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Business Angels Financing of Entrepreneurial Projects in Jordan

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Abstract

This study aimed at examining the role of Business Angels in finding the entrepreneurial projects. It is known that banking and financial institutions distanced themselves from financing such projects.

This study followed the descriptive analytical approach. Along with reliance on statistical instruments, in testing the study's hypotheses. A questionnaire distributed over the study's sample n=120. Hundred of these questionnaires were retrieved and useful for analysis. SPP 14 program and one sample T-test. Results showed that financial and banking institution reframe from financing entrepreneur projects especially at early stages (Sced Capital). In addition, results revealed the presence of many barriers for financing entrepreneurial projects.

Keywords: Financing, entrepreneurial projects, financial institutions, banking institutions.

Introduction

Under stormy economic challenges that sweep most countries of the world, entrepreneurial projects along with small and medium size projects are considered to be among primary supporters for economic development and the creation of job opportunities. Thus it minimizes unemployment rate and its economic, social and political consequences.

Small and mi size businesses constitute in most nations in average about 90 percent of total establishments. In Jordan in particular, small businesses that employ four people or less constitute 93 percent of total project (DOS-Jordan, 2006)

Thus, projects like these have a significant role in employment GDP and in the creation of new job opportunities; above all it contributes to the social and economic development in general. This primary and significant role gets more importance especially when it is a entrepreneurial project in particular. Thus, non- entrepreneurial projects are those projects where part of the practical and known where entrepreneurs provide products and services are in the market already, furthermore, they produce goods and services through the use of technology; the ideas of these projects come from idle people or have minute employment or by people whose practical and scientific abilities are not that high. For that reason, such projects have insignificant role in pushing the wheel of economic development forward (Audretsch/Thurik 2000, Seyfart 2004).

Objectives of the Study

The objectives of the study are as follow:

1. Examining the role of financial and banking institution in funding and developing entrepreneurial projects.
2. Revealing the nature of entrepreneurial projects, its importance and its success extent according to its need for funding.
3. Examining the efficiency of Business Angels finance for entrepreneurial projects as a synonym to financial and banking institutions.
4. Examining the problems and challenges facing entrepreneurial projects especially the financial ones.
5. The effect of entrepreneurial project on national economy.

The Significance of the Study

The significance of the research comes through examining the role of Business Angels in funding entrepreneurial projects, and to what extent these projects contribute in achieving economic development, creating job opportunities and addressing unemployment and poverty, thus, it positively affects the increase of domestic production and the warranty of Business Angels role and banking and financial institution in funding and supporting entrepreneurial projects constantly.

The Hypothesis of the Study

This study is to test the following assumptions:

1. Banking and financial institutions play an efficient role in developing and funding entrepreneurial projects.
2. The entrepreneurial projects considerably contribute in social and economic development, due to their role in increasing domestic production and creating job opportunities.
3. What distinguishes entrepreneurial projects from small projects is producing new services (goods, service, administration, production and production markets)
4. Entrepreneurial projects don not face any obstacles in Jordan, rather economic legislation make building and developing entrepreneurial projects easier.

Methodology of the Study

This study followed descriptive analytical approach to study the nature of entrepreneurial projects and their role in the development of the economy and the increase of domestic production, in addition to the role of banking and financial institutions and Business Angels in funding and supporting entrepreneurial projects.

Scopes of the Study

This study is restricted to examining funding obstacles of entrepreneurial projects and the possibility of eliminating these obstacles, since they affect on the achievement of economic and social development and gross domestic production. In addition to the role that banking and financial institutions play in the development and the building process of these projects. The model in this study is Business Angels' role which is considered to be the main funding resource of entrepreneurial projects around the world.

Theoretical Framework of the Study

The Concept of Entrepreneurial Projects

According to Shumpeter scientist's definition, entrepreneurial project is the project that comes with innovations. **(Schumpeter, 1964, P. 100-101)**.

