



Developing SMEs in Tebbane, Qobbe, and JabalMohsen



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Executive Summary

Tripoli has often been described as economically, culturally, and materially rich, yet marginalization, unemployment, and vulnerability are widespread in the city. Indeed, as the home to 18.3% of the country's population, the North of Lebanon reportedly has the highest poverty rates in the country with a staggering 35% overall unemployment rate, according to OCHA. Within this context, the study examines micro and nano enterprises in three different vulnerable neighborhoods in Tripoli: Tebbane, Jabal Mohsen, and Qobbe. It identifies context-specific and case-specific challenges and gaps facing enterprises, in addition to illustrating the various strengths, weaknesses, opportunities, and threats facing them.

Using a mixed methods approach, the study relies on a comprehensive literature review and primary data. A sample of eighty enterprises was surveyed, followed with semi-structured interviews with either the enterprise owner or the employee. Further, three in-depth interviews were held with enterprise owners identified as positive deviants. Based on the surveys, the most prevalent sector of activity in all three neighborhoods is trade, followed by food industry, services, and then manufacturing. The surveys also suggested a predominance of male-owned shops, indicating vast gender discrepancy. Most interviewed participants, including those at younger ages, had not completed their formal education, with 44% of the respondents functionally illiterate.

The quantitative and qualitative findings were synthesized and analyzed to identify the main obstacles facing enterprises. The obstacles included political instability; lack of access to finance and restrictive environments, including high taxes and costs of registration; the lack of skilled labour; the absence of adequate governance structures; weak infrastructure, particularly in relation to water, transportation, electricity, and garbage collection; the prevalence of informally established enterprises; and low levels of female employment.

On the other hand, there were many opportunities that are either being seized or are promising for the growth of enterprises. They include a growing sense of safety felt by residents following the 2014 security plan; an increase of an entrepreneurial spirit, facilitated by the ease of starting a business and the growing demand for services by the local population and Syrian refugees; the historic and strategic location of all three areas (in addition to the potentiality of revitalizing public spaces); the prospects of outsourcing technical, manufacturing, and design skills amongst residents, particularly amongst youth and women; and, finally, the presence and engagement with active community-based organizations in all three areas.

As for the section on positive deviance, the interviews resulted in a mapping of shared struggles and characteristics. The critical characteristics that led to respondents' success



were their desire to learn; trustworthiness and community engagement; risk taking nature and propensity for self-investments; and, finally, an introspection and willingness to overcome societal expectations.

The study wraps up with a series of recommendations tackling both potential long-term and short-term interventions. The recommendations for long-term interventions explored in the study include:

- Designing multi-sectoral community-based interventions
- Re-establishing infrastructural and cultural networks between Tebbane, Jabal Mohsen, Qobbe, and the rest of Tripoli.
- Collaborating with the Al-Fayhaa Union of Municipalities
- Investing in restaurants and tourism
- Improving healthcare access
- Developing safe public spaces
- Improving schools
- Advocating for a sustainable alternative to the relocation of the Lebanese University's branch in Qobbe
- Advocating for a sustainable alternative to the relocation of Tebbane's wholesale market
- Connecting with advocacy forums related to social protection, gender sensitivity, and improved economic viability
- Preventing market saturation by diversifying both skills and enterprises

On the other hand, the short-term recommendations identified include:

- Connecting local women to touristic, agricultural, and urban initiatives through value chain linkages
- Establishing/reviving women's support networks and cooperatives
- Vocational training for youth
- Connecting youth to internship, job opportunities, and vibrant clubs in the city center
- Developing business-training curriculum for enterprise owners
- Tapping into already skilled workers in Jabal Mohsen through the existing trade union
- Investing in cultural initiatives and community spaces
- Improving access to start-up capital, financial support and microfinance

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Background and Objectives

Project Background

CARE's livelihoods and economic development department is currently working on a project, under the scope of NAWAT, that tackles small and micro enterprises (SMEs) in Tripoli, particularly in Tebbane, Qobbe and Jabal Mohsen. Funded by the German Federal Ministry for Economic Development and Cooperation, this project aims to support and help develop SMEs in Tripoli, which will be based on an assessment component that examines the market in Tripoli, the potential growth opportunities and existing constraints of SMEs, and the overall obstacles they face.

Objectives of the study

The objectives of the study are to guide the intervention and support for SMEs in specific industries and neighbourhoods in Tripoli. Specifically, the study aims to understand how SMEs can become more economically viable, create more jobs, and hire more people, particularly for women and youth. Within this aim, the main focus of the study will be to:

- I. Identify growth opportunities for the MSMEs
- II. Identify constraints that are preventing the businesses from taking advantage of the opportunities
- III. Understand the gender dynamics involved and the barriers women face in particular
- IV. Support with the development of long-term interventions to minimize those constraints

As such, this study identifies skill gaps within interviewed SMEs and determines how best to address them, in the aims of incentivizing their growth. Further, it locates existing business support services and training services that can enhance enterprises and improve the capacities of their existing labor, in addition to upskilling potential labor the enterprises may hire. The study of opportunities and constraints are multilayered, as they examine certain core concepts, such as gender, labor dynamics, informality, while attempting to engage with case-specific and context-specific opportunities and challenges that enterprises across different industries in Tripoli face.

Methodology and sample

1.1 Methodological approach

The study relies mainly on primary data collected from a sample of 80 enterprises in the neighborhoods of Tebbaneh, Jabal Mohsen, and Qobbe. This data has both qualitative and quantitative aspects and, additionally, uses PCA tools and SWOT analysis for further analysis.

Desk review:

The desk review explores three particular angles, relevant for the study: the socioeconomic and political context of Tripoli the situation of MSMEs in Lebanon, and SMEs in Tripoli particularly.

Data collection tools:

The semi-structured survey questionnaire includes both close-ended quantitative questions and open-ended (subjective) questions. The questionnaire was designed to help with assessing the en-

enterprise's investments, their constraints and opportunities, their expectations, and their perceptions of strengths and weaknesses. The questionnaire and survey (presented in Annex 1) were translated into Arabic and adapted to a tablet, which was used by the Kobo Toolbox software and then analyzed with the SPSS software. Following completion of the survey, three in-depth interviews with successful enterprise owners were conducted as part of the study's core component on positive deviance.

Training of surveyors:

A team of three field surveyors were selected, all of whom have local expertise in Tripoli and previous experience conducting field work. They were trained on how to use the discussion guide, conduct the interviews, ensure interviewees' consent, facilitate the interviews with partiality, neutrality, and politeness, and understand how to use the tablet efficiently and effectively.

Analysis:

Using the answers to the questionnaire as a guide, in addition to a comprehensive desk review, comprehensive sections on demographics, constraints, opportunities, and recommendations were drafted.

SWOT Analysis

A SWOT analysis will be established to examine the internal strengths and weaknesses, and external opportunities and threats. This will help build up on the opportunities enterprises may seize and the threats to take into account.

Principal Component Analysis (PCA)

Principal Component Analysis technique will be used to analyze the data. PCA is a mathematical data reduction technique that allows one to interpret data by reorganizing it into separate components that can be meaningful. PCA transforms a number of possibly correlated variables into a smaller number of uncorrelated variables called principal components. It is commonly used in the social sciences, market research, and other industries that use large data sets.

1.2 The sample

A total of 80 enterprise owners or workers were interviewed for the purpose of this study, with 75 participants engaging with the qualitative aspect of the study. The sample included the neighborhoods of Tebbane (25), Jabal Mohsen (18) and Qobbe (37).

Table 1: Sectors as per the neighborhoods

	Food industry / services	Trade	Manufacturing	Services	Total
Tebbane	7	9	2	7	25
Jabal Mohsen	5	7	1	5	18
Qobbe	8	22	1	6	37
Total	20	38	4	18	80

The unequal distribution between the different neighborhoods is due to the limited entry into and lower response rates in Jabal Mohsen and Tebbane.

1.3 Limitations of the study

There were certain conditions that made this study challenging.

1. The sample size was small, as only 80 enterprises were surveyed, thus limiting the ability to perform elaborate disaggregations when analysing the quantitative data.
2. Interviewing women was particularly difficult, given that the majority of workers and employers are men and many women were at home during the month of Ramadan.
3. The limited time scope and the timing of the data collection were problematic. That is, the surveys were conducted during the hot months of Ramadan, which changed the opening and closing times of enterprises, in addition to making it more difficult to reach owners and employees as they were either too tired or at home.
4. Given the political vulnerability of the areas surveyed, many were worried that the surveyors were collecting their data for the government's information. Several participants, for instance, shut down the phones upon hearing that the purpose was to conduct a survey or discontinued the interviews once questions related to taxation or registration were asked.

Desk review

1.4 Tripoli's Economic and Political Context

Tripoli, the largest city in the North of Lebanon, is the capital of the North Governorate, a governorate comprised of six districts and 141 municipalities.

Tripoli has often been described as economically, culturally, and materially rich, yet marginalization, unemployment, and vulnerability are widespread. Indeed, up until the end of the 19th century, historical depictions portrayed Tripoli as a regional capital with an essential seaport. In 1920, when Greater Lebanon was established under the French Mandate with Beirut as its capital, Tripoli was separated from the north of Syria, where it had stronger social and economic connections¹. Ultimately, this affected its geographic significance. Moreover, since Lebanon's independence, there has been economic neglect towards Tripoli, with a study, conducted in as early as 1961, highlighting the severe developmental problems in the Northern region of the country². This was further worsened following the post-civil war Hariri-led neoliberal policies in the country, which segmented and institutionalized geographical inequalities in the country³.

Indeed, as the home to 18.3% of the country's population, the North of Lebanon reportedly has the highest poverty rates, with a staggering 31% of the country's poor located there⁴. Moreover, the region also exhibits the lowest rate of labour force participation, with only 47% of individuals above the age of 15 active in the workforce.

Accordingly, the Urban Poverty Index indicates that 67% of Tripoli's households do not have access to their basic needs with a staggering 26% especially destitute⁵. Economic activity in Tripoli is at 43.8%, with only 11% of national employment located in the northern region⁶. The overall unemployment rate, according to OCHA, is at a staggering 35%, with youth unemployment and high school drop outs on the rise⁷. OCHA also reports that " out of a total population of 1.1 million

UN-Habitat 2016

² Mission IRFED 1961

³ Traboulsi, F, Social Classes and Political Power in Lebanon, 2016

⁴ Skill Gap Analysis for TSEZ 2017

⁵ ESCWA UPI 2012

⁶ Skill Gap Analysis for TSEZ 2017

⁷ Ibid.

people, 708,000 live under the poverty line: 341,000 deprived Lebanese, over 266,000 Syrian refugees, 88,000 Palestine refugees and almost 12,000 Lebanese returnees⁸.” A study by ESCWA in 2013 reported that Tebbane and Al-Souaika are the poorest areas in Tripoli, with 50% of families receiving an average \$333/month⁹.

Figure 1: Selected indicators reflecting the state of the labor force in the North of Lebanon

Selected indicator	Share in the North
Active working population	47%
Public sector employment	20%
Female employment rate	17%
Inactive adult female	52%
(Informal labour (% of waged employees	85%
Waged employee	49%
Employer	20%
Self-employed	22%
Unemployment rate	9%
(Unemployed youth (14 – 24	13%
Idle youth (14 – 24) not employed, education or training	23%

Source: 2016 North Lebanon Household Survey, World Bank

In addition to imbalanced development and structural inequalities, the city’s economic slump is also largely due to political turmoil etched in the city’s recent history. Since the 1980s, there have been sporadic but on-going conflict between two neighbourhoods in Tripoli under study, Tebbane and Jabal Mohsen, with consequent heavy destruction and economic migration from both neighbourhoods¹⁰. Indeed, Tebbane, Jabal Mohsen, and Qobbe are the most deprived neighbourhoods in Tripoli.¹¹ The situation of these neighbourhoods, particularly Tebbane and Jabal Mohsen, was further exacerbated due to Hariri’s assassination in 2005, and the ensuing split of the country into the March 8 and March 14 alliances, and the Syrian war. Tripoli was also affected by the tensions and violence between Salafists and the Lebanese army, with a large number of Islamists, under the militant group Fateh el Islam, arrested in 2007. For many Islamists and Islamist-supporters, the current geopolitical climate has resulted in “Sunnis [...] being victimized.”¹² Moreover, the 2011 Syrian crisis worsened the economic situation, as there was a huge influx of refugees to the North through the borders. The war also further exacerbated the clashes between the Sunni community of Tebbane and the Alawite community of Jabal Mohsen, leading to 200 dead and 2000 injured be-

⁸ North and Akkar Governorates, OCHA, 2016)

Geostrategic Maritime Review, 2013

UN Habitat Tripoli City Profile

Skill Gap Analysis for TSEZ 2017

Hamoui, Mustapha, “A Phonecall that Shook the Nation”, Heinrich Boll Stiftung, ۲۰۱۲,

tween the years of 2008 and 2015¹³. During these cycles of violence, militants and political gangs infiltrated the neighborhoods, fortifying sectarianism and identity politics in the areas of Tebbane and Jabal Mohsen.

In 2014, a top-down security plan was put forth, with the aim of disarming the militias and gangs. However, no national strategic plan was implemented to specifically deal with the neighborhoods' political grievances. Yet it is worth noting that there have been strategic plans pushed by consultants, economists, and local consultancies, under the umbrella name 'Inclusive Strategy & Action Plan (Volume I & II)'. During the past two years, there has been relative calm in the city with several emerging initiatives, such as the Tripoli Vision 2020; Tripoli Special Economic Zone; the 2018 Tripoli Start-up forum for emerging entrepreneurs; maritime investments; arts and cultural activities in places such as Warche 13 and the March Cultural Centre; and the NGO and INGO-led capacity building of the district's municipalities. Some have suggested that, "The political will to improve the socio-economic situation in Tripoli [and] policy decisions [being] made in that direction in the form of large investments needed in the area.¹⁴" Yet, despite the direct clashes ending and the various (but limited) interventions, the neighbourhoods at stake are still highly sensitive to external and internal tensions and triggers, with sporadic clashes still occurring.

