JORDAN

COVID-19 Impact on Micro-Businesses and Landless Labourers

Final Report

August 2022
The Impact of COVID-19 on Livelihoods: Micro-Businesses and Labourers, August 2022

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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.
INTRODUCTION

Ten years into the Syrian crisis, over 670,000 registered Syrian refugees are still displaced in Jordan and face numerous vulnerabilities, as their savings, assets, and resources are long exhausted. The influx of refugees has also compounded the country’s already slow economic growth, which has been exacerbated by the COVID-19 pandemic. Unemployment rates in Jordan increased sharply in 2020, reaching 25%, and over 50% among the youth. It is estimated that 25% of the rural poor depend on agriculture as a source of income, and the majority of Syrian refugee work permits are issued for agricultural activities. Vulnerable micro- and small-scale businesses in the sector remain constrained by a lack of access to finance and consequently a lack of agricultural production and post-harvesting equipment, lower quality and availability of inputs; use of traditional, rather than environmentally sustainable, farming practices in production and post-harvest handling; and significant competition in domestic and export markets due to unorganised production and limited demand, resulting in product and economic losses. The work of farmers and agricultural landless labourers is often seasonal, thus increasing economic vulnerability due to the lack of year-round income sources, resulting in savings and loan dependency.

This research is conducted as part of a two-year, ACTED-led project seeking to support economic growth and sustainable, diversified income creation in Jordan, funded by the US Bureau for Population, Refugees and Migration (BPRM). This assessment focuses on the impact of the COVID-19 pandemic (lockdown measures and restrictions, and their economic impacts) on agricultural microenterprises, income-generating activities (IGAs), and income-diversification activities. The enterprises and activities selected for this study correspond to four specific occupational groups: farming micro-businesses, food processing micro-businesses, artisanal micro-businesses, and landless labourers.

Two years on from the beginning of the pandemic, this assessment will focus specifically on the impact and implications of COVID-19, in real terms and relative to the other challenges faced by Syrian refugees and vulnerable Jordanians working in the four occupational groups. This research follows on from two recent projects conducted by REACH, assessing the challenges and opportunities of i) micro-businesses operating in 7 governorates, with data collected between November 2019 and May 2020, and ii) within two agricultural value chains in Balqa Governorate, in November 2020. This current assessment is distinct in its nationwide coverage and its dedicated focus on assessing the impact of COVID-19 on micro-businesses in the selected occupational groups.

This assessment uses a mixed-methods approach, combining a review of secondary data focusing on the impact of COVID-19 on livelihoods in Jordan, as well as primary data collection activities focusing on the impact of the pandemic on four occupational groups: farming micro-businesses, food processing micro-businesses, artisanal micro-businesses, and landless labourers.

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2 Jordan Department of Statistics. 2021
4 Incomes are, on average, 300 JOD lower in non-seasonal months.
5 There is no standard definition of a microbusiness. Jordan’s Department of Statistics defines these businesses as having less than 5 employees, while the OECD standardised definition includes businesses with up to 10 employees. This research adopts the latter definition, to be more inclusive of livelihoods programming and to take into account the possible development of microbusinesses over the last two years (at least). Source: OECD (2019) SME Policy Effectiveness in Jordan. User Guide 3. SME Statistics and Entrepreneurship Indicators, OECD Publishing, Paris.
6 Specific definitions for these groups in this study will be finalised following a consultation with collaborating partners during February 2022
micro-businesses, artisanal micro-businesses, and landless labourers. The three primary data collection activities are listed below:

- **A quantitative survey** (n=1544) of landless labourers and individuals responsible (jointly or solely) for micro-business enterprises in Jordan, utilising a non-probability, multi-phased sampling method
- **Key informant interviews** (n=31) with sector experts and representatives of the four occupational groups
- **In-depth qualitative case studies** with individuals from the four occupational groups, focusing on successful adaptations during the COVID-19 pandemic.

This assessment is a nationwide study, covering all 12 governorates in Jordan.

**Key Findings**

**Key Characteristics of Survey Respondents**

Survey respondents working as labourers were more likely to be Syrian and male, under 30 years of age, with a lower level of education, the lowest wealth score, and yet the largest household size. In contrast, artisan respondents were on average the highest educated group with the highest average wealth score, and the lowest household size. Across all groups Syrian refugee respondents had on average a lower level of education and lower wealth score than Jordanian respondents.

51% of the farming micro-businesses surveyed engaged in seasonal production, and 26% kept livestock for business purposes. Food processing businesses surveyed belong to five sub-categories: productive kitchens (36%), dairy products (24%), pickling (16%), sweets (13%), and baked snacks (11%). The artisans surveyed worked in a more diverse range of sub-groups, from handicrafts (40%) and cosmetics (12%), to various goods and services in manufacturing, retail, and other non-agricultural sectors.

Before the declaration of the pandemic, Syrian artisans earned more income from their business than their Jordanian counterparts, on average, and more than the Syrian respondents in the other two micro-business groups. Among Jordanian respondents, average business income was highest among farmers, and lowest among food processors. In fact, **revenue from the majority of food processor respondents contribute a quarter of household income or less (78%)**, whereas revenue from a majority of artisan (83%) and farming (75%) micro-businesses provide at least half of overall household income. It is not possible to verify how many businesses are designed to supplement, rather than drive, household income.

The majority of respondents across the three occupational groups were motivated to start their business because they had prior work experience in that line of work. This is particularly true among food processing respondents (95%). In contrast, the main reason for respondents to work as labourers was a **lack of job opportunities elsewhere (80%)**. Compared to the other groups, artisans were more likely to have started their business due to training they had received, but less likely to suggest there was a lack of other job opportunities available.
The Impact of COVID-19 and Related Measures

The secondary data review reveals that the COVID-19 pandemic, including the restrictive measures and subsequent economic downturn, has had a negative impact on micro-businesses in Jordan, both from a financial and operational perspective. These adverse impacts continued long after the initial lockdown measures, largely because businesses and markets were already in a compromised state before the declaration of the pandemic. Many micro-businesses lack the capital to invest in their business, while Jordan has long suffered from weak markets and low demand. The pandemic led to job losses and reduced working hours throughout the country, further weakening demand.

The vast majority of survey respondents across all four occupational groups reported that the lockdown measures had a ‘very negative impact’ on their household’s financial situation. This was reported by 94% of artisan respondents, compared to 90% of labourers, 89% of farmers, and 81% of food processing respondents. While the survey sample included only those who were working in one of the occupational groups since before COVID-19, the key informant interviews provided more detailed information about the financial impact of the pandemic on the related sectors in general. Revenue fell for the vast majority of micro-businesses and many labouring jobs were lost, and these changes led to the accumulation of household debt, as families struggled to pay rent and bills and meet their basic needs.

The vast majority of farmers (94%) and food processors (74%) were operating at a loss during the pandemic, while most respondents working as labourers reported increased stress levels (78%) and an increase in arguments/conflict at home (6%). The interviews revealed that input costs have significantly increased for each of the micro-business groups, as well as food and fuel prices, while consumer demand has been constrained by a lack of disposable income across the wider population. Overall, fewer artisan respondents reported a negative impact on their household as a result of the pandemic, and almost half (45%) were expecting their working hours to reach pre-pandemic levels within 3 months, compared to 25% of food processors and 19% of farmers. The survey revealed significant uncertainty among farming and labouring respondents about the return to pre-pandemic working hours, and in the interviews this is explained by two major factors: i) the cost and accessibility of inputs (seeds, fertiliser), and ii) environmental factors (seasonality, water scarcity).

Before the pandemic, micro-business respondents tended to sell to individual consumers within their local area (neighbourhood and/or governorate). Very few respondents reported improvements in reaching customers (6% of artisans). Food processing respondents have used social media for marketing purposes at a much greater rate than the other two micro-business groups, with 27% more respondents using social media now compared to before the pandemic. Marketing strategies did not change as much among farming respondents, who tend to sell through personal networks and word-of-mouth, while artisans increased their reliance on personal networks (+12%) and to a limited extent, social media (+3%) and other online platforms (+3%). The qualitative findings suggest that the use of online marketing and e-Commerce is concentrated in urban areas and among younger populations. Social media provides business owners with a means of communicating with customers, not just to advertise products but also to explain the quality of the product and justify any increase in prices.
Financial support was in high demand before the COVID-19 pandemic was declared in March 2020, and this remains the case in 2022. However, respondents with farming (+2%) and artisanal micro-businesses (+12%) also reported an increased need for information. Qualitative findings suggest that artisans continue to demand **product development training**, as well as **business management training**, while a need was also identified for **more centralised support** for the wider sector. This also applies to the agricultural sector, as key informants emphasised that micro-business owners need more information to **respond to policy decisions**, to **ensure product selection is meeting demand**, and **apply for funding opportunities**.

Programming key informants suggested that **encouraging micro-businesses to formally register** with the relevant authorities, and **ensuring non-Jordanian labourers make use of the work permits** available, can help to support the sustainability and durability of these income generation activities. The number of survey respondents operating with valid permits and/or licenses was relatively low, ranging from 3% of food processing respondents to 26% of respondents working as labourers. Findings from community-based key informants suggested that **formalisation processes need to be streamlined and made more affordable**, as many micro-businesses are operating with small profit margins and limited capital. Anecdotally, it seems that the income generated in the informal sector can be more appealing that the income available with formal employment, given the tax and social security implications. However, the qualitative findings also suggested a demand for **information sessions about the process of formalisation**, and the ability to legitimise the business can help to improve relations with customers and the community.

While the immediate threat of COVID-19 to public health appears to have reduced in recent months, significant **uncertainties remain with regards to price stability and economic recovery**. As the livelihoods sector has become a major area of focus for recovery and resilience-building for vulnerable Jordanians and Syrian refugees, more research will be needed to understand the impact of livelihoods interventions post-COVID-19, and how changes in market conditions are affecting income generation activities in specific sectors and occupational groups.
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List of Acronyms

BPRM  Bureau of Population, Refugees and Migration
CBO   Community-based organisation
CFW   Cash for work
GFJTU General Federation of Jordanian Trade Unions
HBB   Home-based business
IGA   Income-generating activity
ILO   International Labour Organisation
JOD   Jordanian dinar
JRP   Jordan Response Plan
KI    Key informant
KII   Key informant interview
MSME  Micro, small and medium enterprise
SME   Small and medium enterprise
UNHCR United Nations High Commissioner for Refugees
UNICEF United Nations Children’s Fund
WANA  West Asia and North Africa Institute

Geographical Classifications

Governorate  Highest form of governance below the national level
District     Highest administrative areas within each governorate
Sub-District Districts are divided into sub-districts

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INTRODUCTION

Ten years into the Syrian crisis, over 670,000 registered Syrian refugees\(^7\) are still displaced in Jordan and face numerous vulnerabilities, as their savings, assets, and resources are long exhausted. The influx of refugees has also compounded the country’s already slow economic growth, which has been exacerbated by the COVID-19 pandemic. Unemployment rates in Jordan increased sharply in 2020, reaching 25%, and over 50% among the youth.\(^8\)

It is estimated that 25% of the rural poor depend on agriculture as a source of income, and the majority of Syrian refugee work permits are issued for agricultural activities.\(^9\) Vulnerable micro- and small-scale businesses in the sector remain constrained by a lack of access to finance and consequently a lack of agricultural production and post-harvesting equipment, lower quality and availability of inputs; use of traditional, rather than environmentally sustainable, farming practices in production and post-harvest handling; and significant competition in domestic and export markets due to unorganised production and limited demand, resulting in product and economic losses. The work of farmers and agricultural landless labourers is often seasonal, thus increasing economic vulnerability due to the lack of year-round income sources,\(^10\) resulting in savings and loan dependency.

This research is conducted as part of a two-year, ACTED-led project seeking to support economic growth and sustainable, diversified income creation in Jordan, funded by the US Bureau for Population, Refugees and Migration (PRM). This assessment focuses on the impact of the COVID-19 pandemic (lockdown measures and restrictions, and their economic impacts) on agricultural microenterprises, income-generating activities (IGAs), and income-diversification activities.\(^11\) The enterprises and activities selected for this study correspond to four specific occupational groups: farming micro-businesses, food processing micro-businesses, artisanal micro-businesses, and landless labourers.\(^12\)

Two years on from the beginning of the pandemic, this assessment will focus specifically on the impact and implications of COVID-19, in real terms and relative to the other challenges faced by Syrian refugees and vulnerable Jordanians working in the four occupational groups. This research follows on from two recent projects conducted by REACH, assessing the challenges and opportunities of i) micro-businesses operating in seven governorates, with data collected between November 2019 and May 2020, and ii) within two agricultural value chains in Balqa Governorate, in November 2020. As with this 2022 assessment, both previous assessments sought to provide livelihood actors with evidence-based insight to influence their programming in the coming years. However, this current assessment is distinct in its nationwide coverage and its dedicated focus on assessing the impact of COVID-19 on micro-businesses in the selected occupational groups.

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\(^7\) UNHCR (2022) Syrian Refugees in Jordan, January.
\(^8\) Jordan Department of Statistics. 2021
\(^10\) Incomes are, on average, 300 JOD lower in non-seasonal months.
\(^11\) There is no standard definition of a microbusiness. Jordan’s Department of Statistics defines these businesses as having less than 5 employees, while the OECD standardised definition includes businesses with up to 10 employees. This research adopts the latter definition, to be more inclusive of livelihoods programming and to take into account the possible development of microbusinesses over the last two years (at least). Source: OECD (2019) SME Policy Effectiveness in Jordan. User Gudie 3: SME Statistics and Entrepreneurship Indicators, OECD Publishing, Paris.
\(^12\) Specific definitions for these groups in this study will be finalised following a consultation with collaborating partners during February 2022
The questions guiding this research are listed below:

1) **What are the key characteristics of Syrian refugee and Jordanian landless labourers, and the micro-businesses established by Syrian refugees and Jordanians?**
   a. What are the characteristics - socioeconomic situation, education level, type of work - of Syrian refugees and Jordanians who operate micro-businesses or work as landless labourers?
   b. What products or services do micro-businesses provide?
   c. What are the motivations for Syrian refugees and Jordanians to start their line of work?

2) **What is the impact of the COVID-19 pandemic on landless labourers/micro-businesses in terms of their sustainability and durability?**
   a. To what extent and in what way has the pandemic impacted revenue, cashflows, expenditures, and the livelihoods of those within the occupational groups?
   b. To what extent and in what way has the pandemic impacted business operations, and what adaptations have landless labourers and micro-businesses endured as a result?
   c. To what extent and in what way has the pandemic impacted the wider households of micro-business owners and landless labourers, due to a loss of income and/or business adaptations?

3) **What forms of mitigation can humanitarian and development stakeholders take to support the sustainability and durability of micro-businesses and landless labouring in the next 1 to 2 years?**
   a. What do Syrian refugees and Jordanians need to continue and improve existing micro-businesses?
   b. To what extent and in what way have the perspectives of those within the occupational groups changed since the beginning of the pandemic (March 2020), in terms of individual future plans and the prospects for the wider sector(s)?

This report provides a detailed description of the methodology and why it was chosen, and then outlines the key assessment findings, organised into the following sections:

1) Financial Impact of COVID-19
2) Operational Impact of COVID-19
3) Changes in Market Conditions
4) Current Needs and Information Gaps
5) Future Prospects
METHODOLOGY

Methodology Overview

This assessment uses a mixed-methods approach, combining a review of secondary data focusing on the impact of COVID-19 on livelihoods in Jordan, as well as primary data collection activities focusing on the impact of the pandemic on four occupational groups: farming micro-businesses, food processing micro-businesses, artisanal micro-businesses, and landless labourers. The three primary data collection activities are listed below:

- A **quantitative survey** of landless labourers and individuals responsible (jointly or solely) for micro-business enterprises in Jordan
- **Key informant interviews** with sector experts and representatives of the four occupational groups
- **In-depth qualitative case studies** with individuals from the four occupational groups, focusing on successful adaptations during the COVID-19 pandemic.