- Producing new good or service
- Producing New Production Method
- To Get a new Source of Raw Materials
- Implementation of a Reorganization

Based upon the concept, essential elements must exist in entrepreneurial which are:(Sakarneh 2008)

1. Creativity will not exist without entrepreneurs.
2. Organizational dimension related to the vision, full confidence, creativity, taking precautions against failure, ambiguity and internal censorship.
3. Environmental dimension related to the diversity of markets that entrepreneurial projects deal with.

In this context, we can mix small projects with medium projects in one hand, and between entrepreneurial projects in the other hand, so it is necessary to discriminate between small projects and entrepreneurial projects, in view of the fact that small projects do not have to be entrepreneurial at the same time. However, every entrepreneurial project is originally a small project. In order to make small projects entrepreneurial projects, qualities such as: creativity, innovation, and initiative spirit must be available.

Entrepreneurial Activities are Naturally based on Essential and Important Axils Which are:(Sakarneh 20008)

1. New ideas and businesses which produce a new product or ideas and establish a new concept of activity or new business.
2. Current ideas and new actions related to finding new businesses based upon old concepts, then producing new services and products after developing these old products.
3. Current ideas and actions with which product and services are provided with little of creativity and innovation accompanied by some financial risks. Consequently, the creation of a new project is a result of opportunity for entrepreneurial activity or because of necessity entrepreneurial activity (Global entrepreneurship monitor, 2007:19).

Entrepreneurial Projects' Significance

The nature of entrepreneurial projects works towards the promotion of small projects with creative energy and human resources in order to exploit idle energies and integrate it with productive ones that contribute to building and development. Thus, the significance of entrepreneurial projects stem from the following (Haikal,2003):

A It functions in productive, service and merchandizing fields.
B Covers a large portion of domestic market needs and gear for exports.
C Contribute in training and qualifying skilled labor to increase productivity and creative level among them.
D Entrepreneurial projects are considered to be the major feature in production, economy and GNP , GOP structures.
E Assist in development of technological and domestic production approaches.
F Works for regional balance achievement through development process, in the fields of industry, trade, service and contracting.

G Entrepreneurial projects are considered to be a tool for economic and social development, and an element of strategy for economic growth and development in most industrialized countries as well as developing countries.

In 2007, the number of registered entrepreneurial projects in Jordan reached up to 21, 780 (Ministry of Industry and Trade, 2008 P, 14). These are classified as projects that have been created as a result of opportunity entrepreneurial activity. In other words, the entrepreneurial element is there and at high level in Jordan (GEM, 2007:29). However, there are obstacles that stand in the path of entrepreneurial projects. Therefore, the world economic forum , 2006 points out in its relevant studies that the following are the most persistent obstacles that face entrepreneurial projects.

1. High level of bureaucracy in governmental institutions (14.9%)
2. Access to financial markets (13.1%)
3. Shortage in qualified and skilled labor (10.4%)
4. Weakness in organizational process within work (8.9%)
5. Weakness in work ethics and work principles (8.2%)
6. High tax rates (7.7%)
7. Reasons relevant to taxation laws (7.1%)
8. Insufficient appropriate infrastructure (6.95%)

(World economic forum, 2006 :13)

Bureaucracy constitutes the first and most important obstacle that faces entrepreneurial projects. However, this obstacle can be resolved by a single political decision or to exert some effort and time by project's owner. In regard to the second obstacle – financing a project- which is considered to be the most significant obstacle due for being a real obstacle that stands persistently in the way of entrepreneurial project.

This paper deals with this obstacle while attempting to reach solutions and recommendation for such obstacles.

Austrian economist Joseph A. Schumpeter, hundred years ago had focused on the entrepreneurs rule, arguing for being a primary rule in the economic development process, and new jobs creation. Furthermore, he emphasized that entrepreneurs face in most of their investment, finding problems due to the availability of production elements and have these ready for exploitation. Thus, entrepreneurs resort to borrowing in order to finance their projects (Schumpeter, 1993).

