

JORDAN

LIVELIHOOD ASSESSMENT OF MICRO BUSINESSES

Assessment of Home-Based
Businesses and Other Self-
Employment

Final Report

August 2020



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About REACH

REACH facilitates the development of information tools and products that enhance the capacity of aid actors to make evidence-based decisions in emergency, recovery and development contexts. The methodologies used by REACH include primary data collection and in-depth analysis, and all activities are conducted through inter-agency aid coordination mechanisms. REACH is a joint initiative of IMPACT Initiatives, ACTED and the United Nations Institute for Training and Research - Operational Satellite Applications Programme (UNITAR-UNOSAT). For more information please visit our website: www.reach-initiative.org. You can contact us directly at: geneva@reach-initiative.org and follow us on Twitter [@REACH_info](https://twitter.com/REACH_info).

SUMMARY

With roughly 750,000 registered refugees and asylum seekers, Jordan is one of the world's largest hosting countries compared to its population, with 89 refugees per 1,000 inhabitants and the majority of registered refugees being Syrian (88%).¹ In light of the protracted displacement and in an environment of limited livelihoods opportunities, Syrian refugees are facing increased vulnerability as their savings, assets and resources are long exhausted. The situation for Jordanians has also been exacerbated by pre-existing vulnerabilities, with unemployment rates having increased to 19.3% in 2020.²

Within this context, international organizations and the public sector have been increasing their focus on micro businesses over the past few years as a means to facilitate access to economic opportunities. Evidence from many countries suggests the importance of this sector in creating job opportunities and driving economic recovery and growth.³ In the Jordan context, while research has been conducted into Jordanian micro and small-enterprises, less is known about home-based businesses (HBBs) in general and Syrian-owned businesses in particular.

To fill this information gap, REACH, in support of the Livelihoods Working Group in Jordan, conducted an assessment seeking to improve understanding of challenges, opportunities and long-term potential of micro businesses for Syrian refugees and vulnerable Jordanians. It aims to identify enabling factors for individuals to successfully start and operate a micro business. It also looks at the impact of operating a micro business on the owners, in terms of overall financial situation, empowerment, family dynamics and community engagement. In addition, the assessment seeks to identify needs (such as skills trainings, information, funding and support) to start and operate micro businesses, as well as intentions and perspectives of Syrian refugees related to continuing their business if/when they return to Syria. The aim of the overall assessment is to inform understanding, response and programming related to micro businesses for implementing partners within the Livelihoods Working Group in Jordan.

The assessment was implemented using a mixed-methods approach with both qualitative and quantitative components, involving structured individual interviews (IIs), as well as semi-structured key informant interviews (KIIs) and focus group discussions (FGDs). While the population of interest broadly speaking included individuals who operated micro businesses in Jordan – including both Jordanians and Syrian refugees – information for this assessment was collected primarily from a subset of this population of interest who had received support (such as funds, trainings and mentorship) to operate micro businesses from partner organizations. Representative sampling was used to produce results that are generalizable to the beneficiary population with a 95% level of confidence and 5% margin of error. The assessment targeted the population of interest in areas where these partner organizations provided micro business support, in the governorates of Aqaba, Amman, Irbid, Karak, Ma'an, Madaba and Mafraq. Data collection had three timelines based on the partners' availability, and took place mainly in November 2019, February 2020 and May 2020. Key findings from the assessment are:

Demographic information of micro business owners

- From the total number of micro business owner beneficiaries interviewed (n=487), 62% were female and 38% were male. Among all, 76% were Syrian and 24% were Jordanian. The most represented sub-group was female, Syrian micro business owners, who made up 43% of the total assessed population. This may

¹ UNHCR data-portal as of June 2020.

² Department of Statistics, Unemployment Rate, as of June 2020.

³ Final Report on Legal and Institutional Review on the Licensing Home Based Businesses in Jordan. USAID. February 2017.

be attributed to the selection criteria of partner organisations, which tend to prioritize Syrian refugees and women based on a range of considerations.

- In terms of distribution across governorates, most of the micro business owner beneficiaries were in Mafraq (40%), followed by Irbid (32%), Amman (11%), Karak (5%), Ma'an (4%), Madaba (4%), and Aqaba (3%). The remaining (n=4) were in Zarqa and Balqa governorates.
- In terms of reported education levels, 14% had no formal education, 44% had primary school education, 31% had finished high school, 4% had a 2-year diploma and 5% had a university degree.
- Sixty-four percent (64%) of micro business owner beneficiaries reported being the head of their household. Almost half of the female owners (46%) reported being the head of their household.

Business type: HBBs and other self-employment

- Among micro businesses, 60% were reported to be outside home while 40% were operated from home, including gardens (i.e. HBBs).
- Among micro business owner beneficiaries who reported running their businesses from home (n=194), 80% were female.

Other characteristics

- Around half (49%) of the micro business owner beneficiaries reported being the only income generating members in their households. This was the case for 39% of HBB owners and 56% of other self-employed owners. Being the only income generating household member can reveal the importance of these businesses for the owners and their households.
- For 43% of micro business owner beneficiaries, there was at least one more adult who generated income for the household (in addition to the micro business owner beneficiaries). Among HBB owners, the proportion was much higher (54%) than those in other self-employment (36%). This may indicate that many micro business beneficiaries were not able to fully support their household expenses, and this was the case relatively more for HBB owner beneficiaries.
- Fifteen-percent (15%) of micro business owner beneficiaries reported having another income generation activity, such as a full-time job (2%), part-time job (2%), seasonal work (4%), daily labour (3%) and a second self-employed activity (4%).

Sectors

- Around half (48%) of the microbusiness owners reported working in the agriculture sector, which included activities such as greenhousing, hydroponics, livestock and beekeeping.
- The second largest proportion (26%) of microbusiness owners reported working in the manufacturing sector, which consisted of activities such as food production (i.e. making pastries, desserts, fast food, dairies, pickles, drinks, appetizers), as well as handcrafts, sewing, upholstery and making perfumes.
- The construction sector had the third largest proportion (16%), while retail trade sector had 8% of microbusiness owners who traded accessories, cosmetics, blankets, fabrics, etc. Moreover, there were micro business owner beneficiaries in other services (2%), who reported working as auto electricians or provided services such as mobile phone maintenance, running beauty salons/men's salons.
- Micro business owners were asked for the reasons why they selected the particular product or service they provided. The reported reasons were: having work experience related to their product/service (72%), noticing customer demand (42%), having a past training related to the product/service (13%), and the business activity being inexpensive to start (11%).⁴

⁴ Multiple answer choices were available and thus reported figures may exceed 100%.

- FGDs suggested that micro business owner beneficiaries added new types of products over time, for example by learning new skills.

Business registration

- During individual interviews, no HBBs were reported to be registered. There was only one HBB owner beneficiary (in food manufacturing) who reported in an FGD that the HBB was registered.
- When HBB owner beneficiaries reported about the reasons for not registering (n=148), 73% reported that registration was not possible or they did not know if it was necessary. In addition, 32% reported that they did not think it was necessary or useful to register.⁴
- Key informants (KIs) supported this finding, as they indicated a lack of awareness about policies and lack of incentives to register. Many KIs also stated that the registration process was complicated and varied across different local levels (i.e. municipalities).
- Among other self-employed individuals (outside home), the vast majority reported not being registered. Among the 12% who reported being registered, 3% reported having work permits and 9% reported having conventional business registration.

Sales

- Individual consumers made up the largest customer type (reported by 89% of micro business owners), followed by retailers/shops (42%), wholesalers (11%) and contractors (8%).⁴
- Average monthly profits for the six-month recall period was 146 JOD. Around half (57%) of micro business owner beneficiaries reported generating profits that were less than 100 JOD per month. It can be noted that these are below the minimum monthly wage of 220 JOD in Jordan.⁵
- Among HBB owners who reported about profits (n=192), the average amount was 94 JOD, and 95% reported their average monthly profit was less than 201 JOD. Other self-employed owners (outside home) who answered this question (n=255) reported relatively higher values, with an average profit of 185 JOD.
- When asked about customer locations, 18% of micro business owner beneficiaries reported selling products or offering services only within their neighbourhood or their close circle such as relatives. Seventy percent (70%) reported their customers were within their governorate (in their neighbourhoods, as well as other neighbourhoods, sub-districts or districts). Only 5% reported having customers in other governorates.⁴
- The main reported sales methods were personal connections/friend circles (78%) and word-of-mouth (73%), followed by social media (33%), selling through shops, markets, bazaars (31%) and online platforms (4%).⁴

Motivations related to micro businesses

- The majority of respondents (79%) reported that they started their businesses in recent years (2017-2020). Among all, 48% reported starting in 2018 and 30% reported starting in 2019.
- When asked about their motivations to start a micro business, the main reported answers were: wanting to generate income for the household (75%), having relevant experience (58%), wanting to have their own business (29%) and an NGO offering training or support (27%).⁴

Amount of funds needed when starting a business

- When asked about the amount of funds needed to start their businesses, around half (48%) answered in the range of 101 to 300 JOD, while 14% reported in the range of 1,001-1,500 JOD and 9% reported needing higher amounts (more than 1,500 JOD).

⁵ The Minimum Wage in Jordan: Nominal Wage & Productivity Enhancement. Jordan Strategy Forum. March 2020.

- In terms of funding sources, almost all (98%) reported using NGO grants. In addition, 12% of micro business owner beneficiaries reported taking on debt, 11% reported using savings and 6% reported using household income.⁴
- To continue their businesses, 66% reported using the income from their businesses, and 34% reported NGO assistance. Other reported sources of funding were debt (14%) and savings (4%).⁴

Support from other individuals

- Overall, 35% of micro business owner beneficiaries reported regularly receiving help from household members, relatives, friends or neighbours in running their businesses.
- Among these owners who reported receiving help and reported on the source of support (n=170), the help was reported to come from household members (85%), relatives (10%), friends (4%) and neighbours (2%).⁴
- Among micro business owner beneficiaries who reported regularly receiving support (n=171), 54% reported working as a team with the individuals helping them (as co-owners of the business). In addition, 53% reported that the received help was to produce the products or services.⁴
- Moreover, 53% of micro business owner beneficiaries reported collaborating with other business owners.

Challenges

- Overall, 70% of micro business owner beneficiaries reported that they faced challenges in establishing the business (in the first three months).
- Among those (n=297), the main reported challenges were: lack of equipment or tools (64%), unexpected costs, financial barriers or insufficient grant (58%), difficulty in devising a business/marketing plan (33%), and difficulty in finding or building trust with suppliers (26%).⁴
- One challenge reported by KIs was related to product development and diversity, as many business owners were reported to offer a limited range or limited quality of traditional products/services. Moreover, a commonly reported challenge was that products/services were not aligned with market demands, and were not modified when the market demands changed over time.
- Sixty-one percent (61%) of micro business owner beneficiaries reported that they faced challenges to continue/sustain their businesses.
- Among those (n=296), the main reported challenges were: lack of financial means or unexpected costs (48%), competition with other business owners (43%), lack of equipment/tools (39%) and difficulty to reach more customers (31%).⁴

Sustainability

- Reported plans for the six months following data collection were: to develop the business, but with no clear plan (44%), produce new types of products (35%), increase the customer numbers (28%), do more marketing (26%), receive more funds from an NGO or another organization (25%), continue the business as it is at the moment (20%), and reach new locations for sales (18%).⁴
- Interviewed Syrian micro business owners were asked whether they intended to continue their business if / when they return to Syria. Among those who answered this question (n=363), 80% reported that they intended to continue.
- In terms of barriers to establish or continue a business in Syria, the main barriers reported by Syrian respondents (n=317) were: safety/security (32%), not having enough savings (30%), lack of external funding sources such as bank loans or NGO support (26%), infrastructure issues (25%), not having enough equipment or tools (21%), not having enough raw materials (18%), difficulty with finding customers (10%), and difficulty to find or build trust with suppliers (6%).⁴

Needs

- Among all micro business owners, 86% reported that they needed funding. Other reported needs were: assets (tools, equipment, machines) (26%), skills / training (9%), support (from individuals to produce, sell, transport materials, etc.) (9%), and information (such as how to find customers, how to find suppliers or how to register) (3%).⁴
- Those who reported the need for funding were asked for the reasons why the funding was needed (n=415). The main reported reasons were: to buy equipment/tools (81%), to buy ingredients, raw materials or other input for production including livestock (45%), for marketing (27%) and for transportation (26%).⁴

Impact of micro businesses

- Overall, it seems that micro-businesses had a positive impact on the vast majority of respondents, including on themselves, on their financial situation, in their household and in their community.
- In terms of changes in their financial situation since they started micro businesses, the majority (80%) reported a positive change while a relatively small group (7%) reported a negative impact.
- When asked about the contribution of their profits to the overall household income, 21% reported that the profits made up the whole household income, while another 21% reported that the profits made up half of their household income. In addition, 9% reported that the profits made up around three quarters and 31% reported less than half, while 7% reported no profits or business loss.
- Since starting their business, 66% stated that their self-confidence increased, 58% reported being more social, 49% reported feeling financially independent, and 27% reported becoming a decision-maker. On the other hand, a relatively small group (6%) reported being more stressed.⁴
- Regarding household -level changes, 52% reported that household members were more supportive and 51% reported that household members were feeling proud of the respondent. A relatively small group (6%) reported that the business took them away from household members / responsibilities.⁴
- In addition, 86% of micro business owner beneficiaries reported that their business affected interactions with their community in a positive way, while 13% reported no change and 1% reported a negative effect⁶.

Impact of the COVID-19 outbreak

- This section uses data collected in May 2020 during which there was a nationwide curfew, which was lifted partly towards the end of May. The curfew had started in March 2020.⁷
- Micro business owners were asked about the disruption in their business operation, production, costs or sales because of the COVID-19 outbreak, the movement restrictions or the economic downturn. Around half (53%) reported business being extremely disrupted, 31% reported a large level of disruption, 10% reported being somewhat disrupted, 3% reported low levels and 3% reported not being disrupted at all.
- In addition, micro business owner beneficiaries were asked about the challenges faced during the outbreak. Among those who responded (n=314), 94% reported having faced challenges, and 75% reported resorting to negative coping strategies. In terms of dealing with the challenges, 34% of respondents reported stress-level coping strategies (27% reported using savings and 7% reported selling household assets). Besides, 53% reported crisis-level coping strategies (46% reported taking on debt, 4% reported taking a loan and 3% reported selling productive assets) Also, 6% reported emergency-level

⁶ For example, one FGD participant mentioned the negative effect of his business on community interactions, stating that the business took much time and kept him away from community activities such as meetings, weddings, etc.

⁷ COVID-19 Information. U.S. Embassy in Jordan. August 2020.

coping strategies, breaking the curfew to work⁸. In addition to these coping strategies, 11% reported receiving in-kind or cash assistance.⁴

- Moreover, 86% reported needing support to sustain their businesses. Among those who reported this (n=300), the reported needs were financial support/cash grants (99%), followed by training (3%), information / guidance (2%), Support (from individuals for business activities) (3%).⁴ It can be noted that the reported need for financial support is very high, while all other needs were reported less than they were before the outbreak. For example, the reported need for training went from 9% to 3%. This may be explained by the increased need for financial support, which may have caused other needs to be undermined and under-reported.

⁸ Emergency strategies commonly include activities such as accepting high risk, socially degrading temporary jobs, which affect future productivity and are more difficult to reverse or more dramatic in nature. In this report, 'breaking the curfew to work' was included in this category, as this action is against the law/high-risk.

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List of acronyms

PRM	Bureau of Population, Refugees and Migration
FGD	Focus Group Discussion
HBB	Home-based Business
II	Individual Interview
JOD	Jordanian Dinar
KI	Key Informant
KII	Key Informant Interview
NGO	Non-Governmental Organization
UN	United Nations
USAID	United States Agency for International Development

Geographical classifications

Governorate: Highest form of governance below the national level

- The governorate has an executive and advisory board.
- The governorate is headed by the governor.
- The governor is the highest executive authority in the governorate and the representative of the executive authority and leads all government employees in the governorate. The governor also has the authority over all governorate departments except for the judge.

District: Governorates are divided into districts.

- The district has an executive and advisory board.
- The district reports to the governorate.
- The district office is an administrative area within the governorate, headed by the district officer or district administrator.

INTRODUCTION

With roughly 750,000 registered refugees, Jordan is one of the world's largest hosting countries compared to its population, with 89 refugees per 1,000 inhabitants and the majority of registered refugees being Syrian (88%).⁹ In light of the protracted displacement and in an environment of limited livelihoods opportunities, Syrian refugees are facing increased vulnerability as their savings, assets and resources are long exhausted. The situation for Jordanians has also been exacerbated by pre-existing vulnerabilities, with unemployment rates having increased to 19.3% in 2020.¹⁰

Within this context, international organizations and the public sector have been increasing their focus on micro businesses over the past few years as a means to facilitate access to economic opportunities. Evidence from many countries suggests the importance of this sector in creating job opportunities and driving economic recovery and growth.¹¹ According to a study of micro and small-enterprises in Jordan conducted by the United States Agency for International Development (USAID), micro and small enterprises account for 96% of total private sector establishments in Jordan and if licensed, home-based businesses (HBBs) in particular can have an estimated contribution of JOD 50 million per year to the national economy directly at a minimum/with conservative assumptions.¹¹

With regards to the legal framework, the Ministry of Municipal Affairs granted Jordanians the right to legally license and operate HBBs in August 2017.¹² Following that, a new regulation passed in November 2018 by the Ministry of Labour allowing Syrians in camp and non-camp settings to register and operate HBBs without a joint venture, though with certain limitations.¹³ The regulatory changes allowed non-governmental organizations (NGOs) to provide technical and financial support to Syrian refugees establishing HBBs through the Jordan Response Plan. In addition, a recent circular announced in June 2020 waived HBB licensing fees for the first three years.¹⁴ While research has been conducted into Jordanian micro and small-enterprises, less is known about HBBs in general and Syrian-owned businesses in particular.

To fill this information gap, REACH, in support of the Livelihoods Working Group in Jordan, conducted an assessment seeking to improve understanding of challenges, opportunities and long-term potential of micro businesses for Syrian refugees and vulnerable Jordanians, particularly in the light of recent policy changes, in order to inform understanding, response and programming related to micro businesses for implementing partners within the Livelihoods Working Group in Jordan. More specifically, it aims to identify enabling factors for individuals to successfully start and operate a micro business. It also looks at the impact of owning and operating a micro business on the owners, in terms of overall financial situation, empowerment, family dynamics and community engagement. In addition, the assessment seeks to identify needs (such as skills trainings, information, funding and support) to start and operate micro businesses, as well as intentions and perspectives of Syrian refugees related to continuing their business upon their eventual return to Syria. The assessment was funded by the Bureau of Population, Refugees and Migration (PRM). In light of the COVID-19 outbreak that has affected the target population, this assessment also sought to understand the impact of the outbreak (including movement restrictions and economic downturn) on micro businesses in terms of production, costs, sales, profits and needs particularly in this context.

⁹ [UNHCR data-portal](#) as of June 2020.

¹⁰ Department of Statistics, Unemployment Rate, June 2020.

¹¹ [Final Report on Legal and Institutional Review on the Licensing Home Based Businesses in Jordan](#), USAID. February, 2017.

¹² [Registering and Licensing a Home-Based Business in Jordan](#)

¹³ [Cabinet Decision](#). Ministry of Planning and International Cooperation. November 2018.

¹⁴ Bahaa Al Deen Al Nawas. [Licence Amendments Facilitate Amman Home Based Businesses](#). February 2020.

METHODOLOGY

Methodology overview

The assessment was implemented using a mixed-methods approach with both qualitative and quantitative components, involving structured individual interviews (IIs), as well as semi-structured key informant interviews (KIIs) and focus group discussions (FGDs). IIs and FGDs were conducted with Syrian refugees and Jordanians who operated micro businesses, and KIIs were conducted with employees of organizations implementing micro business programmes.

The assessment was supported by partners who provided lists of their beneficiaries supported with regards to establishing or operating micro businesses. Discussions with these partners revealed that there were two main types of micro businesses supported by livelihoods programmes. One of these was HBBs, working on activities such as agricultural production and food manufacturing which mainly took place at home, or home-area including gardens. The second type of micro businesses was self-employed work, either in a physical space (such as a shop, beauty salon etc.) or without a fixed space (for example working on construction activities). As such, both of these of micro businesses types were included in the assessment.

Population of interest

While the population of interest broadly speaking included individuals who operated micro businesses in Jordan – including both Jordanians and Syrian refugees – information for this assessment was collected primarily from a subset of this population of interest who had received support (such as funds, trainings and mentorship) to operate micro businesses from partners. This was mainly to ease operational planning as there was a clear sampling frame available for this subset which would not be case if the assessment was to target any Syrian refugees or Jordanians operating micro businesses across the entire country.

In terms of geographic coverage, the assessment targeted the population of interest in areas where these partner organizations provided micro business support (in the governorates of Aqaba, Amman, Irbid, Karak, Ma'an, Madaba and Mafraq).

Data collection and sampling

Prior to data collection, field teams had a training in which the background and purpose of the study were discussed, as well as the methodology and data collection tools. The training also covered field protocols, code of conduct, protection principles, logistics and data entry guidelines. After the training, a pilot of data collection was done to ensure that the enumerators were able to effectively use the tools and to determine that the tools were appropriate for the assessment. During the piloting, feedback from the enumerators and respondents was used to review and finalize the tools.

During data collection, enumerators were instructed to ask for the consent of respondents before conducting the interviews. During interviews, data was entered directly into smartphones using the Kobo toolbox. Interviews took around 30 to 40 minutes on average. Throughout data collection, a Field Manager monitored interview practices and provided feedback during daily debriefings.

Data collection had three timelines based on the partners' availability. The first round of data collection took place from 27th of October to 26th of November, 2019. Individual interviews were conducted face-to-face in Amman, Karak,

Maan and Aqaba. The second round of data collection took place face-to-face, between the 4th and 18th of February, 2020 in four governorates (Amman, Mafraq, Irbid and Madaba). The third round took place from the 14th to the 21st of May, 2020 in two governorates (Mafraq and Irbid). Individual interviews were conducted via phone due to data collection restrictions following the COVID-19 outbreak.

For one of the partners, a census of all micro business beneficiaries was conducted at the organization's request. The findings from this component were used to produce a first set of deliverables: a presentation of initial findings and an executive summary. In addition, data collected within this component was used for the overall analysis outlined in this report. To do so, this partner's micro business beneficiaries - surveyed as census for the first set of deliverables- were randomly selected to form a subset sample (i.e. # of surveys needed to have 95/5 precision level) using list-based sampling.

For the rest of the assessment, representative sampling was used to produce results that are generalizable to the to the overall (country level) beneficiary population with a 95% level of confidence and 5% margin of error. The survey sample was drawn from the partners' beneficiaries engaged in micro businesses. One of the major factors for success or challenges regarding micro businesses was understood to be the activity type / sector. For that reason, stratification was used based on sectors, ensuring that the sample would include a proportional number of each sector (which comprised agriculture, construction, manufacturing, retail trade and other services).

Overall, the total number of micro business beneficiaries according to the partners was 934. Based on stratified random selection, the total sample size of micro business beneficiaries to interview was calculated as 493. A total of 487 individual interviews were conducted and kept for analysis. Three interviews in the retail trade sector and three in other services were not conducted due to reasons described under the Challenges and Limitations section.

Table 1: Sample size by sector

Sectors	Total population of interest	Total sample size	Number of interviews
Agriculture	582	232	232
Construction	97	77	77
Manufacturing	195	129	129
Retail Trade	44	40	37
Other Services	16	15	12
Total	934	493	487

In addition, FGDs were conducted with micro business beneficiaries to understand their perceptions on challenges at various stages, awareness about regulations, perceptions on the value of registration, perspectives on the criteria of success and enabling factors. It is possible that some beneficiaries participated in both IIs and FGDs. The FGDs were organized within groups based on nationality, gender and business type. In total, seven FGDs were conducted with a total of 39 participants.

Table 2: Number of FGDs by nationality, gender and business type of participants

Business type	Target population			
	Syrian		Jordanian	
	Male	Female	Male	Female
HBBs	1	2	N/A	2
Other self-employment	1	N/A	1	N/A

Additionally, six KIIs were conducted with employees of organizations implementing micro business programmes to understand challenges faced by micro business owner beneficiaries from the organizations' perspective, their understanding of micro business success and needs, gaps in terms of support and gaps in information to be able to make informed decisions about future programming. In total, six KIIs were conducted.

Data processing and analysis

During data collection, data was reviewed on a regular basis for quality assurance, to identify any errors in data collection and to re-code entries if needed. Also, answers with numerical values were checked to identify any outliers and anomalies. Logic checks were conducted, for example, to identify if responses to two complimentary questions were contradicting each other. Enumerators were contacted to review these values to confirm the validity of data. Upon completion of data collection, final data cleaning was conducted and entries were translated. The quantitative data was analysed using Excel and STATA.

Regarding KIIs and FGDs, data collection was conducted using paper forms. Enumerator debriefings and translations were done daily. Also, daily review of debriefs was conducted to identify any errors in data collection. Data generated was analysed with qualitative research methods using ATLAS.ti. This included the coding of qualitative data to identify and explore themes and patterns from data generated.

Challenges and limitations

- Although the assessment aims to provide an understanding of micro businesses in Jordan, the population of interest was limited to micro business owner beneficiaries who had received support from partner organizations (to have a clear sampling frame). This approach inevitably created limitations. For example, this subset of the target population received at least one form of support, while other micro business owners may have more or less access to support mechanisms (i.e. provided by the government).
- In addition, the assessed subset included a larger population of Syrian refugees compared to Jordanians. However, it may be the case that the target population (micro businesses in Jordan) comprises a higher proportion of Jordanians than the proportion observed in this assessment. This means that the results may be skewed towards the situation of Syrian refugee micro business owners, whose situation might be different from that of Jordanian micro business owners. The exact numbers per nationality is not available since many micro businesses are not registered and there has not been a recent comprehensive study across the country.
- A challenge faced in this assessment was to design a common, exhaustive tool that aligns with programme activities of the partners. For example, the partners provided different types of funding, trainings and mentorships, all of which was discussed in detail and was incorporated into the research tool (as survey questions or answer choices).
- It should be expected that the partners' support to micro business owner beneficiaries vary in terms of the type of support, quality, quantity and timeline. All of these may have led to differences in micro business challenges, opportunities, impact and long term potential.
- Despite all efforts to reach the sample size, some micro business owner beneficiaries were not surveyed (n=6) due to reasons such as their work-related commitments, lack of willingness to participate in the assessment and lack of an active phone number.