This assessment is a nationwide study, covering all 12 governorates in Jordan.

Sampling Strategy

A non-probability sampling method was employed for this assessment. Without extensive contact lists of micro-businesses and landless labourers in Jordan, the methodology relied upon a series of beneficiary contact lists from different organisations implementing livelihoods projects in Jordan, and this was supplemented by remote and in-field snowballing techniques to increase the sample size. The target sample size for each sector followed the following logic:

- Identification of an approximate population size for each occupational group (or assume population size of 100,000) per governorate
- Calculate the equivalent sample size required for representative data collection of each group at the national level (95% confidence and 5% margin of error)
- Aim for at least 10 surveys per governorate per occupational group (adjusted sample size).

The table below provides a breakdown of the sample targets for each group, and per governorate:

<table>
<thead>
<tr>
<th>Micro-Business/Occupation</th>
<th>Farmers</th>
<th>Food Processors</th>
<th>Artisans</th>
<th>Landless Labourers</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population estimate</td>
<td>107,707</td>
<td>4,780</td>
<td>100,000</td>
<td>31,363</td>
<td>N/A</td>
</tr>
<tr>
<td>Preliminary sample size (95/5)</td>
<td>383</td>
<td>356</td>
<td>384</td>
<td>380</td>
<td>1503</td>
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<tr>
<td>Adjusted sample size target</td>
<td>391</td>
<td>371</td>
<td>391</td>
<td>391</td>
<td>1554</td>
</tr>
</tbody>
</table>

13 Sample of farmers per governorate is based on the geographical location of Jordan’s 107,707 farmers. Source: [Department of Statistics, Agricultural Census 2017](#).
14 Sample of food processors per governorate is based on the geographical location of Jordan’s 4780 food product manufacturing establishments. Source: [Department of Statistics, Establishments by Economic Sector and Governorate, 2018](#).
15 As a proxy indicator, the sample of artisans is based on the overall population of Jordan per governorate. Source: [Department of Statistics, Estimated Population, 2020](#).
16 Sample of landless labourers per governorate is based on the geographical location of Jordan’s 31,363 agricultural labourers (permanent hires). Source: [Department of Statistics, Number and Area of Agricultural Holdings Reporting Using Labour and Total Area Size Class of the Holding, Jordan, 2017](#).
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The list of prospective participants for the quantitative survey was derived from a three-phased approach.

1. Initially, REACH secured the support of numerous livelihoods actors, who shared contact lists of programme beneficiaries and applicants who have been working in one of the four occupational groups since before the declaration of the COVID-19 pandemic in March 2020.

Due to the fact that livelihoods actors have different definitions and eligibility criteria for their livelihoods programmes, the four occupational groups were not defined a priori by REACH, in order to maximise the number of actors able to collaborate in the research. An overview of the participants and their businesses is provided in the Findings section, under Sample Demographics. In general, the sample is biased towards micro-business and labourers that applied for external support and were deemed eligible for support by the actors that collaborated in this research.

2. The second phase of the sampling strategy involved a snowballing technique: each participant was asked at the end of the survey to nominate individuals within their personal or business networks for participation in the study.

In addition to increasing the number of potential survey participants, the snowballing strategy also provided the possibility to ensure a more even distribution of the sample across the 12 governorates, as well as among both males and females, Jordanians and Syrians. It also provided a way of including non-beneficiaries of livelihoods programmes, in addition to the beneficiaries provided to the research team in phase one. After reviewing the progress of data collection each day against the sampling framework, enumerators were asked to prioritise specific governorates, nationalities, and genders during the snowballing section of the survey. The snowballing strategy also helped to reduce the bias towards the beneficiaries and applicants of collaborating partners, introduced by the first phase of the sampling approach.

<table>
<thead>
<tr>
<th>Governorate</th>
<th>Farmers (^{17})</th>
<th>Food Processors (^{18})</th>
<th>Artisans (^{19})</th>
<th>Landless Labourer (^{20})</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Irbid</td>
<td>125</td>
<td>93</td>
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<td>86</td>
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<tr>
<td>Aqaba</td>
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<td>10</td>
<td>10</td>
<td>10</td>
<td>40</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>391</strong></td>
<td><strong>371</strong></td>
<td><strong>391</strong></td>
<td><strong>391</strong></td>
<td><strong>1554</strong></td>
</tr>
</tbody>
</table>

\(^{17}\) Sample of farmers per governorate is based on the geographical location of Jordan’s 107,707 farmers. Source: Department of Statistics, Agricultural Census 2017.

\(^{18}\) Sample of food processors per governorate is based on the geographical location of Jordan’s 4780 food product manufacturing establishments. Source: Department of Statistics, Establishments by Economic Sector and Governorate, 2018.

\(^{19}\) As a proxy indicator, the sample of artisans is based on the overall population of Jordan per governorate. Source: Department of Statistics, Estimated Population, 2020.

\(^{20}\) Sample of landless labourers per governorate is based on the geographical location of Jordan’s 31,363 agricultural labourers (permanent hires). Source: Department of Statistics, Number and Area of Agricultural Holdings Reporting Using Labour and Total Area Size Class of the Holding, Jordan, 2017.
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3. The final phase focused on in-person data collection, targeting governorates under-represented by the first two phases.

It was anticipated that the snowballing strategy (Phase 2) would identify new participants from the same or nearby locations as the participants who nominated them, which introduced the risk of gaps in the sampling framework for specific governorates. Towards the end of data collection, enumerators conducted in-person data collection in under-represented governorates, following a snowballing strategy that targeted agricultural/rural areas (farming, landless labourers) and more populous areas (food processing, artisans).

The survey data was also analysed regularly during data collection in order to identify participants from across the three micro-business groups eligible for follow-up, **in-depth case studies**. The selection criteria for these participants are listed below:

- Participants in the quantitative survey, who registered their interest in a follow-up interview
- Participants that provided information in the survey (or to the enumerator) about successful adaptations of the micro-business during the pandemic.
- At least two participants from each of the three micro-business groups
- At least two participants from each region of Jordan (North, Middle, South).

Participants in the **key informant interviews** were also purposively selected, and the target sample included:

- 4 Livelihoods programme managers from international and national non-government organisations (INGOs, NGOs), with expertise relating to at least two of the four occupational groups, at the regional level (North, Middle, South of Jordan). These informants are referred to in the report as **Programming Key Informants**.

- 24 individuals with knowledge about at least one of the four occupational groups in a given area. These informants are referred to in the report as **Community-Based Key Informants**:
  - Staff members of local associations and community-based organisations (CBOs)
  - Micro-business owners and labourers nominated by local associations or CBOs.

**Data Collection Methods**

The **quantitative survey** collected predominantly individual-level data about the impact of the COVID-19 pandemic on the participants, their businesses, and their households. The survey collected the following information:

- Participant and household demographics
- The financial impact of COVID-19 on their business/labouring activities
- The operational impact of COVID-19 on their business
- The impact of COVID-19 on their household
- The current needs of their business/the labourer
- Their future plans for the business/of the labourer.

Survey data collection was primarily phone-based, conducted via a call centre using KOBO software. The call centre was supplemented by limited in-person data collection (phase 3 of the sampling strategy). Survey data was collected across six weeks in two phases, with a break during the month of Ramadan:

- 27th February - 31st March 2022
- 8th May – 12th May 2022.
Table 2 below shows the breakdown of survey participants by occupational group and data collection method. In-person data collection for artisans was not needed, as the target number of surveys had been achieved via the first two methods. The snowballing method proved essential to achieving the overall target, representing 40% of all valid survey responses.

Table 2 Valid surveys by data collection method

<table>
<thead>
<tr>
<th>Group</th>
<th>Partner Contact Lists</th>
<th>Snowballing</th>
<th>In-Person</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farming</td>
<td>225</td>
<td>116</td>
<td>49</td>
<td>390</td>
</tr>
<tr>
<td>Food Processing</td>
<td>169</td>
<td>190</td>
<td>14</td>
<td>373</td>
</tr>
<tr>
<td>Artisans</td>
<td>192</td>
<td>217</td>
<td>-</td>
<td>409</td>
</tr>
<tr>
<td>Landless Labourers</td>
<td>242</td>
<td>103</td>
<td>37</td>
<td>382</td>
</tr>
<tr>
<td>Total</td>
<td>828</td>
<td>626</td>
<td>100</td>
<td>1554</td>
</tr>
</tbody>
</table>

Table 3 below provides a breakdown of the survey respondents by gender and nationality. In line with expectations, the sample of landless labourers was mostly male and Syrian, and the sample of food processors was mostly women of both nationalities. More sample demographic information is provided in the Findings section below.

Table 3 Valid surveys by gender and nationality

<table>
<thead>
<tr>
<th>Group</th>
<th>Male</th>
<th>Female</th>
<th>Jordanian</th>
<th>Syrian</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farming</td>
<td>225</td>
<td>165</td>
<td>233</td>
<td>157</td>
<td>390</td>
</tr>
<tr>
<td>Food Processing</td>
<td>34</td>
<td>339</td>
<td>209</td>
<td>164</td>
<td>373</td>
</tr>
<tr>
<td>Artisans</td>
<td>200</td>
<td>209</td>
<td>235</td>
<td>174</td>
<td>409</td>
</tr>
<tr>
<td>Landless Labourers</td>
<td>329</td>
<td>53</td>
<td>35</td>
<td>347</td>
<td>382</td>
</tr>
<tr>
<td>Total</td>
<td>788</td>
<td>766</td>
<td>712</td>
<td>842</td>
<td>1544</td>
</tr>
</tbody>
</table>

The key informant interviews with Programming and Community-Based Key Informants were conducted between 10th – 23rd May 2022. A demographic breakdown of these informants, in terms of their gender, group focus and regional focus, are detailed in Table 4.

Table 4 Key informant interviews

<table>
<thead>
<tr>
<th>Group</th>
<th>Male</th>
<th>Female</th>
<th>North</th>
<th>Middle</th>
<th>South</th>
<th>Multiple Regions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multi-Sector</td>
<td>4</td>
<td>5</td>
<td>1</td>
<td>3</td>
<td>1</td>
<td>4</td>
<td>921</td>
</tr>
<tr>
<td>Farming</td>
<td>4</td>
<td>0</td>
<td>2</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Food Processing</td>
<td>2</td>
<td>7</td>
<td>3</td>
<td>4</td>
<td>2</td>
<td>0</td>
<td>9</td>
</tr>
<tr>
<td>Artisans</td>
<td>4</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>Landless Labourers</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td>15</td>
<td>16</td>
<td>9</td>
<td>10</td>
<td>7</td>
<td>5</td>
<td>31</td>
</tr>
</tbody>
</table>

21 3 of the multi-sector interviews focused on the agricultural sector (both farming and labouring), 2 interviews on the food processing and artisanal groups, and 4 interviews on all four occupational groups.
The case study interviews were also conducted between 10th – 23rd May 2022. The inclusion of qualitative case studies allowed for a more in-depth understanding of the experiences of individual micro-business owners during the pandemic, with a focus on the challenges they encountered as a result of the pandemic and the adaptations they made to help continue their business activities. Table 5 provides an overview of the case studies, which can be found throughout this report.

Table 5 Qualitative case studies

<table>
<thead>
<tr>
<th>Case Study</th>
<th>Nationality</th>
<th>Gender</th>
<th>Location</th>
<th>Group</th>
<th>Specialism</th>
</tr>
</thead>
<tbody>
<tr>
<td>Um Bilal</td>
<td>Jordanian</td>
<td>Female</td>
<td>Balqa</td>
<td>Farmer and Food Processor</td>
<td>Pickles, Dairy, Olives, and Sumac</td>
</tr>
<tr>
<td>Um Thoqan</td>
<td>Jordanian</td>
<td>Female</td>
<td>Balqa</td>
<td>Farmer and Food Processor</td>
<td>Pickles, Dairy, Makdous, Jams, Vinegar</td>
</tr>
<tr>
<td>Um Firas</td>
<td>Jordanian</td>
<td>Female</td>
<td>Tafileh</td>
<td>Food Processor turned Farmer</td>
<td>Fruits, Flowers, House Plants</td>
</tr>
<tr>
<td>Ismail</td>
<td>Syrian</td>
<td>Male</td>
<td>Mafraq</td>
<td>Farmer</td>
<td>Beekeping</td>
</tr>
<tr>
<td>Rana</td>
<td>Syrian</td>
<td>Female</td>
<td>Irbid</td>
<td>Artisan</td>
<td>Specialised Cleaning</td>
</tr>
<tr>
<td>Abu Ameen</td>
<td>Syrian</td>
<td>Male</td>
<td>Irbid</td>
<td>Food Processor</td>
<td>Falafel, Foul, Hummus, Makdous, Pickles</td>
</tr>
</tbody>
</table>

Analysis

Two different survey tools were created for i) landless labourers and ii) the three types of micro-business, in order to account for differences in individual and business-related impacts. Comparisons were made between all four groups in cases where the indicators are unchanged across the two tools, while a separate analysis was conducted for all other indicators.

The analysis focuses predominantly on reported differences between respondents from the four occupational groups. The data was also disaggregated and analysed according to the gender and nationality of the participants of each occupational group, however, the findings were largely consistent across both genders and nationalities, suggesting that the impact of the COVID-19 pandemic depended more on the occupational group as opposed to the demographics of the participant. This is reflected in the analysis included in the Findings section below.

Analysis of the key informant interviews was divided into two population groups: i) livelihoods programme staff and ii) local association/CBO staff members and nominated individuals. This provides differentiation between informants with a more holistic and strategic view of the livelihoods sector on the one hand, and informants with more localised, direct experience of the impact of the pandemic on these occupational groups on the other. Key findings were recorded based on the themes below, which reflected the structure of both the interview and the quantitative survey questions:

- The financial impact of COVID-19 on businesses and households
- The operational impact of COVID-19 on businesses
- Changes in the market conditions for each occupational group
- The current needs of businesses and information gaps
- The future prospects for each occupational group.
The gender and nationality of the key informants were recorded, as well as the region and occupational group represented by the informant, and the analysis is structured according to these indicators where feasible.

Challenges and Limitations

- The eligibility criteria of livelihoods programming differ according to the interests of donors and implementing partners, as well as the level of funding available. Therefore, it was not possible to accurately define each occupational group and/or micro-business before the start of data collection. Collaborating actors were asked to provide contact lists for the four occupational groups, however they choose to define them. Each respondent was then asked to self-define the occupational group in which they work, and only those who identified as a member of one of the four occupational groups were asked to continue with the survey. A final step of verification involved asking key informants how they define micro-businesses and what selection criteria they use/are aware of.