The Role of Banking and Financial Institution in Funding Entrepreneurial Projects

Hence, an emphasis is being made on the role of funding in the developmental process and on the role of banking and financial institutions in activating and supporting economy dynamic. Primarily this study deals with the problems of funding Entrepreneurial projects, the role of Business Angels in solving these problems and pushing economic development forward. Despite of the significance of Entrepreneurial projects, such projects are still suffering many problems and challenges in Arab countries, most importantly funding especially in their seed and startup stages.

Firstly, as it is known Entrepreneurial projects problems, form financial brokers view, are associated with high risk in comparison with funding companies or projects expansion with a low rate of risk.

If a deeper review has been made, the insufficiency of data and the unequal distribution in exchanging data between project and Entrepreneur will be the main reason for this problem, funding institutions and transaction costs as well.

Thus, the risk of funding Entrepreneurial projects lies in the difficulty that banking and financial institutions face in obtaining required and necessary data in order to evaluate and study Entrepreneurial projects, in addition to the increase of data obtaining cost and the inability to get other assurances.

If another deeper look was made, we will notice that the insufficiency of obtaining data is just a clear evidence of the weakness in the structure and the policies of banking and financial institutions especially in funding Entrepreneurial projects , this problem is still a problem which can be solved (Aßmann 2003). These institutions which intend to encourage Entrepreneurial projects to solve the problem of through concentrating on funding these Entrepreneurial projects. Thus, the problem of funding Entrepreneurial projects still exists as long as banking and financial institution are not able to change its structure and finance policy which decrease the insufficiency of data, data obtaining cost and finally the reduction of risk rate in funding Entrepreneurial projects.

This change requires the people in charge of these expenditures to have experience in funding projects, initiative spirit and other entrepreneurial qualities. Thus, the institutions become able to solve finance problems and a creative entrepreneurial finance behavior.

Market failure in funding entrepreneurial projects:

It is obvious that the market interacts and uses its mechanism to solve problems lying behind a reason in market. However, in regard to the obstacles facing and hindering funding entrepreneurial projects, the market stays unable to find a solution in consistent with the data resulting in the existence of this problem. Here we will deal with the main problems that constitute the biggest obstacles in funding entrepreneurial projects.

1. The Lack of Capital to Fund Entrepreneurial Idea

In the case of entrepreneurial projects especially in project early stages, we notice that funding is from entrepreneur's savings with a high rate (internal capital), whereas funding entrepreneurial projects is being made by private savings. According to a study in USA the internal capital reaches 79%, while business angels reaches and venture capital reaches 5% as well (Röpke 2000).

When taking a deeper look into entrepreneurial projects finance by venture capital, it has been noticed that early stages funding constitutes 5% of the above mentioned rate 5%, while expansion funding for companies constitutes 67% (Aßmann 2003), in this context, it can be said that entrepreneurial Seed –Capital/ first –Stage / early growth finance is not conventional bank or venture capital specialty, and this kind of finance are not considered Core Business - Activity

The entrepreneurial projects finance in early stages comes after internal capital and Business Angels due to their entrepreneurial qualities and high level of experience enabling them to deal with stated risk with different method and criteria, thus, being able and desirous to finance entrepreneurial projects larger than conventional financial institutions.

According to Austrian economist Schumpeter, entrepreneurs have finance shortage because their available productive elements are totally invested, and there is no place for other projects finance.

The inability to finance internal capital in one hand and the inability of conventional financial institutions in entrepreneurial projects finance on the other hand, are a clear sign of problem essence. The finance through banking and financial institutions is mainly related to projects advanced stages (expansion) and not in the early stages with high risk. The insufficiency in internal capital finance and external capital finance (through banking and financial institutions and venture capital) constitutes a big obstacle in the potentiality of interpreting entrepreneurial ideas practically, thus, it will constitute an obstacle in development and growth process, and in creating new and sustainable job opportunities.

The national savings and foreign capital drive toward entrepreneurial projects finance and small and medium projects by banks and financial institutions is considered a prominent and important factor in the process of projects success and thus supporting developmental process in general.

However, as it is in the most Arab countries, these institutions and banks do not play its effective role in providing sufficient finance as needed.

