



Local Enterprise Support Project

Micro and Small Enterprise (MSE) Survey

Results for Tafilah Governorate

Wednesday, December 23, 2015



Highlights

2,120
MSEs

MSEs ARE THE MAJORITY > There are an estimated 2,120 Micro and Small Enterprises in Tafilah. Roughly three in four MSEs are single-person businesses, and two thirds operate in retail and trade.

10 %
WOMEN

MSEs ARE MALE-DOMINATED > Only 9.8% of Tafilah's MSEs are woman-owned. Women who have MSEs are more likely than men to earn less, to operate out home locations, and to work out of necessity.

6/10
REGISTER

MSEs EXIST ON PAPER > Despite the fact that most MSEs do not pay tax and few have employees, 59.5% are nonetheless registered with the Ministry of Industry and Trade.

5 YEARS
IN EXISTENCE

MSEs ARE NACENT > The typical MSE has been in business for five years. 91.8% of businesses in Tafilah believe they will continue to operate for at least 3 years.

300 JD
PROFIT

MSEs STRUGGLE TO GET BY > MSEs that make profit report a median bottom line of 300 JD per month (the figure excludes MSEs making losses). 60.3% of MSEs are losing money or struggling to live comfortably.

9% USE
COMPUTERS

MSEs ARE DIGITALLY ABSENT > Only 8.9% of businesses use a computer in the course of their work. 16.2% use social media either for work or personal purposes.

<11%
PENETRATION

MSEs LACK COLLECTIVE POWER > Membership in associations are weak. With this exception of the chambers, the penetration rate for trade associations, business groups, and cooperatives is below 11%.

NEGATIVE
ON SYRIA

MSEs DO NOT SEE THE SYRIAN REFUGEE CRISIS FAVORABLY > Only 6% of Jordanian-owned MSEs in Tafilah believe that the refugee crisis is an opportunity, and only 2.5% hire Syrian labor.

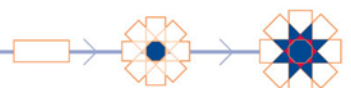
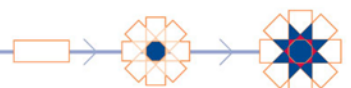


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Data was compiled using data file “**new_lens_usa_fix_pswt.sav**” (MD-5 digest 4a546ca89c)



Introduction

About USAID LENS

The USAID Jordan Local Enterprise Support Project (LENS) is a five-year project to encourage the long-term economic growth and development potential of underserved Jordanian communities. USAID LENS combines local economic development with private sector development initiatives to help create jobs and sustainable growth that is inclusive of women and youth.

LENS' systemic approach to local economic development is meant to catalyze inclusive local and regional economic networks in a business-enabling environment, while developing the competitiveness, sustainability and growth of micro and small enterprises.

About the Survey

Although Jordan's economy is dominated by micro and small enterprises (MSEs),¹ relatively little is known about them. To overcome this informational gap, USAID LENS conducted a survey of MSEs in 2014-2015 to better understand Jordanian enterprises and to assess the major barriers and opportunities for growth. The study covers general demographics, workforce trends, firm performance, access to finance, processes and networks, and the impact of the Syrian refugee crisis.

The survey consists of 86 questions in a double sampling design with stratification. The data gathers representative information for all MSEs operating in the governorates of Amman, Zarqa, Irbid, Karak, Tafilah, and Aqaba.² Although the study is not intended to be national in scope, the target population of the six areas collectively capture 60% of the kingdom's population.

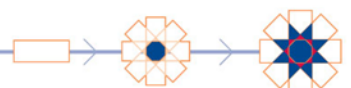
As a complex survey, the research design was undertaken using probability sampling in two phases. In the first phase, 977 geographic clusters were randomly selected from districts in each area. From these clusters, 97,347 households were contacted through door-to-door interviews, of which 10,197 reported owning a business. A sub-sample of 6,385 MSEs was then drawn, stratified by sector governorate. 4,721 of these MSEs were then successfully surveyed (891 in Tafilah)

This report focuses exclusively on results for the governorate of Tafilah. Findings are taken from USAID LENS' MSE survey, and can reliably be generalized to all MSEs within this geographic boundary.³

¹ In this paper, micro- and small-enterprises are categorized in accordance with USAID LENS' definition. A business (formal or otherwise) having fewer than 10 full-time employees (excluding the owner) is classified as a microenterprise, whereas businesses with 10 to 49 full-time employees, are categorized as small.

² Throughout this paper, the area of "Amman" refers to the geographic area of Amman governorate, excluding the Greater Amman Municipality ("GAM") which was excluded from the study. The area of "Aqaba" refers to the Aqaba Governorate, excluding the ASEZA free zone.

³ Although results are representative of MSEs within each geographic area, results cannot be disaggregated on a more granular geographic level without compromising on acceptable sampling error rates. This is due to the clustering design in the first phase.



General Demographics

Firm Characteristics

Based on the survey research, there are an estimated 2,120 MSE owners in Tafilah governorate.⁴ An overwhelming majority of these are men (90.2%).

The proportion of man-owned to woman-owned businesses is generally consistent with government figures. According to the Department of Statistics (DOS), women account for only 13.0% of the labor force nation-wide. According to the survey, just under one out of 10 businesses in Tafilah either employs women or is managed by one.

Demographics (Tafilah)	Sample	Population Estimate ⁵	
	<i>n</i> = 891	<i>N</i> = 2,120	% of group
By LENS Target Sector⁶			
Food Processing	403	883	41.7%
Tourism	74	186	8.8%
Transport	55	114	5.4%
ICT	20	47	2.2%
Other	339	889	42.0%
By Sex of the Owner			
Men	794	1913	90.2%
Women	97	207	9.8%

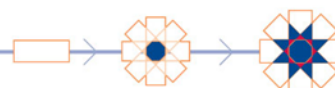
Food Processing accounts for the largest of the four LENS target sectors, representing 41.7% of all MSEs in Tafilah. Tourism follows with 8.8%, Transport with 5.4%, and ICT with 2.2%. MSEs outside of these target sectors account for the remaining 42.0%.

Tafilah has a number of subsectors that are proportionally more important. MSEs in Tafilah are more likely as other surveyed governorates to manufacture dairy products, more likely to manufacture food products, and more likely to manufacture knitted and crocheted apparel. Surprisingly, it is also much more likely to find MSEs in amusement and recreation activities in Tafilah than the other areas

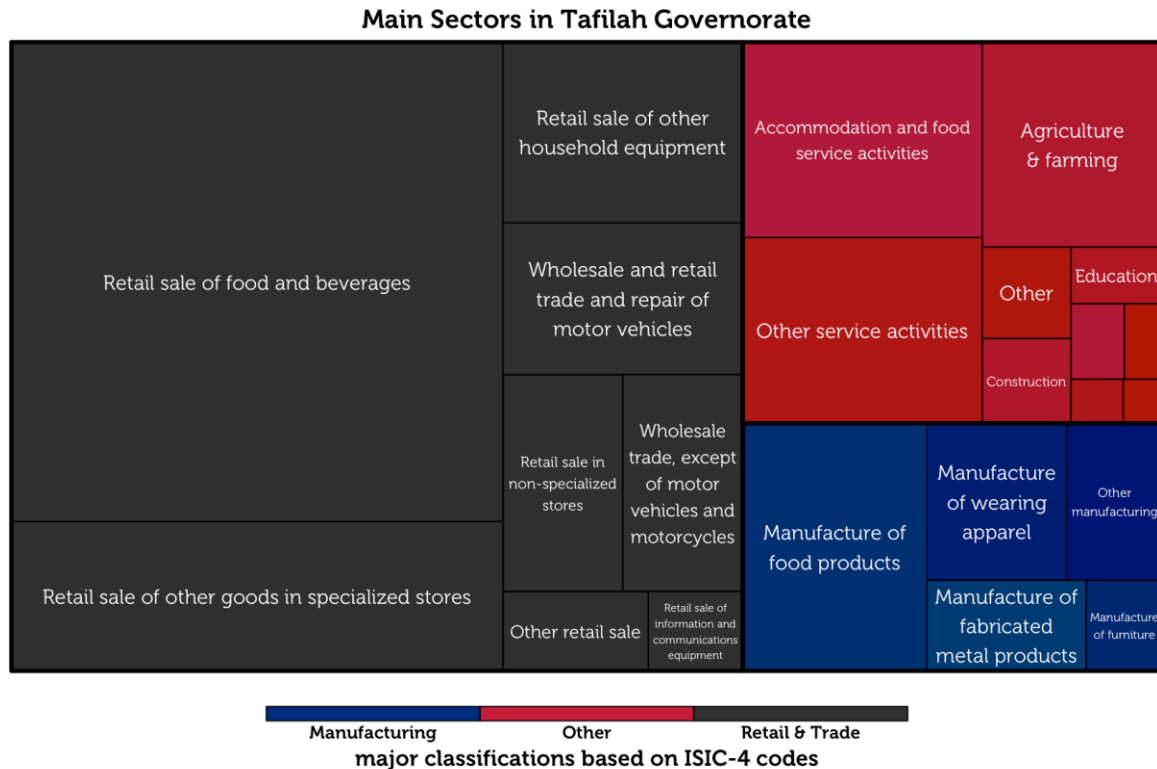
⁴ This total represents an estimate for the total number of MSE owners, without accounting for multiple-ownership. The survey reveals that 35.5% of business owners in Tafilah have a second business. The total number of MSEs is therefore higher than the total number of MSE owners. Throughout this report, we relax this strict distinction and commonly use language such as “X% of MSEs...” when referring to data about MSE owners.

⁵ In this report, “Population Estimate” means the absolute number of MSE owners in Tafilah, estimated using inclusion probabilities from the random sample. This statistical definition of “population” is not the same as the general understanding of the word in everyday language, which refers to the total number of people living within the boundaries of a nation state. Although many statistical publications use $\hat{\tau}$ or Y when referring to these estimates, in this report we use the more intuitive notation N to denote population estimates, and n to denote unweighted sample counts.

⁶ Four sectors are examined throughout this report: Tourism, ICT, Transport, and Food Processing. These groupings are created on the basis ISIC-4 classifications collected in the survey, and are the primary data to reflect the four target sectors used for interventions in the LENS project.