1.5 SMEs in Lebanon

Small and micro enterprises in Lebanon are the building blocks of Lebanon's economy, representing 93-95% of registered companies and absorbing around half of formally registered employees¹⁵. In Lebanon, the private sector has long played a major role in the country's development, with SMEs predominantly contributing to its activities. There are around 225,000 MSMEs in Lebanon, with around two-thirds of them in Beirut and Mount Lebanon¹⁶.

Policymakers and economic analysts have long reaffirmed the importance of SMEs in developing entrepreneurship, generating employment, increasing competitiveness, and enhancing economic viability.¹⁷ Lebanon's Ministry of Economy and Trade identifies micro enterprises as those with an annual turnover that is less than LBP 500 million; small enterprises as those with an annual turnover less than LBP 5 billion; and, finally, medium enterprises as those with an annual turnover that is less than LBP 25 billion. Respectively, these enterprises have 10 employees or less, 50 employees or less, and 100 employees or less. A field study of around 3000 MSEs in Lebanon, conducted by the Consultation & Research Institute, identified that enterprises with less than five workers make up 88% of enterprises. Indeed, neighborhoods in Tebbane, Jabal Mohsen, and Qobbe consist largely of nano enterprises, i.e. one-person businesses.

In Lebanon, SMEs face structural challenges in the country, with a 2006 ERF study reporting that approximately half the SMEs surveyed are not formal and may only commercially enroll their enterprise if they have the capacity to expand¹⁸. Reportedly, this is due to taxation-related issues, which has encouraged the informality of the hiring processes¹⁹.

However, there has been a push towards supporting the growth and development of SMEs in re-

OCHA 2016, North and Akkar Governorates Profile

LEADERS Market Analysis 2017

Oxfam Skill Gap Analysis in Selected Regions 2017

Building Markets 2016, Market Overview of Small and Medium Enterprises in Beirut and Mount Lebanon conducted for the IRC

OECD 2017, Enhancing the Contributions of SMEs In A Global and Digitalized Economy

LEADERS Market Analysis; Ministry of Economy and Trade and UNDP (2014). Lebanon SME Strategy. A road map for 2020.

World Bank *Doing Business* 2010

cent years. They started receiving attention in the 90s, in line with the reconstruction period that followed the civil war. A series of laws and policies were enacted, such as the establishment of the Investment Development Authority of Lebanon and the reactivation of the Beirut Stock Exchange, to set the stage for SMEs. Moreover, in the 2000s, a platform for long-term subsidized loans, via the Kafalat program, was established. Despite these changes, it was not until 2007 that the country's first national strategy emerged, with huge efforts by both public and private sectors to push for and advocate entrepreneurship. Given the relative success of the SME strategy, the Ministry of Economy and Trade launched a new strategy, namely the "Lebanon's SME Strategy: Roadmap for 2020", with the view that SMEs are engines for Lebanon's growth and capacity to create jobs. It advocates the enhancement and creation of SMEs that are dynamic, vital, and internationally competitive.

The main objectives of Lebanon's 2014 SME strategy revolve around the growth of SMEs, their sustainability and competitive value, and their ability to be innovative and contribute to a higher value-added economy. The importance given to SMEs is depicted in events such as the Lebanon Small and Medium Conference in 2017, under the patronage of the Ministry of Economy & Trade. An Oxfam-commissioned skill gap analysis, implemented by Beyond Reform and Development in 2016, noted optimism with regards to the growth of SMEs despite the reported legal and skills barriers to hiring and the existing gap between labours' education and the market's needs.

Another skill gap analysis by Oxfam examining agrofood, food services and construction sectors, in a variety of different regions in Lebanon, noted that employers tend to prefer educated employees instead of unskilled labors due to lack of training resources²⁰. They also expressed willingness to partner with VTEs, with particular interest in business plan development and marketing.

1.6 SMEs in Tripoli

In more recent times, there have been a series of reports studying Tripoli's labor force and skill gaps. For instance, a skill gap analysis conducted particularly for the Tripoli Special Economic Zone concluded that there is a scarcity of skilled labor in Tripoli. In the study, interviewed industrialists highlighted their tendency to hire technical skilled labor from outside Tripoli. The reasons given for this were the emigration of educated youth to Beirut or abroad, the impracticality of educational institutions, and the outmoded vocational education curricula²¹. There is also a lack of incentives amongst enterprises to invest in internships or vocational training. Indeed, as per Oxfam's findings, SMEs in the North "face structural challenges that are preventing them from benefitting from this wave of support to SME's²²."

LEADERS market analysis of Tripoli also highlights that the construction sector particularly needs help with devising marketing strategies, whereas food-processing enterprises may need to prioritize technical support in order to become more efficient. MSMEs in general reportedly lack technical training.

Figure 2: major challenges in Tripoli

Political	Skills	Governance	Infrastructure
<ul style="list-style-type: none"> • Internal conflicts in Tripoli • Security threats 	<ul style="list-style-type: none"> • Vacant skilled labor positions • Lack of IT department 	<ul style="list-style-type: none"> • Outdated rules and regulations • Centralization of inspection agencies work 	<ul style="list-style-type: none"> • Difficulty of access to and from port • Traffic congestion around the port • Poor road infrastructure

Source: LEADERS Market Analysis 2017, case study on Tripoli's port

To assist in filling these gaps, help enhance existing SMEs, and establish new ones, there has been a wave of SME support from different local and international organizations. This is perhaps most evident in the Business Incubation Association in Tripoli (BIAT), an EU-funded project, that was established in collaboration with the MOET. Its main purpose is helping entrepreneurs develop, through providing financial, technical, marketing, and networking services within Tripoli and the surrounding areas²³.

The Tripoli Entrepreneur's Club also aims to foster and nurture entrepreneurship in the city through different tailored trainings and awareness raising initiatives. NGOs and IOs are also assisting vulnerable populations with entrepreneurship as a method. Some examples are UNIDO's projects that support SMEs in the North; Near East Foundation's work with the Hadatha Centre in Minyeh and Berqayel; and the Danish Refugee Council's support for SMEs in Tripoli as well. There is also the Lebanese Association for Development, Al Majmouaa, which has a branch in Tripoli, offering loans and free non-financial services to budding entrepreneurs, with a focus on women.

However, based on the desk review, it appears that there have been no SME-driven initiatives particularly tailored to Jabal Mohsen, Tebbane, and Qobbe. Yet, since the April 2014 security plan undertaken by the Lebanese Armed Forces and the Internal Security Forces, there have been various attempts to study the targeted areas, with the most comprehensive study, composed of two volumes, titled "Inclusive Urban Strategy & Action Plan", conducted by the local consultancy Beyond Reform and Development. These studies examine the infrastructural conditions and political backbone that may provide opportunities or constraints for the emergence of SMEs, which are the stepping-stones of this study.

Profile of enterprise owners

1.7 Age

The average age of interviewed enterprise owners is 38 with a standard deviation of 12. The lowest recorded age is 17, and the highest is 75. The table below shows the age distribution of enterprise owners.

[/http://www.biatcenter.org](http://www.biatcenter.org)

Table 2: Age distribution of enterprise owners

	Number	Percent
or below 29	23	29.5%
40 - 30	23	29.5%
50 - 41	20	25.6%
64 - 51	9	11.5%
or above 65	3	3.8%
Total	7824	100%

Although data indicates severe youth unemployment in the targeted neighborhoods, the survey depicts the opening of new shops by male youth in the past couple of years, four of which were established following the 2015 security agreement.

As per the interviews, many of these male youth are breadwinners of the family. This is relevant, when put into contrast with studies indicating that the rate of youth unemployment in the North is much higher than the rest of the country²⁴. Arguably, the lack of registration and establishment formality, combined with the dire need to provide money and the relative safety in recent times, has pushed male youth to open shops. They own minimarkets, appliance repair and maintenance shops, cafés, clothes stores, barbershops, and mobile phone and services. As such, male youth worked mostly in services and trade. Most were confident about their ability to execute their businesses or jobs efficiently, with one barber from Jabal Mohsen noting that, “I may be young, but no one cuts hair around here better than me!” Another interviewed young man noted that he was “self-made”, because he didn’t go to school and wasn’t supported by any organizations. On the other hand, there weren’t a lot of older men working; rather, several participants indicated that they are now working in what were their fathers’ shops. According to available data, the various male age groups are employed within both the service sector and the public sector²⁵.

Women employees and enterprise owners were all above the age of 30, indicating the lack of female youth employment in the neighborhoods. Based on the conducted interviews, there were no examples given of child labor with regards to employment. However, previous studies have reported that child labor exists in Qobbe and Tebbane, constituting around 18% of employment²⁶.

1.8 Gender

The enterprises surveyed were predominantly owned by males, with the exception of three enterprises – a minimarket, a clothes store, and a cosmetics and make up shop. There were two female employees as well, one working as a knitter and the other in a cosmetics and perfume shop.

This indicates the vast gender discrepancy in all three areas, both in enterprise ownership and in employment. Other studies concur these findings, with a UN-Habitat neighborhood profile indicating that in Tebbane only 3% of surveyed business holders are female and only 2% of employees are female. Another UNDP field survey of living conditions in Tebbane and Jabal Mohsen in 2011 reported that a staggering 91.5% of women are unemployed in those areas. In Qobbe, as per the UN Habitat profiling, 14 out of the 166 surveyed business holders were females. This is a slightly

ILO 2017, Labour Market Information Review and Analysis: In-focus on Northern Lebanon

Ibid

UN Habitat 2018, Tebbane & Qobbe Neighborhood Profiles

higher percentage; indeed, all the interviewed female enterprise owners and employees for this study were based in Qobbe. This indicates that in comparison to Qobbe, the gender discrepancy is most severe in Jabal Mohsen and Tebbane.

Another study indicates that most women running businesses are usually single mothers, forced to financially provide for their young children²⁷. However, this dynamic is likely to change when male children grow older and can assist or 'take over' the breadwinning role.

Some male enterprise owners suggested that they might hire women for "suitable" positions, which were usually secretarial or administrative. The reason they had not hired women yet was due to the extremely limited resources; as such, if their businesses were to expand, the potentiality of hiring trained women would increase. On the other hand, enterprise shop owners, working in mechanic, barber or meat shops, said that hiring women was unsuitable in their industry. It is worth noting that the male youth interviewed were more likely to show enthusiasm and support about hiring women than the older generation, thereby reflecting potentially changing mind-sets. Further, family owned shops tend to hire women sometimes; for instance, one enterprise owner noted that he preferred his daughter working in his shop than a random male. Hiring women employees, it appears, remains highly informal rather than based on an entry criterion, as another interviewed employee noted that she only got this job because the owners are family friends. Indeed, enterprises are largely owned by families and passed on vis-à-vis a culture of heritage and close-knit family dynamics.

One female employee, working in a cosmetics store, noted that she "learns as she goes", although further training on make-up, hair styles, and clothing, in addition to managing budgets, would help immensely. She also added that sales in cosmetics and make up shops would increase if employees were trained on how to use social media for marketing. Some of the women noted the growing importance of certificates and diplomas for work, especially outside of their neighbourhoods. Yet, Lebanese women in those areas don't receive vocational training whereas their non-Lebanese counterparts are more likely to²⁸.

However, another enterprise owner noted, "I don't need more training, I need more customers and sales." For this owner, the core of the problem was economic insecurity and the lack of purchasing power, rather than inexperience. There was a suggested frustration with training if there were no prospects of economic growth. For many women, however, opening shops slightly distant from their homes was not an option. Women in vulnerable regions usually prefer to work close to their homes or do freelance jobs, such as tailoring and hairdressing, which can be done according to their own timings.

1.9 Education

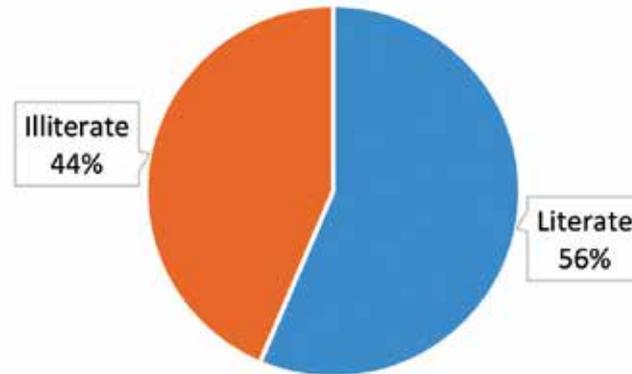
Most interviewed participants had not completed their formal education, including the younger interviewees, and as the figure below shows, 44% of the respondents were in fact functionally illiterate²⁹. Amongst the 17 to 25 age group, only two had done vocational training while the majority had dropped out a very early stage. In total, only 7 out of the 80 interviewees had done any form of vocational training, despite the current NGO and IO-led investments in that sector. Several business owners even noted that they sometimes struggled to find employees that could read or write.

Inclusive Urban Strategy & Action Plan, Diagnosis & Urban Report, 2016

UN Habitat Neighborhood Profile: Tebbane and Qobbe 2018

Functional illiteracy is defined as those with only primary or no formal education.

Figure 3: Literacy and illiteracy rate



A needs assessment, conducted by ACTED, reiterates this finding. As per the study, the heads of households have extremely low educational levels in the targeted neighbourhoods: 73% had only primary education and 9% had secondary education. 18% of the assessed household heads had no education at all. The reasons for the low educational level are usually attributed to the high tuition fees, transportation-related issues, security fears, and economic calculations. There is also a dependence on charities for tuition fees. Further, the waves of violence since the 1980s have kept parents from sending children to school out of fear that they will be injured or attacked. The cycle of violence, naturally, leads to economic instability and the closing of many family businesses, making public school's yearly fees of 90,000 LBP unaffordable, especially when there is more than one child. As such, there are high dropout rates, with many young men exploited by militias due to economic insecurity. Some respondents who had dropped out, for instance, noted that they were paid 10,000 LBP for shooting guns, 20,000 LBP for throwing grenades 20, and 40,000 LBP for using snipers³⁰.