In the event that a given country could not narrow this gap and the insufficiency of entrepreneurial projects finance, the economy will suffer big problems in growth , development, job opportunities creation and the insufficiency of required dynamic for growth and economic development.

2. The Role of Banking and Financial Institutions in Funding Entrepreneur

In general, entrepreneur is mainly being funded by internal capital finance (savings, family, and friends). This reality reflects how weak is the role of financial institution in funding entrepreneur, because banking and financial institutions attempt through their funding policy to avoid any risk, since they lack the experience, knowledge, initiative spirit and other leading qualities to evaluate entrepreneur and risk consequences.

Why does the idea that the majority failure prevail in credit worthiness exam? Banking and financial institutions depend on project funding policy on information, facts and consistent criteria such as: comparing the project in need of fund with similar projects in other times and places.

Moreover, the majority of entrepreneurs can not present required assurances and have no idea about their Entrepreneurial projects, consequently, entrepreneurial projects funding that lack historical data are considered to be a big challenge because the insufficiency of historical data about these projects hugely reduces the probability of funding these projects and studying them in a sufficient way that qualifies funding institutions to make funding or non-funding decision. All what Entrepreneurs have is an invention or business plan.

Accordingly what is the role that Venture capital play in funding Entrepreneurial projects in their Seed and Startup?

As a consequence of the high rate of risk in entrepreneurial projects, the certain policies and instructions that entrepreneurs follow, decision-making on behalf of real owner of capital and the responsibility for venture capital destiny, they are hold responsible for avoiding to put these capital and their job at risk. Hence, the emphasis on capital shortage, inconsistency of capital expenditures and venture capital appeared in the process of funding entrepreneurial projects in seed and startup stages in order to avoid related risk.

2. Problems of Entrepreneurial Projects Finance

In this context this study focuses on the problems which we mentioned and are related to the inequality in distribution data or the insufficiency of data and disability in guaranteeing entrepreneurs behavior , their commitment to the contract and finance repayment.

1. The Insufficiency of Information and the High Cost of Data Obtaining Problem

The insufficiency of data obtaining and the state of inequality in distributing them between entrepreneur and Asymmetric Information cause a market failure in finding the efficient mechanism that help in entrepreneurial projects finance. Banking and financial institutions focus on project finance in advanced stages, in other words, a finance with a low rate of risk because the market in such stages may accept the project. In most cases this finance is considered to be an expansion of current successful project. Due to this, the insufficiency of data and not to reveal all data on entrepreneur's part(Asymmetric Information Allocation), hinder reaching an agreement to project finance (Agent-Principle Problem)(Spreeman 1990).

This situation reflects the first problem between entrepreneur and banking and financial institutions. This relation is the right choice of project for these institutions which suit its finance policy (Stiglitz 92). The problem is in choosing the right project for the institution which ensures a low rate of risk and the repayment in timely manner. This problem is called hidden information.

2. The Problem of Time Difference Between Finance and Repayment

The repayment is made with a specific time difference. This is why the project is subject to many studies in order to evaluation and examination process, if the project is able to repay or not. But in entrepreneurial projects there are no sufficient idea about project's future and the probability of finance repayment, moreover, there are fears from entrepreneur and his intention to payback or to keep data that can lead to non-repayment, or delay it.

This situation reflects the second problem in the relation to entrepreneur with financial institution which is called moral hazard (Stiglitz 92). This problem comes from the unequal distribution between entrepreneur and financial institution.

But in post stage of signing finance contract. Whereas entrepreneur can work to achieve and support his personal objectives not financial institutions objectives.

Since financial institution risks are being hold by institutions and the entrepreneur objective is to increase profits, it is potential that entrepreneur take a high risk in order to achieve a higher profit and put the project at risk, thus the institution hold the responsibility of these risks and the losses arisen from them.

3. The Problem of Product and Entrepreneur Behaviors

According to the insufficiency of data between entrepreneur and financier, we deal with the product problem on the one hand and entrepreneur behavior on the other hand. On product hand, despite of the intensive studies on the potentiality of product marketing success in a reasonable profitably, the failure risk of this product is still present. On the other hand the behavior of entrepreneur, provide him with needed information to run the project, type of work and failure probabilities and success, all of these constitute a kind of doubt and uncalculated risks by funding institutions.