- Another limitation was related to the fact that data collection took place in three different time periods. This may have caused changing circumstances for the target population, such as seasonal variation in their micro business activities.
- Individual interviews were conducted with the beneficiaries of partner organizations. However, in a few cases, it was understood that the beneficiaries did not operate the micro business themselves. Instead, their micro business was operated by others such as relatives. In these rare cases, data was still collected from the micro business owners, and was examined in terms of data quality. It was observed that these respondents still answered all questions, instead of dropping out or skipping questions. Thus, these data entries were kept for the analysis.
- Some micro business owner beneficiaries worked in partnerships/groups, sharing the workload. In these cases, it could be expected that some members of a group had more insight while other members had less. For that reason, data collected from respondents in partnerships/groups was examined carefully. It was seen that these respondents had knowledge about the business in terms of activities, challenges, needs, etc. Thus, these data entries were kept for the analysis.
- Another challenge was related to the COVID-19 outbreak, which led to movement restrictions and economic downturn. It was likely that the target population would be affected by this situation, thus new questions were added to better understand the conditions after the outbreak. The revised tools were used for part of data collection (and covered a considerable number of respondents). Findings about the effect of the COVID-19 outbreak are derived from this subset of the population (n=351/487) and are indicative only.
- During data collection, it was seen that some micro business owner beneficiaries had ended their businesses by the time of the data collection (n=68/487). They were included in data collection and were asked to answer based on their conditions before they ended their businesses.
- Although the assessment was originally designed to only focus on HBBs, the scope was later expanded to cover all micro businesses (including HBBs as well as other self-employed work). Based on the original scope, stratification was used to better understand differences between sectors. However, the business type - HBBs and other self-employment - was not part of the stratification. For that reason, findings disaggregated by micro business type are indicative only. Similarly, findings related to a subset of respondents may have a lower confidence level and a wider margin of error.

FINDINGS

Key characteristics of micro business owners

This section covers demographic information about micro business owners, including gender, nationality, education level, age and household composition. It also provides other information particularly about livelihoods.

Demographic information

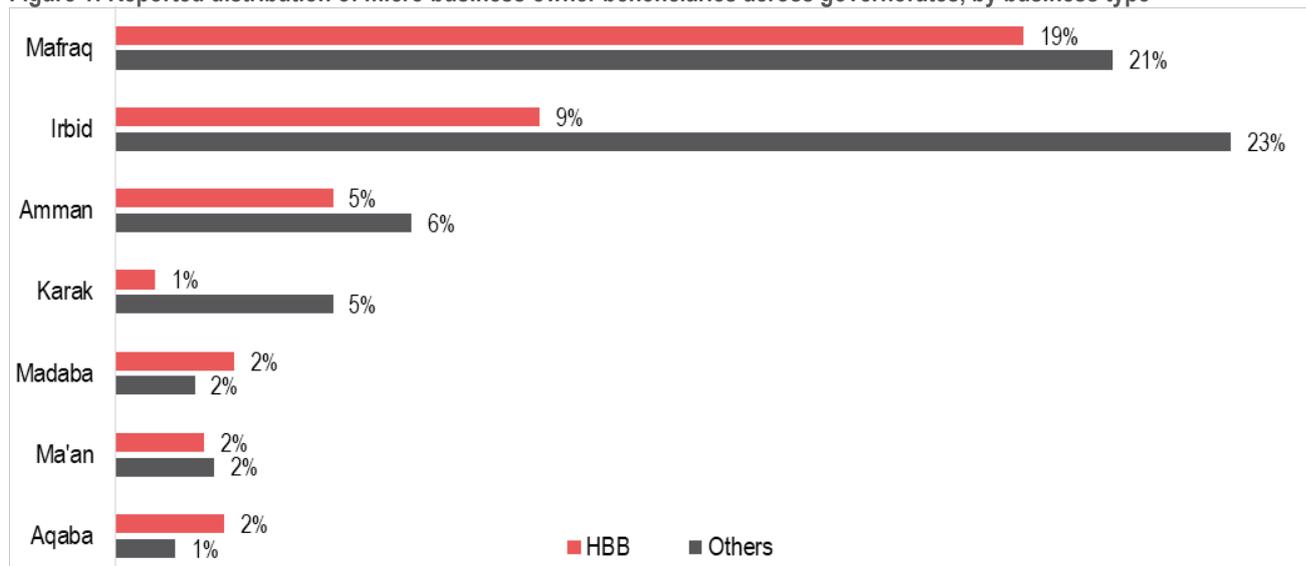
From the total number of micro business owner beneficiaries interviewed (n=487), 62% were female and 38% were male. Among all, 76% were Syrian and 24% were Jordanian. The breakdown in Table 3 provides more detail. It can be seen that the most represented sub-group is female Syrian micro business owners, who make up 43% of the total assessed population. This may be attributed to the selection criteria of partner organisations, which tend to prioritize Syrian refugees and women based on a range of considerations, such as vulnerabilities, pre-existing difficulties and limited livelihoods opportunities. It can be noted that in comparison, male Jordanian micro business owner beneficiaries make up only 5% of the total assessed population.

Table 3: Number of micro business owner beneficiaries by gender and nationality

Gender / Nationality	Jordanian	Syrian	Total
Female	92	209	301
Male	23	163	186
Total	115	372	487

In terms of distribution across governorates, the assessment targeted the population of interest in areas where partner organizations provided micro business support. As such, most of the micro business owner beneficiaries were in Mafraq (40%), followed by Irbid (32%), Amman (11%), Karak (5%), Ma'an (4%), Madaba (4%), and Aqaba (3%). The remaining (n=4) were in Zarqa and Balqa governorates.¹⁵

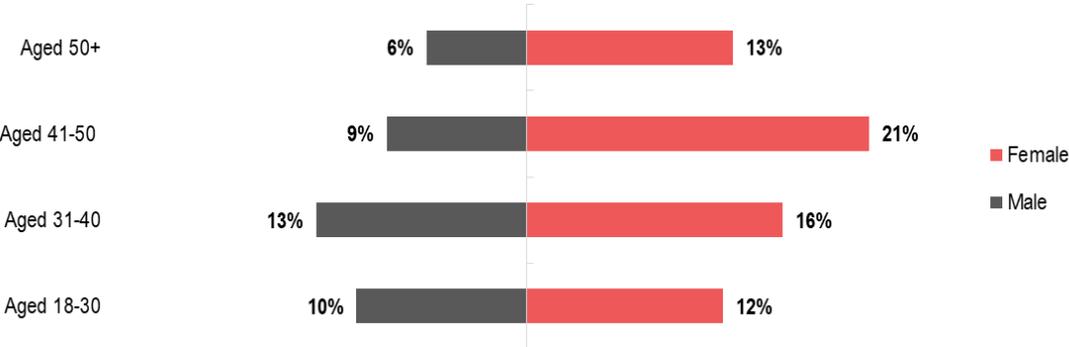
Figure 1: Reported distribution of micro business owner beneficiaries across governorates, by business type



¹⁵ The interviewed micro business owners beneficiaries in Zarqa and Balqa governorates were beneficiaries registered in other governorates (mostly in Amman).

Twenty-three per cent (22%) of micro business owner beneficiaries were between the ages of 18 and 30, while 29% were between 31-40 years old, 30% were between the ages of 41 and 50, and 19% were older than 50 years old. Age distribution by gender can be found in Figure 2.

Figure 2: Age distribution of interviewed micro business owner beneficiaries, by gender



The majority of respondents were married (76%) while 8% were single, 7% were widowed, 6% were separated and 3% were divorced. In terms of reported education levels, 14% had no formal education, 44% had primary school education, 31% had finished high school, 4% had a 2-year diploma and 5% had a university degree.

The households consisted of six members on average. In a large number of cases (64%), the micro business owner beneficiaries reported being the head of household. Almost half of the female owners (46%) reported being the head of their household. Seventy-five percent (75%) of respondents reported having at least one child (below the age of 18) in their household.

Other characteristics

In addition to demographic information, other types of information (particularly about livelihoods) were also collected. Respondents were asked about the number of adults generating an income in their household. Around half (55%) reported that there was only one adult generating income (including the respondent), while 36% reported two adults, 6% reported three, 1% reported four and 2% reported none (no adults generating income in the household)¹⁶. This indicates that for 43% of micro business owners, there was at least one more adult who generated income for the household (in addition to the micro business owners).¹⁷ Among HBB owners, the proportion was much higher (54%) than those in other self-employment (36%). This may indicate that many micro businesses were not able to fully support their household expenses, and this was the case relatively more for HBB owners.

In comparison, around half (49%) of the micro business owner beneficiaries reported being the only income generating members in their households.¹⁸ This was the case for 39% of HBB owners and 56% of other self-employment owners. Being the only income generating household member can reveal the importance of these

¹⁶ For these respondents who reported no adults generating income in the household (n=10), three reported ending their business already, three reported that they stopped business activities temporarily, and three reported making zero profit particularly during the COVID-19 outbreak (two of which reported making no profit or losses before the outbreak).
¹⁷ With regards to the households in which at least two adults were reported to generate income, it should be noted that a small number of micro business owner beneficiaries (n=7) reported to generate no profits, even though they reported themselves as income generating household members. For that reason, the true proportion of households in which at least two adults generated income is 41%.
¹⁸ There were 268 cases in which only one adult generating income. Yet, within these cases, there were income generating children (n=14) and there were respondents who reported generating no profit (n=14). Thus, these were subtracted from the 268 cases to calculate the number of interviewed micro business owners who are the only income generating household members (n=240).

businesses for the owners and their households. Moreover, among respondents who reported having children in their households (n=366), 5% reported that children in their household generated income. In addition, 15% of micro business owner beneficiaries reported having another income generation activity, such as a full time job (2%), part time job (2%), seasonal work (4%), daily labour (3%) and a second self-employed activity (4%).

Respondents with additional income generation activities were analysed further to see how these additional activities affected their micro businesses. Among the respondents who reported having additional income generation activities (n=68), 22% reported that they ended the business for which they received support from partners by the time of data collection. In comparison, among the micro business owner beneficiaries with no other income generation activities (n=390), 6% reported that they ended their micro businesses. This can be interpreted in several ways. One indication can be that micro business owner beneficiaries with other income generation activities may have been more occupied and therefore, may have been unable to work on their businesses as much as needed. Another interpretation can be that micro business owner beneficiaries with other income generation activities may have been able to end their businesses because they had other income activities to rely on and these other activities may have been preferred over micro businesses. These interpretations should be taken with caution as findings disaggregated by micro business type are indicative only. Further assessments would be needed to better understand these dynamics.

Characteristics of micro businesses

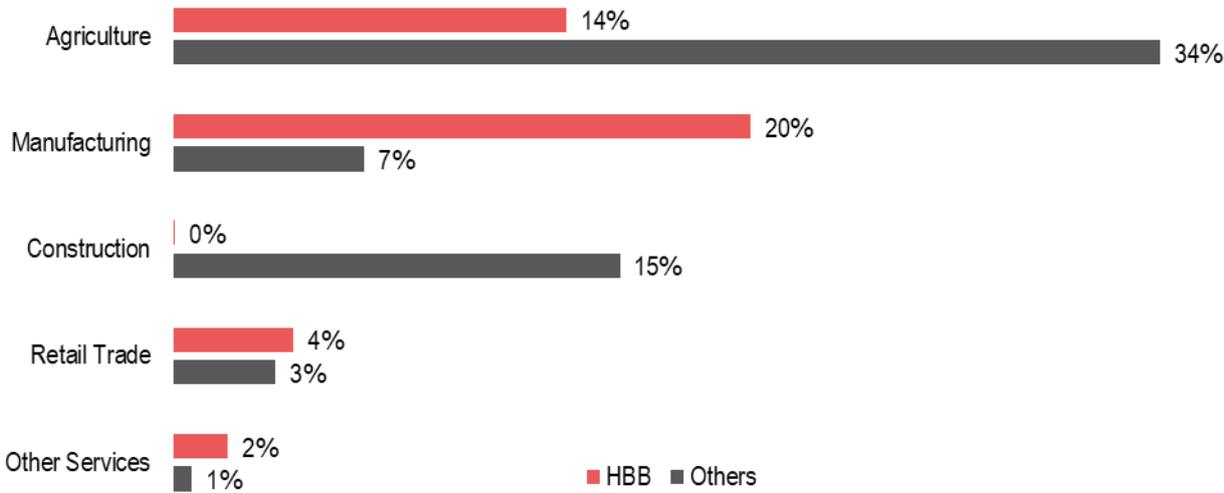
This section gives an overview of key characteristics of micro businesses established by Syrian refugees and Jordanians, in terms of sectors, business types, registration status and sales.

Sectors

As displayed in Table 1 under the Methodology section, the number of micro businesses varies by sector. Around half (48%) of the micro business owner beneficiaries reported working in the agriculture sector, which included activities such as greenhousing, hydroponics, livestock and beekeeping. The second largest proportion (26%) of microbusiness owners reported working in manufacturing, which consisted of activities such as agricultural processing/food production (i.e. making pastries, desserts, fast food, dairies, pickles, drinks, appetizers). Manufacturing sector also included handcrafts, sewing, upholstery and making perfumes.

The construction sector had the third largest proportion (16%) of micro business owners. Activities in this sector included constructing tiles, bricks and gypsum board, as well as plastering, stone bleaching, painting, air conditioning, electrical work, plumbing, carpentry and blacksmith. In addition, retail trade sector had 8% of microbusiness owners who traded accessories, cosmetics, blankets, clothes, fabrics, charcoal, electric appliances, prepaid cards, hygiene materials, utensils, second hand mobile phones and video games. Micro businesses in this sector also included running a butcher shop, mini markets and selling fruits/vegetables. Moreover, there were micro business owner beneficiaries in other services (2%) who reported working as auto electricians or provided services such as mobile phone maintenance, running beauty salons/men's salons.

Figure 3: Distribution of micro business owner beneficiaries across sectors, by business type



Product / service types

A key insight needed to understand micro businesses is the reasoning behind business activities. In this respect, micro business owner beneficiaries were asked for the reasons why they selected the particular product or service they provided. The reported reasons were: having work experience related to their product/service (72%), noticing customer demand (42%), having a past training related to the product/service, and the business activity being inexpensive to start (11%).⁴

To check how this reasoning relates with business sustainability, one helpful indicator is whether the business is still running. For example, among micro business owner beneficiaries who reported one of their reasons was having relevant work experience (n=352), 16% reported that they ended their business by the time of data collection. This was the highest reported proportion of ending businesses among different types of reasons for business activity selection. When asked for the reasons of ending their business (n=56), 64% reported financials reasons such as insufficient profits or unexpected costs. Among these respondents (n=56), it was also found that 81% (50/56) reported selecting their product or service based on their experience (along with other reasons in a few cases such as received trainings), but not based on customer demand.

Among those who reported having relevant training as a reason for selecting their product/service (n= 64), 13% reported that they ended their business. On the other hand, the proportion of ending businesses were lower for other types of reasoning. Seven percent (7%) reported ending their business among micro business owner beneficiaries who reported their reason as the business activity being inexpensive (n=54). The most durable businesses appear to be those owned by individuals whose product/service selection was based on customer demand, as only 6% of them (n=204) reported having ended their businesses at the time of data collection.

Respondents were also asked whether the product or service they provided was the same as the one they were assisted for by the supporting NGO. This question was asked to understand whether micro business owner beneficiaries changed their product/service, either out of a negative experience (such as making little profit) or due to an opportunity they noticed (such as customer demand for a different product/service). It was found that such changes were rare. Only 1% of micro business owner beneficiaries (n=5) reported changing their business activity and providing a different product/service. For example, some of the changes were from embroidery to manufacture of food products, or from sewing to cooking or catering. The main reason, reported by 3 out of the 5 respondents,

was that the original activity was not profitable enough. Two respondents also reported that they could not get the necessary ingredients or raw materials.

While product/service types were reported to mainly stay the same, many FGDs suggested that micro business owner beneficiaries added new types of products over time, for example by learning new skills. This shows that most owners keep their original activities and add onto them. For example, among those in food production, new products included making jams or desserts, while cosmetics producers mentioned making skin care soaps and creams. These new products were reported to help gain more customers and increase income. It was noted that this was mainly the case for food production and handcrafts, while owners in other activities such as tailoring or construction work reported their business to stay the same over time.

In addition, 4% of micro business owner beneficiaries reported having a second business activity. Among these activities (n=20), the main reported ones were construction (n=5), agriculture (n=4) and manufacture of food products (n=4). The main reported reasons for selecting their second product or service were: having experience for this field of work (80%) and noticing customer demand (35%).⁴

Business types: HBBs and other self-employment

Based on discussions with implementing partners (KIs) and the data from micro business owner beneficiaries (IBs), it was understood that micro businesses operated mainly in two settings. One setting was the owners' home or home-area including gardens. The second setting was outside home, either in a fixed space (such as a shop, beauty salon etc.) or without a fixed place, undertaking work such as construction activities. Among all micro businesses, 60% were operated outside home while 40% were HBBs / operated from home (including gardens).

Among micro business owner beneficiaries who reported running their businesses from home (n=194), 80% were female. This finding may reflect a general understating that HBBs are more preferred by women due to a range of reasons. These reasons will be outlined in a following section that looks specifically into the motivations and underlying reasoning. In comparison, among micro business owner beneficiaries who reported running their businesses outside home, the number of owners were split evenly by gender. In this sub-group, 50% were female.

Among HBBs (n=194), the main reported sectors were: manufacturing (50%), agriculture (34%), retail trade (10%) and other services (5%). As mentioned above, the majority (80%) of those running an HBB were female. On the contrary, female micro business owner beneficiaries operating a business outside home mainly worked in agriculture (80%), followed by manufacturing (15%), retail trade (4%) and other services (1%). Disaggregation by nationality shows no clear difference between Jordanian and Syrian business owners. Among Jordanian micro business owner beneficiaries interviewed, 38% ran HBBs while 62% ran businesses outside home. Among Syrian owners, 40% were ran HBBs while 60% ran businesses outside home.

Table 4: Number of micro business owner beneficiaries by gender, nationality and business type

	Jordanian		Syrian		Total
	Male	Female	Male	Female	
HBBs	6	38	33	117	194
Outside home	17	54	130	92	293
Total	23	92	163	209	487

Business registration

Overall, only 12% of micro businesses reported being registered. All of these were operating outside home; 3% reported having work permits and 9% reported having conventional business registration. No HBB owners reported being registered during the individual interviews. There was only one HBB owner (in food manufacturing) who reported in an FGD that the HBB was registered. The reported reason for this registration was to fulfil the customers' preference for having the products tested by authorities. However, the same HBB owner also reported facing multiple challenges after deciding to register, related to costs and the landlord.

When HBB owners were asked about the reasons for not registering (n=148)¹⁹, 45% reported that registration was not necessary or not possible [reported by 54% of Jordanian respondents (15/28), and 43% of Syrian respondents (51/120)]. In addition, 28% reported that they did not know if it was necessary [reported by 25% of Jordanian respondents (7/28), and 29% of Syrian respondents (35/120)].⁴ The answers reveal a lack of awareness about the policies around HBBs among both nationalities. FGDs support this finding, as many Syrian participants in particular stated that for registration they would need a Jordanian sponsor and a large amount of investment (around 10,000 JOD). This shows that many micro business owner beneficiaries are only aware of the requirements to start a conventional business, and they do not realize that HBB registration is possible for them.

In addition, 32% reported that they did not think it was necessary or useful to register [reported by 29% of Jordanian respondents (8/28), and 33% of Syrian respondents (40/120)]. This finding may indicate that some HBB owners were indeed aware of HBB regulations, but did not have incentives to register because they did not believe in the necessity (the legal obligation) or the benefit of registration. Also, 15% reported that the cost of registration was too high [reported by 18% of Jordanian respondents (5/28), and 14% of Syrian respondents (17/120)]. A smaller proportion of respondents (3%, and only Syrian respondents) reported that they did not know about the process or they found the process to be complicated.

KIs supported this finding, as they indicated a lack of awareness and lack of incentives related to the policies. In addition, many KIs stated that the process was very complicated and changed across local levels (i.e. municipalities). The involvement of the landlord (imposed as a requirement for registration) was reported as another concern, as many business owners were tenants and were reluctant to engage with their landlords. This concern was related to fears, such as the landlord charging additional fees or objecting to the business activity being implemented. Other reported concerns for registration were related to business taxes and losing assistance from organizations. Also, the conditions for registration were mentioned to be strict and difficult. One of these was the home visits by municipality officials, which were reported to make business owners (particularly women) uncomfortable. Another reported condition was related to very specific production guidelines, such as tailoring designs according to certain measures and cloth types.

Moreover, it was mentioned by KIs that the registration process took a long time for Syrian refugees in particular, especially to follow the complicated procedures and get the approval from landlords and authorities. Also, it was reported that registered businesses required formal procedures to close down, thus If registered business owners, who were refugees, needed to leave Jordan, they would need to follow a formal procedure (which was reported not to be clear yet). Syrian refugees were also reported to struggle with documentation and frequent changes of housing. Yet, it was reported by one KI that when any registered business owner (including HBBs) changed housing, the registration would still be valid. The only requirement would be to update information in the municipality

¹⁹ The assessment was originally designed to focus on HBBs. For that reason, questions about reasons for not registering were asked only to HBB owners. For micro businesses outside home, the legal framework is related to work permits or conventional business registration.

offices. This reinforces the above statement that there seems to be a lack of awareness about the legislation or a lack of clarity in the regulations.

Also, particularly for HBBs, authorized sectors were reported by KIs to be more limited. Reportedly, these included activities such as: translation, printing, fashion designing, marketing and commercial materials designing, architect designs, consolatory studies, financial, technical and management services, information technology, developing and designing websites, online marketing, sewing and stitching, jewellery industry, ceramics, carpets, candles, jams, bakery, preparing fruits/vegetables/herbs/legumes and Jameed manufacturing. This information is also outlined by regulations. Overall, HBBs have been categorized into four categories: intellectual (49 professions), handicrafts (10 professions), food preparation (6 professions) and home services (6 professions).²⁰

KIs suggested that micro business owner beneficiaries would be more inclined to register when they scale up and reach a more advanced level, as they would need to engage in formal procedures such as signing contracts and opening bank accounts. Another reported motivation for registration was to have access to loans that are available only for registered businesses.

In addition, findings from FGDs suggest that micro business owner beneficiaries are aware of potential advantages of registration. For example, one participant mentioned that she is currently able to sell only to individual consumers, but she would be able to sell also to markets if she registered her business, and she would be able to put her own name/brand on the products as she wanted. Participants working in food production also mentioned the importance of product testing. Those who got tests done by public authorities stated that the customers are more comfortable buying food products when the products are tested and certified. One of the KIs also emphasized product testing to be very important, as it allows micro business owner beneficiaries to become more formal (through certification), thus enabling them to do more marketing and engage more confidently with customers as well as NGOs. Yet, some participants reported high costs of tests and mentioned these to be too expensive for them. Moreover, as another benefit of registration, male micro business owner beneficiaries who ran businesses outside home mentioned that registration would be very useful for them, as they would be able to expand their work and avoid any possible exploitation or cheating by their partners.

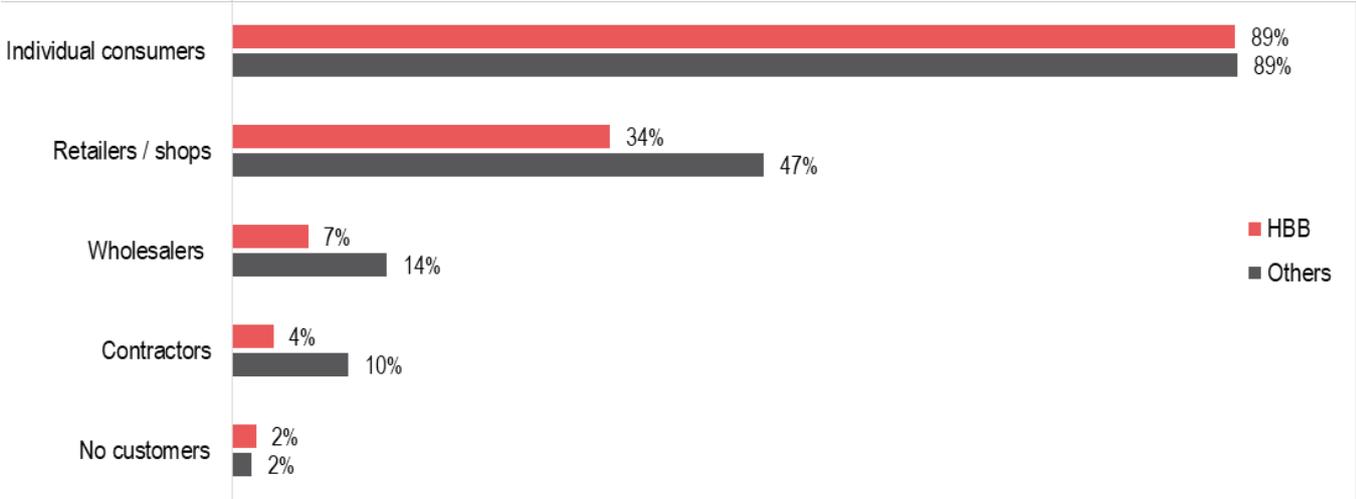
Sales

Micro business owners were asked about their customers within a three-month period prior to data collection.⁴ Individual consumers (reported by 89%) made up the largest customer type. It can be noted that selling to individual consumers reflects the small-scale operations of micro businesses, but direct sales channels may be an advantage because there are no traders, meaning the sales result in higher profits for the micro business owners. In addition, direct access to consumers may be helpful in building relationships, which can be essential for long-term business success.

The second largest customer type was retailers/shops (reported by 42%), followed by wholesalers (11%) and contractors (8%), while a small number (2%) reported having no customers. More information can be found in Figure 4 for HBB owners and other self-employed individuals who reported on customer types (n=194; 100% and 292; 100% respectively).

²⁰ Bahaa Al Deen Al Nawas. Licence Amendments Facilitate Amman Home Based Businesses. February 2020.

Figure 4: Reported customer types for interviewed micro businesses, disaggregated by business type



Sales to individual consumers were reported by 84% (194/232) of business owners in agriculture, 93% (71/76) in construction, 95% (122/129) in manufacturing, 100% (12/12) in other services and 95% (35/37) in retail trade. In light of these figures, the agriculture sector stands out with the lowest proportion of individual consumers among sectors. This may be explained by the fact that business owners in agriculture reported selling to shops / retailers in a large proportion (61%; 142/232), which was in fact the highest reported sales to retailers across all sectors. Among other sectors, sales to retailers/shops were reported by 35% (45/129) in manufacturing, 14% (11/76) in construction and 14% (5/37) in retail trade. An overview of reported customer types for each sector can be found in Figure 5.