Weak infrastructures also make accessing schools and universities immensely difficult. For instance, some interviewed participants in Jabal Mohsen noted that they are interested in universities but have no transportation access to Tripoli³¹. Although residents in Tebbane have better access to universities in Tripoli, there are still huge barriers due to congested roads and costly public transportation. In Qobbe, however, there is better access to schools, particularly given that several departments of the Lebanese University are located there. There is also a vocational/technical school in the Lebanese University that several residents from Qobbe attend.

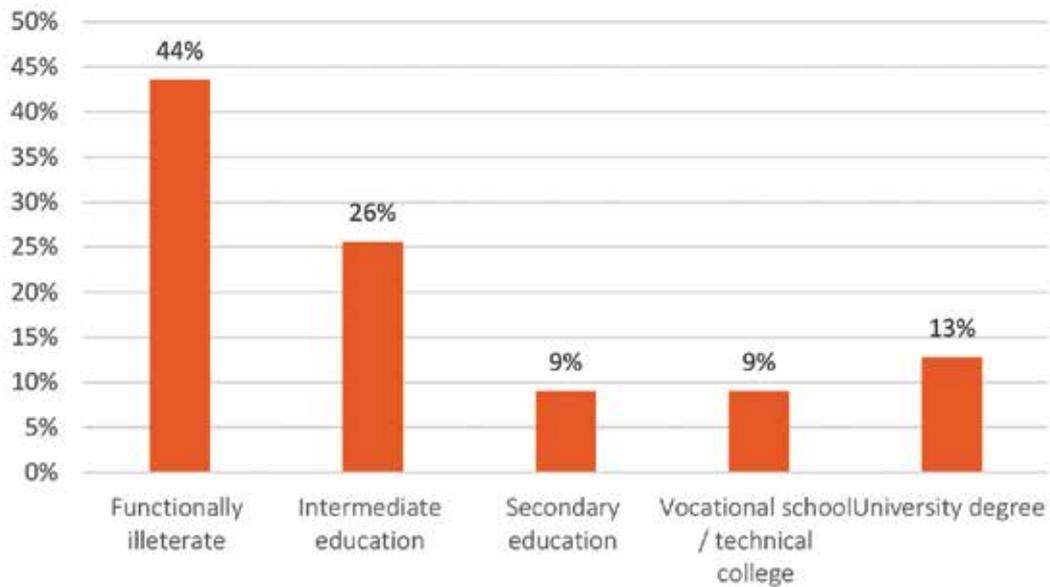
Generally, participants with higher levels of education were more likely to incorporate administrative procedures in their work (i.e. accounting, budgeting, etc.). Therefore, those participants were more capable of assessing their business growth, needs, and employment capacity.

In Lebanon, women are more likely to attain higher education. Yet, the survey indicates that no women reached university level – one of them had not had any formal education, two had finished primary school, and the remaining two received the brevet certificate and the baccalaureate respectively.

Inclusive Urban Strategy & Action Plan, Diagnosis & Urban Report, 2016

As noted in Inclusive Urban Strategy & Action Plan, Diagnosis & Urban Report, 2016

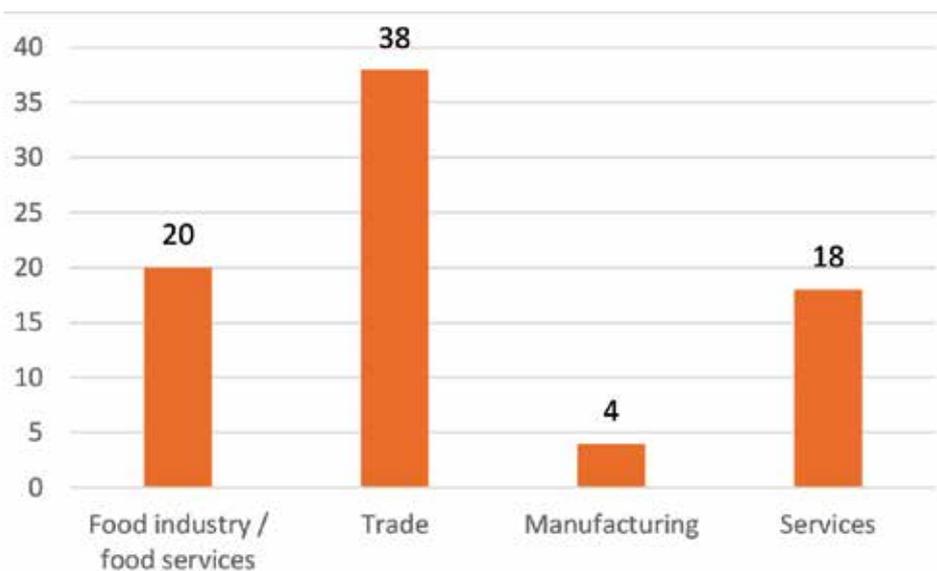
Figure 4: Respondent's education level



Profile of enterprises

Based on the surveys, the most prevalent sector of activity in all three neighbourhoods is trade, followed by food industry, services, and then manufacturing as the figure below illustrates. Naturally, in each area, there are different shops dominating the market.

Figure 5: Number of enterprises within each sector of activity



In Tebbane, for instance, vegetable shops and mechanic shops have historically dominated the market. During waves of security, residents from surrounding areas visit Tebbane to pick vegetables, which are cheaper and more varied, and fix their cars for cheaper prices. However, based on the survey, there appears to be more market diversification in Tebbane today, with a variety of enter-

prise activities mostly concentrated in food (9), trade (8), and services (7). However, apart from one furniture shop, there were no other manufacturing enterprises. Jabal Mohsen and Qobbe were similar in diversity. In Jabal Mohsen, most of shops are food (6), trade (6), and services (5). There was one manufacturing furniture shop surveyed. However, based on the interview with the furniture shop owner, Jabal Mohsen was known for manufacturing – whether tailoring or furniture production. In Qobbe, most of shops are in trade (19), services (9), and food (7). Similarly, there is only one manufacturing shop, producing furniture for home decorations.

Table 3: Activities in the various sectors

Food industry / services	Trade	Manufacturing	Services
Bakery (3)	Automobile Repair Shop (1)	Curtains Manufacturing & Sales (1)	Appliance Repair & Maintenance (4)
Butcher Shop (3)	Beauty Products (3)	Furniture Shop (2)	Barbershop (7)
Café (5)	Car Accessories (1)	Knitting (1)	Mobile Phones & Services (4)
Dairy Food & Beverages (1)	Clothes Shop (5)		Perfumes & Mobile Accessories (1)
Fish Shop (1)	Cocktails & Juices (1)		Printing Shop (1)
Pastry Shop (3)	Games & Electronic Store (1)		Tires Services (1)
Poultry Shop (1)	Hardware Store (1)		
Roastery (2)	Hardware Trading (4)		
Vegetables & Fruits (1)	Library and Bookshop (1)		
	Minimarket (7)		
	One Dollar (3)		
	Perfume Shop (1)		
	Phone Accessories (1)		
	Plastic Trading (1)		
	Shoe Shop (1)		
	Stationary Shop (1)		
	Supermarket (2)		
	Tobacco Shop (1)		
	Wholesale and Retail and clothing store (1)		

The data on the distribution of enterprises can be triangulated with the UN-Habitat’s forthcoming study, which looks at both Qobbe and Tebbane.

For Tebbane, the findings show that most shops are “food and grocery stores, followed by storage shops (12 percent), tools stores (8 percent), boutiques, restaurants and cafés, car accessories shops, meat shops, salons, bakeries, electrical supplies shops and furniture stores, among others”. On the other hand, workshops are mostly composed of “mechanics (52 per cent), carpentry (19 per cent) and metal workshops (16 per cent), among others”.

The figures below, taken directly from the study, summarize the main findings with regards to Tebbane’s enterprises and distribution statistics.

Figure 6: Enterprises ownership, vacancy and types



Figure 7: Distribution of shops

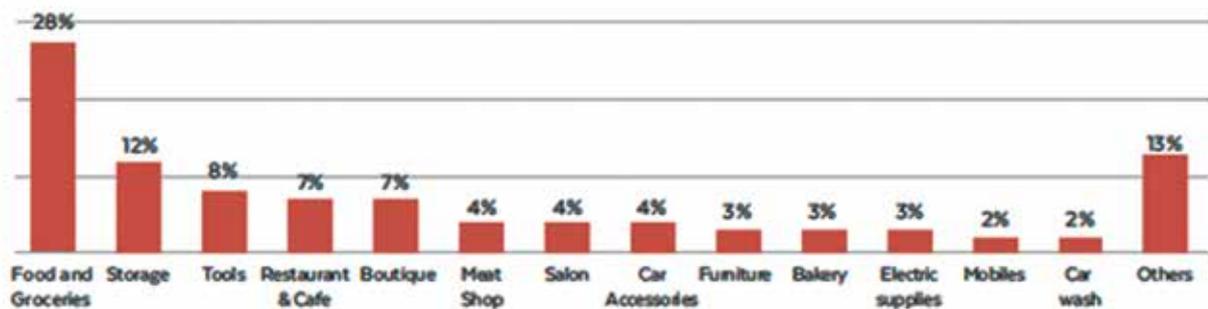
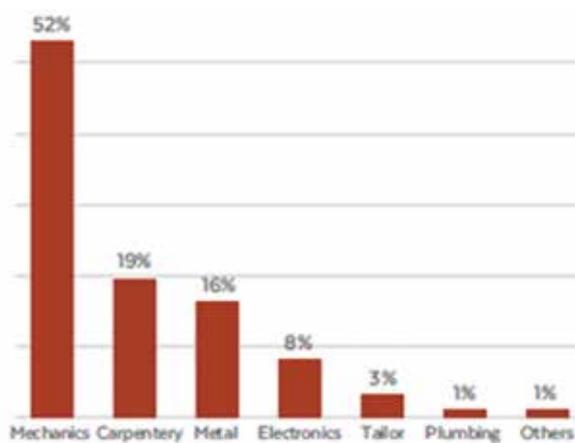


Figure 8: Distribution of workshops



As for Qobbe, the UN-Habitat survey indicates that “the most common types of shops are food and grocery stores (26 percent), followed by storage shops (17 percent), bakeries (10 percent), meat shops, beauty salons, boutiques, mobile phone and electronics shops, restaurants and cafés, furniture shops, gaming shops, tools stores and only one pharmacy.” As for workshops, they are mostly made up of “carpentry (28 percent) and mechanics (21 percent).

The figures below, taken directly from the study, tabulate the distribution of shops and workshops.

Figure 9: Types, ownership and occupancy of enterprises



Figure 10: Distribution of shops

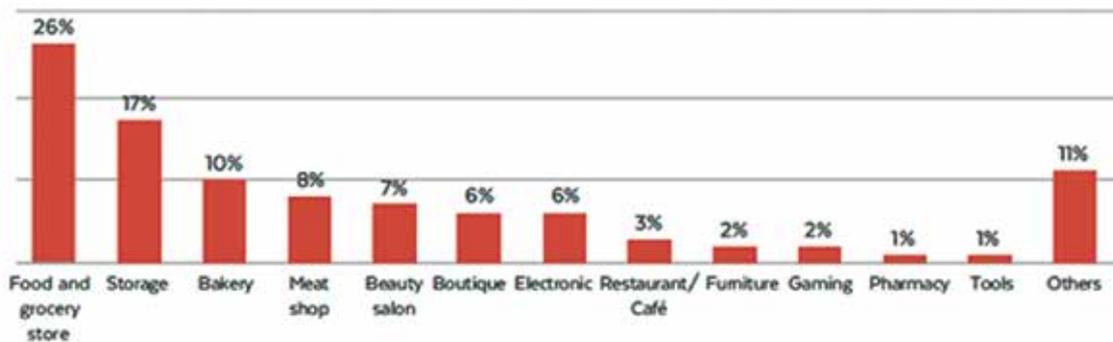
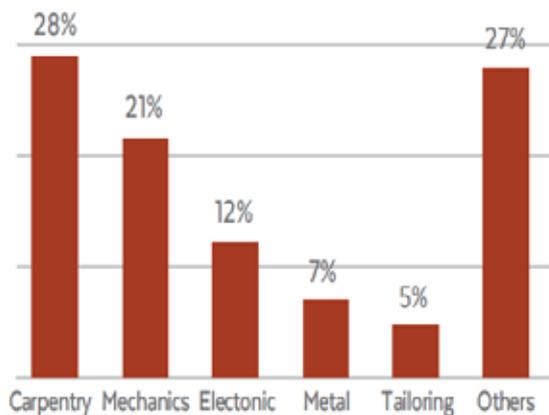


Figure 11: Distribution of workshops



In terms of size, in all three neighbourhoods, one person usually runs the enterprise without employees, signifying the prevalence of nano-enterprises, and as the table below shows, the mode (most frequently mentioned number of employees other than the enterprise owner) is in fact zero for all sectors in all neighbourhoods. The food industry, a bakery in particular, had the highest number of employees among the interviewed sample (12 employees); however, the high standard deviation in this sector

shows that many enterprises also have a very low number of employees. The trade sector has a maximum of 6 employees and a relatively low standard deviation, indicating that this sector, on average, hires more people than other sectors.

A lot of new shops have opened in the neighbourhoods under study, following the relative stability. There is an increase in shops for mobile phone services. On the other hand, manufacturing and crafts shops are decreasing rapidly. A furniture shop owner noted that, "Previously, workshops were the pride of our area. Especially when our special wood products brought in people from Beirut! Today, the decrease of outsiders coming in has meant that we have to cater our services to the nearby neighbourhoods." Craftsmen have been severely affected by cheap products, such as furniture, coming in from Southeast Asia and Egypt. According to the interview, beds and wardrobes from China can cost as little as 100 dollars whereas local craftsmen expect at least 300 dollars for bedroom furniture.

