990:86). The chapters of this thesis explore entrepreneurs’ ideas about motivation, values and attitudes in turn examining how entrepreneurs internalize development subjectivities, while simultaneously critiquing development’s distorting effects.
The first chapter will examine Jordanian entrepreneurs’ understandings of the meanings of entrepreneurship. I will show how entrepreneurs align themselves with opportunity-driven ‘developed’ entrepreneurship, over the necessity-driven entrepreneurship that typically characterizes developing countries. They also broaden the ICT-focused interpretation of entrepreneurship, demonstrating Jordan’s tradition of entrepreneurship and thus rejecting the need for development initiatives’ training. At the same time, entrepreneurs understand their role in the neoliberal economy as the new job creators, through startups’ potential to scale.

The second chapter will look at the business of ICT startups, whose viability and success depends upon revenue and investment. Although development initiatives try to help entrepreneurs achieve these two goals through training and access to capital, their idea of success is in terms of job creation, which overlaps but does not fully align with entrepreneurs’ ideas of success. Entrepreneurs pinpoint factors within the ecosystem that prevent them from maximizing investment and revenue: the distorting effects of development interventions, and the perceived underdevelopment of local investors and the local market.

The third chapter will consider the friction generated as ideas of how be an ideal entrepreneur emanating from Silicon Valley meet existing local attitudes and practices, which entrepreneurs see as facilitated by state education and ingrained in Jordanian culture. Entrepreneur’s take on developed subjectivities, projecting Jordanians and the Jordanian state as underdeveloped.
CHAPTER ONE

Understanding Entrepreneurship in Jordan

Entrepreneurship is about empowerment… Taking ownership of your future, and giving the skills and tools to these young aspiring entrepreneurs, means they are less dependent on the state and become job creators rather than only job seekers, creating value for themselves, their employees and the community at large.

Fadi Ghandour in Friedman, 2012

This chapter is about entrepreneurs’ understandings of what it means to be an entrepreneur. Startup discourse in Jordan frequently borrowed English words and spoke to salient universal concepts like entrepreneurship. Although my interlocutors sometimes remarked that there is not an Arabic word for ‘entrepreneur,’ they said they kept hearing it. With the above statement in the New York Times, Fadi Ghandour, one of the most prominent entrepreneurs and investors in the Arab world who founded the first Nasdaq-listed Arab company Aramex, and a champion of Jordan’s ICT startup ecosystem, shows ‘entrepreneurship’ means more than just starting a company. In the Jordanian context, entrepreneurship ostensibly represents a significant departure from rentierism and dependency on the government. Fadi Ghandour sees entrepreneurship as creating jobs in the private sector, with young people creating value in the economy rather than taking from it as job seekers. “Entrepreneurship as empowerment” envisages a different kind of future for young people and for Jordan as a nation, linked to Jordan’s neoliberal development.

How do entrepreneurs in the Jordanian ICT startup ecosystem understand entrepreneurship?

This chapter will show that while drawing on universal personal motivates, entrepreneurs in Jordan situate their understanding of what it means to be an entrepreneur in the context of Jordan’s neoliberal development: they are cognizant that entrepreneurs are seen as job
creators. They criticize the ‘hype’ around entrepreneurship and young college graduates’ attraction to entrepreneurship, which is both encouraged and facilitated by development initiatives. Entrepreneurs use two strategies of critique. First, some entrepreneurs distinguish ‘real’ entrepreneurs - opportunity driven entrepreneurs who take a risk by giving up their jobs – from young graduates attracted to entrepreneurship out of necessity (in other words, unemployment). They see ‘real’ entrepreneurs as motivated by passion and creating a social good, while young graduates who are the primary targets of development are motivated by money. Second, other entrepreneurs rejected being called entrepreneurs entirely, as entrepreneurship has come to be strongly associated with ICT. Instead they broaden the definition of entrepreneurship beyond the realm of ICT startups. Referring to Jordan’s history and tradition of entrepreneurship, entrepreneurship becomes something that existed in Jordan before current development projects and initiatives ‘teaching’ young people how to be entrepreneurs.

Both understandings of what it means to be an entrepreneur reject the ‘hype’ - in other words, development initiatives and interventions like training and funding which create a certain meaning of entrepreneurship as a way to become wealthy through ICT startups. In defining what it means to be an entrepreneur in Jordan, ICT startup entrepreneurs implicitly critique the role of development. At the same time, entrepreneurs are cognizant of the role they play in the neoliberal economy as job creators, taking on a role that used to be fulfilled by the state.

**The Hype Around ICT Startup Entrepreneurship**

This research project stemmed from my own fascination with the discourses around entrepreneurship. Working with ICT startups in Berlin, Germany, in 2012 and 2013, I was
introduced to a mid-level ICT startup ecosystem. Particularly fascinating were the kinds of media articles and hype around startups and celebration of entrepreneurs. At the same time, I was learning more about Arab ICT startups. The hype around startups in the Middle East meant there were countless articles, not only in local press, but internationally. ICT startups are a positive story, in contrast to other news stories about the region. This hype around entrepreneurship prompted my research into Jordan’s ICT sector.

As one of the oldest ICT sectors in the region, receiving King Abdullah II’s support, Jordanian ICT startup entrepreneurship was celebrated from the beginning. Ahmed, one of the early ICT startup entrepreneurs who began his first startup, a website and an app, 15 years ago, explains the growth of the ICT sector in Jordan:

So the vision starts with the King. Back in 2002, 2003, he said, ‘Hey, we have all these educated people, and software is really, its like billions of dollars, trillions even, all around the world if you think of software. And you don’t need oil, you don’t need machinery, you don’t need heavy industry, to create software. And that’s our best chance.’ He went and explained the vision, and a lot of people were like yeah, around him. And whether they understood it, there was momentum, energy. And he went and said, ‘Listen, I want something to be done.’ And he got these experts from abroad to come and talk to people here. And then the whole excitement started building up. And suddenly, tech entrepreneurs became, you know, celebrities, in a way. There’s like the early, early companies like ITG and Rubicon, in the very early days.

Jordan’s ICT entrepreneurs, championed by the King and supported by experts from abroad, became celebrities. Ahmed mentions ITG and Rubicon, two ICT startups that have grown to become sizable companies in Jordan. ITG, started in 1989, currently employs 200 people (ITG 2015) while Rubicon, founded by Randa Ayoubi, has four offices globally and employs 400 people (Rubicon Holding 2015)

The hype around ICT startups increased significantly in 2009, with the sale of Jordanian startup Maktoob to Yahoo! for US$168 million. Maktoob, founded in 1998, was the first Arabic Internet search portal. Their sale to Yahoo! represented the largest “exit” (when a
startup is bought, typically by a larger company) in the Arab world so far. Jordan’s ICT ecosystem was thus put on the map because Yahoo! is not a local company, but a high-profile global tech company based in Silicon Valley. Subsequently, Oasis500 was created. Oasis500 provides startup entrepreneurship training in a non-profit capacity, receiving funding from bilateral donors. The other half of the business is a for-profit accelerator, which gives startups early stage investment. Their investment funds are raised from private investors but were started by the King Abdullah II Fund for Development, which is located in the same building as Oasis500, near the entrance to the King Hussein Business Park.

Oasis500, like the Maktoob deal, has generated lots of media attention both nationally and internationally. In an article for the New York Times, ‘Jobs at Arabia.com,’ Thomas Friedman dramatically called Oasis500 the “ground zero” of Arab technology startups, “where Lawrence of Arabia meets Mark Zuckerberg” (Friedman 2012). Oasis500 was also a key reference point in the ecosystem in Jordan that everyone knew about and was connected to in some way. Almost every entrepreneur I spoke with had either received investment from Oasis500, had had their company valued there, or served as a mentor there. Many investors were part of Oasis500’s extensive network or had given follow-on investment to companies graduating from Oasis.

**Development, Job Creation, and Hype**

Entrepreneurs and employees of development initiatives had mixed feelings about Oasis500 and the sale of Maktoob. The hype generated made ICT startup entrepreneurship more prominent, celebrated and accepted as a career path in Jordanian society. There was a sense that people finally took entrepreneurship seriously after Maktoob’s exit. Trainings multiplied, and investment was more forthcoming. Jordanian companies surveyed by Wamda reported
that while only four investments were made in 2009, this increased to 21 by 2013, the second largest number of investments in the region after Egypt (Wynn and Ward 2014). Young graduates could get training from multiple outlets, and secure funding with an idea. As Rania, who worked for an NGO initiative supporting startups aimed mostly at college students funded by international and multilateral donors, said:

I don’t necessarily believe in what Oasis500 does, but I think having them there was much better for Jordan than not, with the whole idea of awareness, creating the buzz. They kind of put the word out. And every other person wanted to be an entrepreneur. In a way it’s a good thing, and it’s a bad thing. You don’t want everyone to think that, ‘Oh, you know what, I want to be an entrepreneur! Ah you know what, I want to be another Maktoob!’ Do you have the capabilities, are you an entrepreneur, do you know how to do it?

The celebritization of ICT entrepreneurs and hype around the ecosystem was supported by development. Development initiatives (amongst which I include accelerators and incubators like Oasis500) were mainly involved in training and mentoring entrepreneurs and improving access to capital. Locally run organizations like non-profit training centers, NGOs, royal NGOs and government departments would implement programs, with funds from bilateral and multilateral donors. Development initiatives promoted ICT startup entrepreneurship with the expectation that individuals would become job creators for themselves and others.

Fatima, an employee of a US$50 million bilateral aid project supporting entrepreneurship in ICT and other key sectors, also explained entrepreneurship in terms of job creation:

There are different types of employability - you have someone who is self-employed and one who is an employee. The purpose is that an entrepreneur, if he manages to open his own business, he will create job opportunities for others. So rather than going to a company, and taking a job, they are creating jobs. And if you have one entrepreneur, they create 5, 10, 15 jobs. To be able to create this - I mean it’s very different than to have an opening and someone just takes it.

For development professionals, entrepreneurship, and ICT entrepreneurship in particular, is a valuable way to create jobs and grow the economy. The head of a national development agency distinguished between the ICT sector and other sectors by describing the difference
between a car mechanic and an ICT entrepreneur. Both are important economic actors, in his view, and both were needed in the economy. Yet a car mechanic, who seeks microfinance funding and employs himself and perhaps two people at most is different from an ICT entrepreneur because “the second one will be the engine of job creation,” creating five, ten or fifteen jobs.

To facilitate entrepreneurial job creation - and create ideal neoliberal subjects who do things for themselves instead of relying on government - development initiatives intervene in this supposedly neoliberal, free market economy. They do this through training, mentoring and funding opportunities, encouraging young people to be entrepreneurial. However, as Rania noted, now every other person wants to be an entrepreneur and another Maktoob. Rania distinguished between the desire to be an entrepreneur attracted by hype and incentivized by development initiatives, and the capacities needed to be a successful entrepreneur.

‘Real’ Entrepreneurs

Like Rania, experienced entrepreneurs made a distinction between young graduates attracted to entrepreneurship and themselves. Instead of being attracted to entrepreneurship by the investment offered by Oasis500 and the potential to be worth millions of dollars like Maktoob’s founders, experienced entrepreneurs distinguished ‘real’ entrepreneurs, who faced risk and potential financial loss, from others. All of the entrepreneurs I interviewed were experienced. They had founded their startups between one and fifteen years ago; on average, my interlocutors had been entrepreneurs for four years. The youngest was 26, the oldest in his late thirties, and all had spent time working for other companies, typically in the private sector, before founding their startup.
Saleh, a 33 year-old entrepreneur who had been a manager in the Gulf for eight years before starting his own company, compared what he saw as the different motivations of fresh graduates and young, mid-career professionals driving them towards entrepreneurship:

I’m saying whoever took this decision and he stepped down from his work and took the risk, took the willingness to start a startup from scratch, he’s an entrepreneur. But coming from a university, you know the maximum you will take 300 or 400 dollars as salary and you’re still 22 years old and you want to start your business because the next year you believe you’ll become millionaire? This is a dreamer, not an entrepreneur.

He saw ‘real’ entrepreneurs as having work experience and taking a risk by giving up their jobs. Saleh noted that by the time someone gains that experience, they are earning what he described as a “decent salary” and probably looking to get married. Deciding to start your own company at that point is risky not only professionally and financially but also personally. ‘Real’ entrepreneurs bear a greater risk and forgo a higher income, while young 22 year-old college graduates have a much lower opportunity cost.