Figure 5: Distribution of reported customer types by number of micro businesses across sectors



Overall, 44% of micro business owner beneficiaries reported selling only to individual consumers, and their average profit was 126 JOD per month within a 6-month recall period. In addition, within this group 36/213 (17%) reported that they already ended their businesses. In addition, when micro business owner beneficiaries reported selling to individual consumers, and also to retailers and wholesalers (n=434), the average monthly profit was 144 JOD, whereas those who reported ending their business was 11% (n=47/434). This can show the positive impact of being

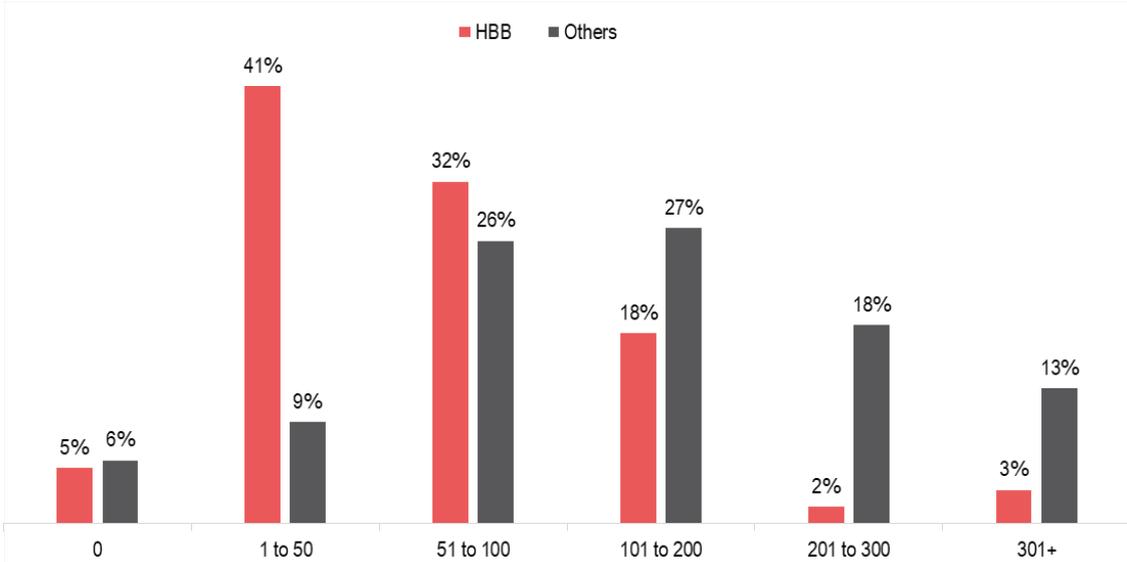
able to sell to retailers and wholesalers. Many FGD participants (particularly HBB owners) also supported this and mentioned that they would like to deal with traders (retailers or wholesalers), as they would be able to sell larger amounts of products. In light of this, it may be a reasonable strategy for livelihoods programmes to focus on customer types and to encourage business owners to reach a wide range of customers, especially to expand from individual consumers to retailers and wholesalers.

In addition, it can be noted that micro business owner beneficiaries who reported sales only to retailers/shops (n=25) made relatively small amounts of profits (98 JOD) on average per month, and a significant proportion (64%) of these businesses had closed already. This finding can be used as a flagging system, to identify micro business owner beneficiaries who sell only to retailers, and support them in particular. It can also be insightful to further investigate this finding with case studies, in order to understand why some businesses are limited to only one customer type and how this affects their long-term success.

Another finding, which may be easily anticipated, is that micro business owner beneficiaries whose customers included wholesalers (n=53) reported a relatively high amount of average monthly profits (212 JOD), and only 3/53 had ended their business at the time of data collection. Wholesalers as customers were reported mainly in the agriculture sector (41/232), followed by 10/128 in manufacturing and 2/37 in retail trade. Contractors were reported by micro business owner beneficiaries in the construction sector (29/76) and by a small number of owners in manufacturing (7/129).

Overall, the average monthly profits for the 6-month recall period was 146 JOD. Around half (57%) of micro business owner beneficiaries reported generating profits that were less than 100 JOD per month. Among HBB owners who reported on profits (n=192), the average amount was 94 JOD, and almost all (95%) reported their average monthly profit was less than 201 JOD. It can be noted that these are below the minimum wage of 220 JOD in Jordan.²¹ Other self-employment owners who answered this question (n=255) reported relatively higher values, with an average of 185 JOD and the majority (72%) reporting between 50 to 301 JOD. More information can be found in Figure 6 for HBB owners and other self-employed individuals who reported on average monthly profits (n=192; 99% and 255; 87% respectively).

Figure 6: Reported average monthly profits, disaggregated by business type

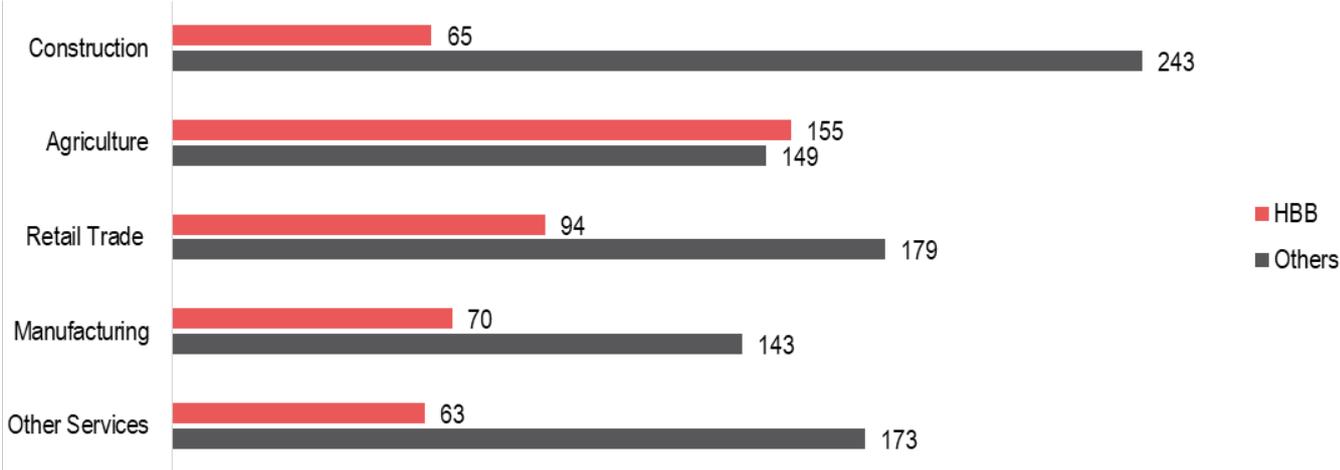


²¹ The Minimum Wage in Jordan: Nominal Wage & Productivity Enhancement. Jordan Strategy Forum. March 2020.

In addition, Jordanian micro business owner beneficiaries (n=115) reported an average monthly profit of 117 JOD, while Syrian owners (n=372) reported 155 JOD on average. In fact, Syrian owners reported higher profits in every sector compared to Jordanian owners. It can also be noted that Syrian owners running a business outside home reported an average monthly profit of 206 JOD while Jordanian owners reported 121 JOD on average.²² In particular, Syrian owners running a business outside and working in construction (n=72) reported the highest average profit (246 JOD), while there were only three Jordanian owners working in construction and they reported a much lower average profit of 176 JOD. It appears that these Syrian owners in the construction sector contribute to the difference in average profits between the two nationalities. Also, overall, 13% (47/371) of Syrian owners reported selling to wholesalers while only 5% (6/115) of Jordanian owners reported the same. As reported earlier, sales to wholesalers were found to generate higher profits.

Across sectors, HBB owners reported lower amounts of average monthly profits, except for the agriculture sector in which the reported profit levels were similar for HBBs and other self-employment. More information about reported average monthly profits for sectors and business types can be found in Figure 7.

Figure 7: Reported average monthly profits (in JOD), disaggregated by sector and business type



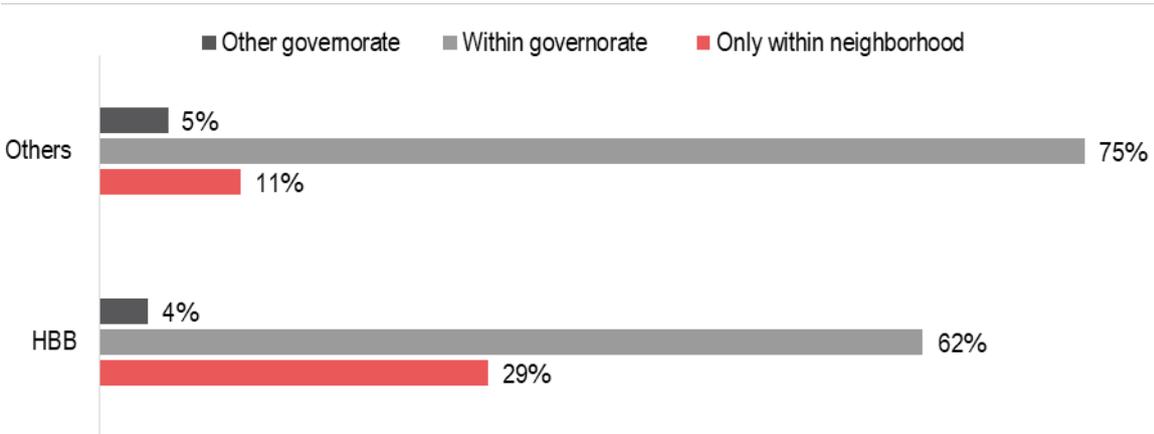
Micro business owners were also asked about locations of their customers in order to assess the scope of their sales.⁴ Eighteen percent (18%) reported selling products or offering services only within their neighbourhood or their close circle such as relatives. In terms of customers, most of these owners (83/88) reported selling to individual consumers, although 10/88 reported selling to retailers. For this sub-group (n=88), the reported average monthly profit was 94 JOD. Also, 21/88 reported that they ended their business already. Based on this relatively low amount of average profit and the high proportion of those who ended their businesses, this sub-group may reflect the negative impact of being limited in terms of geographic sales extent.

In comparison, a large proportion of micro business owner beneficiaries (70%) reported their customers were within their governorate (in their neighbourhoods, as well as other neighbourhoods, sub-districts or districts). Within this group (n=339), 36% were HBB owners while the rest reported running businesses outside home. As FGD findings suggest, it can be easier for businesses outside home to reach customers in a larger range, due to being more mobile and able to work in diverse locations (e.g. any construction project). For this sub-group, the reported average monthly profit was 157 JOD.

²² On the contrary, Syrian owners running HBBs reported an average monthly profit of 89 JOD while Jordanian HBB owners reported 110 JOD on average.

Overall, only 5% reported having customers in other governorates (n=22). Among this sub-group, 15/22 were running a business outside home, 19/22 were Syrian refugees and 13/22 were male. The owners selling in other governorates reported a wide range of customer types; 20/22 reported selling to individual consumers, 8/20 reported retailers, 5/22 reported contractors and 3/22 reported wholesalers, The average monthly profit for this sub-group was relatively high (207 JOD), and only 2/22 had ended their business (due to livestock loss, and loss in family). As anticipated, reaching customers in other governorates appears crucial for higher profits and longer-term operations.

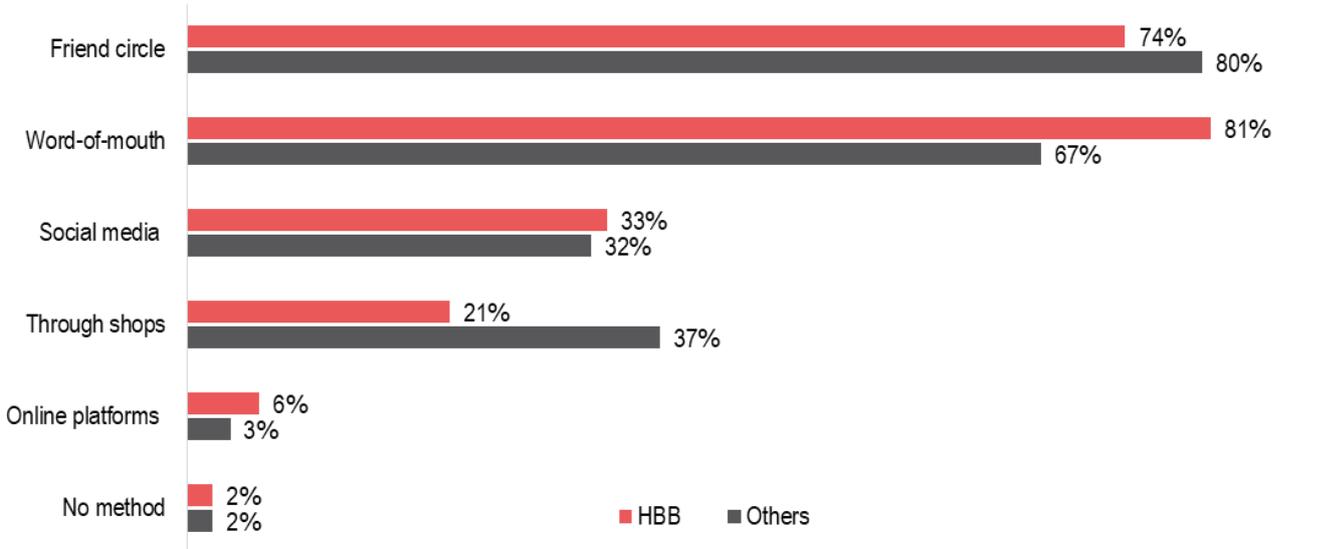
Figure 8: Reported customer locations, disaggregated by business type²³



The main reported sales methods were personal connections/friend circles (78%) and word-of-mouth (73%), followed by social media (33%), selling through shops, markets, bazaars (31%) and online platforms (4%).⁴ In addition, 2% reported not having a method of sales or marketing yet. In FGDs, most female HBB owners mentioned selling to relatives, friends and neighbours, and many also reported selling in markets/bazaars (although one participant mentioned that it was too expensive to set up a table in the bazaar). Another participant mentioned following the Ministry of Agriculture for information about upcoming festivals. Male FGD participants (who worked in construction) reported finding work through friends, old customers' references and connections from the workshops they worked in. To attract customers, participants (particularly in make-up and tailoring) mentioned making free offers, while other participants mentioned offering discounts. More information can be found in Figure 9 for HBB owners and other self-employed individuals who reported on this (n=193; 99% and 292; 100% respectively).

²³ Some respondents reported having no customers, and some reported on the district level which was not included in the analysis.

Figure 9: Reported sales methods, disaggregated by business type



Motivations related to micro businesses

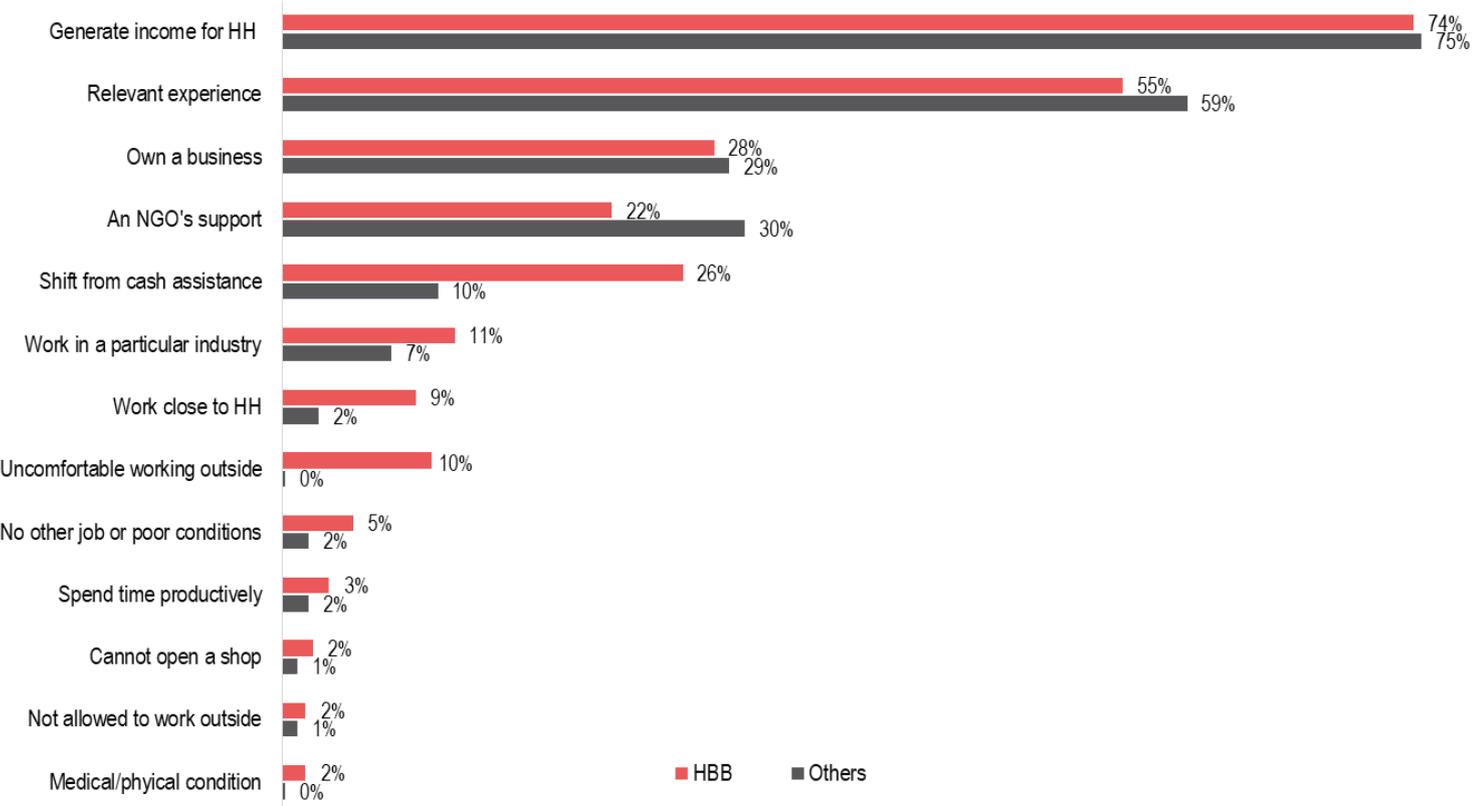
This section covers motivations for Syrian refugees and Jordanians to start and continue their micro businesses.

The majority of micro business owner beneficiaries (79%) reported that they started their businesses in recent years (2017-2020). Among all, 48% reported starting in 2018 and 30% reported starting in 2019. The previous years had much lower figures; 11% reported starting in 2017 while 10% started in 2016 or earlier.

It can be noted that a relatively small number of respondents reported starting businesses since as early as 1980; there were 48 reported cases in total between 1980 and 2017. In contrast, micro business initiation among respondents appears to have a stark increase in 2018 onwards. This recent rise in micro business numbers among respondents may be due to the assistance provided by partner organizations. FGD participants supported this link, as micro business owner beneficiaries reported they were able to acquire assets using NGO support.

When asked about their motivations to start a micro business, 75% of respondents reported that they wanted to generate income for their households.⁴ In addition, 58% reported that they started their business because they had relevant experience for the field of work. As another motivation, 29% reported that they wanted to have their own business, while a similar proportion (27%) reported that an NGO was offering training or support. Also, 17% reported that they were recommended by a supporting NGO to shift from cash assistance programs and to consider self-employment (as a sustainable income source). Respondents also reported that they wanted to work in a particular industry and starting a business allowed them to do this (9%). Others reported that starting a business allowed them to work close to their household (5%), and they did not want to / did not feel comfortable to work outside home (4%). More information can be found in Figure 10 for HBB owners and other self-employed individuals who reported on this (n=194; 100% and 293; 100% respectively).

Figure 10: Reported motivations to start micro businesses, disaggregated by business type



Responses were analysed further to check the interaction between motivation and continuity. Among the micro business owner beneficiaries who reported an NGO recommendation to shift from cash assistance to self-employment (n=81), 37% reported ending their business (n=19 HBBs and 11 others). Among those who reported having relevant work experience (n=281), 15% reported ending their business (n=13 HBBs and 28 others). On the contrary, cases of ending businesses were low for those who reported starting their business because an NGO was offering a training or support. Among this group (n=131), only 3% reported ending their business. This can be important to realize, as external support appears to have a positive impact on the longevity of businesses and that work experience alone might not be sufficient to maintain a business.

Micro business owners were also asked about their motivations to continue their businesses as their motivations may have changed over time and owners may have become motivated by different factors. Only two respondents reported that their motivations had changed. For one of them, the reported motivations to start included having relevant experience, working close to family and not wanting to / not feeling comfortable to work outside home. The reported motivation to continue included not being able to work outside home due to a physical condition, illness, disability or injury, and wanting to spend time in a better / more productive way. For the second respondent, the motivations to start were having relevant experience and an NGO's recommendation to shift from cash assistance to self-employment. This respondent reported that they were motivated to continue their business because an NGO was offering training or support.

Input / enabling factors for micro businesses

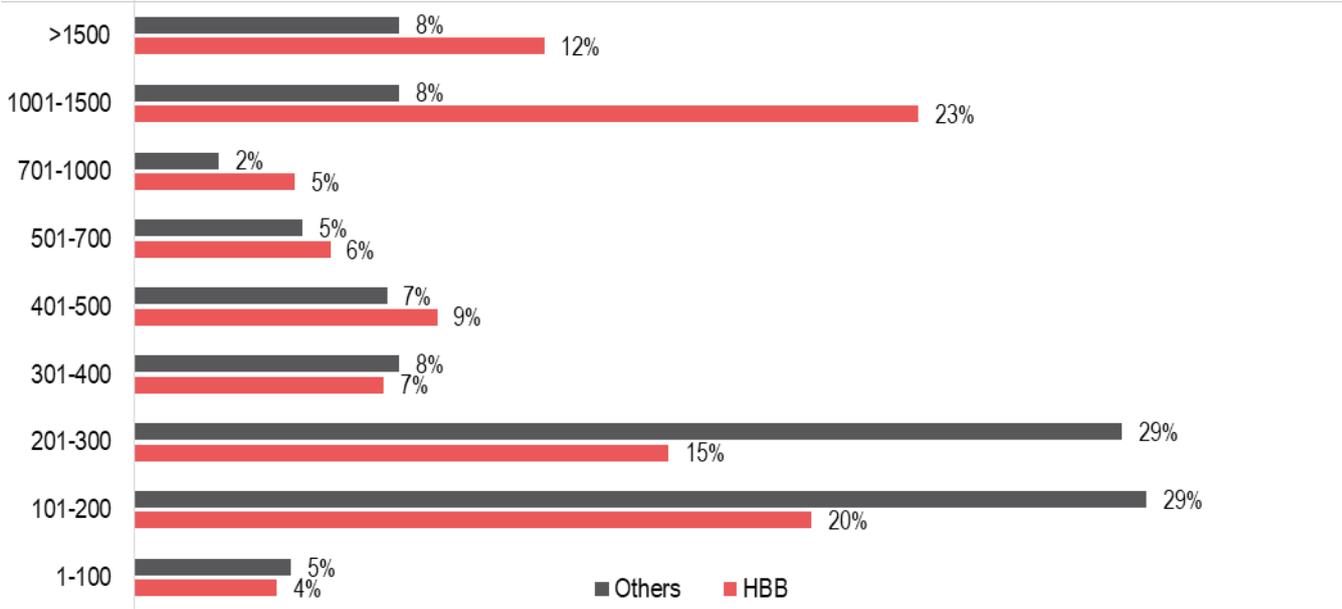
This section covers essential inputs to start and operate micro businesses, including funding, skills, information and support. It also outlines the ways in which micro business owner beneficiaries access these.

Funding

Micro business owners were asked about the amount of funds needed when starting their business (in the first three months), including all the costs related to launching the business.

Around half (48%) answered in the range of 101 to 300 JOD, while 14% reported in the range of 1,001-1,500 JOD and 9% reported needing even higher amounts (more than 1,500 JOD). The average amount reported was 697 JOD. HBB owners reported an average of 800 JOD while owners running a business outside home reported 627 JOD on average. Also, higher proportions of HBB owners reported having needed more than 1,000 JOD to start a business, compared to owners of businesses outside. For example, among HBB owners, 29 of them in agriculture reported an average of 1791 JOD, 18 in manufacturing reported 1529 JOD and 16 in retail trade reported 1560 JOD on average. More information can be found in Figure 11 for HBB owners and other self-employed individuals who reported on this (n=194; 200% and 287; 89% respectively).

Figure 11: Reported funds needed when starting micro businesses, disaggregated by business type



Micro business owners were also asked the funding sources they used to start their businesses.⁴ Being beneficiaries of partner organizations, almost all (98%) reported using NGO funding/grants as a source of finance. Among the owners who received NGO funding/grants (n=474), the average amount reported was 553 JOD. In addition, 12% of micro business owner beneficiaries reported taking on debt (not from institutions, but other sources such as friends etc.) and the average was 712 JOD. Also, 11% reported using their savings at an average of 276 JOD, and 6% reported using their household income to fund their businesses. There were only a few reported cases (n=4) of taking a loan from banks or other institutions, at an average of 425 JOD. These findings indicate that external funding sources are used very rarely to start micro businesses. Further studies should be conducted

to understand the underlying reasons (i.e. lack of awareness about available funding sources, lack of availability of external funding, high interest rates, complicated procedures etc.).

It can be noted that the average amount needed was reported as 697 JOD, while the average NGO funding/grants received was reported as 553 JOD. This finding shows that in general the NGO assistance is lower than the reported amount needed. In fact, for 40% of respondents the amount of funding/grants received from NGOs was found to be lower than the amount they reportedly needed to start their micro businesses. Among these respondents (n=195), 35% reported receiving (further) NGO funding/grants to continue their businesses (after the initial fund). Among them (n=69), the total NGO funding/grants matched the amount needed for 61%, while the total NGO funding/grants were still lower than the needed amount for the remaining 39%.

Respondents were also asked how they funded their activities to continue their business after the initial starting phase (after the first 3 months). To continue their businesses, most owners (66%) reported using the income from their businesses, and 34% reported NGO assistance at an average of 197 JOD.⁴ Other sources of funding were: debt (reported by 14%, at an average of 322 JOD), and savings reported by 4% with an average amount of 205 JOD. There was also a small number of cases (n=9) in which business owners reported that they did not need funds to continue because of limited production, limited customer demand or product consumption by the producer. It was also found that 44% of respondents reported using only the income from their business. This can show that for these respondents, the profits may be enough to sustain the activities.

