



# **Labor Market and Value Chain Analysis Study**

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**Findings on micro, small and home-based businesses**

**Sustainable Development Program**

**Funded by**

**Austrian Development Agency (ADA)**

**Promoting Resilience of Refugees and Vulnerable Host Communities in Jordan –  
PRO-JORDAN (AT654)**

**And**

**NOVO Nordisk Fonden**

**Economic Empowerment of Refugee and Host Community youth in Jordan (DK296)**

**Draft Report**

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## LIST OF ACRONYMS

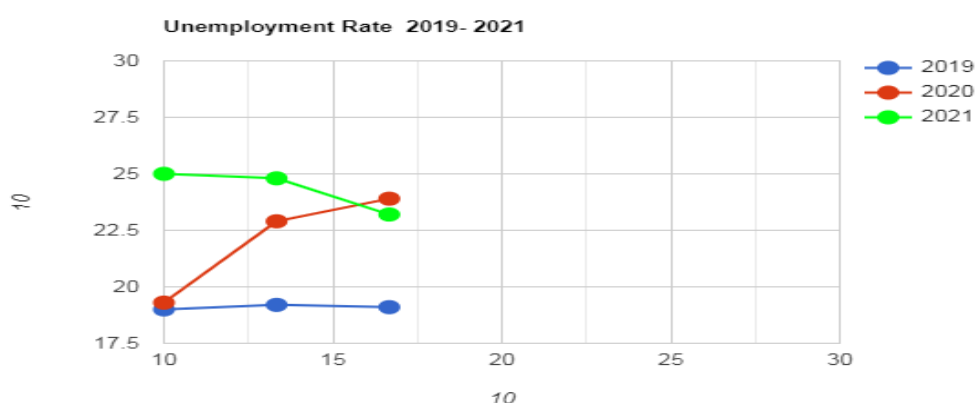
|       |  |
|-------|--|
| CBOs  | Community Based Organizations                      |
| CBJ   | Central Bank of Jordan                             |
| FGD   | Focus Group Discussion                             |
| GoJ   | Government of Jordan                               |
| GDP   | Gross Domestic Product                             |
| ILO   | International Labour Organization                  |
| KII   | Key Informant Interview                            |
| MFIs  | Micro Finance institutions                         |
| MoL   | Ministry of Labour                                 |
| MoPIC | Ministry Of planning and International Cooperation |
| MSEs  | Microand Small enterprises                         |
| MSMEs | Micro, small and medium enterprises                |
| OSH   | Occupational Health and Safety                     |
| PwD   | People with disabilities                           |
| QA    | Quality Assurance                                  |
| SSC   | Social Security Corporation                        |
| TORs  | Terms of References                                |

## 1. Executive summary

In Jordan, micro, small and medium enterprises (MSMEs) are positioned as the backbone of the economy. The MSMEs represent 98% of Jordanian enterprises, 66% of which have less than 19 employees; employ 70% of the total labor force employed by the private sector; produce outputs that contribute 40% towards national GDP, and account for 45% of total exports ; 45.8% are located in Amman, 16.7% in Irbid and 14.8% in Zarqa (main economically active Governorates in Jordan).<sup>1</sup> The percentage of enterprises employing less than 5 workers is 91.5% of the total number of enterprises, while enterprises that employ more than 20 workers accounted for only 1.9%. This reveals an important fact about how Jordan is a nation of very small enterprises.

In recent years, Jordan has gone through series of economic shocks since the 2009 financial crises that led to stagnant performance of the economy and thus high unemployment rates that mounted in recent years to reach 23.2% as of Q3 2021.<sup>2</sup> Though, many argue that unemployment is a long standing structural issue yet, the rate continued to hike despite all government efforts and exacerbated during the covid-19 pandemic especially at the beginning and through the peak of the pandemic.

The SMEs and HBBs suffered the most during this period and thus, their ability to



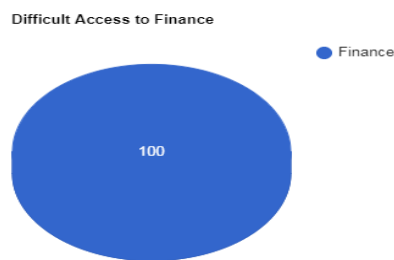
<sup>1</sup>[http://worldsmeexpo.hktcd.com/pdf/2011/SeminarRoom\\_C/Dec\\_3/1630\\_1800\\_24/2\\_AAI-Ahmad.pdf](http://worldsmeexpo.hktcd.com/pdf/2011/SeminarRoom_C/Dec_3/1630_1800_24/2_AAI-Ahmad.pdf)

<sup>2</sup><http://dosweb.dos.gov.jo/ar/>

### Chart(1) Unemployment rates for the period 2019 to 2021

In recent years and in attempts to improve the business environment, Jordan has launched a reform agenda to revise the business and financial regulatory framework to support these businesses. One of the key strategies was the financial inclusion policy that led to strategic improvements on the current financial services, tools and programs targeting the MSMEs sector in Jordan. However, the impact of such policy was neither comprehensive nor inclusive enough according to the study results.

The study revealed that access to finance is the most challenging factor for these businesses. All 204 surveyed enterprises in Amman, Zarqa and Irbid governorates confirmed limited access to finance. Businesses stated that it is difficult to access credit given the high collateral and interest rates.



### Chart (2) difficult access to credit/finance

More importantly, as most of the businesses rely on manual work, the cost of labour was another challenging factor for their day-to-day operations. This actually revealed the importance of investing in workers technical and soft skills to improve the business model for these enterprises. Additionally, businesses were across different economic activities with key presence in retail, services, tourism and agriculture.

The value chain analysis for these businesses proved that MSEs and HBBs suffer from indirect and direct taxes which negatively affected them harshly especially the small businesses and thus demanded exemptions to improve performance and processes

of these businesses. Results from research also showed that further financial and technical support is needed to improve the performance, efficiency, and effectiveness of these businesses to secure decent work and improve livelihood for the most vulnerable segments of society including Syrian refugees, women, Youth and PwD. The support should cover in depth vocational training, business training, and financial literacy and access to credit along with access to market and production techniques. The study recommends the following actions to ensure that the project serve MSEs and HBBs as required.

### **General recommendations**

- Support MSEs and HBB owners with access to legal information and services on business registration and licensing, financial procedures including payment options and taxes in accordance with type and size of enterprises,
- Revise current lending policies of the MFIs to reflect better gender sensitivity to women in business needs,
- Set up sector specific business incubators especially for the agriculture sector
- Support businesses through all steps of the value chain with special attention to sectors/ subs sectors specific needs.
- Facilitate information sharing, success stories and show case of role models. This includes the establishment of networks at local level and national level
- Encourage youth entrepreneurs and women to work in collaborative manner and support each other through mentorships and peer to peer support especially in the agriculture sector

### **Sector specific recommendations**

- Invest in the services, restaurants, production kitchens, agriculture and retail sectors through non-conventional training courses,
- Introduce ICT based technology solutions and train youth to improve business operations,

- Consider technical and vocational training provision on new approaches and techniques in the agriculture sectors for Amman, Irbid and Zarqa governorates,
- Offer vocational and technical training for new promising occupations in the services sector like home-based daycare, new techniques in the beautician sub sector (males and females), photography and videography.
- 

## 2. Introduction

Jordan economy is characterized by high percentage of micro, small, and medium businesses. MSMEs percentage is estimated around 98%.<sup>3</sup>The businesses operate across sectors and in all Jordan governorates. Despite the strong presence of these businesses, Jordan still lacks national law for MSMEs. These businesses face difficulties in their operations which are mainly key reasons for these businesses to close in the first three years. The difficulties can be summed up as poor management, lack of business vision, access to finance, high production costs including rental and finally, access to market.<sup>4</sup>

Government of Jordan (GoJ) has initiated number of programs and services to support MSMEs and Home-based businesses (HBBs). The supporting programs included technical, financial and businesses services. This support was supplemented with similar services from international development actors Like USAID, World Bank (WB), IFC and the EU delegation. The technical support of their programs varied among the different international actors but mainly focused on improving the business and legal environment, enhance the business services, provision of variety of financial services, improving access to markets and finally the registration and licensing businesses especially home-basedbusiness (HBBs).

