Market Mapping & Analysis

Construction and Service-sector Labour Market Systems:
A study of the opportunities in employment for Iraqi IDPs and Syrian Refugees

Kurdistan Region of Iraq


IDPs in unfinished building, Duhok, KRI

December 2014

Report written in January 2015 by Emmeline Saint.

Study led in December 2014 by Emmeline Saint (team leader) and Hossam Aziz.

Pictures: Emmeline Saint.

CONTENT

SECTION 1. Context

The landscape of displacement in the Kurdistan Region of Iraq (KRI) has recently suffered significant changes. As a result to the continuous Syrian conflict, more than 220,000 Syrian refugees had reached KRI (UNHCR, December 2014). In addition, the fall of Mosul in June and the ISIS attacks have pushed more than 730,000 Iraqis (Arab muslims, Christians, Yazidis, etc.) to flee to Kurdistan (IOM, September 2014). Moreover, the political crisis between the Central Government in Baghdad and the Kurdistan Regional Government (KRG) has reached a peak since February 2014, with political deadlocks around disagreements over budget allocations and oil revenues. Even though KRI had a progressing economic situation (with some sectors booming, like the construction sector), this situation has led to a stagnation of the economy. However, prospects of return for IDPs and Syrian refugees are yet low, as crises continue in their regions of origins. Humanitarian actors, which so far have focused their interventions on providing emergency relief, especially in refugee camps, are currently moving towards enhancing livelihood programming.

The Danish Refugee Council started working in Iraq in 2003 and currently has operational offices in 4 governorates, including two in the Kurdistan Region of Iraq (KRI), namely in Erbil and Duhok governorates. The Iraq project has developed over the last years from a project focusing on direct assistance to one that includes a strong emphasis on capacity development within protection, livelihood (early economic recovery),

DRC, supported by UNHCR and UNDP, is currently implementing a livelihood programme with two aspects: support to business development in camps (through business grants and trainings) and job placement within host communities. The agencies are looking at perspectives for supporting sustainability of livelihoods for the target population, especially Syrian refugees and IDPs. To that end, a Market System Mapping and Analysis was commissioned to assess opportunities in livelihood generation and access to income for the target groups.

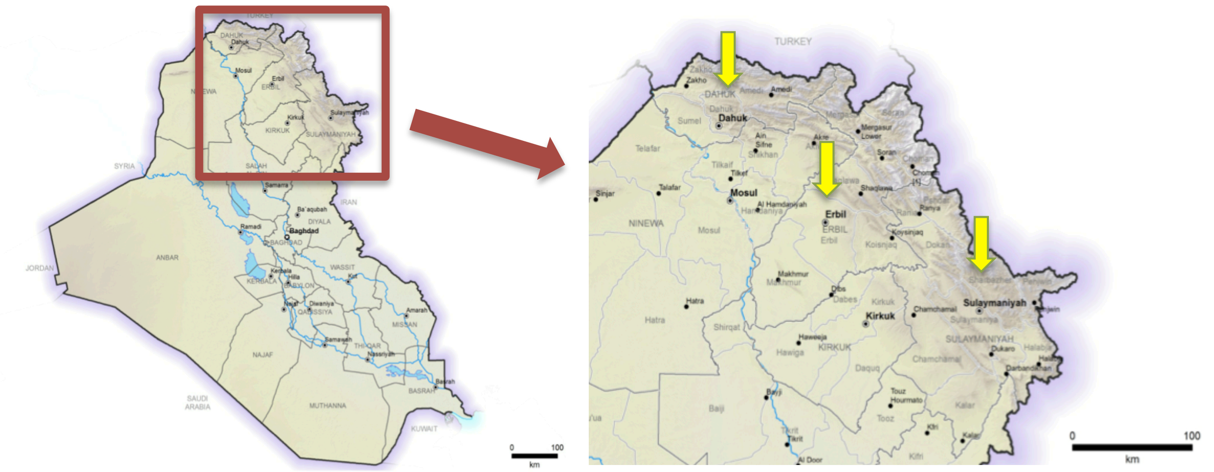
SECTION 2. The process

The process of this study was based on the EMMA methodology. EMMA (Emergency Market Mapping and Analysis) is a rapid market analysis tool that allows stakeholders to understand the main features and dynamics of a market system linked to a crisis in order for the decision makers to consider a range of appropriate and innovative response options and to mitigate risks of disrupting markets. Typically, an EMMA analyses the market system of one particular product or service. However, due to the specific nature of the labour market, the study was freely inspired from the EMMA tool and adjusted it to look at a broader sector (in the case of the service-sector labour market). This allowed gaining an overall understanding of the opportunities and constraints in gaining employment access on the markets that were *a priori* most accessible for the target groups.