Perhaps, the entrepreneur may act in a way to serve his own personal goals away from financial institution desire (rapid and assurance of paying back the funding principle).

Thus, the imbalance state in obtaining data and entrepreneurs are speed and exclusive obtaining of data by entrepreneur and hide such information from the financier is considered to be a problem that lead not to fund the project.

This situation reflected the third problem in relationship between entrepreneur and funding institutions. This case is called the hold up and not deliver the agreed upon (Stiglitz 92).

In the other aspect, holding up in repayment is called problem too (hidden intention).

In addition, entrepreneur does not own what financial institution require such as: Credit worthiness, annual reports or cash flow statement or historical data.

4. State Failure in Entrepreneurial Projects Finance

Economists such as: Bruederl, Preisendoerfer and Ziegler, (1996) point out that obstacles that deprive projects from being funded are obstacle in the dynamism of creating new job opportunity, enhance economic growth and development. Due to the topic importance such problems can be solved through supportive economic policy. In Jordan there are an ample of initiatives that support entrepreneurship such as Queen Rania Center for entrepreneurship and the Jordanian Center for entrepreneurship, Jordan network for entrepreneurship and others, These centers play a role in the success of entrepreneurship ideas and transform such ideas into projects (Jordan Innovation Center 2009).

Members of Entrepreneurial Network in Jordan
Jordan Forum for Business and Professional Women
El Hassan Industrial Estate JIC
IPARK – Jordan's Technology Incubator (the Higher Council on Science and Technology)
JIC for Engineering and Industrial Enterprises – RSS
Agro-Business Incubator / University of Jordan
Jordan Innovation Center / Philadelphia University
Jordan Innovation Center

5.

Until 2007, Jordan Center for entrepreneurship was able to support 9 entrepreneurial projects with various degrees. The center, furthermore has succeeded in turning three entrepreneurial ideas into projects, registration of two patents winning several entrepreneurial championships and having trade marks JIC (2009)

There is political will, strategies and many initiative in Jordan to support entrepreneurship, however, there is still obstacles stand still in front of entrepreneurship especially at early stage seed.

Because of market failure in finding a mechanism with which the problem of financing can be resolved, along with information insufficiency, and difficulty in gathering needed information, along with employee insufficient experience in assessing projects and being reluctant in decision making and accountability towards lenders or capital owners, thus, government find itself in a situation that necessitates its interference, and the attempt to support entrepreneurial projects because governments know well the role of such projects in economic developmental process and the creation of jobs in society. Business Angels as away out from the problems of entrepreneur project financing:

Business angels are these of informal finance sector.

Since 1980s a scientific studies have been conducted on informal finance sector which is concerned with entrepreneurial projects finance. Whereas the number of studies are in increase due to the increasing importance of economic growth in different countries.

A German economist (ABmann) indicates that U.S.A economy dynamic and informal financial sector are considerably (related) to each other, whereas in U.S.A there are millions of informal financiers with a capital exceeds 20 million Dollars per year, this situation is applied to other industrial countries such as: Italy, Germany and other industrial advanced countries (ABmann).

First: Business Angels: Who are they, what are their motivations and How do they conduct their business:

In comparison between business angles and financial institutions, it will be noticed that “Business Angels” in the first place focuses on personal qualities of entrepreneur (entrepreneurial . Innovation, general science and vision) whereas financial institutions focus on facts, numbers, measured statistics, analysis and comparison and follow certain policies and instructions, where the decisions are being made based upon these data in regard to project finance.

Business Angels are persons who are co-managers or departments manager in the company with a high level of experience and conducting their business similar to entrepreneurial persons (ROPKE 2000). Through their effective role in entrepreneurial projects finance, this method of financing has become a big academic interest taking into consideration government developmental programs (Abmann 2003).

Second: how do Business Angels Think and Conduct Their Business?

Going back to main problems that face banking and financial institutions, we emphasize how Business Angels conducts their business and how they deal with these problems.