In recent years, MSEs, startups and entrepreneurial ventures constitute strong drivers for economic development and youth employment. On the other hand, GoJ

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<sup>3</sup>Khaled, Abdalla& Al-tamimi, Khaled&Jaradat, Mohammad Sulieman. (2019).The role of Small Medium enterprises in reducing the problem of unemployment in Jordan. 28-37.

<sup>4</sup> LEADERS consortium in Jordan (2017).MSMEs needs Assessment in Jordan10-25.

has recognized the strong role of these businesses and introduced a system of support whether financially or technically. Consequently, youth and women developed strong preference towards entrepreneurship and eventually these ventures have become robust economic opportunity for many women, youth and PwD.

Moreover, many agencies in the field of international development launched projects to support the MSEs Sector especially for the most vulnerable groups like women, refugees and youth. Their interventions included different technical activities like business support and capacity building. The interventions also supported regulatory and legal reform and access to finance. Despite all these efforts, Jordan still lacks proper and conducive environment for these businesses especially the ones led by women. In order to support these businesses, further technical analysis took place to understand the best sectors/ sub-sectors; type of support needed for these businesses, legal environment, and related value chain analysis per these sectors/sub sectors in addition to the Covid-19 impact and its consequences on the labour market and MSEs in particular.

## **2.1 Background**

CARE International established a presence in Jordan in 1948, created in the wake of the Palestinian refugee crisis. Over seventy years later, CARE has served the needs of the Palestinian, Iraqi, Somali, Sudanese, and now Syrian refugee communities. CARE's scope of work has evolved from emergency response to long-term development programming, now encompassing an Urban Refugee Protection program, the Sustainable Development program, and the Azraq Camp program. CARE in Jordan leads humanitarian protection, economic empowerment, and civic engagement interventions for women and girls from poor and vulnerable communities in the fight to overcome poverty, gender-based violence, and social injustice.



In its 2020 strategy, CARE Jordan has set the following goals for its work:

- **Program Goal no. 1:** Strengthen humanitarian and protection response and action to support Jordan's most vulnerable populations with sustainable solutions. Linking humanitarian interventions with long-term development programming will create an enabling environment for creating and sustaining livelihoods for multiple populations in Jordan.
- **Program Goal no. 2:** Enhance empowerment programming for Jordan's most vulnerable groups; women and youth, with targeted interventions for Jordanian and refugee women and girls, and male and female youth. CARE Jordan will work with civil society and governmental representatives to engage women and youth in economic empowerment initiatives, while additionally scaling up programming tackling gender-based violence and amplifying women's voices in decision-making and public spheres.
- **Program Goal no. 3:** Expand effective partnerships through strategic engagement with civil society and government actors towards inclusive governance and achieving sustainable impact through a strengthened and capacitated civil society. CARE Jordan has identified key impact groups as follows: Poor and Marginalized Women and Adolescent Girls, Displaced Persons/Refugees, Youth (both Male and Female), and Children at risk. CARE's Sustainable Development Program (SDP) is implementing several projects under the Economic Empowerment component. This study will be co-financed by two projects under the sustainable Development program; comprised of (3) technical areas:
  - 1) Economic empowerment
  - 2) Combating gender-based violence
  - 3) Good governance/civic engagement

The program targets socially and economically disadvantaged women and children, youth with low engagement in the economic and public sphere and local structures.

CARE Jordan is implementing several projects that include the economic empowerment components, under which this assignment was implemented

“Labour Market Assessment and Value Chain Study”, funded by two main projects:

1. Promoting Resilience of Refugees and Vulnerable Host Communities in Jordan – PRO-JORDAN, funded by the Austrian Development Agency (ADA) / ADA-NEXUS Project,
2. Economic Empowerment of Refugee and Host Community youth in Jordan, funded by the NOVO Nordisk Fonden / NOVO Nordisk Project

The overall purpose of the Labour Market Assessment and Value Chain analysis Study is to identify and design livelihood development programmes that, if implemented, increase the performance and the income of micro, small, home-based businesses and entrepreneurs, thus, improving the living conditions of refugees and host communities' members and eventually creating employment opportunities at local community level. The Market assessment and value chain findings will benefit youth male and female refugee and vulnerable households in Jordan through empowering them economically, socially and civically through increasing their access to information and opportunities on employment and entrepreneurship.

## **2.2 Research Purpose**

The purpose of this assignment falls under two main folds:

### **First: The Labour Market Assessment**

Assess the potential for growth, profitability and employment of local economic sectors at the targeted project locations. The Labour market assessment will identify value chains with high potential of sustainability and future growth. The identified value chains should eventually include the competitive qualifications and characteristics of successful potential beneficiaries (refugees and vulnerable host community individuals) in accordance with the recommended sectors to be considered for the Small Business Development Training to be delivered post concluding the results of the market assessment and value chain study.

## **Second: Value Chain Study**

Determine how the identified value chain(s) can be developed to benefit micro, small and home-based businesses, and increase self/employment, also upgrading the role of refugees and increasing their share of the profits.

### **2.3 Research Methodology and study limitation**

Based on the original TORs of the consultancy, the labor market and the value chain analysis covered three targeted governorates: Amman, Irbid, and Zarqa. This study used mixed research tools that covered both quantitative and qualitative aspects in relation to Jordan labour market, MSEs and HBBs in particular and the value chain related to this type of enterprises to ensure covering all aspects pertaining to the domain of the study. The findings of this study have to be seen in light of some limitations: first, is the lack of probability sampling due to poor access to all type of businesses/ enterprises in Zarqa and Irbid governorates and second , the inability to generalize the research findings since the research only focused on the aforementioned governorates. However, these limitations did not affect the quality of the study findings. The methodology, on the other hand, can be introduced as follows:

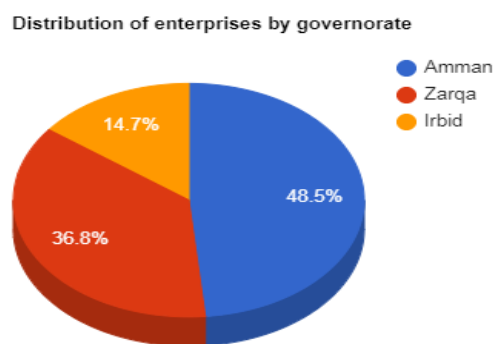
#### **Literature Review**

The literature review of current studies related to labour market trends, skills in demand, TVET institutions, programs and policies including regulatory framework with emphasis on gender and refugees conducted by government agencies, semi-governmental agencies, international nonprofit organizations (INGOs) and nongovernmental organizations (NGOs).For more information on the research papers reviewed as part of the literature review, refer to the reference list.