Table 4: Average size of enterprise by sector and location

	Average size of enterprise	Minimum employees	Maximum employees	Mode	Standard deviation
Food industry / services	3	0	12	0	3.007
Trade	2	0	6	0	1.146
Manufacturing	2	0	2	0	0.957
Services	2	0	3	0	1.003
Tebbane	2	0	7	0	1.855
Jabal Mohsen	2	0	6	0	1.602
Qobbe	2	0	12	0	2.021
All cases	2	0	12	0	1.870

Interviewees noted that historically, customers were not usually from the neighbourhoods themselves. This bolstered the local economy. Indeed, this was particularly true with regards to the vegetable wholesale market in Tebbane, whose cheaper prices and wider variety invited residents from different areas all throughout Tripoli, and furniture workshops in Jabal Mohsen, which gathered people from different parts of the Northern region. However, both the political situation and the congested roads have immensely affected this. Several participants also reflected on the strategic importance and history of Syria Street, a dividing line between Jabal Mohsen and Tebbane that, today, is populated by run-down and bullet-ridden buildings. Syria Street had always been open and accessible, with various relatively successful and diverse shops, given its location as a connection between Lebanon and Syria. Further, enterprise owners reflected on the decreasing activities in their sector because of a total decrease in purchasing power, bad security situation, competition with Syrians' informal businesses, the growing imports of cheaper products from abroad, and the weak infrastructure.

Based on the survey, employers were mostly Lebanese. Some interviewees highlighted that the decreasing number of Syrian workers meant that they most likely searched for work outside the targeted area, which did not have as many construction and agriculture-related activities. As such, many seek jobs in the city centre, Minniye-Dinniye, and/or Akkar. Similarly, the UN Habitat's report on Qobbe notes that "data collected regarding the percentage of Syrians as business holders and employees in the studied area highlight that Syrian employment might not be as prevalent as thought by some local residents." Yet, as was pointed out by café owners, barbershops, minimarkets, and vegetable owners, the Syrian residents increase the demand. An owner of a hardware trading shop said, "Despite what people may say, Syrians revived the economy."

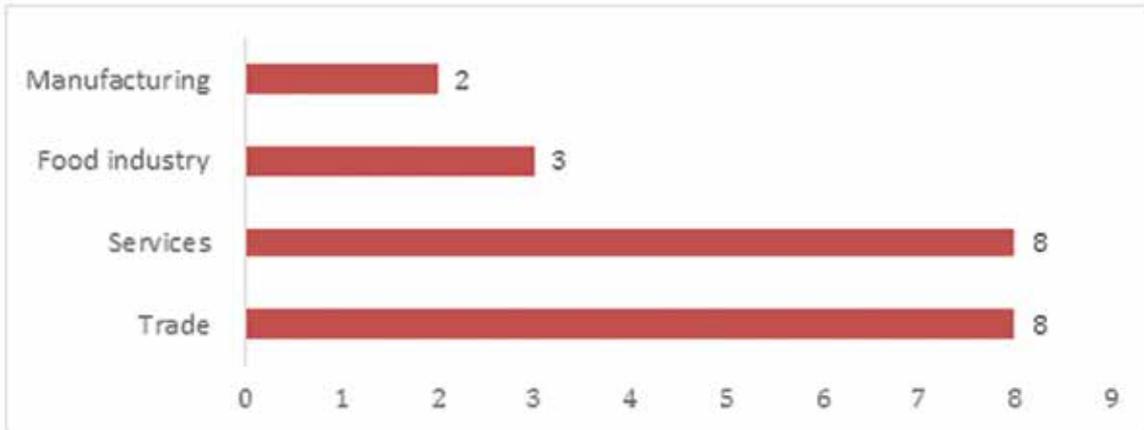
Investment

Only 21 enterprises out of the 80 interviewed (26%) have recently invested in their businesses. The enterprises investing the most were in the services and trade sectors. The figure below shows the number of investing enterprises within their sectors of activity.

This indicates the sustenance and capacity of trade-related and service industries, which are growingly populating all three neighbourhoods. Four shops for mobile phones and services, for instance, invested in the expansion of the place. On the other hand, manufacturing and food-related shops have not been making as many investments.

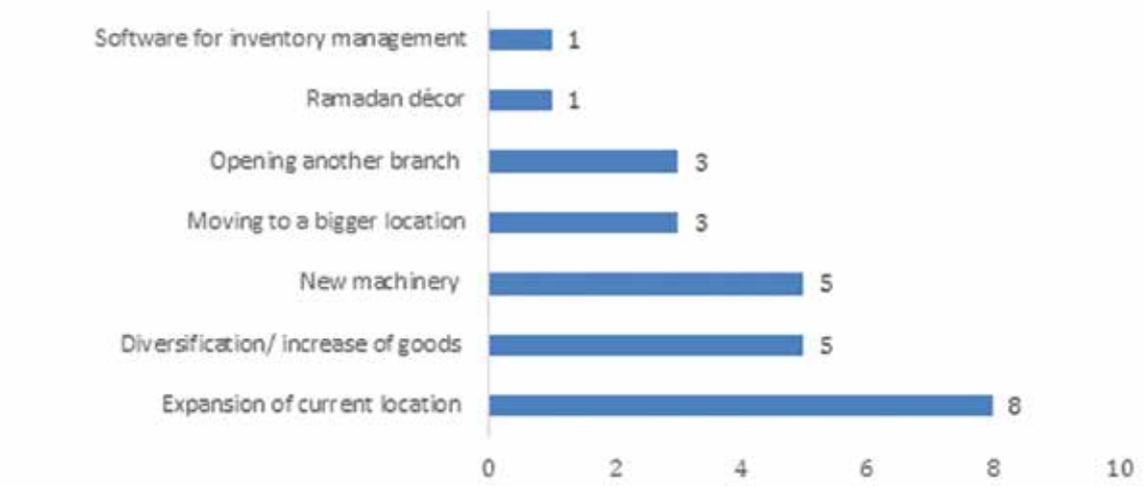
However, the lack of investments in manufacturing signifies the decline in workshops and production of merchandise generally.

Figure 12: Number of investing enterprises by sector



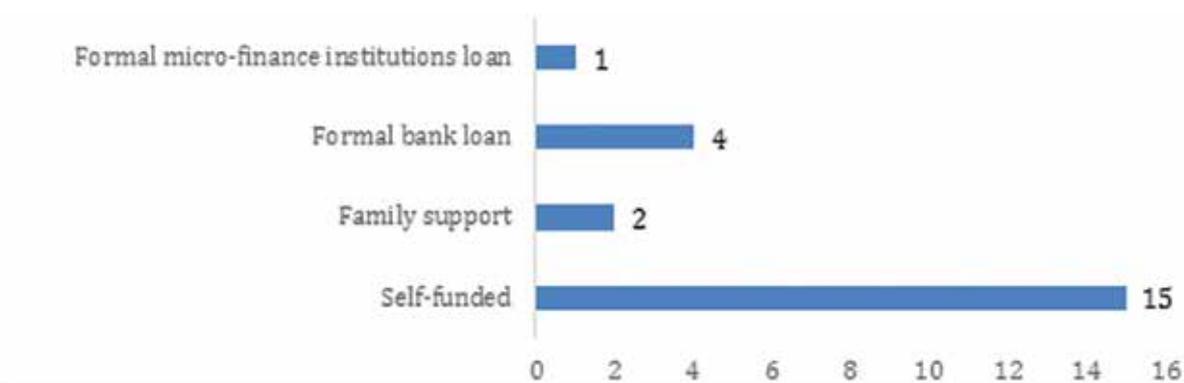
Investments were mostly related to the expansion of the shops, followed by increasing/diversifying goods, and purchasing new machinery, as shown in the figure below.

Figure 13: Types of investments performed by enterprises



The majority of funding was by the enterprise owners themselves (15), followed by formal bank loans (4), family support (2), and micro-financing institutions (1). This is promising, as it indicates self-dependence. Moreover, it also indicates that participants do not depend on NGOs or charities for funding, despite what might be postulated. Except for two participants, one of whom had heard of CARE because one of his employees were trained and paid by them during an apprenticeship, interviewees had not personally engaged with NGOs for issues related to their enterprises. Another participant noted that the Italian embassy had promised to support the handicraft and manufacturing sector in the North, as per the Venice Conference, with over USD 600,000. However, he, along with his colleagues, has tried to follow up but this has been in vain and they are yet to know where they money has gone.

Figure 14: Sources of funding for investing enterprises



Regardless, there are several NGOs in the neighborhoods working on helping support people, businesses, and marginalized populations in the targeted neighborhood. These include UTOPIA; Shabab al Ghad Organization; the Lebanese Relief Council in Qobbe; and the Youth Academy of El Qobbe (which also works in Jabal Mohsen and Tebbane). However, based on the interviews, there is mistrust of NGOs and IOs, and as one owner put it, “They raise expectations without following up.” On the other hand, another participant said there was a lot of dependence on international funds in the targeted areas, and many enterprise owners lie about attaining funds to ensure that they continue to receive more financial support.

Major constraints

Based on the results from the quantitative study, the table below indicates the barriers to growth, from the most pressing to the least.

Table 5: Barriers to growth

Variables	Mean
Political instability in the country	4.41
Lack of financial support	4.25
Security situation	4.24
Location of the business	4.16
Insufficient government support	4.08
High interest rate	4.02
Syrian crisis impact on Lebanon	3.99
Poor electricity supply	3.97
Recession of the economy	3.91
High competition	3.84
High taxes and other tariffs	3.52
High inflation rate	3.49
Inadequate demand	3.37
Lack of information technology	3.23
Lack of access to loans from banks	3.22
Inadequate market research	3.21
Lack of experience	3.20
Lack of collateral	3.11
High production costs	3.09
Costs of registration and licenses	3.03
Lack of business skills	3.01
High transport costs	2.97
Corruption	2.95
Lack of networking	2.86
Clientelism	2.79
Inability to keep qualified employees	2.70
Bad financial record	2.67
Lack of internal employee training	2.61
Crime	2.54
Shortage of skilled labor	2.40

(1=Not Important at All and 5= Very Important) (n=80)

1.10 Principle Component Analysis (PCA)

This section discusses the results of a principal component analysis (PCA) of the rankings of the 30 growth barriers³². The Kaiser-Meyer-Olkin measure of sampling adequacy (K-M-O=0.758), the degree of common variance among the initial variables, is considered to be adequate as it is larger than the standard threshold of 0.6. Bartlett's test of sphericity is significant and thus ($\chi^2 = 314.257$ df =66 sig.=0.000) shows that the sample correlation matrix does not come from a population in which the correlation matrix is an identity matrix. As such, the non-zero correlations in the sample matrix do not reflect sampling errors. These tests support the use of principal analysis.

The PCA used Direct Oblimin rotation following the assumption that the components are orthogonal, but rather correlated.

The following table shows the initial eigenvalues of the identified components where the first 4 components have a total eigenvalue greater than one and explain more than 80% of the variance in the data. Hence these are the 4 factors: (1) cost and skills, (2) access to finance, (3) political stability, and (4) the Syrian crisis.

Table 6: Variance in data

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.298	44.147	44.147	5.298	44.147	44.147
2	2.213	18.438	62.585	2.213	18.438	62.585
3	1.156	9.633	72.219	1.156	9.633	72.219
4	1.025	8.539	80.758	1.025	8.539	80.758
5	.641	5.339	86.097			
6	.489	4.074	90.171			
7	.416	3.469	93.640			
8	.272	2.267	95.907			
9	.213	1.778	97.685			
10	.122	1.018	98.703			
11	.087	.722	99.425			
12	.069	.575	100.000			

Table 7: Results of PCA

	Factor 1	Factor 2	Factor 3	Factor 4
	Cost and skills	Access to finance	Political instability	Syrian crisis
High taxes and other tariffs	884.			
Costs of registration and licenses	951.			
Clientelism	830.			
Inadequate market research	679.		443.-	
Lack of experience	914.			
Lack of business skills	855.			
Inability to keep qualified employees	674.			
Bad financial record	452.	645.		
Lack of access to loans from banks		905.		
Lack of collateral		961.		
Political instability in the country			945.	
Syrian crisis impact on Lebanon				937.

Factor 1, includes 7 variables that fall under two themes

- Cost of production: High taxes, costs of registration,
- Skills of human resources: lack of experience, lack of business skills, inability to keep qualified employees, inadequate market research

These two themes explain the largest variance, meaning they are the most important barriers for growth according to the respondents, and they are all related to the operation of the business whether in terms of cost of production or in terms of the human resource and skills involved in the business operation.

Factor 2 includes 3 variables all of which related to the ability to access finance that is the second most important barrier to growth according to the respondents. A bad financial record, lack of access to loans, and lack of collateral all reflect the inability of business owners to access sources of financing. This was also reflected in the qualitative data and is examined in section 7.2

Factor 3 is composed of one variable, namely the political instability in the country. As is highlighted in the desk review, political instability is the main obstacle to economic growth. This cyclical violence is heavily played out in Tebbane, Jabal Mohsen, and Qobbe, explaining why 'location of the business' and security situation are major obstacles in table 5. Political and geographical isolation lead to weak economic structures and increased financial dependence.

Factor 4, is also composed of one variable which is the impact of the Syrian crisis. The effect of Syrian crisis on Lebanon has a mean of 3.99, indicating a relatively high impact. The impact was more context-specific (i.e., Qobbe and Tebbane were more affected than Jabal Mohsen by the influx) and is crosscutting, affecting employment, informality, access to finance, and infrastructure, as discussed below.

For the most part, similar obstacles were identified in the surveys and in depth interviews. However, the qualitative study shed light on the linkages between factors 1 and 2 from table 5, illustrating, for instance, that the political instability in the country is a key element in the lack of access to finance. Below, results from the quantitative study are synthesized with data gathered from the qualitative study.

1.11 Political instability and the Syrian refugee crisis

As is highlighted in the desk review, political instability is one of the main obstacles to economic growth. This cyclical violence is heavily played out in Tebbane, Jabal Mohsen, and Qobbe, explaining why 'location of the business', 'security situation', 'insufficient government support', and the 'Syrian crisis impact on Lebanon' are all major obstacles in table 5. Indeed, political and geographical isolation lead to weak economic structures and increased financial dependence.

As was noted in the desk review, there have been intermittent clashes in Jabal Mohsen and Tebbane since the 1980s, triggered largely by politicians and turmoil in Lebanon, Syria and the region at times. Moreover, assassination of Hariri in 2005, the Syrian war, and the clashes between Salafists and the Lebanese Army heightened the political situation in the area, leading to significant violence and loss of life.