Saleh also refers to the difficulty of finding a job after graduating and the low salaries of $300 or $400 a month. Jordan has a large youth population and a glut of young college graduates, with the rate of unemployment highest among this group. All of the employees of the development initiatives supporting entrepreneurship that I spoke with were concerned about this cohort of young graduates and their prospects for employment. Some even expressed fears that without jobs, the young people would become drug addicts or radicalized. From the perspective of development initiatives, entrepreneurship was therefore a way to solve the problem of youth unemployment, creating positive value in society rather the potential negative outcomes feared. For young college graduates, entrepreneurship is appealing given the choice between unemployment and underemployment, or coming up with an idea, receiving training and thousands of dollars in seed funding from an early stage.
investment fund like Oasis500, and potentially becoming as rich and famous as the founders of Maktoob.

Motivations for Becoming and Being Entrepreneurs

Saleh distinguished ‘real’ entrepreneurs because they take a risk and are less motivated by potential wealth having had the option to continue earning a “decent salary.” When describing their personal motivations for founding a startup, entrepreneurs followed a standard narrative, similar to global definitions of unemployment, talking mostly about passion and to some extent, social good. Yet they rejected the third motivation: fame and fortune, as a reaction against young graduate ‘dreamers’ and hype about entrepreneurship in Jordan.

The World Economic Forum says that entrepreneurial ventures are driven by at least one of three personal motivations: lifestyle or passion, social good, and fame and fortune. External forces or circumstances that may drive entrepreneurship are innovation, opportunity, and necessity (WEF 2011:8). The Global Entrepreneurship Monitor also differentiates between necessity-driven entrepreneurs (those who are forced to start a business due to a lack of employment opportunities) and opportunity-driven entrepreneurs (those who start a business because they see a gap in the market) (Reynolds et al 1999). Experienced entrepreneurs in Jordan rejected ‘fame and fortune’ as a motivation, associating it with the necessity-driven entrepreneurship of young college graduates who have few other opportunities. Instead, they saw themselves as innovative entrepreneurs, who were taking an opportunity but above all, following their passion.
Wassim, 35, an engineer who had lived in the Gulf and Europe for several years before starting his company a decade ago, attributed his choice to become an entrepreneur as being driven by passion. In telling his story, he juxtaposed passion with concerns for money and wealth. “I founded the company out of passion. Honestly there was no plan about how much money I would make, or what size of exit I will do in my life.” Wassim claimed to not care about profit. He let his cofounder take care of the financial side of the business. Other entrepreneurs were more concerned with revenues and profitability than Wassim, but money was not their motivation for founding their startup – they emphasized the hard work and the passion needed to become an entrepreneur and stay motivated to keep building a startup. Key to his passion was Wassim’s concern that people enjoyed his product, and that he provided a great working environment for his employees. He was particularly proud of the way he helped his employees, not only by exposing them to a different way of working, but also by supporting them through formal education and to help their families.

For Lara, who had had a successful media career before beginning her startup, entrepreneurship was about passion not profit, and she also described it as a journey of learning. Her startup was filling a gap in the market for parents. A mother herself, when she described the reception of the product with parents and their gratitude, she was clearly proud that the solution she had created for a problem resonated with others - a social good. For her, by having passion and creating a social good, one could learn the business and managerial aspects that were also essential to being an entrepreneur, and which differed from the skills she gained as an employee.

Like Lara, other entrepreneurs also saw a combination of passion and desire to create a social good as their primary motivators. Ziad, who had started a company straight out of high
school that had failed, and was involved in the ecosystem as a mentor, consultant, and
organizer of startup events, saw entrepreneurship as part of a personal desire to better society.
“I really feel like as cliché as that sounds, [entrepreneurship is] something from within. There
was a point in time where I realized I could really make something - a difference. And I was
driven by that.” This “something from within” reflects passion and social good as motivators.
Returning to Rania, she echoed these dual motivations succinctly when describing what
makes an entrepreneur: “someone with a passion, being innovative and creative... the major
line to me is that he or she can visualize a problem and solve it.”

Experienced entrepreneurs subscribed to two of the universal motivations: passion and social
good. Yet they explicitly rejected the third motivation, fame and fortune, by differentiating
themselves from young graduates motivated by money. I suspect that identifying with
passion and social good is a way for experienced entrepreneurs to align themselves with the
kind of entrepreneurship found in developed countries. They are embodying the motivations
of opportunity-driven entrepreneurs, not the necessity-driven entrepreneurial subjectivities of
entrepreneurs who have no other option. This reflects the ideal stereotype of Silicon Valley
entrepreneurs - people who love what they do, who work hard because their startup is their
passion, who saw a problem and decided to take the opportunity to solve it. Relatedly,
entrepreneurship professor Patricia Greene writes in a case study of Injaz, a youth training
program teaching entrepreneurial values to young people in Jordan and across the Arab
world:

Entrepreneurship, when approached correctly, is about far more than the creation of
individual wealth; entrepreneurship is the identification of opportunities, organization
of resources, and the provision of leadership to create something of value. That value
is most impactful when created for the benefit of the entrepreneurs, entrepreneurial
team, community, society and country. That value can be many things, but
approaching it only for the money is the smallest version of entrepreneurship. (Greene
2008:99)
Greene’s analysis reflects the dominant discourse emerging from the US: that entrepreneurship in its most developed form—“when approached correctly”—is about more than money. It is about being driven by opportunity, and creating social good and value that benefits others.

**Not an Entrepreneur?**

Other entrepreneurs, meanwhile, reject the term ‘entrepreneur’ altogether, feeling that it does not apply to them. This is because ‘entrepreneurship’ has taken on a narrow definition in Jordan, associated with the ICT startup ecosystem, given both the current hype created by myriad development initiatives and dominant ideas from the US celebrating the founders of technology companies like Google and Facebook. Instead, the experienced entrepreneurs I will now describe broaden the definition of entrepreneurship by referring to traditions and family histories of entrepreneurship in Jordan. They are cognizant, however, of the reasons why ICT startup entrepreneurship is celebrated, due to its potential for scale, and their own roles in the nation’s neoliberal development.

Reem, an artist in her early thirties who began her startup out of a gap she saw in the market, disliked being called an entrepreneur. “I hear it [the word ‘entrepreneur’] ten million times a day, but I just brush it off.” Identifying more as a creative, she questioned the idea of entrepreneurship, asking if freelancers like artists, graphic designers and journalists, were also entrepreneurs. She found it strange that ‘entrepreneur’ was applied to people who had their own company and paid salaries, and not to freelancers who were selling their work, and making money themselves. In her opinion, “the word [entrepreneur] has been bastardized. It’s such a stupid word. It’s hype.” She thought of herself instead as a freelancer, rejecting the ‘hype’ attached to the term entrepreneur in Jordan.
Reem’s dislike of the term entrepreneur may also come from her experiences of winning a startup competition. After winning the startup competition, she and her startup were suddenly celebrated and in the limelight. She felt different expectations and pressures as the label of ‘entrepreneur’ was attached to her after winning the competition. People expected her to seek financing and investment, to grow rapidly. Five years later, she was happy with her three-person team, but felt that this initial experience of being an ‘entrepreneur’ and winning the startup competition had derailed her from building her startup the way she wanted to.

For Sami, a graphic designer who has started several ICT companies in the past decade and currently works on his content creation startup, the term ‘entrepreneur’ is something new, and ultimately unimportant. What matters to him is the substance of what he is doing, not the label attached to it. “I don’t care if I’m an entrepreneur or not. Actually I’ve learned that word recently; two, three years ago. I think there are a lot of people who are being entrepreneurs and they don’t know about the whole entrepreneur thing and the whole media hype. So I never thought of the nickname or the name of what I’m doing, I was always thinking about what I’m doing as a result. And this is what actually everyone should care about - not the title. It’s not a job being an entrepreneur.” Sami did not care if he was called an entrepreneur or not, associating the term ‘entrepreneur’ with media attention and hype. He clearly disliked how ‘entrepreneur’ had become a job description. To him, ‘entrepreneur’ had little meaning, what was important was what people do. There are other people in Jordan, outside of the ICT startup ecosystem, who are entrepreneurial, yet were not a part of this hype or aware of the term ‘entrepreneur.’
Meanwhile Wassim, the former engineer, thought of ‘entrepreneur’ as a label that was attached to him in Jordan only and not when he was working in the same industry in Spain. In 2010, he returned to Jordan, and found that “people started to talk about entrepreneurs. And people started to point to me, ‘Ah, he’s an entrepreneur,’ et cetera. At that time honestly... I mean I worked in the startup scene in the mobile scene in Spain, but we never dealt with it! We never dealt with being an entrepreneur. Or the word ‘entrepreneur.’ Until I came back here to the Middle East.” Instead, he chose to describe himself as a “hobbyist.” Wassim rejected the attention given to ICT startup entrepreneurs in Jordan, comparing it to Spain, where he felt ICT startup entrepreneurship was less hyped and celebrated.

Like many other entrepreneurs I spoke with, Reem, Sami and Wassim expressed their dislike for the term entrepreneur, and rejected the idea of being labeled ‘entrepreneurs’ by others as it did not fit with their respective self-identities as a freelancer, a creative just doing this job, and a hobbyist. Yet they were active participants in the startup ecosystem. During my fieldwork, Reem won another startup award and Sami spoke at a startup event about his experiences founding his company. Wassim, meanwhile, described travelling to the US on startup trips with King Abdullah II and was working on various projects in the ecosystem with government and telecoms companies to help build the sector. Despite rejecting being ‘entrepreneurs’ in the hyped meaning and understanding of entrepreneurship supported by development initiatives, all three fully performed the role of being an entrepreneur within the ecosystem.

This dissonance between discourse and practice, of rejecting ‘entrepreneur’ while participating fully as an entrepreneur, can be explained by the social capital entrepreneurs receive through networking, attending startup events, and mentoring. This also offered
financial capital, with the potential to meet investors and appear more attractive to investors by participating in the ecosystem. Furthermore, I was often told that the startup ecosystem was a small circle, and frequently surprised by the number of familial ties, networks from school, and other personal connections between individuals in the ecosystem. Entrepreneurs may reject being called entrepreneurs, but they still practice being entrepreneurs in the startup ecosystem, as to not do so would be harmful to their social standing, personal relationships, and the success of their business.

**History of Entrepreneurship**

My interlocutors observed that the hype around entrepreneurs is specific to those in the ICT sector. As such, entrepreneurs in other sectors are overlooked. Hani, a young venture capitalist, noted, “today it seems it [the word ‘entrepreneur’] implies, at least in the US, a kind of tech entrepreneurship.” The same can be said of Jordan, much to Amir’s annoyance. Amir, an engineer by training who had started a very creative social networking site with a global user base, highlighted that entrepreneurship is not new in Jordan:

> The clock on entrepreneurship didn’t start ticking when there was an appstore or an iPhone or... That’s why I’m saying we’re trying to replicate this very Western concept of entrepreneurship. When... you know the supermarket owner here [in Jordan] is an entrepreneur effectively. You have a lot of small business here actually and people who start their own businesses; they’re all entrepreneurs. Anyone who starts a company and takes the risk in starting a company is an entrepreneur. It’s not someone in the tech space… Now distinguishing between a startup with a global outlook and an SME for example or a company with a regional outlook, that’s something. But the people who start them are all entrepreneurs. They’re taking risks, they’re starting up companies. They have a concept, they have an idea they want to put it into action. I hate it when people talk about entrepreneurship and then just show these techie and people who have developed apps or developed websites…

The celebration of ICT founders as entrepreneurs privileges ICT startups over entrepreneurship in other sectors. This trend reflects the narrowing of the definition in the US that Hani identified, whereby Bill Gates, Steve Jobs and Mark Zuckerberg (founders of
Microsoft, Apple and Facebook respectively) are household names and celebrated as entrepreneurs, while small business owners are overlooked (Nadesan 2001). Anyone who takes a risk is an entrepreneur in Amir’s eyes, regardless of the sector they are in. Yet, as a ‘techie’ who had created an app, Amir disliked how the term ‘entrepreneur’ was attached to ICT entrepreneurs, overlooking other entrepreneurs.

As Amir notes, there are a lot of small businesses in Jordan. He noted, “they’re all entrepreneurs,” regardless of whether they are in the ICT sector or not. My interlocutors repeatedly referred to the importance of entrepreneurs and contended that small businesses were the backbone of Jordan’s economy and had helped build Jordan to what it was today. Reem for instance questioned why she was singled out as entrepreneur, while friends who ran their own businesses as film directors and designers were not seen as entrepreneurs. Amir, meanwhile, talked about going to his father for advice on business matters. His father owned a family consulting business, and Amir saw his dad as an entrepreneur too, even though he might not be so recognizably celebrated as such in the current climate which privileges ICT startups as entrepreneurship. He talked about his father’s advice as being more useful to him than the advice of others in the ICT startup ecosystem, saying that even though his father worked in another sector, he knew how to be an entrepreneur. They therefore questioned the uniqueness of ICT entrepreneurs by referring to the role of small businesses in Jordan’s economy as a whole, and drawing on specific cases of friends and family.