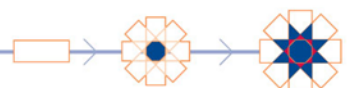


surveyed. It is also less likely to find MSEs in accommodation and food service activities, and less likely to be in retail sale of other household equipment.⁷



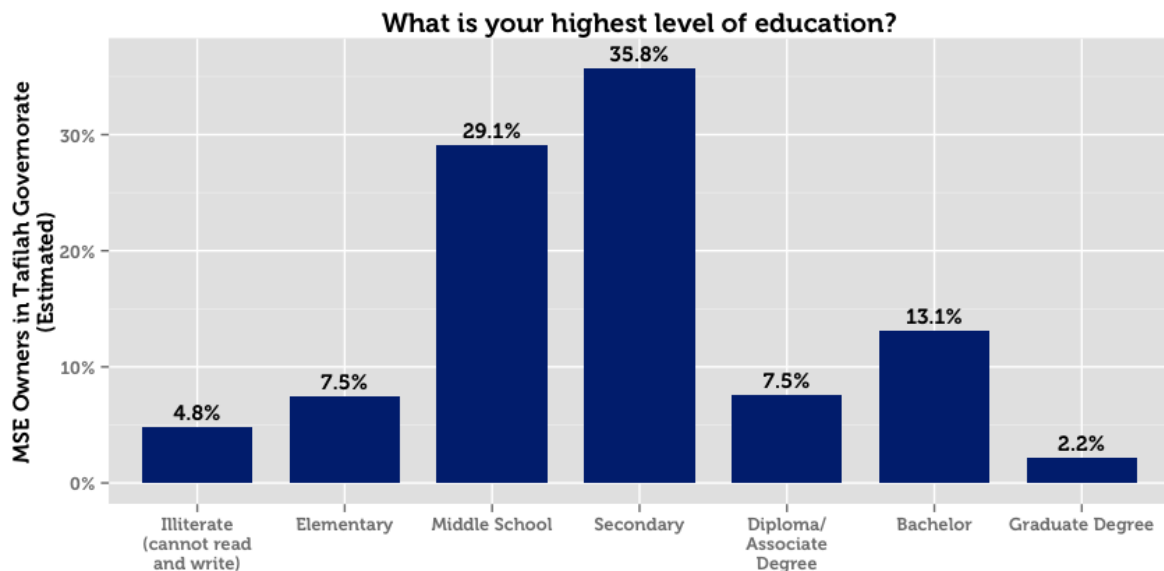
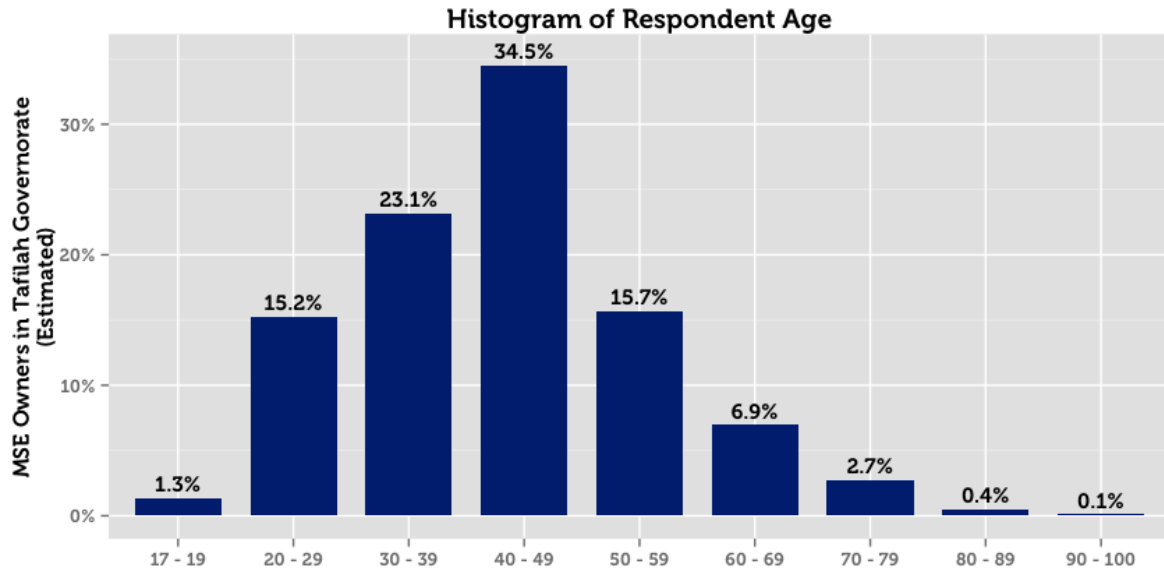
The tree map diagram above shows the relative sizes of each business category, as classified by ISIC-4 codes. Retail and trade dominates as the largest sector (63.5%), with a higher proportion of MSEs in the Retail sale of food, beverages and tobacco in specialized stores than in any other governorate. The second largest is manufacturing, at 14.4%.

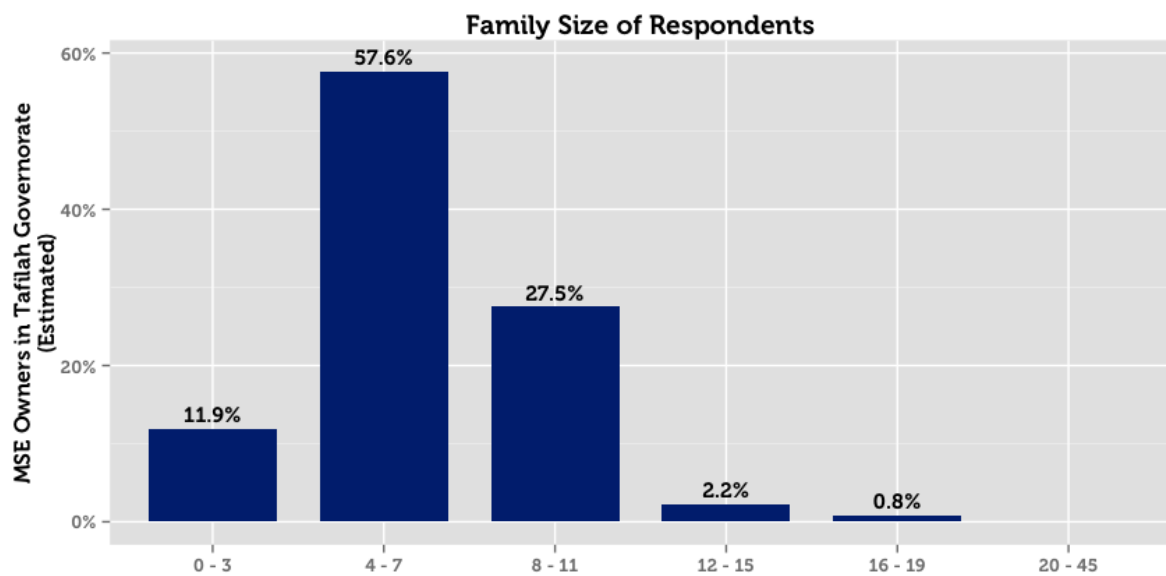
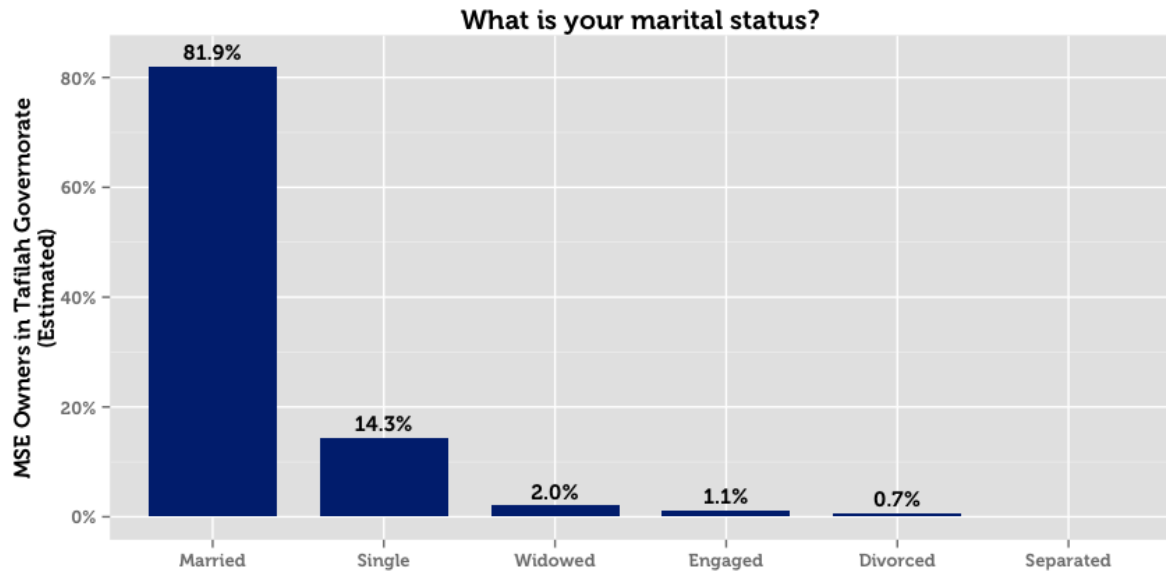
⁷ Due to the large number of ISIC categories and the relative infrequency of most of them in the observed data, the search procedure for finding sectors of interest is conducted through statistical learning techniques, validated through resampling. This allows for most spurious relationships to be rejected.

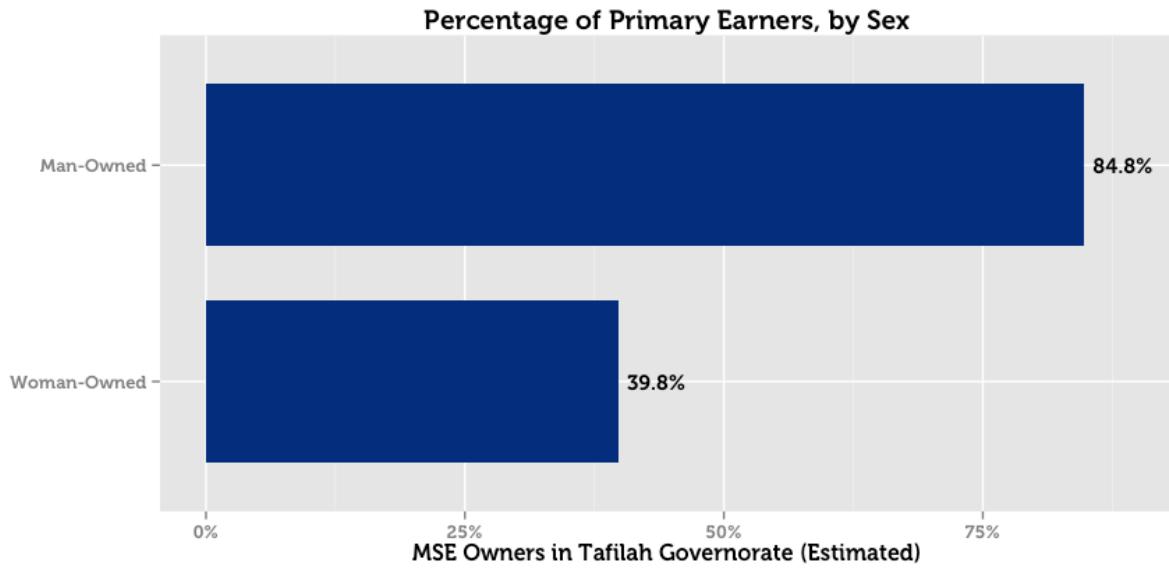


Respondent Characteristics

The typical MSE owner in Tafilah is a married, 42-year old man having completed secondary school as his highest level of education. 57.6% of these owners have families of moderate size (4 – 7 members), and 27.5% have large families (8 – 11 members). Male business owners are typically the primary earners of their household, in sharp contrast to women MSE-owners, who are rarely the breadwinners for their families.