As tensions were exploited on sectarian and anti/pro Syrian lines, the influx of refugees to the North of Lebanon contributed to political instability. Moreover, because many residents lived in highly vulnerable economic situations pre-2011, the presence of Syrian refugees increased their perception of competition for resources, jobs, and even healthcare. The hiked rent prices, for instance, were

largely attributed to the presence of Syrian refugees. Participants also noted that the Syrian refugee crisis increased informality, with the increase of informal kiosks and vendors. Despite the 2014 security plan and the relative safety in the neighborhoods in recent times, it is rare for non-residents to visit Jabal Mohsen, Tebbane, and Qobbe. The violence inflicted on those neighborhoods, coupled with traffic and bad transportation routes, has pushed potential customers from the areas. As such, the security situation and political instability are the main contributing factors to 'location of business' being another major obstacle, illustrating the domino effect of political turmoil.

1.12 Access to finance and restrictive environments

Broadly speaking, the available capital for SMEs in Lebanon's has remarkably changed over the last fifteen years. As per Lebanon's official SME strategy, there has been a transition from debt financing, mainly carried out by subsidized loans from the Lebanese government, towards a private sector-centred shift, particularly in venture capital, and finally, in more recent history, there has been a focus on entrepreneurial support vis-à-vis facilitators, such as incubators and support organization, to create links between SMEs and investors.

Figure 15: Evolution of Funding Landscape



Source: Lebanon SME Strategy: A Roadmap to 2020

While it is true that “throughout the past two-to-three decades, Lebanon has gone a long way in developing its ecosystem for entrepreneurs and SMEs”³³, it is worth asking which areas have access to these advances. For instance, subsidized loans have mainly come from Banque du Liban, or other so-called national champions such as Kafalat and IDAL, yet impact or efforts doesn't reach vulnerable areas like Jabal Mohsen and Tebbane. With the exception of two participants, no one had heard of these initiatives.

“UNDP 2014, “Institutional Assistance for Economic Policy and Trade – Phase III

Indeed, based on the qualitative interviews and the survey, access to finance remains the biggest challenge identified by enterprise owners. The minimal profit and savings that enterprise owners have makes further investment more difficult, thereby slowing down the local economy. Indeed, several participants noted that their work has declined not only because of their minimal access to finance, but also because of consumers' decreased access to finance. Moreover, one Lebanese show owner noted that the decline in aid to Syrian refugees in Lebanon from the UNHCR and other international agencies has also had a toll on them, given that Syrian refugees increased the ratio of demand.

Further, traders' capacity to buy goods that may require shipping or transportation or bulk has wavered. In cases where input is from outside the neighborhoods, their price may be a problem. The lack of finance means that for many, purchasing supplies in bulk is difficult – as such, they end up opting for lower quantities that may be at higher costs. Moreover, there is a general preference to buy the goods from suppliers who approach them with ready-to-sell delegates. This is threatened during conflict periods or even military embargos, spread out at various intersections in those neighbourhoods during tense periods.

Moreover, the administrative costs facing small businesses, such as licenses, may sometimes compel them to avoid formality altogether (see section 7.5). Most participants felt limited in resources and, as aforementioned, most had not heard of grant projects such as the ISME World Bank project, crowdfunding initiatives such as Zoomal, guarantees such as KAFALAT, or debt financing. In fact, it is also important to note that several participants, particularly those in Tebbane, were against non-Islamic banks. In compliance with the notion of Islamic finance, whereby Muslims should not benefit from lending or receiving money from someone, many participants were against the interest-based system of banks in Lebanon. This sheds light on why 'lack of access to loans' was not one of the most pressing obstacles, despite the fact that access to finance was perhaps the biggest challenge. In this context, the role of micro-finance institutions is critical as they do not operate on an interest basis. The instability of income is due to an economic model based on business operations rather than secure employment prospects³⁴. As such, access to finance is largely dependent on residents' capacity to purchase products. This dynamic is vulnerable to any form of external insecurities. Indeed, a critical barrier in table 5 was the high taxes, costs of registration, and licenses. However, the qualitative study showed that in actuality many did not even pay these taxes or costs of registration and licenses. The reason was because there were already production costs to factor in, such as the monthly electricity and generator bills.

1.13 Lack of skilled labor

The low level of education, lack of vocational training, and decline in manufacturing and workshops both indicate and help explain the low skill levels in the targeted neighborhoods.

Most enterprise owners noted that hiring further employees was difficult, given their shops' low profits and their fear of being unable to pay wages. Yet, when probed, most noted that key qualifications of potential employees are that he is 'ibn el balad', or someone local, known, and respected. There was immense importance given to soft skills – good communication, kind manners, trustworthiness, and from a good family. On the other hand, when it came to technical skills, reading and writing were enough. In cases where the interviewee worked at a workshop, bakery, an appliance repairing shop, or a printing shop, the technical skills needed were related to knowing how to carve wood, print documents, or use the oven. Very rarely did interviewees focus on computer-related

skills, scientific, or anything mathematical. Indeed, when asked about the types of skilled labor positions, answers varied between baker, cashier, salesman, and the like.

Table 8: Skilled labor position in enterprises by year

Year	Position
2008	Salesman/woman
2011	Assistant
2012	Salesman/woman
2013	Coffee operator
2014	Bar tender
2015	Salesman/woman (3)
2017	Baker (2) Cashier Coiffeur Salesman/woman (6) Shop operator
2018	Barber trainee Cashier Handler Salesman/woman (2) Seller Technicians (2)

Employees noted that finding jobs outside of Jabal Mohsen and Tebbane was very difficult because throughout the country, they were stereotyped as ‘zo3ran’, or ‘bad people’. Many said job applications were always rejected because there were widespread perceptions of them throughout the country as “those coming from violent neighborhoods.” As such, their only hope was employment within the neighborhoods they lived in.

The different perceptions of skills are necessary for policy-makers to understand. That is, there is a huge number of participants that do not see the necessity of certain skills – such as financing, accounting, etc. – and would rather learn something that can immediately get them into business. A 17-year-old participant from Jabal Mohsen said, “I may not have finished university, but I am very skilled at running a minimarket. These streets teach you experience from the second you’re born.” Given the market landscape of the targeted areas and the prevalence of enterprises such as barber-shops and cafés, it is no surprise that soft skills are more important. The importance of kinship and family is key to a successful business within those areas. This explains why, as per table 5, ‘inability to keep qualified employees’, ‘lack of internal employee training’, and ‘shortage of skilled labor’ were deemed as the least pressing obstacles.

Employees’ perception of skills was similar. As noted above, in terms of soft skills, communication, trustworthiness, and knowledge of local dynamics were key. As for technical skills, most perceived themselves as skilled. However, there was an awareness that working outside the neighborhoods would require skills they may not possess yet. Several participants, mostly those of young ages, were keen to learn IT related skills, especially if it could guarantee them positions in outside areas. Some of the women were also keen to learn skills such as hairdressing, sweets making, and administrative-related works that they could use to work in schools or kindergartens. To this end, NGOs such as March Lebanon, UTOPIA, and Al Majmoua have the potential to play key roles to improve skills and connect young people to different organizations and networks.

1.14 Absence of governance structures

A reiterated theme throughout the interviews was immense distrust in governmental institutions, particularly in Tebbane and Qobbe. Almost no references were made to politicians or the state at large. One female participant said, “People think that our sons and husbands follow politicians blindly [...]. Actually, the majority of people here hate them! They just manipulate young, uneducated, and unemployed boys.”

The surveys indicated that the targeted neighbourhoods were politically, culturally, and socially detached from the entire country and even the Northern region in general. Participants spoke with an utter awareness about the neglect they had from the government. However, their perception of neglect was different from one neighbourhood to the other. For instance, some Tebbane residents noted that the country was no longer aligned with them, choosing instead ‘el-khat el Sourî’, i.e. the Syrian side. On the other hand, one resident in Jabal Mohsen spoke nostalgically of the pre-2005 period, when they were protected by the Syrian regime’s presence in the country.

Indeed, in neighbourhoods like Jabal Mohsen, Tebbane, and Qobbe, the central government feels distant. Pertinent issues, such as land registration, property rights, and other relevant affairs are usually ordered by cadastres corresponding to municipalities. In Tripoli, the municipalities of Bed-dawi, Tripoli, and El Mina have formed the Fayhaa Union of Municipalities, which largely relies on the national Council for Development and Reconstruction. The Union plans and implements urban projects under the organisation called ‘Urban Community of Al Fayhaa’, with core team of technical and administrative employees.

In Lebanon, municipalities, led by the head of the municipality for the duration of six years, are the governmental bodies responsible for an area’s local development. A 1977 decree-law notes that its duties are related coordinating services, infrastructural, and utilities, in addition to overlooking and implementing environmentally related projects³⁵.

However, in Lebanon, municipalities are constrained by budgetary limitations, tied to political sectarianism, and local ‘zu’ama’ or leaders. The budget, provided by the Ministry of Interior and Municipalities’ Independent Municipal fund, is given based on delicate calculations related to geographical location, capacity to contribute to national development, number of registered voters (rather than residents), and the taxes collected, amongst others.

It is worth noting that, although they did not have high expectations from the municipality, it was the only institutional body they perceived as directly responsible for their neglected reality. One participant noted that although he wished the municipality were more involved, he did not expect to be able to get his requests fulfilled by them due to their on-the-ground ignorance of small business and their owners. This perhaps explains why corruption and clientelism, two problems identified in the in-depth conversations, were some of the least pressing obstacles in table 5. Many interviewees noted that they did not expect much from the central government, not even the municipality. This was particularly because they were aware of how much corruption and clientelism was involved in the government’s structures.

Indeed, some of the weaknesses in the Fayhaa union are related to weak administrative capacities, almost total dependence on funding from the central government, succumbing to sectarian politics, inability to collect fees from members³⁶. Further, a Sustainable Development Strategy report evaluated the Fayhaa municipalities, focusing on the municipalities’ urban areas, equipment, and

³⁶ Article 1 of Legislative Decree No. 118 of 30 June 1977.

infrastructure. However, one of its biggest criticisms was that there was no unified vision, there was poor organization and delivery of projects, minimal budget, and a dependence on Ministry of Interior for funds. Another criticism was that there was no master plan tackling cultural heritage³⁷.

1.15 Accessibility and infrastructure

Enterprise owners repeatedly cited infrastructure as a huge hurdle for running a business. According to a report by ACTED, there is insufficient access to water, with serious constraints regarding the quality, and visible solid waste in neighborhoods affecting sanitation and hygiene conditions³⁸. For instance, a lot of vegetable waste from the souq is thrown into the Abou Ali River.

Commercial streets, particularly those in Tebbane and its vegetable souq, were inaccessible, not equipped with sidewalks and proper streetlights during the nighttime, reinforcing feelings of insecurity, and were prone to flooding. Unequipped water networks exacerbate the negative effects of flooding on the streets. Moreover, the odor that escapes from improperly managed sewage systems increases during floods. Further, infrastructure such as electricity and water are costly and the lack of support from the municipality with regards to infrastructure further disenchant residents. As noted in section 1.13, the high cost of production is largely due to electricity and transportation costs.

Weak infrastructure affects enterprises in terms of access as well. For instance, the lack of parking spots stops many traders from crossing into those areas. Moreover, there are a lot of checkpoints between Jabal Mohsen and Tebbane, which impedes the possibility of trade between both neighbourhoods. One trader noted the importance of re-establishing an infrastructural network between Tebbane and Jabal Mohsen, because, for instance, he used to sell a lot of goods there and traders in Tebbane would then transport it to the city centre.

1.16 Informality

The question related to formality and informality provoked discomfort and, in some cases, fear in interview participants, as they were worried that surveyors were investigating them to ‘uncover’ informal and illegal enterprises. This sentiment illustrates the pervasiveness of informality in the targeted neighborhoods. Indeed, only 20 enterprises out of the 80 surveyed have a commercial registration and only 8 out of these 20 enterprises pay their taxes.

Table 9: Number of registered enterprises by sector

	Registered enterprises
Food industry / food services	7
Trade	9
Manufacturing	1
Services	3
Total	20

³⁷ Ministry of Interior and Municipalities/Lebanon (2015) & Atallah,S (2012 Mar) “Decentralisation in Lebanon” (<http://www.lcps-lebanon.org/featuredArticle.php?id=6>).

³⁸ Rajab 2015, Al-Fayhaa Sustainable Development Strategy Plan Review

³⁹ ACTED 2016, Urban Tripoli Neighborhood and Institutional Assessment

Moreover, most of the enterprises pay their rent informally, which makes it difficult to regulate them. For many, the reasons attributed to informality were varied: additional costs without any benefit, detachment from ‘formal’ institutions due to feelings of abandonment, and lack of knowledge about the exact process. One participant said, “What’s the point of paying taxes? There is no proper monitoring, so it’s not like I’ll be caught. I might as well not!”

In Qobbe, for instance, there is a clothing market, located on the Abou Ali road, selling already worn attire, known as ‘Souk el Belleh’. The illegality of this souq, which grew following the 2008 conflicts, affected registered retail shops and increased rent prices immensely. However, in 2017, Tripoli’s municipality removed some of these illegal extensions, forcing the shacks to be relocated. Reportedly, Lebanese shop owners are now renting out these shacks to Syrians informally, which, according to an interviewee, has “become normal everyday business”. Indeed, there are under-the-table work dynamics, mostly in Qobbe, whereby Syrians informally rent places from Lebanese backed up by local ‘zu’ama’ or renowned businessmen in the area.

The presence of Syrians has further increased informality, with many interviewees noting that the prevalence of informal enterprises and kiosks has hugely affected their businesses. Another participant, who owns a nuts shop, said that there were a lot of Syrians selling nuts on motorcycles or street vendors, many of whom didn’t have to pay rent costs or electricity. According to him, this reduced his revenues immensely and aggravated the collective anger towards Syrian refugees. Moreover, shop owners noted that the rapid increase in rent prices is due to the Syrian refugee influx.