#### **Field Study**

The field study included the collection of primary data using both quantitative and qualitative methods:

- **Quantitative study:** in person survey that targeted 204 SMEs and home-based businesses in Irbid ( 75), Amman (99), and Zarqa (30) to collect data using a stratified random sampling approach with 95% confidence and 5% margin of sampling error. The survey focused on collecting business characteristics of the targeted private sector companies, employers' perception of economic and labor conditions and current market opportunities and value chain analysis related to these businesses and thus required improvements. The following table reflects the distribution of surveyed companies in targeted governorates.



Chart(3) Distribution of enterprises by governorate

- **Qualitative study:** The aim of the qualitative tools to collect data from project targeted beneficiaries to identify opportunities and challenges from their perspectives when it comes to employment and income generating activities. Focus groups and key informant interviews held in Irbid, Amman, and Zarqa to gain insights into current challenges and opportunities for MSEs and HBBs and value chain analysis at local level. The following table describes the sample sizes involved in the field research.
- **Table 1. Field Research Methodologies and Sample Sizes**

| Method | Total |
|--------|-------|
|--------|-------|

**Focus Group discussions (FGDs)** with Jordanians and Syrians working entrepreneurs (youth, women, PwD); 2 sessions were delivered in each targeted governorate for males and females. Sessions targeted Syrians and Jordanians from different age groups but mainly between 18- 55. Additionally, participants of the FGD were from different educational background and various work experience. For further details on the design and results of FGDs ,refer to (annex 2 )

6 sessions

**Key Informant Interviews (KIIs)** with chambers of industry and commerce, SMEs association, stakeholders’ representatives, GoJ representatives at local level, financial institutions, entrepreneurs, municipalities and businesses incubators and service providers like IRADA in targeted areas/governorates; Interviews conducted between December 2021 and January 2022. For further details on the design and questions, gender, nationality and governorate distribution of KIIs, refer to (annex3)

17 KIIs

• **Table 2. Focus group participants**

| Governorate | Total number of Jordanian | Total number of Syrians | Total number of employed | Total number of unemployed | Total number of females | Total number of males |
|-------------|---------------------------|-------------------------|--------------------------|----------------------------|-------------------------|-----------------------|
| Irbid       | 12                        | 8                       | 17                       | 3                          | 10                      | 10                    |
| Amman       | 10                        | 4                       | 14                       | 0                          | 7                       | 7                     |
| Zarqa       | 8                         | 8                       | 13                       | 3                          | 7                       | 9                     |

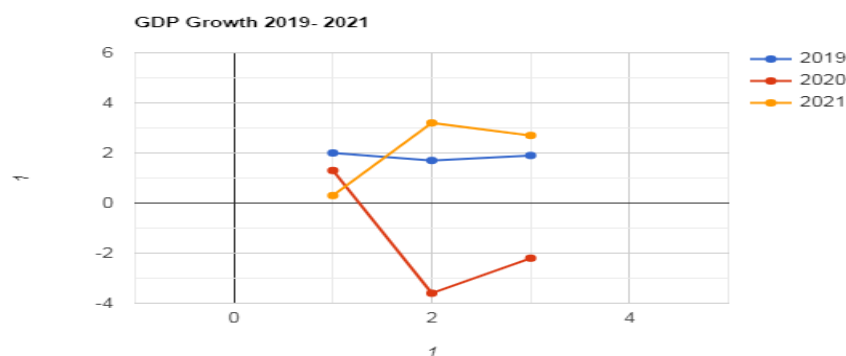
In the aforementioned governorates, quantitative and qualitative research methods were applied for the labour market assessment and the value chain analysis with special focus on labour market needs for refugees and vulnerable Jordanians in the light of the refugees' crises and the recent Covid-19 situation. The analysis also focused on main barriers that face refugees in process of entering and integrating to the Jordanian Labour market, market dynamics and opportunities with emphasis on promising sectors/sub sectors and related skills. Additionally, the value chain analysis aimed at collecting data around support service for MSEs and HBBs including

business financial and mentorship services at local level for the most promising sectors.

### 3. Labour Market Analysis

#### 3.1 Overview of Jordan Economy

Jordan is an uppermiddle-income country with very few natural resources. The economy is highly dependent on foreign aid, remittances and imports, and has a high national debt.<sup>5</sup> Its national debt is one of the highest in the region at over 100% of GDP. Key sectors contributing to the economy are tourism, financial services, transportation, manufacturing and remittances from Jordanians working abroad. Additionally, Jordanians are facing a pressing economic situation where Jordan's GDP per capita has declined since 2009 along with the absence of structural economic reforms that eventually constrained the country's potential.<sup>6</sup> The following chart reflects GDP for the past three years(2019-2021)<sup>7</sup>



Chart(4) GDP Growth for the period 2019-2021

Finally, in recent years, the economic situation has been strained by the instability in the region, the influx of refugees and the covid-19 pandemic.

#### 3.1.1 Jordan economy; general context and structure

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<sup>5</sup><https://www.worldbank.org/en/country/jordan/brief/qa-jordan-country-reclassification> <https://fas.org/sgp/crs/mideast/RL33546.pdf>

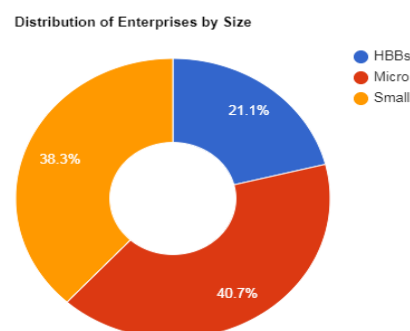
<sup>6</sup><https://globalriskinsights.com/2021/09/stable-but-stagnant-transforming-jordans-economy/>

<sup>7</sup><http://dosweb.dos.gov.jo/?s=GDP>

Jordan economy can be described as stable but stagnant. Since the financial crises of 2009, Jordan has gone through serious reform process to shift the state dominant economy to be private sector oriented. GoJ invested in the regulatory and legal reform, business environment upgrading, infrastructure and technical capacity to enable the private sector to drive the economy and create jobs. Additionally, GoJ launched several strategies and directive actions to encourage investment in key economic sectors like tourism, health, transport, and agriculture. The economy is considered SMEs based economy as 98% exists across the different economic sectors with employment rate around 60%.<sup>8</sup> Additionally, the contribution of SMEs sector with its product to GDP is considered high with estimate of 50% in 2019.<sup>9</sup>

### 3.1.2 Micro Small and home-based businesses characteristics and economic sectors

The development of MSEs is increasingly recognized as important to the economic, social and human development of Jordan and a clear priority of the government. MSEs and HBBs in particular exist at large scale in all governorates and across all economic sectors; trade, industry, agriculture, and services. Survey results showed that most enterprises in the project targeted governorates are micro businesses (40.7%) and small businesses (38.3%).<sup>10</sup>



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<sup>8</sup>Khaled, Abdalla & Al-tamimi, Khaled & Jaradat, Mohammad Sulieman. (2019). THE ROLE OF SMALL MEDIUM ENTERPRISES IN REDUCING THE PROBLEM OF UNEMPLOYMENT IN JORDAN. 28-37.