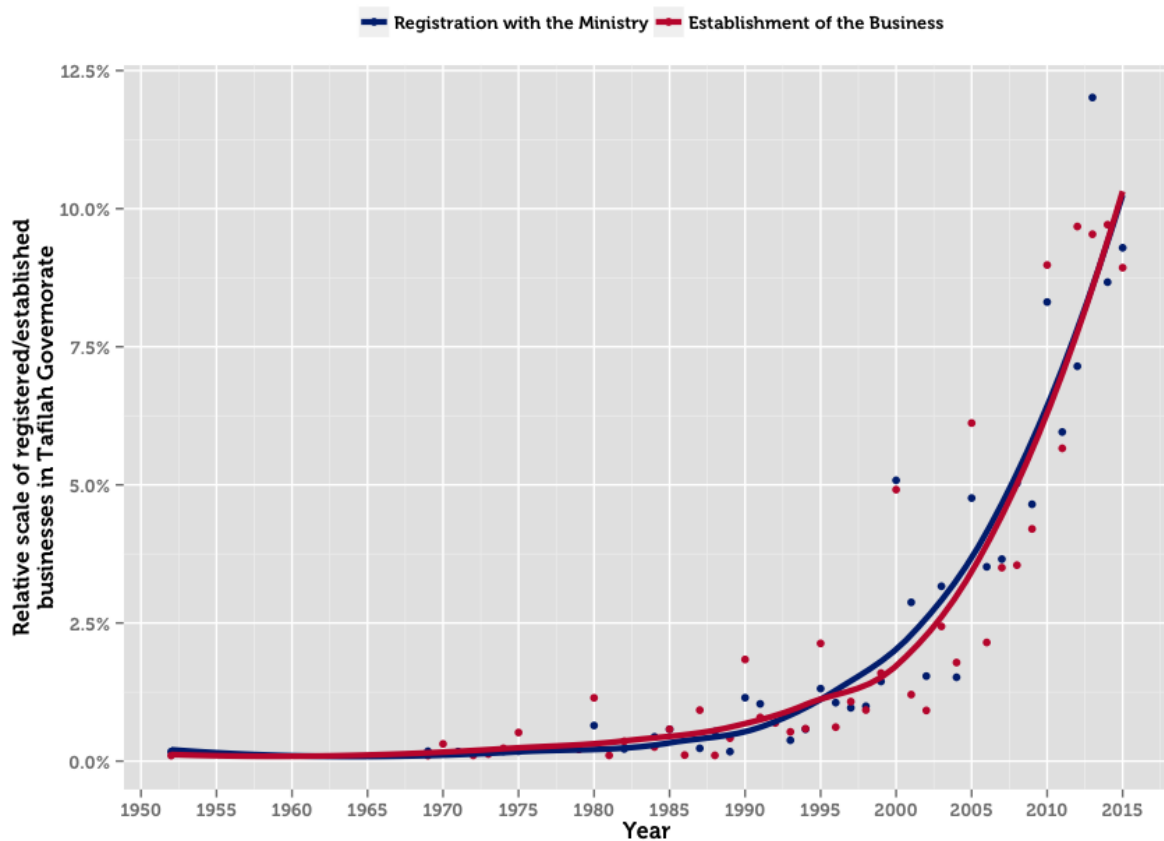


Establishment, Registration & Business Continuity

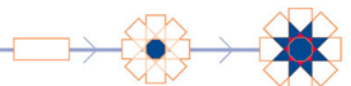
The survey reveals that nearly 60% of the MSEs in Tafilah in existence today were established after 2007. In fact, governorates in the south have, on average, registered more recently than northern governorates. In Tafilah, the typical company is registered since 2010, compared to a median of 2008 for the governorates of the north.

A higher number of businesses are registered with the Ministry of Industry and Trade (MoIT) than anticipated. 59.5% of all MSEs in Tafilah are registered with the Ministry, a figure that is dramatically higher for man-owned businesses (64.3% for men compared to 14.8% for women). Registered businesses tend to be older than unregistered businesses by an average of three years.

Establishment and Registration of Businesses in Existence Today

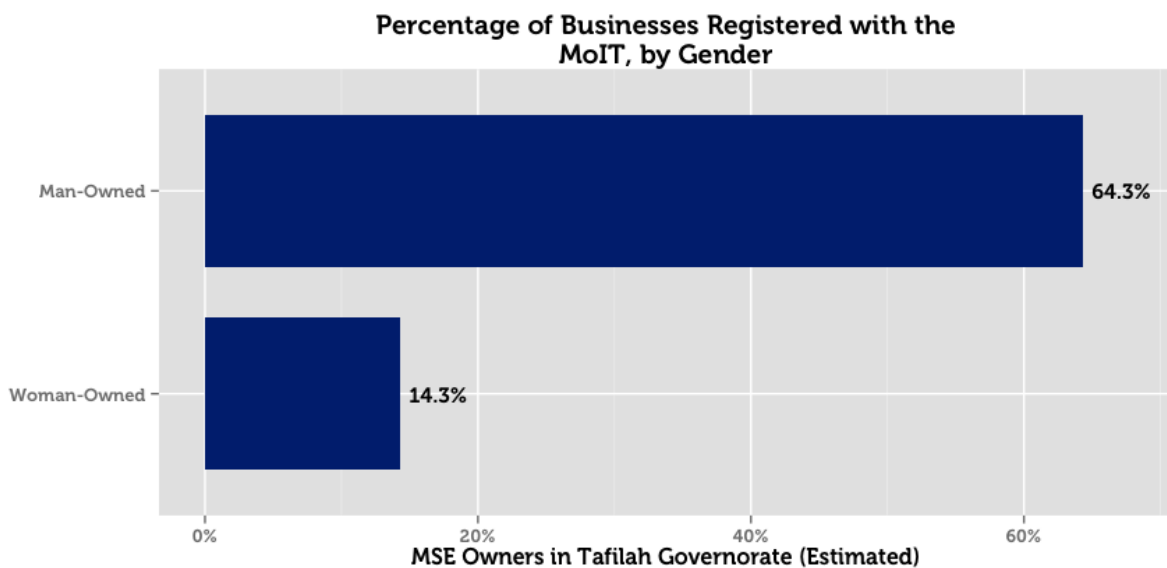


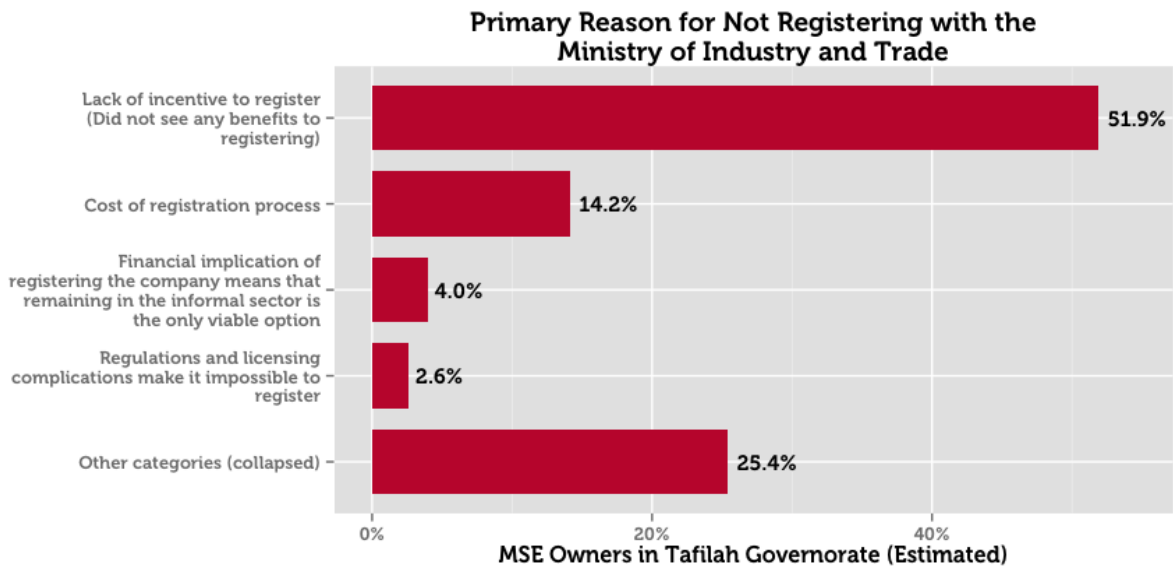
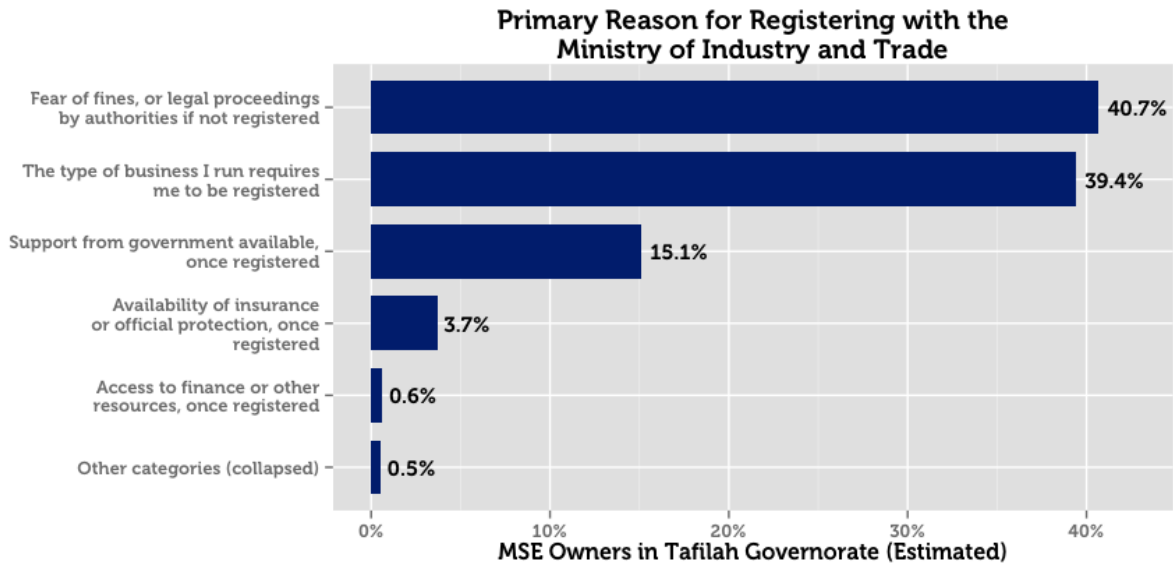
The above chart plots the frequency of business establishments and registrations by year. Almost all registered businesses were established and registered in the same year. The upward trend in registrations over time is most likely explained by three factors: (1) growth in the population of Jordan, (2) initiatives by the government to increase awareness and simplify the registration process, and (3) the fact that former establishments are not captured by the survey. The third reason implies that businesses that existed in the past but no longer operate become excluded from the sample. Such companies may have gone out of business for financial reasons, or ceased to exist due to the passing of the owner.



For those who chose to register, two main reasons emerge. The first is that MSE owners fear fines or harassment by police and authorities (the primary reason for 40.7%). The second reason is that registration is legally compulsory for their type of business (cited by 39.4%). Government support, availability of insurance or official protection, and access to finance were not considered to be important primary motivations for business registration.

On the flip side, the primary explanation given by half of unregistered MSEs in Tafilah is that owners simply do not see any benefits from officially registering their business (52.7%). Other reasons such as cost, lack of understanding, and administrative complexity are far less important.





Seasonal Business

An estimated 86.0% of MSEs are not seasonal. Women-owned businesses, home-based businesses, and non-registered enterprises are more likely to be seasonal.