The objective of the study was to identify appropriate livelihood response recommendations through the following:

- Identify, select and map out the critical market systems which are most likely to generate income and livelihood opportunities for the target groups;
- Undertake a gap analysis for the target groups in terms of job opportunities, skillsets required, level of job openings within the selected market systems, taking into consideration gender, age and skillsets;
- Undertake a market analysis for selected sectors;
- Undertake a response analysis based on the analysis of the market systems and the gaps;
- Strengthen the capacity of the DRC and other partners participating in conducting market systems mapping an analysis, to use it for response analysis; and
- Gain an overall understanding of the growth in selected sectors in KRI and how livelihood programming could benefit and build upon this growth.

The study was set to cover all three governorate capitals of Erbil, Sulaymaniyah and Duhok in KRI (see Map 1). Rural areas and other major towns in the governorates could not be covered under the time constraints of the study.



Map 1 – Geographical coverage of the study (source: MapAction)

It is important to note that this study, like the EMMA methodology, is a rapid market analysis based on the principles of 'optimal ignorance' and 'appropriate imprecision'. It does not intend to draw statistics. The aim is to gain an overall understanding on the trends, opportunities and bottlenecks on the labour market systems so as to tailor livelihood interventions. Only a short period of time of 2 weeks was allocated to the study. Data collection and interviews focused on collecting qualitative information, while more quantitative data were gathered from existing secondary sources (mainly assessment reports).

A team of two independent international consultants was hired to conduct the study. Initially, a team composed of staff from DRC, UNDP and other partners was planned to participate, but due to logistics and timing issues, only one staff member from DRC could participate in the entire process. A total of 5 other staff members from DRC also partially participated to the process, supporting the team with interviews and data collection[1].

The study was conducted between November 30th, 2014 and December 18th, 2014. Initial planning started with a 3-day induction training on the EMMA tool for the team. However, for logistics and timing issues, this training had to be postponed and adjusted. This resulted into a 1-day overview and introduction to the concepts of EMMA[2] for a larger audience[3]. The table below shows the timeframe of the study, with activities and team.

Date	Activity	Location	Team composition
Nov 30 – Dec 6	Section of critical market systems Field data collection	Erbil	2 consultant + 3 DRC staff
Dec 7	Training: introduction to EMMA	Erbil	2 consultants (15 participants)
Dec 8 – 11	Field data collection and analysis	Sulaymaniyah	2 consultants + 3 DRC staff
Dec 12 – 15	Field data collection and analysis	Duhok	2 consultants + 3 DRC staff
Dec 16 – 18	Field data collection and analysis	Erbil	2 consultants + 1,5 DRC staff

Table 1 - Timeframe of activities

Prior to and during fieldwork, a review of secondary data[4] was conducted, focusing on available literature on the humanitarian, economic and political context of the geographical area of coverage, the selected critical market systems and the livelihoods of the target groups.

Fieldwork covered all three governorates of Erbil, Sulaymaniyah and Duhok: interviews were held in the three governorates' capitals as well as in camps outside the cities and factories in neighbouring districts. Interviews were held with various actors of the market systems: key informants from government offices, international organizations, NGOs and private sector; employers in the selected labour market systems; employees; members of the target groups (Syrian refugees and IDPs, both in camp and non camp locations); supporting services' actors.

[1] See Annex 1 – Composition of the team
[2] Prior to the study, in April 2014, a 5-day EMMA training was held in Duhok, with 15 participants from 4 organizations, including 8 DRC staff members.
[3] See agenda in Annex 5.
[4] See Bibliography in Annex 2.

Type of actor	# interviews
Key informants	20
Construction companies	6
Service-sector companies	5
IDPs	20 + 3 FGD
Syrian Refugees	10 + 4 FGD

Table 2 - Type and number of actors interviewed per location[5]

Analysis of the information gathered and review of the preliminary maps were done on a daily basis to ensure timely adjustments in the fieldwork plans if necessary. Analytical work covered all three gap, market and response analyses. Following the EMMA methodology, this study took an iterative approach so as to refine the analysis on a day-to-day basis until a good-enough understanding of the opportunities and constraints was reached.

A discussion on the preliminary findings with the DRC and UNDP programme managing teams was held within the last days of fieldwork (December 16th). A presentation of the final results to a wider audience of stakeholders (members of the Livelihoods and Social Cohesion cluster) was held on January 18th, 2015 by the lead consultant.

Limitations

The study faced a number of constraints:

- Although initially planned, a full team of participants to the study could not be made available. This has impacted on the number of actors met and the capacity to connect with key informants. In such a context, excellent networking skills are required from the local team, in order to connect with the right people and optimize the use of tight schedules. Moreover, some DRC staff working on the livelihood programmes had received the EMMA training in April 2014 but were not made available during the study.
- Timing issue: this study was conducted at the end of the year (which impacted on the availability of the team, as agencies staff were busy with projects and finishing budgets), during winter (which is a low season in many sectors, such as construction and hospitality) and at a pivot time for the political and economic situation (as an agreement was being reached between Central Government in Baghdad and the KRG on the crisis that had been going on for several months).
- The study covered a very large geographical area within a very limited number of days and with very limited availability of team and logistics.