<sup>9</sup>Ibid

<sup>10</sup>Field survey results, November 2021

### Chart(5) Distribution of Enterprises by Type

Only 3.4% of these businesses have been working for more than 50 years, while 63.2% of the surveyed companies have been operating from 1-9 years. These businesses mainly operate in services, light manufacturing, retail, and restaurants and tourism. Participants in FGDs across the three governorates confirmed that there is high potential for entrepreneurial opportunities in the following occupations/ sub sectors: beauty salons and barber shops, mechanic shops, hydroponic agriculture, restaurants and production kitchens, grocery shops, mobiles and computers' maintenance, and general maintenance.<sup>11</sup>

#### **3.1.3 Micro small and home-based businesses legal framework**

Currently, Central Bank of Jordan & Ministry of Industry provided definitions for SMEs in Jordan and JEDCO led the development of a national Start-up and MSME Strategy. The SME strategy includes a complete policy framework covering six strategic pillars: 1) a more conducive legal and regulatory environment, 2) entrepreneurship awareness and culture building, 3) entrepreneurial skills and business development services, 4) access to finance, 5) innovation and technology adoption/development and 6) market access.<sup>12</sup>

Jordan's wider economic policy is also guided by the Jordan 2025. The strategy sets a number of priorities for private sector development including the improvement of the business environment, increasing the availability of capital for growth, promoting clusters and SMEs. And while Jordan lacks specific legal framework for MSEs and HBBs, these enterprises are covered under the company law (22) of 1997 and its amendments. However, the law doesn't offer preferential treatment to MSEs which is considered challenging for these businesses. However, according to experts, the government is taking serious steps towards the legal reform process yet the reform is taking sectoral approach so companies will benefit from the technical and legal

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<sup>11</sup>FGD results, Amman, Zarqa and Irbid, Nov2021-Jan2022

<sup>12</sup>file:///C:/Users/Admin/Downloads/ManagingQualityinJordan.pdf



incentives if part of key priority sectors.<sup>13</sup>The reform will focus on streamlining the inspection procedures, cancelation of licensing procedures, business cycle speed up and access to finance for companies in the priority sectors such as tourism, clean energy and environment and manufacturing. In recognition of the important role of SMEs to the economy, GoJ has launched the National policy on entrepreneurship that is led by the Ministry of Digital Economy and Entrepreneurship. The policy sets the foundation for a national framework to support startup ventures and entrepreneurs technically and financially. It covers areas related to access to finance and market and the doing business pillar in general. KIIs with government officials<sup>14</sup> confirmed that the existing legal frame is neither conducive nor supportive to MSEs as it treats these enterprises similar to large companies with no proper incentives.<sup>15</sup> Furthermore, there were no standard guidelines to support SMEs as ministries have different priorities; each ministry works solely as per its strategic direction and the coordination is very limited. This in practice, led to further fragmentation in the SMEs support system.<sup>16</sup>

On the other hand, HBB legislation came to support businesses that are mostly owned by women to operate as integral part of the formal economy. The legislation which has been revisited in 2020 was followed by instructions that gave jurisdiction to the local authorities (municipalities) to inspect and license HBBs at local level. The legislation also provided clear guidelines on the business setup, requirements; type of occupations and sector divisions and inspection procedures. However, implementation at local level is always challenged by lack of enabling environment that normally linked with procedures and employees' capacity.

However, 58.3% of employers and entrepreneurs who were interviewed as part of the study confirmed that the registration and licensing process of a business is not that complicated, yet micro businesses believed it is complicated. Nevertheless, 63.7% of all enterprises confirmed that the licensing process at

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<sup>13</sup>KII with ministry of planning and international cooperation, Dec 2021

<sup>14</sup> KIIs with officials from ministry of planning, ministry of labour, ministry of agriculture, ministry of digital economy and entrepreneurship, central bank of Jordan and selected municipalities

<sup>15</sup>KII with ministry of digital economy and entrepreneurship, Jan 2022

<sup>16</sup>ibid

municipal level is complicated especially for the HBBs and micro businesses.<sup>17</sup> And that related licensing cost is costly for them with 26.5% reporting on that. Additionally, 64.7% believed that the current procedures are neither gender sensitive nor inclusive. This finding indicates an important area on the current regulatory system and level of enforcement at local level which requires special attention from local authorities to improve the doing business issue.<sup>18</sup> Finally, when surveyed enterprises were asked about the incentives needed to support the business operation model, 35.5% confirmed the need to have sales tax exemptions and 39.4% general tax exemption.<sup>19</sup>

#### **3.1.4 Micro small and home-based businesses and Employment**

MSEs and HBBs are labour - extensive with about 60% of the total workforce in working in this sector. Workers exist at different vocational, technical and professional jobs. The 2011 General Economic Establishments Census revealed that 66% MSEs have less than 19 employees; employ 70% of the total labor force employed by the private sector. The percentage declined to reach 60% in 2019.<sup>20</sup> 52.5% of surveyed enterprises employed less than 4 (micro and HBBs) while 47.5% employed less than 19 employees. When surveyed enterprises were asked about labour and SSC contribution cost, only 3.4% reported that these costs are problematic.

Due to the current and the post covid-19 situation, these businesses are struggling with their current employment structure, salaries are barely secured and with limited access to credit, pressures are high.<sup>21</sup>

#### **3.1.5 Labour market dynamics and trends for the MSEs and Home-Based Businesses**

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<sup>17</sup>Field Survey results ,November 2021

<sup>18</sup>Ibid

<sup>19</sup>Ibid

<sup>20</sup>Khaled, Abdalla & Al-tamimi, Khaled & Jaradat, Mohammad Sulieman. (2019). THE ROLE OF SMALL MEDIUM ENTERPRISES IN REDUCING THE PROBLEM OF UNEMPLOYMENT IN JORDAN. 28-37.

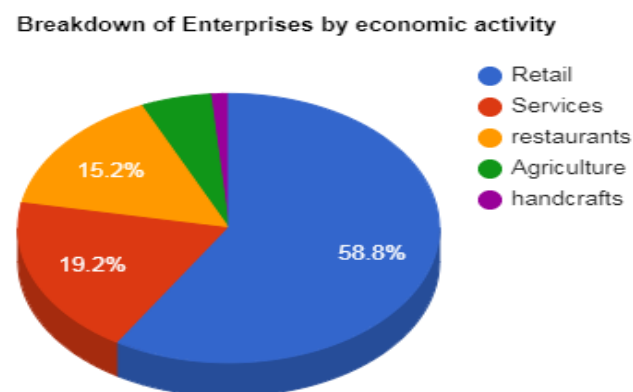
<sup>21</sup>KII with entrepreneurs, Dec 2021-Jan2022

As mentioned earlier, the survey focused on HBBs and MSEs in three governorates, enterprises were not only asked about number of workers but also about the production cost and process. All HBBs and micro businesses confirmed that their production process is purely manual while small enterprises mentioned that only 50% of their production process is being done manually.<sup>22</sup> Being dependent on manual work, makes these enterprises rely on employees' technical and soft skills. It also means that the skill set of workers across the different economic sectors is crucial to maintain and support the day-to-day operations. Finally, this also means that investment in technical skills is very important to support these enterprises. Undoubtedly, future technical support to HBBs and MSEs should focus on skills up grading to improve the production and business operations in general.

### 3.2 Micro small and home-based businesses in Amman, Zarqa and Irbid

#### 3.2.1 Characteristics of micro small and home-based businesses in Amman, Zarqa and Irbid

MSEs and HBBs in the three governorates operate across all economic sectors but mainly in agriculture, retail, services, light manufacturing, restaurants, food productions and hand crafts.