Assets can be essential inputs as well. It appears that these were purchased instead of being received as part of any assistance. Only 2% of micro business owner beneficiaries reported receiving any machines or equipment.

Trainings

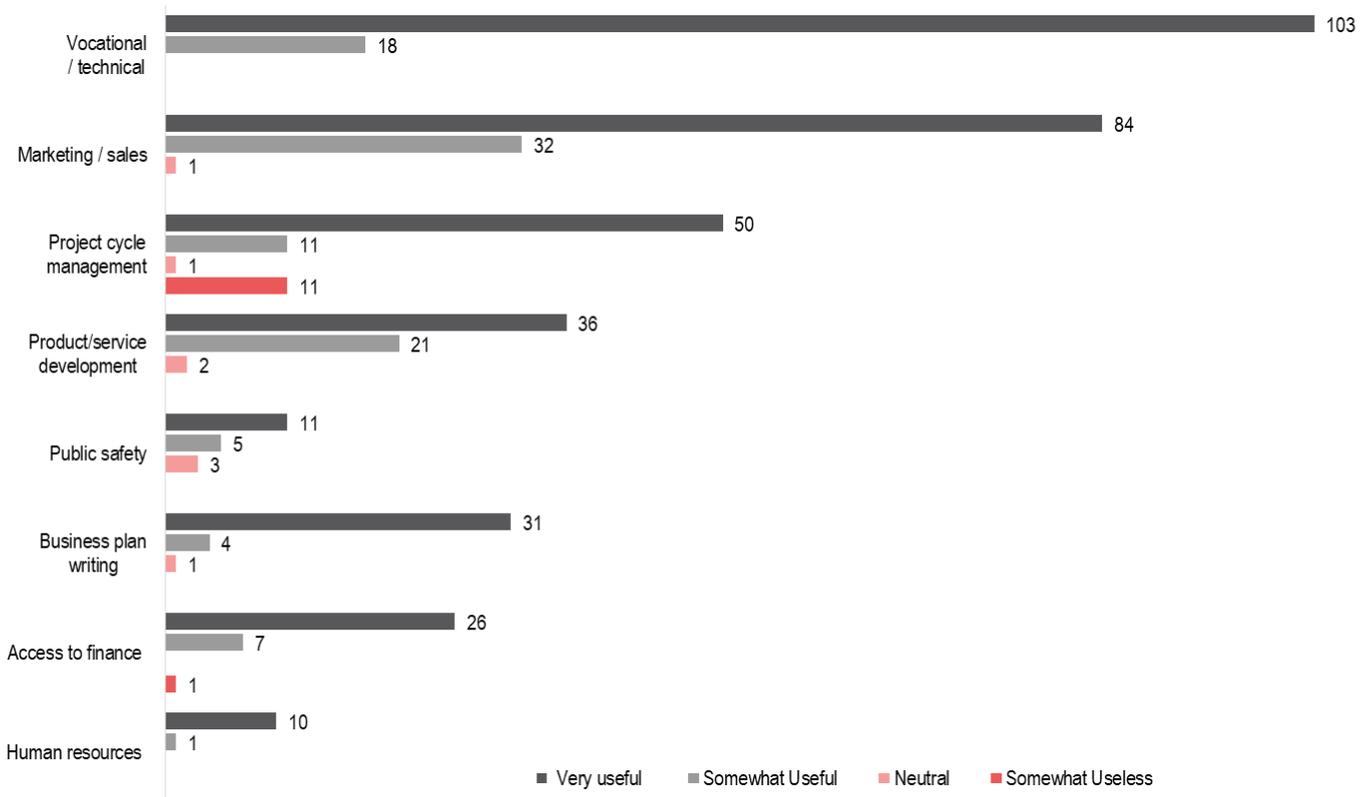
As another input, trainings related to micro businesses were inquired and 64% of the owners reported attending at least one training for their business. Among those who reported attending a training (n=309), vocational / technical trainings were the most common training type (reported by 52%), followed by marketing and sales (including social-media) (38%), project cycle management (21%), product and service development (19%), business management (14%), public safety (13%), business plan writing (12%), access to finance and financial management including accounting (11%), and human resources management (4%).⁴

Among those reporting training providers (n=507)²⁴, trainings were reported to be provided mostly by the supporting NGOs (95%), while 2% reported receiving trainings from other NGOs, 1% reported training on their own, 1% reported community based organizations (CBOs) and 1% reported not knowing the service provider.⁴ The average reported hours of training was 18.

Among the micro business owner beneficiaries who took a training on marketing and sales (n=117), 72% reported the training to be very useful, 27% reported it to be somewhat useful and 1% reported neither useful nor useless. On the other hand, project cycle management was the training that was most often reported as somewhat useless. Evaluation of this and other training types can be found in Figure 12.

²⁴ In total, 572 trainings were reported, but data on service providers was collected for only 507.

Figure 12: Reported evaluation of trainings, by number of micro business owner beneficiaries reporting attending at least one training



Mentorship

Furthermore, 46% of micro business owner beneficiaries reported having received mentorship / consultation for their businesses. Among these owners (n=224), 91% reported that they received this assistance from the supporting NGO. Other sources of mentorship were: individuals such as neighbours, relatives or friends (7%), a different NGO (2%), agricultural cooperatives (1%) and CBOs (1%).⁴

When these owners were asked how often they received mentorship, 46% reported they could contact their mentor anytime, 37% reported receiving mentorship once a month, 19% reported once a week, and 18% answered as once in two months. In addition, 4% reported once in three months, 2% reported once in six months and 2% reported once a year.⁴

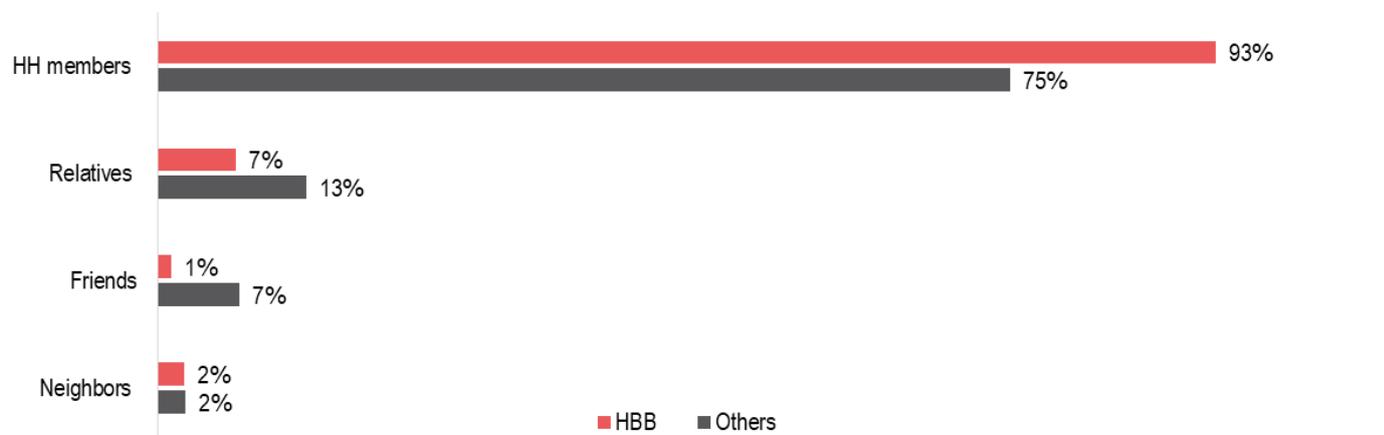
Among these owners who reported receiving mentorship, 72% reporting finding it very useful, and 24% reported it somewhat useful. The remaining reported neutral (n=3), somewhat useless (n=3) and very useless (n=2). When asked why the mentorship was found somewhat useless or very useless, the answers were: the mentor/consultant was not able to help enough (n=3), problems in terms of communication with the mentor (n=2) and not feeling comfortable with the mentor/consultant (n=1).

Support

Overall, 35% of micro business owner beneficiaries reported regularly receiving help from household members, relatives, friends or neighbours in running their businesses on a daily or weekly basis.²⁵ Among these owners who reported receiving help and reported on the source of support (n=170), the help was reported to come from household members (85%), relatives (10%), friends (4%) and neighbours (2%).⁴

When looking specifically at HBB owners who reported regularly receiving help from others (n=87), 93% reported receiving help from household members, 7% reported relatives, 2% reported neighbours, and 1% reported friends.⁴ More information on reported help can be found in Figure 13 for HBB owners and other self-employed individuals who reported receiving regular help (n=87; 45% and 84; 29% respectively).

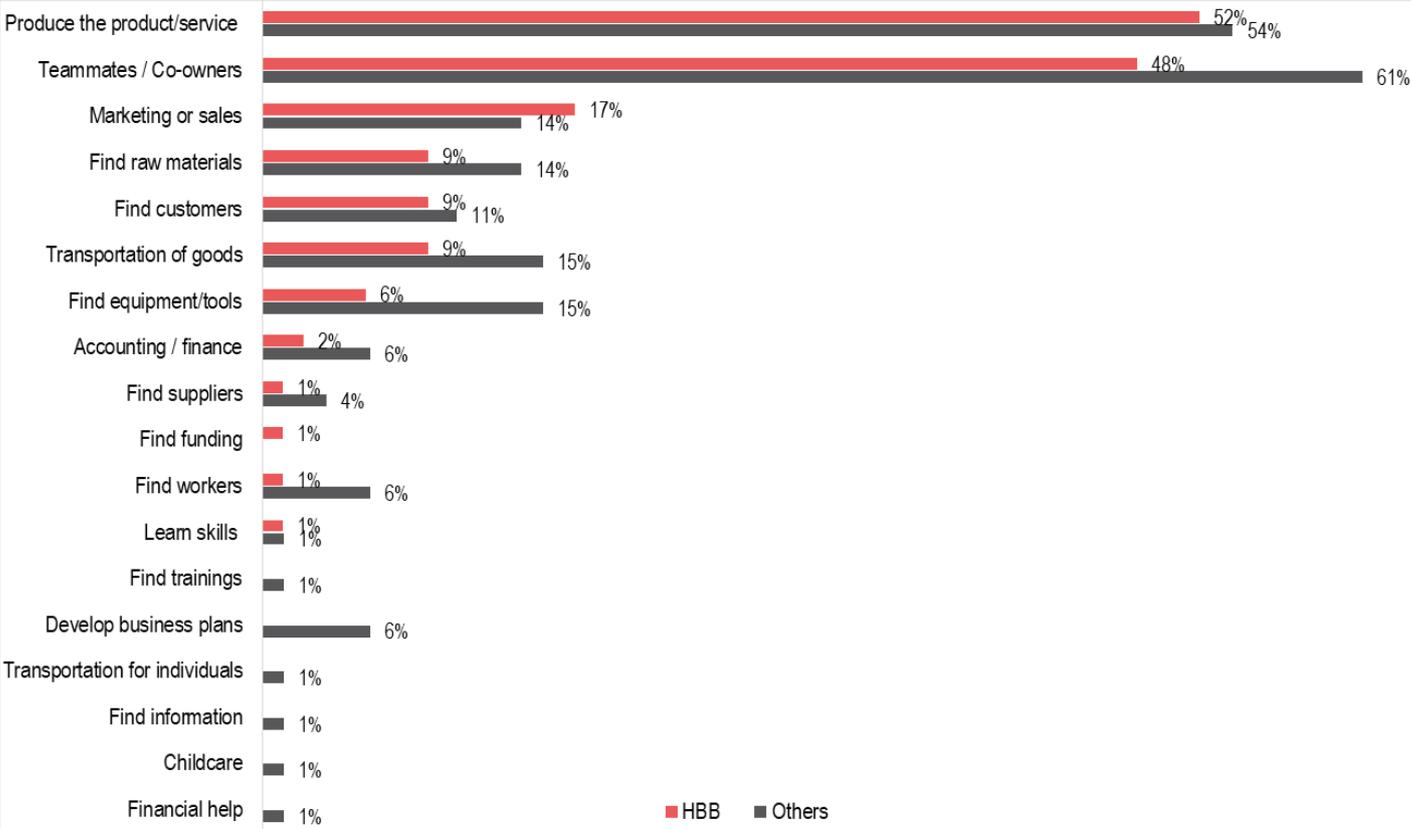
Figure 13: Reported sources of support (from other individuals), by number of micro business owners reporting receiving help, disaggregated by business type



Among micro business owner beneficiaries who reported regularly receiving support (n=171), 54% reported working as a team with the individuals who help them (as co-owners of the business). In addition, 53% reported that the received help was to produce the products or services.⁴ More information on reported help can be found in Figure 14 for HBB owners and other self-employed individuals who reported receiving regular help (n=87; 45% and 29; 99% respectively).

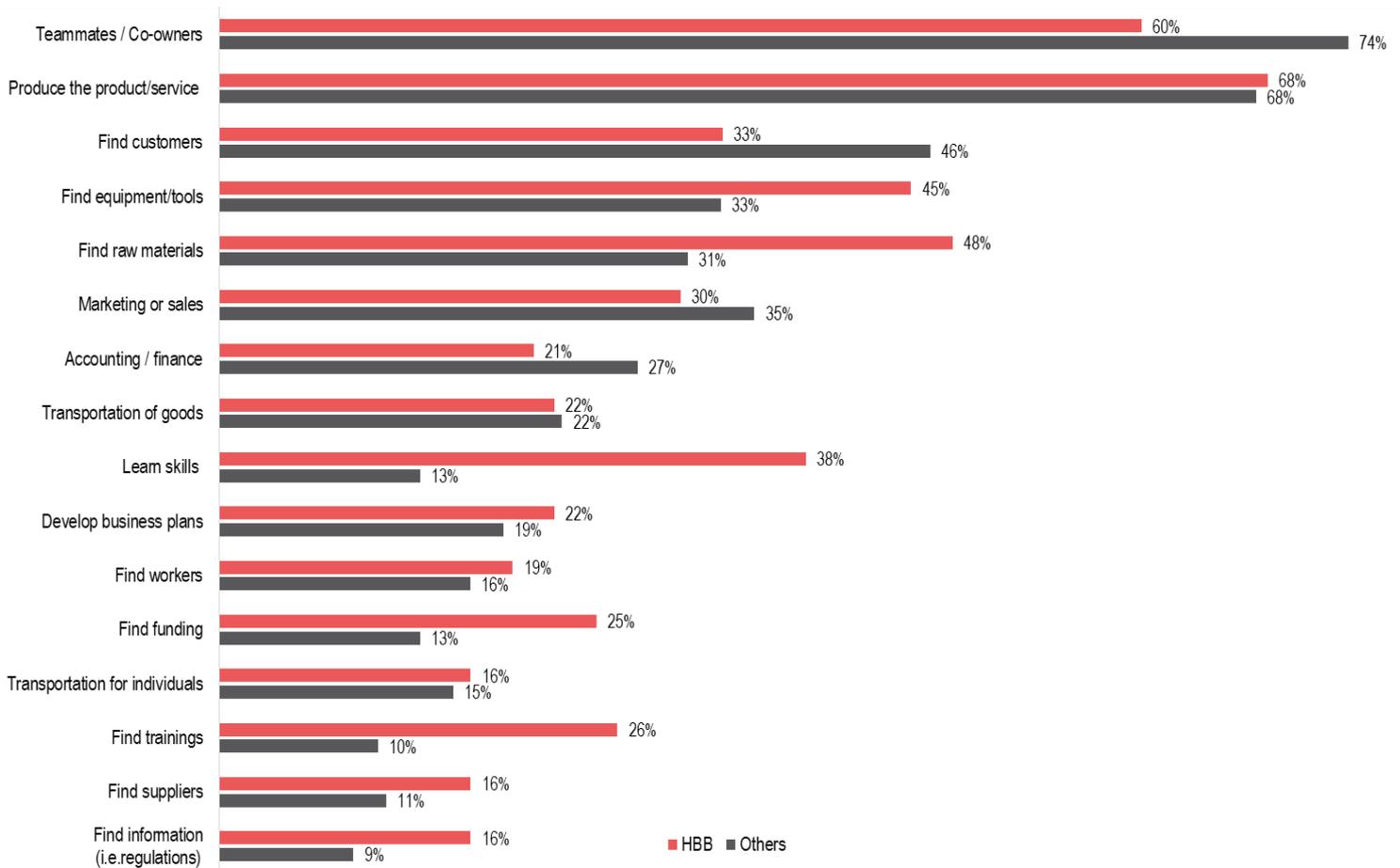
²⁵ This reported proportion of interviewed micro business owners regularly receiving help excludes help from other micro business owners. That was asked in a separate question specifically asking about collaboration with other micro business owners (to find materials, funding, workers, customers etc.)

Figure 14: Reported types of support from other individuals, by number of micro business owners reporting receiving help, disaggregated by business type



In addition, micro business owner beneficiaries were asked whether they collaborated with other micro business owners to find materials, funding, workers, customers etc. Overall, 53% of micro business owner beneficiaries reported collaborating with other business owners (who may be supported by the same NGO). Among these (n=256), 70% reported working as a team (as co-owners of the same business). Moreover, 68% reported that the collaboration was to produce the product / service, and 43% reported that they collaborated to find customers.⁴ More information on this can be found in Figure 15 for HBB owners and other self-employed individuals who reported collaboration (n=73; 38%) and 183; 62% respectively).

Figure 15: Reported types of collaboration with other business owners, by number of micro business owners reporting collaboration, disaggregated by business type



Time

On average, micro business owner beneficiaries reported working for 17 days per month. HBB owners reported 18 days per month, while other self-employed business owners reported 16 days on average. The average reported number of hours allocated per day was 5 (4 for HBB owners and 6 for other owners). Thus, in a month, HBB owners reported working for 72 hours on average while other owners reported 96 hours.

Those who reported working for less than 6 days per month (n=49) were asked about the reasons why they worked for a relatively small number of days. Overall, the reported answers were: offering a seasonal product/service and being out of season (51%), having no or limited customers (16%) and working on another income generation activity (10%). Among HBB owners in this group (n=23), 57% reported that they offered a seasonal product/service and that it was not the season. 22% reported there was no or limited customers and 9% reported needing to take care of children, elders, or others.⁴ For other self-employment owners, the reported answers were: offering a seasonal product/service and being out of season (46%), working on another income generation activity (15%), and having no or limited customers (12%). It can be noted that working on another income generation activity was reported by only one HBB owner, while no owner in other self-employment reported needing to take care of other individuals.

In addition, micro business owner beneficiaries were asked whether they had any experience related to their micro business sector/ type of work. Overall, 71% reported having done the same work in the past, and among this group the reported average profit was 158 JOD. Eight percent (8%) reported having done similar work, and reported an

average profit of 93 JOD. On the other hand, 22% reported no relevant past experience and their average reported profit was 122 JOD. These findings seem to indicate that relevant work experience (having done the same work) may be linked to higher profits on average, though further studies may be needed on this.

Information

Information, particularly about policies, can also be considered an essential part of running a micro business. When asked where they would most likely go to find out more about a policy matter, 57% reported that they would seek such information from the supporting NGO. This finding may reflect that these business owners, who are also NGO beneficiaries, regard the NGOs as a credible and helpful source of information.

This source of information was followed by household members and friends (28%), and a different NGO or CBO (12%).⁴ This was followed by local municipalities (8%), online sources (5%), government/ministry offices (4%), lawyers (3%), local businesses (3%) and agricultural cooperatives (2%). Also, 3% reported that they had no use for this type of information about policy topics. A considerable proportion of business owners (9%) reported that they did not know where they would find out about a policy matter.

Challenges

This section covers challenges faced in establishing and operating micro businesses.

Challenges when establishing

Overall, 70% of micro business owner beneficiaries reported that they faced challenges in establishing (in the first three months),²⁶ and this proportion was the same for Jordanian and Syrian respondents. Among these owners (n=339), the main reported challenges were: lack of equipment/tools (reported by 56%), unexpected costs, financial barriers or insufficient grant (51%), difficulty in devising a business/marketing plan (29%), and difficulty in finding or building trust with suppliers (22%). These proportions were similar between the two nationalities. These were followed by other (less common) challenges reported only by Syrian respondents²⁷: making very little or no profit (4%), competition with other business owners (3%), bad weather conditions or being dependant on weather (3%), difficulty of registration / licensing (2%), household members not being supportive (2%), not having enough space to implement the activity (2%), and arranging transportation (for the owner, for raw materials etc.) (2%).⁴

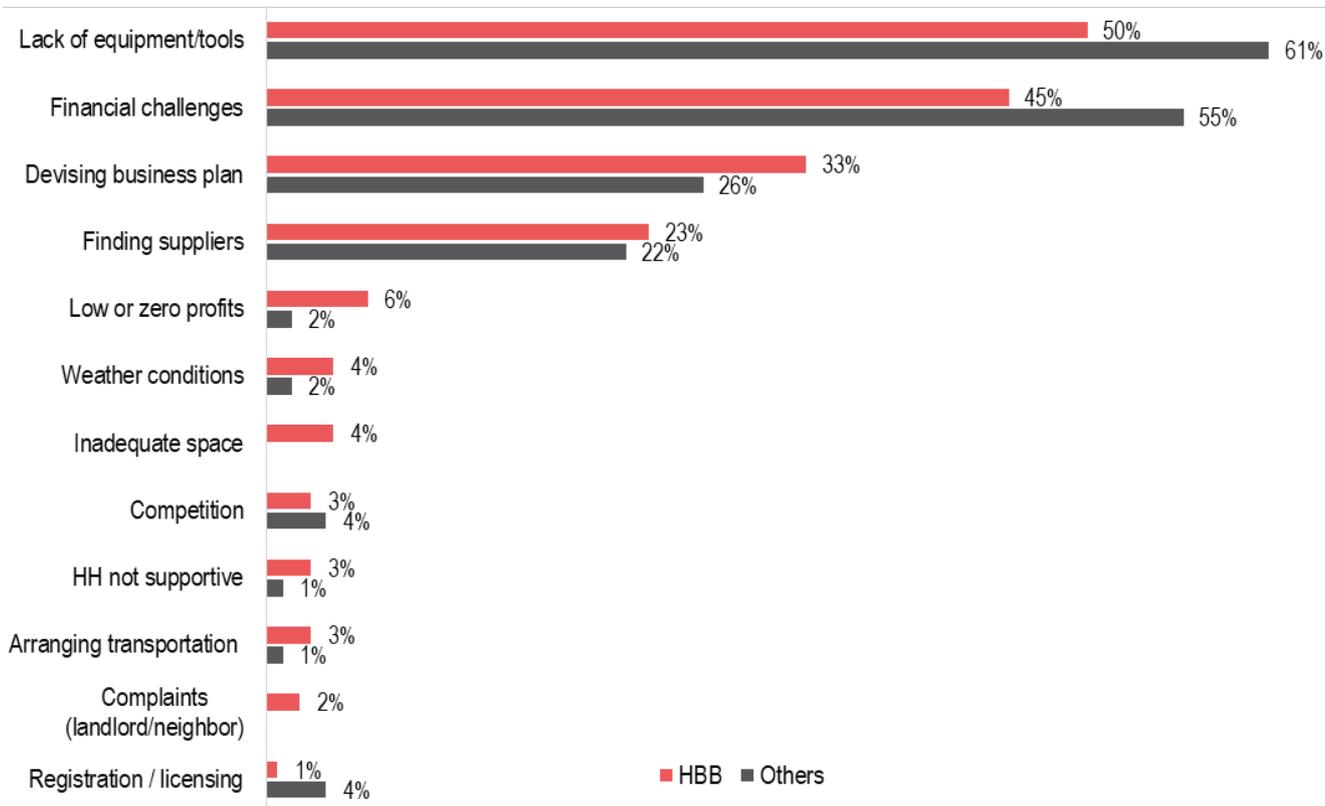
In line with these findings, almost all FGD participants mentioned challenges related to costs (for product testing, machines and equipment, raw materials, and packaging). As a result of this challenge, many reported using their savings and taking on debt. Male Syrian business owner participants also mentioned challenges of adapting to the new work environment in Jordan after coming from Syria and starting their work from scratch. In particular, they mentioned difficult with finding customers and informal work status. As another challenge, one KI mentioned the lack of awareness about health and safety procedures and food safety standards. Another KI stated that the owners were not allowed to advertise their businesses (i.e. with large posters/signs in front of their homes) and they lacked packaging skills. Such marketing challenges (lacking marketing skills in particular) were also reported by another KI. Moreover, one KI reported that some micro business owner beneficiaries dropped out of supporting trainings because of their income-generating activities, while another KI suggested that not having original business ideas can lead to challenges, as some business owners repeat the activities of others thinking these are more likely to

²⁶ For the 30% of micro business owner beneficiaries who reported no challenges in establishing, it may be a factor that these owners were supported by NGOs. In the overall population of micro business owners in Jordan, the proportion of those with challenges may be different.

²⁷ The following was reported only by Syrian respondents but the proportions are still calculated for all interviewed micro business owners who reported facing challenges in establishing (n=330).

succeed or to get assistance from external sources. More information on this can be found in Figure 16 for HBB owners and other self-employed individuals who reported challenges in establishing micro businesses (n=147; 76% and 193; 66% respectively).