Graphic designer and experienced entrepreneur Sami talked of starting a business in all sectors as ‘real’ entrepreneurship, countering the discourse that associates ‘entrepreneurship’ with ICT. “You know, Jordan is actually an economy based on small, medium businesses founded by people. And there’s a lot of family businesses that started, the father and
grandfather were actually real entrepreneurs, and they started things from scratch and from zero.” Sami not only expands the scope of the social category of ‘entrepreneur’ temporally and in terms of broadening the category to other sectors, but also legitimizes these other entrepreneurs as being ‘real entrepreneurs’ too.

By drawing on examples of entrepreneurship in other sectors and in Jordan’s history, entrepreneurs expanded the definition of entrepreneur beyond its strong association with the hyped ICT startup ecosystem. Entrepreneurs are therefore countering the idea that entrepreneurship is a new economic practice in Jordan. Instead, as Sami and Amir see it, entrepreneurs are the backbone of the Jordanian economy, presently and historically. I suspect that by drawing on history, my interlocutors seek to reclaim entrepreneurship from development, showing that Jordanians already had the capacity to be entrepreneurial before development interventions.

The Potential for Scale

At the same time, my interlocutors recognized the difference between the ICT sector and brick and mortar businesses - the potential for scale. Amir noted the “global outlook” of ICT startups. Because of the nature of their business, online, and often not limited by physical location, ICT startups can more easily be global businesses than brick and mortar small and medium enterprises (SMEs). ICT startups are not restricted to a local or even regional customer base, but can have customers or users anywhere in the world. A supermarket, meanwhile, can grow by becoming a chain of supermarkets, but as a brick-and-mortar business is restricted by location.
The ability of ICT startups to scale globally very rapidly means they have a greater potential to become large companies in a few years - like Google, or Facebook. This means ICT startups are more likely to have a greater impact on the national economy, or at least that is the hope. Hani the venture capitalist said:

There is obviously a distinction and the reason we make that distinction relates to economic growth, right. Because more qualified human capital doing things related to technology has a bigger impact on economic growth than somebody who’s starting an SME that is brick and mortar, a supermarket, whatever. So I think that’s the context in which policy makers are thinking about entrepreneurship actually.

Hani understands why policy makers are encouraging the hype around ICT entrepreneurs, rationalizing that they can have a potentially greater impact on economic growth - in other words, the nation’s economic development.

Hani also distinguished “more qualified human capital.” By this, he meant the higher education qualifications of ICT startup entrepreneurs. All of the startup founders and aspiring entrepreneurs I encountered in Amman had a university education, often from top universities in Jordan or abroad. While being an entrepreneur requires some of the same basic skills regardless of the sector - for instance, accounting and communication skills - running an ICT startup is associated with more tech-savvy skills, needed in the knowledge economy.

**The Role of ICT Entrepreneurs in the Neoliberal Economy**

Discussing the differences between entrepreneurship in the ICT sector and other sectors, my interlocutors connect the hype around ICT startups to Jordan’s development. They are cognizant of their own role in Jordan’s development, driving economic growth and creating jobs - a role that previously belonged to the government. Wassim astutely observed:

I understood the word entrepreneur at that time, the way they pushed it, because there is an issue of unemployment, people need work, and... at government, they don’t like to be blamed, all over the world they want to put it on someone, and this is the entrepreneur, who’s expected to start a company, hiring people, opening jobs.
Everyone was starting to talk about being an entrepreneur; we pushed this scene because it’s about finding jobs for people. And it’s an exit for the lack of opportunities.

Wassim recognized the global neoliberal shift in responsibility from the government to entrepreneurs, who are expected to shoulder the burden of economic growth and solve economic problems like unemployment.

The private sector neoliberal job creation implicit in ICT startup entrepreneurship contrasts with Jordan’s current economic situation. The public sector is a major employer in Jordan, while the state struggles with public debt, supported by international donors foot the bill. ICT entrepreneurship therefore offers the hope of a shift away from dependence on the public sector for jobs. As Thomas Friedman’s profile of Oasis500 proclaims, “this is a new Arab growth model - based on entrepreneurship, not government contracts”(Friedman 2012).

Friedman’s analysis celebrates neoliberalism; individualism and a restructuring of the economy around the free market and the private sector. He also dismisses the old - and implicitly underdeveloped - ‘Arab’ growth model of government contracts and state reliance.

International development, through bilateral and international donors funding local NGOS, royal NGOs, contractors, projects, and Jordanian state institutions, strive to support private sector, free market, neoliberal development in Jordan, epitomized by the ICT startup ecosystem. Development initiatives encourage this by working on access to finance and capital, removing some of the legal barriers to entry and exit, entrepreneurship training and education, as well as advisory and mentorship services, either applying pressure at the governmental level and working with institutions like banks, or by funding projects and initiatives through national public bodies or implementing NGOs. In doing so, development
Entrepreneurs’ concerns about ‘hype’ seem to indicate criticisms over development’s intervention in the space of the ICT startup ecosystem. In doing so, development became sovereign, filling in for the receding public sector. This represents a distorted kind of neoliberalism. Development professionals criticized the interventions of development as well. Sylvia, an expatriate development worker whose job was to decide towards which NGOs and projects her nation’s budget for entrepreneurship development in Jordan would be channeled, noted that some Jordanian initiatives were repeating the pattern of public sector dependence. She cited the example of the national enterprise development fund, JEDCO, as “throwing money out of the window.” JEDCO offers initial capital to startups, yet these were often seen as poorly managed, and the startups were not rigorously selected. Sylvia therefore saw this capital as ‘subsidies.’ “Companies should not start up because of subsidies, but because they’ve showed they have a good idea. They have to be able to take a risk. Entrepreneurship is about putting both feet in! It just ends up that you’re subsidizing people, not a business. It’s welfare!” Rather than achieving their neoliberal intention of diminishing the state role in economic activity, certain initiatives supporting startups actually facilitate new kinds of dependence of development initiatives or state bodies created to support entrepreneurship.

Development attempts to create neoliberal economies instead result in a new kind of ‘welfare.’

**Conclusion**

Entrepreneurship is seen as the cornerstone of the private sector and ICT as key to the advancement of the knowledge society. Over the past 15 years, Jordan has embraced programs “expand the social space over which the state is not sovereign” (Elyachar 2002:496).
neoliberal models of development proposed by international development institutions such as the World Bank, supporting ICT entrepreneurship in an attempt to become globally competitive, create jobs for well-educated young people, and promote economic growth. Doing so has shaped the dominant discourse of entrepreneurship in the country, linking it to ICT startups.

While entrepreneurship is regarded as a universal set of motivating factors in scholarly and policy literature, this chapter has shown how regimes of development can transform the meaning of entrepreneurship for subjects of development. Discourses promoted by development initiatives link entrepreneurship to ICT startups. This has de-historicized entrepreneurship in Jordan, privileging entrepreneurship in the ICT sector while overlooking family histories and a regional heritage of starting companies despite personal risk. Furthermore, this discourse privileges ICT entrepreneurship over other sectors in the economy which lack the potential for scale that ICT holds, thus overlooking entrepreneurs who own small businesses.

While ICT startup founders associate entrepreneurship with personal motivations such as passion and a desire to create social good, they also both reject and perform the social category of ‘entrepreneur.’ They seek to redefine the role that has been placed upon them by constructing their identity in alternative categories (such as ‘freelancer’ or ‘hobbyist’), by broadening the meaning of ‘entrepreneur’ to incorporate a history of entrepreneurship in Jordan and by defining SME owners as ‘real’ entrepreneurs who also bear risk. However, my interlocutors simultaneously acknowledged the reasons for the dominant discourse of entrepreneurship-as-ICT by distinguishing between the different potential contributions of SMEs and ICT startups to economic growth (and thus development), and by recognizing the
creation of neoliberal subjectivities through entrepreneurship given Jordan’s current economic context. Intriguingly, despite rejecting this discourse, ICT entrepreneurs were paradoxically enthusiastic participants in the entrepreneurial ecosystem. They therefore occupy complex positions within this discourse of entrepreneurship: their success, public speaking, mentorship and participation in the ecosystem further proliferates the narrative of entrepreneurship-as-ICT. Yet startup founders also try to shape and make their own discourses, redefining what it means to be an entrepreneur in Jordan on their own terms.
CHAPTER TWO
Value and the Business of Success

Despite the extensive aid funding entering Jordan’s ICT startup ecosystem, what was supposed to be a successful bastion of free market neoliberal development and a prime site of private sector growth was never quite as successful as people wanted it to be. Jordan’s ecosystem had not met the expectations of success that Maktoob’s multi-million dollar exit promised back in 2009. The ‘big exits’ for other Jordanian startups had not happened, and many entrepreneurs felt that they had instead struggled to secure investments and find their markets. Yet development initiatives and entrepreneurs value different things and understand ‘success’ differently. With the goals of job creation and economic growth, development initiatives engaged in training and improving access to capital. Entrepreneurs, meanwhile, measure the success of their startup in terms of economic value - sales, revenues and investment - necessary to keep a fledgling new business from failing.

Entrepreneurs saw three obstacles to their success: development’s distorting effects on the ecosystem in particular investment, investors’ inexperience, and the difficulties of finding customers and the market in Jordan. They simultaneously criticized development interventions, while seeking more ‘developed’ markets and investors, thus internalizing subjectivities about the ‘underdeveloped’ ecosystem. This chapter aims to show how entrepreneurs, striving for success and seeking to grow revenue and secure investment, criticize development interventions in the ecosystem at the same as wanting aspects of the ecosystem - Jordanian investors and consumers - to become more developed.
Success and Value

A startup’s success and survival are dependent on revenue and funding. The business must earn enough money through sales or raise enough money through investment. Day to day, entrepreneurs in the ecosystem were preoccupied with the business of running a startup: trying to increase their sales, or convince investors of the potential value of the business. Talk of customer acquisition, product viability, and markets, as well as funding and the struggles of securing investment, were prominent. Despite rejecting “fame and fortune” as a motivation, entrepreneurs constantly engaged with the financial side of their startup as they are businesses ultimately seeking to make a profit.

Much of the discourse about the business of running a startup focuses on value - the ‘added-value’ of a product, the ‘valuation’ of a startup determined by investors, ‘adding value’ to the economy. Value is “the way people represent the importance of their own actions to themselves” (Graeber 2001:45). These actions take on meaning when placed in social networks and society as an imagined social whole. This chapter follows the work of Nancy Munn and Julia Elyachar, seeing entrepreneurs, investors and development professionals in the ecosystem as a community that “seeks to create the value it regards as essential to its community viability” (Munn 1986:3). This positive value creation takes place alongside “antithetical transformations that, in the perception of the community, specify what undermines this value or define how it cannot be realized” (ibid).

Actors in the ICT startup ecosystem seek to create positive value: products that ‘add value’; investment to grow the sales, revenue, profit and value of a startup; increase personal wealth; and increase the nation’s GDP. Success in these terms is vital to the viability of each individual startup, entrepreneurs’ and investors’ livelihoods, the whole ecosystem, as well as
to the objectives of development initiatives. However, there are other forces working against
the success of the ecosystem, undermining attempts to create value or defining how it cannot
be created. These forces are the distorting effects of development initiatives: creating too
much and too little investment. Entrepreneurs in turn recognized the distorting effects of
development, while also blaming the lack of success on others in the ecosystem - investors’
inexperience, different ways of measuring a startup’s value, customers in Jordan not being
sufficiently ‘developed’ to afford their products. Paradoxically, while entrepreneurs criticized
the negative effects of development initiatives on their business, they also wanted the
ecosystem to be more developed in other ways to help their business.