Chart(6) Breakdown of enterprises by economic activity

<sup>22</sup>Field survey results, November 2021

It was clear from the field survey results that retail, restaurants and tourism and agriculture are the key economic activities across the three governorates with very slight variation. The following table reflects the exact economic sub sectors per governorate

| Governorate  | Sector                                      | Sub sector   |
|--------------|---|--|
| <b>Amman</b> | Agriculture<br>4.7%                         | Dairy production,  |
|              | Retail<br>66.7%                             | Grocery shops<br>Clothes shops<br>Cosmetics<br>Mobile<br>Perfumes<br>Electric appliances           |
|              | Services<br>9.5%                            | Computer and mobile maintenance<br>Welding<br>Barbershop<br>General maintenance services<br>Sewing |
|              | Tourism<br>13%                              | Restaurants<br>Coffee shops  |
|              | Hand crafts and light manufacturing<br>6.1% | Hand crafts& accessories   |
| Zarqa        | Agriculture<br>14%                          | Dairy production, Mushroom planting , animal breeding , olive                                      |
|              | Retail<br>66%                               | Grocery shops(8)<br>Clothes & Cosmetics shops /HBBs(12)  |
|              | Services<br>10%                             | Barbershop<br>General maintenance services<br>Day care center                                      |
|              | Tourism<br>10%                              | Restaurants  |
| Irbid        | Agriculture<br>6.7%                         | Dairy production, hydroponics, pomegranate, molasses, olive, dried fruits and vegetables           |
|              | Retail<br>45. %                             | Grocery shops<br>Clothes shops<br>Cosmetics<br>Mobile<br>Construction materials                    |
|              | Services<br>32%                             | Education center<br>Transport<br>Beauty salon  |

|  |                           |  |
|--|---------------------------|--|
|  |                           | Barbershop<br>General maintenance services<br>Sewing |
|  | Tourism<br>13.3 %         | Restaurants<br>Production kitchen                    |
|  | Light manufacturing<br>3% | Hand crafts& accessories<br>Soap making              |

### 3.2.2 Skills and sectors with high potential for employment and entrepreneurship

Field results showed high redundancy and repetition across the aforementioned governorates on areas related to employment and entrepreneurship opportunities. All HBBs are operating in the same economic sectors/ sub sectors. This can be explained by two facts: first that these HBBs are receiving similar technical training from international development agencies and that the selection of business idea is built based on the local market demand. All HBBs when normally start at first are built based on business owner's skills; this even applies for Syrians as well. However, types of businesses that have high potential for employment and entrepreneurship should be linked based on in-depth geographic location analysis. Investment in skills in demand should be done in a holistic approach that focuses on market needs and lack of similar products / services at local level. Current HBBs and MSEs exist in very traditional sectors yet the needs for their products/ services vary between governorates and localities. FGDs results revealed high potential for the following sectors/ sub sectors to train women, youth and PwD to set up business

| Governorate  | Sector              | Sub sector   |
|--------------|---------------------|--|
| <b>Amman</b> | Agriculture         | Dairy production, hydroponics, mushroom farming, dry fruits, medical herbs, bees keeping   |
|              | Retail              | Grocery shops<br>Clothes shops<br>Cosmetics  |
|              | Services            | Computer and mobile maintenance<br>Car maintenance<br>Beauty salon<br>Barbershop<br>General maintenance services<br>Fashion design and Sewing<br>Photography, graphic Design and multimedia<br>E-marketing / commerce<br>Recycling<br>Day care services/HBB<br>Dry cleans for hotels |
|              | Tourism             | Restaurants<br>Production kitchen  |
|              | Light manufacturing | Hand crafts& accessories<br>Crochet and wool knitting<br>Embroidery<br>Soap and cosmetics  |
| Zarqa        | Agriculture         | Dairy production, medical herbs, bees keeping  |
|              | Retail              | Grocery shops<br>Clothes & Cosmetics shops /HBBs   |
|              | Services            | Computer and mobile maintenance<br>Car maintenance<br>Beauty salon<br>Barbershop<br>General maintenance services/ plumbing<br>Sewing<br>Home based Day care<br>Dry clean   |
|              | Tourism             | Restaurants<br>Production kitchen  |
|              | Light manufacturing | Crochet and accessories<br>Soap, perfumes and cosmetics  |
| Irbid        | Agriculture         | Dairy production, hydroponics, pomegranate, molasses, olive, tomato paste, dried sun tomato, vinegar, oregano, medical herbs, bees keeping, new crops  |
|              | Retail              | Grocery shops<br>Clothes shops   |

|  |                     |  |
|--|---------------------|--|
|  |                     | Cosmetics  |
|  | Services            | Computer and mobile maintenance<br>Car maintenance<br>Beauty salon<br>Barbershop<br>General maintenance services/ plumbing<br>Sewing<br>Photography ,Graphic Design and multimedia<br>E-marketing / commerce<br>Recycling and waste management<br>Day care center/HBB<br>Dry clean |
|  | Tourism             | Restaurants<br>Production kitchen  |
|  | Light manufacturing | Crochet and wool knitting<br>Soap, perfumes and cosmetics  |

### 3.2.3 Business services/Providers at local level

MSEs and HBBs need business services to expand and sustain their operations. The business service package normally includes different aspects like self-awareness, technical aspects of the business, how to write proposal, deployment of technology and general project management with focus on purchase order, pricing , packaging, OSH, marketing, QA, storage ,shipping and delivery.<sup>23</sup> These business services are normally offered through the provision of business incubators where MSEs and HBBs can benefit from guidance and mentorship service to support their operations.

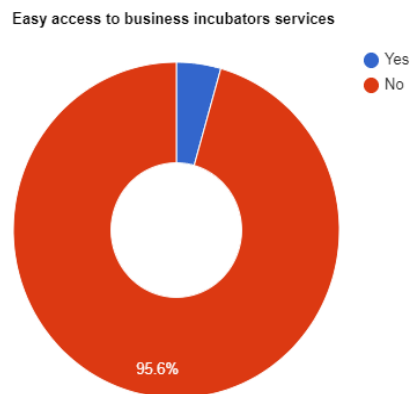
Nonetheless, GoJ has invested heavily in the provision of the business incubators and accelerators through specialized programs. In addition to government, the private sector has also invested in business incubators/accelerators at the chambers level, or through dedicated premises, yet these incubators were mainly specialized in manufacturing, tech Industry and digitalization like Shamal start and Oasis 500 or were ICT based incubators like the ones sponsored by ZAIN, Orange and Umniah.

Yet, the biggest that operates across all governorates is Irada program with 25 centers. And though the highest numbers of Irada centers were in Amman, Irbid and

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<sup>23</sup><http://irada.jo/>

Zarqa, surveyed enterprises reported little knowledge about these business incubators services in their governorates; only 3.9% knew about these incubators. When enterprises were further asked about how easy to access the business incubators services only 4.4% confirmed it was easy.<sup>24</sup>The modest percentage can be interrelated to that fact that majority of surveyed companies are not familiar with the incubation concept hence HBBs MSEs' field of specialty is not in line with the existing business incubator specializations.



Chart(7) Easy access to business incubators services

### 3.2.4 Financial services/Providers at local level

Financial services are considered important pillar for businesses. The importance is even greater when managing MSEs and HBBs since their resistance to shock is fragile. MSEs and HBBs access to finance is always challenged by the high collateral requirements and high interest rates.