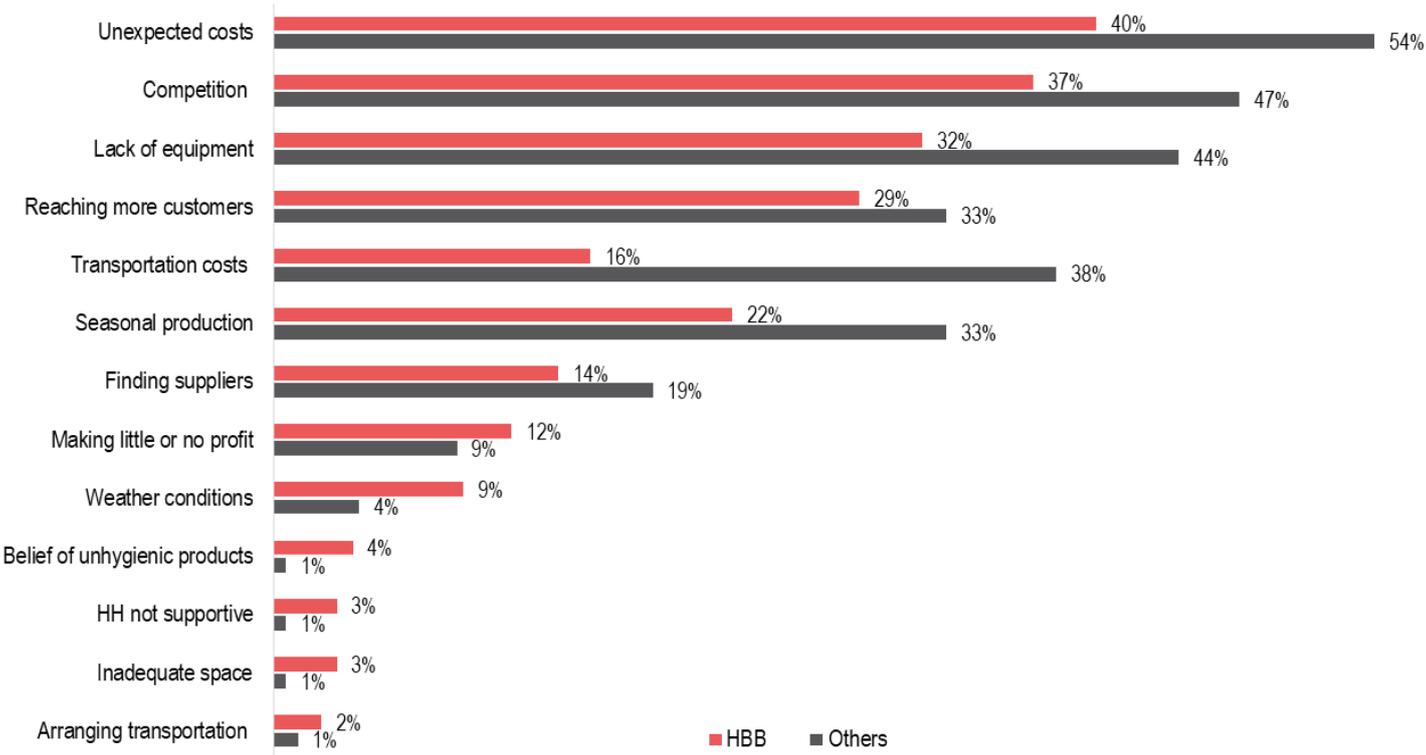
Figure 16: Reported challenges in establishing micro businesses, by number of micro business owners reporting facing challenges, disaggregated by business type



Challenges during operation

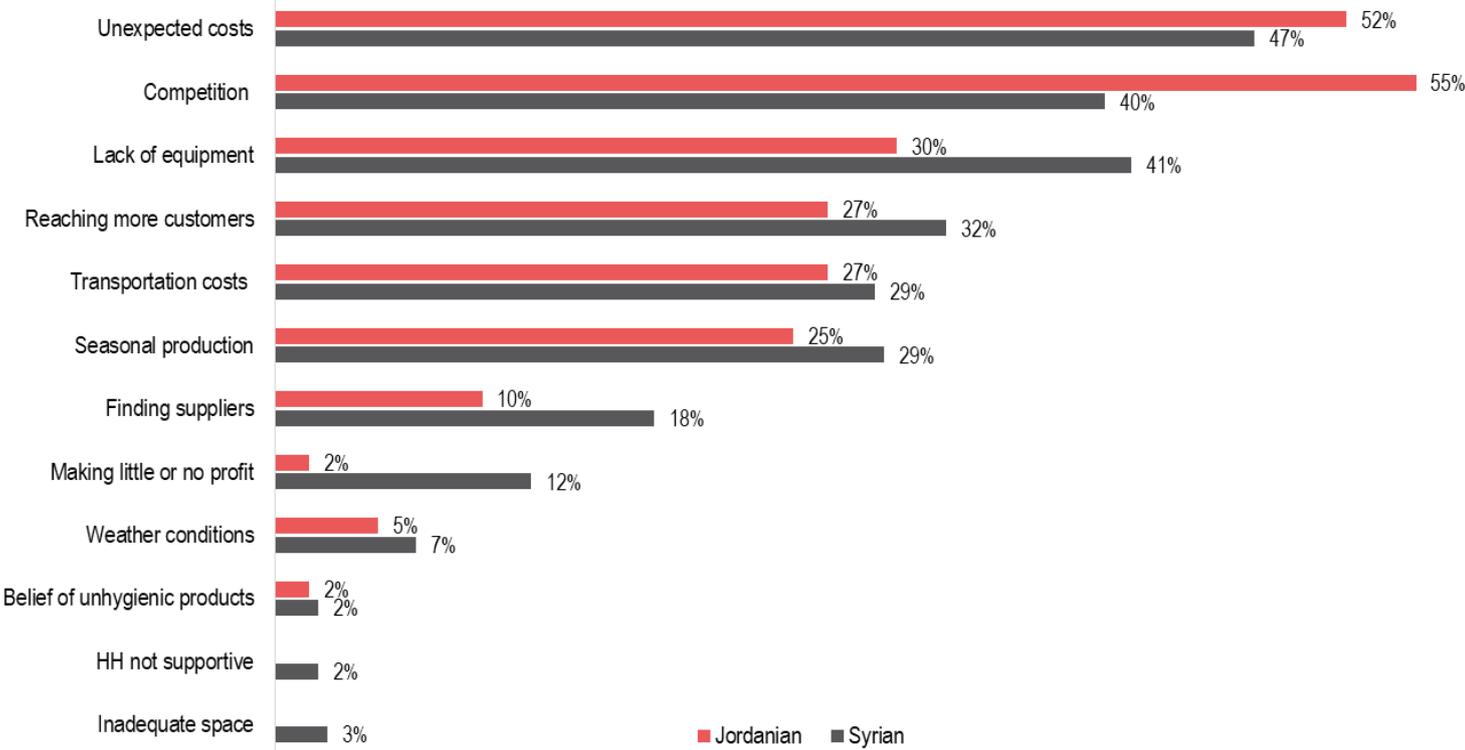
Micro business owners were also asked about the challenges faced during business operation. Sixty-one percent (61%) reported that they faced challenges at this stage (to continue/sustain their business). Among these owners (n=296), the main reported challenges faced during business operation were: lack of financial means or unexpected costs (48%), competition with other business owners (43%), lack of equipment/tools (39%) and difficulty to reach more customers (31%).⁴ More information on this can be found in Figure 17 for HBB owners and other self-employed individuals who reported challenges in operations (n=129; 66% and 167; 57% respectively).

Figure 17: Reported challenges in sustaining micro businesses, by number of micro business owners reporting facing challenges, disaggregated by business type



It was found that the proportion of respondents reporting challenges during operation differed between the two nationalities. For example, unexpected costs and competition were reported by higher proportions of Jordanian respondents, while all the other challenges were reported by higher proportions of Syrian respondents compared to Jordanians. More information on this can be found in Figure 18 for Jordanian and Syrian respondents who reported challenges in operations (n=60; 52% and 235; 63% respectively).

Figure 18: Reported challenges in sustaining micro businesses, by number of micro business owners reporting facing challenges, disaggregated by respondent nationality



In addition to these challenges, many FGD participants mentioned challenges with current customers. For example, customers pushing for lower prices, declining the order after it has been produced or delivered, not paying on time or refusing to pay at all. In particular, Syrian micro business owner beneficiaries mentioned not being able to argue with customers since they need the customers and rely on customer references for further work. One participant also mentioned being afraid of legal problems. KIs also reported a lack of awareness about stopping/closing registered businesses. It was stated that if micro business owners want to stop their registered businesses (including HBBs), it must be done officially in order to avoid accumulation of taxes. This may be an area of concern specifically for Jordanians with registered micro businesses, as there are relatively few Syrian refugees interviewed who reported registering their micro businesses.

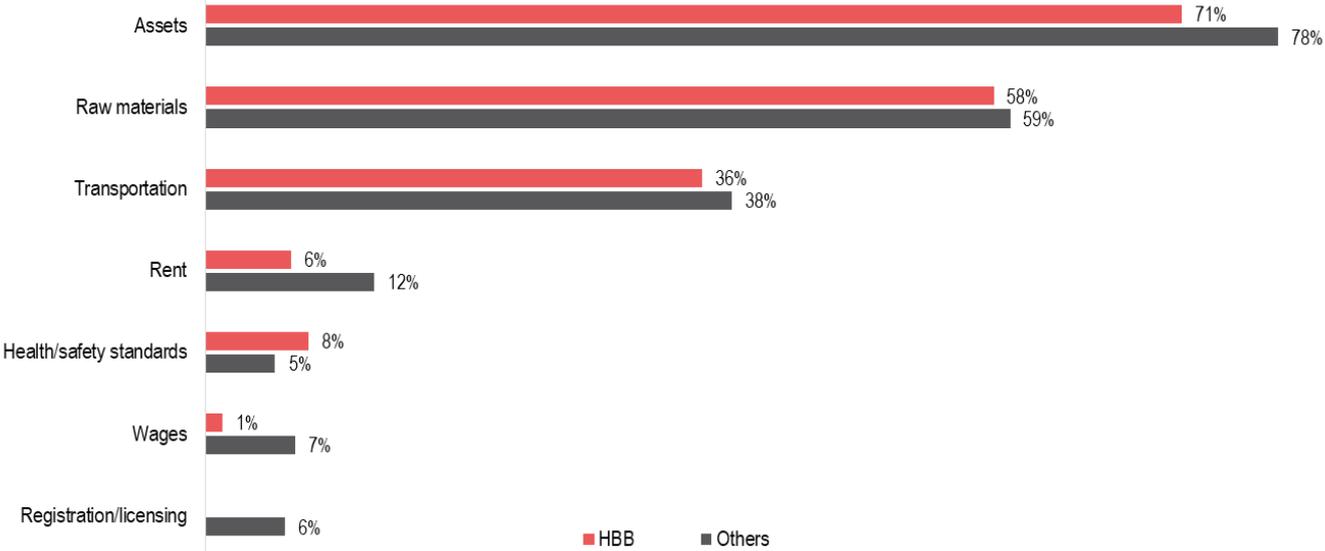
Related to competition and reaching more customers, KIs also suggested that marketing is a crucial challenge; for example, it was mentioned that many micro business owner beneficiaries lacked skills in packaging or decoration for their products. Also, KIs mentioned that scopes of sales were often limited, as many micro business owner beneficiaries relied on sales in their neighbourhoods (such as local markets/bazaars). As also reported by FGD participants, any closure in local markets disrupted their business significantly and they needed more durable markets. Another reported challenge was related to product development and diversity, as many business owners were reported to offer a limited range or quality of traditional products/services. This point referred mainly to the low number of product/service types being offered, even though quality being limited was also mentioned. Moreover, a commonly reported challenge was that products/services were not aligned with market demands, and were not modified when the market demands changed over time. This was tied closely with the business owners' limited awareness of or ability to monitoring market demands/trends.

FGDs also supported the finding about competition being a challenge. One participant who made perfumes, mentioned that one of his customers became a competitor after taking a vocational training. Although this can be seen as an inherent (and positive) outcome of such trainings, these trainings may also reduce the income of others who had recently been supported and who are not prepared for competition. Unintentionally, these supportive activities may undermine other efforts and assistance. In addition, some FGD participants mentioned that their competitors (especially those with established businesses / shops) often lowered prices. Even though this can be regarded as a common method of competition, micro business owner beneficiaries (particularly in early stages) may struggle to lower their prices in return (for various reasons such as not having a large number of sales or a network of suppliers to negotiate better deals). On the other hand, many FGD participants reported that their products/services were of high quality and that they could improve the quality even more if they had more advanced machines/tools. They mentioned that the quality of their work provided an advantage with regards to the competition, and the positive feedback from customers was the main measure of success in their view. In addition to the quality of their work, FGD participants also mentioned other factors that lead to success, such as quality and number of tools/equipment, level of motivation, having a clean business set-up and clean products, and certificates after product testing (particularly for food).

Micro business owners were asked particularly about unexpected costs they encountered (and were not able to foresee). Among those who reported facing unexpected costs (including both the establishing and operation phases) (n=218), the reported unexpected costs were mainly related to costs of assets (76%), raw materials (58%), transportation (38%), rent (10%), health and safety procedures (6%), wages (5%), and registration or licensing costs (including work permits) (4%).⁴

Overall, 41% of HBB owners and 47% of other self-employed individuals reported facing unexpected costs (n=80; 41% and 138; 47% respectively). More information can be found in Figure 19.

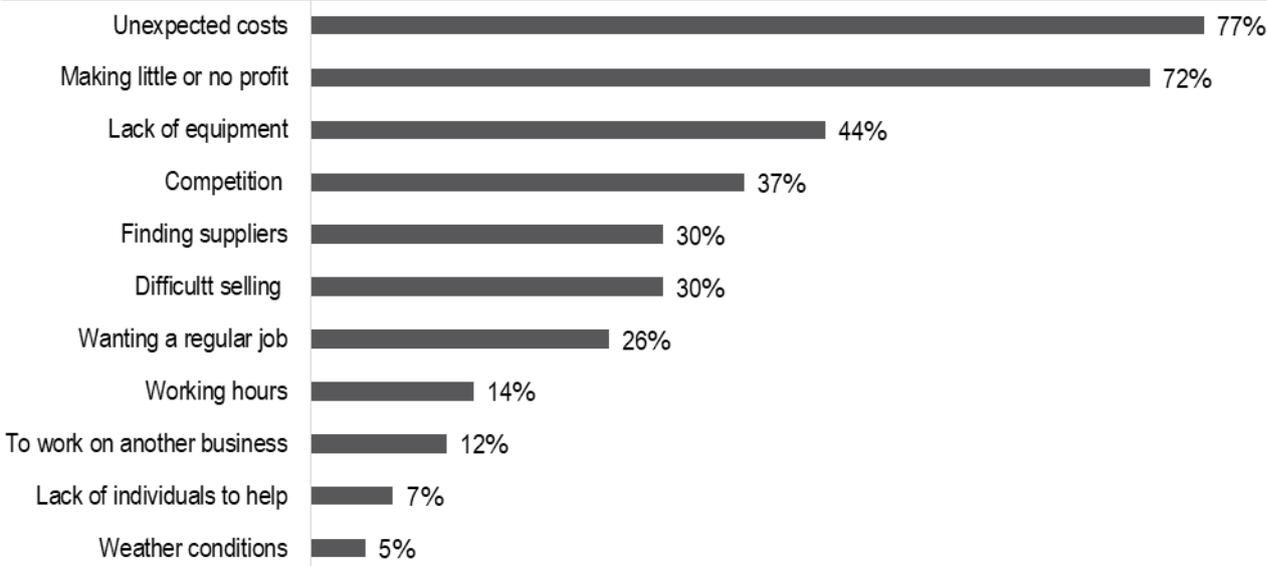
Figure 19: Reported unexpected costs, by number of micro business owners reporting facing unexpected costs, disaggregated by business type



In addition, micro business owner beneficiaries were asked whether they ever considered ending their business. Among the respondents who reported still continuing their business and answered this question (n=416), 10% reported that they had considered ending their business. Across sectors, it was found that 21% of respondents in the construction sector (15/71) reported ever considering to end their business, followed by 21% in retail trade

(5/24), 13% in manufacturing (15/118), 8% in other services (1/12) and 4% in agriculture (7/191). These respondents were also asked about their reasons for this consideration. Among the respondents who had considered ending their business (n=43), the main reasons were unexpected costs / financial barriers (77%), making very little or no profit (72%), lack of equipment or tools (44%) and competition with other business owners (37%).⁴ It was found that 18% of respondents in the construction sector (13/71) reported ever considering to end their business because of making very little or no profit, followed by 13% in retail trade (3/24), 9% in manufacturing (11/118), 8% in other services (1/12) and 2% in agriculture (3/191).

Figure 20: Reported reasons to consider ending micro businesses, by number of micro business owners reporting considering to end the business



Sustainability

Micro business owners were also asked about their plans to assess whether they consider their business as a short-term income generation activity or with a long term perspective. The plans can also inform on motivations and needs, which can be helpful for programmatic decisions.

These questions regarding the plans were asked to micro business owner beneficiaries who still continued their businesses (n=419). Among them, reported plans for the six months following data collection were to develop the business, but with no clear plan (44%), produce new types of products (35%), increase the customer numbers (28%), do more marketing (26%), receive more funds from an NGO or another organization (25%)²⁸, continue the business as it is at the moment (20%), and reach new locations for sales (18%).⁴ Other (less commonly) reported plans were to take a loan or debt (3%), open a shop (2%), increase the number of employees (2%), and get a work permit or register the business (1%). On the other hand, 15% reported that they did not have any plans.

In addition to the following six months, plans for the longer term (3-4 years following data collection) were also inquired. Among the micro business owner beneficiaries who still continued their businesses and answered this question (n=417), reported plans for the long term were to develop the business, but with no clear plan (34%), produce new types of products (30%), receive more funds from an NGO or another organization (25%), increase

²⁸ While 'receiving more funds from an NGO or another organization' is more a means than a future plan, this was commonly reported by interviewed business owner beneficiaries, hence reported as such in the report.

the customer numbers (21%), do more marketing (19%), reach new locations for sales (17%), and continue the business as it is at the moment (12%).⁴ Other (less common) reported plans were to take a loan or debt (2%), open a shop (7%), increase the number of employees (6%), and get a work permit or register the business (2%). On the other hand, 29% reported that they did not have any plans.⁴

It can be noted that in the longer term, there were more answers to open a shop or to increase the number of employees, which can be interpreted as good motivations for the future of a micro business. Yet, the cases of not having plans also increased from 15 to 29%, indicating that for some respondents the longer term is difficult to plan. FGD participants also mentioned their plans. A commonly reported plan was to open a shop/business outside home, for example a restaurant with sugar-free products or a workshop for blacksmith. Many participants also mentioned planning to increase their marketing, reach more customers, register their business and improve their work by attending trainings or getting new tools.

In addition, Syrian micro business owner beneficiaries were asked whether they intended to continue their business if / when they return to Syria. Among those who answered this question (n=363), 80% reported that they intended to continue while 20% reported not intending to do so. Among those who reported not intending to continue their businesses (n=71), the reported reasons were: not having enough savings (32%), infrastructure issues (30%), lack of external funding sources such as bank loans or NGO support (27%), doing another income generation activity (25%), not having enough equipment/tools there (23%), not having enough raw materials (17%), difficulty with finding customers (17%), difficulty to find or build trust with suppliers (10%), not having enough time (4%), not having individuals to help (4%), and the product/service being out of demand in Syria (4%).⁴

In addition to the respondents' reasoning (by a limited group of 71), a more general question was asked about any barriers to establish or continue a business in Syria.⁴ Among Syrian respondents who answered (n=317), the reported barriers were: safety / security (32%), not having enough savings (30%), lack of external funding sources such as bank loans or NGO support (26%), infrastructure issues (25%), not having enough equipment/tools (21%), not having enough raw materials (18%), difficulty with finding customers (10%), difficulty to find or build trust with suppliers (6%), not knowing about registration and licensing regulations (2%), not having individuals to help (2%) and needing to do a second income generation activity (2%). Also, 2% reported there were no barriers and 28% reported that they did not know about barriers to establish or continue a business in Syria.

In FGDs, many Syrian participants mentioned that they intended to continue their business activities if they return to Syria. Yet, some potential challenges they mentioned were related to safety and security, not being aware of the regulations and policies, building new relationships and finding customers. Some female participants also mentioned that sewing/tailoring would not be demanded in Syria, as most houses in Syria have a sewing machine. Such information (on needs and demands in Syria) should be further investigated and considered by supporting organizations. These could enable more sustainable businesses if/when Syrian micro business owner beneficiaries return to Syria.

One factor that may be affecting the sustainability of micro businesses is the criteria that is used to select and support these businesses in the first place. Thus, KIs were asked about their selection criteria and whether they considered sustainability when selecting beneficiaries. Based on the KIs, it is understood that implementing partners (NGOs) mainly used a criteria based on years of relevant experience, skill sets, business ideas, knowledge of customers and suppliers, and motivation/commitment. Another reported aspect was gender, as women and especially female-headed households were prioritized particularly for HBBs. Some of the reported criteria also included types of equipment used or requested. Also, when evaluating a business idea, one consideration was

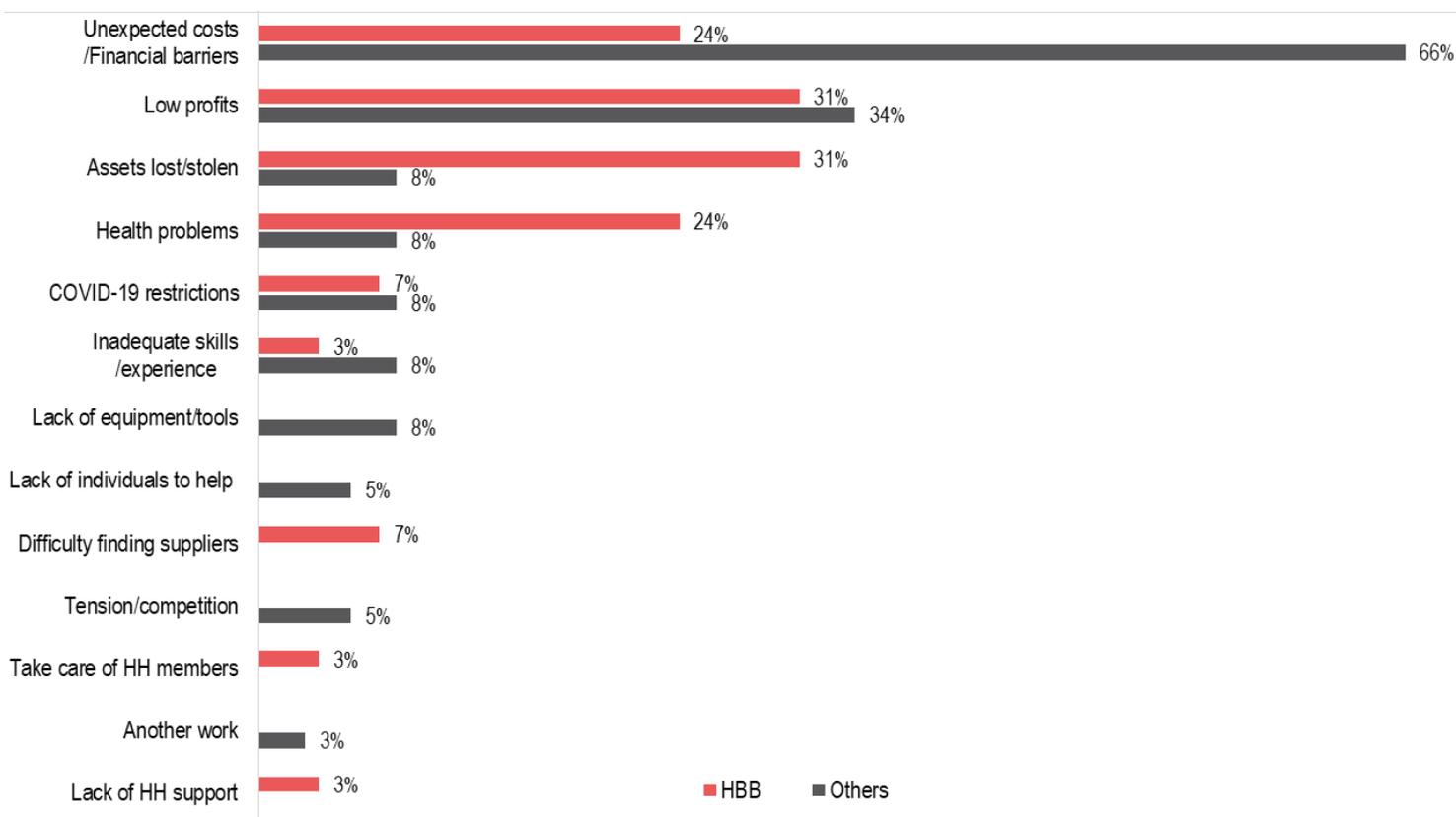
reported to be the market demand for the product or service. In addition to the product type, sales and marketing methods were also reported as essential. Moreover, location (such as urban or rural) was a consideration, as certain areas may have more competition while others have more opportunities.

From this list, it appears that there is a variety of considerations that differ among NGOs. While these aim to select competent and sustainable businesses, the criteria was more flexible particularly for HBBs. Also, vulnerability was part of the criteria in some cases. It is important to better understand how the assistance criteria may be affecting the long-term success of micro businesses. The support may eventually be ineffective or even detrimental, as found for 7% of respondents who reported being in debt and for 6% who reported being in stress because of their businesses. This assessment had a limited number of KIIs with employees from NGOs, which can be expanded and can include other support systems such as government assistance.

Reasons for ending micro businesses

Among respondents, there were micro business owner beneficiaries who had reportedly ended their business activities (n=68). They were asked for the reasons why they decided to end. Among those who answered this question (n=67), around half (48%) reported that they faced unexpected costs, financial barriers or that the received financial assistance (from partner organizations) was not enough. This reason was much more commonly reported by non-HBB owners, while assets lost or stolen was more commonly reported by HBB owners. A large number (31%) also reported that their profit was not enough or they did not have enough customers.⁴ More information can be found in Figure 21 for HBB owners and other self-employed individuals who reported ending their businesses (n=29; 15% and 38; 13% respectively).