First Stage: Choice Stage: how do Business Angels Reach a Financial Agreement with Entrepreneurs?

Many studies showed that Business Angels are concerned with project profitability and entrepreneurial personal qualities (coveney/moore 1998). Ropke study in the year 2000 emphasizes that informal finance sector is mainly concerned with entrepreneurs experience and personality.

The following characteristics are considered to be the most important characteristics that Business Angels are concerned with prior to the proceeding at finance:

1. The nature of entrepreneur in dealing with knowledge and science. Does this entrepreneur act in accordance with the instructions and fixed knowledge or renew his science, business style? Does entrepreneur have data and experiences out of his work scope? What are the energies and the nature of entrepreneur in regard to communication with others?
2. Can confidence exist and constitute a basis for a relation based on mutual respects and honesty?
3. Is entrepreneur’s nature suitable for making friendship with the financier?

These points are considered to be logical like project choice factors, which Business Angels want to finance it, because product, used technology, numbers, statistics, company's policies and other data are consequences, entrepreneur business results and a sign of Businesses style and dynamic. Consequently, in case of entrepreneurial projects that lack of annual budget, business reports, good in market or the like, the most important thing remains entrepreneur's personality that can increase success probabilities or decrease failure possibilities as well. Therefore Business Angels are left with nothing except entrepreneur's personality to study and copy data from.

In this case when Business Angles use entrepreneur's personality as an alternative for required warrantees from banking and financial institutions, it can be said that individual's personality is the important in these cases. However, a question if the personality is open and Business Angels can take real data from (Ropke 2000).

Second Stage: Control and Consulting Stage

In order to ensure the success after projects finance, Business Angels do not depend on their data that helped them in making finance decision in early stages, but resort to control and consulting stage.

Banking and financial institutions consider monitory element as negative for entrepreneur where the financier can interfere in project policies and administration, thus this can lead to losing entrepreneurial drive for entrepreneur and threatening project (ABmann). In contrast, Business Angels according to their personal evaluation of entrepreneur, they do not have problems such as hidden information or holding up in repayment or non-repayment (Harrison/Mason 1991)

In addition, Business Angels stay in constant touch with entrepreneur, because they exist in a geographic area near to financed project and build a strong relation with entrepreneur based on confidence, consultation and assistance for entrepreneur (Ropke 2000).

Third: Business Angels' Benefits

accordingly, Business Angels' benefits in comparison with banking and financial institutions in entrepreneurial projects finance can be summarized into the following points:

1. Business Angels can evaluate project in a better way.
2. Business Angels can use and utilize their experiences and social relations.
3. Business Angels deal with choice, behavior, holding up repayment problems better than banking and financial institutions. Due to there emphasis on the approximation of personal characteristics between them and the entrepreneur.
4. Business Angels utilize their relations and social communications that help them not directly in project control and cost reduction.
5. Business Angels can make decision of finance automatically , directly and without taking the permission from other person, because they use their internal capital in contrast to banking and financial institutions which use investors' capital. Therefore banking and financial institutions are more reserved and cautious.

Fourth: Business Angels in Arab Countries

Business Angels Netzwerk Deutsch land e.v) WWW.business-angels :k. We find that few of Arab countries have business angles for example "Arab Business Angels Network" in Jordan has (23) angel (17 business man, 3 business woman and (3) companies.

These people finance projects in their early stages (seed -capital) with money reaches one million American dollar.

Furthermore, Arab business Angels Network (ABAN) which has been established in 2005 by Dubai International Capital which is considered to be the "Arab Angel" where it is allocated 10 million dollars to fund projects in its first stage " Seed and Startup" and other five million dollar to finance the entrepreneurial projects submitted by women. In this network there is (18) Arab countries involved as member since the beginning of 2009. Memorandums of understanding has been signed to establish three "Business Angels" companies in Saudi Arabia and Lebanon. In 2008 projects were financed by the network.