[5] A detailed list of actors interviewed is shown in Annex 3.

SECTION 3. Target population and Critical market systems

3.1. Target population characteristics

The target population of this study is composed of the following groups:

- Syrian refugees living in camps and non-camp locations;
- Internally Displaced People[6] living in camps and non-camp locations.

Because of the restricted number of days, the study did not focus on the host communities. However, some information could be gathered on their access to employment on the selected labour market systems and analysed against the target groups'.

As shown in Table 3 below, Duhok governorates hosts the majority of IDPs in KRI (64%), followed by Erbil governorate (24%) and Sulaymaniyah governorate (12%). It is important to note that the combined IDP and Refugee population in Duhok governorate is almost equivalent to the local population. The majority of refugees are in Erbil governorate (46%), followed by Duhok (41%) and Sulaymaniyah (12%).

	IDPs (September 2014)[7]		Refugees (December 2014)[8]	
	Individuals	% of total	Individuals	% of total
Duhok[9]	465,168	64%	91,298	41%
Erbil[10]	176,784	24%	101,480	46%
Sulaymaniyah[11]	90,420	12%	27,261	12%
Total	732,372	100%	220,039	100%

Table 3 - Number of IDPs and Refugees in the three governorates of KRI, including camp and non-camp populations (sources: IOM, UNHCR)

Figure 2 shows the ethnic and religious breakdown of IDPs in Erbil governorate. It is important to note that the majority of IDPs are Arab Muslims (65% Sunni, 5% Shia). As discussed in Section 6, there is a negative perception of Arab IDPs in KRI (following the ISIS crisis), which hinders their ability to integrate within the local economy.

---

[6] In this study, 'IDPs' refer to the Iraqi IDPs recently displaced by the ISIS crisis. The overall IDP population in KRI is also composed of families and people displaced since 2003 and the Iraq war.

[7] **IOM** – *Displacement Snapshots: Dahuk, Erbil, Sulaymaniyah*, September 2014

[8] **UNHCR** Inter-Agency Information Sharing Portal, Iraq: http://data.unhcr.org/syrianrefugees/country.php?id=103

[9] Non-camp locations and camp locations (including Domiz refugee camp)

[10] Non-camp locations and camp locations (including refugee camps of Basirma, Darashakran, Kawergosk, Qushtapa).

[11] Non-camp locations and camp locations (including Arbat refugee camp)