These findings can be summarised as follows:

- A form of entrepreneurship and/or self-employment
- Often home-based, or using a small workshop or shared space (e.g., in a local association)
- 2-5 workers, potentially up to 15 depending on the type of work during peak seasons
- Home-based, or in a small shop, or hosted by a local association
- Low-cost production with minimal startup capital required (no more than 1000 JOD)
- Profit less than 400 JOD/month, often substantially less (sometimes 5 JOD/day)
- Assets less than 500 JOD/month (home-based) or 1000 JOD/month (not home-based)
- For agricultural micro-businesses, no more than 5, 10 or 15 dunums (depending on the crop)

- This assessment aimed to survey a similar number of males and females, and Jordanians and Syrians, for each occupational group. However, and in line with expectations, the sampled populations were heavily skewed towards one gender and, in some cases, one nationality. For example, 91% of participants from food processing micro-businesses were female, while landless labouring participants were largely male (86%) and Syrian (91%). One of the advantages of the snowballing methodology was to help increase the sample of under-represented sub-populations. However, it must be acknowledged that, with the exception of artisans, these occupational groups tend to involve gendered occupations filled by a majority of either Syrian or Jordanian workers.

- As it was not possible to determine the population size and location of the four occupational groups, data collection was largely dependent on the collaboration of actors working on livelihoods programming in Jordan. The survey sample is therefore likely to under-represent labourers and micro-business owners who do not apply for support from external livelihoods programming. Furthermore, survey respondents are more likely to have received support from external actors (whether financial, operational, etc.) than individuals from the occupational groups that are not included in the sample. It can also be argued that some of Jordan’s most vulnerable populations, who are disadvantaged by geographical remoteness and/or social marginalization, may not have been reached by livelihoods actors. It is expected that the impact of COVID-19 on beneficiaries may be less severe than the impact on non-beneficiaries. While this limitation has been partially mitigated by the use of remote and in-person snowballing exercises, the findings reported below are indicative of the target populations.
• Part of the selection criteria for survey participants was that they had been working in their occupational group since before March 2020. This means that the research excludes individuals who began their business/labouring work after March 2020, or have left this line of work in recent years. This selection criterion is justified in that the survey sought to understand the longer-term impact of COVID-19 on the occupational groups in order to inform the future programming of livelihoods actors supporting these individuals. In order to understand the dynamics of each occupational group in greater detail, in terms of people leaving/entering these groups during COVID-19, this information was collected through the key informant interviews.

• Data collection was paused during the month of Ramadan (April 2022), due to an anticipated lack of availability among the occupational groups and/or a lack of willingness to participate. This delay may have caused changing circumstances for the target populations, although this is somewhat mitigated by the fact that participants were asked to compare their current situation with their situation before the declaration of the pandemic in March 2020. It is assumed that any changes between March and May 2022 in participants’ situation will be relatively small when compared to their situation before the pandemic, and seasonal changes are unlikely to apply.
FINDINGS

Secondary Data Review

Micro-Businesses in Jordan

Several studies have acknowledged the importance of small businesses to the Jordanian economy in the decade prior to the COVID-19 pandemic. In 2019, it was reported that 97% of businesses in the private sector in Jordan were classified as small and medium enterprises (SMEs), and these businesses are thought to constitute 40-50% of GDP. Micro-businesses are sometimes included in assessments and reports on SMEs in Jordan, or they tend to be distinguished from small enterprises by their number of employees. However, the numbers vary depending on the organisation in question. According to the Ministry of Industry and Trade in Jordan, micro-businesses have less than 10 employees, which the Jordan Department of Statistics recognises to constitute almost 96% of all active economic establishments in Jordan in 2018. As a result, micro-businesses are viewed as a major driver of income generation and growth. This assessment focuses on micro-businesses exclusively, and small or medium-sized businesses are considered outside the scope of this research.

The Jordan Response Plan (JRP) for the Syria Crisis 2020-2022 includes support for SMEs and Home-Based Businesses (HBBs) under the Livelihoods sub-sector of Economic Empowerment interventions. Micro-businesses and labourers are implicated in the JRP’s four sector specific objectives:

1. Improve short-term self-reliance measures and short-term job opportunities
2. Increase access to formal employment, meeting decent work and protection standards
3. Increase support to entrepreneurs to develop and scale market-driven businesses with an improved enabling environment
4. Increase the capacity of national and local institutions to promote sustainable development and long-term growth.

Due to the economic significance of micro-businesses in Jordan, various humanitarian and development actors have engaged in livelihood projects and advocacy work to help grow the sector, through financial and operational support, skills development, information sharing, and legal and regulatory reform. While not specific to Jordan, a systematic review in 2014 of interventions targeting micro-businesses and SMEs provided an important overview of the impact and potential challenges of such projects. The points below outline some of the key challenges to consider when seeking to support micro-businesses in Jordan:

- Creating new businesses tends to be easier than expanding existing businesses
- There is a lack of data on business survival in the long-term, due to short project follow-up periods

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25 Department of Statistics. Table 17: No. of Active Establishments by Economic Sector and Employees Category. 2018.
• Single interventions (e.g. improving skills, without funding) may lead to short-term improvements, such as improved management practices and short-term sales performance, but tend to be ineffective in terms of longer-term objectives, such as business investment and job creation.

These challenges are well understood by livelihood actors operating in Jordan. As per the four JRP objectives, many livelihood programmes follow a market-based approach, with multi-faceted objectives related to sustainable employment opportunities and fostering resilience and self-reliance, through a combination of demand-driven vocational training, mentorship and networking, and financial support.29

Syrian Refugees in the Labour Market

Before the declaration of the pandemic in March 2020, Syrian refugees in Jordan were closed off from employment in all but five sectors; agriculture, construction, food and beverage services, manufacturing, and wholesale and retail trade.30 Since November 2018, Syrian refugees have had the right to register micro-businesses in food processing, handicrafts and tailoring.31

In July 2021, more than a year after the declaration of the pandemic, the right to work for Syrian refugees was extended to all sectors open to non-Jordanians. While agricultural work permits continued to be issued by agricultural cooperatives, refugees became eligible for flexible work permits in other sectors through the General Federation of Jordanian Trade Unions (GFJTU), and permitholders were incorporated into social security.

In 2021, a record 62,000 Syrian refugees were issued work permits in Jordan, including a record number of flexible work permits (31,000). Despite this progress, the United Nations High Commissioner for Refugees (UNHCR) and other livelihood actors continue to advocate for increased employment opportunities for both Syrians and Jordanians.32

Pre-COVID-19 Challenges

Before the declaration of the pandemic in March 2020, several assessments were conducted on the challenges faced by micro-businesses and SMEs in Jordan. A study in 2019 surveyed 309 businesses in Jordan, 67 of which (22%) were defined as micro-businesses (less than 5 employees). The study reported the following financial challenges of micro-business respondents:

• 71% need more capital within the next six months, whether to sustain or increase production
• Recently received loans were approximately 20% below the amount required
• 46% faced constraints accessing capital, compared to 31% of SMEs and 8% of large enterprises.
• 40% of micro-businesses borrow from family and/or friends

In terms of business operations, micro-business respondents were:

• less likely to have bank account access (81%), compared to SMEs (95%)
• less likely to maintain certified balance sheets and profit/loss statements (57%, compared to 90% SMEs)
• significantly less likely to import inputs (30%) or export products (28%), compared to SMEs (approximately 50% import, 50% export).

32 UNHCR. Jordan Issues Record Number of Work Permits to Syrian Refugees. 25 January 2022.
These findings are corroborated by a report published by REACH in August 2020, presenting assessment findings related to home-based businesses across different sectors of the Jordanian economy. Survey findings from data collected before the pandemic found that:

- 86% of respondents needed funding, mainly in order to purchase equipment (91%) or business inputs (45%)
- 78% of respondents earn less than 100 JOD/month in profit, with more than half reporting profits of less than 50 JOD/month
- 40% of respondents reported that unexpected costs were the biggest challenge to sustaining the business, followed by competition in the sector (37%), and a lack of equipment (32%)
- Sale opportunities are largely created through word-of-mouth (81%) and personal networks (74%), while the role of social media in sales remains limited (29%).

Overall, the findings of these two multi-sector studies suggest that micro-businesses faced significant financial challenges before the declaration of the pandemic, with a lack of capital, limited income-generation, and limited access to finance causing a barrier to business development. The findings also suggest that micro-businesses face broader operational challenges, such as a lack of penetration of markets beyond the local community or their personal networks.

A GIZ study from 2019 of the food processing sector in Jordan explained that micro-businesses and SMEs struggle to compete with international companies, due primarily to limited access to finance and business development services. 80% of the sector is made up of micro-businesses, which survive on marginal profits. The authors report that the sector lacks a specialised business association to strengthen its advocacy work in a competitive Chamber of Industry, dominated by other sectors. In addition, micro-businesses are significantly under-represented in the Chamber of Industry and Chamber of Commerce. While the food processing sector were included in the Jordan Vision 2020 Initiative, launched in 2006, only 40% of decisions within the Initiative had been implemented by 2018. As a result of these findings, and in addition to increasing representation of micro-businesses within national fora, the study makes the following recommendations to overcome specific challenges facing food processing businesses:

- Develop e-commerce platforms to improve access to export markets and reduce associated costs
- Reform Technical and Vocational Education and Training to meet the skills requirements of beneficiaries (most notably regarding food safety, marketing, and laboratory techniques)
- Foster an enabling environment through import taxation, trade agreements, and contractual schemes between industries and farmers
- Establish a food board for sector-wide collaboration.

In terms of agricultural labourers, a study by the International Labour Organisation (ILO) in 2018 surveyed 1125 Syrian workers and their employers in Mafraq and Irbid governorates. The study reported that 55% of workers earned 5 JOD/day or less, and at least 83% of workers surveyed were not covered by social security. 72% of employers surveyed reported hiring children under 15 years of age and, worldwide, child labour is heavily concentrated in the agricultural sector. The ILO 2018 study also reported that the vast majority (95%) of surveyed workers had a work permit, and 82% of surveyed

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34 Ibid.
employers reported using an informal labour broker\textsuperscript{37} to source labour for their farms. However, of the surveyed workers with a valid work permit, only 49\% believed the permit provided more employment opportunities for them, and only 42\% believed the permit helped to protect their labour rights.

Several studies have explored the challenges faced by female-owned micro-businesses and female labourers. West Asia and North Africa (WANA) Institute situate the impact of the COVID-19 pandemic within the broader context of women’s economic participation in Jordan, which in 2020 ranked 145\textsuperscript{th} out of 153 countries.\textsuperscript{38} The authors explain that the low participation rate of women is explained by a number of factors, such as social norms, lack of opportunities, discriminatory laws, and sexual harassment. As a result, many women in Jordan enter the informal sector, increasing the potential for exploitation and without social protection. While women-led home-based businesses were significantly impacted by the pandemic, the report provides several recommendations to policymakers, donors, and civil society organisations, focusing on addressing these long-term challenges:

- Develop social protection mechanisms for women-led home-based businesses
- Provide long-term integrated support (cash assistance, skills and business development training, legal awareness raising)
- Provide continuous counselling and mentorship, and facilitate the creation of local networks.

The WANA Institute also produced a report focusing on women in the agricultural sector, where women are also more likely to work informally than their male counterparts.\textsuperscript{39} Low wages, weak social protection, and dangerous working conditions led the authors to propose four policies to address the challenges faced by agricultural workers, especially women:

- Review the agricultural employment system and criminalise abuses
- Provide a safe working environment and enforce labour rights
- Increase inclusivity in the agricultural sector, through unified contracts and the creation of a representative body
- Raise awareness of the rights of women in the sector.

Collectively, these studies illustrate the various challenges faced by micro-businesses and labourers in Jordan prior to the COVID-19 pandemic. This provides the necessary context for understanding the impact of the pandemic on these groups and evaluating potential solutions for the improvement, sustainability and resilience of these income-generating activities.

The Impact of COVID-19

Following the declaration of COVID-19 as a pandemic in March 2020, the Government of Jordan closed its borders, banned travel between governorates and enforced strict lockdowns, including the closure of non-essential businesses and industries.\textsuperscript{40} In the following month (April 2020), the lockdown was partially eased and some additional economic activities were able to resume. Adding to the food delivery services that were able to continue in March, factories in industrial zones and some additional sectors opened up. By May 2020, most businesses could resume working as long as appropriate health and

\textsuperscript{37} Referred to locally as \textit{Sharweesh}, informal labour brokers tend to be known and trusted by employers and employees alike, and often receive a fee for helping to align labour demand and supply within a given area.


\textsuperscript{39} West Asia and North Africa Institute (WANA). Women Working in the Agricultural Sector within the Northern Jordan Valley District: Realities and Challenges, October 2021b.

\textsuperscript{40} Raouf et al, 2020.
safety measures were in place to prevent the spread of COVID-19. However, hotels, cafes, and public spaces (including handicraft markets) remained closed. By June 2020, movement restrictions between governorates were lifted, air travel partially resumed, and hotels and cafes reopened.41

Livelihood interventions have been treated as a major priority in supporting post-COVID-19 recovery and providing sustainable income-generating opportunities among vulnerable populations in Jordan. In July 2020, the United Nations published a Socio-Economic Framework for the COVID-19 Response in Jordan.42 Pillar 3 of 5 is as follows:

“Economic response and recovery: protecting jobs and Micro, Small and Medium Enterprises (MSMEs) and the informal sector.”

The framework reports that MSMEs have been disproportionately affected by the lockdown measures in Jordan and that these businesses are more likely to delay investment, delay the purchase of goods, and delay the hiring of workers. The framework provides the following recommendations to support post-pandemic recovery:

- accelerate financial inclusion of MSMEs through microfinance and facilitate debt restructuring
- include MSMEs in public-private dialogue during the recovery
- involve MSMEs in the design and planning of employment-intensive programmes
- support the digitalisation of MSMEs
- prioritise MSMEs for public investment
- strengthen the resilience of MSMEs, with a focus on crisis preparedness, environmental sustainability, and access to finance.

Across the large number of rapid COVID-19 impact assessments that were conducted in the early months of the pandemic, several focus on the impact on businesses, employment, and specific sectors of the economy. Table 6 below presents an overview of the findings related to the impact of COVID-19, as well as the recommendations made by these rapid assessments (data collection between March – June 2020).