Capacity Building

Omar, a consultant who had previously run a multi-year project funded by a bilateral donor,
cited the number of Jordanians who were engineers as being the highest in the world, saying,
“we should have the ability to innovate, to develop our own technology and stuff like that.”
Given the high levels of education and emphasis on science, technology and engineering in
schools, there was an expectation that Jordan could and should be innovative. For Omar,
though, it was not the ability to innovate that Jordanians were lacking but marketing and
business skills: “What we’re missing is how do you commercialize an idea in the market.”
Omar highlighted the challenge that all ICT and new media businesses face, which is creating
demand for a new product that customers do not know about. He compared ICT to the
construction sector noting how when an entrepreneur starts a cement company, they already
know there is demand for a product like cement. Yet, “when you’re selling a new piece
of software, nobody knows it exists, nobody knows why it’s useful, nobody knows why they
should pay you any money for it, nobody knows why it will improve their life. Making that
new value proposition is not something we’re particularly competent at yet.”
From Omar’s perspective, Jordan’s ICT ecosystem would flourish as managerial skills and capacities were increased through education, training, and mentorship. This would come as the ecosystem matured and entrepreneurs within it became more experienced and passed this knowledge onto others. In the meantime, development initiatives attempted to help grow the ecosystem, and give entrepreneurs and potential entrepreneurs these skills and capacities through training and mentorship.

At Startup Weekend, an investor in the ecosystem, Fouad, began his speech to a roomful of 80 entrepreneurial hopefuls talking about the “bad news” - the high failure rate of startups, some 95%. Startup Weekend is an international franchise sponsored by Google for Entrepreneurs and the Kauffman Foundation. People interested in startups - budding entrepreneurs with backgrounds in business, marketing and technology - come together for a weekend. Events are community-organized, but a facilitator flies in from Seattle.

Fouad went on to explain that with an ICT startup, the product was not the product, “added value” was. He asked, “Who’s heard of Twilio?” No hands went up. “Airbnb?” A few hands went up. “Uber?” I was surprised by how few of the potential young entrepreneurs had heard of these fairly large, and relatively famous, Silicon Valley startups, as they are discussed often in blogs like TechCrunch that are read as an industry standard in ICT startup ecosystems. Fouad then briefly explained each company’s business model, highlighting how they added value for the customer by removing customer ‘pain’ - the annoying part of a process, like finding travel accommodation or ordering a taxi. With these examples of ‘successful’ startups, Fouad was explaining why their product was useful, how it improved customers’ lives, and what compelled customers to pay money for this product. He was
therefore educating potential future entrepreneurs about what could make their product successful and marketable to consumers, and the differences between the ICT sector, and traditional sectors, like the hotel industry or taxi services. In doing so, he was training potential entrepreneurs how to make the ‘new value proposition’ Omar talked about.

Startup Weekend is a community-driven, volunteer-run event. Fouad’s presentation was therefore not explicitly part of any training or formal educational component, but rather part of the introductory session welcoming participants. In fact, three employees of a bilateral aid project who attended Startup Weekend felt there was not *enough* of a training and educational component at the event. Fouad’s talk is an example of the discourse prevalent in the ICT startup scene, both at formal entrepreneurial training sessions supported by development actors and at community-driven events.

Development initiatives varied, but much of the work of ‘developing’ the ecosystem was training new entrepreneurs. Trainings swiftly introduced ideas of value to ‘wannabe’ entrepreneurs learning about the ICT startup ecosystem and entrepreneurship. At the entrepreneurship training sessions I observed, the talks delivered were part tough love, part encouragement, warning people of the difficulties ahead, but also frequently citing success stories and the potential to build million dollar companies. Watching PowerPoint presentations, hearing from experienced entrepreneurs, and completing group exercises and homework, the trainees learned how to develop a business idea, the fundamentals of business models, basic finance and accounting, the fundamentals of marketing, and an introduction to Steve Blank’s Lean Startup methodology. In short, it was a crash course in ICT startup entrepreneurship. Trainees learned what information they needed to know about their business, and how to present it to customers and investors.
Investing in the Ecosystem?

At startup accelerators and incubators, training sometimes intersects with investment. About 40 people gathered in the room of a local incubator for an entrepreneurship training session. Sponsored by a bilateral aid agency, participants also had to pay a small fee to attend the entrepreneurship training to cover the costs of the program. Trainees were almost half female, overwhelmingly in their 20s but with a few in their 30s and 40s. An animated presenter, Ibrahim, who worked for an accelerator, was leading a workshop.

“Opening a startup isn’t easy,” he cautioned. He told the story of a well-known local hero, Ala’, a warm, charismatic young man of Palestinian descent. Somewhat unusually in the startup ecosystem, he grew up in East Amman, the poorer half of the city. After attending UNWRWA schools, he earned a scholarship to study computer science. Coming up with an idea to distribute Arabic books via the Internet, he pitched his idea to experienced entrepreneur and investor Fadi Ghandour, who gave Ala’ his initial startup funds of US$14,000 (Schroeder 2013:132). In telling the story of Ala’, Ibrahim said that after his company went through one of the accelerator programs, Ala’ had nine interested investors and a “400K investment.” His startup idea of being the Arab Amazon selling Arabic books in the region, which was initially valued at 100,000JD, was soon worth some 4 million JD.

“In three months he was able to grow his company from 100,000 to 4 million. Is that something you can achieve with a salary? Working at any institution around the world? And this is the good thing about entrepreneurship. You can accelerate your value. Any idea how much his company is worth today?” Pausing for dramatic effect, after a few unsuccessful guesses from his captive audience, Ibrahim revealed with a flourish: “Now, it’s worth 12 million! Okay, now who here wants a billion dollar company?” Everyone raised their hands,
a couple people called out; all the participants seemed excited by this prospect. “*Ahlan wa sahlan!* (Welcome!)”

**Too Much Investment, Too Little Investment**

Accelerators and training programs in the ecosystem advertised the potential wealth and earnings of founding a startup. Development initiatives distort the market by generating more early stage investment, which meant, entrepreneurs complained, there was too little investment for later stages. As discussed earlier in the first chapter and the introduction, Jordan has a large young university-educated population but not enough jobs to soak up this talent. Among employees of development initiatives and the young people I met at startup events, entrepreneurship was viewed and presented as an attractive option for Jordanians with a university education, compared to the likely alternatives: unemployment, relatively low paying jobs in Jordan, or migration to the Gulf for better employment opportunities. As entrepreneurs, people are seen as drivers of economic growth in Jordan, compared with being a burden on the economy, underemployed, or contributing to the growth of other countries.

Accelerators and incubators thus promoted the potential wealth and financial success of founding an ICT startup. Ibrahim, in telling Ala’s story, explained how other young graduates in Jordan could potentially grow their own wealth by creating a company, which may be valued at millions of dollars. He compared the potential personal wealth of founding an ICT startup with working for a salary, even a relatively good one. Seen in this way, starting an ICT startup is an attractive option.

Experienced entrepreneurs saw accelerators and incubators as development initiatives. Ahmed, an experienced entrepreneur who began his startup over a decade ago, cited
Oasis500 as an example, saying, “You need things like Oasis500 because some people want to put money into those - the government, and the funds and the grants.” Accelerators play a role in funneling the money of governments, private investors, and grants from foreign aid, into the ecosystem. Entrepreneurs saw accelerators and incubators as a conduit for development.

Entrepreneurs leveled criticism at development initiatives for unbalancing the ICT startup ecosystem and the economy with the lure of easy money. Ahmed explained:

Most of the startups today, they have an idea, someone tells them that it's OK to put together a slide deck and pitch it to investors and that's when there are really stupid ideas today. It's really screwing up the economy even. Because you have these fresh graduates thinking they can start a business. And instead of going and getting a job and making an impact in other established startups who are about to start growing, they start wanting to do their own startup and start other things. Ahmad wanted to see less funding available, because then “you won’t find this young college graduate who thinks that they can just start a business because somebody’s going to give them 10,000 dollars and a desk in an incubator.” Experienced entrepreneurs felt that young ‘wannabe’ entrepreneurs were encouraged by development initiatives to easily gain initial investment with an idea and a presentation to investors. This made it hard to find employees.

Experienced entrepreneurs described the ease of securing initial investment in terms of there being too much investment. This was potentially harmful to Jordan’s ecosystem, unbalancing it by creating a plethora of early stage companies, many of which were based on ‘stupid’ ideas that were unlikely to be successful. Meanwhile, startups on the cusp of success, those “established startups who are about to start growing,” are prevented from doing so because they cannot find the right staff. Entrepreneurs saw initiatives like accelerators and incubators as focused on the number of ICT startups in the ecosystem and building new ones, rather than trying to support existing, struggling ICT startups.
Experienced entrepreneurs rationalized that the multiplicity of early stage funding options was not only harmful to the ecosystem as a whole but to these young graduates who wanted to be entrepreneurs. If their startups failed, they would get into debt, which they did not realize. In contrast, experienced entrepreneurs told stories of personal sacrifice in the early days of their business, growing it with funding from their own savings, friends and family.

These stories of personal sacrifice and struggle continued. In narrating their experiences, entrepreneurs’ stories overwhelmingly told of their highs and lows, their moments of success and the difficulties, frustration and difficult decisions they had to make during times when they were without funding. According to Ramzi, a 26 year-old engineer by training, whose startup focused on in-app advertising, it was five times harder to find investment in Jordan than three years ago. A recent report (Wynn and Ward, 2014) found that Jordan was the best place in the MENA region to secure follow-on funding (the investment after the initial seed funding), but noted that less than half of companies surveyed had secured more than one initial round of investment.

Ramzi described his difficulties securing investment, echoing the narratives of most entrepreneurs I interviewed. As accelerators and development initiatives encouraged inexperienced investors, from Ramzi’s point of view, “they [investors] threw all this money. All of these companies are burning and crashing right now, they don’t know what they’re going to do, some of them [the investors] are still throwing money on the same companies not to lose the initial investment.” Ramzi paints a chaotic picture of investment in Jordan. He notes that the wave of increased investment after Maktoob’s success, and startups not being as successful as hoped, made investors risk averse, and so “no-one is taking the risk. Nobody makes a decision in Jordan; it’s really tough for you to find that first investor that takes that
leap for you. That’s really tough. They are all followers, all of them. If you manage to get one of the known names on board, you’ll get three others on board. But the trick is finding that one person.”

Alongside training, access to capital is a priority for development initiatives. One way of increasing access to capital is by supporting existing organizations in the ecosystem that give funding, as described above. A second way is working on access to capital at a structural level, such as the banking system. According to a development professional from a bilateral donor, the European Investment Bank was trying to restructure the banking system to improve entrepreneurs’ access to capital. Laith, who worked for startup support initiative that received bilateral and multilateral funding said that “the biggest issue [in the ecosystem] is access to finance, access to capital.” He explained what he currently saw as an unfair banking system. “If you’re an entrepreneur, banks take all your assets as collateral. They then value it for far less, will only give funds for 60% of that value, and then expect a 130% return. So if you have a house right, that’s worth 100,000 JD, the bank will value it at 70,000 and only give you a 40,000JD loan. Then if after two years you default on that loan, you have to go through the courts, you’ll lose your house and everything.”

According to Laith, access to capital from banks for the private sector was limited as the government’s public debt took up most of the available capital. As the government will never default and will continue to receive support from foreign donors, government debt is much less risky for banks to take on, so they charge entrepreneurs and the private sector high amounts. Ironically, it is the government’s large public debt, created and financed by donor support, which disincentivizes banks from lending to startups and small businesses. Development therefore distorts the ecosystem’s access to capital by facilitating banks’
unwillingness to lend to the private sector, yet are trying to restructure the banking sector. At the same time, a vast sum of aid is spent supporting entrepreneurs’ access to capital.

Valuations and Metrics

Entrepreneurs were critical of development for training young graduates to seek investment and increasingly the availability of early stage investment, which distorted the market. This meant there was too little investment for older startups. As Ramzi’s story of the difficulty of finding follow-on investment shows, developments’ distorting effects were not the only problem - investors are also a problem.

The business of startup investing is based on generating profit by investing in a startup. In theory, a startup uses investment to grow, increasing its user base and revenues. When another company buys out the startup or it is floated on a stock exchange, investors recoup their investment, hopefully with additional profit. However there is always the risk that the startup may fail and the investment will be lost entirely.

Investors assess an ICT startup using a series of metrics, make a valuation, and based on this valuation then offer a certain amount of funding in exchange for a percentage of the company’s equity. Investors known as “angel investors” offer smaller amounts at earlier stages, but are able to take relatively larger percentage stakes in the company because they are investing at an early, riskier stage when the startup may only be an idea, not yet a fully formed product with customers. Yet investment is speculative and the way that startup valuations are made is unclear.
Accelerators and incubators are also investment vehicles, often taking equity in exchange for space, mentorship, and funding. Each has different terms though. One incubator in Amman does not take equity, just charging startups rent for space. Oasis500 meanwhile currently offers US$30,000 in investment with over half of this in in-kind services such as mentorship for 20% equity (Carroll 2014). While Jordan is a less mature ecosystem, with lower labor and living costs than Silicon Valley, entrepreneurs noted that US ‘deal terms’ (as investment agreements are called) are more favorable. US investors tend to offer larger investments for smaller equity stakes, and as a point of comparison, accelerator Y Combinator offers US$120,000 for 7% equity.