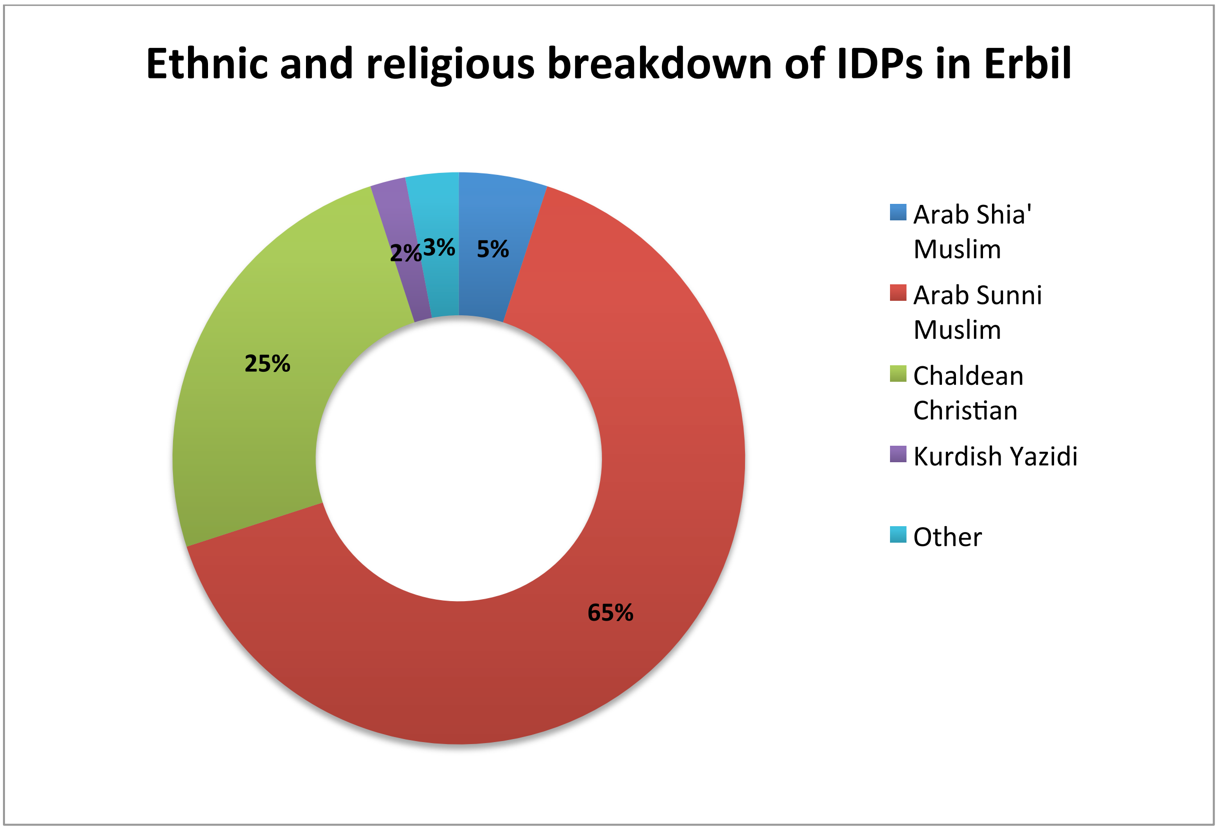


Figure 1 - Ethnic and religious breakdown of IDPs in Erbil governorate (source: IOM Displacement Snapshot, Erbil, September 2014)

According to the REACH Initiative's 'Economic Survey of Syrian Refugees' (KRI, April 2014), the most common main source of income across KRI at the time of the survey for the Syrian refugees living in camps was Cash-For-Work activities, while wage labour outside camps came as the second most cited first source of income. In the latter case, most refugees reported working on construction sites.

3.2. Critical market systems selection

From the information gathered at the beginning of the study, the main labour markets outside camps that the target groups would rely on to access job opportunities are indeed in the construction and service sectors. Within the service sector, hospitality and retail represent the largest potential employers for the target groups. Other services potentially offering employment opportunities for the target groups include cleaning services, electrical equipment repair. Security services, however a large employer, especially in times of a crisis, do not appear to offer opportunities to the target groups as these companies employ local workforce only (employees have to be known locals, usually cleared by the Asayish, the security Kurdish organization). The oil and gas sectors also preferably employ local people, and represent only 1% of the total workforce in KRI.

This study therefore selected the construction labour market system and the hospitality and retail market systems (within the service sector) for analysis:

- Construction labour: although it was a booming sector until the beginning of 2014, it has been experiencing a pause in activities for a few months, mainly because of the economic and political tensions between the Central Government in Baghdad and the KRG. However, recent developments suggest that the situation may be easing in the coming months. Understanding this labour market and getting prepared for its full resumption will be critical in the perspective of supporting livelihood opportunities for the target groups.
- Service-sector labour, specifically in the hospitality and retail systems: From initial interviews with the target groups and with key informants, it appears that both systems may offer a wide range of opportunities for the target groups, especially for women (who may not get easy access to construction labour). Usually, the EMMA methodology focuses on one system only. However for this study, it was decided to broaden the scope to two systems within the service sector, so as to gain a wider understanding of the potentialities. It was shared and understood that, because of the limited time allocated to the study, it would only be able to inform on trends and the key features and bottlenecks, and potentially identify aspects in need of more in-depth analysis in the future. Understanding the trends would yet enable the agencies to get strategic directions and tailor their livelihood programming for the coming months.

The key analytical questions, which would guide the study, were designed as follows:

1. **How did the construction, hospitality and retail labour market systems function and how have they been impacted by the crisis?**
2. **How do these market systems offer employment and income generation for the Syrian refugees and IDPs in KRI?**
   - What are the skills and qualification requirements?
   - What is the capacity of the target groups to access the opportunities?
3. **What interventions are suitable to support sustainable livelihoods through a better access to these market systems for the target groups?**

SECTION 4. Market systems maps

The market maps presented in this section illustrate the labour market systems in the Kurdistan Region of Iraq. They depict the market systems as a whole, showing connections between the different players, namely the workforce and the employers, as well as the factors affecting the linkages between them. Market maps are composed of three layers:

- The market chain: The middle portion of each map represents the connections between the people working or seeking work in the labour markets and the companies potentially employing them;
- The market environment: the top layer maps the environment in which the market actors (workforce and employers) operate. The environment of the market system is shaped by various policies, regulations, social and business practices, and trends that have significant influence on the market chain;
- The key infrastructures, inputs and support services: the bottom layer shows the various forms of infrastructure, inputs and services that support the system's overall functioning. The aim is to understand the role that these services play in maintaining the market system's efficiency and accessibility.

Separate maps were designed for both sectors (construction labour and service labour – hospitality and retail), as the market actors and surrounding factors may be different from one sector to the other. It was decided to collate hospitality and retail within the same market system, as there are great similarities between them. For both sectors, two different maps are included:

- A baseline map, outlining the functioning of the market systems prior to the crisis. For the construction labour system, the baseline was set as of December 2013, one year before the current situation, as it has been largely affected by the tensions between the Central Government in Baghdad and the KRG in Erbil, which increased in February 2014. For the hospitality and retail systems, however, the baseline situation was set as June 2014, prior to the influx of IDPs created by the Mosul crisis in July and August;
- An emergency map, which reflects the functioning of the systems today.