In 2016, GoJ launched the financial inclusion strategy to ensure that individuals and businesses are financially included and can easily access financial services and products. The policy worked as a road map to ensure that national efforts are consolidated to support easy access to financial services and reduce the gender gap. CBJ worked with other national and international actors to achieve objectives of

<sup>24</sup> Field survey results, November 2021



the strategy .According to recent CBJ report on the progress towards the financial inclusion, the share of MSMEs loans granted by banks and MFIs increased by 20%. In 2020, the share of SMEs in Gross Loan Portfolio (GLP) of banks reached 12.5%, while the share of micro and small enterprises in GLP of MFIs was 60%.<sup>25</sup> Additionally, CBJ increased the amount of the established fund for guaranteeing start-up loans from JOD 50 to 83 million, and later, added the export sector to be covered in the funding program with other previously selected sectors.<sup>26</sup> CBJ also expanded the definition of small start-up enterprises to cover all small enterprises that have been working for 5 years and less instead of 3 years. Eventually the financial inclusion increased from 33.1% to 50% and the gender gap declined to reach 29% and improved SMEs access to finance from 8% to 11%. This eventually improved Jordan rank for the doing business on getting credit pillar from 134 in 2019 to reach 4 in 2020.<sup>27</sup> Nonetheless, all surveyed companies in the three governorates confirmed that access to finance is very difficult and 99.5% of them indicated that existing financial solutions and requirements does not suit their business operations.<sup>28</sup> This was also confirmed by KIIs, where many believed that strategic direction on MFIs and banks on national level is inclusive, yet in practice CBJ can only encourage MFIs to offer credit to HBBs and SMEs, yet the collaterals and interest rates still high.<sup>29</sup> Furthermore, when businesses were asked about the needed support to maintain and expand their operations 90.7% confirmed the need to financial services/ solutions. This is considered an important element of the value chain for many businesses in the agriculture, services , tourism industry and retail in particular.

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<sup>25</sup><https://www.cbj.gov.jo/EchoBusv3.0/SystemAssets/PDFs/Financial%20Inclusion%20Report%202018%20-2020.pdf>

<sup>26</sup>Sectors covered by the program are industry, tourism, agriculture, renewable energy, information technology, transportation, health, technical and vocational education and engineering consulting. Financial Inclusion report 2018-2020

<sup>27</sup><https://www.doingbusiness.org/en/data/exploreconomies/jordan>

<sup>28</sup>Field survey results, November 2021

<sup>29</sup>KIIs findings in Amman, Irbid and Zarqa Nov 2021-Jan 2022

Breakdown of enterprises that have limited access to finance by type

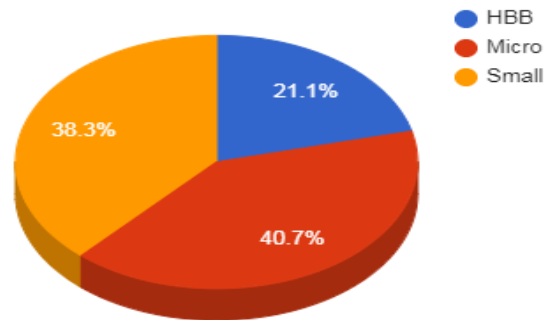


Chart (8) Breakdown of enterprises that have limited access to finance by type

On the other hand, women who participated in the FGDs agreed that the financial management of the business is very stressful; most women cannot manage the financial aspects of a business due to poor technical capacity and multiple social pressures. In addition to that, women did not see the immediate and the long term benefits from having bank and E-wallets accounts for business purposes which considered an important area to be addressed to ensure that women are financially included and benefiting from official financial services; women should be trained on how to open and use financial services in very simple and practical way. Finally, it was clear from the FGDs that women need technical support to acknowledge the importance of having bank accounts, how bank accounts help in managing the different financial aspects of a business, start saving and managing the revenues and collecting their debt and eventually support access to credit and expansion of businesses on the long run.

#### 4. Value chain analysis

##### 4.1 Value chain information at local level for the promising sectors/ governorates

Value chain analysis across the three governorates showed that all enterprises regardless of the size or type of economic activities rely on local markets to support final production of the goods and services. 66.7% of enterprises indicated that production cost is relatively high. The small businesses and HBBs suffered the most because of the high production costs with 73.7% and 72.1% reporting on that while

themicro-ones reported less production burden. When businesses were asked to elaborate more on the production costs, it appeared that raw materials are considered expensive for all businesses with 67.2% reporting on that. A KII with HBB owned by PwD confirmed that inputs like raw materials are expensive and hinder the business ability to respond to demand in the market especially when associated with poor financial capacity which applies to most HBBs and SMEs. When businesses were asked about packaging and how businesses determine type of package, 81.3% confirmed that it depends on the product type itself, so the price was not an issue for the majority of businesses.

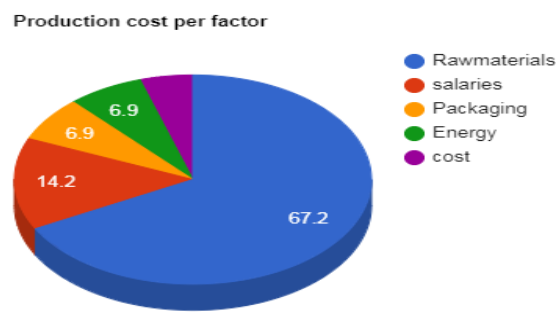


Chart (9) production cost per factor

Securing the raw materials at good price for businesses at local level was also key challenging factor to maintain the production / service process especially during the covid-19 situation. 71.6% of businesses reported securing the raw materials from the local market while 27% confirmed buying the raw materials from merchandisers and commercial dealers. The difficulty was even higher among PwD as reported through KII with a Syrian HBB owner.

*"I make cloth bags for retail businesses and NGOs. Securing the raw materials (the cloth and the threads) is very expensive for me since I make these bag based on demand and on low scale, so when I need to buy the cloth, I normally get it at high prices simply because I don't buy from the wholesale "* **Ammar, Syrian HBB (registered)owner with disability, Sahab –Amman governorate**

Transportation was another area examined to check the level of business efficiency at local level, where 59.8% of businesses confirmed using personal vehicles to support the production and delivery process. Yet one third of micro and small businesses used rented vehicles to secure raw materials for the production process or to receive and deliver goods and services.<sup>30</sup>

Storage was also examined to check if this function is expensive for these businesses. 76.5% of businesses confirmed using in house storage spaces. This can be explained by the small size of production that these businesses normally deal with and limited financial ability for businesses in retail where purchases are made in small quantities. On marketing front, 33.8% of businesses reported that they don't have marketing solutions while 32.4% use billboards and printed commercial materials and 31.4% use direct sales techniques. Yet, E-marketing was not used widely by the surveyed businesses as only 2.5% reported using it.

Finally, MSEs and HBBs are operating at small scale, the production process at all stages mainly depends on manual labour, and this normally affects the cost and eventually the quality of products and services. The value chain for selected key economic activities can be explained as follows

| Economic Activity                             | Value chain analysis  | Recommended actions   |
|---|---|---|
| <b>Agriculture/Dairy production, planting</b> | Input suppliers at local level Pre-post harvest tools,/or direct producers at the neighborhood level. Type of products and local market needs ( boiled milk ,yoghurt white cheese, labaneh) , QA, type of packaging and design of packages, pricing based on packages , storage and delivery for rural and urban wholesalers, retailers, end users/ consumers. Access to MFIs and banking services, | <ul style="list-style-type: none"> <li>• Train on packaging, E-marketing</li> <li>• Support access to credit</li> <li>• Support with Health certificate and FDA approvals,</li> <li>• Facilitate storage, and delivery.</li> <li>• Offer technical training on organic farming ,hydroponics, and food processing</li> </ul> |

<sup>30</sup>Majority of businesses were in retail sector

**Tourism/ restaurants, coffee shops and Production kitchens All types of cooking**

Input suppliers at local level/or direct producers at the neighborhood level.