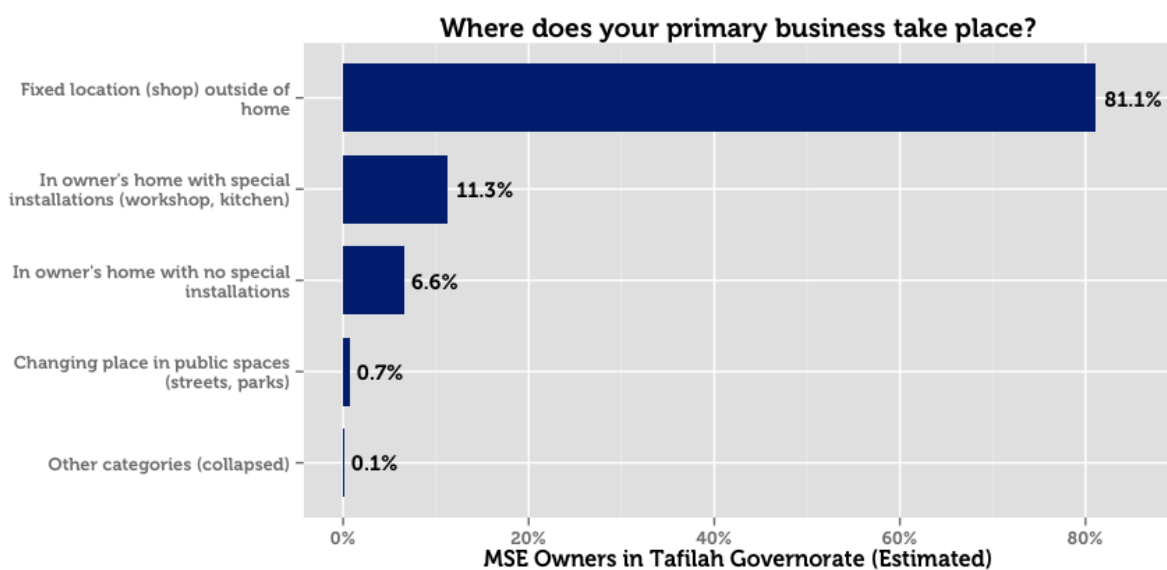
Working Hours

68.1% of business owners work over the recommended 49 hours a week, a higher proportion than in any other governorate. Registered businesses are also more likely to put in long hours.

Location of Conducting Business

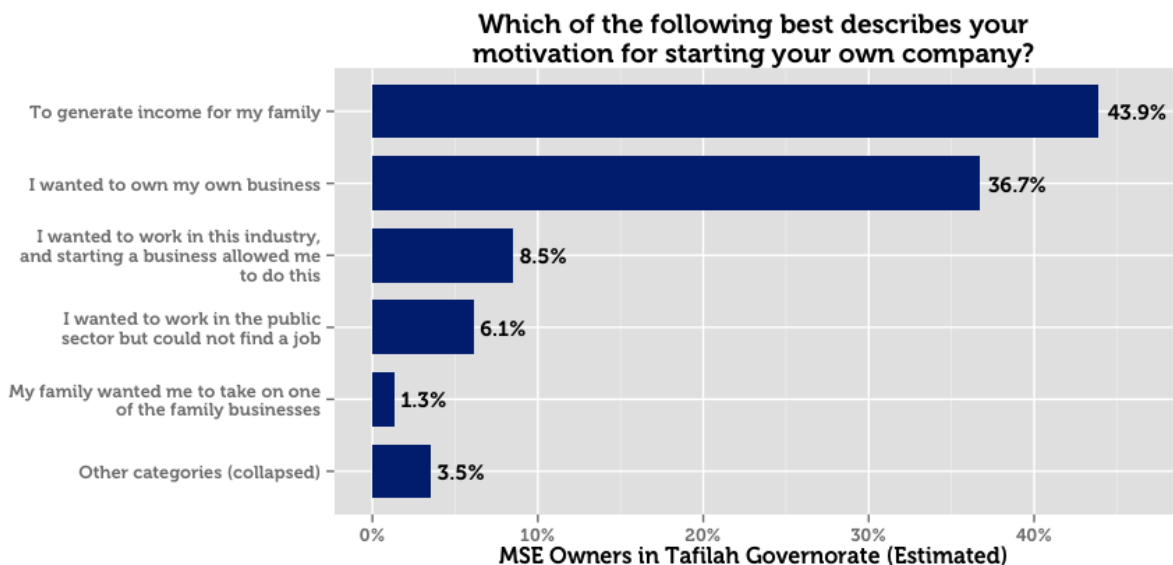
In Tafilah, the majority of business is conducted from fixed location outside of the home (81.1%). This primacy of fixed locations is consistent across sector and sex of the business owner. However, it is much less pronounced for women-owned businesses, as men are 2.9 times as likely to operate out of a fixed location outside of the home.

In stark comparison, 17.9% of MSE owners work out of their homes. Gender differences on this dimension are high: 70.0% of woman-owned businesses operate in a home, compared to 12.3% for man-owned businesses. Certain industries are much more likely to be home based compared to other industries. These include the manufacture of dairy products, animal production, retail sale in non-specialized stores, retail sale in non-specialized stores, manufacture of wearing apparel. It is noteworthy that most of these home-based businesses have specialized installations for their operations, suggesting that their enterprises are not merely casual and warrant capital investment.



Business Motivation

The main motivation for starting an MSE in Tafilah is to generate income for the individual's family, cited by 43.9% of MSEs. Starting a business out of financial necessity is a much stronger motive in Tafilah compared to any other governorate, and in particular more so than the northern governorates surveyed, where only 16.7% cited this as the primary reason for going into business. The second reason is simply because individuals wish to own their own enterprise (36.7%), followed by a desire to work in the industry (8.5%).



Conducting Other Business

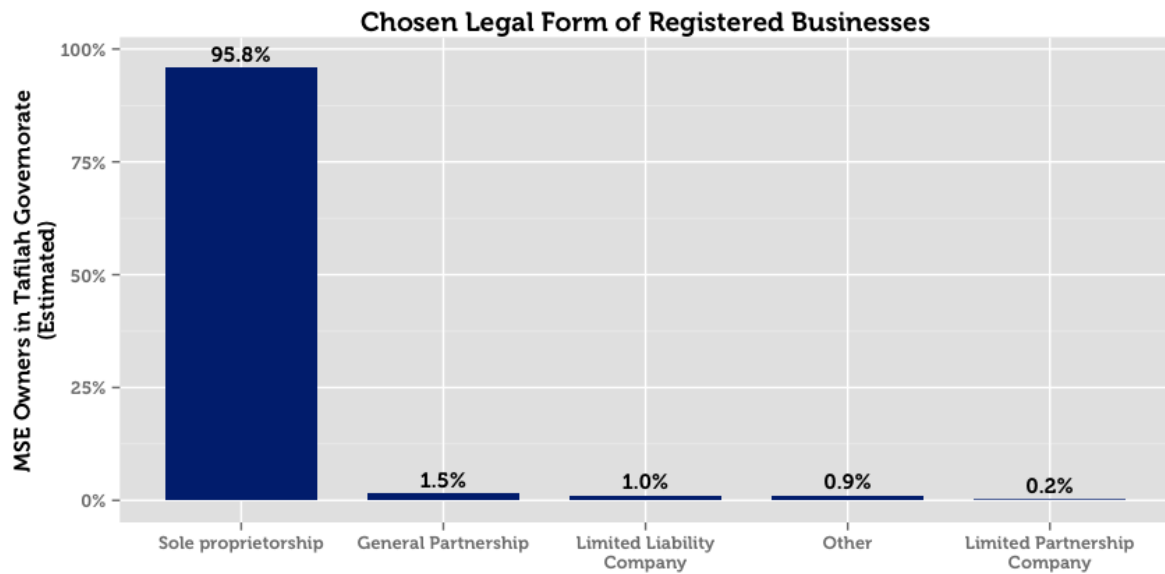
35.4% of MSE owners in Tafilah have more than one business—a higher rate than in any other governorate surveyed. In fact, of the governorates in the study, the southern ones are three times as likely as those of the north to have another business. Men are also more likely to have a secondary business (by a factor of 1.2).

Legal Ownership of Business

82.5% of businesses in Tafilah are self-owned. 4.5% are owned by a male family member, and 3.4% by a male non-family member.

Legal Form

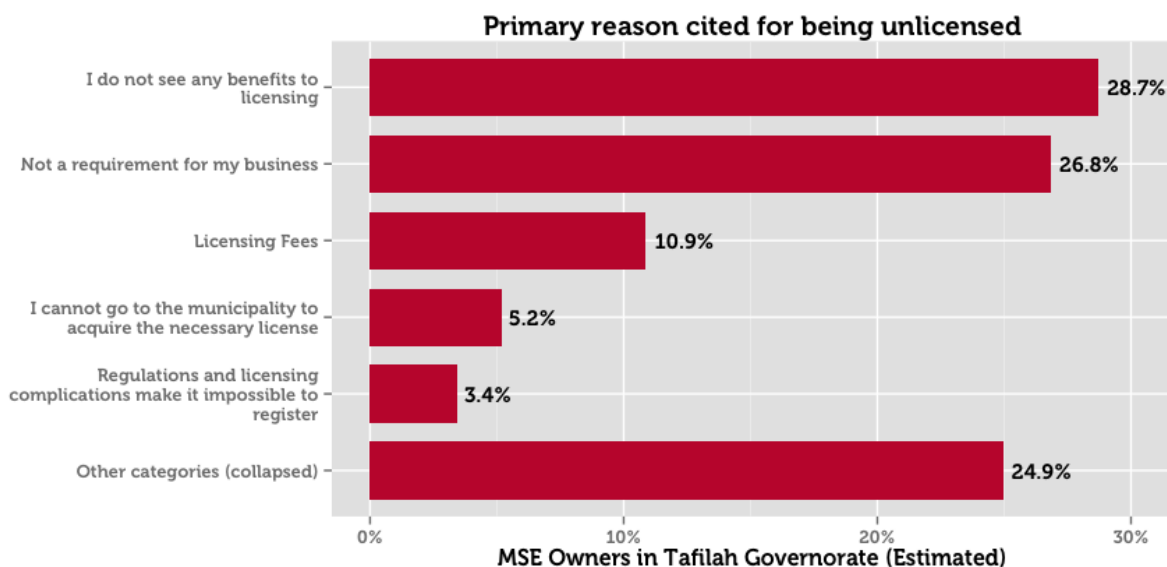
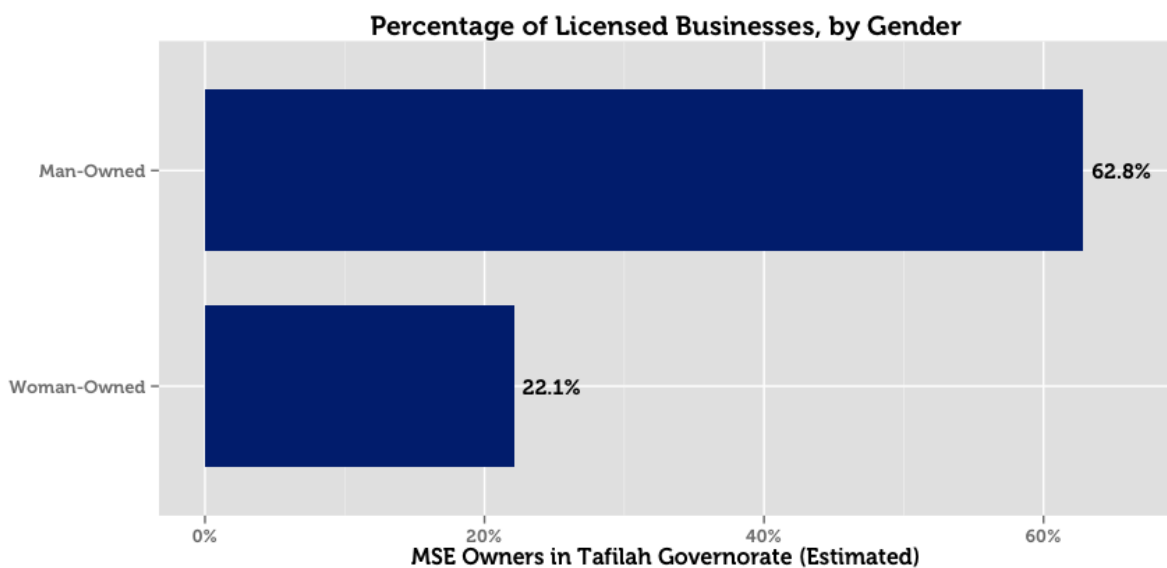
The majority of MSE owners who are formally registered exist as sole proprietorships (95.8%). Others are typically either General Partnerships (1.5%) or Limited Liability Companies (0.9%).