Figure 21: Reported reasons for ending micro businesses, by number of micro business owners reporting ending the business, disaggregated by business type



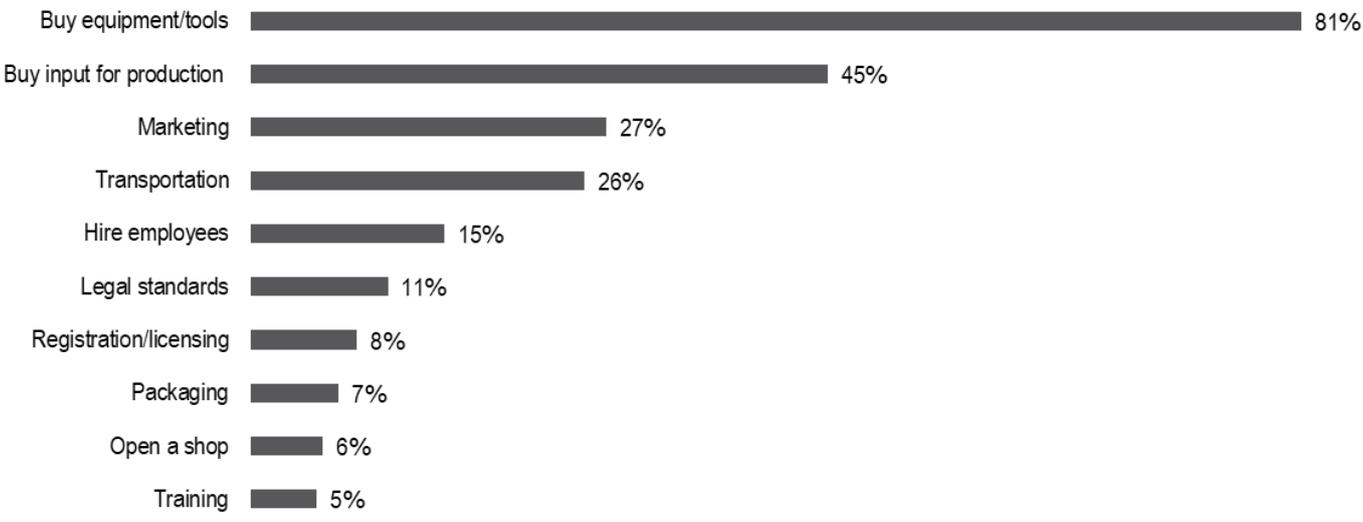
As mentioned earlier, micro businesses were reportedly established in recent years, thus those who ended their activities had also ended recently. Among those who ended (n=67), 54% reported ending in 2019, 28% in 2018 and 16% in 2020 (while one respondent reported 2017). Around half (49%) of the micro business owner beneficiaries who had ended their business activities reported asking for help before ending their business. Those who reported asking for help (n=33) mainly asked for help from the supporting NGO (70%), household members and friends (27%), a different NGO or CBO (9%), and local municipality (3%).⁴

Needs

This section covers the respondents’ needs (such as skills trainings, information, funding and support) to continue their micro businesses. The majority of micro business owner beneficiaries (86%) reported that they needed funding. Other reported needs were: assets (tools, equipment, machines) (26%), skills / training (9%), support (from individuals to produce, sell, transport materials, etc.) (9%), and information/guidance (such as how to find customers, how to find suppliers or how to register) (3%).⁴ On the other hand, 7% reported that nothing was needed. The need for assets was reported relatively more by HBB owners (33%) compared to self-employed owners working outside home (22%). Similarly, the need for information/guidance was reported by higher proportion of HBB owners (5%) compared to others (2%). It was also found that Syrian owners reported higher proportions of needs for support from individuals compared to Jordanian owners (11%; 39/371 and 3%; 4/115 respectively). Overall, it can be noted that the need for support was as commonly reported as the need for skills. This can be insightful for implementing partners who may consider (further) developing support systems, which are already in-place for some programmes, such as ‘group projects’ of business owners working as a team.

Those who reported the need for funding were asked for the reasons why the funding was needed (n=415).⁴ The main reported reasons were: to buy equipment/tools (81%), to buy ingredients, raw materials or other input for production including livestock (45%), for marketing (27%) and for transportation (26%). Findings from FGDs support these as most participants mentioned needing funds for equipment/tools (in higher quantity or quality) in order to improve their work and expand their business. Some participants also mentioned needing funds for ingredients or raw materials. Detailed information can be found in Figure 22.

Figure 22: Reported reasons for funding needs, by number of micro business owners reporting needing funds ²⁹

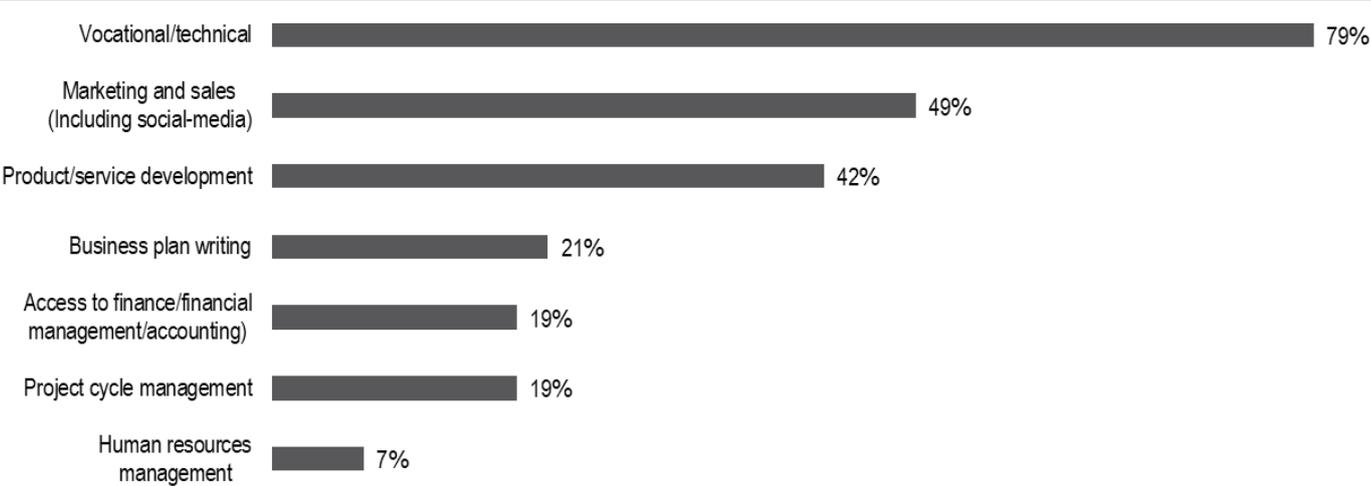


²⁹ Legal standards refers to (funding needs to satisfy) health and safety procedures / food safety standards.

KIs also mentioned funding as one of the needs for micro businesses to continue and grow. In particular, more access to finance outside NGO support was reported an essential need. Related to this, loans that serve micro business owner beneficiaries and their interests were mentioned (as opposed to loans with high interest rates that could pose a risk). In terms of funding, a point was made about the need for increased awareness about financial inclusion opportunities, such as saving groups. Aligned with the answers from business owners, another reported need was more access to markets and increased marketing skills. In addition, vocational trainings and trainings to improve products and services were emphasized (i.e. as opposed to soft skills). This also supports the answers from micro business owners, as explained below.

Micro business owners who reported needing skills/training (n=43) were asked about the skills/trainings they needed.⁴ The main reported needs were: vocational / technical, marketing and sales (including social-media) and product and service development. Findings from FGDs support these, as many participants mentioned preferring trainings to learn new ways of producing their products/services and improve their work. Marketing was also mentioned by many participants, for example to expand their sales into other locations. Detailed information can be found in Figure 23.

Figure 23: Reported types of skills / trainings needed, by number of micro business owners reporting needing skills/trainings



In addition, micro business owner beneficiaries who reported needing support (from individuals to produce, sell, transport materials, etc.) (n=43; 39/370 Syrian and 4/15 Jordanian) were asked for the reasons why they needed support. The main reported needs were: help with production / service (93%), transportation for the owner (79%), help to sell (76%), help for transportation of goods (74%), and registration and licensing regulations (5%).⁴

Among the micro business owner beneficiaries who reported needing information (n=17), the main reported types of information needed were related to: ways to find / reach potential new customers (58%), licensing and registration procedures including fees (47%), potential new ways to sell (29%), health and safety procedures (24%), food safety standards (24%), documents required by regulations (18%), ways how to find or make deals with potential new suppliers (12%) and different methods of production (12%).⁴

Also related to information needs, all micro business owner beneficiaries were asked about their access to information on policies and regulations related to micro businesses. While 43% reported having access to such

information to a large extent, 30% reported having access to some extent and 27% reported not having access at all. It was found that higher proportions of Syrian owners reporting lacking access to information on policies and regulations. Among Jordanian respondents, 63% (72/115) reported having access to such information to a large extent while only 37% of Syrian respondents (137/371) reported the same. Also, among Jordanian respondents, 10% (11/115) reported having no access to such information while 32% of Syrian respondents (118/371) reported having no access.

Respondents who reported having access to this information ‘to some extent’ or ‘not at all’ were asked what type of information they were missing specifically (n=275; 43/115 Jordanian and 232/371 Syrian). The main reported information were related to: licensing and registration procedures including fees (38%), restrictions and requirements related to COVID-19 (23%), and taxation such as general sales tax (18%).⁴ Overall, higher proportions of types of missing information were reported by Jordanian respondents compared to Syrian respondents. On the other hand, 47% of Syrian respondents (108/232) reported that they did not know what type of information they were missing specifically compared to 28% of Jordanian respondents (12/43). In addition, overall, 8% reported missing no particular information. More information can be found for overall findings in Figure 24 as well as disaggregated findings in Figure 25 for Jordanian and Syrian respondents who reported on this information. (n=43; 37% and 232; 63% respectively).

Figure 24: Reported types of missing information, by number of micro business owners reporting having limited access to policy information

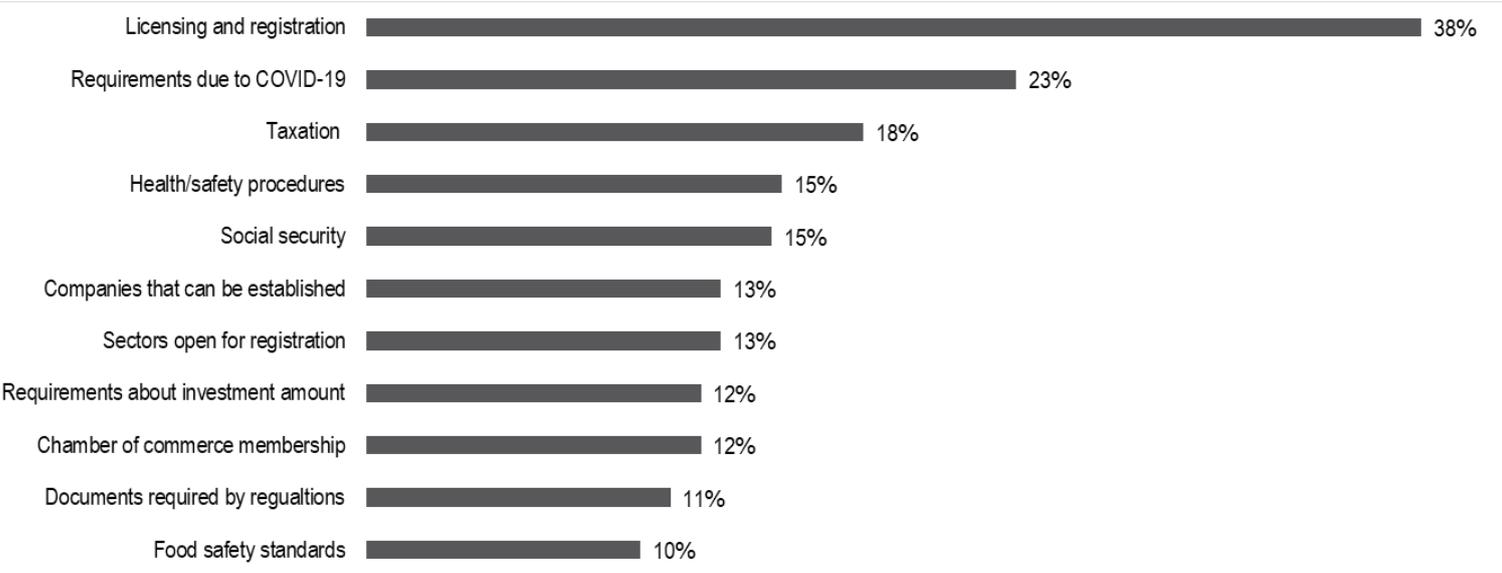
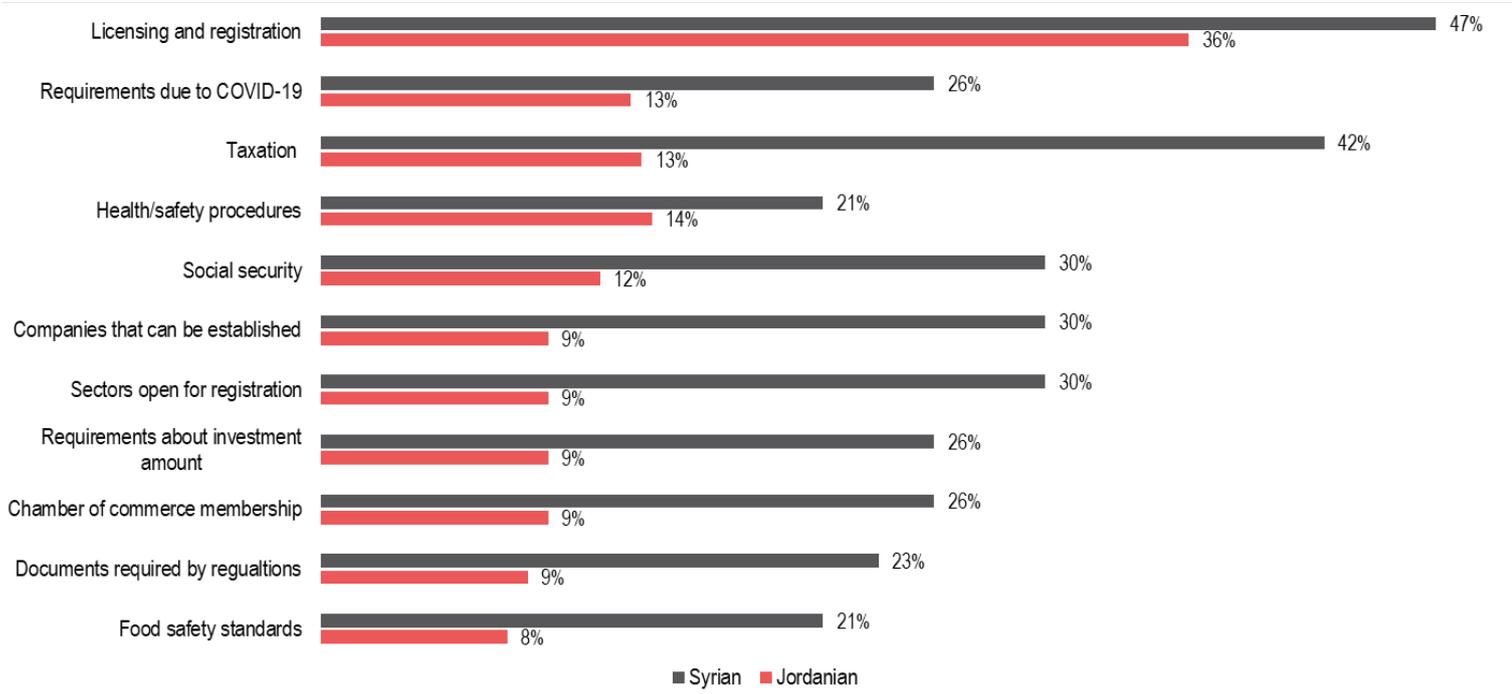


Figure 25: Reported types of missing information, by number of micro business owner beneficiaries reporting having limited access to policy information, disaggregated by nationality



Impact of micro businesses

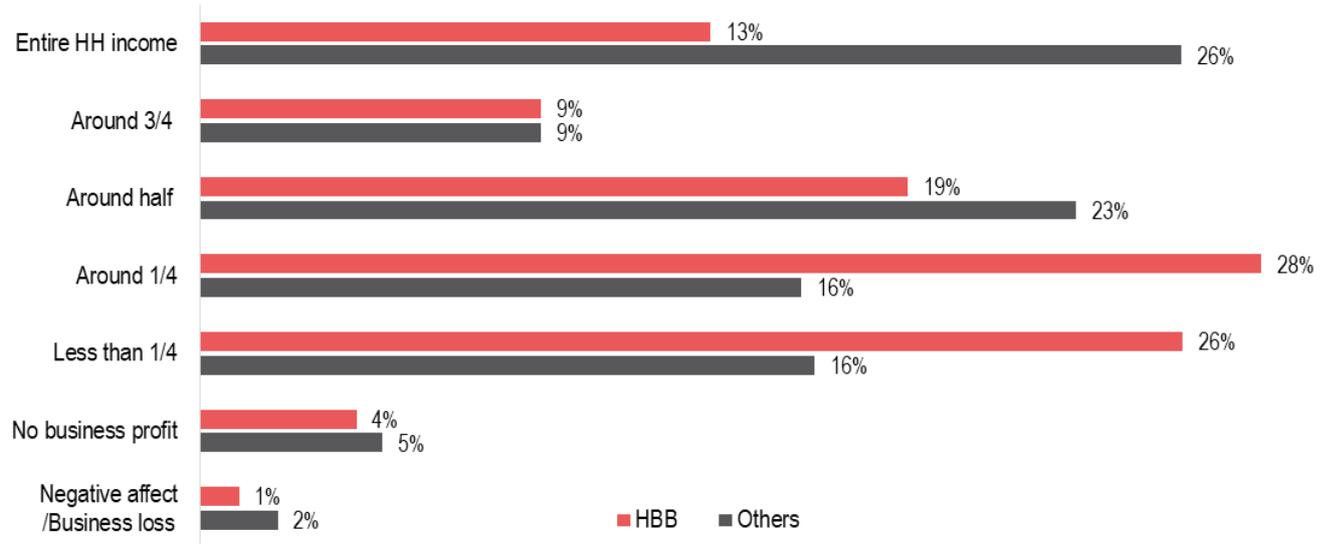
This section assesses the impact of micro businesses on the owners, in terms of overall financial situation, personal development, interaction with household members and the wider community.

Overall, micro-businesses seem to have had a positive impact on the vast majority of respondents, including on themselves, on their financial situation, in their household and in their community. In terms of changes in their financial situation since they started their businesses, 60% reported that their financial situation improved somewhat, 19% reported a large improvement, 14% reported no financial change and 7% reported being in debt / losing money because of the micro business. It appears that the majority (80%) had a positive financial result while a relatively small group (7%) had a negative impact. Among those who reported being in debt / losing money because of the micro business (n=35), 29% reported having tensions with household members because of the business and 20% reported that the business took them away from household members/responsibilities. On the other hand, a smaller proportion reported positive results on household relationships despite the reported negative financial outcome, such as household members feeling proud (14%) or becoming more supportive (6%).⁴ Among the same sub-group of those who reported being in debt / losing money, 34% reported being more stressed while there were also reported positive results on personality, such as being more social (37%), becoming more self-confident (17%), feeling financially independent (14%) and becoming a decision maker (6%). Also, 43% reported that their business affected their community interaction in a positive way, while only 9% reported a negative impact. These findings can show that although a small proportion of respondents (7%) reported having negative financial results, the businesses were reported to have some positive impact in other aspects. Also, when asked whether the micro business took them away from other income generating activities, 6% of respondents reported that this indeed happened. It could be helpful to further assess such cases to understand the underlying reasons behind the negative results.

Findings from FGDs support these results, as most participants reported experiencing a positive financial impact, and many also mentioned that business profits were their main household income. FGD participants mentioned buying the necessary tools and working independently thanks to their financial gains, and therefore no longer borrowing or renting others' assets. Female participants in particular mentioned becoming financially independent and being able to use their profits for household needs instead of relying on other household members.

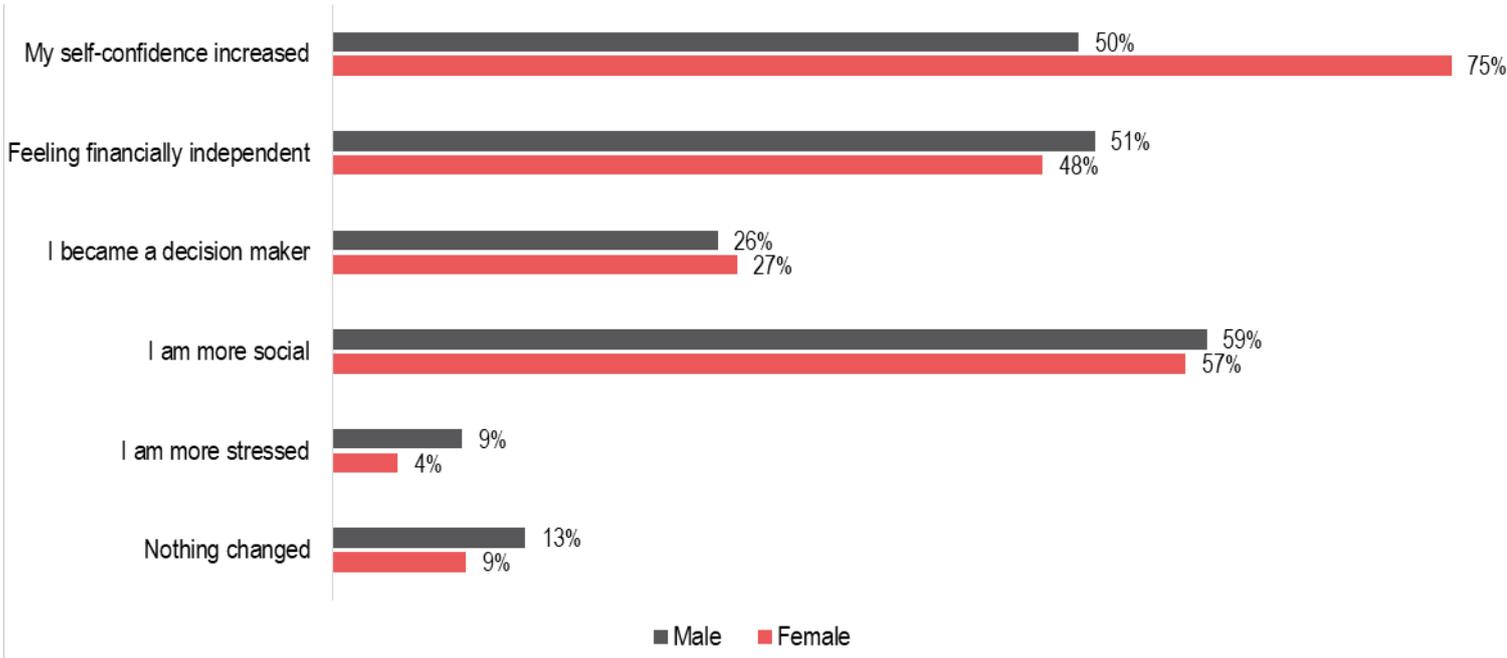
In addition, to understand the financial impact of the businesses, micro business owner beneficiaries were asked about the proportion of their profits with regards to their overall household income. Overall, 21% reported that the profits made up the whole HH income, while another 21% reported that the profits made up half of their HH income. In addition, 9% reported that the profits made up around three quarters and 31% reported less than half, while 7% reported no profits or business loss. It can be noted that for about half (51%) of the respondents, the micro business generated at least half of their household income. For self-employed activities outside home, 23% of respondents reported that the profits made up around half of their household income, and 26% said their profit was the whole household income. On the other hand, for HBB owners the reported profits contributed relatively less to the household income. More information can be found in Figure 26 for HBB owners and other self-employed individuals who reported on this (n=193; 99% and 290; 99% respectively).

Figure 26: Reported proportions of profits with regards to overall household income, disaggregated by business type



When asked about the ways in which the micro business had affected their personality, 85% of respondents reported a positive impact. Overall, 66% stated that their self-confidence increased, and 58% answered that they were more social.⁴ In addition, 49% reported feeling financially independent, and 27% reported becoming a decision-maker. On the other hand, 10% reported that there was no change in these regards, and 6% reported being more stressed. It can be noted that among those who reported being more stressed (n=29), 12 respondents also reported being in debt / losing money because of the micro business, which may be a factor of the reported stress. For this same group, 7/29 also reported positive affects (such as increased self-confidence) while reporting increased stress. Among female respondents (n=301), 75% reported that their self-confidence increased while only 50% of male respondents (n=93/185) reported the same.

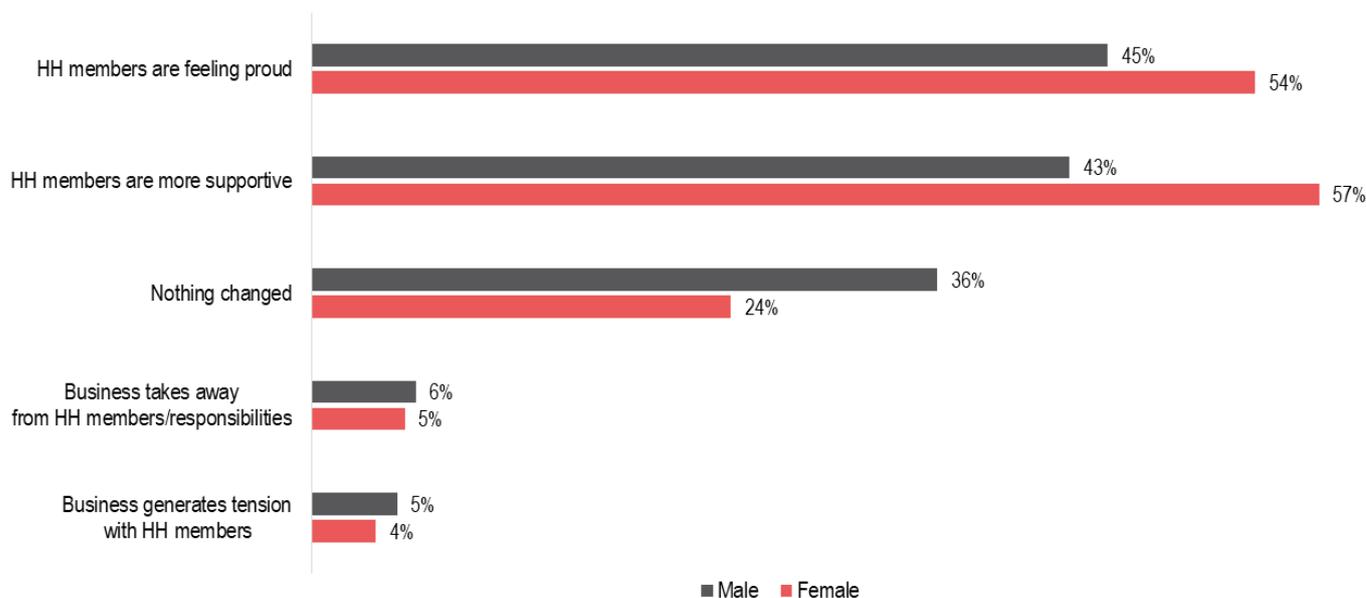
Figure 27: Reported changes in personality, disaggregated by business owner gender



Regarding the effect on their interaction with household members, 52% reported that household members were more supportive and 51% reported that household members were feeling proud of the respondent.⁴ For example, one female FGD participant mentioned that her husband started helping to deliver the products, while another participant mentioned that a family member started giving ideas on ways to expand the business. Likewise, a male FGD participant (who worked outside home) mentioned that he could manage his time better thanks to having his own micro business as opposed to working for others, and therefore had more time for his family. On the other hand, 28% of respondents reported that there was no change in terms of household relationships while 6% reported that the business took them away from household members / household responsibilities, and 4% reported tension with household members because of the business. For example, some FGD participants mentioned feeling uncomfortable about the customers coming to their home for the business, the home got messy due to business activities and they struggled to manage their work time, which affected their household responsibilities and relationships with their children.