1. "I level" project specialized in providing unique solutions and consultations in marketing and shoppers.
2. "pin pay" projects, specialized in the development, publish and operate a wide range of wireless payment services.
3. "HAYATT" project specialized in consumer funding in medical care sector.

Due to Business Angels' importance of developmental process and in the creation of sustainable jobs.

Because there is no sufficient capital to finance entrepreneurial projects, and not enough business angels with enough capital in the Arab countries , thus, we must find policies and strategies in both public and private sectors in order to encourage government and Arab societies to increase the number of "Business Angels" through legislation and programs that identify Business Angels and to reveal positive aspects to capital holders and projects operators, furthermore, reveal the benefits to the state from total economic perspective.

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Reliability of Study's Instrument

In order to be sure of study's instrument reliability Alpha Cronbankh . the result on this scale was 0,067.

This value proves that reliability of study's instrument is acceptable, even though it reaches up to a high level of reliability.

The Study's Hypothesis Testing

Null Hypothesis
The financial and banking institutions do not play effective role in entrepreneurial projects financing and developing.

Alternative Hypothesis
The financial and banking institutions play effective role in entrepreneurial projects financing and developing.

Through conducting one sample T_ test it has been revealed value of computed T_ is higher than schedule value thus, we accept that hypothesis which indicates that banking and financial institutions do not play affective role in financing entrepreneurial projects.

The Second Hypothesis
The Null hypothesis: the entrepreneurial projects do not play a significant role in economic and social development process due to what achieve from increasing GDP and eradicating poverty and unemployment.

Alternative Hypothesis
Entrepreneurial projects play a significant role in economic and social development process due to what achieve from increasing GDP and eradicating poverty and unemployment.

T- Value.	Scheduled T- Value.	Level of Abstract.	Accepting or Rejecting.
8.33	1.67	0.00	Null hypothesis accepted

Third Hypothesis
Null Hypothesi
Entrepreneurial projects are not distinctive from other small projects in providing newer project, newer goods and opens newer horizons for newer markets.

Alternative Hypothesis
Entrepreneurial projects are distinctive from other small projects in providing newer project, newer goods and opens newer horizons for newer markets.

T- Value.	Scheduled T- Value.	Level of Abstract.	Accepting or Rejecting.
12.7	1.67	0.00	accept

We reject null hypothesis and accept the alternative hypothesis due to the difference of the entrepreneurial projects from others, which has been indicated in the calculated T.value whereas it is higher than scheduled T.

Fourth Hypothesis
Null hypothesis: there are no obstructions in front of the entrepreneurial projects in Jordan and the economic legislations facilities the entrepreneurial building and development.

Alternative hypothesis: there are obstructions in front of the entrepreneurial projects in Jordan and the economic legislations facilities the entrepreneurial building and development.

T- Value.	Scheduled T- Value.	Level of Abstract.	Accepting or Rejecting.
21.19	1.67	0.00	reject

Null hypothesis is rejected while the alternative hypothesis is accepted.

This means that, there are many obstacles in front of entrepreneurial projects in Jordan; whether legal or economic legislation. These are restricting the development of the projects.

Results and recommendations:

First: the Results

The statistical analysis indicates the following results:

1. The entrepreneurial projects play significant role in the economic and social development process due to the increasing GDP and creating of sustainable consequently, It helps in counting poverty and unemployment.
2. The entrepreneur projects are different from other projects because their owners contribute in economic and developmental activity qualitatively and quantitatively.
3. There are many obstacles that stand in entrepreneurial project way in Jordan both legal and marketing, financing or economic legislations.
4. The term of "Business Angles" is unfamiliar term in relevant sectors.

Second: recommendations:

Based upon the above results, the study recommends the following:

1. The necessity of financing entrepreneurial projects in Jordan by financial institutions.
2. To work hard for the purpose of eliminating the legal and managerial obstacles that face entrepreneurial projects development.
3. Work mechanisms development in governmental institutions towards entrepreneurial project due of being different from other projects.
4. Prevailce of Business Angels culture throughout society by showing their benefit for all.
5. To enhance the presence of Business Angels and motivate them toward financing entrepreneurial projects.

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