Table 6: Findings and recommendations of COVID-19 rapid assessments

<table>
<thead>
<tr>
<th>Publication</th>
<th>Financial and Operational Impact</th>
<th>Recommendations43</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mercy Corps44 March 2020</td>
<td>Lockdown measures caused a delay in income for all sectors, while the short-term impact was particularly acute to businesses in the food services sector, which experienced immediate losses. Businesses were forced to leverage personal networks to receive support during the crisis.</td>
<td>The livelihoods sector will need to combine humanitarian relief (cash assistance) with market support. Financial interventions to help businesses recover include: low-interest working capital, cancel charges related to late loan repayments. Marketing support will be critical to businesses recovering after measures are lifted.</td>
</tr>
</tbody>
</table>

41 Ibid.
43 These recommendations are made by external actors, and are not necessarily endorsed by IMPACT or ACTED.
<table>
<thead>
<tr>
<th><strong>ILO</strong>&lt;sup&gt;45&lt;/sup&gt;</th>
<th>Syrian workers have been disproportionately impacted, compared to Jordanians, due to the degree of informal employment and the lack of written contracts, social security provision, and health insurance. Wages have fallen by 40% on average, mainly due to reduced working hours. 40% of Jordanian agricultural, forestry and fishing workers were permanently laid off, while 50% were temporarily laid off. For Syrian workers the numbers were 37% and 47% respectively.</th>
<th>Include informal workers in the government response to the pandemic, with more income protection support for workers and enterprises in the informal sector.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>IPSO</strong>&lt;sup&gt;46&lt;/sup&gt;</td>
<td>91% of surveyed businesses had no revenue (April 2020), while 85% viewed COVID-19 as a high-level threat to the business (94% within the tourism sector). Small businesses reported needing tax relief (72%), the option to defer payments (68%), and rent relief (62%). Only 51% of small business respondents were confident their business would survive. 70% expected demand to be lower than average even once life returns to normal. Respondents were re-thinking their business models, including a shift towards digitalisation and long-term cost-cutting measures and improved cash management.</td>
<td>Recommendations were not included in the reporting.</td>
</tr>
<tr>
<td><strong>REACH</strong></td>
<td>53% of home-based businesses were extremely disrupted, and 31% to a large extent. 64% of agricultural HBBs were not able to access their land. The average number of days worked fell from 17/month to 8/month, with HBBs average 4 hour of work/day. 45% HBBs reported no change in expenses, while another 45% said business costs had increased.</td>
<td>Diversifying products is a key area for improvement, especially to meet market demand.</td>
</tr>
<tr>
<td><strong>ILO, Fafo, UNDP</strong>&lt;sup&gt;47&lt;/sup&gt;</td>
<td>Micro- and home-based businesses lack cash reserves, financial resources, and assets. 75% of enterprises surveyed lost revenue, sales and demand. Only 13% of micro-businesses were using online platforms, compared to 20% of small-sized and 26% of medium-sized enterprises 74% of home-based businesses had not taken steps towards business continuity (e.g. new products, e-commerce)</td>
<td>Accelerate the digitalisation of MSMEs. Provide tax relief, flexibility on debt repayments, and expand lending. Help reduce fixed costs (rent, utilities, social security, wages). Increase the focus on supporting informal SMEs.</td>
</tr>
</tbody>
</table>

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<sup>45</sup> Kebede, T.A., Stave, S. E. and Kattaa, M. *Facing Double Crises: Rapid Assessment of the COVID-19 on Vulnerable Workers in Jordan*, May 2020a


These findings suggest that the initial impact of the pandemic on micro-businesses and labourers had significant financial implications, as the loss of revenue provided an additional pressure on businesses that lacked the capital to sustain and grow their businesses. Many of the recommendations in the early months of the pandemic focus on the provision of financial relief, through direct cash assistance and social protection, as well as by easing the financial obligations of businesses. However, these assessments also illustrate that financial support would not be sufficient to mitigate the impact of COVID-19. The findings suggest that recovery can also be facilitated by strengthening markets and supporting businesses to digitalise and improve their marketing.

The longer-term impacts of COVID-19 on businesses have been reported by a number of assessments since the middle of 2020 until the present. Many of the impacts and recommendations in the Table above were reported as medium-term impacts, namely the loss in income and revenue, and the need for inclusive social protection and support for digitalisation. Additional findings and recommendations from the literature, with specific relevance to this report, are detailed below:

Impact:

- Food systems in Jordan experienced an estimated reduction in output of 40%, with food services more severely impacted than agriculture.
- A fall in demand for catering services was sustained by the lack of social occasions and celebrations, and the enforcement of social distancing regulations. However, home deliveries did increase, and consumers have prioritised food purchases over non-essential items.
- However, smaller food processing businesses were able to adapt more easily than larger businesses, through a reliance on local markets, and flexibility in decreasing production to limit losses.
- Lockdown measures restricted land preparation activities and the supply of labour, leading to a knock-on negative impact on the quality of produce, and produce losses during 2020-21 harvests.
- During the pandemic, wages for agricultural labourers have been recorded at 1.25JOD/hour or less, but despite these difficulties, the sector has provided the only income-generating opportunities available to some vulnerable populations.

Recommendations:

- Integrated agricultural value chains need to be developed, especially to foster rural economic development.
- Facilitate access to materials and products, especially if similar restrictions are imposed in the future.
- Support free-of-charge e-commerce so that micro-businesses are not priced out of digital platforms.
- Reduce licensing fees, incorporation fees, and encourage registration to allow businesses to access government services and support packages.

However, there is also evidence within recent assessments that the COVID-19 pandemic is not (or no longer) the most important barrier to starting or developing micro-businesses. A study commissioned

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by the United Nations Children’s Fund (UNICEF) in 2021 asked **youth aged 16-30** about the most significant barrier they would face when starting their own business.⁴⁹ Among the male Jordanian respondents, 10% reported that problems caused by COVID-19 were the biggest barrier, while 52% reported a lack of finance/credit and 15% reported a lack of information/skills as the most significant barriers. Among female Syrian respondents, only 3% reported COVID-19 as the most significant barrier, with 80% reporting a lack of finance/credit and 11% a lack of information/skills.

The data collection for this research coincides with the early months of the **war in Ukraine**, which according to Mercy Corps threatens Jordan’s long-term food security, as well as energy and food prices.⁵⁰ Jordan has diversified its supply of wheat away from Russia and Ukraine in recent years, and the government has fuel subsidies in place to control prices, and both measures have limited the short-term impact of the Ukraine crisis on Jordan’s food security and food processing sector. However, the authors also recognise the limited potential growth of the Jordanian agricultural sector, due to the lack of arable land, water scarcity, and land degradation over recent decades. Overall, the report suggests that the impact of COVID-19 will become less pronounced in comparison not only to the effects of the war in Ukraine, but also the persistence of Jordan’s long-term challenges. In addition to limited agricultural potential, Jordan has long faced a lack of capital investment and underdeveloped markets.

**Summary**

This review of secondary data reveals that the COVID-19 pandemic, including the restrictive measures and subsequent economic downturn, has had a negative impact on micro-businesses in Jordan, both from a financial and operational perspective. These adverse impacts continued long after the initial lockdown measures, largely because businesses and markets were already in a compromised state before the declaration of the pandemic. Many micro-businesses lack the capital to invest in their business, while Jordan has long suffered from weak markets and low demand. The pandemic led to job losses and reduced working hours throughout the country, further weakening demand.

This review also found that businesses and workers face sector-specific challenges, both in terms of the social and economic context in Jordan as well as the impact of the pandemic. The agricultural sector is constrained by a number of environmental factors and competition from imported products, and yet the demand for produce and processed food products was prioritised by consumers above less essential household expenditures. Artisans, however, were negatively impacted by these priorities in addition to the decline in tourists visiting Jordan, who provide a major opportunity for income generation.

It is in this context that this research provides up-to-date and sector-specific data regarding the shorter and longer-term impact of the COVID-19 pandemic. The findings from quantitative and qualitative data collection are presented below, structured thematically according to a section on the survey sample demographics, followed by the impact of the pandemic on finances, business operations, markets, business needs, and future outlooks of the four occupational groups.

**Survey Sample Demographics**

This section of the report illustrates the different demographic information of the survey participants. The information collected includes participants’ gender, nationality, age, location, education level and

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business type. At the household level, the survey has also collected demographic information covering the household size and household wealth scores.

**Participant Information**

The survey covered two population groups, Jordanians and Syrian refugees. As per the sampling strategy and the scope of this assessment, all interviewed participants are owners and/or operators of micro-businesses in Jordan or engaged in labouring activities. The sampling framework targeted four occupational groups: farming, food processing, artisans and landless labouring. Among these 4 groups, a total of 1554 structured interviews were conducted (Table 7).

Table 7: Survey sample distribution by occupational group and population group

<table>
<thead>
<tr>
<th>Occupational group</th>
<th>Jordanians</th>
<th>Syrian Refugees</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Artisans</td>
<td>235</td>
<td>174</td>
<td>409</td>
</tr>
<tr>
<td>Farmers</td>
<td>233</td>
<td>157</td>
<td>390</td>
</tr>
<tr>
<td>Food Processors</td>
<td>209</td>
<td>164</td>
<td>373</td>
</tr>
<tr>
<td>Landless Labourers^51</td>
<td>35</td>
<td>347</td>
<td>382</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>712</strong></td>
<td><strong>842</strong></td>
<td><strong>1554</strong></td>
</tr>
</tbody>
</table>

Survey respondents were asked to elaborate on the type of work they are involved in as part of their micro-business activities. A review of the responses is illustrated in Table 8 below. The greatest range of work activities come from respondents categorised as ‘artisans’, the definition of whom varies across the different livelihood actors supporting micro-businesses in Jordan. In broad terms, these sub-groups reveal that the artisan micro-businesses included in this study involve skilled work, and the provision of goods and/or services outside of the agricultural sector.

Table 8 Survey sample distribution by business sub-group

<table>
<thead>
<tr>
<th>Group</th>
<th>Sub-Group</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Artisans</td>
<td>Handicrafts (accessories, embroidery, etc.)</td>
<td>164</td>
</tr>
<tr>
<td></td>
<td>Construction-related services</td>
<td>87</td>
</tr>
<tr>
<td></td>
<td>Interior decoration</td>
<td>66</td>
</tr>
<tr>
<td></td>
<td>Cosmetics/beauty salon</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Events-related services (photographer, planner, etc.)</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>Retail – other</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>Skilled maintenance services</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Specialised cleaning services</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>409</strong></td>
</tr>
<tr>
<td>Farmers</td>
<td>Seasonal farming</td>
<td>197</td>
</tr>
<tr>
<td></td>
<td>Livestock (including bird breeding, n=3)</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>Greenhouse farming</td>
<td>52</td>
</tr>
<tr>
<td></td>
<td>Beekeeping</td>
<td>36</td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>390</strong></td>
</tr>
</tbody>
</table>

^51 There was a higher representation of Syrian refugees engaged in landless labouring activities than Jordanians. This was due to the lack of available contacts for Jordanians.
Fifty-one per cent (51%) of the total interviewed participants were male and 49% were female. As detailed in Table 9 below, the majority of the interviewed food processors (91%) were females, and only 14% of the interviewed participants engaged in labouring activities were female. While the demographics of each of these occupational groups in Jordan is not known, it is anticipated that these gender biases broadly reflect the labour market dynamics for each of the two groups.

**Table 9: % of Respondents by gender and occupational group**

<table>
<thead>
<tr>
<th>Gender</th>
<th>Artisans</th>
<th>Farmers</th>
<th>Food Processors</th>
<th>Labourers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>51%</td>
<td>42%</td>
<td>91%</td>
<td>14%</td>
</tr>
<tr>
<td>Male</td>
<td>49%</td>
<td>58%</td>
<td>9%</td>
<td>86%</td>
</tr>
</tbody>
</table>

Map 1 shows the sample distribution across the 12 governorates of Jordan. The highest proportion of the interviewed respondents (46%) were in the northern governorates (Irbid, Mafraq, Jerash and Ajloun), 40% were from the middle region governorates (Amman, Zarqa, Madaba and Balqa), while only 14% of the respondents were from the southern governorates (Aqaba, Ma’an, Karak and Tafilah). Unsurprisingly, such a distribution could be explained by the livelihood programming implementers’ focus on the governorates hosting a larger number of Syrian refugees.
The majority of the survey respondents were between the ages of 30 and 49 years (61%), while 23% were 50 years or older and only 16% were between 18 and 29 years. Among the interviewed farmers, 33% of the respondents were aged 50 years or older which is the highest proportion of older people among all targeted occupational groups (Figure 1).

Figure 1: Proportion of respondents by age and occupational group

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Artisan</th>
<th>Farmer</th>
<th>Food Processor</th>
<th>Labourers</th>
</tr>
</thead>
<tbody>
<tr>
<td>18 to 29 years</td>
<td>69%</td>
<td>58%</td>
<td>64%</td>
<td>52%</td>
</tr>
<tr>
<td>30 to 49 years</td>
<td>15%</td>
<td>33%</td>
<td>22%</td>
<td>21%</td>
</tr>
<tr>
<td>50 years or older</td>
<td>16%</td>
<td>9%</td>
<td>13%</td>
<td>27%</td>
</tr>
</tbody>
</table>

Figure 2 below presents the detailed distribution of the survey respondents by their respective occupational groups and region. The majority of respondents engaged in micro-business farming, labouring and food processing activities were from the north region (69% of farmers, 47% of labourers and 46% of food processors), while fewer respondents from all occupational groups were reportedly living and operating their business activities in the southern region. Of the total surveyed artisans, over half were living in the middle region (56%), with 24% in the north and 20% in the south.

Figure 2: Survey sample distribution, by group and region

<table>
<thead>
<tr>
<th>Region</th>
<th>Artisan</th>
<th>Farmer</th>
<th>Food Processor</th>
<th>Labourers</th>
</tr>
</thead>
<tbody>
<tr>
<td>North</td>
<td>62%</td>
<td>17%</td>
<td>20%</td>
<td>11%</td>
</tr>
<tr>
<td>Middle</td>
<td>23%</td>
<td>37%</td>
<td>56%</td>
<td>42%</td>
</tr>
<tr>
<td>South</td>
<td>15%</td>
<td>46%</td>
<td>24%</td>
<td>47%</td>
</tr>
</tbody>
</table>

Although Balqa governorate is considered to have the largest amount of agricultural activities in Jordan,52 only 23% of the interviewed micro-business farmers were from the middle region, where Balqa governorate is located. However, the majority of the farming activities in Balqa are medium-sized and large enterprises, rather than small or micro-businesses. This could also explain the high proportion of surveyed labourers living in the middle region (42%).

Regarding the survey respondents’ level of education, the vast majority reportedly received formal education (92%). Among those who received a formal education, 38% only received primary education, while 39% finished their secondary education and 15% completed higher education. Among the respondents from different occupational groups, findings indicate that artisans on average achieved a higher level of education compared to respondents from other occupational groups (Figure 3). The

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The highest proportion of respondents with no formal education was found among the labourers (17%), followed by farmers (8%).

Figure 3: Education level of respondents, by group and nationality

Figure 3 also shows that, on average, Jordanian respondents had a higher level of education compared to Syrian refugee respondents. 79% of Jordanian respondents had completed at least secondary education, compared to 43% of Syrian respondents.

Household Information

The majority of respondents reported that their household consisted of 5 to 9 members including themselves (64%), while 27% of the respondents reported a household of 4 members or less. As illustrated in Figure 4 below, the household sizes of labouring respondents tended to be larger than respondents from other occupational groups. 13% of the interviewed labourers reported 10 members or more compared to 7% of the farmers, 4% of food processors and only 2% of the artisans.
The Impact of COVID-19 on Livelihoods: Micro-Businesses and Labourers, August 2022

Figure 4: Respondents’ household size, by group

The assessment assigned each respondent to a specific wealth quintile, based on household living conditions: i) wealthiest, ii) wealthy, iii) medium, iv) poor and v) poorest. All respondents belonged to one of the three lowest household wealth quintiles. 44% of the total survey respondents belong to the medium quintile, 33% in the poor and 23% in the poorest. Among interviewed individuals engaged in labouring activities, the majority were found in the poorest quintile (80%). In contrast, the majority of the interviewed artisans (87%) were found in the medium quintile (Figure 5).

Figure 5: Respondents’ household wealth score, by group and nationality

No major differences were found between population groups, as 58% and 57% of the Syrian refugee and Jordanian populations respectively were found in the medium wealth quintile.

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53 Wealth scores and quantiles were calculated using the EquityTool, a country-specific composite measure of HH living standards based on ownership of assets, housing type and materials, sanitation facilities, and bank account ownership. Respondents are assigned a wealth quantile based on 20% of the population, (1 representing the poorest, 5 the wealthiest) on the national quantiles.

54 As clarified in the methodology section, the majority of the interviewed landless labourers were Syrian refugees, hence this has affected the proportion of Syrian refugees in the poor and poorest quintiles.
Financial Impact of COVID-19

This sub-section outlines assessment findings related to the financial impacts of COVID-19 on the individuals and households practising income-generating and diversification activities in Jordan. The section details and distinguishes between the short and longer-term impacts of COVID-19 on the financial situation of households and micro-businesses.