Licensing

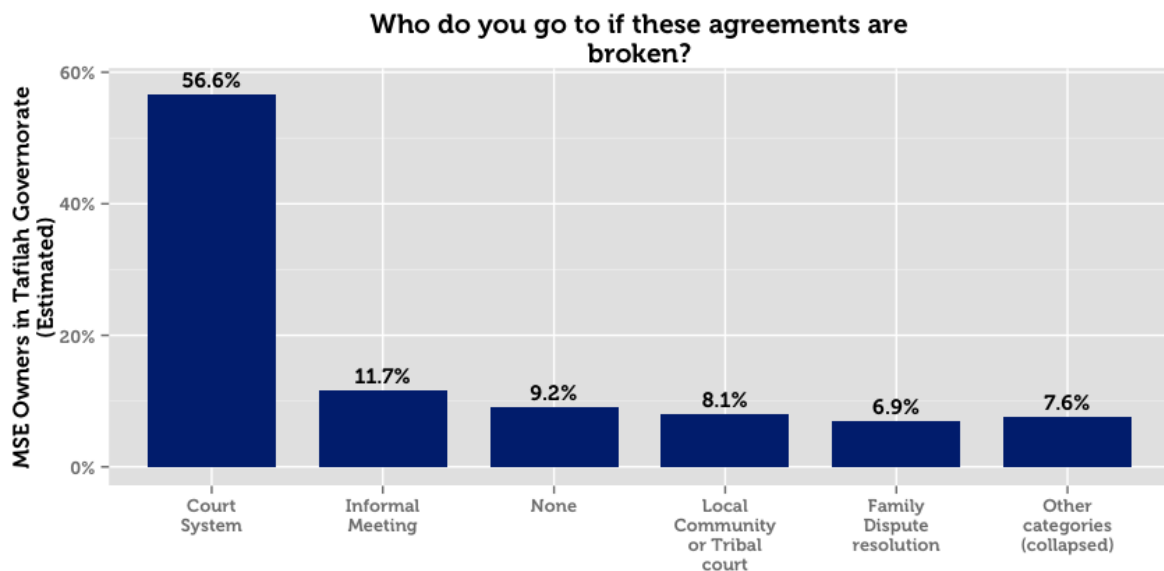
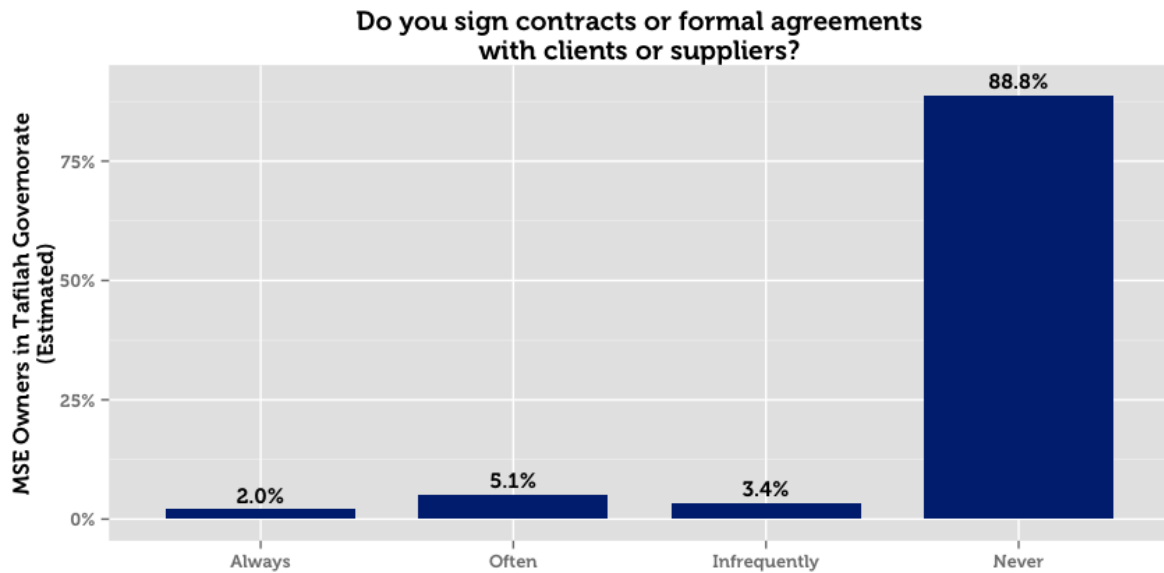
MSEs are by and large licensed with their municipalities, though a lower proportion are licensed in Tafilah compared to most other governorates. There exists a subset that claim to be registered but not licensed (4.7%), and a subset that are licensed but unregistered (3.9%). This may point to either a) misunderstanding on behalf of the respondent b) an expired license from the municipality c) an informal or illicit acquisition of a license from the municipality. As one might expect, home-based businesses like these have far higher chances of being unlicensed.

The top two primary reasons cited by MSE owners for not being licensed are that they see no benefits to doing so (28.7%), and that it is not required for their business (26.8%). Compared to other governorates, a relatively high proportion cite the latter as the main reason. A quarter of respondents cited “other reasons,” perhaps due to reluctance to answer truthfully to an incriminating question.



Contracts

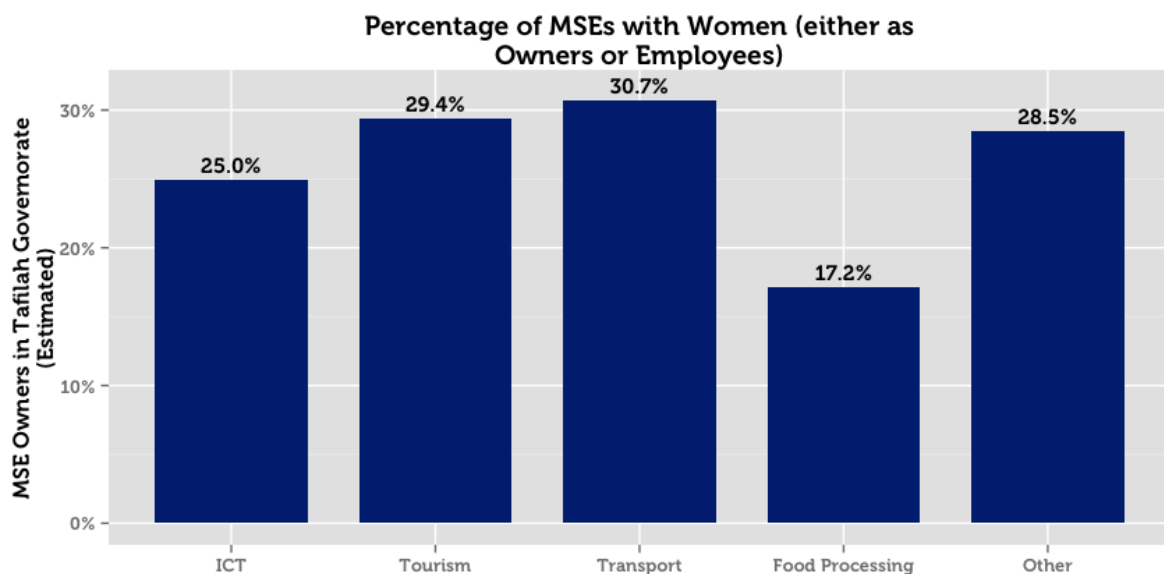
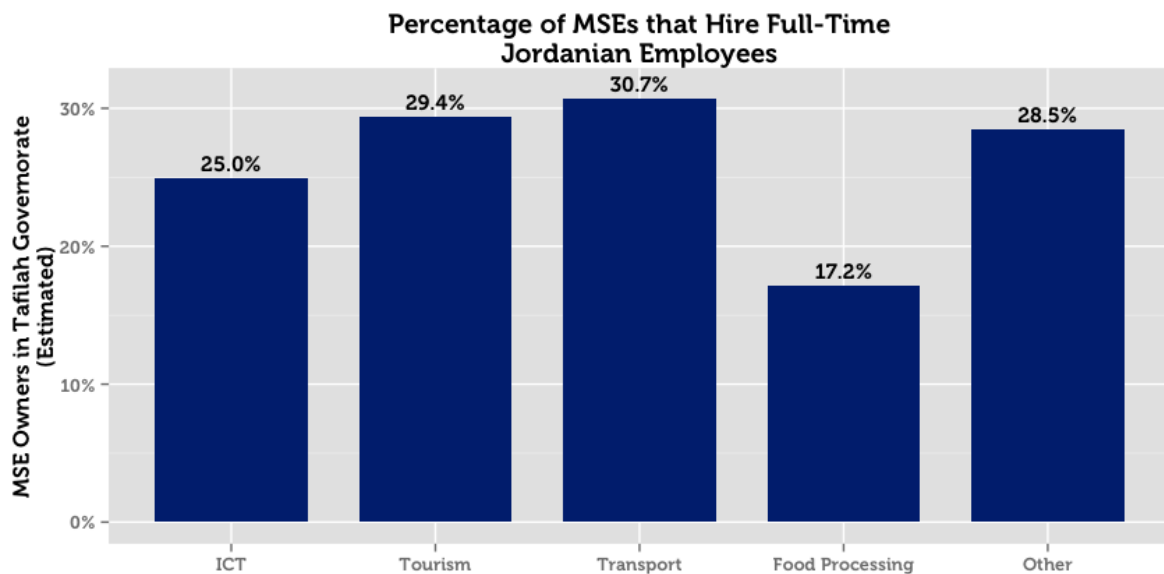
88% of MSEs in Tafilah never sign contracts, and only 7.1% report signing contracts either always or often. In the event of a dispute, 56.6 MSE owners opt to take legal proceedings, suggestive of a comparatively greater regional trust for the court system. 9.2% report that they will resort to doing nothing. 11.7% will resort to an informal meeting, 8.1% would use a local tribunal, and 6.9% family intervention.