This dynamic is replicated elsewhere – informal entities, such as leaders of militias or men with connections to local politicians, overlook unofficial commercial exchanges, money provision services, and other basic facilities. For instance, in Jabal Mohsen, prior to his death in 2015, Ali Eid, the leader of the Alawite community, was a main source of income and employment for residents. Similarly, in Tebbane, several Sunni local leaders micromanage many jobs and services within the neighborhood. In those areas, religious bodies, particularly Islamic organizations, are responsible for many decision-making processes.

It is important to highlight that while informality is a huge constraint, the ease of starting a business in the targeted neighborhood can be perceived as an opportunity. That is, given the lax approach and governmental abandonment, entrepreneurs can start enterprises at a quicker pace than other areas in Lebanon, whereby starting a business requires an average six types of procedures, 15 days, and 33% of the income per capita paid in as minimum capital .

1.17 Gender dynamics

The abysmally high rate of female unemployment in the targeted neighbourhoods, estimated at over 90%, is due to various factors –pervasive cultural perceptions regarding the role of women, fear of sexual harassment, and feelings of insecurity given the political context. Based on the qualitative data, this is particularly experienced in Tebbane. Pervasive cultural perceptions postulate women as mothers, first and foremost. The notion of women working in male-dominated spheres is not advocated let alone accepted. One male participant said, “This is not Europe – this is Tebbane. People do not accept women working.” However, as noted above, some men pointed out that women could work if they were in suitable positions, such as schoolteachers or female hairdressing. Other participants mentioned that women working in factories, with a safe environment, would be positive. Although women were much more enthusiastic about working, they also agreed that taking care of children was a priority but, once their children were at school or asleep,

they would like to work. Although no young females were interviewed, different studies indicate that accounting and banking are industries that appeal to a growing number of young women. Additionally, a critical factor preventing their participation in the labour force is to minimize the risk of gender-based violence in public spaces. Although incidents aren't often reported, due to societal discouragement and taboos regarding such topics, the rate of harassment is quite high in those areas. Walking around the male-dominated streets as a woman is extremely uncomfortable, which explains why women would much rather work next to their houses. However, despite these extreme discomforts, some women push the boundaries of society to open minimarkets, jewellery and cosmetics stores, and hair salons. According to the neighbourhood profile, "an increasing number of females are managing new businesses, as compared with medium-aged businesses", suggesting that there may be an increase in female-run businesses. This suggests a potential future trend of more female-run businesses in the neighbourhood. Women also fear the political insecurity, given the neighbourhood's collective experience with the waves of violence. The traditional mindset of women as mothers and sisters meant to 'stay-at-home' increases during waves of insecurity, given the masculine-dominated conflicts.

Opportunities

1.18 Sense of safety

Political insecurity feeds into the context of most, if not all, of the major constraints. It governs the lives of residents, trade and market dynamics, and the potential for economic growth and business opportunities. Certainly, the most repeated concern in the interviews was fear that the current semi-stable political situation will worsen once more. However, although residents were cautious in their hopes, most appeared to be optimistic about the changing dynamic, particularly given that the parliamentary and municipal election occurred without any long-lasting conflict or wave of violence. One participant, however, noted that although politicians may have the will to improve Tripoli as a whole, through initiatives such as Tripoli 2020 or the Tripoli Special Economic Zone, areas such as Qobbe, Tebbane, and Jabal Mohsen should not be left behind.

To contextualise, the Tripoli Vision 2020, supported by politicians PM Saad El-Hariri, Najib Mikati, Mohammad Safadi, and Robert Fadel, aims to revive the economy, create thousands of jobs by 2020, provide training, and establish a prosperous atmosphere for the development of new enterprises. As for the Tripoli Special Economic Zone, it is an initiative, mainly pushed for by previous finance minister Raya El Hassan, to establish a tax-free zone for large industrial and manufacturing industries. The aim is to provide job opportunities for youth, women, and marginalized people, while encouraging the development of large companies in the North of Lebanon.

The current safety, lingering on a thread, and the optimism it has garnered amongst residents, should be tapped into. As is illustrated above, there are historically important ties between all three areas that have been stalled due to the political conflict. As such, initiatives should attempt to bridge the three neighbourhoods to re-establish their trading networks, facilitate transportation access, and foster cultural and familial connections.

1.19 Entrepreneurial spirit

The relative sense of security has pushed many people to set up businesses or invest further in their existing enterprises. This entrepreneurial spirit is facilitated by the ease of starting a business in all

three areas, given the neighbourhoods' informality and the growing demand by the local population and Syrian refugees. Moreover, the strong social and kinship connection in the targeted neighbourhoods provides a safety net for budding entrepreneurs to tap into their networks for support. Indeed, the amplification of the market and the opening of new enterprises in trade and services illustrate this entrepreneurial spirit. For instance, an interviewee noted that since 2016, two restaurants have opened in Jabal Mohsen, along with a new playground. Another participant in Qobbe said, "We want to live and work – don't we deserve that too?" With that line of thinking, the owner of a one-dollar store said he had been trying to expand his business and gain more customers through Facebook. He also noted that he had started using Whatsapp to send his new goods to loyal customers.

1.20 Location and revitalization of public spaces

According to the Inclusive Urban Strategy and Action Plan, there are a lot of public spaces that can be utilized for effective conflict-building purposes. For instance, there is public property surrounding the river, which if effectively planned for, can bring in people from all three areas; an abundance of empty parking lots that can be used for better infrastructural purposes; and public areas with spots that can be used for clean drinking water. The Abou Ali River, moreover, can be reclaimed 'as a natural infrastructure'. Several participants noted the importance of public spaces, such as parks, where children can play, and youth can interact.

The location of all three neighbourhoods is strategic, particularly because of their connection to Halba, Zgharta and other areas in Koura, and Tripoli's city centre. The proximity of Jabal Mohsen and Tebbane to one another is also important for trade. Workshop owners in Jabal Mohsen would benefit from selling their products to residents in Tebbane who, because of their easier access to the city, can then sell them for higher prices in the city centre.

1.20.1 Outsourcing

The weakness of the local economy and the lack of purchasing power should urge interventionists to help residents, particularly the youth, women, and people with technical or manufacturing skills. The aim would be for them to either produce things that can be sold in different external markets or provide maintenance services for businesses and households outside of the neighbourhoods. Some skills, such as excel, programming, event planning, or graphic designing, can cater to NGOs and other smaller companies in Tripoli's city centre.

The NGO MARCH, for instance, taught graphic design classes for free to youth from Jabal Mohsen and Tebbane, who then used made designs for T shirts, tote bags, etc. that were then successfully sold in fairs in Beirut. Although such work isn't necessarily reliable or consistent, it is a good way to broaden residents' networks. Moreover, given the plans to implement the TSEZ soon, there is a demand for a variety of skills, which can be fulfilled by residents from the targeted areas, if trained adequately. There are also a lot of trained tailors and sewers, particularly in Jabal Mohsen where there was once a sewing factory. Further, since women have indicated interest in working with sweets, tailoring, and fashion design, training them and helping establish a connection between their products and markets in Tripoli can be prospective. The Rashid Karami exhibition, for instance, showcases different furniture, artwork, and handicrafts annually. Expanding the collaboration between similar events in the city centre and those three neighbourhoods can yield positive results. Such a model is like that of Souk El Tayeb or annual Beirut-centred events, such as the Garden Show Fes-

tival or Beirut Design Week, whereby handicraft products, sweets, and organic produce from residents in surrounding areas – whether in the South or in Beqaa – are sold in locations, such as Downtown Beirut and Gemmayze, attracting upper middle-class people with purchasing capacity. Other examples of outsourcing could be connecting the existing skilled sewers and tailors to ventures such as Creative Space Beirut, which is a free school for fashion design.

1.21 Community Based Organizations

In neglected areas like Tebbane, Qobbe, and Jabal Mohsen, non-state entities and community-based organizations (CBOs) are critical, particularly following the 2011 Syrian crisis. Despite the general distrust of NGOs by residents, there are several community-based organizations (CBOs) working on-the-ground that are either from the local community or have established connections with them. It is critical for interventionists to engage with CBOs that have similar values and objectives. An awareness of the different social, political, and business contexts between Tripoli's neighbourhoods is critical for successful intervention.

Positive deviance

1.22 Identifying positive deviants

Positive deviance (PD) is the idea that in every community, there are individuals, enterprises, or groups that have successful strategies to shared problems. Despite having the same resources, a positive deviant approaches shared obstacles, challenges, and scarcities uniquely. As a result, the experiences of these individuals are studied in order to understand, learn from, and apply their approach if possible. There are four critical stages in the approach, namely: defining the problem, discovering what is typical, identifying the successful performers and understanding why and how, and finally disseminating the results

Mohammad, Lebanese, Aluminium, Metal & AC Work

“Community is key in developing a business. So is building trust and high morals.”

Born to a family of eleven in Tebbane, Mohammad left school during grade nine to support his parents economically. Young and desperate, he clung to the first job he got: metal work with his cousin. For over ten years, he assisted his cousin — although the money was meager. Reminiscing those times, he tells us that he was always pushing to learn new skills that could be brought into the newly emerging market of Tripoli. Although ACs were very new, Mohammed pushed his cousin to learn how install and fix them. As a result, they both started working with both metal and AC installation.

What held Mohammad back was his inability to save money. Thus, he traveled to Kuwait as during those times the Gulf was booming financially and labor was in demand. Although his years in Kuwait helped him learn about novel innovations in the AC and metal industry, it affected his emotional and mental well-being. Thus, he returned to Lebanon with an incentive to push boundaries and establish himself in the community as a trusted businessman. He assessed the situation and realized the biggest impediment would be high rent costs. As such, he opted for a very low-priced but large space inside a rather deserted area in Tebbane. His rationale was that he would use his car to transport materials while maintaining a cheap base that allowed him to store metal and ACs easily. To expand his work, he borrowed 5000 dollars from a community box in Tebbane (community members pay in every week and those that need borrow and pay back in dividends without interest, as per the shari'a law). With time, he incorporated aluminum work into his shop, which highlights his diverse capacities.

Over time, Mohammad has built a very strong customer base, working with both local and national traders and companies. He links this to his community engagement, desire to learn, and the years of sacrifice spent investing in customers' loyalty. Many times, he wouldn't ask for money if customers weren't able to pay in hopes that they would rely on him for future work. He also invests in hiring people from his community, even illiterate boys, with the aim of incentivizing them to become skillful. This is done by establishing a partnership system, whereby hard-working employees can partner with him for future projects and even eventually leave his tutelage to open their own business with his support.

In highly vulnerable communities, a PD approach helps contextualise the community's understanding of success. That is, every community has different perceptions of PD – indeed, a successful businesswoman in Tebbane has different attributes than that of a successful businesswoman in Beirut given the distinctive socioeconomic, political, and cultural barriers. For this study, a starting point for identifying positive deviants was to ask participants in the surveys whom they thought of as a successful enterprise owner with unique solutions to their shared challenges. Based on the answers given, what set apart a successful enterprise from the rest were customer base, ability to attract outsiders, and cost-effective ventures.

The main challenge was that a high number of participants found it difficult to pinpoint positive deviants that specifically lived in the study's targeted areas. One shop owner in Tebbane put it as, "Here, we are all in the same boat". Some noted that excelling in these harsh conditions without any form of external or political support is nearly impossible. For others, examples of successful enterprises within their industries were monopolies and one participant noted that, "no matter how much we try, the big players in the industry located in Tripoli's city centre surpass us". For instance, while sweet shops noted that Al Kane3a Sweets was a positive example in their neighbourhood, it was the second option after Hallab or Tom Sweets (Hallab: a very well-known Lebanese Oriental Sweets that has gone international. It is based in Tripoli. Further to maintaining the tradition of preserving the authenticity of Lebanese sweets with "Hallab Traditional", Hallab 1881 has also striven for diversification with a range of sugar-free sweets and a specialized division for occidental sweets that offers a rich and wide-ranging selection of cakes and chocolates. Tom: Lebanese oriental sweets very well known in the North of Lebanon.

Karim, Palestinian, Owner of Mechanics Shop in central Tripoli

"I realise now that I was driven by the desire to not be confined in the way my parents were. I wanted to step out of this reality, this unwillingness to grow" From a young age, Karim knew what he was fascinated by: cars. After failing classes in school, he realized formal education wasn't for him and decided to pursue mechanic vocational training in Byblos commuting on a daily from Tripoli to Beirut. After receiving his certification, he worked as an intern for a long time making around 40,000 LBP a week, which barely covered his and his family's needs. In his desire to strike a balance between spontaneity and sound judgment, he was guided by two principles: attaining experience and taking risks.

To this end, he worked hard on building a network in the mechanic industry. For two years, he worked as an employee for a famous mechanic dealer in Amchit, earning 600 dollars a month. Through learning the ins and out of the industry,

he mastered the administrative, technical, and people-centric dynamics.

Against the advice of his family and friends, he chose to leave a secure job to open his own shop — a rare feat for a Palestinian in Lebanon. His first shop was in Mina, and for the first couple of months he barely had any customers and the location wasn't optimal. However, he reassessed where he went wrong, with the aim of improving his situation.

With time, he relocated to a better area in central Tripoli, risking it given his minimal savings. Throughout his journey, he constantly sought new learning opportunities through BDS trainings and skill and technological investment. Karim tells us that he wanted to establish a shop that would make Tripoli's local inhabitants proud, saying, "I don't want them to think Beirut is better. They should be satisfied with what their city offers."