In Jordan’s ICT ecosystem, as in other startup ecosystems, much of the conversation circled around investment – for instance, whether early stage companies should go to Oasis500 for seed funding, what investment was doing to the ecosystem, the differences between US and Middle Eastern funding round sizes. A startup closing an investment round is news, likely to be published on Wamda’s news section.

Young entrepreneurs are trained in how to communicate with investors. Back at the incubator training session, after Ibrahim’s talk, Hamid, an investor, led a financial training component of the course, telling participants:

You need to know your numbers inside out. Your income statement, balance sheet, cash flow statement, what are you assets, viability. Focus on what you can control. Not war in Syria, not Da’ish in Iraq, not Israel in Ramallah. The things you can control - they’re your revenue drivers. It’s knowing your cost of acquisition per customer. Your sales - sales figures are the best indication that there is a need for your business. All of these figures, you need to know them, get obsessed by them. Investors will quiz you on them. You need to know your numbers so that when you talk with an investor he feels comfortable that you know your business, otherwise it’s a red flag…
...When I invest in you, what does that mean? It means we take a share of your company, but we invest our time and money in you.
Hamid explains investment as taking a share in a business, but offering to invest time and money in the startup and the individual entrepreneur. ‘Wannabe’ entrepreneurs were taught the importance of learning certain figures. These figures and metrics were important indicators of potential. They conveyed to investors current and potential future customer share, in other words, the success of the product and the startup.

Investors’ valuations and the metrics used to measure a startups value was particularly commented on by those entrepreneurs whose startups had been accelerated in Silicon Valley. All had used the opportunity to try to seek investment there. Their experiences emphasized the differences between the ecosystems. Entrepreneurs saw investors in Jordan as using the wrong kind of metrics to value startups. They also saw investors in Jordan as inexperienced with ICT startups, and therefore less able to help with their business, in fact sometimes hindering it.

Hamid highlighted controlling revenue drivers, and that the most important number is sales figures, showing a need for the business. Yet Amir, an engineer whose app was used across the world, noted that in Jordan, “a lot of investors don’t value traction as much as they do elsewhere, in the US for example, in Silicon Valley.” Traction is about customer uptake and user growth. Amir had spent several months at a renowned Silicon Valley accelerator, his travel and living costs paid for by USAID. He said that in Silicon Valley, “no one asked me about my revenue streams and projections. They asked me how I’d monetize later but no-one asked me what my projections were.” He compared this to Jordan, where at an early stage, investors would ask for revenue projections as part of making valuations on startups. Amir pointed out how ridiculous this is, saying that at such an early stage, it’s impossible to predict these numbers, and so an entrepreneur can just project any figures. By valuing projected
revenues but not valuing traction (consumer uptake) as much, Amir felt that investors in Jordan were not measuring startups as they should. Amir wanted the Jordanian ecosystem to value startups in the same way as Silicon Valley investors. Yet, he recognized the structural limitations and differences between the ecosystem, explaining the different metrics used in valuations due to Jordanian investors being more risk averse and advertising revenues (a common way startups monetize) being comparatively low in the Arab world.

Amir echoes Ramzi in interpreting investors’ behavior as seeking certainty. By waiting for other investor as a guarantee, and by asking for projected revenue figures, investors seek to minimize their risk and try to ascertain the impossible - that the startup they are making an investment in will one day be profitable. From the perspective of entrepreneurs, Jordanian investors are limiting the success of startups and the success of the whole ecosystem by prioritizing projected revenues over traction (which indicates fast growth). Competing demands - entrepreneurs want access to later stage investment, while investors only want to invest in companies that can show particular kinds of metrics - prevent the ecosystem from being as successful as it could be.

**Investors Not “Adding Value”**

Hamid told participants at the training session, “Today we’re in one of the more mature markets for investing in startups. Why? Because of our ecosystem. All Jordan has is human capital. So we are the tenth in the world today when it comes to starting a technology company. We’re among the best places to get funding.”

However, entrepreneurs largely disagreed, citing investment as one of their biggest challenges. They saw Jordanian investors as coming from non-technology backgrounds -
from commerce, banking, government, NGO, and trade. The perception was that investors know about traditional business, but not necessarily the business of an ICT startup, where old business models could not necessarily be applied. “This does not qualify you to invest in a tech startup, even if you have the money. Because you, as an investor, are going to be an influencer in that business. And you’re going to push them [ICT startups] the wrong way or the wrong direction or the wrong pace,” said Ahmad, the entrepreneur in his late 30s who had started his first website over a decade ago.

Investors were seen as being important beyond a financial investment, in terms of their experience and knowledge that they could bring to a startup. As Ahmad continued, “There’s no added value really to a lot of the investors, other than money, which is not the best.” Reem, the artist turned entrepreneur with a five year old startup, said that she really wanted investors, accelerators and incubators in Jordan to “offer more value to the ecosystem, not just money.” She described value as “expertise, background, somebody who’s been there done that. Nobody here has been there, done that, except maybe one or two VCs, which doesn't help.” While investors make valuations on ICT startups, entrepreneurs themselves ascribe value to investors based not only on their financial investment, but what they could bring in terms of their relevant experience and expertise. Yet Jordanian investors were seen – as on the whole – generating less positive value than they should. In fact, some investors counter the success of the ecosystem by pushing startups the “wrong way.”

Ahmed thought expatriates and diaspora could play a particularly important role in filling the gap between investor experience levels found in Jordan and more developed ICT startup ecosystems like Silicon Valley: “We need more Arab Americans, Jordanian Americans, who have worked in startups, who have had successes, who have been presidents and VPs and
CEOs and VCs to come back and say, I’m an angel investor. I’m going to put money and help you with that business, because I understand how it’s done.”

This perspective was particularly interesting as Ahmed and other entrepreneurs believed ‘outsiders’ (non-Arabs not based in the region) would also add little value, as they would take certain things for granted - like customers trusting online payment systems and owning credit cards, for instance. Ahmed saw experienced expatriates as offering the most value to entrepreneurs, in terms of their local understanding of Jordanian and Arab consumers combined with knowledge and expertise learned in more advanced ecosystems like Silicon Valley.

Entrepreneurs see investors in Jordan as inexperienced and in need of training to learn the correct metrics to value startups, and to be able to offer the correct advice. They have internalized development’s ways of seeing the world, seeing investors in Jordan as ‘less developed.’ They therefore call for ways to develop investors and investments in Jordan - by engaging expatriates, for instance.

“Jordan Is a Small Market”

Alongside investors’ inexperience and development initiatives’ distorting effects, according to ICT startup entrepreneurs the third problem preventing success was the market. Throughout my fieldwork, I heard repeatedly, “Jordan is a small market.” As such, investors speaking at startup events told entrepreneurs and potential entrepreneurs that they were looking for ICT startups focusing on mobile consumers, creating products in Arabic, for Gulf markets. These were the kinds of products and markets the investors saw as valuable and
potentially profitable. Entrepreneurs and investors assumed that focusing on Jordan’s market alone would lead to failure.

At a Starbucks in Abdoun, a wealthy neighborhood in west Amman, I met Basel one evening before he met up with some friends. I had first got to know Basel at a startup event, and subsequently saw him speak about being an entrepreneur at Startup Weekend. Although he was just 27, he was quite experienced and well-known in the ecosystem. He had worked for one startup before starting two of his own. He explained why his startup made apps in Arabic that were localized for the markets in the Gulf. To him, thinking about Jordanian consumers only is a set up for failure. “Jordan has a population of 6 million people, and about half a million live in West Amman. If you’re selling something, or solving a problem, then you’re targeting the well-educated people who can afford it, which is West Amman. Let’s say 10% of them actually want what you’re selling, and 10% of that 10% actually become your customers. Your market is 5,000 people.” He then gave an example of a friend’s startup, which could never be ‘successful‘ as it could not scale beyond an elite segment of the Jordanian population. According to Basel, most of Jordan’s population is not wealthy enough to afford a smartphone and apps, or to shop online, order food delivery online, or go to the restaurants listed on Yelp-like crowd-sourced review websites. Thus ICT startups based in Jordan limit their customer base and their growth, ultimately failing in Basel’s view, as the Jordanian market is not large enough to sustain them.

Basel highlighted the social structure of Jordan and its status as a developing country. Only a small customer base is wealthy enough to afford ICT startups products. His analysis explained what I frequently heard in entrepreneurship training sessions, in talks given at events by investors, and from entrepreneurs in mentoring sessions: Jordan is too small, think
of Jordan as a testing ground, but ultimately, focus on the Gulf market. For in the Gulf, success could be found, in terms of large numbers of potential customers, high sales and large revenues.

The United Arab Emirates and Saudi Arabia have the two highest rates of smartphone usage in the world at 74% and 73%. This is much higher than developed ecosystems like the US (56%) and the UK (62%) (Google et al, 2013). With the population of Saudi Arabia close to 29 million people, and the UAE at 9 million people, these represent sizable markets, which are seen as ripe with potential (Tabaza 2015). In comparison, the number of mobile connections that are smartphones is below the global average in Jordan - just 18% of total phone connections (GSM 2014:22). Although a more difficult market to break into than Jordan for Jordanian entrepreneurs, Gulf markets have higher GDP on average and are potentially far more lucrative.

The developed capitalist markets of Saudi Arabia and the United Arab Emirates attracted entrepreneurs and investors because of their tech savvy, consumerist, high-income populations, with both investors and entrepreneurs quoting the levels of smartphone usage in both. In Jordan, meanwhile, although domestic ICT revenues grew steadily in the early 2000s, from US$48 million in 2000 to US$736 million in 2008, this subsequently more than halved, sinking to US$313 million in 2013 (Intaj 2015). While these figures indicate that there is a sizable market in Jordan, it shrunk, in part because of the global economic crisis, and perhaps because of entrepreneurs’ ideas about the Jordanian market. Entrepreneurs and investors see Jordan as economically inadequate and underdeveloped, and not a real site of potential business, wealth, and prosperity. ICT startup entrepreneurs have internalized developments’ subjectivities, seeing consumers and the market as ‘underdeveloped.’
Basel also connected the ‘small’ size of Jordan’s market with startup failure. Due the country’s small customer base, he explained that an ICT startup targeting only Jordan as a market will have low projected revenues. Investors base their valuations on projected revenues. According to Basel, if entrepreneurs built businesses with only Jordan in mind, there was little likelihood of attracting a large amount of investment, because the potential value of the company would always be low. Basel equated low revenues and low investment with failure, as there are high growth expectations for ICT startups, and revenues and investments are how entrepreneurs and investors measure success.

Discourses about Jordan’s “small market” also raise broader debates about how the ecosystem should be. On the one hand, investors and entrepreneurs sought the developed markets of the Gulf, as these are seen as offering more customers and higher startup growth potential. Trying to minimize risk, investors encourage tried-and-tested business models and ICT products and services from the US or Europe, that have not yet reached the Arab markets and been ‘localized.’ This regional focus clashes with ideas of ‘Innovative Jordan.’ In this vision of the ICT startup ecosystem, Jordan is the image of Silicon Valley, with innovative globally competitive startups. Jordan, in relation to the powerful idea of Silicon Valley and its success, will be discussed further in the next chapter.

**Conclusion**

The successful exit of Maktoob to Yahoo for US$168 million generated excitement and expectations that other startups could follow in their footsteps. Yet five years later, this has not happened. In response, development initiatives continue to ‘build capacity’ in the ecosystem, providing training and access to capital. From the perspective of development, the
ecosystem will be successful if only Jordanians can be educated in entrepreneurship, and if there is enough funding available to them. The goal of development is job creation for young graduates, while entrepreneurs seek to grow their own businesses. To experienced entrepreneurs, development initiatives’ provision of more early stage funding to attract young new entrepreneurs distorts the ecosystem. “Too much” early stage investment creates “too little” funding for older startups. Without funding, startups cannot continue to grow and scale up, thus too little funding harms their chances of success.

Entrepreneurs criticized the effects of development, at the same time as discussing investors and markets as not developed enough. Capitalist speculation and the mechanism of the global free market were never questioned - instead, entrepreneurs sought investors with more experience, and wealthier customers. Jordanian expats in Silicon Valley are seen to have more knowledge and expertise, unlike the inexperienced ‘developing’ investors in Jordan. Only a few customers in Jordan are developed enough for the products of ICT startups, making it a “small market,” so entrepreneurs seek the developed, richer markets of the Gulf countries like Saudi Arabia and the UAE.