Type of products and local market needs, QA, type of packaging and design of packages, pricing based on packages, storage, marketing and delivery for rural and urban wholesalers, retailers, end users/ consumers and access to credit

- Train on E- marketing,
- Secure production equipments, Access to technical training on pricing and packaging
- Support to FDA approvals
- Market research
- Access to credit/MFIs

**Retail**

Access to credit and storage and delivery

Business training

- Train on E- marketing,
- Access to technical training on purchase practices and pricing
- Support to FDA approvals
- Market research on local vendors
- Access to credit/MFIs

**Services/Home based day care, beauty salons and barber shops, general maintenance**

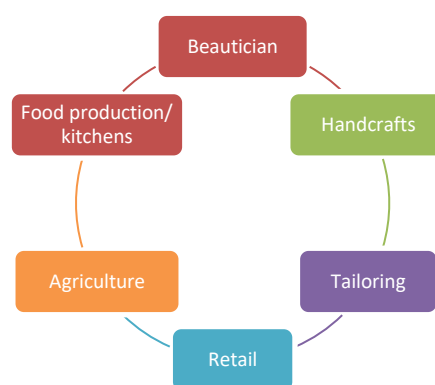
Business and technical training , access to MFIs, marketing the services at local level, infrastructure and furniture and licensing

- Train on E- marketing,
- Access to technical training on purchase practices and pricing
- Financial training
- Support to with licensing approvals
- In-depth vocational and technical training
- Access to credit/MFIs

#### 4.2 Gender sensitive analysis of value chain barriers and opportunities for women and youth with respect to home-based businesses

Jordanian youth are well educated; most have interest in non-conventional fields like design, e-commerce, programming and gaming. Yet there are also good number of youth (Syrians in particular) who are interested in working in traditional sectors but in a non-conventional way like in education, agriculture, commerce and retail. This is normally held through the deployment of ICT technology and usage of the new technology in these conventional sectors. Investing in youth ICT skills to support business value chain analysis and services is an important area to consider especially for HBBs. At the same time, women participation in the Jordanian labor market is low and is estimated around 13.9% in Q2 2021<sup>31</sup> due to several problems; on top of which is the social culture, inadequate transportation and family obligations. Women need full support to ensure their participation in the labor market and benefit from their experience. HBBs are becoming more preferred options for many Jordanian and Syrian women especially the ones living in remote areas.

Results showed there are many HBBs owned by women (Syrians and Jordanians) across the three governorates yet; they work in very conventional sectors/ sub sectors. These sectors are as follows: production kitchens (food preparation of all types), tailoring and embroidery, education, beautician, agriculture, dairy production at small scale (home based level), retail sale and hand crafts including soap making.



Chart(10) Women preferred sectors for HBBs

<sup>31</sup>[http://dos.gov.jo/dos\\_home\\_a/main/archive/unemp/2021/Emp\\_Q22021.pdf](http://dos.gov.jo/dos_home_a/main/archive/unemp/2021/Emp_Q22021.pdf)

There were very few women who reported working in nontraditional occupations / sectors like E-commerce, and agricultural projects like hydroponics. Women explained decision to work in these sectors happened by default as the since it is normally built on personal skills that are gained due to uprising and as part of women's roles and general social norms that set stereotype standards for women in business in general especially for Syrians. FGD results also showed that women lack the technical and financial skills required to take these businesses into the next level. Women appeared to understand the financial aspects of their businesses, yet do not have the required knowledge and skills to support their businesses; most women work on ad hoc basis.

Finally, women indicated major challenges related to access to market and marketing in general. The marketing challenge can be explained and link to many reasons; women work in the same sectors/ occupations at local community level, most of their product/ service market is controlled by the closest social circles and finally , women home businesses operate with very limited budget; this limits their ability to expand and be market responsive. Moreover, the competition with their Syrian peers is heated and information about the business value chain is always missing. While Syrian women work in similar sectors / occupations like their Jordanian peers, yet they only focus on a number of economic sectors/ occupations such as production kitchens, sewing and beautician. Additionally, due to limited social connection and competition with Jordanians, the market potential of these businesses is very limited. Moreover, Syrians living in conservative societies reported having very limited social connection that normally facilitates access to market and reaching out to customers. Syrians also reported that not only marketing is the challenge, but also the social factors that limit their ability to commute and connect. As per the FGD, Syrian women are struggling to find a spot for their products and services; most of them are working informally and some of them are working in closed sectors like beautician. This led to cases of exploitation, wage and age discrimination; areas that were reported widely during the sessions.<sup>32</sup>

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<sup>32</sup>FGD sessions Amman, Zarqa and Irbid Nove2021-Jan2022

Additionally, Syrian women reported challenges related to securing capital, raw materials, equipment and space. Due to these complications, Syrians are working on small scale economic initiatives like production activities, but these activities cannot be described as businesses. Investing in collective projects that connect project through value chain analysis is extremely an important approach that would allow these businesses to overcome challenges related to securing raw materials, design, packaging, marketing, delivery and storage. HBBs working together as one company with different functions/ branches and connecting the HBBs based on their function along the value chain will definitely help these businesses overcome repetition and competition and improve operations and business processes (see the following diagram as an example).

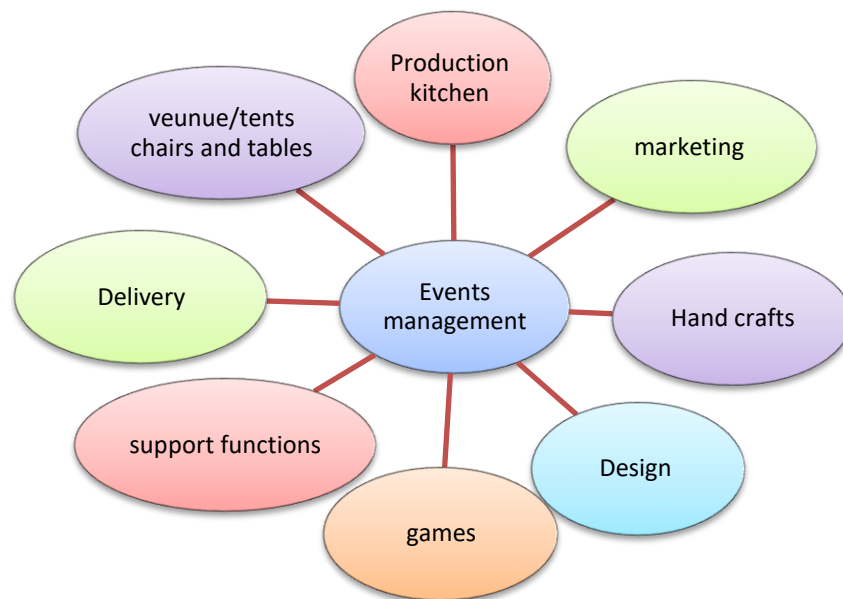


Diagram (1) Value chain example for the event management services

## 5. Effect of the COVID-19 on MSEs and HBBs

In Jordan, the COVID-19 crisis hit the economy and society hard, affected the most vulnerable segments of society and negatively impacted livelihoods and the operations of various economic sectors. In fact, the economic performance declined by -1.6% in 2020 with the services sector being most affected; a sector and that is highly labour-intensive, the COVID-19 crisis resulted in an increase in Jordan's