Short-Term Financial Impact

Before the outbreak of the COVID-19 pandemic in Jordan in March 2020, all interviewed respondents were practising income-generating and diversification activities within one of the four occupational groups.55 When asked about the average monthly income generated through their respective business activities, 50% of the total respondents reportedly earned between 100 and 299 JOD56 per month prior to the outbreak of COVID-19, while 26% reported earning less than 100 JODs, 17% reported 300 to 499 JODs, 6% reported 500 to 999 JOD and only 2% reported a higher amount of 1000 JODs or more as an average monthly earning from their business activities (Figure 6).

Figure 6: Respondents’ average monthly income from the business before COVID-19, by group

Among the different occupational groups, artisans were reportedly earning relatively higher average monthly income through their business activities than other respondents practising other business activities within the other groups. The mean amount of reported monthly earnings was 284 JOD among artisans compared to 214 JOD among farmers and the least was among food processors with a mean amount of 139 JOD. Among the different population groups, some differences were noticed in the mean amount of monthly earnings in the same occupational group. Overall, the mean amount of monthly earnings from practising business activities was found to be 225 JOD by Jordanians and 202 JOD by Syrians. A notable difference in the artisans’ earnings between the different population groups, when the mean amount of 334 JOD was earned by Syrians and 248 JOD by Jordanian artisans (Figure 7).

55 Please refer to the methodology section for more information on respondents’ selection criteria.
56 1 JOD = 1.41 US$ - XE Accessed July 21st 2022
The Impact of COVID-19 on Livelihoods: Micro-Businesses and Labourers, August 2022

Figure 7: Mean monthly income (JOD) from the business before COVID-19, by group and nationality

Overall
- Syrian: 202 JOD
- Jordanian: 225 JOD

Food Processor
- Syrian: 118 JOD
- Jordanian: 155 JOD

Farmer
- Syrian: 131 JOD
- Jordanian: 264 JOD

Artisan
- Syrian: 248 JOD
- Jordanian: 334 JOD

Overall, around a third of the interviewed respondents across all four occupational groups (32%) reported that the income generated through practising business activities before the outbreak of COVID-19 was the only source of income for their respective households. While 36% reported that the income they were generating through practising business activities was making half or three-quarters of their respective total household income. Among the different assessed occupational groups, findings indicate that the labourers, artisans and farmers were heavily reliant on the income generated through their business activities when the majority reported that this income was making half or more of the total household income (83% of the artisans, 78% of the labourers and 75% of the farmers), compared to only 23% of food processors (Figure 8).

Figure 8: Share of household income from the business before COVID-19, by group

Artisan
- No income/net loss: 4%
- Less than a quarter: 12%
- Around a quarter: 33%
- Around a half: 17%
- Around 3 quarters: 17%
- The whole HH income: 33%

Food Processor
- No income/net loss: 1%
- Less than a quarter: 45%
- Around a quarter: 32%
- Around a half: 14%
- Around 3 quarters: 8%
- The whole HH income: 1%

Farmer
- No income/net loss: 9%
- Less than a quarter: 14%
- Around a quarter: 28%
- Around a half: 12%
- Around 3 quarters: 35%
- The whole HH income: 1%

Labourer
- No income/net loss: 6%
- Less than a quarter: 12%
- Around a quarter: 26%
- Around a half: 26%
- Around 3 quarters: 52%
- The whole HH income: 3%

Ninety-seven per cent of the survey respondents (97%) across all four occupational groups reported a negative impact on their respective household’s income and revenue brought by COVID-19 and the movement restrictions, while 2% reported no impact and only 1% (n=15) reportedly experienced a positive impact (Figure 9). 97% also reportedly experienced a negative impact on their ability to access cash and maintain the cash flow for their business activities, due to the movement restriction and general economic downturn.
The direct negative impact brought by the COVID-19 outbreak and the nationwide lockdown lasted for less than one year, according to 56% of the survey respondents, and more than a year for the remaining 44% (Figure 10). Overall, 75% of the respondents who have experienced a negative financial impact due to COVID-19 reported taking loans or borrowing money to cope with such a negative financial impact.

Generally, a very negative short-term impact of COVID-19 was reported by the majority of the respondents from both population groups (Jordanian and Syrian refugees) among all four assessed occupational groups. These impacts were mainly related to the cut or reduction of the income or revenue generated through practising business activities, which has by nature impacted their respective households’ financial situation. Also, some other impacts related to the costs of running their business activities.
Household Resilience Built Through Business Activities

In terms of resilience building from practising income generating and diversification activities, overall, 32% of the respondents reported that their business activities have helped them and their respective households during the pandemic, mainly through increased savings, which was reported by 30% of the respondents who perceived their business activities to help them cope with the pandemic across all four occupational groups (n=592). The savings generated through practising business activities before the pandemic helped the households to overcome the negative financial impact on their households. However, 33% of the respondents reported that their business activities created additional issues and 35% perceived their business activities have neither helped their respective households nor created additional challenges during the pandemic.

Among the respondents who reportedly perceived their business activities had helped them and their respective households to cope with the pandemic, over half of farming respondents (55%) were able to maintain a steady income during the pandemic (Figure 11). A smaller proportion of the artisans (17%), food processors (11%), and labourers (6%) reported being able to maintain a steady income during the pandemic. Among the interviewed food processors, 59% reported being able to cope with the negative financial impact to some extent through the savings they made before the pandemic outbreak from their business activities.

Figure 11: Type of financial support from business activity/IGA, by group

Business activities have caused additional issues for households during the pandemic as reported by 33% of the interviewed respondents across all four occupational groups (n=513). Generally, additional stress on the interviewed respondent and their respective households was the most commonly reported way of additional issues created by the business activities during the pandemic as indicated in Figure 12 below, followed by operating at a loss and causing conflicts or/and arguments among the household members.

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57 Respondents were asked to report all choices that apply
Figure 12 Additional issues reportedly caused by the pandemic\textsuperscript{58}

<table>
<thead>
<tr>
<th></th>
<th>Artisan</th>
<th>Farmer</th>
<th>Food Processor</th>
<th>Labourer</th>
</tr>
</thead>
<tbody>
<tr>
<td>A source of stress</td>
<td>64%</td>
<td>16%</td>
<td>8%</td>
<td>18%</td>
</tr>
<tr>
<td>Operating at a loss</td>
<td>29%</td>
<td>29%</td>
<td>5%</td>
<td>9%</td>
</tr>
<tr>
<td>Caused arguments/conflict at home</td>
<td>31%</td>
<td>9%</td>
<td>3%</td>
<td>1%</td>
</tr>
<tr>
<td>Increases the risk of catching COVID-19</td>
<td>1%</td>
<td>0%</td>
<td>0%</td>
<td>1%</td>
</tr>
<tr>
<td>Financial pressure on other HH members</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Case Study 1

This case study provides details of a food processing micro-business that suffered a significant fall in revenue during the pandemic, and required a loan to cover the needs of the households and help the business continue to operate.

Um Bilal – Jordanian, Balqa Governorate

**Farmer and food processor**

Um Bilal retired from her teaching career in 2016, and wanted a job that would keep her busy and help support her family. Cooking had long been a passion of hers, particularly cooking and preparing traditional Jordanian dishes, which she learned to love doing through her mother. Early in the morning, Um Bilal goes to the market to buy vegetables, dairy products, glass jars and plastic packaging, in order to make a range of home-made products. She also sells olives, thyme and sumac, which are grown and processed at home.

Before the pandemic Um Bilal’s business was growing quickly, and she was able to market her products very well through the many bazaars and social events she would attend. When the pandemic hit, Um Bilal was able to continue to sell her products, but without access to large markets, she was limited by the produce available in her local store, and therefore productivity fell. In the first few months of the pandemic, when movement restrictions were in place, business income fell by 50%, and Um Bilal took out a loan of 2000 JOD to help cover household expenditures.

However, the impact of COVID-19 was not long lasting. Her income today is higher than it was before the declaration of the pandemic, and she remains passionate about the work and enjoys the social life that her business provides. Today, Um Bilal is hoping to buy a greenhouse and to develop and diversify her farming business by growing baby cucumbers and strawberries. She also hopes to buy machinery, like a mill for thyme and grains. She is also looking forward to registering a new Aloe Vera product, which she hopes to export and reach customers outside of Jordan.

\textsuperscript{58} Respondents were asked to report all choices that apply.
Long-Term Financial Impact and Recovery

To better understand the long-term impacts of COVID-19, the assessment explored the financial situation of the interviewed respondents at the time of the interview (February - May 2022). The long-term impact are defined by looking at the challenges and issues brought by the outbreak of the COVID-19 pandemic that the assessed occupational groups were still facing two years after the start of the pandemic.

Across all four occupational groups, 94% reported negative long-term impacts of COVID-19 on their households’ financial situation. However, a small proportion of the respondents (3%) reported improvement in their financial situation from the beginning of the pandemic until the time of the interview, while the remaining 4% reported no changes to their financial situation. As illustrated in Figure 13 below, improvements were reported mainly within the food processing group (10% of respondents).

![Figure 13: Long-term impact on respondents' household finances, by group]

Generally, the findings on the extent to which the negative impacts are still affecting the business activities and household finances indicate that, to date, there has been a limited level of recovery among the sample of respondents from each occupational group.

The majority of the survey respondents (71%) across all four occupational groups reported that they are still facing challenges meeting different basic needs and accessing services. Overall, the most commonly reported area of basic need impacted by the pandemic was food security: 91% of the interviewed respondents perceive their level of food security to have deteriorated, compared to pre-pandemic levels. Access to income and job opportunities also remain a long-term challenge across all occupational groups (97%).
The Impact of COVID-19 on Livelihoods: Micro-Businesses and Labourers, August 2022

Figure 14: Long-term impact on respondents’ ability to meet basic needs and access services

### Housing/shelter security

<table>
<thead>
<tr>
<th>Category</th>
<th>Deteriorated</th>
<th>Improved</th>
<th>No impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labourer</td>
<td>18%</td>
<td>2%</td>
<td>80%</td>
</tr>
<tr>
<td>Food Processor</td>
<td>45%</td>
<td>55%</td>
<td>0%</td>
</tr>
<tr>
<td>Farmer</td>
<td>42%</td>
<td>58%</td>
<td>0%</td>
</tr>
<tr>
<td>Artisan</td>
<td>53%</td>
<td>1%</td>
<td>47%</td>
</tr>
</tbody>
</table>

### Food security

<table>
<thead>
<tr>
<th>Category</th>
<th>Deteriorated</th>
<th>Improved</th>
<th>No impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labourer</td>
<td>94%</td>
<td>6%</td>
<td>0%</td>
</tr>
<tr>
<td>Food Processor</td>
<td>97%</td>
<td>3%</td>
<td>0%</td>
</tr>
<tr>
<td>Farmer</td>
<td>84%</td>
<td>16%</td>
<td>0%</td>
</tr>
<tr>
<td>Artisan</td>
<td>88%</td>
<td>12%</td>
<td>0%</td>
</tr>
</tbody>
</table>

### Access to good quality education

<table>
<thead>
<tr>
<th>Category</th>
<th>Deteriorated</th>
<th>Improved</th>
<th>No impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labourer</td>
<td>37%</td>
<td>63%</td>
<td>0%</td>
</tr>
<tr>
<td>Food Processor</td>
<td>97%</td>
<td>3%</td>
<td>0%</td>
</tr>
<tr>
<td>Farmer</td>
<td>73%</td>
<td>27%</td>
<td>0%</td>
</tr>
<tr>
<td>Artisan</td>
<td>51%</td>
<td>48%</td>
<td>0%</td>
</tr>
</tbody>
</table>

### Access to good quality healthcare

<table>
<thead>
<tr>
<th>Category</th>
<th>Deteriorated</th>
<th>Improved</th>
<th>No impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labourer</td>
<td>51%</td>
<td>50%</td>
<td>0%</td>
</tr>
<tr>
<td>Food Processor</td>
<td>98%</td>
<td>2%</td>
<td>0%</td>
</tr>
<tr>
<td>Farmer</td>
<td>79%</td>
<td>22%</td>
<td>0%</td>
</tr>
<tr>
<td>Artisan</td>
<td>70%</td>
<td>29%</td>
<td>0%</td>
</tr>
</tbody>
</table>

### Access to income/job opportunities

<table>
<thead>
<tr>
<th>Category</th>
<th>Deteriorated</th>
<th>Improved</th>
<th>No impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labourer</td>
<td>97%</td>
<td>3%</td>
<td>0%</td>
</tr>
<tr>
<td>Food Processor</td>
<td>99%</td>
<td>1%</td>
<td>0%</td>
</tr>
<tr>
<td>Farmer</td>
<td>95%</td>
<td>5%</td>
<td>0%</td>
</tr>
<tr>
<td>Artisan</td>
<td>96%</td>
<td>2%</td>
<td>0%</td>
</tr>
</tbody>
</table>

### Access to financial assistance

<table>
<thead>
<tr>
<th>Category</th>
<th>Deteriorated</th>
<th>Improved</th>
<th>No impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labourer</td>
<td>30%</td>
<td>10%</td>
<td>60%</td>
</tr>
<tr>
<td>Food Processor</td>
<td>97%</td>
<td>3%</td>
<td>0%</td>
</tr>
<tr>
<td>Farmer</td>
<td>74%</td>
<td>3%</td>
<td>24%</td>
</tr>
<tr>
<td>Artisan</td>
<td>47%</td>
<td>2%</td>
<td>52%</td>
</tr>
</tbody>
</table>

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59 Percentages have been rounded to the 0 decimal places, and the reported figures may not sum to 100%
Qualitative Findings

Key informants were unanimous in reporting a severe negative impact on micro-business revenues and household finances, for all occupational groups. In addition, to programming KIs, a significant majority of community-based KIs (n=19/26) reported not only that business revenues fell and labouring jobs were lost, but that household expenses accumulated during the pandemic, especially rent and household bills, leading to an increase in household debt.

For those who continued to operate their businesses during the pandemic, an increase in prices and lower customer demand reduced already limited profit margins. Five farming KIs, for example, stated that the cost of fertiliser has been a significant challenge to business finances, attributed not just to the war in Ukraine but also the disruption to global supply chains resulting from the COVID-19 pandemic. Micro-businesses were reported to have struggled to raise the price of their products due to a lack of demand (n=3), while others have reduced prices in order to generate income (n=2).

In addition to debt accumulation, a number of KIs explained that food-based coping strategies were commonplace, such as reducing consumption of expensive food (e.g. meat) or reducing basic expenditures (n=6). Others also explained that assets were sold (jewellery and other household items) in order to generate income to meet basic needs.

Ten KIs reported people within all four occupational groups making changes to their living situations to cope with the heightened financial pressures. Some moved in with other family members or friends (n=5), some moved into trailers or tented accommodation (n=5), and others moved out of expensive urban areas and into cheaper rural areas (n=1) or back to refugee camps (n=1).

In support of the survey finding that food processing micro-businesses fared slightly better than other occupational groups, 3 KIs explained that the greater the dependency of the household on income generated from the micro-business, the more severely the household was impacted. The survey suggested food processing businesses are more likely to supplement existing household income rather than be the main source of household income, compared to the other occupational groups.