Today, he has a growing and economically diverse clientele, all of whom trust his skills. He adds that he still aims to expand his shop even more, with new equipment and a larger space.

or Tom Sweets) in the city centre. Similarly, clothing shops noted that El Dorado, a huge retail shop next to the City Complex Mall, is a successful example. Participants noted that they made the trip to the city centre during holidays and weekends just to buy clothes from there, due to the diversity of clothes, cheap prices, and various sizes. However, other enterprise owners were able to give some neighbourhood-based examples, with the criteria for positive deviance differing depending on the industry. In an interview with Al Qane3a Sweets, a shop renowned for its success in Tebbane, the owner noted that their main competitive advantage is that their prices are very well studied and, as such, their products are accessible to everyone. Hallab Sweets, he said, are too expensive for most locals and their customers are outsiders or upper middle class, a minority in Tripoli. He pointed out that Al Qane3a's sweets are the same quality as other sweet shops, but what sets them apart is their balance between taste and price. This has pushed people from Akkar, the city centre, and other places to stop on the highway in order to purchase gifts from them. From the very beginning, their main marketing strategy was word of mouth. They spread the information about all the new types of desserts they were making by constantly talking to locals from Tebbane, Qobbe, and Jabal Mohsen about it. Once they grew and wanted to tackle people from other areas, they started relying more on social media, mainly Facebook. Their patisserie shop, for instance, is now located on Google maps, which has also helped a lot of people locate it easily. Another strength they have is that they specialise in a niche dessert called 'mlookiye', which is Pistachio semolina cake with Lebanese milky ice-cream in it. This dessert, which they are renowned for, encourages people from places to come visit it just to try a 'Tripoli special.' Another example of positive deviance given was Noaman Store, mainly because of its presentation, etiquette, and products. Barbershops also cited Topshop Barber Salon, because the owner was from the community itself 'ibn el balad' and well liked.. As cafés are on the rise, café owners praise the 'Dam wel Farez' street in Tripoli, citing examples with the hopes of implicating such cafes in their neighbourhoods one day. One participant cited as an example of a café that brings people from Jabal Mohsen and Tebbane together. Several participants cited community space initiatives and socialising locations as essential. After further research and more probing, three positive deviants from the targeted areas were selected. In-depth interviews were conducted with them, with particular questions aimed at eliciting an understanding of how their enterprises succeeded in their challenging environment. The interviews provided for rich case studies, helping map out characteristics viewed by themselves and their community as important.

1.23 Shared characteristics of positive deviants

The characteristics perceived as critical were a desire to learn, trustworthiness and community engagement, risk taking and investment, and introspection and willingness to overcome societal expectations.

- **Desire to learn**

Positive deviants showed an interest in acquiring new skills at different stages in their lives. Despite the fact that they had to leave schools either due to circumstances or an inability to adapt to formal education, they all sought to diversify their skills through experience and learning. This was remarkable particularly because there were significantly less business development packages offered to vulnerable entrepreneurs at the time. Most of these skills were self-taught. For instance, Mohammad started with metal work and expanded to AC and aluminium, while following all the latest technological changes available in the market. Similarly, AbdelEllah started by working in a generator shop, then a coffee stand, and finally took on a totally new venture with his wife by

opening a dress shop since the environment left him with no other choice and it was only adaptive approach for income generation.

- **Trustworthiness and community engagement**

A huge component of their perceived success relied on their engagement with the community and building trust. All reiterated the importance of morality and ethics in their vulnerable communities, indicating that the corruption of the state leaves it to the community to pick up the pieces and establish a solid reputation through applying ethical standard in dealing with community such as sticking to one price list also preserving their integrity such as not cheating in the supplies installed or in the job itself. Moreover, they all showed a sense of pride about where they came from. Two positive deviants, for instance, returned to Lebanon after living abroad for a while, claiming that Lebanon was home and special. Karim also noted that he wanted people to be proud of Tripoli. Mohamed noted that his community was key to the survival of his business, and his dependence on them for both social and financial support was critical. This was one of the main reasons why both he and Karim returned to Lebanon from the Gulf countries, as they both sought strong communities that would stand by them and give them the necessary support.

- **Risk taking and personal investment**

Given the particular dynamics of the studied communities, and the lack of access to finance and social security, investment requires a lot of thinking, borrowing, and implementation. Yet, all interviewees reiterated that if they hadn't taken leaps of faith they might have not succeeded. AbdelEllah borrowed money from the community box where the all family member contributes in small monthly fees into one account and its used, given or borrowed when one member of the family needs it, for instance, and it took him two years to pay it back. Yet without it he would not have been able to stand on his two feet. Similarly, Karim's first mechanics shop failed, yet he relied on all of his savings to re-establish himself in a better location. It is worth highlighting that the vulnerable economic conditions and lack of socioeconomic support that participants had were also a key driving factor for risk-taking. Karim mentioned that if he had social security, he might have not taken all these ventures.

AbdelEllah and Amina, Dress Shop

AbdelEllah started working in a generator store but was pushed to leave due to sectarian discrimination. He joined his father, who owned a coffee stand in Mina, helping him expand it into a shisha lounge that attracted people from all around the area. However, a decision by the municipality to remove coffee lounges on the seaside led to the closing of it. This phase in AbdelEllah's life was wrought with challenges and his wife took the breadwinning role by working as a tailor. His wife began merely with tailoring services, costing between 5,000 to 10,000 LBP per item. Her excellent customer service, coupled with her desire to expand her skills, enabled her to start purchasing

raw material from Syria. AbdelEllah, excited to partner with his wife, Amina, accompanied her on the cross-country journey.

Realizing his wife's talent, they both rented a store with a big showroom in order to display evening and cocktail dresses purchased from Syria or designed by Amina. By word of mouth and Amina's commitment to delivering work, the storeowner invested in them financially. They eventually were able to access Beirut and Turkey's markets. They have hired five staff members and aim to expand their shop, sell wholesale, and hire bridal cars along with bridal purchases.

- **Introspection and willingness to overcome societal expectations**

Positive deviants showed a willingness to continuously reflect on how they could improve and expand their shops, viewing their mistakes as central to future growth. They posited themselves as the key to their failure and success. That is, in contrast to the previous 80 participants, they were less likely to point fingers at factors such as Syrian refugees. In certain cases, they also illustrated a willingness to overcome societal norms and expectations. For instance, AbdelEllah and his wife defied gender dynamics, choosing to work together and invest in their financial growth as team rather than on an individual basis. Karim also chose not to take advice from his people in surroundings, many of whom advised him against opening a new shop.

SWOT Analysis

The table below presents the strengths, weaknesses, opportunities, and threats of the targeted areas.

(+) STRENGTHS	(-) WEAKNESSES
<ul style="list-style-type: none"> • Strategic location, with easy access to Tripoli's city centre and Halba • Strong social support network, with close kinship and familial ties • Relative security and political stability in Tripoli • Improved social and political relations between residents of Tebbane and Jabal Mohsen • Political will to improve Tripoli's economic situation • Market diversification • Relatively easy to open a shop, provided there are available resources 	<ul style="list-style-type: none"> • Increase of rent prices • Bad infrastructure, particularly in terms of air and water pollution, traffic congestion, and electricity cut outs • Lack of adequate cultural centres and public spaces • High unemployment rates • Poverty and low purchasing power • Competition from informal kiosks and shacks • Lack of heritage protection • Inadequate healthcare access • Low trust in municipality, governmental institutions, and NGOs
(+) OPPORTUNITIES	(-) THREATS
<ul style="list-style-type: none"> • Potential for heritage and tourism, particularly the Tripoli Citadel • Improving the Tebbane vegetable market • Tapping into craftsmen in Jabal Mohsen • Qobbe's openness and the presence of the Lebanese University there • Youth entrepreneurship • Vocational training and outsourcing opportunities for women 	<ul style="list-style-type: none"> • Political insecurity and conflict • Local militia leaders preventing development of projects • Traditional gender perspectives prohibiting women from seizing opportunities

Conclusions and recommendations

1.24 Neighborhood-level assessment

Jabal Mohsen. Prior to 2005, i.e., when the Syrian regime pulled its forces outside of the country, residents of Jabal Mohsen noted that they had felt protected politically. Further, economically, they were a key point for trade and smuggling from and to Syria. This perception has changed and residents note that there is a strong feeling of geographical and political isolation. The lack of hospitals and high schools in their neighborhood, for instance, pushes them to drive to Zgharta rather than El-Mina or the city center.

Yet, Jabal Mohsen is unique in that a high number of its residents are employed in the government and the army. As such, some participants noted that an increase in government salaries would create a ripple effect in their neighborhood. Further, there are a high number of skilled craftsmen, who have experience working in carpentry, furniture making, sewing, and carpet weaving. However, since their products were mainly sold in the city center and other areas, such as Koura or Beirut, there has been an exponential decrease in customers. Consequently, skilled workers chose to invest in enterprises that can benefit from the local population, particularly given that their trade ties with Tebbane were severed. Some examples include mobile and phone services, minimarkets, and even vegetable shops.

On the other hand, a cursory glance suggests that Jabal Mohsen is improving steadily. There are a lot of new cafés open and it has become more common to spot young people and women outside in public spaces. The Syrian crisis appears to have affected Jabal Mohsen the least. Jabal Mohsen has always had close ties to Syria and Syrians in general. Historically, a lot of Syrians migrated to Lebanon during the 1980s and were able to attain residence permits or even Lebanese passports. One interviewee noted that he had been working in Lebanon long before the crisis and had a residence permit to show. Another huge percentage of residents is from Akkar. Following the 2011 Syrian refugee crisis, not a lot of refugees settled in Jabal Mohsen due to sect-related concerns.

Qobbe. In Qobbe, one of the most repeated concerns is the relocation of the Lebanese University to Koura in 2019. According to participants, people's livelihoods depend largely on the students and teachers printing, buying books, sitting at cafes, or buying from their shops. An owner of a café next to the university, for instance, said that the transfer of the law faculty has already taken a toll on him, adding, "What will happen when all of these branches leave?" As such, policy makers should pay specific attention to what will be implemented in the university's place, with a persistent push for a sustainable alternative.

However, Qobbe's strategic location, close to the historic areas in Tripoli and the agricultural areas of Danniye, can facilitate trade relations. This is relevant, particularly because Qobbe has a diverse market, with a variety of clothes shops, restaurants, and budding cafes. There are also a growing number of beauty salons and more advanced electronic and cell phone shops, with women working in a variety of different enterprises. As such, there is less of a reason to leave Qobbe and go to the city. Moreover, there is more openness to training, especially if there is a skill to be learnt.

Tebbane. Arguably, Tebbane is the most impoverished area under study. However, the market, which was almost totally dominated by vegetable markets and mechanic shops, has had to diversi-

fy after the continuous waves of violence. Yet, many residents' livelihoods depend on the vegetable souq, which is composed of multiple shops, all the way from the city centre to the middle of Tebbane. Shop owners and vendors from the western side of Tebbane buy their vegetables from the souq and then proceed to sell it to surrounding neighbourhoods. The past two years, more people from Jabal Mohsen, Qobbe, and its surrounding areas are returning to buy vegetables from Tebbane. However, the informal selling of vegetables on highway areas, such as the Jounieh road has decreased sales. However, the move of the vegetable souq from its historical location to the Al-Saki neighborhood in August worries residents. This move is part and parcel of a development project and while some participants noted that it would be more accessible, given the traffic in Tebbane, vegetable shop owners are cautious about how it may affect their shops.

Generally speaking, Tebbane's location is more open than Jabal Mohsen, and residents feel less isolation, making it more common for Tebbane's residents to work in the city centre in occupations like taxi drivers. However, like Jabal Mohsen, the area is still heavily controlled by 'kbar el manta2a', i.e. the local leaders.

Many of Tebbane's 'original' residents have moved to Mina, Qobbe, and Koura, and today Palestinians, Syrians, or Lebanese from poor villages in the North populate Tebbane. As per the survey, they have been highly affected by the Syrian refugee crisis, although interview participants cloaked their frustration with the rhetoric of "we have to take care of our Sunni brothers". The imams and sheikhs of the area, who have a huge influence on the local population, have advocated this rhetoric. However, there is still visible resentment. According to residents, Syrians received a lot of support and funds from the UN and other NGOs. Consequently, rent prices increased significantly because, according to an interviewee, the UN and other international agencies covered rent prices for Syrians. However, when the Syrian refugees left Tebbane, the hiked prices remained the same. These host-refugee grievances aren't pronounced in all the fields. For instance, Syrians, who have long worked in agriculture in Lebanon, have always had ties to Tebbane because of its vegetable souq. As such, the refugees that moved in to Tebbane were mostly those that already had families working in its vegetable souq. Vegetable shop owners working in wholesale markets benefited from the sprouting of informal vegetable markets by Syrian refugees, but owners of small vegetable shows bore the brunt. According to the interviews, many Syrians left Tebbane following the wave of violence in 2012-2013.

1.24.1 Recommendations

The recommendations tackle both long-term and short-term interventions. They consider the main constraints – identified in the PCA and the qualitative analysis – and the opportunities, with the aim of tapping into potential solutions while acknowledging political and economic realities. The recommendations also pinpoint the need to look further into certain changes happening in the area, such as the relocation of the vegetable market in Tebbane and the Lebanese University in Qobbe, to find sustainable economic and social alternatives.

1.24.1 Long-term interventions.

Multi-sectoral community-based interventions: Interventionists should approach enterprises with a community-based approach, seeking to partner with existing on-the-ground initiatives, such as UTOPIA, SHIFT, Rouwad, and MARCH. This would ensure that collective experiences, lessons, and practices are shared, with the aim of coordinating and collaborating with community members and active CBOs in future projects.

Re-establishing infrastructural and cultural networks between Tebbane, Jabal Mohsen, Qobbe, and the rest of Tripoli: In addition to improving the infrastructure, it is necessary to cultivate networks between areas historically at war. Indeed, prior to the fueling of conflict, both neighborhoods had strong trade and cultural relations. Interventions should have conflict-sensitive approach in order to incorporate peacebuilding initiatives, especially amongst the youth. In the long run, these programs may include art projects for youth from the different areas, innovative school programs, trading networks, local peace platforms, and other 'infrastructures for peace.'³⁹ This would contribute to interdependent networks that may become sustainable mechanisms for dialogue and conflict-management in the long run.

Collaborating with the Al-Fayhaa Union of Municipalities: Establishing a unified vision alongside the municipality, with regards to Tripoli's local economic development, is critical, particularly since a lot of new projects are being established. This will help create strong synergies between governmental bodies, NGOs, IOs, and donors.