Comparing both baseline and emergency situations allows rapidly identifying how the market systems were affected by the crisis, in order to direct the response recommendations towards the alleviation of specific constraints or bottlenecks.

4.1. Baseline market systems maps

The map below depicts the selected labour market systems, their actors and the interactions between them in a baseline situation (December 2013 for the construction labour and June 2014 for the hospitality and retail labour).

Figure 2 - Construction labour market system: Baseline map (December 2013)

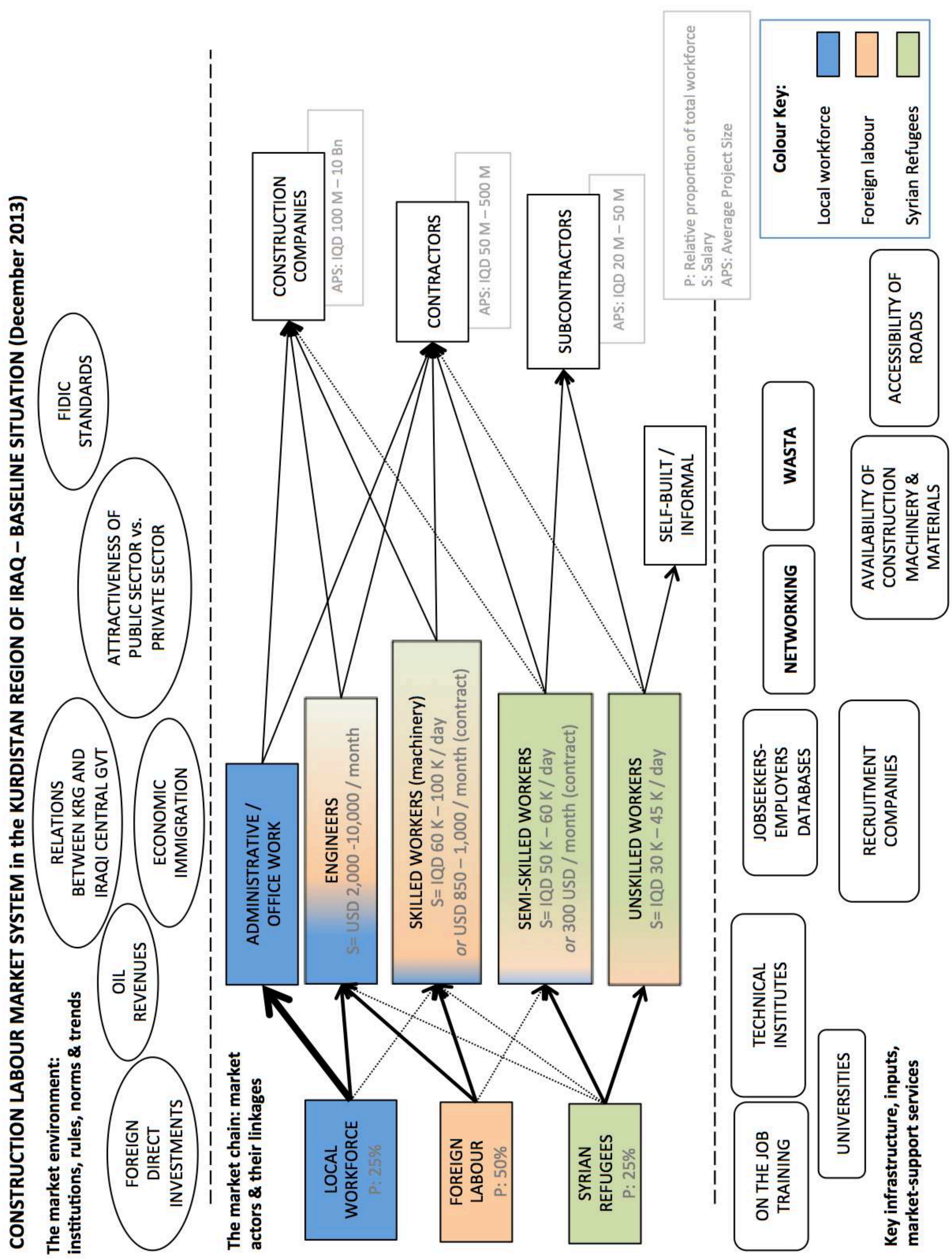
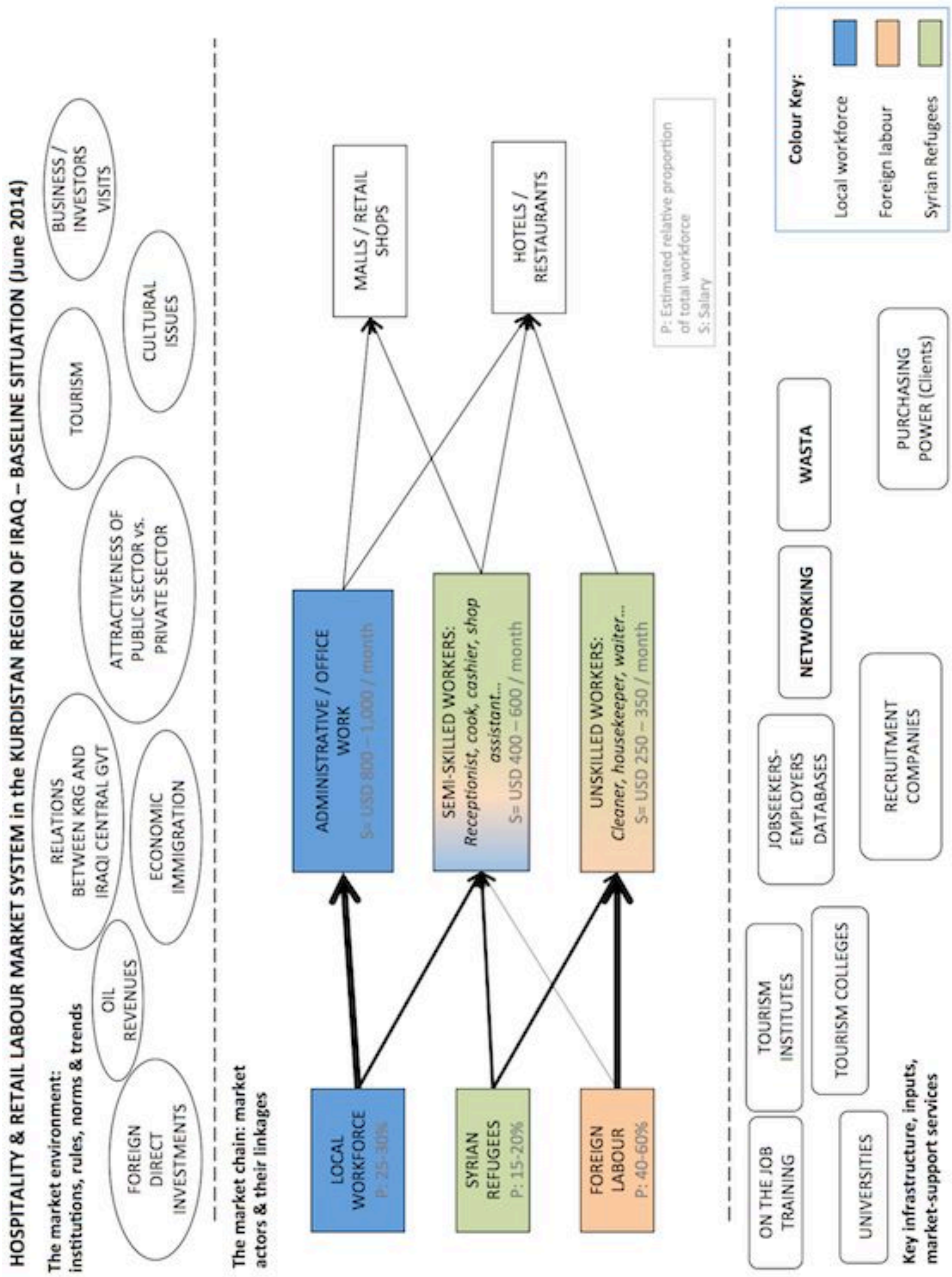