unemployment rate, which reached a high of almost 23.2% in the 3<sup>rd</sup> quarter of 2021, with a especially high unemployment level experienced by women and youth. The enforcement of lockdown, curfew, and social distancing rules had additional negative effects on the MEs especially the ones located outside the big cities. The economy also contracted, and many workers lost their jobs during the pandemic; Phenix Center estimated that between mid-March and mid-May 2020, 40% of people in Jordan lost their businesses or jobs completely, and 37% of respondents partially lost their businesses or jobs.<sup>33</sup> 76% of businesses reported losses in revenues, sales and demand and 45% faced cash disruption.<sup>34</sup> MSEs and HBBs across Jordan especially in the most remote areas suffered the most. While at the beginning of the crises, the lockdown constraints helped some HBBs to grow and expand like production kitchens due to growing demand on their goods and services, the following months, with growing uncertainty about the economic situation, demand on the goods and services of these businesses decreased and MSEs and HBBs in particular lost their revenues gradually and withdraw from the market. Even the production kitchen sales declined during the pandemic since most were unregistered businesses and mainly depended on local community demand that was negatively affected by the pandemic; as family income declined and eventually demand on these products/services. Additionally, Jordanian women who worked in the hand craft industry in Amman suffered the most; women working in this sub sector reported a shift in their business direction towards new ones with better market potential like production kitchens and beauty centers. Nevertheless, sectors like retail had fluctuated demand due to the pandemic so the economic impact was high on households and families living in Dhlail/Zarqa for example especially Jordanian families as many works in this sector.

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<sup>33</sup>Phenix Center for Economics and Informatics. "Study on the Toll of the Coronavirus Pandemic on Jobs and Businesses in Jordan." 2020, <https://en.phenixcenter.net/coronavirus-pandemic-takes-heavy-toll-on-jobs-businesses-study/>

<sup>34</sup><https://jordan.un.org/sites/default/files/2021-01/COVID19%20Rapid%20Impact%20Assessment%20on%20Micro%20and%20Small%20Enterprises%20Beneficiaries.pdf>

*"I was working in the hand crafts industry; Most of my products are accessories, due to the pandemic situation and the lock down, demand declined and number of customers gradually decreased, marketing of my products became very challenging, I decided to work in a beauty salon to survive the pandemic and secure enough money for my family" **Suhad, Jordanian woman, Hashmi shamali –Amman governorate***

On the other hand, education and E-commerce jobs were affected positively to a certain extend during the pandemic, but number of women who worked in these sectors/ occupations was not that high, so the economic impact was very low on households and families across targeted governorates. Additionally, Jordanian women working in the dairy product sub sector, reported enhanced sales during the pandemic, due to the lock down and inability of dairy producers to market their raw materials (milk); women with technical knowhow on dairy products manufacturing benefited from low milk prices and made demonstrated profits. Finally, Jordanian women with formal businesses like registered production kitchen and beauty centers reported average sales during the pandemic.

## **6. Conclusion**

According to World Bank recent Job Diagnostic report on Jordan in 2019, the Jordanian economy needs to grow by minimum six percent per annum to create sufficient jobs. Unfortunately, the rate is hard goal to be achieved given the current socioeconomic context and the unprecedented challenges. Moreover, sectors that have high economic growth mainly create jobs for low-skilled workers like manufacturing or simply cannot absorb high number of workers like government services. More importantly, Jordanians face significant barriers that prevent them from retaining jobs or maintaining their businesses. To address such challenges, structural reforms for the TVET system, labor market, and the overall business environment are necessary aspects to be tackled to mitigate the unemployment problem in Jordan.<sup>35</sup> Study results revealed that important investment in the business environment, skills up grading, access to finance in particular and value

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<sup>35</sup><https://www.mei.edu/publications/overcoming-unemployment-jordan-need-evidence-based-policies>

chain improvement at both local and national levels should take place to support MSEs and HBBs especially the ones led by women, youth and refugees. In addition to that, macro and micro level actions are required to strengthen the SMEs sector. Macro level includes political and macroeconomic stability, clear and transparent regulations, securing property rights, rule of law, and stable and well-functioning financial markets. Micro level actions on the other hand, include SMEs development agencies and programmes in parallel with streamlined efforts to improve the policy, legal and regulatory environment in which SMEs and HBBs operate.

The following recommendation section reflects in-depth analysis on these particular areas.

## **7. Recommendations**

To tackle the multiplicity and interaction of factors that underpins the growth and competitiveness of SMEs and HBBs, a more coherent, holistic and integrated approach to be deployed to support these businesses, the following are the related recommendations based on the market and value chain analysis for the MSEs and HBBs business environment.

### **Local level recommendations**

- Simplify and facilitate registration and licensing procedures for MSEs and HBBs,
- Develop information kits on registration and licensing procedures for MSEs and HBBs and via different platforms
- Develop comprehensive business coaching service model/incubation services especially for youth, women, PWD and Syrians through the establishment of specialized services unit,
- Revise internal by laws and municipal procedures to improve transparency and accountability and gender sensitivity
- Support new marketing techniques that can be used all year long,

- Revise the current rent rates and offer rented spaces for MSEs at local level especially the ones that were mostly affected by the pandemic.
- Enhance networking services with other line ministries , government agencies and local CBOs to support MSEs especially the ones led by youth
- Improve the role of municipality to adopt networking and partnership techniques to support HBBs especially with private sector companies. This should include direct investment
- Secure venues for physical marketing and organize specialized events at local level on regular basis and promote products/ services on their behalf
- Invest in current spaces owned by municipality to use them to launch collective projects that support women led businesses

#### **INGOs level Recommendations**

- Offer career counseling and soft skills training to improve professional attitude and behaviors of entrepreneurs ,
- institutionalize technical support services unit at municipality to offer market analysis, marketing services and branding,
- Develop full technical support package that include technical training , grants(cash and in-kind), marketing support, branding and packaging,
- Support MSEs and HBBs with market information and value chain analysis at local level to improve and sustain operations,
- Build the technical capacity in the field of marketing and E-commerce
- Advocate for better accountability and transparency practices at local community level for municipality staff and CBOs members

#### **National level recommendations**

- Support advocacy work as part of national efforts to open new sectors / occupations for Syrians especially for the beautician and education sectors
- Revise existing national legislations that permit women exploitation
- Enforce national laws, by laws and other relevant regulations to enhance the role of municipalities to support enabling environment for HBBs and MSEs,

- Encourage the adoption of national accountability and transparency mechanism for municipality work with women led business and HBBs.

### **Promising Sector specific recommendations**

- Support Syrian and Jordanian women with in –depth technical training, certification and accreditation especially in the beautician sector, culinary arts and hand crafts,
- For the agriculture sector, invest in grading, packaging and storage services through specialized centers in the farms,
- Train women and youth in non-conventional sectors and build awareness about the new opportunities arise from these sectors, like in the agriculture sector (dairy production, organic farming hydroponics and aquaponics) and recycling, ICT based technology,
- Focus on the comparative advantage of the agriculture products per each governorate and build series of services based on the product value chain,
- Train Entrepreneurs(women and youth in particular) on setting up new startups that support HBBs and MSEs based on the value chain analysis like merchandising, printing, packaging, marketing, delivery storage and shipping services.
- For the specific business needs , it is important to provide business training on pricing , bookkeeping and general financial literacy
- Train businesses on best ways to explore financial options at local level including the traditional ones like saving groups,
- Offer vocational and technical training for new promising occupations in the services sector like home-based daycare, new techniques in the beautician sub sector (males and females), photography and videography
- Offer technical training on design, multimedia , printing and packaging,
- Introduce ICT based technology solutions and train youth to improve business operations.

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