Investing in restaurants: Based on the needs assessment, residents tend to go to the city center to shop, eat and drink at bigger cafes. Investing in a restaurant next to the Citadel, for instance, would be helpful in attracting outsiders and creating job opportunities. As identified, one of the main opportunities is the growing sense of safety in Tripoli. Investing in touristic opportunities (following a comprehensive study and risk assessment) can help generate some job opportunities and

Better healthcare access: Residents suffer from the lack of satisfactory healthcare access and the absence of adequate pharmacies in the targeted areas. This is particularly felt in Jabal Mohsen, whereby residents tend to go all the way to Zgharta for medication.

Safe public spaces: There is a strong need for community areas that children can feel safe playing in, women can stroll around comfortably, and community members can relax and eat. One of the main opportunities identified refers to the importance of revitalizing and establishing public spaces. Such efforts also contribute to fostering communication between community members from the different neighborhoods.

Improving schools: The low level of education is a critical aspect that needs to be dealt with. Public schools should be invested in, and there should be financial aid to help residents even with the minimal yearly fees. Since women cited interest in working at schools in administrative positions, improving schools could also be an opportunity to create jobs for women in safer environments.

Sustainable alternative to Lebanese University's relocation: Qobbe's livelihood heavily depends on the presence of the Lebanese University. So far, there has been no mention as to what will replace it once all branches are transferred to Koura. As such, advocating for sustainable, job-creating alternatives is necessary. This would require studying the possible alternatives and discussing them with governmental and university-related officials.

Sustainable alternative to the move of Tebbane's wholesale market: Despite the growing market diversification in Tebbane, a lot of residents will suffer from the movement of the wholesale market

to the Al Saki neighborhood. Transportation-related and financial concerns should be alleviated to ensure that residents' livelihoods are not directly affected.

Connecting with advocacy forums related to social protection, gender sensitivity, and improved economic viability: Despite the efforts undertaken by the local community, there is still a huge gap in Tripoli that needs to be filled with regards to social and economic growth. Advocating for policies that support better conditions and ensure better access for residents is still critical. Policies should particularly focus on youth and civic participation, education level, cultural heritage, and public infrastructure. Such advocacy can be geared towards businesses, policy-makers, other CBOs, and politicians.

Preventing market saturation by diversifying both skills and enterprises: Studies warn that interventions tend to focus on one sector alone, thereby leading to market saturation. This is evidenced in Beqaa with, for instance, autocar and transportation providers. In all three targeted areas there is a heavy focus on petty trade, food shops, and mechanic workshops. New service-driven and skilled ventures, such as food processing, clothes making, pharmacies and hospitality, are necessary. If comprehensive training and follow-ups are done to contribute to economic diversification, the identified challenges of unskilled labor and gender dynamics may be tackled.

Short-term interventions:

Connecting local women to touristic, agricultural, and urban initiatives through value chain linkages: There has been a series of budding initiatives – such as bazaars, urban markets, sustainable fashion and fashion schools, and festivals – throughout the country that showcase handicrafts and other food products by women and women cooperatives. Most of the time, women from vulnerable regions do not have access to the market and live in areas with low purchasing power, and although financially unsustainable in the long run, such public exposure can help them attain some income. As such, if they have certain skills, such as sewing and tailoring, or preparing food and niche 'Tripoli' sweets, they can benefit from a connection to initiatives such as Souk el Tayeb, Bada-ro Farmer's Market, Souk el Akel, Creative Space Beirut, and Sarah's Bag. With regards to the food aspect, the approach should incorporate value chain linkages with producers and distributors at Souk el Tayeb and other similar ventures, to ensure better sales. Fashion initiatives such as Sarah's Bag and Creative Space Beirut⁴⁰, which seek out impoverished locals, teach them skills, and ensure a large sum of the profit goes to them, are also potential partners for women in Tebbane, Qobbe, and Jabal Mohsen. Such an undertaking would be a marker of the entrepreneurial spirit and sense of safety identified as an opportunity, while tackling the challenges of the barriers women face in entering the market.

Sense of safety, entrepreneurial spirit, location and revitalization of public spaces, outsourcing, community based organizations access to finance, lack of skilled labor, absence of governance structures, accessibility and infrastructure, informality, gender dynamics

Establishing/reviving women's support networks and cooperatives: Given the limiting gender dynamics for women, it is critical that there are support networks and safe spaces for women to learn new skills, share success stories, and attain more information on how best to access markets. Such an initiative can also expand to incorporate inter-gender dialogue sessions, whereby discus-

One of the alumni from this group participated in a UN Women Project x Safadi execution, funded by both UN Women and Japan. He implemented a fashion design workshop for women based in Tripoli.

sions revolving around the importance of women working, the tensions over income, and the damage of domestic violence are approached in a culturally sensitive manner.

Vocational training for youth: The widespread lack of education and access to education signals the importance of vocational training that targets the youth. This recommendation is essence for improving the lack of skilled labor. Indeed, in addition to the lower cost needed, the technical focus of targeted vocational training enables better entry into the market and increases labor competitiveness. However, there should be two levels of training, one which tackles technical skills, such as IT, graphic designing, event planning, digital marketing, and a second that is more practical and apprenticeship-oriented in its approach. The former should collaborate with existing successful enterprises, such as restaurants, sweets-making shops, sewing and tailoring factories, carpentry workshops, etc. Moreover, the latter is particularly relevant, given the upcoming implementation of the TSEZ, which will seek out skilled and semi-skilled locals from Tripoli and its surrounding areas. Connecting youth to internship, job opportunities, and vibrant clubs in the city center: Previous experiences with vocational training highlight that one of the biggest problems is the lack of follow-up consequent to the training. Connecting trained youth to internship opportunities with NGOs, businesses, and workshops is critical, in addition to helping them network with active Tripoli-based clubs such as the Rotary Club of Tripoli and the Tripoli Entrepreneur Club. This would encourage entrepreneurial initiatives as well.

Developing business-training curriculum for enterprise owners: Established entrepreneurs should be exposed to trainings that encompass both technical management (budget planning, financing, marketing) and soft skills training, with the aim of helping them transition from nano-enterprises to micro-enterprises. These trainings should incorporate enterprise-specific opportunities for growth while taking into account the market dynamics. If possible, successful local entrepreneurs from shops such as Hallab, El Dorado, Sa7se7 café' (identified as positive deviants) should lead some of the trainings.

Tapping into already skilled workers in Jabal Mohsen through the existing trade union: The prevalence of skilled workers in Jabal Mohsen, specialized in handicrafts, upholstery, carpentry, and sewing, should be capitalized on. As noted above, the waves of violence pushed them to take on other jobs that cater specifically to their local population. As such, the number of skilled labors working in their craft decreased significantly. Tapping into this misplaced talent, through workshops, bazaars, and exhibitions, can generate job opportunities, in addition to assisting Jabal Mohsen regain its identity and heritage. There is an active trade union for those working in carpentry, furniture making, and handicrafts. A number of trade unionists broke apart from the previous trade union, to form the trade union for wood manufacturing and specialized furniture. They have been active with mobilizing support and receiving funds, in addition to pressuring the government to reduce the importation of furniture from abroad.

Investing in cultural initiatives and community spaces: Deconstructing stereotypes of the targeted areas both amongst the locals themselves and incoming visitors is critical. One way to do so is to beautify the area, through resident-led colorful artwork and graffiti, which can become a point of community attraction (examples include Mar Mikhael, the old city centre of Tripoli, Sour's port areas, and Batroun). The artwork should be culturally relevant and creative, to help mark the areas' significance. There should be collaborations with relevant stakeholders, such as the municipality, and established artists/ventures working on urban art, like DIZHAYNERS⁴¹ and Jad El Khoury⁴². Other

www.dizhayners.com

[/http://www.herskhazeen.com/burj_alhawa](http://www.herskhazeen.com/burj_alhawa)

examples can be youth-led urban tours, such as the one led by UTOPIA⁴³, that start from the old city center and move towards Tebbane and Jabal Mohsen, taking into account the Tripoli's citadel and other local heritage landmarks.

Access to start-up capital, financial support and microfinance: As noted above, one of the biggest constraints for businesses is access to finance. As such, it is critical that beneficiaries' access to finance is facilitated through linkages with micro-finance institutions, such as Al Majmoua. This may be coupled with assistance in establishing informal saving mechanisms. Access to finance would encourage businesses to diversify, improve their facilities, and expand their shops.

[/http://utopialebanon.org/events/5/cultural-tour-in-tripoli-and-insight-into-electoral-law](http://utopialebanon.org/events/5/cultural-tour-in-tripoli-and-insight-into-electoral-law)

Annex 1: Questionnaire

Anchor / time line change

1. Can you tell us what were the main changes between when you started and today?
 - a. Can you tell us when was your best year? (Why? What was different? Did you expand your work because of the positive change that this year brought?)
 - b. The worst year? (Why? What changed? – What did you do to solve the problems faced?)
2. Did the Syrian crisis impact your business? How? (positively and/or negatively)

Barriers to growth

3. We have discussed barriers to growth in the questionnaire, but we would like to discuss them with you further – what are the main challenges your business faces? (let him cite three)
 - i. ...
 - ii.
 - iii.
 - a. Are there any opportunities? (if possible let him cite 2 or 3 – do not stress on the questions if he says no)
 - i. ...
 - ii. ...
 - iii. ...
 - b. Are there opportunities you could not take because of business constraints? What are they?
 - c.

Positive deviance

4. What are key success factors for a business in your sector?
5. What are key success factors for a business in your region?
6. Can you give a positive example of an entrepreneur or a business in your field, or in your region?
7. Do you consider yourself to be different from others in your field of work? Why or why not?

Workforce

8. How did you learn to manage your business?
 - a. What are the main tasks you undertake on a daily /weekly/ monthly basis?
 - b. Which one of the tasks do you find the most challenging?
 - c. Which one of the tasks do you delegate to your employees?
 - i. Why don't you delegate more tasks to them?
9. What are the skills you look at when hiring an employee (ask the interviewee to elaborate and differentiate between the importance of soft and technical skills)?
 - a. List the three most important soft skills and the three most important technical skills (ask him to do so after the discussion).
 - i. Soft skills
 - i. ..
 - ii. ...
 - iii. ...
 - ii. Technical skills
 - i. ...
 - ii. ...
 - iii. ...
10. Can you tell us how did you hire your employees?
11. Do you think Syrian workers have helped you improve your business? How?
12. Do you have women employee?
 - a. (if yes) do you think they have helped you improve your business? How?
 - b. (if no) why don't you hire women?
13. What do you believe are the skills yourself and your employee need to improve to improve your business competitiveness?
 - a. Would you be willing to engage in a BDS and skills development program?
 - b. Do you have an apprentice / intern? Would you be willing to take one (ask when it does apply to the industry and business type).
14. Are you willing to send your employees to training sessions during working hours?

Market dynamics



15. In your opinion what are the current market trends in your sectors of activities (more/less demand, higher /lower prices, new businesses, competition)?
16. Can you describe the profile of your clients?
 - a. What do you think are the factors that influence their choices in buying products/services from you?
 - b. How do you describe your product compare to other businesses in your field (in term of both price and quality)?
 - c. What do you think makes you different as a business?
17. Do you have long term standing relationship with your suppliers/ clients?
 - a. Do you use the services of a middlemen? Can you describe your relationship?
 - b. What are the prominent distribution channel used? What is the % distribution of sales across each channel?
18. Do you think there is unfair competition? From who?
19. Overall how would you describe your marketing strategy?

Institutions formal and informal

20. What do you expect from the government? From the municipality?
 - a. From local political leaders and newly elected MPs? And upcoming government?
21. Have you heard of the Tripoli Special Economic Zone project?
 - a. What do you think it will change?

Is there any question you would like to ask us?

EXIT

Prior to the interview, the survey will be handed over:

1 Enterprise growth

- 1.1 Revenue growth rate in last 3 years (per year)
- 1.2 Did you recently undertake an investment (equipment, expansion, technology, BDS, raw material)? 1- Yes 2- No
- 1.3 Can you please describe it?
- 1.4 How did you fund it: 1- own funds 2- formal bank loan 3- formal Micro finance institutions loan 4- informal loan 5- Family support
- 1.5 What is your weekly turnover / sales: _____

2 Barriers to growth

		Not important at all	Not very important	Neither	Important	Very important
5.1	Lack of financial support	1	2	3	4	5
5.2	Lack of access to loans from banks	1	2	3	4	5
5.3	Lack of collateral	1	2	3	4	5
	High interest rates					
5.4	Insufficient government support	1	2	3	4	5
5.5	High taxes and other tariffs	1	2	3	4	5
5.6	Costs of registration and licenses	1	2	3	4	5
5.7	High interest rate	1	2	3	4	5
5.8	High inflation rate	1	2	3	4	5
5.9	Recession of the economy	1	2	3	4	5
5.10	Political instability in the country	1	2	3	4	5
5.11	Syrian crisis impact on Lebanon	1	2	3	4	5
5.12	Corruption	1	2	3	4	5
5.13	Clientelism	1	2	3	4	5
5.14	Crime	1	2	3	4	5
5.15	Security situation	1	2	3	4	5
5.16	Inadequate demand	1	2	3	4	5
5.17	High competition	1	2	3	4	5
5.18	Inadequate market research	1	2	3	4	5
5.19	Lack of experience	1	2	3	4	5
5.20	Lack of business skills	1	2	3	4	5
5.21	Inability to keep qualified employees	1	2	3	4	5
5.22	Location of the business	1	2	3	4	5
5.23	Lack of networking	1	2	3	4	5
5.24	High production costs (raw materials, labor, electricity, rent, etc.)	1	2	3	4	5
5.25	Lack of information technology	1	2	3	4	5
5.26	High transport costs	1	2	3	4	5
5.27	Shortage of skilled labor	1	2	3	4	5
5.28	Lack of internal employee training	1	2	3	4	5
5.29	Poor electricity supply	1	2	3	4	5
5.30	Poor roads	1	2	3	4	5
5.31	Poor water supply	1	2	3	4	5
5.32	Poor Tele Communication (internet, phone, etc.)	1	2	3	4	5