Also, among micro business owner beneficiaries who reported having at least one child (below the age of 18) in their household (n=366), 8% reported that the child(ren) helped with the business. Within this group of owners receiving children' help (n=28), 32% reported the child(ren) skipped school for the full school year, and 4% reported that the child(ren) did not skip school, but performed worse. In addition, 86% of micro business owner beneficiaries reported that their business affected the interactions with their community in a positive way, while 13% reported no change and 1% reported a negative effect. Some FGD participants mentioned facing criticism and doubt from their community in the beginning, but most stated that they received appreciation and recognition for their work. They also mentioned building new relationships (for example, by selling their products at markets/bazaars) and becoming more social within their communities.

Figure 28: Reported changes in household interaction, disaggregated by business owner gender



Impact of the COVID-19 outbreak

This section outlines the impact of the COVID-19 outbreak (including movement restrictions and economic downturn) on micro businesses in terms of production, costs, sales, profits and needs particularly in this context. This section uses data collected in May 2020, when there was a nationwide curfew, which was lifted partly towards the end of May. The curfew had started in March, 2020.³⁰

Micro business owners were asked whether they - or someone on their behalf - had been able to access the business, land or production facilities during the COVID-19 outbreak. Among those who responded (n=351), the majority (72%) reported some reduction in access while 28% reported being able to access as usual. Overall, 39% reported not being able to access at all, 16% reported having access very rarely and 16% reported less than usual.

In addition, the owners were asked about the disruption in their business operation, production, costs or sales because of the outbreak, the movement restrictions or the economic downturn. Around half (53%) reported business being extremely disrupted, 31% reported a large level of disruption, 10% reported being somewhat disrupted, 3% reported low levels of disruption and 3% reported not being disrupted at all. Across sectors, respondents working in the construction sector reported the highest level of disruption, as 98% of them (65/66) reported their business being extremely disrupted or very much disrupted. This may be attributed to the movement restrictions and workplace measures against COVID-19. Likewise, 88% of respondents in the manufacturing sector (90/102) reported their business being extremely disrupted or very much disrupted. The agriculture sector seemed overall less disrupted than the other sectors, although still heavily impacted, with 76% of respondents (135/178) reporting their business being extremely disrupted or very much disrupted.³¹ In agriculture, the main reported effects on production were not being able to access the land (to plant, harvest etc.) (64%; 107/168) and not being able to get supplies due to travel restrictions (57%; 96/168).⁴ In manufacturing, the main reported effects on production

³⁰ COVID-19 Information. U.S. Embassy in Jordan. August 2020.

³¹ Retail trade and other services were not included in this analysis because data from respondents in these two sectors is limited in terms of the impact of COVID-19. As explained in the challenges and limitations section, part of data collection took place before the outbreak of COVID-19, and findings about the effect of COVID-19 were collected from 351 out of all 487 respondents.

were insufficient supplies due to closed shops or inadequate stock (68%; 68/100), not being able to get supplies due to travel restrictions (62%; 62/100), not being able to get raw materials / supplies at the old prices (58%; 58/100), and not having money left to buy raw materials / supplies (47%; 47/100).⁴

Those who reported that their businesses was disrupted (n=339) were asked whether they continued with the same production levels / business activity / working hours as before the outbreak. Around half (54%) reported stopping their business activities temporarily while 40% reported that they continued business activities with reduced production / working hours. In addition, 4% reported working with the same production levels / working hours and 1% reported stopping the activities permanently.

Those who reported continuing business activities with reduced production / working hours (n=137) were asked about the number of days they engaged in business activities in the past one month (prior to data collection). The average was 8 days per month, reflecting a significant decrease from the reported average of 17 days before the outbreak. They were also asked about their engagement in terms of hours per day in the month prior to data collection, and the average was 4 hours per day. Among the same group, 20% reported thinking their operation / production would be back to normal (to the level before COVID-19) within 1 month, 31% reported within 2-3 months. 13% reported within 4-6 months and 4% reported within 7-12 months. A large proportion (33%) reported not knowing when their operation / production would be back to normal.

Similarly, among those who reported stopping temporarily (n=184), 25% reported thinking their operation / production would be back to normal (to the level before COVID-19) within 1 month, 25% reported within 2-3 months. 15% reported within 4-6 months and 3% reported within 7-12 months. A large proportion (32%) reported not knowing when their operation / production would be back to normal.

Micro business owners who reported that their businesses was disrupted (n=339) were also asked about the ways in which the COVID-19 outbreak affected their production/services. The main reported answers were: being unable to get supplies due to travel restrictions (62%), being unable to access land or production facilities due to travel restrictions (54%), supplies not being available because shops are closed or shops do not have enough stock (35%), not having money left to buy raw materials / supplies (i.e. spent all savings on other expenses) (25%), not being able to get raw materials / supplies at the old prices (25%), working less because of decreased demand (12%), and end products being ruined in storage (due to inability to sell) (6%).⁴

In terms of effect on business costs, the main answers were: cost of supplies / raw materials going up (45%), cost of transportation going up (28%), and cost of equipment / tools going up (20%). In addition, 10% reported that they did not know (mainly because they did not have business activities) while 45% reported no effect on expenses.⁴

Regarding sales, 64% reported being unable to travel to markets (to sell the products), 55% reported that the customers could not travel to buy the products, and 44% reported that demand / number of customers went down, while 5% reported no effect on sales and 5% reported having no production (therefore no sales).⁴ Among those who reported having profits generated in the 30 days prior to data collection (n=92), the average amount was 71 JOD, revealing a decrease from the average reported monthly profit of 146 JOD before the outbreak.

In addition, micro business owner beneficiaries were asked about the challenges faced during the outbreak. Among those who responded (n=314), 94% reported having faced challenges during the COVID-19 outbreak, and 75% reported resorting to coping strategies. In terms of dealing with the challenges during the outbreak, 34% of respondents reported stress-level coping strategies (27% reported using savings and 7% reported selling

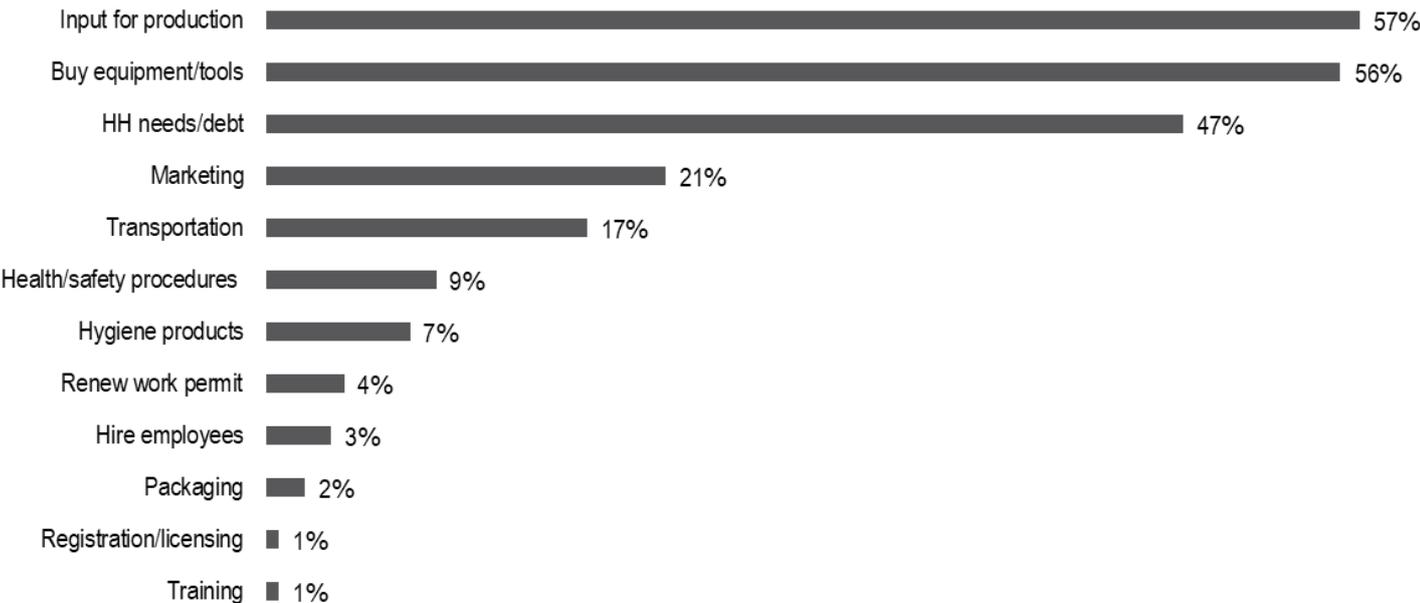
household assets). Besides, 53% reported crisis-level coping strategies (46% reported taking on debt, 4% reported taking a loan and 3% reported selling productive assets) Also, 6% reported emergency-level coping strategies, breaking the curfew to work³². In addition to these coping strategies, 11% reported receiving in-kind or cash assistance.⁴. It can be noted that only 3% reported selling productive assets, thus operational capacities of most micro businesses may be still in place.

In addition, micro business owner beneficiaries were asked whether there was any positive impact of the outbreak. Among those who responded (n=311), only 10 respondents reported a positive impact. Six of these respondents reported receiving more help for the business from household members, while other answers were about increased demand for product / service (n=2), finding new customers (n=1), receiving support from organizations (n=1) and having time to learn new skills (n=1).⁴

Micro business owners surveyed in this period (n=351).were also asked about their plans in the six months following data collection. The main reported answers were: to continue the business as it is (34%), start producing new types of products / services (25%), do more marketing / reach more customers (14%), receive financial assistance (13%), reach new locations to sell products / services (11%), and take on debt (7%).⁴ Also, 18% reported not having any plans while 4% reported considering to stop their business temporarily and 3% reported planning to move between governorates without permission (during the lockdown period).

Moreover, 86% reported needing support to sustain their businesses. Among those who reported this (n=300), the reported needs were financial support / cash grants (99%), followed by training (3%), information / guidance (2%), support (from individuals for business activities) (3%).⁴ It can be noted that the reported need for financial support is very high, while all other needs were reported less than they were before the outbreak. For example, the reported need for training went from 9% to 3%. This may be explained by the increased need for financial support, which may have caused other needs to be deprioritized and under-reported. For those who reported needing financial assistance (n=295), the reported reasons can be found in in Figure 29.

Figure 29: Reported reasons for funding needs, by number of micro business owners reporting needing funds



³² Emergency strategies commonly include activities such as accepting high risk, socially degrading temporary jobs, which affect future productivity and are more difficult to reverse or more dramatic in nature. In this report, 'breaking the curfew to work' was included in this category, as this action is against the law/high-risk.

CONCLUSION

Micro businesses can be a great opportunity for the owners and for the economy as a whole. NGOs and the government of Jordan have been working on this opportunity through a large number of programmes and policy changes supporting micro businesses. Among other objectives, this assessment sought to improve understanding of the challenges, opportunities and long-term potential of micro businesses particularly for Syrian refugees and vulnerable Jordanian. In addition, the assessment sought to identify needs (such as skills trainings, information, funding and support) to start and operate micro businesses.

Micro business owners as well as KIs reported product/service diversity as an area to be improved. Products/services were reported to have a limited range or quality. Moreover, a commonly reported challenge was that products/services were not aligned with market demands, and were not modified when the market demands changed over time. These challenges can be important to note for partners that may consider new trainings focused on product/service development and (further) selection of business ideas based on market needs. In addition, evaluations of trainings by respondents who took trainings revealed the perceived usefulness of training types. For example, vocational/technical trainings were reported to be very useful, followed by marketing and sales. In addition, reported types of needed skills/trainings also provide a list of trainings (top three being vocational/technical, marketing and sales, and product/service development).

In terms of needs, the majority of micro business owner beneficiaries (86%) reported that they needed funding. Other reported needs were: assets (tools, equipment, machines) (26%), skills / training (9%), support (from individuals to produce, sell, transport materials, etc.) (9%), and information (such as how to find customers, how to find suppliers or how to register) (3%).⁴ It can be noted that the need for support (from individuals to produce, sell, transport materials, etc.) was reported as much as the need for skills/trainings. Support was also reported as a crucial element of running a micro business, as a large number of micro business owner beneficiaries (35%) reported regularly receiving help from household members, relatives, friends or neighbours in running their businesses. Such support systems for business activities could be (further) developed. It can also be noted that reported needs changed after the outbreak of COVID-19, as the proportion of respondents reporting financial needs increased significantly. For example, a large number of respondents (57%) reported needing financial support to buy ingredients, raw materials or other input for production (including seedling, and livestock).

There was a reported limitation regarding access to information about policies and regulations on micro businesses (reported by 57%). For example, micro business owner beneficiaries reported missing information on licensing and registration procedures (38%), restrictions related to COVID-19 (23%), and taxation (18%). Covering these information gaps can raise awareness, increase confidence and encourage registrations

Unexpected costs/financial barriers were reported as one of the main challenges when starting and operating micro businesses. The reported unexpected costs were mainly related to costs of assets (76%), raw materials (58%), transportation (38%), and rent (10%). In light of this finding, particularly on unexpected costs, it can be useful to (further) inform and prepare micro business owner beneficiaries in terms of the costs they may encounter.

Moreover, it can be expected that the challenges and needs will change over time, especially during the COVID-19 outbreak and the economic downturn. It is important to conduct continuous surveys and monitor the changes in these findings. In addition, specific case studies can be considered to better understand the success factors, such

as the factors leading micro businesses to turning a profit. Likewise, case studies can provide better understanding of the issues, such as negative financial results or unsustainable businesses. Also, randomized control trials can be considered to explore the factors affecting micro businesses and explain the success factors with more certainty/confidence.

It is also important to capture the market demand for the products/services provided by micro businesses. Customers' points of view can be included in further studies. These can shed light on aspects of sustainability, and can provide strategic guidance both for micro businesses and for livelihoods programmes. Also in terms of further studies, the sampling frame used for this assessment can be widened to cover more micro businesses across the country. With engagement from more partners and by including micro businesses that are not supported by NGOs, a more comprehensive study can be conducted. In addition, findings on sales indicate that expansion of customer types and locations may lead to higher profits and more sustainable businesses. Further research needs to be conducted to understand how widening access to customers could be feasible/possible.

Annex 1: Individual Interview Questionnaire

1. Key characteristics

- 1.1 Governorate
- 1.2 District
- 1.3 Sub-district
- 1.4 Gender of respondent
- 1.5 Is your micro business running from home or from outside the home?
- 1.6 How old are you?
- 1.7 What is your marital status?
- 1.8 What is your nationality?
- 1.9 Are you the head of household (HoHH)?

Household is defined as one individual or multiple individuals, who may be related or unrelated (through blood, adoption or marriage) or a combination of persons both related and unrelated, living together and sharing basic living expenses, eating out of the same pot. HoHH is considered as the main decision maker)

- Yes
- No

- 1.10 What is your level of education?
- 1.11 How many people live in your household?
- 1.12 How many adults generated an income in your HH (including yourself) in the past 6 months?
- 1.13 How many children (under 18 years old) live in this HH?
- 1.14 How many children (under 18 years old) have generated an income in your HH in the past 6 months?

2. Motivations to start and continue

- 2.1 When did you start this business that is supported by the NGO?
(This date may be before or after the NGO assistance)
- 2.2 What motivated you to start this supported micro business?
 - I was recommended by the supporting NGO to consider a micro business, and shift from the cash assistance program
 - I have experience for this field of work
 - An NGO was offering training or support
 - I wanted to open a shop but that was not possible, so I decided to start a micro business
 - To generate income for my HH
 - I wanted to have my own business
 - I wanted to work in this industry, and starting a business allowed me to do this
 - Starting a business allows me to work close to my HH
 - I am not able to work outside home due to my physical condition, illness, disability or injury
 - I wanted to work but could not find a job (or they did not have acceptable pay / working conditions)
 - I was not allowed to work outside home
 - I do not want to / do not feel comfortable working outside house
 - I want to spend my time differently and in a better / more productive way
 - To apply/use the training I have got

- There was no reliable and safe transportation to the work place
- I had concerns about safety/harassment on the way to work
- I had concerns about safety/harassment in the workplace
- Employers seemed to prefer employing other nationality
- I don't know
- Other
- Refuse to answer

2.3 Do you continue your supported micro business for the same reason(s)?

- Yes
- No
- I ended my micro business activities completely / permanently

2.3.1 If selected "I ended my micro business activities completely / permanently" why?

- Because of COVID-19 restrictions and economic downturn
- I did not have enough skills / experience to do this micro business activity
- The profit was not enough / not enough customers
- I had to take care of children, elders, or others
- I worked on another job
- I had health problems
- Unexpected costs/ Financial barriers/ The received grant was not enough
- Lack of equipment/tools
- Lack of employees/individuals to help me
- Lack of support from my household
- Difficulty in finding or building trust with suppliers
- Assets or livestock lost/stolen
- Tension related to competition
- Other
- Refuse to answer

2.3.2 If selected "I ended my micro business activities completely / permanently", when did you stop micro business activities?

2.3.3 If selected "I ended my micro business activities completely / permanently", did you try to ask for help before you ended your micro business?

2.3.3.1 If yes, to whom did you ask for help?

- HH members and friends
- The supporting NGO
- A different NGO or CBO
- Local municipality
- Other, please explain

2.3.3.2 If yes, did you receive any help?

2.3.3.2.1 If yes, what kind of help was offered?

- Mentorship
- Fund
- Other please specify

2.3.3.2.1.1 If mentorship, how many hours of mentorship did you receive?

2.3.3.2.1.2 If funding, how much money did you receive?

2.3.3.3 If yes, (meaning the respondent received some help), was the help useful?

2.3.3.4 Why or why not (was the help useful or not useful)?

2.4 If no, (meaning respondent does not continue the micro business for the same reason for why they started it) what motivates you to continue your micro business?

- An NGO is offering training or support
- To generate income for my HH
- The business allows me to work close to my HH
- I want to have my own business
- I want to work in this industry, and starting a business allows me to do this
- I am not able to work outside home due to my physical condition, illness, disability or injury
- I want to work but could not find a job (or they did not have acceptable pay / working conditions)
- I am not allowed to work outside home
- I do not want to / do not feel comfortable working outside house
- I want to spend my time differently and in a better / more productive way
- To apply/use the training I have got
- There is no reliable and safe transportation to the work place
- I have concerns about safety/harassment on the way to work
- I have concerns about safety/harassment in the workplace
- Employers seem to prefer employing other nationalities
- I don't know
- Other
- Refuse to answer

3. Key characteristics of micro businesses

3.1 Is the product or service you provide the same as the one you were provided support for by [NGO], or is it a different product or service?

3.1.1 If `different`, what kind of product or service do you provide to your customers?

- Accommodation
- Agriculture products, including livestock and farming
- Construction such as tile, painting and decorations
- Education
- Human health and social work
- Information and computer technology
- Retailing packaged food, hygiene products or HH items (such as importing boxes of shampoo and selling to neighbours)
- Manufacture of food products and food processing (such as making yogurt, jam or pickles with basic packaging)
- Cooking or catering (such as preparing fresh meals and serving for immediate consumption)
- Maintenance (such as air conditioning repair etc)
- Playing instrument
- Beauty salon or hairdressing
- Crafts (such as gift baskets)
- Manufacture of furniture
- Transportation and storage
- Sewing, tailoring and manufacture of textile products
- Other please specify

3.1.2 If `agricultural product`, what type of activities do you engage with?

- Cultivation / planting vegetables, fruits, pulses, barley/wheat
- Livestock and poultry

- Manufacture of food products and food processing (such as making yogurt, jam or pickles with basic packaging)
- Greenhouse
- Breeding and selling birds
- Beekeeping
- Flower production
- Other\ please explain

3.1.3 If `different`, why are you providing a product or service different than what you were supported for?

- I could not get the necessary input such as ingredients or raw materials
- It was too difficult to produce the original product/service
- It was too time consuming to produce the original product/service
- It was too difficult to sell the original product/service
- I did not have the necessary tools/equipment
- I lacked skills to continue or improve the production/offering
- Original activity was not profitable enough
- I always worked on this product/service, your record may be wrong
- I did not have enough space to implement the activity
- Other
- Refuse to answer

3.2 Why did you select this product or service as your business activity?

- I noticed customer demand
- I received training about this product/service
- I had work experience about it
- It was cheap to start this activity
- Other, please explain
- Refuse to answer

3.3 Who were your customers in the past 3 months?

- No customers yet
- Retailers/Shops
- Individual consumers
- Contractors
- Wholesaler
- Other

3.4 Where were your customers in the past 3 months?

- No customers yet
- Within my neighbourhood / HH members
- Within my governorate
- Other governorate

3.5 What has been the average monthly profit from this micro business for the past 6 months? (in JOD)

3.6 What is the percentage of micro business profit in terms of the HH monthly total income?

- micro business income is the whole HH income
- Around 3 quarters of the whole income
- Around half of the total income
- Around quarter of the total income

- Less than quarter of the total income
- Zero micro business profit
- Negative affect (micro business is generating loss, instead of profit)
- Refuse to answer
- I don't know

3.7 Do you have any other business activity or another income generation source such as full time or part time job?

- Yes, I have another business activity
- Yes, I have a full time job
- Yes, I have a part time job
- Yes, Seasonal work (i.e. agriculture)
- Yes, I do daily work (carrying boxes in the market, etc)
- Yes, retirement salary
- No
- Refuse to answer

3.7.1 If selected `another business activity`, what kind of product or service do you provide to your customers?

- Accommodation
- Agriculture products, including livestock and farming
- Construction such as tile, painting and decorations
- Education
- Human health and social work
- Information and computer technology
- Retailing packaged food, hygiene products or HH items (such as importing boxes of shampoo and selling to neighbours)
- Manufacture of food products and food processing (such as making yogurt, jam or pickles with basic packaging)
- Cooking or catering (such as preparing fresh meals and serving for immediate consumption)
- Maintenance (such as air conditioning repair etc)
- Playing instrument (including DJ for parties)
- Beauty salon or hairdressing
- Crafts (such as gift baskets)
- Manufacture of furniture
- Transportation and storage
- Sewing, tailoring and manufacture of textile products
- Other please specify

3.7.2 If selected `another business activity` and an agricultural product, what type of activity?

- Cultivation / planting vegetables, fruits, pulses, barley/wheat
- Livestock and poultry
- Manufacture of food products and food processing (such as making yogurt, jam or pickles with basic packaging)
- Greenhouse
- Breeding and selling birds
- Beekeeping
- Flower production
- Other, please explain

- 3.7.3 If selected `another business activity`, why did you select this second product or service as your business activity?
- I noticed customer demand
 - I received training about this product/service
 - I had work experience about it
 - It was cheap to start this activity
 - Other, please explain
 - Refuse to answer
- 3.7.4 If selected `another business activity`, who were your customers for your second product / service in the past 3 months?
- No customers yet
 - Retailers/Shops
 - Individual consumers
 - Wholesaler
 - Other
- 3.7.5 If selected `another business activity`, where were your customers for your second product / service in the past 3 months?
- No customers yet
 - Within my neighbourhood / HH members
 - Within my governorate
 - Other governorate
- 3.7.6 If selected `another business activity`, what has been the average monthly profit from the 2nd micro business for the past 6 months? (in JOD)
- 3.7.7 If selected `another business activity` what is the percentage of 2nd business profit in terms of the HH monthly total income?
- micro business income is the whole HH income
 - Around 3 quarters of the whole income
 - Around half of the total income
 - Around quarter of the total income
 - Less than quarter of the total income
 - Zero profit
 - Negative affect (micro business is generating loss, instead of profit)
 - Refuse to answer
 - I don't know
- 3.8 What did you do with the profits from your micro business activities? (If they produce multiple products / services, select answers for all micro business activities)
- I save money
 - I spend it for the micro business (for example, for production, transportation, etc)
 - Pay for debts (to family/friends etc)
 - Pay for loan (to bank or other institution)s
 - Pay for food / nutrition
 - Pay for education
 - Pay for health
 - Pay for housing / shelter (including rent, utilities)
 - Pay for water, sanitation, hygiene

- I have no profits from micro business
- Other, please specify
- Refuse to answer

3.9 How did you sell / promote your product(s) / service(s)? (If they produce multiple products / services, select answers for all micro business activities)

- Social media
- Word-of-mouth
- Online platforms
- Personal connections/friend circle
- Through shops, markets, bazaars
- I do not have a method of sales or marketing yet
- No customers
- Other, please explain
- Refuse to answer

3.10 Is your micro business registered?

- Home-based business registered
- Home-based business not registered
- Business outside home registered
- Business outside home not registered
- I have a work permit for business outside home
- I do not have a work permit for business outside home
- Prefer not to say
- Other

3.10.1 If HBB is not registered, why?

- I am self-employed so registration is not necessary or not possible
- I do not know if I need registration
- I am afraid of losing assistance from organizations
- I don't want to interact with authorities
- The cost is too high
- I don't have time to go
- I don't know about the process / It is too complicated
- I don't think it is necessary or useful to register
- I do not have the required documents
- I can't go to the required places due to lack of transport or my physical limitations
- My application was rejected
- I applied - waiting for approval
- The sector I work in is officially closed for registration
- Other, (please explain)
- Refuse to answer

3.10.2 If yes, what factors encouraged you to register?

- The type of business I run requires me to be registered
- An organization helped / supported my registration application
- Fear of fines or legal proceedings by authorities if not registered
- To access finance such as assistance or loans, or other resources, once registered
- Non-financial support from government is available, once registered
- To be able to advertise and sell more easily
- Don't know

- Refuse to answer
- Other

3.10.3 If yes, what challenges did you face?

- I was afraid of losing assistance from organizations
- Cost of registration process
- I spent a lot of time
- I was confused about the process / It was too complicated
- I did not have the required documents
- I was not able to go to the required places due to lack of transport or my physical limitations
- My application was rejected at least once
- No challenges
- Other, (please explain)
- Refuse to answer

4. Inputs needed to start and sustain micro businesses

4.1 How much money (in JOD) did you need when starting the business in total (in the first 3 months), including all the costs related to launching the business?

4.2 From where did you get this fund, and how much did you get from these sources?

- NGO funding/grants (Enter value)
- Used HH income generated by other activities
- Loan from bank or other institutions (Enter value)
- Savings (Enter value)
- Remittances (Enter value)
- Debt (not from institutions but from other sources such as friends etc) (Enter value)
- Other
- Don't know
- Refuse to answer

4.3 After the initial fund, (after the first 3 months) where did you get the money to continue your business activities, and how much?