Figure 3 - Service-sector labour market system: Baseline map (June 2014)



4.1.1. The market environment

Relations between the Central Government in Baghdad and the Kurdistan Region Government in Erbil have a significant influence on the functioning of the labour markets in KRI. Oil deals between both governments define the share Kurdistan gets from the Iraqi budget, and therefore shape the economic health of the KRI. Salaries of civil servants and government construction projects, among others, are paid by KRG from its budget allocations. However, the Iraqi budget contains a structural concern as it relies heavily on oil revenues, making it vulnerable to oil price variations (see Chapter 5.2.1).

One of the key trends of the market environment in the baseline situation is the **attractiveness of the public sector compared to the private sector**. Even though the salaries in the public sector may sometimes be inferior to the private sector, civil servants benefit from a lot of advantages in their salary package, such as social insurance, retirement benefits, loans, and other benefits. Those full packages are rarely provided in the private sector, outside managing and office contract positions. The public sector also tend to offer longer-term contracts, whereas in the private sectors, contracts are fixed term (generally from a few months to two or five years). High job security in the public sector is a key attractive factor for the local workforce. In the postsecondary education system, future graduates prepare themselves to work in the public sector, and the private sector is rarely considered an option; public sector is also seen as the preferred employment option in the secondary education system. Some key informants mentioned that around 70% of the KRG budget is dedicated to salaries.

The **Ministry of Labour and Social Affairs** (MoLSA) is in charge of ensuring that employers follow the labour law and protect labour rights. According to the Directorate of Employment in Sulaymaniyah, under the Iraqi labour law, priority must be given to local workers except when the skills are not available locally. It came out from a number of interviews that private sector employers do not always strictly follow labour laws, especially at low-skilled work level, where daily workers rarely have a contract. This has also been reflected by the impossibility to get an estimation of the number of workers in the construction sector: many companies are reluctant, or not able, to disclose their number of staff, and quite a large number of workers (especially casual workers) are not legally registered.