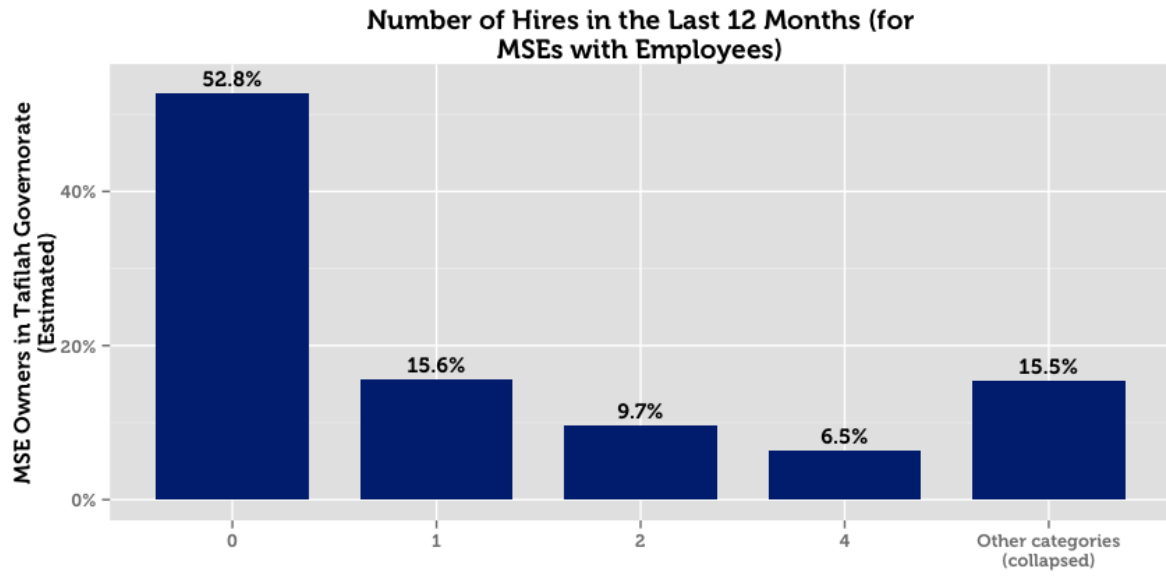


Workforce

Less than a third of Tafilah's MSEs hire employees—30.5%. 23.9% of MSE's employ full-time Jordanian workers, a relatively low proportion compared to other governorates. Of all MSEs in Tafilah, 10.9% employ just one full-time worker, 7.1% employ two workers, and 6.0% employ three or more. Part-time labor is relatively uncommon, as only 9.7% of Tafilah's MSEs hire Jordanians on a part-time basis. Employment of women is also rare, as only 3.1% of MSEs hire full-time Jordanian women (compared to 21.9% who hire men), and only 11.9% of MSEs are either woman-owned or hire other women. No strong differences emerge among subsectors in Tafilah with respect to the hiring of women.

52.3% of MSEs with employees in Tafilah did not hire any new employees in the last year. 15.5% hired exactly one employee. 8.2% of these enterprises report employing workers below the age of 18.

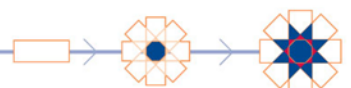




Hiring and Worker Retention

One in five enterprises hired between 1-3 workers in the past year. Of those that hire workers, 72.9% said that none left their business during the last 12 months. Of those who did experience talent loss, the major attributions were to loss to public service employment, personal reasons, loss to competitors, and employees leaving to start their own business.

Primary Reason for Employee Loss (Tafilah)	All
	N = 175
Employee took government or public service employment	33.2%
Personal reasons	16.8%
Employee is hired by a competitor at a better rate	9.2%
Employee left to start their own business	8.2%
Other reasons (remaining categories collapsed together)	32.5%



Employee Training

Most MSEs with employees – 63.8% – do not offer their workers in-house training. Those that did typically offered technical training or informal mentorship. External trainings for employees are less common at 8.1%.

MSEs that Offer Employee Training* (Tafilah)	In-House	External
	36.2% N = 233	8.1% N = 52
Technical training/advice in your industry	28.8%	8.1%
Informal advice/mentorship	27.3%	5.8%
Business Management training	15.5%	4.1%
Marketing assistance/market information	19.8%	5.0%
Human resources/soft skills training	7.5%	3.1%
Recordkeeping	7.2%	3.1%
Other	9.9%	1.5%

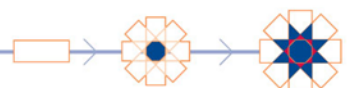
** Domain of analysis comprises only companies with employees (646 total)*

External Assistance

It is estimated that only 1.5% of MSEs in Tafilah have received any technical assistance.⁸ A very small number report receiving assistance⁹ from a donor-funded program (1.13%), a government (0.41%), or business service provider (0.40%).

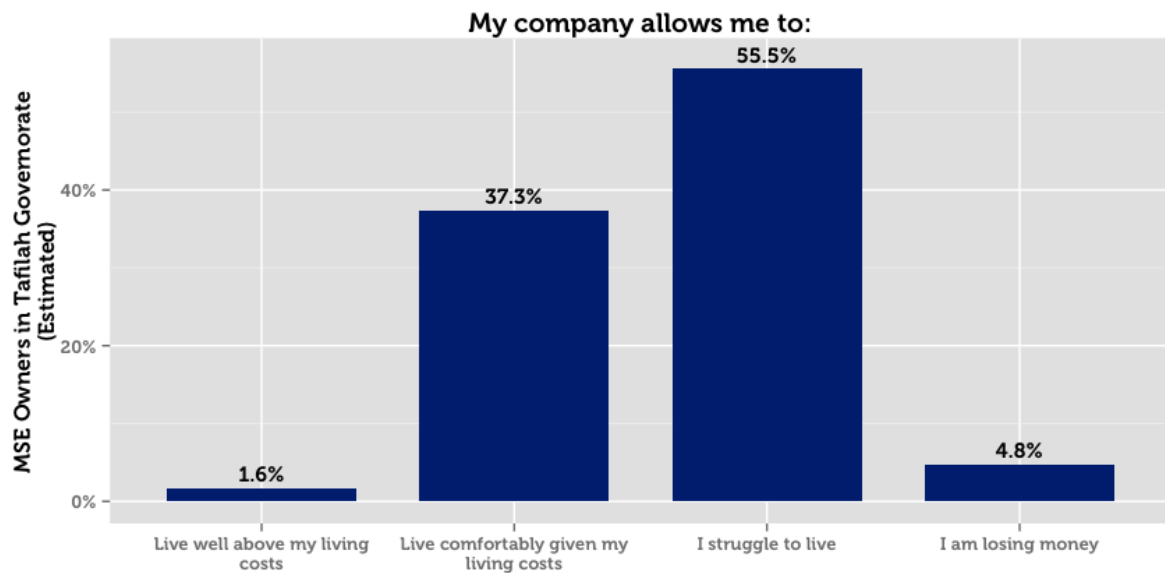
⁸ Due to an error in the tablet software used for interviews, questions concerning technical assistance were only posed to MSE owners with employees.

⁹ Understood as financial or resource contributions from an international or local agency



Firm Performance

69.0% of MSE owners report that they are either losing money or struggling to live comfortably. Only 37% of surveyed enterprises maintained that their business allowed them to live comfortably, and 1.6% claimed that their company allowed them to live well above their living costs.

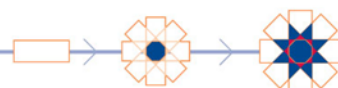


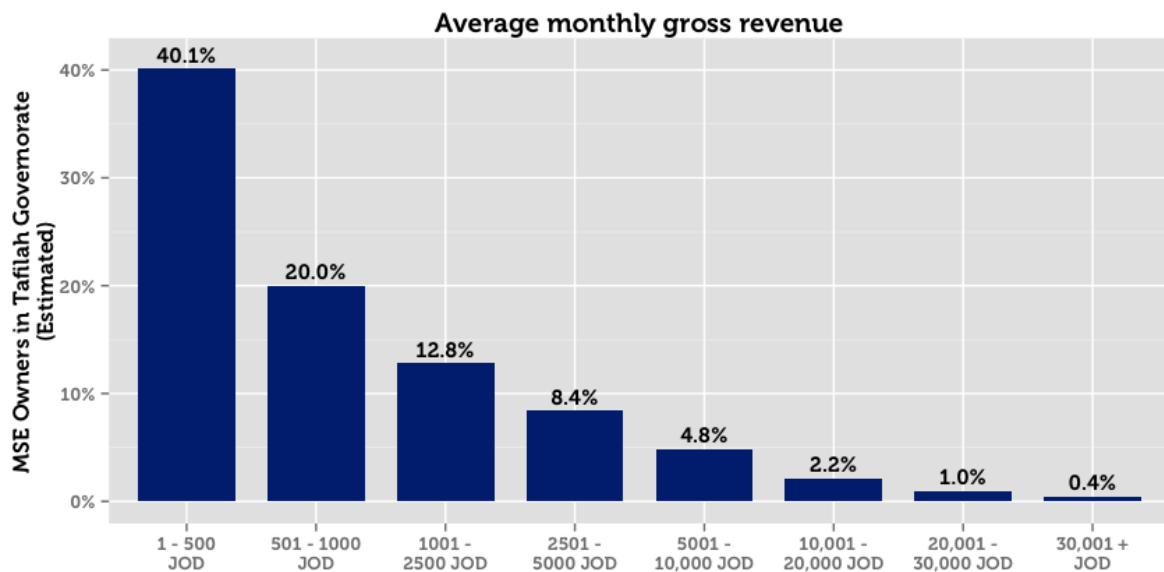
Barriers to Economic Growth for MSEs

Although 83.1% of MSEs in Tafilah wish to expand their business, many of them face challenges in doing so. MSE owners were asked to state whether they agreed or disagreed that the following items represent barriers to the development their firms:

Barriers to Success (Tafilah)	All	By Sex of the Owner	
	N = 2,120	Men	Women
Low Demand	62.1%	62.4%	59.6%
Low Purchasing Power	59.6%	60.1%	54.8%
Price of inputs increased	54.2%	54.8%	48.0%
Lack of financial support	48.0%	48.2%	45.2%
Lack of family support	37.9%	38.4%	33.0%
Lack of appropriate sellers	35.4%	35.2%	37.1%
Cannot compete with quality of products	29.6%	30.2%	24.1%
Noncompetitive pricing of products	26.9%	27.1%	25.6%
Lack of human resource options	26.0%	27.1%	16.1%
Unreliable transportation network	25.1%	24.8%	27.8%
Weak technical support or skills in this area	24.4%	25.6%	13.2%
Lack of proper marketing skills	22.7%	22.8%	21.5%
Lack of market information about the markets	22.2%	22.7%	18.0%
Lack of management skills	19.2%	19.8%	13.4%

The majority of firms believe that the major barriers are macroeconomic in nature. Low demand and low purchasing power top the list of barriers to success. Despite the fact that most MSEs lack many formal processes and mechanisms such as having a bank account or trainings, most do not perceive this a major gap or barrier. Comparatively, more of Tafilah's SME owners perceive lack of financial support to be a barrier to success (48.0%) than in any other governorate. More MSEs in Tafilah indicated that a lack of appropriate suppliers was a barrier to development compared to the governorates of the north (35.4% in Tafilah, compared to a combined average of 19.6% for the governorates of the north).





Financial Performance

40.1% of MSEs in Tafilah report a monthly turnover of JOD 500 or less. However, as many as 10.4% did not know their gross revenue or refused to answer when asked about it. On average, non-registered enterprises, home businesses, and single-person MSEs reported significantly lower gross revenue.

Profit is a more sensitive issue: 4.5% refused to answer, and 18.8% did not know how much profit they made in the last month. Nevertheless, for those who responded, the reported median was JOD 300 per month, and 67.2% reported that they managed to finish the month in the black. The median amount of savings per month in Tafilah is JOD 200.