- Micro business generates enough money to sustain itself
- Used HH income generated by other activities
- NGO funding/grants (Enter value)
- Loan from banks or other institutions (Enter value)
- Savings (Enter value)
- Remittances (Enter value)
- Debt (from friends etc) (Enter value)
- Did not need money to continue (because of limited production / limited customer demand / product consumption by the producer etc.)
- Other (Enter value)
- Don't know
- Refuse to answer

4.4 Did you face any unexpected costs since you first decided to start the business?

4.4.1 If yes, what were these costs?

- Registration or licensing costs
- Unexpected high costs of assets

- Unexpected high costs of raw materials
- Unexpected high rent
- Unexpected high wages
- High costs of transportation
- Unexpected costs to satisfy health and safety procedures / food safety standards / HACCP standards
- Other

4.5 Do you have any relevant past experience in the sector/ type of work that your business is related to?

- Yes, I have done the same work in the past
- Yes, I have done similar work (but not the same) in the past. (Such as growing corn vs carrots)
- No

4.5.1 If yes, for how many months?

4.6 Did you take a training related to your micro business?

4.6.1 If yes, what type of trainings did you attend related to micro business?

- Business management training
- Marketing and sales (Including social-media)
- Access to finance and financial management (including accounting)
- Human resources management
- Vocational / technical
- Business plan writing
- Project cycle management
- Product and service development
- Public safety
- Other

4.6.2 If yes, for each training type selected, how many hours in total did the training take?

4.6.3 If yes, for each training type, who provided the trainings?

- [The supporting NGO]
- A different NGO
- Agricultural cooperatives
- CBOs
- Public institutions
- I trained by myself, from books, online sources etc
- I don't know
- Other

4.6.4 If yes, for each training type, how useful/affective was this training for the micro business?

- Very useful
- Somewhat Useful
- Neutral
- Somewhat Useless
- Very Useless
- Refuse to answer

4.6.4.1 If 'Somewhat Useless' or 'Very Useless', why?

- The training duration was not enough
- I forgot what they taught us in the training
- I was not able to focus on the training

- I was not able to attend the training for the full duration
- The trainer was not able to explain very clearly
- The training was not very relevant to what I need
- I had problems in terms of communication with the trainer
- I did not feel comfortable with the trainer
- I did not feel comfortable with other participants
- Other
- Refuse to say

4.7 For your micro business did you receive any mentorship/consultation?

4.7.1 If yes, who provided the mentorship/consultation?

- The supporting NGO
- A different NGO
- CBOs
- Public institutions
- Other individuals (Neighbours, relatives, friends etc.)
- I don't know
- Other

4.7.2 If yes, how often did you receive this mentorship/consultation?

- I can contact them anytime
- Once a week
- Once a month
- Once in 2 months
- Once in 3 months
- Once in 6 months
- Once a year
- Never

4.7.3 If yes, to what extent has this mentorship been applicable/useful for the micro business?

- Very useful
- Somewhat Useful
- Neutral
- Somewhat Useless
- Very Useless
- Refuse to answer

4.7.3.1 If `Somewhat Useless` or `Very Useless`, why?

- The mentorship/consultation was not scheduled often
- I was not able to reach the mentor / consultant as much as I wanted
- The mentor/consultant was not able to help me enough
- I had problems in terms of communication with the mentor / consultant
- I did not feel comfortable with the mentor / consultant
- Other
- Refuse to say

4.8 For your micro business did you receive any machines or equipment from any organization?

4.9 Do you generate income throughout the year or only in certain months?

- Throughout the year
- Only some months

4.9.1 If 'only some months', why?

- It is a seasonal product or service
- Customer demand fluctuates seasonally
- I have another work
- Because of HH responsibilities (for example, for a period, I need to visit family or I have to take care of elders etc)
- No income generated at all (no income throughout the year)
- Health problems
- Other
- Refuse to answer

4.10 On average, how many days did you engage in micro business activities in the past 30 days?

4.10.1 If less than 6, why?

- No or limited customers
- It is not the season
- I had to take care of children, elders, or others
- I worked on another job in the past month
- I had health problems
- Other
- Refuse to answer

4.11 On average, how many hours per day did you engage in micro business activities in the past 30 days?

4.12 Do you regularly receive any help from your HH members or others in running this business on a day to day or weekly basis? How many individuals? EXCLUDING other micro business owners- this will be asked later

- HH members (Enter number)
- Neighbours (Enter number)
- Relatives (Enter number)
- Friends (Enter number)
- No

4.12.1 If yes, what did they help you with?

- We work as a team (they are owners of this micro business too)
- To find raw materials
- To produce the product / to provide the service (for example, cooking together, planting seeds together etc)
- To find equipment / tools
- To find suppliers
- To find funding
- To find workers
- To find customers
- To find trainings
- To learn skills from each other
- To develop business plans
- To do accounting / finances
- To do marketing or sales
- Transportation of materials or products
- Transportation for myself or other individuals related to micro business

- To find information (such as regulations etc)
- Childcare
- They help me financially / give me money or debt
- Other
- Refuse to answer

4.13 Do you collaborate with other micro business owner beneficiaries to find materials, funding, workers, customers etc.? In which ways?

- We work as a team (they are owners of this micro business too)
- To find raw materials
- To produce the product / to provide the service (for example, cooking together, planting seeds together etc)
- To find equipment / tools
- To find suppliers
- To find funding
- To find workers
- To find customers
- To find trainings
- To learn skills from each other
- To develop business plans
- To do accounting / finances
- To do marketing or sales
- Transportation of materials or products
- Transportation for myself or other individuals related to micro business
- To find information (such as regulations etc)
- Childcare
- They help me financially / give me money or debt
- Other
- Refuse to answer

4.14 Do any children (under 18 years old) (from your HH or others) support your micro business?

- Yes
- No
- Prefer not to say

4.14.1 If yes, does this support from children affect their education?

- Yes, they skip school for the full school year
- Yes, they skip school 1-2 times per month
- Yes, they skip school 1-2 times per week
- Yes, they do not skip school but perform worse
- No
- Refuse to answer

5. Challenges faced when establishing, operating and ending micro businesses

5.1 What were the challenges you faced when establishing your business?

- Difficulty in devising a business/marketing plan/strategy
- Unexpected costs/ Financial barriers/ The received grant was not enough
- Lack of equipment/tools
- HH members were not supportive

- Difficulty in finding or building trust with suppliers
- Difficulty of formalization the micro business
- Complaints from landlord or neighbours
- Competition with other business owners
- Bad weather conditions / being dependent on weather for micro business
- I did not have enough space to implement the activity
- Assets lost/robbery or diseased
- Assets sold
- Arranging transportation (for myself, for raw materials, for products etc.)
- The micro business made very little or no profit
- I did not face any challenge
- Other
- Refuse to answer

5.2 What are the challenges you face when operating your business?

- Customers assume that products are unhygienic
- Suppliers are hard to find / refused to work with me
- Cost of transportation
- Difficult to reach more customers
- Lack of enough money / Unexpected costs
- Competition / tension with other business owners
- Seasonal production
- Lack of equipment/asset
- HH members are not supportive
- Bad weather conditions / being dependent on weather for micro business
- Arranging transportation (for myself for raw materials for products etc.
- The micro business made very little or no profit
- Complaints from landlord or neighbours
- I did not have enough space to implement the activity
- Assets or livestock lost/stolen
- Assets or livestock sold
- I did not face any challenge
- Other
- Refuse to answer

5.3 Did you ever consider stopping your micro business?

5.3.1 If yes, why would you stop the micro business?

- The micro business made very little or no profit
- Lack of fund/financial reasons
- Lack of employees / individuals to help me
- Lack of support from my HH
- Suppliers are hard to find / refused to work with me
- Difficult to sell (or to reach customers)
- Competition with other business owners
- Lack of equipment/Asset
- I want a regular job
- I want to start / work on another business
- Working hours are not good
- Objections from landlord or neighbours
- Bad weather conditions / being dependent on weather for micro business

- Arranging transportation (for myself for raw materials for products etc.
- Refuse to answer
- Other

5.4 Are you aware of legal procedures to end a registered micro business?

- Yes
- No
- No need to know (Registration is not possible)

5.5 To what extent do you have access to information on policies and regulations related to micro businesses?

- To a large extent
- To some extent
- Not at all
- Refuse to answer

5.5.1 If 'not at all', what type of information are you missing specifically?

- Restrictions and requirements related to COVID19
- Licensing and registration procedures (including fees)
- Social security
- Taxation (such as general sales tax)
- Requirements about investment amount
- Chamber of commerce membership
- Types of companies that can be established
- Types of sectors that are open for registration
- Health and safety procedures
- Food safety standards
- Documents required by regulations
- Nothing (Not missing any particular information)
- Other
- I do not know
- Refuse to answer

5.6 In order to find out more about a policy matter, where would you most likely go?

- The supporting NGO
- Agricultural cooperatives
- A different NGO or CBO
- Online/website
- Local municipality
- HH members and friends
- Lawyer
- Business support centre
- Local businesses and enterprises
- I have no use for this information
- Other
- Don't know
- Refuse to answer

6. Plans for micro businesses

6.1 What is your plan for your micro business in the next 6 months?

- No plans / I do not know

- To reach new locations to sell my product / service
- To expand the micro business, but still I do not know how
- To take a loan or debt for the micro business
- To receive more funds from an NGO or another organization
- To increase the employees number
- To increase the customer numbers
- To do more marketing
- To produce new types of products
- To close the micro business
- Continue activity the same
- Other

6.2 What is your plan for your micro business in the next 3-4 years?

- No plans / I do not know
- To reach new locations to sell my product / service
- To expand the micro business, but still I do not know how
- To take a loan or debt for the micro business
- To receive more funds from an NGO or another organization
- To increase the employees number
- To increase the customer numbers
- To do more marketing
- To produce new products
- To close the micro business
- Continue activity the same
- Other

7. Needs to sustain and improve micro businesses

7.1 What do you need to successfully continue operating your supported business?

- Assets (Tools, equipment, machines)
- Skills
- Funding
- Information (such as how to find customers, how to find suppliers or how to register)
- Support (from individuals to help me produce, to sell, to transport materials, to manage registration etc.)
- Nothing is needed
- Other, please explain

7.1.1 If skills, what skills do you need?

- Marketing and Sales (Including social-media)
- Access to Finance and Financial Management (including Accounting)
- Human resources management
- Vocational / Technical
- Business plan writing
- Project Cycle Management
- Product and Service Development
- Other

7.1.2 If funding, how much is needed (in JOD)?

7.1.3 If funding, why is it needed?

- To buy equipment/tools

- To hire employees
- For transportation
- For marketing
- For registration / licensing
- To satisfy health and safety procedures / food safety standards / HACCP standards
- For training
- For packaging
- To buy ingredients / raw materials / input for production (including livestock)
- To open a shop
- Other, please explain

7.1.4 If information, what kind of information do you need?

- Licensing and registration procedures (including fees)
- Social security
- Taxation (such as general sales tax)
- Requirements about investment amount
- Chamber of commerce membership
- Types of companies that can be established
- Types of sectors that are open for registration
- Health and safety procedures
- Food safety standards
- Documents required by regulations
- Potential new suppliers (how to find / reach / make deals with them)
- Potential new customers (how to find / reach / make deals with them)
- Potential new ways to sell
- Funding sources, from NGOs, government or loans
- Potential new partners / employees
- Other methods of production
- Success stories from others
- Support systems such as cooperatives or local organizations
- Other

7.1.5 If support, why is it needed?

- Micro business registration and licensing regulations (including health and safety procedures / food safety standards)
- I need people to help with my production / service
- I need help for transportation of goods
- I need transportation for myself
- I need help to sell
- Other

8. Impact of micro businesses

8.1 Did your micro business take you away from other income generating activities since you started the micro business?

8.2 How did your financial situation change since you started the micro business?

- Improved the financial situation to a high extent
- Improved the financial situation somewhat
- Nothing changed/financial situation still the same

- I am in debt/losing money because of my micro business
- Refuse to answer

8.3 How did the micro business affect your interaction with your HH members?

- HH members is feeling proud of me
- HH members are more supportive
- Nothing changed
- Micro business takes me away from HH members/HH responsibilities
- Micro business generates tension with HH members
- Other
- Refuse to answer

8.4 How did your micro business affect your personality?

- My self-confidence increased
- Feeling financially independent
- I became a decision maker
- I am more social
- I am more stressed
- Nothing changed
- Refuse to answer
- Other

8.5 How did the micro business affect your interaction with your community?

- In a positive way
- In a negative way
- No change
- Refuse to answer

8.6 If / when you eventually return to Syria, do you intend to continue running your micro business?

8.6.1 If no, why?

- I do not know about micro business registration and licensing regulations (such as health and safety procedures / food safety standards)
- Infrastructure issues
- Lack of external funding sources (such as bank loans, NGO support etc)
- I do not have enough savings to start or continue a micro business
- I will not have enough equipment/tools there (hard to take from here / hard to find these there)
- I will not have enough raw materials there (hard to take from here / hard to find these there)
- I will not have time
- Difficulty in finding or building trust with suppliers
- Lack of employees / individuals to help me
- Difficulty to find customers
- I will do another income generation activity
- This supported business is not possible or in-demand in Syria
- Other, please explain
- Refuse to answer

8.6.2 If yes, what barriers are there to establish / continue a micro business in Syria?

- I do not know about micro business registration and licensing regulations (such as health and safety procedures / food safety standards)
- Infrastructure issues
- Lack of external funding sources (such as bank loans, NGO support etc)

- I do not have enough savings to start or continue a micro business
- I will not have enough equipment/tools there (hard to take from here / hard to find these there)
- I will not have enough raw materials there (hard to take from here / hard to find these there)
- I will have less time for micro business
- Difficulty in finding or building trust with suppliers
- Lack of employees / individuals to help me
- Difficulty to find customers
- I will need to do a second income generation activity to make more money
- Safety / security issues
- There are no barriers
- Other, please explain
- Refuse to answer
- I don't know

9. Impact of COVID-19 outbreak on micro businesses

9.1 Have you or someone on behalf of you been able to access your supported business, land or production facilities during the coronavirus outbreak?

- Yes, as usual
- Yes, less than usual
- Yes, very rarely
- Not at all

9.2 To what extent has the outbreak of COVID-19, the movement restrictions or the economic downturn, disrupted your micro business (supported business) operation, production, costs or sales?

- Extremely
- Very much
- Somewhat
- Little
- Not at all

9.3 Do you continue with the same production levels / business activity / working hours as before the outbreak of COVID-19?

- Same production level / working hours
- Reduced production / working hours (but still continuing activities)
- Stopped micro business activities for now / temporarily
- Stopped micro business activities permanently / do not plan to continue again

9.3.1 If selected "Same production level / working hours", how many months will you be able to continue your micro business activities if the travel restrictions or the economic downturn continue?

- 1 month or less
- 2-3 months
- 4-6 months
- 7-12 months
- More than 1 year
- I do not know
- Other, please explain

- 9.3.2 If selected "Reduced production / working hours (but still continuing activities)", on average, how many days did you engage in micro business activities in the past one month (during COVID-19 / under the restrictions)?
- 9.3.3 If selected "Reduced production / working hours (but still continuing activities)", on average, how many hours per day did you engage in micro business activities in the past one month (during COVID-19 / under the restrictions)?
- 9.3.4 If selected "Reduced production / working hours (but still continuing activities)", when do you think your operation / production will be back to normal (to the level before COVID-19)?
- Within 1 month
 - Within 2-3 months
 - Within 4-6 months
 - Within 7-12 months
 - After 1 year
 - Never
 - I do not know
 - Other, please explain
- 9.3.5 If selected "Stopped micro business activities for now / temporarily", when do you think you can start micro business activities again?
- Within 1 month
 - Within 2-3 months
 - Within 4-6 months
 - Within 7-12 months
 - After 1 year
 - Never
 - I do not know
 - Other, please explain

9.4 What effect did the COVID-19 outbreak have on your micro business production / services?

Probe: please think about all elements of production / necessary for your service, such as access to micro business, raw materials / supplies, employees or other supporting individuals, productive tools / equipment and so on.

- Cannot access micro business (land or production facilities) / Cannot plant or harvest
- Cannot travel to get supplies due to travel restrictions
- Supplies are not available because shops are closed or shops do not have enough stock
- Cannot get raw materials / supplies at the old prices
- Do not have money left to buy raw materials / supplies (i.e. spent all savings on other expenses)
- It is difficult to get cash (i.e. difficult to reach an ATM, to borrow from relatives etc.)
- Sold productive assets (tools / equipment)
- I produce / offer services less because the demand / number of customers went down
- Employees or other individuals who used to help me with the micro business (such as HH members, relatives, neighbours, friends etc.) cannot help in the current situation
- It is difficult to find new employees or other individuals to help me
- I have to take care of children, elders, or others
- Supplies / goods stored for the micro business are ruined
- End products produced by the micro business are ruined (i.e. crops, food products etc.)
- No effect on production
- Other please explain

9.5 What effect did the COVID-19 outbreak have on your costs related to the micro business, such as running the activities and maintenance?

Probe: please think about all types of costs, such as costs of supplies / raw materials, transportation, equipment / tools, employment and so on.

- Cost of supplies / raw materials went up
- Cost of supplies / raw materials went down
- Cost of transportation went up
- Cost of transportation went down
- Cost of equipment / tools went up
- Cost of equipment / tools went down
- Cost of employment (i.e. salaries for employees) went down
- No effect on expenses
- Other please explain

9.6 What effect did the COVID-19 outbreak have on your sales?

- Cannot travel to markets (to sell the products) due to travel restrictions
- The customers cannot travel to buy my products
- Demand / number of customers went down (their consumption went down or they found other producers / service providers, including online)
- No effect on sales
- Other please explain

9.7 Did the outbreak of COVID-19, movement restrictions or the current situation in general have any positive impact on your micro business?

- Yes
- No

9.7.1 If selected "yes", what kind of impact?

- I received more help for the micro business from HH members (including children)
- I received more help for the micro business from other individuals (i.e. other micro business owners)
- I received support from organizations
- I found new ways to sell / innovative marketing / sales techniques (i.e. new markets, online sales etc.)
- I found new customers
- The demand for my product / service increased
- I started producing new types of products / started offering new services
- I had time to learn new skills
- I had time to make new plans for the micro business
- I have started using mobile wallets to receive payments from customers
- Other, please explain

9.8 What is the amount of profit your micro business generated in the past 30 days (under the effect of COVID-19)?

9.9 How did you deal with your micro business challenges during the outbreak until now? Please select all that applies

- Received in kind or cash assistance from the government or organizations
- Used savings
- Took debt (Bought on credit or borrowed money)
- Took a loan (formal or informal)
- Sold household assets

- Sold productive assets
- Broke the curfew to work
- I did not have any way to manage the challenges
- I got permission to travel
- No challenges / micro business operates during the lockdown and generates income
- Other, please explain

9.10 What are your plans for your micro business in the next 6 months?

- I consider stopping the micro business temporarily
- I consider stopping the micro business permanently
- Start producing new types of products / services
- Receive financial assistance from the government or non-governmental organizations
- Use savings
- Take debt
- Take a loan
- Sell household assets
- Sell productive assets
- Move between governorates without permission
- Reach new locations to sell my product / service
- Increase employees number
- Do more marketing / reach more customers
- Do not have any plans
- Continue the way it is now
- Other, please explain

9.11 Do you need anything to sustain your micro business micro business considering the current situation?

9.11.1 If selected "yes", for what?

- Financial support / cash grants
- Trainings / skills
- Information / guidance (such as government policies on COVID19 restrictions, how to find customers, how to find suppliers or how to register)
- Support (from individuals to help me produce, to sell, to transport materials, to manage registration etc.)
- Other, please explain

9.11.1.1 If "Financial support / cash grants", for what?

- To cover household needs / debts
- To buy hygiene products
- To buy ingredients / raw materials / input for production (including seedling, livestock etc)
- To buy equipment/tools
- To hire employees
- For transportation
- For marketing
- For registration / licensing
- To satisfy health and safety procedures / food safety standards / HACCP standards
- For training
- For packaging
- Other, please explain

9.11.1.2 If "Trainings / skills", what types?

- Marketing and Sales (Including social-media)
- Access to Finance and Financial Management (including Accounting)

- Human resources management
- Vocational / Technical
- Business plan writing
- Project Cycle Management
- Product and Service Development
- Other

9.11.1.3 If "Information / guidance", about what?

- Licensing and registration procedures (including fees)
- Guidance and mentoring to restart business activities
- Social security
- Taxation (such as general sales tax)
- Requirements about investment amount
- Chamber of commerce membership
- Types of companies that can be established
- Types of sectors that are open for registration
- Health and safety procedures
- Food safety standards
- Documents required by regulations
- Potential new suppliers (how to find / reach / make deals with them)
- Potential new customers (how to find / reach / make deals with them)
- Potential new ways to sell
- Funding sources, from NGOs, government or loans
- Potential new partners / employees
- Other methods of production
- Success stories from others
- Support systems such as cooperatives or local organizations
- Other

9.11.1.4 If "Support", for what?

- To handle micro business registration and licensing (including health and safety procedures / food safety standards)
- To help with my production / service
- To help with transportation of goods
- To help with transportation for myself
- To help with selling
- Other

9.12 How many adults generated an income in your HH (including yourself / including income from micro business) in the past 30 days (during the outbreak of COVID-19)?

9.13 How many children (under 18 years old) have generated an income in the past 30 days (including income from micro business) (during the outbreak of COVID-19)?

Annex 2: Focus Group Discussion Interview Guide

- **Research question. What are the key characteristics of the micro businesses established by vulnerable Jordanians and Syrian refugees?**
 - **Sub-question. What products or services do micro businesses provide, and why?**

1. How has your business changed over the months or years since you started? Have you changed your activities/products?
 2. What types of home-based businesses are run in this area? What is being produced and sold?
 3. Do you think there is competition for certain products and services, negatively affecting some businesses?
 - a. If so, for which products and services? What do you think are the reasons behind this competition?
- **Sub-question. How do micro businesses sell and to whom?**
4. How do you manage to find customers?
 5. Can you access consumers directly or do you sell to a trader/retailer? Why?
 6. What challenges do you face in reaching your current customers and finding new customers?
 7. What is your plan for sales and marketing in the future?
- **Sub-question. What proportion of micro businesses are registered? What are the reasons for registering and not registering?**
8. Did you register your micro business?
 9. For those who registered, how did you manage the challenges? What factors encouraged you to register?
 10. For those who did not register, why?
- **Research question. What are the challenges faced in establishing, operating and closing micro businesses?**
11. What were the challenges you faced when you first started your micro business within the first 3 months?
 12. What are the challenges you have faced in term of operating/continuing your micro business since then?
 13. How do you overcome these challenges?
 14. What are the challenges you might face in the future?
- **Research question. Are micro businesses operated from the perspective of short-term income generation or with a long term strategy?**
15. What is your criteria for business success?
 16. What factors help you achieve business success?
 17. What do you want to do with this micro business in the long-term (in the next 3-4 years)?
- **Research question. What is the impact of micro businesses on the owners in terms of overall financial situation, personal development, interaction with household members and community?**
18. What is the biggest impact, positive or negative, that running your micro business has had?

Note: This could be related to your financial situation, your personality, your relationships within household, relationships within your community” etc. Please give examples

- **Research question. What do Jordanians and Syrian refugees need to continue and improve existing micro businesses, in terms of (further) skills trainings, information, funding or support?**

19. If the assistance from your supporting NGO stops, do you think you can continue your micro business for the next 3-4 years?

20. Only for Syrian refugee participants:

- Would you be able to continue the micro business if/when you return to Syria?
- What barriers do you expect to face if you attempt to establish a micro business in Syria?
- What information do you need to better understand regulations and potential barriers for micro businesses in Syria?

Annex 3: Key Informant Interview Questionnaire

- **Research question. What are the key characteristics of the micro businesses established by vulnerable Jordanians and Syrian refugees?**

1. What do you consider to be a micro business? What are the specific characteristics of a micro business?

Probe: Based at home, contract-based self-employment etc.

2. What is your criteria to select beneficiaries?

Probe: For example, location, gender, VAF assessment, previous experience, trainings, business plan?

- If your beneficiaries include both Jordanians and Syrian refugees, does the criteria change?

3. Do you take into consideration sustainability of the micro business when selecting beneficiaries?

- If yes, how?

Probe: For example, do you have a way of measuring their willingness to stay in the sector or their business potential?

4. Do you think micro business owner beneficiaries mainly engage in certain products/services? If yes, why?

- **Sub-question. What proportion of micro businesses are registered? What are the reasons for registering and not registering?**

5. What are the challenges faced by micro business owner beneficiaries in registering their businesses?

Probe: please focus on the challenges faced by those who are willing to register, rather than discussing their willingness

- What are the differences in challenges faced by Jordanians vs. Syrians?

6. What is the impact of policies and legislation on micro business registration? Do you think these are enabling micro businesses to register?

- a. If not, why?
- 7. For those micro businesses that are registered, how do you think the owners managed to overcome the challenges?
- 8. What are the advantages of micro business registration?
 - a. Does the lack of registration pose any specific challenges? In what ways?
- **Research question. What are the challenges faced in establishing, operating and closing micro businesses?**
 - 9. What are the challenges faced by micro business owner beneficiaries in establishing micro businesses?
 - 10. What are the challenges faced by micro business owner beneficiaries in operating / continuing businesses?
 - 11. What are the challenges faced in closing micro businesses?
 - 12. Do you think micro businesses struggle to sell their products/services?
 - a. If yes, why do you think that happens?
 - b. If yes, how could it be overcome?
 - 13. Do you think micro business owner beneficiaries are aware of regulations and policies about micro businesses?
 - Probe: Including registration but other areas as well, such as health and safety procedures / food safety standards etc.
 - 14. Which regulations/ politics do you find to be particularly supportive for micro businesses?
 - a. Why?
- **Research question. Are micro businesses operated from the perspective of short-term income generation or with a long term strategy?**
 - 15. What is a successful micro business from your perspective?
 - Probe: For ex. Income generation for beneficiaries etc.
 - 16. What mechanisms do you use to follow up beneficiary progress? How do you evaluate micro businesses?
 - 17. Do you think the micro businesses owners could continue their micro businesses without your assistance for the next 3-4 years?
 - a. Why / why not?
 - 18. Are there any non-governmental actors that provide support to micro businesses?
 - a. If yes, in what ways?
 - b. If no (not enough or not effectively), what are the obstacles?

- **Research question. What do Jordanians and Syrian refugees need to continue and improve existing micro businesses, in terms of (further) skills trainings, information, funding or support?**

19. Does the government provide support the micro businesses? Are there any mechanisms specifically targeted at providing support for micro businesses?

Note: Please provide specific examples. (Prompt: For example, provision of assets, credit/ loans, resource management support, training and capacity building support, etc.)

20. What do micro business owner beneficiaries need to continue and improve their businesses, such as (further) skills trainings, information, funding or support from other individuals to sell, produce, transport etc.?

21. What information do you think are missing for you to be able to make informed decisions about future micro business programming?