Economic and political stability and security generally attract **tourism and investments**, which have a direct influence on the level of activity in both sectors.

Another feature that influences the construction labour market system in KRI are the **FIDIC** standards[12]. Some foreign construction companies follow the FIDIC standards when establishing contracts with the KRG. These contracts notably stipulate the minimum

[12] The International Federation of Consulting Engineers (commonly known as FIDIC, acronym for its French name *Fédération Internationale des Ingénieurs-Conseils*) is an international standards organization for the construction industry, best known for the FIDIC family of contract templates.

percentage of local workforce that the construction companies must employ before hiring foreign labour.

Seasonality is also an important factor of the market environment. In the tourism industry, the high season starts in festive *Nawrouz* (around March 21st) and peaks in summer. On the other side, the construction sector is also affected by the winter season, where there is a decrease in activity because of bad weather conditions.

4.1.2. The market chain: market actors and their linkages

The market chain of the construction and service-sector labour market systems in the baseline situation is characterized by a clear distribution of the workforce depending on their origin and skills.

4.1.2.1. Construction labour

Local workforce: The greatest share of the local workforce in the construction sector works in the administrative positions, while some work in the technical (engineers and skilled) positions. Because of the lack of attractiveness of the private sector compared to the public sector (already mentioned in Chapter 5.1.1), local workers tend to be more attracted by office work within the companies and only represent a minimal share of the unskilled and semi-skilled workers. It was estimated that, prior to the economic crisis, local workers represented around 25% of the total construction workforce in KRI.

Foreign labour: Foreign workers represented up to 50% of the total construction workforce at the height of the construction sector boom. A 2012 survey[13] by the RAND Corporation on the labour market in the KRI found that many employers had to bring in workers from outside the KRI to fill a number of skilled and technical positions: some technical skills (such as plumbers, carpenters, etc.) were missing among the local labour force. Large firms are more likely to employ foreign workers: these firms reported the greatest growth potential in terms of hiring, although they represent a small share of all firms in the KRI.

Syrian refugees: Since the beginning of the Syrian conflict in 2011, refugees have started to enter the KRI labour market. Although many of them are highly skilled, qualified and experienced workers, it appears that they may have represented a major part of unskilled and semi-skilled workers in December 2013. Reasons vary from a lack of acknowledgment of the Syrian certificates in KRI to a poor understanding of the labour market linked to a lack of existing connexions within the labour market to find jobs. The relative proportion of

[13] **RAND CORPORATION** – *An Assessment of the Present and Future Labor Market in the Kurdistan Region of Iraq*, 2014

Syrian refugees among the construction labour force amounted to approximately 25% in December 2013.

Level of skills: The map highlights the ranges of salaries according to the level of skills required for each position. Administrative and engineering positions are subject to contracts between employers and employees, some of them coming with benefits such as social insurance or transportation. Skilled and semi-skilled workers often have contracts for the duration of the construction project they are employed on. However, unskilled workers are daily labourers with no contract and are paid on a daily or weekly basis.

Employers: In the construction sector, there are three main kinds of employers: the construction companies, the contractors and subcontractors. The map gives an indication of the size of the projects (determined by budget) that each type of actor would work with (ranging from IQD 20-50 million for subcontractors to IQD 100 million and up to 10 billion for big construction companies. Construction companies may be local (part of large holding groups such as Faruk Holding or Halabja Group) or international (like the cross border Turkish companies working on large construction contracts with the KRG).

4.1.2.2. **Hospitality and retail labour**

It is important to note that a large proportion of regional businessmen (from Lebanon, Turkey, Jordan) play a crucial role in management of the service sector (hotels, shops). However, this report acknowledges the lack of consistent data collected on this issue, due to time constraints mainly. More investigation may be needed to understand the specificities on these employers depending on their origin.

Local workforce: As above, local workers tend to fill administrative and office positions in the service sector. It is estimated that they used to represent roughly 25 to 30% of the total workforce in the hospitality sector. Cultural issues seem to appear in this sector, as local workers tend to be less incline to work as waiters or other unskilled positions.

Foreign labour: In the hospitality sector, foreign labour is highly represented in the unskilled positions (cleaners, housekeepers). Some recruitment companies specialize in hiring foreign labour for cleaning services (see Chapter 5.1.3).

Syrian refugees: In the baseline situation (June 2014), Syrian refugees represent between 15 and 20% of the total hospitality labour force. Because they are skilled and experienced in this sector, they are mainly hired as semi-skilled workers in both hospitality and retail sectors (cashiers, hotel receptionists, waiters).

Level of skills: Unlike the construction labour sector, most positions in the hospitality and retail labour market system have contracts.

4.1.3. The market support services

This part of the labour market system is composed of two main components: the education and training structures, and the employment mechanisms.