12.5%

Of MSEs in Tafilah make
monthly savings

81.3%

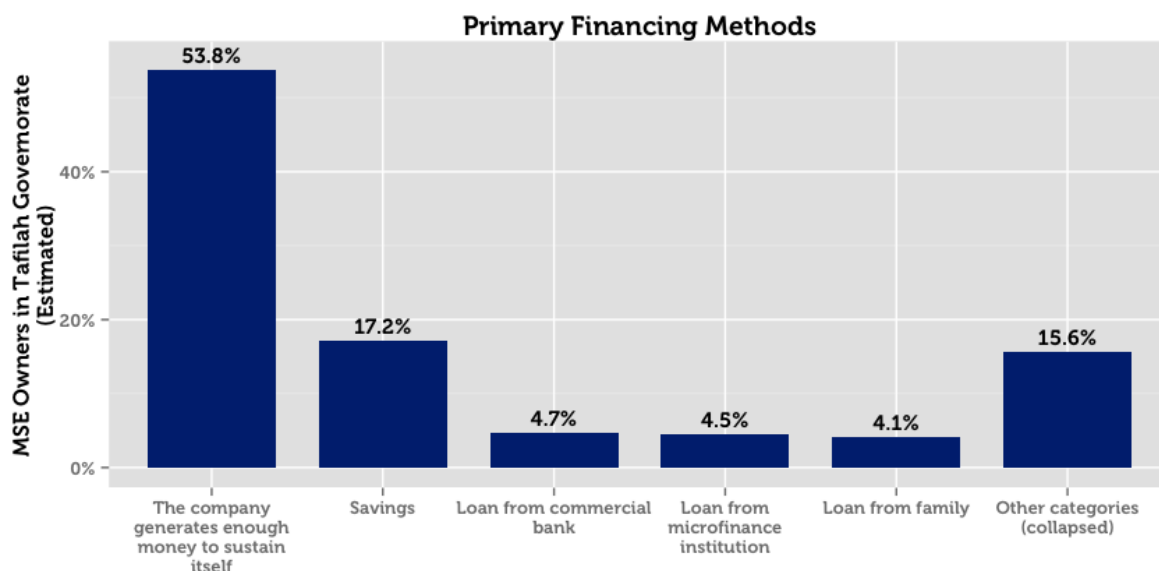
Of MSEs in Tafilah make no
monthly savings

Access to Finance

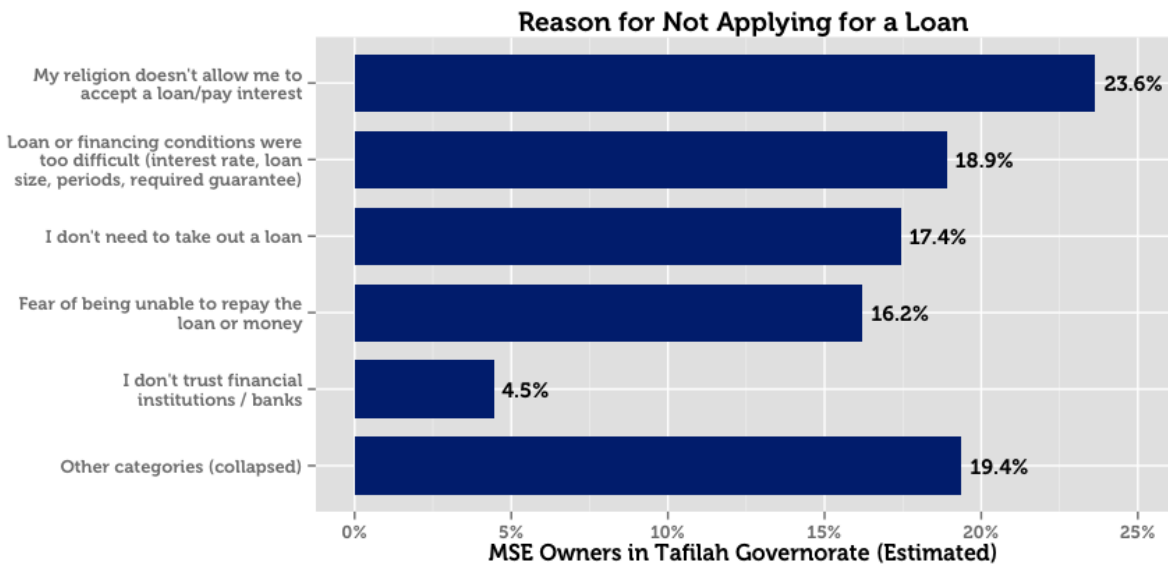
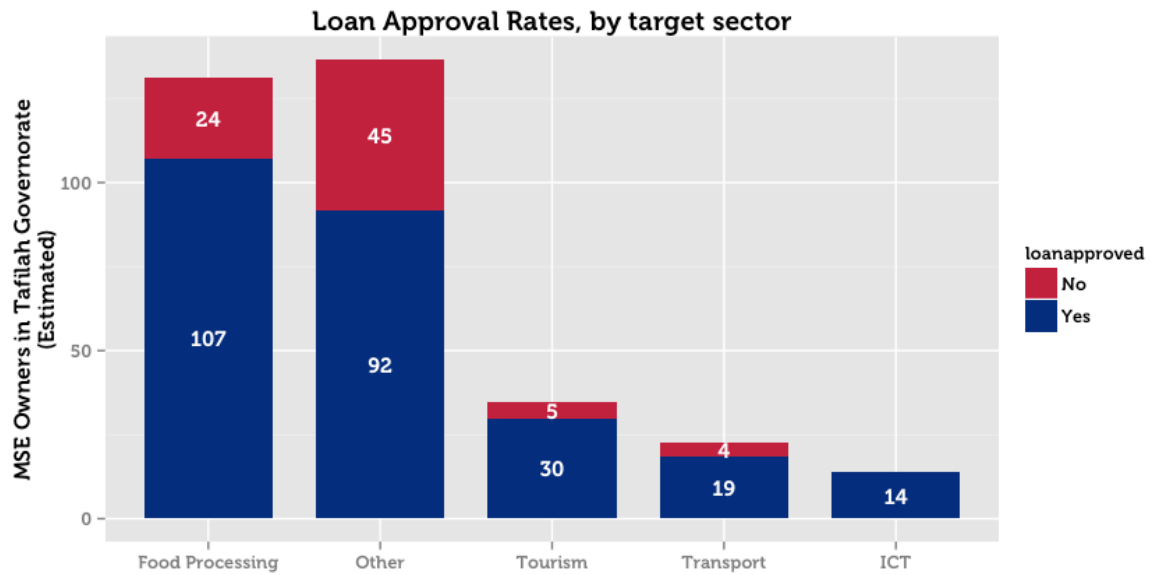
Over half of micro and small enterprises in Tafilah generate enough money to sustain themselves without outside financing. Although many MSE owners struggle to live comfortably, as many as 17.4% of those who do not take a loan say that they do not need one. Accordingly, financial institutions do not play a major role in the economic development of most MSEs, evidenced by the fact that only 16.4% have applied for credit. Being in the Middle East, religious reasons have a part to play in this phenomenon. Although the rise of Islamic Banking products has expanded the market, no less than 23.6% of MSE owners cite religious prohibition as the main reason for not taking a loan (more important than any other of the options). The overall availability of credit may be another supporting factor. However, the most likely explanation is that MSE owners do not interact much with providers of credit, or even know about money markets. This is likely in view of the fact that only 12.8% of MSEs have bank accounts, that most loan applications get approved (75.3% reported approval), and that only 10.3% believe that they only have one source of credit to their disposition.

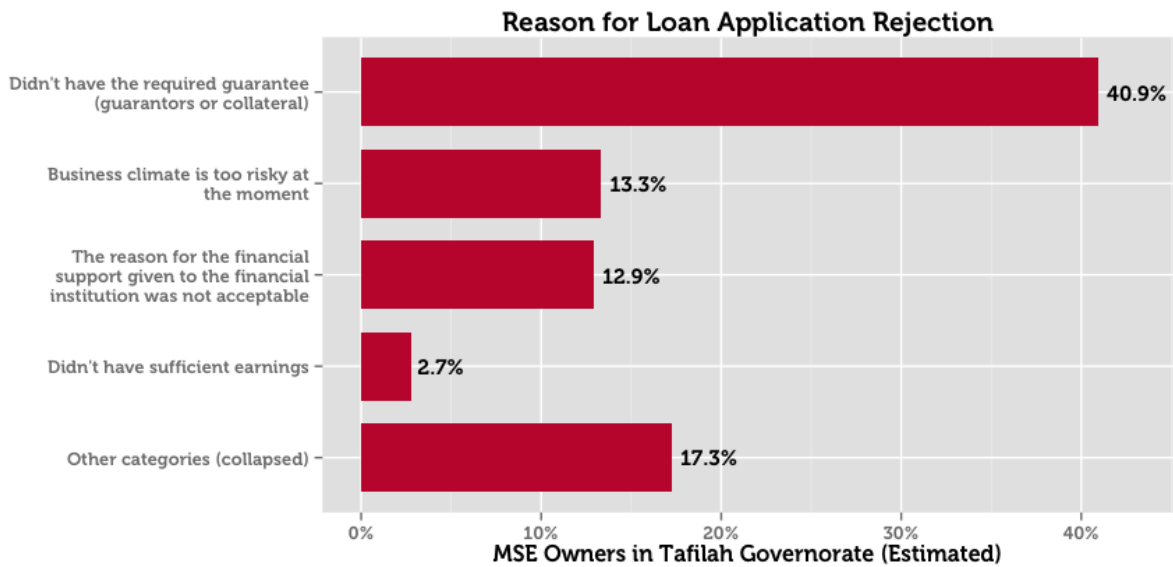
Approved loans were typically used for business purposes, primarily to buy more resources, add new products or business activities to the current business, or to improve or upgrade products already being sold. Only in limited cases was financing use to purchase property (6.4%) or to pay off company or personal debts (6.0%). On average, male owners report a lower rate of success in their loan applications.

An incidental factor for not applying for finance whatsoever may also be the high number of MSEs (87.0%) who do not have a bank account for their business. Of those who do not, 54.2% explain that they do not have an account as their business requires working in cash (or that cash makes it easier). Other attributions are that low sales volume does not justify an account (21.2%) and that religion prohibits it (14.6%). Banking fees, tax benefits, lack of trust in financial institutions and 'other' reasons were infrequently chosen.



At 53.8%, self-financing operations are common in Tafilah. Less frequent models include financing through savings (17.2%), through family and friends (4.1% and 3.5%), or through commercial banks and microfinance institutions (4.7% and 4.5%).





Of those who received a loan, 46.2% received it from a bank, and 42.0% from a micro-finance institution. Very few MSEs in Tafilah reported financing from government programs such as JEDCO and IRADA (4.1%), international donors or donor-funded projects (2.0%), or private money lenders (0.6%). When asked about the primary reasons for choosing a specific institution, 47.5% cited that their institution of choice offered the best financial prospects. 14.8% cited that they chose a particular avenue because it was easy to understand and followed simple procedures. 11.6% cited that it was the best strategic option.