Many KIs had contrasting opinions on the financial impact of Syrian-owned micro-businesses compared to Jordanian-owned businesses. While one Syrian artisan in the South of Jordan believed the financial impact of the pandemic was less severe for Jordanians, as they were more likely to have other sources of income, two Jordanian male KIs (1 farmer, and 1 artisan) believed the opposite was true, as Syrians are assumed to receive humanitarian cash assistance. One Syrian tailor in the middle of Jordan explained that his sector had performed relatively well during the pandemic, but not his own business due to a lack of a work permit. Views on the importance of work permits are provided in later sections of this report.
Case Study 2

The case study below documents the experience of one farming and food processing micro-business, which is the main income generator for the household. While business revenue had fallen as a result of the pandemic, the business owner was forced to reduce her prices to help sell her produce, and she relied on family members to support her household’s financial situation.

Um Thoqan – Jordanian, Balqa Governorate

**Farmer and food processor**

Dairy production runs in Um Thoqan’s family. She and her siblings used to help their mother in this line of work, and when Um Thoqan married she purchased two sheep to make dairy products for her own household’s consumption. However, in 2018 an electrical fault led to a house fire that caused significant damage, and the family were suddenly in need of additional sources of income, to repay the bank loan that was allowing them to rebuild their lives.

Um Thoqan had started a small farming business in 2016, growing thyme with support from the Jordan River Foundation. After the fire, Um Thoqan made the decision to expand her dairy production, increasing her livestock from 2 sheep to 20, and selling milk, cheese, yoghurt and labneh.

Another tragedy impacted Um Thoqan’s business in 2019, when 2 ewes and their newborn lambs contracted foot and mouth disease and died. This event caused Um Thoqan to diversify her business further, adding pickles, makdous, jams and fresh apple vinegar to her products. The business was growing and the products were selling well in bazaars and different events she would attend in universities and schools.

Unsurprisingly, when the pandemic was declared in March the following year, Um Thoqan’s business was once again severely impacted. It was difficult to go to the market, both to purchase vegetables and packaging and to sell her products. She and her retired husband cut back on non-essential items but were able to consume some of the food items she had intended to sell. Their sons provided them with money to meet household expenditures and would retrieve medicine from the health centre for them.

Despite these challenges, Um Thoqan continued with her business venture. In an attempt to attract new customers, she has lowered some prices and included offers on certain products. The business provides Um Thoqan and her husband with their main source of income, and she will continue to grow thyme and to manufacture her food products. She hopes to purchase machinery that will increase her productivity and hopes there will be support from the Ministry of Agriculture or other actors in the sector, in terms of organising regular monthly events where she can reach new customers.
**Operational Impact of COVID-19**

This sub-section outlines assessment findings related to the operation of the income-generating and income-diversifying activities in Jordan. The section details and distinguishes between the short and longer-term impacts of COVID-19 on these business activities’ operations and engagement. This section discusses the characteristics of the occupational groups as well as the productivity, marketing and operational challenges before March 2020 compared to the period of data collection (February - May 2022).

**Disruption to Income-Generating Activities**

The majority of respondents across all four occupational groups were heavily impacted by the outbreak of COVID-19 in Jordan when a nationwide lockdown was enforced in March 2020, lasting until May of the same year. Qualitative findings suggested that many business owners were unable to continue operating during this period, and especially those whose business activities were concentrated outside of the home. At the time of data collection (February – May 2022), half of the survey respondents were operating their businesses outside their homes (57%). When disaggregated by occupational group, the proportions operating outside the home at the time of data collection were as follows: 100% of labourers, 82% of farmers, 36% of artisans and 9% of food processors.

![Figure 15: Respondents’ business type, by group](image)

Although not all micro-business operators had to leave their houses to operate their businesses, the lockdown largely impacted their ability to obtain raw materials, tools and equipment, as well as to market their products or services. During the nationwide lockdown, several businesses were given the right to apply for movement permission to continue practising their business activities while maintaining high standards of safety against the spread of COVID-19. However, such permissions were limited to certain sectors, including food production, medium and large-scale farming and logistical services, negatively impacting the operational capabilities of many micro-businesses. The issuance of a movement permit also depended on the business being formally registered, which was another challenge for micro-business owners and operators, among both Jordanians or Syrian refugees. Prior to the outbreak of COVID-19, in the REACH 2019-2020 HBB assessment, 13% of the interviewed business owners and operators were holding valid registration for their business activities. As illustrated in Table 9 below, only a minority of this assessment’s survey respondents held a valid registration for their business activities at the time of the survey (February - May 2022).  

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61 This question was only asked for Syrian refugees.
96% of the survey respondents reported that their business activities were ‘extremely’ or ‘very much’ disrupted in the first 6 months of the pandemic (March to September 2020). Unsurprisingly, food processors were the least affected group, as their work is more likely home-based and thus less impacted by movement restrictions and social distancing measures.

Although 49% of the survey respondents reported that their business activities continue to be interrupted by the COVID-19 pandemic, there seems to be a level of recovery from the short-term and some of the longer-term impacts within each group. Overall, the percentage of respondents who reported their business activities were ‘extremely’ or ‘very much’ interrupted in the first 6 months of the pandemic dropped from 96% to 50% at the time of the survey (February - May 2022). Figure 16 shows the breakdown of these findings for each occupational group.

**Table 10: Respondents’ work permit/business registration status, by group**

<table>
<thead>
<tr>
<th></th>
<th>Artisan</th>
<th>Farmer</th>
<th>Food Processor</th>
<th>Labourers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>5%</td>
<td>6%</td>
<td>3%</td>
<td>26%</td>
</tr>
<tr>
<td>No</td>
<td>95%</td>
<td>94%</td>
<td>97%</td>
<td>74%</td>
</tr>
</tbody>
</table>

**Challenges Before and During COVID-19**

Starting a new income-generating and diversification activity tends to involve challenges and obstacles at different stages of the business value chain. Some of the challenges reported by respondents were related to the initial costs and access to funds for starting or expanding the business, while other reported challenges relate to a lack of skills required to successfully operate, market and manage the business activity.
Before COVID-19, 70% of interviewed micro-business owners reported that they faced challenges in establishing the business and running it in the first three months. In this 2022 assessment, 96% of micro-business respondents (n=1125/1172) reported that production had been negatively impacted by the pandemic. Table 11 below shows the seven most significant challenges faced by micro-business respondents since the pandemic was declared in March 2020. Food processing respondents were less likely than the other two groups to report insufficient funds, and more likely to report difficulties accessing supplies and a lack of demand.

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Artisans (n=390)</th>
<th>Farmers (n=366)</th>
<th>Food Processors (n=369)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do not have enough money to buy raw materials/supplies</td>
<td>70%</td>
<td>67%</td>
<td>41%</td>
</tr>
<tr>
<td>Cannot get raw materials at pre-pandemic prices</td>
<td>56%</td>
<td>61%</td>
<td>72%</td>
</tr>
<tr>
<td>Supplies are not available at the shops</td>
<td>31%</td>
<td>36%</td>
<td>45%</td>
</tr>
<tr>
<td>Cannot travel due to travel restrictions</td>
<td>31%</td>
<td>28%</td>
<td>48%</td>
</tr>
<tr>
<td>Cannot access business/land</td>
<td>21%</td>
<td>45%</td>
<td>1%</td>
</tr>
<tr>
<td>A lack of demand/customers</td>
<td>7%</td>
<td>16%</td>
<td>23%</td>
</tr>
<tr>
<td>End products were ruined</td>
<td>1%</td>
<td>26%</td>
<td>1%</td>
</tr>
</tbody>
</table>

Generally, 68% of the interviewed respondents reported being able to overcome at least one of the challenges brought by the COVID-19 pandemic by the time of the interview. Findings indicate that only 32% of respondents in the food processing group reported overcoming challenges during the pandemic, compared to 80% of labouring respondents (Figure 17).

Compared to the three other occupational groups, food processing respondents were less likely to report overcoming a pandemic-related challenge, while a higher proportion reported that they continued working in spite of these challenges. Among respondents who reported overcoming at least one challenge, a majority of artisans and farming respondents reported having found suppliers, while many farming respondents had also overcome a lack of demand (60%) and transportation costs (48%). Many food processing respondents had overcome a lack of demand (48%) and a lack of money or

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62 REACH HBB Assessment 2019-2020 report
unexpected costs (34%) (Table 12). Landless labourers have reported different challenges overcome since the start of the pandemic (Table 13), namely, the lack of job opportunities and limited working hours (62%), followed by the increased cost of transportation (11%).

Table 12: COVID-19-related challenges that have been overcome, by group

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Artisans</th>
<th>Farmers</th>
<th>Food Processors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overcome at least one challenge</td>
<td>320</td>
<td>298</td>
<td>75</td>
</tr>
<tr>
<td>Not overcome any challenges/continued working in spite of challenges</td>
<td>87</td>
<td>92</td>
<td>294</td>
</tr>
<tr>
<td>Have not faced challenges</td>
<td>2</td>
<td>0</td>
<td>2</td>
</tr>
</tbody>
</table>

Table 13: COVID-19 related challenges that have been overcome, landless labourers

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Labourers</th>
</tr>
</thead>
<tbody>
<tr>
<td>A lack of jobs / limited working hours</td>
<td>78%</td>
</tr>
<tr>
<td>Cost of transportation</td>
<td>14%</td>
</tr>
<tr>
<td>Lack of money / unexpected costs</td>
<td>10%</td>
</tr>
<tr>
<td>Competition with others</td>
<td>2%</td>
</tr>
<tr>
<td>Environmental challenges (e.g. drought)</td>
<td>1%</td>
</tr>
<tr>
<td>Seasonal production</td>
<td>3%</td>
</tr>
</tbody>
</table>

63 Respondents who reported challenges were asked to report all choices that apply.
64 2 food processing respondents refused to answer (total = 373)
65 Respondents were asked to report all choices that apply
However, a majority of the survey respondents (93%) reportedly perceive that some of the challenges have been made worse over time, as the impact of COVID-19 continues to be felt.

**Figure 18: At least one challenge has been made worse over the course of the pandemic, by group**

The most commonly reported challenges made worse since the declaration of the pandemic are i) a lack of money or unexpected costs, ii) lack of equipment, and iii) a lack of demand. Farmers were also more likely to report environmental challenges having worsened during this time, while artisan respondents were more likely to report increased difficulty reaching customers. Tables 14 and 15 summarise the challenges that have worsened since March 2020, by the different occupational groups.

**Table 14: Challenges made worse over the course of the pandemic, by group**

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Artisan</th>
<th>Farmer</th>
<th>Food Processor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of money / unexpected costs</td>
<td>72%</td>
<td>75%</td>
<td>88%</td>
</tr>
<tr>
<td>Lack of equipment/Asset</td>
<td>54%</td>
<td>35%</td>
<td>49%</td>
</tr>
<tr>
<td>A lack of demand for the products/services</td>
<td>30%</td>
<td>20%</td>
<td>41%</td>
</tr>
<tr>
<td>Difficult to reach more customers</td>
<td>45%</td>
<td>18%</td>
<td>41%</td>
</tr>
<tr>
<td>Environmental challenges (e.g. drought)</td>
<td>0%</td>
<td>46%</td>
<td>2%</td>
</tr>
<tr>
<td>Competition with other business owners</td>
<td>17%</td>
<td>24%</td>
<td>12%</td>
</tr>
</tbody>
</table>

**Table 15: Challenges made worse over the course of the pandemic, landless labourers**

<table>
<thead>
<tr>
<th>Challenge</th>
<th>Labourer</th>
</tr>
</thead>
<tbody>
<tr>
<td>A lack of jobs / limited working hours</td>
<td>30%</td>
</tr>
<tr>
<td>Lack of money / unexpected costs</td>
<td>26%</td>
</tr>
<tr>
<td>Seasonal production</td>
<td>13%</td>
</tr>
<tr>
<td>Competition with others</td>
<td>12%</td>
</tr>
<tr>
<td>Cost of transportation</td>
<td>8%</td>
</tr>
</tbody>
</table>

Ninety-eight per cent (98%) of the interviewed respondents across all four occupational groups reported that they had not experienced any form of positive impact brought by the COVID-19 pandemic. However, the remaining 2% of the respondents (n=31) reported improvements in relation to marketing.

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66 Respondents were asked to report all choices that apply
67 Respondents were asked to report all choices that apply
such as an increased exposure to new marketing techniques, as well as finding new customers and having free time to learn new skills and diversify the products and services they offer.

Recovery of Business Operations/Work

Of the identified long-term impacts of COVID-19, findings indicate that survey respondents’ time spent operating the business was heavily impacted by the outbreak, as well as the subsequent economic downturn and changes in market conditions. In terms of hours worked, 45% of respondents reported having been able to resume the same number of hours as before the pandemic, while 10% worked more than before (Figure 19). However, 13% have decided to stop their business activities either temporarily or permanently.

Figure 19: Change in hours worked, overall

The average number of days respondents were engaged in business activities or labouring has reportedly declined, comparing the month prior to data collection (February 2022) with activities before the declaration of the pandemic (before March 2020). Over half of all respondents reported engaging in their business activities for more than 20 days every month (54%) before the pandemic was declared, compared to only 9% during the month prior to data collection. As illustrated in Figure 20 below, almost all interviewed labourers (99%) were engaged in labouring activities for more than 9 days per month before the pandemic, while only 36% reported this amount of work in the month prior to data collection.

Figure 19: Change in days worked per month, by group
The assessment asked respondents about the period of time they perceived to be necessary to recover the number of hours/days worked before the pandemic. Among the respondents who reported a decrease in days worked (n=200), 22% reported needing 6 months or less, while 11% reported needing over 6 months and a relatively large proportion (67%) were unsure how long it would take to recover.

![Figure 20: Reported time period for recovering pre-pandemic levels of working days/hours, by group](image)

**Qualitative Findings**

Excluding programming KIs, half of the community-based KIs suggested that the COVID-19 pandemic had exacerbated pre-existing and long-term challenges to the growth of the micro-business sector (n=13). The cost and accessibility of raw materials were reported to have been challenges since before the pandemic, as well as an over-reliance of artisans on tourism, the impact of seasonality and a challenging winter in 2019/20 for the agricultural sector. In fact, many KIs emphasised the significance of pre-existing challenges not linked to the pandemic, as the causes of their operational issues. While seasonality and water scarcity have always been problems for the agricultural sector, the handicrafts sector faces significant competition from cheap imported goods, most notably from China, and this did not appear to let up during the pandemic when global supply chains were negatively affected. As the interviews took place in May and June 2022, 4 KIs representing the agricultural sector now viewed the war in Ukraine as the greatest challenge to their business operations, noting its impact on prices.

A slightly different set of pre-existing challenges were reported by programming KIs, including limited business development among micro-businesses in Jordan, challenges related to the formalisation of employment among Syrian refugees, and the impact of climate change on the agricultural sector (n=3). These challenges are discussed in more detail in later sub-sections of this report.

The interviews revealed that a shift towards home-based businesses was common during the pandemic. One KI from an INGO explained that her organisation received 4000 applicants for a programme designed to support 150 businesses, which corresponds to a year-on-year increase in applications of 33%. 8 community-based KIs reported that, for existing micro-businesses, owners had chosen to diversify their home-made products due to the impact of COVID-19. For instance, some farmers added

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68 The survey asked about the COVID-19 related impacts, whether short or long-term, not about the challenges that preceded the COVID-19 outbreak.
a food processing component to their business (dried herbs, productive kitchens), while some food processing businesses expanded into making crafts or doing agricultural work.

Discussing the agricultural sector, one KI explained that the impact of the pandemic on business operations was determined to some extent by pre-pandemic levels of investment in greenhouses, new technologies, improved seeds and product diversification. Businesses that were able to make such investments were better placed to respond to the crisis. In fact, a very small percentage of survey respondents reported having avoided a negative impact on their business operations as a result of the pandemic.