Value is central to discussion of startups. Ideas of value are used as a measurement of success, and when talking about products, profit, revenues, traction and investment. Anthropologists (e.g. Munn 1986, Graeber 2001) note the centrality of value in shaping actions in society and in giving meaning to them. Actors in the ecosystem seek to create positive value to sustain the ecosystem, making it viable and hopefully successful. Entrepreneurs try to build, grow and scale their startups, finding funding and seeking out the most profitable markets. However, different actors have different visions of how the ecosystem can best achieve success. Development initiatives, through training sessions and
early stage funding, take action which according to entrepreneurs, obstructs the creation of positive value. Entrepreneurs also point to investors and the market as working against their attempts to generate positive value. The next chapter will look further at how this success is measured, against the ideal ICT startup ecosystem, Silicon Valley.
CHAPTER THREE
“Mindset,” “Mentality” and “Culture”: Frictional Encounters with Silicon Valley

This chapter focuses on actors in the ICT startup ecosystem comparing entrepreneurial subjectivities in a developed ecosystem, Silicon Valley, with the kinds of subjectivities in Jordan’s developing culture and society. Silicon Valley has become the global standard for information and communications technology (ICT) startup entrepreneurship. Companies like Google, Apple and Facebook, are known by almost everyone. Entrepreneurs like Steve Jobs and Mark Zuckerberg are celebrated household names. Because of Silicon Valley’s success, ideas and practices emerging from there are widely adopted in ICT startup ecosystems around the world. In Jordan - as in Berlin or London or any other startup ecosystem - my interlocutors talked about Steve Blank’s customer development methodology and the ‘Lean Startup’ approach of rapid prototyping and iteration to minimize wasting resources. Silicon Valley dominates discourse and practices about the right way to be an ICT startup entrepreneur. But what happens when these mythologized Silicon Valley ideas about practices and ways of being a successful ICT entrepreneur encounter other work practices, thinking and attitudes, in a given locality? And what does this mean in contexts where a nation’s development is closely associated with the development of the ICT sector?

In this chapter, I apply Anna Tsing’s concept of “friction” to examine the interaction of ideas emanating from Silicon Valley with existing ideas about entrepreneurship in Jordan in relation to education, work culture and failure. In this productive encounter, my interlocutors highlighted problems with existing “mindset,” “mentality” and “culture” in Jordan. Compared with Silicon Valley, which epitomizes development, actors in the ecosystem recognize other Jordanians and Jordan as a nation in the global system as ‘underdeveloped.’
This recognition creates the justification that Jordanians should be subjects of development, and Jordan as a nation should be an object of development.

**Haya and Mohammed**

Although it was the weekend, the headquarters of major telecommunications company Zain buzzed with activity. At the entrance, volunteers signed in participants and directed them upstairs. A few floors above, approximately 80 college students, young professionals in their 20s and early 30s, and even a few high school students, were sitting on blue and pink beanbags in the hallway discussing projects or gathered around tables in a purple-walled room, coding intently. Energy levels were high on the final day of the community-organized startup event, Startup Weekend.

On Thursday evening, the end of the Jordanian working week, we had gathered in Zain’s auditorium, which has inspirational quotes by Jordan’s Queen Rania and the legendary poet Mahmoud Darwish on its walls. Following introductions and an icebreaker, young men and women got up on stage for a 60 second “lightening pitch” of their idea, trying to recruit teammates. Teams then had 54 hours to work on an idea, culminating in a competitive pitching session to panel of judges, where teams would present their startup, describing their business model and showcasing a minimum viable product such as a basic mobile app or website mock-ups.

Alongside the activity of building and creating a startup, figures from Amman’s ICT startup ecosystem gave talks. On the second day, two well-known Jordanian startup entrepreneurs shared their story. And on the last day, it was the turn of Sleiman, a venture capitalist. He sought to motivate the audience by telling them what he would invest in and what he thought
they should focus on to generate revenue - namely, Saudi Arabia as a key market, and Arabic as the language in which to build their startup. Sleiman called on the startup enthusiasts to focus on localizing existing products for the region, not on “reinventing the wheel” as he put it, because he felt the Arab world was not the right pace to create something truly innovative. Sleiman also encouraged everyone to gain work experience before beginning their startup, saying that: “People have to come back down to reality. It takes a lot of effort to raise money for a fund, so VCs have to be careful” - and that more experienced entrepreneurs were more likely to succeed.

In the canteen eating lunch following Sleiman’s talk, I asked Haya, one of the events’ volunteers who was graduating with a degree in business later that month from the prestigious Princess Sumaya University of Technology (PSUT), what she thought of Sleiman’s advice. She said she disagreed with Sleiman, particularly his view that entrepreneurs should have work experience before founding a startup. “Workers in a company get stuck. I believe you need to fail and fail, you know, before you have a success story.” She ruminated on this for a few minutes, and typically chatty, was much quieter than usual. Then she turned to Mohammed who was also sitting with us, and asked him for his thoughts, which prompted a lengthy debate between them. A 30 year-old developer working for Microsoft, Mohammed responded: “He’s not a cheesy guy yani, he’s very realistic.”

Haya: “Too realistic for me!”

Mohammed: “When we talk about entrepreneurship, it’s different than being in the US. They’ve had the mission to be an entrepreneur as a kid. I mean look at Bill Gates, he was 13 years old. Here, entrepreneurship comes from nothing - you have to take the longest path.”

Haya: “I understand, but not having experience shouldn't prevent people from trying”
Mohammed: “Listen, I’m a developer - we have to make more and more mistakes before we learn and get the code right. The thing that will challenge you as a person is failure. Being an employee in a corporation teaches you four things - discipline, persistence, perseverance, and an understanding of others. You have to be owned by others and let others choose what you have, you have to work in the corporate world to understand the system. It’s not about being creative and serious - you can do that at your own company. But - if you own yourself, and you didn’t try to be owned, then you can’t own others.”

Haya responded, “I really believe in entrepreneurship, and that it starts when you are young. He was really realistic - I think you have to be a dreamer and have a passion. I mean, why can’t undergraduates be entrepreneurs?”

“The education system is different here. In the US, kids work at school and college. Here not so many do. We have genius people but we don’t have the ecosystem,” said Mohammed.

Haya: “The speaker was very discouraging though. At Princess Sumaya University of Technology they taught me about entrepreneurship, that I could do this. I mean look at Mark Zuckerberg - he failed many times before Facebook. Him and the other guy, what’s his name, Bill Gates, they both failed at a young age. And they didn’t work for 10 years first. They chose entrepreneurship at the beginning.”

Mohammed: “Yes but Bill Gates, Mark Zuckerberg, and Steve Jobs - they started doing this in a very different ecosystem. They weren’t the pioneers! We need to work on our ecosystem. We don’t believe in it right how.”

I asked why young Jordanians didn’t believe in the ecosystem. Mohammed replied: “We’re spoilt in Jordan. People live with their parents, they pay for their car, everything. That’s why entrepreneurship doesn’t take root - we don’t have to.”

Haya: “Yes, it’s related to family, and our culture, it’s comfortable.”
Mohammed: “So you’ve got to twist your dream and localize it. You can be the Steve Jobs of the Arab World. But don’t try to copy cat others. You need to follow your own path, look at options, be realistic.”

Haya: “I agree that you have to localize and then you can be an icon for Arab culture. But if you don’t follow your dream, it will just be a dream. I didn’t like how he [the VC] didn’t really give options, you know.”

Mohammed: “Yes, but the Arabic tech sector - we’re very naive. He’s very realistic. In developed ecosystems, people have ethics, persistence, they’re not money-oriented, they’re success-oriented and money is just the result. And in the US, they have debates, public speaking - all these things beyond the technology that help create and form and express the idea.

Haya: “Yes, but they try entrepreneurship year after year.”

Mohammed: “Have you heard of ‘intrapreneurship’? [‘Intrapreneurship’ describes being entrepreneurial within an organization.]

Haya: “Believe me, it doesn’t work in Jordan with our culture.”

The conversation then shifted to discussing a youth organization that Mohammed worked with, the local chapter of an international movement empowering young people to create positive change through volunteering.

**Comparing Silicon Valley and Jordan**

Haya and Mohammed’s discussion is a debate about what it takes to become a successful entrepreneur. Mohammed emphasizes experience as being important, echoing the experienced entrepreneurs in the first chapter. Haya, the 22 year-old college graduate, believes young people her age could be successful entrepreneurs and should repeatedly try
their hand at entrepreneurship. Their debate reveals ideas about differences in education, attitudes to failure, and ideas about Jordan’s “culture.” Throughout their conversation, they drew comparisons between Jordan and the US. They cited Bill Gates, Steve Jobs and Mark Zuckerberg as examples of successful entrepreneurs, yet gave reasons for why Jordanian entrepreneurs could not be like them. Silicon Valley serves as a model for success. Haya and Mohammed’s comparisons reveal the ways in which Jordan, and thus the Jordanian startup ecosystem, differs.

Friction and Silicon Valley

In this chapter, I use Anna Tsing’s friction as a way to consider new arrangements of culture and power created by development, ICT startup entrepreneurship and ideas of Silicon Valley in Jordan. For Tsing, friction is the interaction between universals and local knowledge in which cultures are continually co-produced (Tsing 2004:4). Culture is constantly being made and remade through frictional encounters. She writes that these frictional interactions are “the awkward, unequal, unstable, and creative qualities of interconnection across difference” (ibid:4).

Central to Tsing’s theory is the idea of the ‘universal’: “knowledge that moves - mobile and mobilizing - across localities and cultures” (ibid:7). Her examples of ‘universals’ are knowledge, prosperity and freedom. Here, then, I diverge from Tsing’s theory. Rather, I am talking about a kind of knowledge - ideas about ICT startup entrepreneurship - emerging from a particular location in California’s Silicon Valley. Tied to a place, this knowledge is highly specific. Yet in attempts to replicate Silicon Valley’s success, dominant ideas and practices from Silicon Valley circulate globally, coming to stand in as a universal. “Silicon Valley forwards a paragon of US high-tech entrepreneurship and presents an example of
place-based discourse as not only influential, but also transcendent” (Gill and Larson 2014: 522).

Silicon Valley as a paragon of high-tech entrepreneurship is perhaps best illustrated by the naming of ICT startup ecosystems. “Silicon Valley translates the world over as a byword for cash flow and technological savvy” (Wieners and Hillner, 1998). Regional technology hubs trying to emulate the success of Silicon Valley has resulted in a proliferation of ‘siliconia’ (Rogers and Larsen 1986), deriving nicknames from the Silicon Valley namesake. A Wikipedia listing, by no means complete, contains 88 “Silicon” names for ICT ecosystems around the world at the time of writing. (Incidentally, there is no mention of Jordan and ‘Silicon Wadi’ is claimed by Tel Aviv.)

The epitome of a successful ICT startup ecosystem, Silicon Valley’s language and discourses circulate globally, resulting in actors emulating Silicon Valley ideas and practices in Jordan. Jordanian entrepreneurs and investors talked of ‘disruption,’ ‘innovation,’ ‘minimum viable products’ and ‘lean’ operations. By reading blogs and news about Silicon Valley startups, Jordanian entrepreneurs learned about Silicon Valley work culture: fast pace, long hours, a lack of hierarchy in teams, a receptiveness and openness to change. In entrepreneurial training programs, alongside learning about successful US startups like AirBnb and Uber, aspiring entrepreneurs were repeatedly told how much hard work founding a startup would be, and the kinds of skills and thinking they would need. Furthermore, the Silicon Valley idea of “fail fast” - accepting failure as almost inevitable and necessary for learning - was often talked about at startup events and in training programs.
In an ethnography of entrepreneurs in Montana and Utah, “Silicon Valley offers an image of an ‘ideal self’ with which entrepreneurs across the USA are encouraged to identify, not least because Silicon Valley is looked to as a frontrunner of innovation and growth that represents ‘Olympic-style capitalism’” (Gill and Larson 2014: 522). The same is true in Jordan. Entrepreneurs are encouraged to look to Silicon Valley as the ‘ideal’ type of ICT startup entrepreneurship.