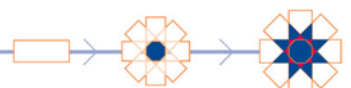
Men and women differ greatly in the amount of money requested in loan applications. Whereas men requested a median of 4,000 JOD, women MSE owners were far more conservative at 1,000 JOD. These differences may be attributed to the fact that the sex of the business owner is strongly associated with the subsector and location of the business. These differences in requesting amounts also help explain why women are more often successful in their loan applications compared to their male counterparts.

Systems, Processes and Networks

Online and offline use of computers or internet is minimal, at 8.7% of firms. Smart phones and ordinary mobile phones are used by 41.9% and 48.6% of MSEs respectively.

Resource Use (Tafilah)	All	By Sex of the Owner	
	N = 2,120	Men	Women
Mobile Phone	48.6%	47.6%	57.4%
Smart Phone	41.9%	42.7%	34.4%
Vehicle	20.0%	21.1%	9.2%
Social Media (work purposes)	7.1%	7.6%	2.3%
Computer (with internet)	6.4%	6.7%	2.9%
Computer (without internet)	5.0%	5.1%	4.5%
Email	3.4%	3.6%	1.2%
Public Internet Location	2.0%	2.3%	NA

Only 7.1% use social media as part of business operations (14.6% for either work or personal). Naturally, this rate is more pronounced in the ICT sector, for which the digital environment is the main mode of work. The low number of social media users suggests that few MSEs understand social media, and that any target audience for social media is small. Email is even less ubiquitous, at 3.6%.



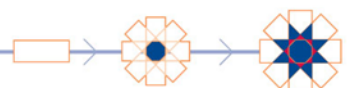
Cooperation with Other Businesses

In the previous 12 months, 83.6% of MSEs had often or always cooperated with other businesses to in some capacity. The most frequent type of horizontal linkage was cooperating to purchase inputs, services, or equipment (73.1%), followed by cooperation on market products/services (44.1%) and industry discussions (34.6%). Roughly one third worked with other businesses to transport goods to points of sale.

Other forms of cooperation were less common however, with 85.0% of MSEs rarely or never receiving certifications (such as ISO, International Accreditation, First Aid etc.), and over three quarters rarely or never receive trainings from other businesses.

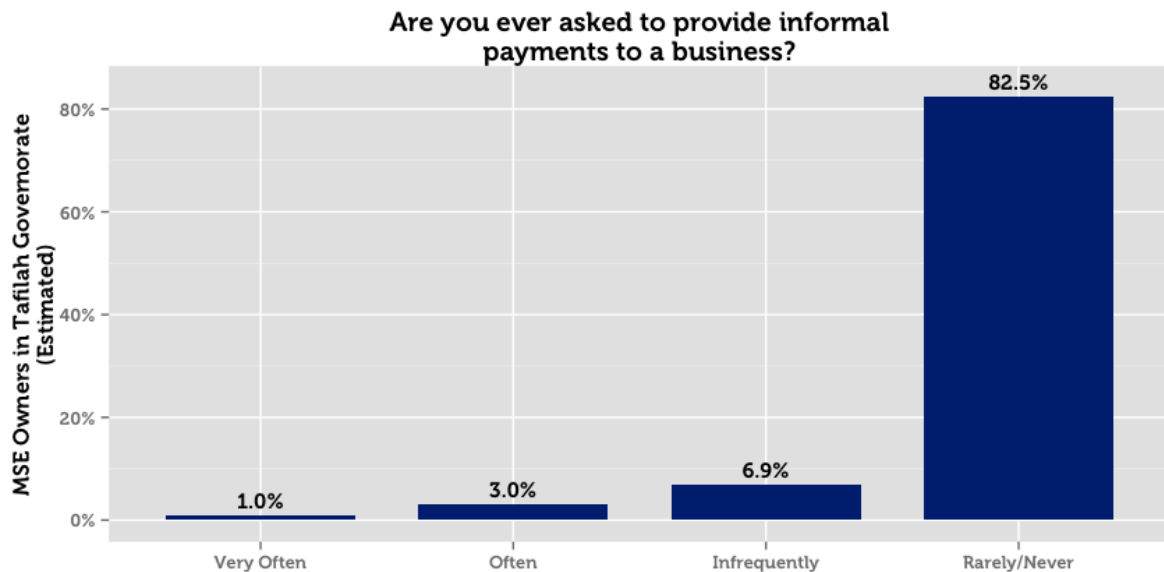
Horizontal Linkages* (Tafilah)	All
	N = 2,120
Purchase inputs, services, or equipment	73.1%
Market products or services	44.1%
Discuss information about the industry you are in	34.6%
Transport goods to points of sale	30.6%
Other	23.4%
Receive trainings	23.0%
Receive certifications	15.0%

** captures owners who responded "often" or "always" for each form of cooperation*



Corruption

With respect to bribery, 82.5% of enterprises report that they have rarely or never been asked for an informal payment.



Financial Planning

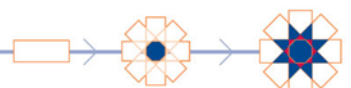
Three out of four of businesses keep some form of financial records. However, the vast majority of businesses record their finances (72.7%), whereas only 1.3% record them digitally. A quarter of businesses keep no financial records whatsoever. A further indication of the lack of planning and financial organization is that only 51.8% compare performance against business goals.

Memberships & Access to Networks

For the most part, MSEs in Tafilah are not part of associations. With the exception of the Chambers of Commerce and Industry (for which 25.3% and 18.7% of MSEs were members), each response category elicited less than 11% of respondents affirming membership. These categories included professional or trade associations (10.9%), cooperatives (6.5%), village committees (2.5%), youth groups (3.4%), women's groups (3.1%), NGOs (1.9%), microfinance groups (1.9%), or informal savings or loan groups (2.7%).

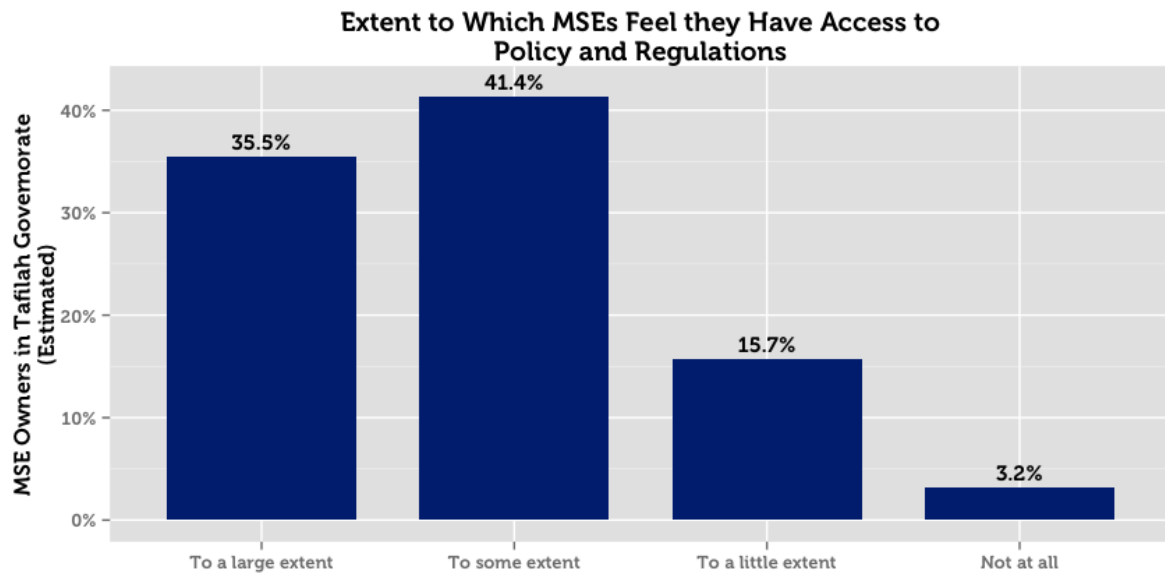
Despite the fact that few participate in formal networks, 78.9% maintain they can get a meeting with the Mayor, the highest proportion maintained by any governorate. This is lower for woman-owned businesses (54.4%).

Memberships (Tafilah)	All	By Sex of the Owner	
	N = 5,513	Men	Women
Chamber of Commerce	25.3%	26.9%	10.7%
Chamber of Industry	18.6%	19.8%	8.4%
Formal trade, business, or professional association	10.9%	11.0%	10.7%
Cooperative	6.5%	6.8%	4.3%
Youth group	3.4%	3.7%	no data
Women's group	3.1%	2.5%	8.2%
Informal savings or loan group	2.7%	2.9%	1.0%
Ward or village committee	2.5%	2.5%	2.2%
Microfinance group	1.9%	2.0%	1.0%
NGO	1.9%	2.1%	no data



Policy and Regulations

82.4% of MSE owners in Tafilah believe they know about the laws and regulations that govern their firm. As 'digital literacy' is relatively low, two thirds resort to traditional source of information. In particular, MSE owners go to their municipality, friends and family, or lawyer for information. Only 5.5% resort to government websites. The vast majority of business owners feel they have adequate levels of access to information about policies and regulations (82.4%), while 5.6% feel they have no use for this information.



Policy Sources (Tafilah)	All	By Sex of Owner	
	N = 2,120	Men	Women
Local municipality	35.4%	36.9%	21.9%
Family and friends	30.9%	29.7%	42.4%
Lawyer	12.6%	13.6%	3.2%
I have no use for this information	5.6%	4.6%	14.5%
Online/Website about the government	5.4%	5.9%	1.0%
Other	5.0%	4.8%	6.6%
Local businesses and enterprises	1.1%	1.3%	0.0%
Business support center	0.8%	0.7%	1.0%

Syrian Refugee Crisis

Jordanian MSE owners in Tafilah generally feel that the Syrian refugee crisis has been either negative or neutral. 68.8% believing that their business has neither experienced significant positive or negative impacts. 24.2% believe that the crisis is a threat to their business, while only 5.8% see it as an opportunity for their business to grow.

Despite the large increase in refugee population, very few MSEs— 2.5%— employ Syrian labor. For those that do, the main reason is that MSEs in Tafilah believe they cannot find local Jordanians who want to work for them. This is different than the primary reason in northern governorates such as Irbid, where MSE owners with Syrians say they primarily that they will make more money by hiring Syrians to work for them. The second most common explanation in Tafilah is that MSE owners believe that Syrians are better at their jobs than other talent on the market (25.8%).

Concerning the positive impacts, 17.7% believe that they can sell more, and 13.9% believe that they can charge more for their products, and 11.7% find that they were able to increase their prices due to increased demand. The top two negative impacts are increasing competition (cited by 40.3%) and higher costs (33.5%).

The crisis has further left an indelible impression on the access and quality of utilities. 53.4% believe that the availability of housing has been negatively affected by the Syrian crisis. More than half believe the same to be true about water supply (52.5%) electricity (46.4%), healthcare (43.5%), and education (41.5%). Although less pronounced, the impact felt on the quality and availability of gas/diesel, policing and security, and/or access to finance are also significant.

Top Impacts* of the Syrian Refugee Crisis (Tafilah)	All	By Sex of the Owner	
	N = 2,047	Men	Women
Positives			
The owner is able to sell more goods or services	17.7%	18.8%	7.9%
The owner is able to charge more for his products	13.9%	14.7%	6.4%
The owner is able to lower costs due to increased demand	11.7%	12.6%	3.4%
Negatives			
More competition	40.3%	41.1%	33.3%
Increasing costs	33.5%	34.8%	22.4%
Decreased support from the government	31.3%	33.0%	15.9%

* Certain low-response categories from the survey are not displayed above