Case Study 3

The case study below highlights how one food processing micro-business owner switched her product focus during the pandemic, diversifying her operations to concentrate on different forms of micro-farming.

**Um Firas – Jordanian, Tafileh Governorate**

**Food processor turned farmer**

Um Firas, 55, lives in Tafileh in the South of Jordan, a region she feels has suffered from a lack of investment and a lack of economic opportunities over the years. In spite of this, Um Firas has a long experience of working in the food processing sector. Before the pandemic, she ran a small catering business, supplying sandwiches to hospital employees in the local area, as well as cooked meals for social events and special occasions. Before this, she had opened a roastery, selling coffee and nuts to local customers.

The impact of the pandemic on her businesses was severe in the first few months. Unable to reach her shop or her customers, she had no income to pay the rent for her shop or to meet her family’s basic needs. However, Um Firas had long been a keen gardener, and had been complimented by many people on her plants. When the pandemic forced her business to close, she made the decision to increase her gardening activities, planting roses and other flowers, as well as fruits and house plants, and sold them to local customers in order to generate income for her family. Her customers now come from many different parts of Tafileh, and the customer base is expanding through word-of-mouth.

Despite her success, Um Firas remains unsure about the future, not just in terms of the business but for Tafileh in general, especially for young people living there. She is hoping to find an association that can help her develop the business as well as provide other opportunities for those graduating from school, given the high level of unemployment in the area.

**Changes in Market Conditions**

This section will discuss COVID-19-related changes in the limitations facing business owners in promoting and selling products and services, as well as the mitigation measures that were taken in place to cope with these limitations, in particular changes in customer bases and in the marketing channels and techniques utilised.

**Customers and Employers**

To better understand the short and long-term impacts of COVID-19 on the customer base, the assessment considered the customers’ and employers’ characteristics before the pandemic and what
changes were made during the pandemic. Overall, the vast majority of micro-business respondents reported selling to individual consumers (96%), while some respondents reported selling their products and services through retailers (26%) and fewer through wholesalers (9%). Nearly all interviewed landless labourers reported being employed by individuals (99%), as opposed to an organisation.

**Figure 21: Reported business customers’ characteristics before COVID-19, by group**

<table>
<thead>
<tr>
<th>Group</th>
<th>Individual consumers</th>
<th>Retailers/Shops</th>
<th>Wholesaler</th>
<th>Artisan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food Processor</td>
<td>18%</td>
<td>0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Farmer</td>
<td>50%</td>
<td>23%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Artisan</td>
<td>11%</td>
<td></td>
<td>3%</td>
<td></td>
</tr>
</tbody>
</table>

The vast majority of micro-business respondents sold to customers within their governorate and, for farmers, within their neighbourhood. Approximately a third of farmers and artisans sold to customers in other governorates, while 4% of artisan respondents exported their products outside of Jordan (Figure 23).

**Figure 22: Reported business customers’ locations before COVID-19, by group**

<table>
<thead>
<tr>
<th>Group</th>
<th>Within my neighborhood</th>
<th>Within my governorate</th>
<th>Other governorate</th>
<th>Outside of Jordan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food Processor</td>
<td>45%</td>
<td>17%</td>
<td>2%</td>
<td>91%</td>
</tr>
<tr>
<td>Farmer</td>
<td>84%</td>
<td>33%</td>
<td>1%</td>
<td>83%</td>
</tr>
<tr>
<td>Artisan</td>
<td>46%</td>
<td>32%</td>
<td>4%</td>
<td>96%</td>
</tr>
</tbody>
</table>

Across the three micro-business groups, 80% of respondents reported that they have fewer customers than before the declaration of the pandemic, and a majority of farmers (54%) explain that their customers are more difficult to access than before. A small proportion of farmers (3%) and artisans (6%) reported having more customers at the time of data collection (February – May 2022) compared to before the pandemic (Figure 24). In terms of respondents working as labourers, 78% reportedly experienced a decrease in the number of employers willing to hire them.

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69 Respondents were asked to report all choices that apply
70 Respondents were asked to report all choices that apply
Figure 23: Reported impact of COVID-19 on the customer base, by group\textsuperscript{71}

<table>
<thead>
<tr>
<th>Group</th>
<th>Feb/Mar 2022</th>
<th>Before Mar 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food Processor</td>
<td>4%</td>
<td>3%</td>
</tr>
<tr>
<td>Farmer</td>
<td>4%</td>
<td>5%</td>
</tr>
<tr>
<td>Artisan</td>
<td>4%</td>
<td>1%</td>
</tr>
</tbody>
</table>

- There are less customers than before
- There are more customers than before
- Customers are harder to reach
- Customers are easier to reach
- No change

Regarding the marketing techniques and channels reportedly utilised by the survey respondents, there is a notable increase in the use of social media platforms by those in the food processing group, since the declaration of the pandemic. Promoting and selling products and services through personal connections has decreased from 84% to 71% overall, although the use of personal networks has increased for artisans.

Figure 24: Change in main marketing strategy, by group\textsuperscript{72}

<table>
<thead>
<tr>
<th>Group</th>
<th>Feb/Mar 2022</th>
<th>Before Mar 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food Processor</td>
<td>4%</td>
<td>3%</td>
</tr>
<tr>
<td>Farmer</td>
<td>4%</td>
<td>5%</td>
</tr>
<tr>
<td>Artisan</td>
<td>4%</td>
<td>1%</td>
</tr>
</tbody>
</table>

- Online platforms
- Social media
- Word-of-mouth
- Personal connections

\textsuperscript{71} Respondents were asked to report all choices that apply
\textsuperscript{72} Respondents were asked to report all choices that apply
Qualitative Findings

11 community-based KIs reported a change in customer behaviour during the pandemic, related to the cost of products and a change in preferences regarding the quality of products on the market. For instance, 4 KIs explain that some micro-business owners in the artisanal and food processing groups have needed to reduce the quality of their product or service, in part because of the poor financial situation of customers, and customers’ preferences for affordable, lower-quality products. Other short-term consequences of the pandemic involve customers not trusting the safety of micro-business products, due to the perceived risk of COVID-19 contamination, and also buying smaller quantities of a product (namely, processed food products). However, two farming KIs reported that the quality of products has not declined during the pandemic. In fact, one states that locally-grown products traditionally for the export market have become more available in local markets, thus improving the quality of locally available products. One artisan and one food processing KI also stated that product quality improved as a result of the pandemic, but for different reasons. The former reported that businesses have responded to the fact that customers pay closer attention to the quality of the product than before the pandemic, to ensure value for money. The latter stated that the lockdowns provided micro-business owners with more free time to focus on product development.

A significant number of KIs reported that there has been a high turnover of micro-businesses and labourers during the pandemic: while many have sought to start micro-businesses to generate income, others have looked to other forms of employment. For instance, some farmers and labourers moved out of the agricultural sector to other sectors less affected by seasonal changes, such as manufacturing, in order to gain more secure employment (n=3). Five community-based KIs reported that labourers in particular have transferable skills, and left agriculture to drive taxis and trucks, work in factories and on building sites, or support carpenters and blacksmiths. However, in areas where these jobs were hard to come by, some individuals turned to agricultural labouring for the first time, as a low-paid daily wage was seen as an improvement to unemployment. One programming KI noted the wider significance of this shift among Jordanians, who would traditionally have avoided labouring, self-employment, and vocational work, for cultural reasons. He reports that the pandemic has contributed to a growing awareness of the potential opportunities for micro-business owners, and this has helped to erode the culture of shame (eib) often associated with these jobs.

A high turnover in micro-businesses suggested that competition increased in some sectors and locations, but decreased in others. Six KIs suggested competition has increased in the food processing sector, compared to 2 KIs that reported competition decreasing. Other KIs were more likely to report competition reduction in the artisanal (n=3) and agricultural sectors (n=4) as a result of the pandemic, compared to those who reported competition increasing (n=2 and n=1 respectively). Two of these KIs noted that competition had only increased again in recent months, as the economy had started to recover and tourism to Jordan resumed.

Several key informants explained that business owners made use of social media and online marketing to boost income during the pandemic. One female food processor explained that the use of social media had allowed her to improve her business during the pandemic because she was able to use online platforms to describe the quality of the product and explain why she had decided to increase her prices. Two programming KIs also reported on the pace of digitalisation during the pandemic, particularly in relation to e-wallets and e-commerce platforms. One KI explained how the livelihoods sector had been trying for years to help digitalise parts of the Jordanian economy, and that the pandemic provided a powerful incentive to business owners to use facebook, websites, and other online platforms to improve their businesses.
However, another programming KI was cautious in his assessment of digitalisation among micro-businesses. Firstly, he reports that the use of social media and other digital technologies is concentrated in large urban centres, especially in Amman. Without the same access, he reports that rural micro-businesses need to concentrate on product selection, ensuring there is demand for what they are producing, and the livelihoods sector should increase this type of guidance, alongside support through the provision of upfront capital and continuous business monitoring. Secondly, he reports that e-wallets are not always used as intended. While they have proven useful in terms of distributing financial support to beneficiaries during the pandemic, beneficiaries themselves tend to withdraw the assistance as cash through ATMs, and the impact of e-wallets on the digital economy, therefore, remains limited. The KI implies that this is because beneficiaries are used to a cash economy, and do not have experience buying or selling through digital platforms.

**Case Study 4**

The case study below profiles a beekeeping and honey production business. During the pandemic, the business owner found demand for his honey products from within his local community, and eventually reached new customers in other governorates through online marketing.

**Ismail – Syrian, Mafraq Governorate**

**Beekeeping business owner and operator**

In 2012, Ismail arrived in Jordan with his wife and five children. Ismail was a mechanical engineer in Syria, but also had experience working in the agricultural sector. In 2018, at the age of 38, Ismail received a grant to establish a beekeeping business. With only one hive, 5 wax panels and a few manual tools, Ismail started his business and started producing honey, expanding the number of bee hives over time until he reached a total of 10 active and productive hives.

In March 2020, Ismail was suddenly unable to continue working, due to the forced lockdown and movement restrictions in place as part of the COVID-19 response measures. The bee cells started to become weak due to the lack of monitoring, and he faced additional challenges the following month, when the season for the separation was due to begin. After the end of the nationwide lockdown, Ismail was finally able to resume his beekeeping business activities and was also able to recover the lost bee cells.

Besides the several negative impacts brought by the pandemic on Ismail’s micro-business activities, he has reported a number of positive impacts over the course of the pandemic. The public has become more drawn to local honey production, and he has found new customers locally and from other governorates across the north of Jordan. In spite of the lockdown, product marketing has become easier and more efficient, through the use of online platforms.
Needs and Information Gaps

This section will discuss the respondents’ current and past needs, including the types of information they believe can help inform their business decisions. The qualitative section includes insight on the information needs of key informants responsible for programming decisions in the livelihoods sector.

Current Needs

When asked about their unmet needs before the declaration of the pandemic in March 2020, 71% of respondents reported at least one form of support, while the remaining 29% reportedly did not need any support. At the time of data collection (February – May 2022), 96% of respondents reported needing at least one form of support.

Across all four occupational groups, 94% of respondents need financial support, compared to only 54% who reportedly needed financial support before the declaration of the pandemic. Among the interviewed landless labourers 87% reportedly needed nothing before the pandemic compared to only 9% at the time of the survey (February - May 2022) (Figure 26).

Figure 25: Changes in reported needs, by group

73 Respondents were asked to report all choices that apply
Among those who reported a financial need (n=1507), across all four occupational groups, 67% reportedly needed funds to buy new equipment and tools, while 64% needed to buy new supplies and raw materials. The need for funds to cover household needs or to pay outstanding debts was reported by 42% (Table 16).

Table 16: Reason for needing financial support, by group74

<table>
<thead>
<tr>
<th>Areas of Expenses</th>
<th>Artisan</th>
<th>Farmer</th>
<th>Food Processor</th>
<th>Labourer</th>
</tr>
</thead>
<tbody>
<tr>
<td>To buy equipment/tools</td>
<td>85%</td>
<td>89%</td>
<td>96%</td>
<td>8%</td>
</tr>
<tr>
<td>To buy new supplies / raw materials</td>
<td>76%</td>
<td>92%</td>
<td>97%</td>
<td>0%</td>
</tr>
<tr>
<td>To cover household needs/debts</td>
<td>16%</td>
<td>26%</td>
<td>48%</td>
<td>98%</td>
</tr>
<tr>
<td>To satisfy health and safety procedures/food safety standards / HACCP standards</td>
<td>6%</td>
<td>28%</td>
<td>2%</td>
<td>0%</td>
</tr>
<tr>
<td>For marketing</td>
<td>13%</td>
<td>10%</td>
<td>11%</td>
<td>0%</td>
</tr>
<tr>
<td>For transportation</td>
<td>4%</td>
<td>8%</td>
<td>18%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Information Gaps

Only 5% of survey respondents needed additional information to help them recover from the impact of COVID-19, but those in need of informational products were concentrated among artisans (17%) and farmers (4%). The survey revealed that information needed by respondents tended to concern how they can find potential new customers, how to make business deals, and how to sell their products and services. Table 17 shows the results of the types of information needed among artisans and farmers who reported needing information to help them recover their business.

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74 Respondents were asked to report all choices that apply
Table 17: Reasons for needing information, by proportion of respondents, by group

<table>
<thead>
<tr>
<th>Reason for needing information</th>
<th>Artisan</th>
<th>Farmer</th>
</tr>
</thead>
<tbody>
<tr>
<td>To reach new customers</td>
<td>70%</td>
<td>63%</td>
</tr>
<tr>
<td>To improve marketing</td>
<td>34%</td>
<td>56%</td>
</tr>
<tr>
<td>To access financial support</td>
<td>49%</td>
<td>50%</td>
</tr>
</tbody>
</table>

Qualitative Findings

The vast majority of community-based KIs (n=25) were aware of financial support available to micro-businesses before and during the pandemic, although all KIs emphasised that support for micro-businesses tended to be non-financial in nature, delivered through training and mentorship schemes to support business operations. Of the 6 KIs reportedly unaware of financial support, 4 were in artisanal occupations.

More than two years after the declaration of the pandemic, the needs of micro-businesses continue to be wide-ranging. 16 KIs discussed the need for ongoing financial and operational support, citing not only the impact of COVID-19 as a reason for this, but also the continuation of the challenges facing each group before the start of the pandemic. For example, 3 KIs discussing the agricultural sector noted the need for short-term support – such as financial grants for businesses, income support for labourers, and assistance transporting labourers to the farms – as well as for structural reform, related to water infrastructure, regulatory changes, and better dissemination of information regarding soil and crop management. 2 KIs discussing artisans explains the need for more training related to product development and business management, and improved networking platforms for the exchange of ideas.

Despite the survey results showing that respondents were overwhelmingly in need of financial support, many of the key informants discussed how institutional changes would benefit micro-businesses in the occupational groups. A summary of these suggestions is presented below:

- Centralised information sources about market demand, policy decisions, and funding opportunities
- Representative bodies that provide a platform for consultations between policy makers and business-owners, to allow for longer-term planning and to avoid unexpected risks/costs
- A government institution committed to balancing domestic supply with demand, to avoid an over-dependency on imports
- The growth of e-commerce platforms to provide additional means of income generation for artisans

Ten respondents reported that the experience of the pandemic has exposed the need for clearer and more timely dissemination of information regarding workers’ rights, labour regulations, and government directives. Among these respondents, it was widely perceived that these types of information were poorly communicated during the pandemic. However, one of the KIs emphasised that limited awareness raising on labour and legal rights is a long-term issue.