Identifying Silicon Valley as the ‘ideal’ is facilitated by development initiatives not only in training entrepreneurs in Silicon Valley knowledge, but by physically transporting Jordanian entrepreneurs to Silicon Valley. In May 2014, King Abdullah II and entrepreneurs from seven ICT startup travelled to Silicon Valley as part of “Innovative Jordan,” sponsored by USAID (El-Khair, 2014). Of the entrepreneurs I interviewed, five had spent time in Silicon Valley when their startups were incubated by well-known accelerators like Plug and Play and 500Startups. One entrepreneur I interviewed was based in “the Valley” full time. These entrepreneurs described their experiences in Silicon Valley as transformative. Ramzi, a 26 year-old whose startup focused on in-app advertising, said of his three months there: “I got educated! I mean you can read about it, in tweets, on [the blog] TechCrunch, in studies, and so on, but eventually if you don’t go and experience it, you’re never going to get it.” Back in Amman, these entrepreneurs seemed to have a different approach to their business and Jordan’s ICT startup ecosystem. They were also mentors to other entrepreneurs, passing on what they had learned. Circulation between Jordan and Silicon Valley came full circle when, at an ICT startup event, Ahmad Al Hanandeh, the CEO of telecom operator Zain, announced that Zain was creating a co-working and innovation space: “Instead of going to Silicon Valley we’re going to bring Silicon Valley to Jordan!” Silicon Valley is therefore a place that
is imagined, constructed, but also made real with physical travel. Construed as universally relevant, Silicon Valley looms large in the Jordanian ecosystem.

**Development and Failures of the Nation**

The friction between Silicon Valley’s circulating knowledge and Jordan’s local context are best seen through the comparisons made between Silicon Valley and Jordan. Entrepreneurs identified differences in “mindset,” “mentality” and “culture” in Jordan as problematic for fostering Silicon Valley style practices and ways of being a successful entrepreneur.

Moreover, these problems were problems of the nation. As Julia Elyachar notes in her ethnography of a World Bank microenterprise project in Cairo, the project’s failures “produced a widespread sense that what had failed was something specific to Egypt - the youth were lazy, the officials were corrupt, the banks were too rigid, and marketing had been neglected. It was not the market that was flawed - Egypt was flawed” (Elyachar 2005:12). Similarly, in Jordan, failures of the startup ecosystem were not blamed on ICT startup entrepreneurship, but rather on existing “mindsets,” “mentalities” and “culture” in Jordan obstructing success. Silicon Valley is not seen as an unrealistic model. Instead, Jordan is flawed as it is not like Silicon Valley.

In trying to develop Jordan, international and national development initiatives and actors facilitate the movement of Silicon Valley knowledge. The friction generated in the encounters between Silicon Valley knowledge and existing local knowledge and practices actually prevents entrepreneurs from viewing Jordan as ‘developed.’ Silicon Wadi can never quite be Silicon Valley. Instead, these frictional encounters highlight the failures of others outside ICT startup ecosystem, and the rest of Jordan, to embrace ‘development’. In this way,
entrepreneurs distinguish themselves from the rest of ‘underdeveloped’ Jordan - they have learned how be entrepreneurial and embrace a different mindset, mentality and culture. Following this logic, Jordan’s underdevelopment is the reason why the ICT startup ecosystem is not as successful as it could be. I will now turn to explore three examples: the education system, work culture, and the culture of failure.

**Education and “Mindset”**

Talking about his time in Silicon Valley, Ramzi said it was there he had “got educated,” while Mohammed and Haya also highlighted education differences between Jordan and the US as reasons why ICT startup entrepreneurship was different in the US. My interlocutors highlighted education in Jordan as producing and reproducing certain “mindsets” counter to the kind of mindset they saw as necessary for ICT entrepreneurship. Mohammed began by comparing Jordan’s ICT startup ecosystem to Silicon Valley. Beyond the technical and engineering skills that Jordan had in abundance, Mohammed saw education as important in forming an entrepreneur. “The education system is different here. In the US, they have debates, public speaking - all these things beyond the technology that help create and form and express the idea.” Mohammed identified critical thinking skills as crucial in being and becoming a successful ICT startup entrepreneur.

In May at the management school of Princess Sumaya University of Technology, graduating seniors presented their final projects. One all-female group of 21 and 22 year-olds presented their research on students’ resistance to working for startups. They compared what they saw as the character and personality traits needed for entrepreneurship with the Jordanian education system, noting that Tawjihi “promotes memorizing over creative thinking” while in contrast, “a startup attracts a creative, intelligent and innovative person.” They therefore
highlighted the mismatch in skills, and the kind of skills they saw as necessary to be an effective, successful entrepreneur.

My interlocutors often brought up Tawjihi, the public high school curricula and final examination system, as a ‘problem’ due its emphasis on rote learning and its stratification based on results, not passion for a profession. Tawjihi exam scores dictate students’ field of study at university - for instance, only the top scorers study medicine. The Jordanian government spent 20% of the budget during the 1995-2005 period on education, and is consistently has one of the highest rates of public expenditure on education in the region (Kanaan and Hanania 2009:146) There have been major reform initiatives, notably the Education Reform for Knowledge Economy Project (ERfKE), which includes “curriculum reform, teacher training and introduction and upgrading of school ICT infrastructure” (ibid:146) and the Discovery Schools project, where 100 schools in the pilot were provided with ICT capacities, teachers were given professional development, and e-curriculum tools were developed. Information management was also introduced as a new subject for secondary students. With these reforms, “the new curriculum emphasizes both subject-matter skills and other transferable skills that are necessary for success in the private sector, including communication, team work and analytical and problem-solving skills” (ibid:146). Despite these reforms and attempts to move Tawjihi away from rote learning, the curriculum still does not teach or measure critical and independent thinking (ibid:150). The reforms were not mentioned by my interlocutors - to them, Tawjihi still did not teach the kinds of skills they believed to be necessary for ICT entrepreneurship.

Public education is seen as low quality because despite reforms, there are gaps between labor market demands and the skills students learn (Greene 2008). To address the ‘problems’ of the
Tawjihi public education system, there are numerous organizations working in public high schools, universities, and with college graduates training young people to be more entrepreneurial and more employable by the private sector. These training organizations are neoliberal education tools – Greene for instance celebrates how Injaz, probably the most famous entrepreneurship education program in Jordan which has since extended to the Arab world, as “specifically a non-governmental program; it was intentionally started outside of the regular classroom in order to avoid developing a burdensome bureaucracy” (Greene 2008:100).

Training is in leadership, financial literacy, soft skills, work ethic, and strategy. Injaz’s training follows “the educational mindset approach...providing a framework for critical thinking and problem solving along with those tools for application” (Greene 2008:101). Looking at Injaz and two other entrepreneurial youth training programs in Jordan in 2007, Mayssoun Sukarieh notes, “the sponsors of these programs focus on tackling the cultural deficits and pathologies they argue are responsible for creating social and economic problems in Jordan” (Sukarieh 2012:122). My interlocutors – both entrepreneurs and development professionals - invariably described the ‘cultural deficits’ in terms of ‘mindset.’

I interviewed one employee, Noor, and one founder, Omar, from two different skills-training non-profit organizations. Both organizations were initially started with funding from USAID. The organization Noor worked for received royal support and continued to be funded by USAID, while Omar’s was now funded by multiple bilateral and multilateral donors. Omar noted that his company’s programs - which had trained 23,000 people in the last decade - aimed to “change the mindset and behaviors.” Noor meanwhile described how young people’s mindset changed after training: “and so you have a little bit of mind shifting, of
setting up a goal...they feel they took ownership of their future.” By teaching entrepreneurial skills, both organizations aim to expose young people and their parents to the possibility of entrepreneurship and work opportunities other than the public sector. In Jordan’s rentier state, the stability and relatively decent wages of the public sector means that public sector jobs are still the most desirable kinds of jobs. Training initiatives are trying to combat and change this ‘mindset’ and Jordan’s social and economic problems.

Both Noor and Omar felt the national public education system hampers entrepreneurship, preparing young people for the public sector not the private sector. Noor described the education system in Jordan’s schools and universities as “really really weak.” Although there have been attempts at reforms, Omar noted there was a lot of resistance from teachers and professors at schools and universities. Thus, in his view, “the whole education system is not allowing there to be enough talented and innovative kids.”

In narrating the failures of Jordan’s ICT startup ecosystem, Walid described these training initiatives as being too late to be effective. Walid, who worked for an NGO supported by international development actors, and whose cousin was an ICT startup entrepreneur, said “entrepreneurship is introduced around 11th grade, but by then, kids are so used to the system, it’s too late - there’s already no space for out-of-the-box thinking.” He saw education as creating a fixed mindset, one that was not open to creativity and innovation. Initiatives intervening and trying to cultivate the skills and mindset believed to be necessary for entrepreneurship were insufficient given the public education system’s rigidity and prescriptive rote learning style, which in Walid’s opinion had already shaped children’s mindset by 11th grade.
My interlocutors saw being a successful ICT startup entrepreneur as dependent on the kinds of creativity and critical thinking skills that Jordan’s Tawjihi education system did not adequately teach. Many in the ecosystem had attended private schools instead. They identified public education as a ‘problem’ for Jordan’s ecosystem, compared with the American education system.

**Work Culture and “Mentality”**

Silicon Valley work culture has, since the 1980s, been characterized by “highly intuitive and casual decision making styles in Silicon Valley firms, the absence of concern with organization charts, procedures, or other formal mechanisms of control, the elimination of status barriers, and the general informality of workplace procedure, dress and style” (Saxenian 2006: 53-54). This work culture has been influential in Jordan’s ICT startup ecosystem. For instance, all of the startup employees and entrepreneurs I encountered were dressed casually, except for one young man who showed his inexperience by dressing in a suit to his first startup event. Meanwhile, Oasis500 boasted a large, airy open-plan workspace with colorful walls featuring inspirational quotes, and a slide between two floors, emulating the fun, playful workspaces of top Silicon Valley ICT companies.

Wassim, the founder of a startup which builds mobile games described his 16-person company as non-hierarchical. With a bright open-plan workspace, no separate office for himself as CEO, and – according to him – transparent decision-making, his business resembled Silicon Valley’s work culture: a place where he had spent time at the early stages of building his startup. “We operate in a different mentality,” Wassim said, comparing his startup to traditional businesses in Jordan. He illustrated his frustration with the hierarchies in Jordanian work culture by describing the experience of shopping for office furniture. He was
asked by the sales clerk if he would like *koursee al-moudir* (a manager’s chair) or a smaller *koursee al-mouwathaf* (employee’s chair). Wassim replied that he just wanted a chair, the same chair for everyone! He saw these workplace distinctions as unnecessary and representative of some of the problems in the Jordan’s ICT startup ecosystem and wider business culture.

Meanwhile Reem, an artist in her early thirties who began her startup as a side project five years ago, spoke of the difficulties in making her business successful due to what she described as the “different mentality” in Jordan and the Middle East more broadly. Her online platform connects people for work opportunities. She explained that while in Europe or America people are happy to do business and work with each other online only, in the Arab world people want to meet face to face first. Reem sees Jordan and the Arab world as being stuck in certain work practices and being unwilling to modernize. This “different mentality” has impacted and limited the success of her business.

Both Reem and Wassim expressed frustration with existing Jordanian and Arab work practices. They saw people as stuck in a particular “mentality,” and aligned themselves with an (implicitly more progressive) Silicon Valley work culture.

**Failure and “Culture”**

Inherent in being an entrepreneur is the willingness to accept risk and the possibility of failure for the chance of success. Silicon Valley ICT entrepreneurship is known globally for having a culture that accepts failure more easily. Comparing Silicon Valley to Boston, AnnaLee Saxenian notes that “the region’s [Silicon Valley’s] culture encouraged risk and accepted failure” (Saxenian 1996: 38). The Silicon Valley mantra of “fail fast, fail often”
encourages entrepreneurship by making the negative aspects of risk - failure - acceptable, and even celebrated (Markowitz 2012, Martin 2014). In Silicon Valley, failure is seen as inevitable and part of the learning curve.

Discourses of failure and success also circulated in the Jordanian ICT startup ecosystem, often directly or indirectly in response to Silicon Valley ideas of failure. At ICT startup events and entrepreneurial training sessions, entrepreneurs and investors spoke of Jordanian culture as being averse to failure. During a training session at a startup incubator, Saeed, a staff member, compared the difference between failing in the US and failing in the Arab world in cultural terms, referring to the “extended family structure” in Jordan - the ‘tribe’. He said, “when you fail, you see failure in the eyes of 200 or 300 people. You see them at a wedding. In the States, it’s just one or two people, not your extended family that gives you the pain of failure to carry round. So it is not easy here.”

Yet Saeed stressed to potential startup founders that he and his incubator understood that failure was something which could be learned from. He reassured them that while the incubator's investment team ultimately wanted ‘success,’ they would be willing to invest again in an entrepreneur who failed. Training programs and startup events encouraged future ICT entrepreneurs by reinforcing the idea that failure is not only acceptable but to be expected. Haya, the young graduate at Startup Weekend who cited Bill Gates and Mark Zuckerberg as examples of successful entrepreneurs, believed that “you have to fail and fail before you have a success story.”

On several occasions, entrepreneurs lamented how in Jordan, investors were risk averse and did not want to invest in an entrepreneur who had failed before, comparing their own
situation to entrepreneurs in Silicon Valley. In private, some entrepreneurs told stories of being close to failure at times and trying to not let this show, because raising funding from investors hinged on their reputation and public perceptions of their success. Karim is one such example. His startup providing a online service to businesses had been incubated in Silicon Valley for several months in 2013. Yet more recently, Karim had fired his seven person team, so his startup was just him alone. He had even sold his wife’s gold jewelry to pay for website hosting fees while waiting many months for investment to materialize. Outwardly cheerful at ICT startup events, he publicly maintained the image of his startup’s success, going to great lengths to cover up what others might interpret as signs of failure, which would impact his chances of securing investment.

While investors, incubators and training programs tried to convey that failure was becoming more acceptable in Jordan, following Silicon Valley’s ‘culture of failure,’ the reality for entrepreneurs proved otherwise.

Conclusion
The examples of public education shaping a particular “mindset,” the “different mentality” prevalent in work culture, and the lack of failure culture demonstrate the frictional encounters between universal ICT startup entrepreneurship knowledge emanating from Silicon Valley and existing knowledge and practices in Jordan. Interlocutors identified ‘problems’ with Jordan as reasons why ICT startup entrepreneurship was not as successful as it could be: children did not learn critical thinking skills and how to develop an entrepreneurial mindset in Jordan’s public school system; people in Jordan had a hierarchical and traditional approach work practices; and while failure was verbally promoted, ultimately it was less acceptable for cultural reasons particular to Jordan, such as “the tribe.” These problems were located outside
of the ecosystem, and found in the mindsets and mentalities of other people in Jordan. Moreover, Jordan as a nation - its culture and its public education system – was to blame.

Silicon Valley, as a paragon of a successful startup ecosystem, is a model for the kinds of attitudes, practices, and culture, needed to create a successful ICT startup ecosystem. Interlocutors’ comparisons between Silicon Valley and Jordan delineated good practices, necessary to becoming a successful ICT startup entrepreneur. They also revealed ‘problems’ at the level of society and the nation. Thus the frictional encounters reinforced subjectivities of Jordanians and Jordan as a nation as underdeveloped, needing to fix certain ‘problems’ in order to become developed. In this logic, particular ‘mindsets’ ‘mentalities’ and ‘culture’ prevalent in Jordan prevent Silicon Wadi from ever being as successful as Silicon Valley.

While entrepreneurs have “got educated” in the discourses and practices of Silicon Valley, transforming their attitudes and cultural practices, they identify the rest of Jordan as remaining ‘underdeveloped.’ What are the social and economic implications of seeing other Jordanians as ‘underdeveloped’, given the middle class status of most actors in the ICT startup ecosystem?

As Tsing reminds us, “friction gets in the way of the smooth operation of global power” (Tsing 2004:6). The power of development, then, is not in the top-down imposition of universal ideas, but in the new arrangements of culture and power generated through frictional encounters. Entrepreneurs are among those calling for reform in the education system, trying to change the mentalities of their employees and customers, and transform cultural ideas in Jordan. They are taking up the mantle of development themselves.
CONCLUSION

Jordan is facing a potential crisis. While GDP growth has been steady for the past few years and is projected to remain that way, the economy has not been able to create jobs at the same rate (around 1 in 7 people remain unemployed). This, coupled with the fact that 35% of the country’s population is under the age of 15, means that the country’s leaders need to come up with a plan to employ Jordan’s youth towards the country’s future – and fast.

Their answer? The tech sector.

Wamda, 2014

From as early as 1987, USAID projects attempted to build Jordan’s ICT sector. In the summer of 2014, bilateral and multilateral donors still saw the tech sector as the answer to Jordan’s problems, funding projects and initiatives implemented by royal NGOs, non-profits, international NGOs, local advocacy organizations, government departments, and incubators and accelerators. ICT is the third largest sector in Jordan’s economy in terms of its contribution to GDP, providing 80,000 jobs. Despite these achievements, and the resources poured into the sector by development initiatives in almost three decades, Jordan’s ICT startup ecosystem was not believed to be as successful as it could be. Yahoo’s purchase of Maktoob in 2009 held the promise that Jordan would be an innovative, globally competitive startup ecosystem, in the image of Silicon Valley. But Jordan’s startup ecosystem has fallen short of expectations. This has not deterred development initiatives - quite the opposite.

Discussing microentrepreneurs’ lack of economic success as part of a World Bank development project in Cairo, Elyachar notes that the market is not seen as flawed. Rather, factors specific to the nation were flawed (Elyachar 2005:12). Similarly, in Jordan, the idea of the startup ecosystem is not flawed. Instead, factors specific to Jordan cause the ICT startup ecosystem to be not as successful as it could be: investors are inexperienced and risk averse, the market is ‘small,’ education is not entrepreneurial enough, work mentalities are
rigidly stuck in the past, and people fear failure because of Jordan’s societal structures – ‘the tribe.’ Entrepreneurs internalized these culturalist interpretations of the lack of success in the ecosystem, rationalizing the need for development in Jordan.

However, rather than being passive objects of development, entrepreneurs tried to bring about transformations themselves, in their work place and home, mentoring in the ecosystem, and criticizing the current education system. Furthermore, entrepreneurs see not only Jordan’s particularities as flawed, but development initiatives too, because of how they distort investment and labor markets, obstructing entrepreneurs’ ability to secure investment and grow the startup’s revenue. Development initiatives also generate incorrect ways of being an entrepreneur - being motivated by money. Targeting young graduates aligns development initiatives with ‘underdeveloped’ necessity driven entrepreneurship, from the perspective of experience entrepreneurs.

As Arturo Escobar notes, “development operates as an arena of cultural contestation and identity construction” (Escobar 1995:15). Following the logics of development, initiatives in the ICT sector produce ‘developed’ and ‘underdeveloped’ subjectivities. However, entrepreneurs recognize these distinctions differently. Instead of seeing themselves as the object of development, middle class entrepreneurs carefully aligned their own practices with entrepreneurs in a developed ecosystem, Silicon Valley. They criticized others who remained underdeveloped: Jordanian investors, consumers in Jordan, attitudes created by Jordan’s education system, work practices, and culture of fearing failure. While development generates particular subjectivities, the case of ICT entrepreneurs in Jordan shows how the power of development lies in the way subjects of development recognize, embody, and
project these subjectivities - often in unexpected ways. Developing the ICT startup ecosystem further embeds capitalist class distinctions in society.

Both Elyachar (2005) and Ferguson (1990) point to failure as endemic in development. What is it about development projects that they always seem to fail - or at least be less successful than hoped? In the case of Jordan’s ICT startup ecosystem, development initiatives fail as the measure of success is an idealized image of Silicon Valley. Entrepreneurs adopt Silicon Valley’s economic and cultural practices, which are also taught by development initiatives in training sessions to aspiring entrepreneurs. The idealized, “transcendent” (Gill and Larson 2014) image of Silicon Valley obscures the specific historical factors that have shaped Silicon Valley into what it is today. Culturalist explanations are then employed by development initiatives when Jordan’s ICT ecosystem does not match up to Silicon Valley, an ecosystem which has followed a very different trajectory.

Development initiatives raise competing ideas - that Jordan can be an innovative, entrepreneurial startup ecosystem, a global exporter, in the image of Silicon Valley. Yet, at the same time, incentives in the ecosystem reward regionally focused startups mimicking proven business models: early stage funding is available relatively easily with little quality control, and investors prefer to invest in startups focusing on producing mobile content in Arabic for consumers in the Gulf market. This tension is at the core of being an entrepreneur in Jordan - striving to be a passionate, opportunity-driven entrepreneur in the image of the Silicon Valley ideal, yet faced with the constraints of an early stage ecosystem like Silicon Wadi. The pervasiveness of Silicon Valley and its allure of success is hard to resist. But perhaps Jordan’s ICT startup ecosystem would benefit from looking to other examples. Silicon Valley has emerged over several decades and is a much more mature ecosystem than
Amman, with companies like Hewlett Packard, IBM, Intel and Apple growing in the 60s and 70s. It is also strange to compare Jordan, with a population of approximately 6 million, to the US, with 318 million people. Instead, I suggest that Jordan’s ICT startup ecosystem look to newer ecosystems in smaller countries that are more comparable in size, such as Finland, Estonia, and Singapore. Developing Jordan’s ICT ecosystem in the exact image of any one ecosystem will lead to failure, as given the particular context of Jordan it is impossible to exactly recreate the success of another place. However, countries like Finland and Estonia strove to create ecosystems on their own terms and not in the image of Silicon Valley. Instead of trying to create the next Google, Jordan should aim to build the next Skype.

What does developing the ICT sector mean for development? Defining development as quality of life, the amelioration of poverty and freedom from material want, implies a moral directionality (Ferguson 1990:15). The do-good moral imperative often obscures the political dimensions of development, which critical scholars have sought to expose (e.g. Ferguson 1990, Escobar 1995).

I propose that developing ICT reveals something new altogether. Developing Jordan’s ICT sector is not about alleviating poverty. Rather, development initiatives and projects create profit-maximizing high-tech businesses. Developing the ICT sector is a project in building neoliberal knowledge economy capitalism. Publicly raised donor funds from other countries are used to grow a middle class in Jordan. I believe this should give us pause. My research challenges the way we typically conceive of and understand development, drawing attention to the expanding relationship between the private sector and development as they increasingly overlap and work together (for instance, public-private partnerships, which are currently in vogue). It is my hope that my exploration of Jordan’s ICT ecosystem encourages
critical thinking about the effects of international development projects and donors‘
itentions.

While technology is crucial to ideas of progress and development, the ICT sector is not
thought of as a site of international development. Neither is the middle class. This study is
significant in broadening the scope of analyses of development to both. Furthermore, the
development of middle class ICT startup entrepreneurs offers several avenues for future
inquiry. In this thesis, distinction - entrepreneurs seeing themselves as developed and
perceiving others in society as underdeveloped - arises as a noteworthy aspect of
entrepreneurial subjectivities, demanding further scrutiny. Identity creation and the ways in
which being an entrepreneur intersects with other parts of identity, such as gender, is a related
avenue of inquiry. I also hope that scholars will build on the research presented in this thesis
to research other ICT startup ecosystems in the region with critical and ethnographic lenses,
giving rise to (hopefully) fruitful comparisons.
BIBLIOGRAPHY


AngelList. 2015. “Jordan Startups” https://angel.co/jordan


http://www.plugandplaytechcenter.com/blog/2014/05/14/innovative-jordan/


http://www.paulgraham.com/growth.html


http://arabstates.gsmamobileeconomy.com/GSMA_ME_Arab_States_2014.pdf


Heiman, Rachel, Carla Freeman, and Mark Liechty. 2012. "Introduction: Charting an Anthropology of the Middle Classes.” In The global middle classes: theorizing through ethnography Edited by Heiman, Rachel, Carla Freeman, and Mark Liechty. Santa Fe, NM: SAR Press

Innovative Jordan. 2014. “Things You Need to Know About Jordan’s Tech Sector!”
infographic, USAID

Intaj. 2015 “About Intaj,” Intaj website  http://www.intaj.net/node/69


Knowledge@Wharton. 2012. “Can Entrepreneurship Bring Change Where the Arab Spring Has Not?” Knowledge@Wharton blog, July 10 2012.
http://knowledge.wharton.upenn.edu/article/can-entrepreneurship-bring-change-where-the-arab-spring-has-not/


Singerman, Diane, and Paul Amar, eds. 2006. Cairo cosmopolitan: politics, culture, and urban space in the new globalized Middle East. Cairo: American University in Cairo Press


Tobin, Sarah A. 2012. "Jordan’s Arab Spring: The Middle Class and Anti-Revolution."


APPENDIX 1

Infographic for ‘Innovative Jordan,’ created by Intaj and USAID, May 2014 (continued on next page).
APPENDIX 2

Types of ICT startups founded by the 23 entrepreneurs I interviewed.

![Pie chart showing types of ICT startups]

- Services: 5
- E-commerce: 4
- Content creation: 3
- Gaming: 2
- Social: 2
- E-payment: 1
- Software: 1