Two programme KIs suggested that work permits for Syrians (and formalisation for all businesses) could help mitigate the impact of the pandemic on individuals in the occupational groups, in part due to the provision of social protection. These two KIs suggested that work permits were not in high demand.

75 Respondents were asked to report all choices that apply
The Impact of COVID-19 on Livelihoods: Micro-Businesses and Labourers, August 2022

among some Syrian refugees, explaining that this might be related to the cost of the permit and the future costs of tax and social security payments which, in comparison to cash-in-hand informal work, may be less profitable. This explanation was supported by one of the five community-based KIs that discussed work permits. The four other KIs suggested that there is an information gap regarding the process involved in obtaining work permits. One of the KIs, discussing the food processing sector, said that a local association was providing this information and it had helped mitigate the impact of the pandemic. Two artisan KIs explain that a permit would legitimise their businesses, and improve their relations with customers and local organisations.

Case Study 5

The case study below shows how an artisanal cleaning business in Ramtha was able to adapt her business based on knowledge of the local demand for cleaning services. More information on the business registration process for Syrian refugees may also help this owner achieve her future ambitions.

Rana – Syrian, Ramtha

Special cleaning services business owner and operator

Rana left Dara’a, Syria, with her husband and child in 2012, due to the continuous bombing of her village. Initially residing in a refugee camp in Jordan, the family moved to Irbid in search of job opportunities, and her husband began working in a local restaurant. In 2018, Rana started her own business, providing cleaning services for her neighbours in Ramtha and specialising in carpet cleaning, household furniture, and car interiors. The business provided a number of benefits; the income provided stability for her family, and boosted Rana’s feeling of independence while also improving her social life and expanding her personal networks.

Rana’s husband was without a job during the first 3 months of the pandemic, due to lockdown measures in place. However, these measures also closed many dry-cleaning businesses in the area, and it meant that customers turned to her home-based business for their cleaning needs. She was able to travel to some customers’ houses during this time, too, as it was relatively easy to move within her village despite the restrictions on travel. Customers noticed that she provided a high quality of service, and Rana’s income continued to increase.

Coping with the impact of the pandemic was not easy for Rana and her family, however. Rental payments had to be delayed, and Rana and her husband focused on paying the electricity and water bills, and purchasing food and medicine over other forms of expenditure. Her transportation costs increased, making it difficult to reach customers.

However, in 2020, Rana purchased a cleaning machine using her savings in addition to grant money, and the machine has significantly improved the quality of cleaning services she can provide, while reducing her working hours and reducing the intensity of the labour required. The investment has allowed her to accept more customers, and hire a family member to help with the cleaning and transportation.

Currently, Rana is considering moving her family to a property with a front yard, which would allow her to clean carpets at home and save on transportation costs. She also hopes to diversify the business by opening a dry-cleaning service, and start selling a range of printed cushions and T-Shirts. To help her realise her ambitions, Rana hopes that the business registration process for Syrians will be made cheaper and more straightforward, removing the need for Syrians to have a Jordanian business partner.
**Future Prospects**

This section will explore respondents’ future intentions and plans in relation to their business activities and income-generating activities. Past motivations, plans and intentions were interrupted by the outbreak of COVID-19, which forced some micro-business owners and labourers to change plans in order to cope with the pandemic’s negative impacts. This section will discuss these motivations, plans and intentions and compare them with reported plans for the future.

**Past Motivations**

When the survey respondents were asked about their key motivations to engage in their micro-business activities, the majority reported having the necessary experience and skills required for that activity. In contrast, the majority of the interviewed landless labourers reportedly engaged in this form of work due to the lack of other decent job opportunities (Figure 27).

**Figure 26: Respondents’ motivation for starting their business activity, IGA, by group**

![Image of bar chart showing respondents' motivation for starting their business activity, IGA, by group.](chart)

The majority of the survey respondents across all occupational groups were planning to expand or upgrade their business activities before the declaration of the pandemic. Farming respondents were much more likely to report plans to diversify their products/produce, compared to food processing and artisanal respondents. Of the respondents who reported having a business plan before the pandemic, a high proportion of farmers (85%) and artisans (76%) explained that their business was successful, as opposed to making plans because of business stagnation or failure (Figures 28 and 29).

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76 Respondents were asked to report all choices that apply
However, these plans were interrupted by the outbreak of COVID-19, especially the forced lockdown between March and September of 2020. According to interviewed respondents and subject matter experts, small and micro-businesses lacked the resilience to be able to cope with unanticipated shocks like the COVID-19 pandemic.

77 Respondents were asked to report all choices that apply
Current Plans

Across all four occupational groups, 66% reported having plans for their business activities/IGAs at the time of data collection (February – May 2022). Among those who reported plans, 60% were planning to continue their business activities and diversify within the same sector, while 7% intended to move to another sector, and 4% planned to stop their business activities.

Figure 29 Reported future plans for the next 6 months, by group

Qualitative Findings

Both the programming KIs and community-based KIs were split almost evenly in terms of how optimistic they were about the future prospects of the occupational groups. From a programming perspective, digitalisation was cited as a cause for optimism, alongside the fact the government are increasingly supportive of the livelihoods sector and individuals are becoming more aware of the attraction of opening their own business where there is demand. However, one KI explains that the future of donor funding for Jordan is uncertain, and this will create challenges for micro-businesses. Another KI explains that the major challenges facing micro-businesses before COVID-19 are still challenges today; some have been exacerbated by the pandemic (lack of demand for products) while others have lessened (through an increase in use of online platforms).

Community-based KIs were similarly split about the outlook for their occupational group. Seven KIs were generally optimistic, 11 KIs were generally pessimistic, while 8 KIs emphasised the lack of certainty, noting that the outlook is conditional on a number of external factors. The most cited reason for optimism among the first set of KIs was that perception the pandemic was ending (n=6), while some pointed to the return of tourism as a boost to their business (n=2) as well as the increase in use of technological innovations, including online marketing (n=2).

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78 Respondents were asked to report all choices that apply
The negative future outlooks were largely reported in terms of the rise in business costs (n=9), whether the result of COVID-19 or other social, economic or political factors, such as the knock-on impact of the war in Ukraine. Two KIs explained that competition in the food processing sector remains a challenge, particularly from larger companies, and this slows down the recovery in the sector (n=2). In terms of the agricultural sector (including labourers), KIs point to the lack of jobs and environmental issues (e.g. water scarcity) as reasons for pessimism and/or uncertainty. Other KIs note that the prospect of recovery is based on the situation of each individual business, for instance, the degree to which business owners have developed their skills and made use of new technologies, as well as the amount of support provided by external actors (n=3).

Case Study 6

In this final case study, one food processor explains that his long-term objectives are not centered around the growth of his business, despite the fact that his current working practices have improved his health and shown potential for expansion. Improvements in the job market and wider economy would make this business owner more likely to stay in Jordan in the future.

**Abu Ameen – Syrian, Irbid Governorate**

**Home-based food processor**

Abu Ameen arrived in Jordan in 2013, at the age of 39, with his wife and 4 children. The family had initially fled to Lebanon from their home in Homs, Syria. However, poor living conditions led to a change of plans. Abu Ameen’s wife sold her jewelry and the family booked a flight to Jordan. Despite not having money or job opportunities upon arrival, Abu Ameen finally felt safe, and soon registered their refugee status with UNHCR.

In Syria, Abu Ameen had left school in the 9th grade and spent the first 13 years of his working life in falafel restaurants. Due to this experience as a young man, Abu Ameen soon found work in a restaurant in Irbid, and moved between restaurants and a local bakery during the first 3 years in the Kingdom. Working between 8-10 hours a day, Abu Ameen started suffering from back pain, and resorted to starting his home-based business in 2015, making falafel, foul, hummus, maqdous, fatteh, and pickles.

Before the pandemic started, Abu Ameen was earning more than double his restaurant income, and the flexibility of a home-based business had improved his health. However, the pandemic caused a number of disruptions from the outset. His customers were worried about the spread of COVID-19 through food packaging, and he had difficulty reaching markets due to police patrols and the fact he does not have a car. He soon found he did not have the money to buy ingredients for the few orders he received, and sold a refrigerator and other kitchen products in order to do so. His debts accumulated, and the family were forced to consume less.

Today, the business is still operating and customers have returned. Some have been encouraging Abu Ameen to open a restaurant, but he is concerned about the costs of registering the business and relocating operations outside the family home. Since the pandemic, Abu Ameen has helped relatives find jobs in the sector by teaching them how to make the food he sells, but he says the labour market remains weak, and competition within the sector is fierce. His sons try to help the business, but Abu Ameen refused their support, adamant that they should focus on their education and pursue other types of employment. If the situation in Jordan does not improve in the coming years, Abu Ameen will consider relocating the family to the Gulf, where there might be more support and better conditions for them and the business.
CONCLUSION

This assessment has aimed to provide humanitarian and development actors in Jordan’s livelihoods sector with up-to-date information and insights concerning the impact of the imposed COVID-19 measures on micro-businesses and landless labourers. The mixed-methods research project covered all 12 governorates in Jordan and gathered data from micro-business owners, labourers, and key informants at the national and local level regarding the short-term and long-term impacts of the pandemic on the financial and operational capacity in key markets and sectors. Its three main research questions are addressed in the paragraphs below.

What are the key characteristics of Syrian refugee and Jordanian landless labourers, and the micro-businesses established by Syrian refugees and Jordanians?

The gender and nationality of survey respondents reflect the different dynamics of each of the four occupational groups, although the overall population demographics of these occupational groups are not known. Respondents were asked to report their nationality, gender, age, education level and household size. In addition, a number of indicators relating to the respondents’ living situation were included in the survey, in order to examine wealth scores across the four occupational groups. On average, respondents working as labourers were more likely to be Syrian and male, under 30 years of age, with a lower level of education, the lowest wealth score, and yet the largest household size. In contrast, artisan respondents were on average the highest educated group with the highest average wealth score, and the lowest household size. Across all groups Syrian refugee respondents had on average a lower level of education and lower wealth score than Jordanian respondents.

As this study was designed to engage with a diverse number of actors in the livelihoods sector in Jordan, the types of micro-business included in the survey ranged according to the types of activities these actors were supporting before March 2020. 51% of the farming micro-businesses surveyed engaged in seasonal production, and 26% kept livestock for business purposes. Food processing businesses surveyed belong to five sub-categories: productive kitchens (36%), dairy products (24%), pickling (16%), sweets (13%), and baked snacks (11%). The artisans surveyed worked in a more diverse range of sub-groups, from handicrafts (40%) and cosmetics (12%), to various goods and services in manufacturing, retail, and other non-agricultural sectors.

Before the declaration of the pandemic, Syrian artisans earned more income from their business than their Jordanian counterparts, on average, and more than other Syrian respondents in the other two occupational groups. Among Jordanian respondents, average business income was highest among farmers, and lowest among food processors. In fact, revenue from the majority of food processor respondents contribute a quarter of household income or less (78%), whereas revenue from a majority of artisan (83%) and farming (75%) micro-businesses provide at least half of overall household income. It is not possible to verify how many businesses are designed to supplement, rather than drive, household income.

The majority of respondents across the three occupational groups were motivated to start their business because they had prior work experience in that line of work. This is particularly true among food processing respondents (95%). In contrast, the main reason for respondents to work as labourers was a lack of job opportunities elsewhere (80%). Compared to the other groups, artisans were more likely to have started their business due to training they had received, but less likely to suggest there was a lack of other job opportunities available.
What is the impact of the COVID-19 pandemic on landless labourers/micro-businesses in terms of their sustainability and durability?

The vast majority of survey respondents across all four occupational groups reported that the lockdown measures had a ‘very negative impact’ on their household’s financial situation. While the survey sample included only those who were working in one of the occupational groups since before COVID-19, the key informant interviews provided more detailed information about the financial impact of the pandemic on the related sectors in general. Revenue fell for the vast majority of micro-businesses and many labouring jobs were lost, and these changes led to the accumulation of household debt, as families struggled to pay rent and bills and meet their basic needs.

The vast majority of farmers (94%) and food processors (74%) were operating at a loss during the pandemic, while most respondents working as labourers reported increased stress levels (78%) and an increase in arguments/conflict at home (6%). The interviews revealed that input costs have significantly increased for each of the micro-business groups, as well as food and fuel prices, while consumer demand has been constrained by a lack of disposable income across the wider population. Overall, fewer artisan respondents reported a negative impact on their household as a result of the pandemic, and almost half (45%) were expecting their working hours to reach pre-pandemic levels within 3 months, compared to 25% of food processors and 19% of farmers. The survey revealed significant uncertainty among farming and labouring respondents about the return to pre-pandemic working hours, and in the interviews this is explained by two major factors: i) the cost and accessibility of inputs (seeds, fertiliser), and ii) environmental factors (seasonality, water scarcity).

Before the pandemic, micro-business respondents tended to sell to individual consumers within their local area (neighbourhood and/or governorate). Very few respondents reported improvements in reaching customers (6% of artisans). Food processing respondents have used social media for marketing purposes at a much greater rate than the other two occupational groups, with 27% more respondents using social media now compared to before the pandemic. Marketing strategies did not change as much among farming respondents, who tend to sell through personal networks and word-of-mouth, while artisans increased their reliance on personal networks (+12%) and to a limited extent, social media (+3%) and other online platforms (+3%). The qualitative findings suggest that the use of online marketing and e-Commerce is concentrated in urban areas and among younger populations. Social media provides business owners with a means of communicating with customers, not just to advertise products but also to explain the quality of the product and justify any increase in prices.

What forms of mitigation can humanitarian and development stakeholders take to support the sustainability and durability of micro-businesses and landless labouring in the next 1 to 2 years?

Financial support was in high demand before the COVID-19 pandemic was declared in March 2020, and this remains the case in 2022. However, respondents with farming (+2%) and artisanal micro-businesses (+12%) also reported an increased need for information. Qualitative findings suggests that artisans continue to demand product development training, as well as business management training, while a need was also identified for more centralised support for the wider sector. This also applies to the agricultural sector, as key informants emphasised that micro-business owners need more information to respond to policy decisions, to ensure product selection is meeting demand, and apply for funding opportunities.

Programming key informants suggested that encouraging micro-businesses to formally register with the relevant authorities, and ensuring non-Jordanian labourers make use of the work permits available,
can help to support the sustainability and durability of these income generation activities. The number of survey respondents operating with valid permits and/or licenses was relatively low, ranging from 3% of food processing respondents to 26% of respondents working as labourers. Findings from community-based key informants suggested that formalisation processes need to be streamlined and made more affordable, as many micro-businesses are operating with small profit margins and limited capital. Anecdotally, it seems that the income generated in the informal sector can be more appealing than the income available with formal employment, given the tax and social security implications. However, the qualitative findings also suggested a demand for information sessions about the process of formalisation, and the ability to legitimise the business can help to improve relations with customers and the community.

While the immediate threat of COVID-19 to public health appears to have reduced in recent months, significant uncertainties remain with regards to price stability and economic recovery. As the livelihoods sector has become a major area of focus for recovery and resilience-building for vulnerable Jordanians and Syrian refugees, more research will be needed to understand the impact of livelihoods interventions post-COVID-19, and how changes in market conditions are affecting income generation activities in specific sectors and occupational groups.
Annex 1: References


- UNHCR. *Jordan Issues Record Number of Work Permits to Syrian Refugees*. 25 January 2022