Education and training: For both labour markets, three ways of accessing training can be identified: secondary schools and universities, technical institutes (secondary) and technical colleges (postsecondary) and vocational training. According to the RAND Corporation 2012 survey, '*about 40 percent of employers surveyed rated secondary school and vocational school graduates as poorly prepared or very poorly prepared, and about 25 percent rated graduates of two-year and four-year postsecondary institutions as poorly prepared or very poorly prepared'*. In the employers' perceptions of graduates' preparation for work, it appeared that there is virtually no difference between preparatory and vocational secondary education as well as between technical institutes and universities (non-technical). The RAND report also mentions that the education system seems to lack a focus on practice: freshly graduated locals lack experience to fill private sector positions, especially technical occupations (almost 40% of employers said they had difficulties hiring local labour for technical positions). Second hardest-to-fill positions are sales and customer services. Therefore, more than 60% of employers facing difficulties in hiring locally have to outsource work.

Vocational education is widely spread across KRI, through a number of structures. Each governorate has a public vocational training centre (Erbil's opened in the 1980s and Sulaymaniyah's in the 1990s), mainly publicly funded (although the VT centre in Sulaymaniyah received support from American and South Korean agencies). They are opened to locals, but when interviewed, representatives mentioned that refugees and IDPs could access them if they were financially supported. Some private vocational training centres also exist within the three governorates. Besides, some NGOs provide VT in their livelihood programmes (at small scale and mainly in camps), on skills like IT, languages, business development, hairdressing, sewing, welding, etc.

Employment mechanisms: Recruitments in KRI tend to occur to a large majority through personal and informal networks rather than formal recruitment mechanisms (job advertising, recruiting agencies, listing services). A very vast majority of employers indeed recruit among their friends and family network; larger companies tend to also use recruitment companies. The networking mechanism for recruitment is also found among small Syrian refugees entrepreneurs, which will favour hiring people they already know and trust.

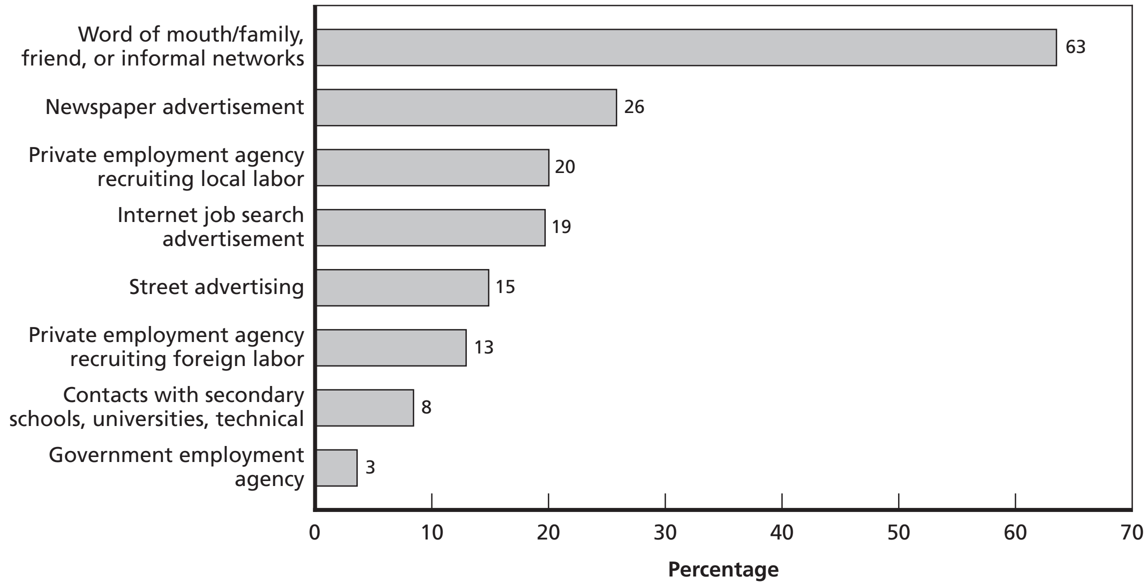


Figure 4 - Percentage of employers indicating which method they use to recruit new employees (source: RAND Corporation, 2012)

'Wasta' is a practice by which a jobseeker will commission an intermediary to get connexions in order to facilitate employment.

Job-searching databases also exist and are preferably utilized for skilled workers. They are platforms where jobseekers and employers can match their search. They exist under various forms, such as websites or databases. The MoLSA has a programme that consists of two different systems, the first channels local employees the second channels foreign work force. The programme consists of database that works as a CV bank. Jobseekers can login and upload their CVs. Employers can also login and choose the CVs they need according to their work requirements. The system is free of charge from both sides. According to the Executive Director of the Administration Department, the refugee populations in the camps are provided with this service and are welcome to use it as long as they are Syrian refugees, or Kurdish IDPs. Arab IDPs are not welcome to use this service. The service started in June 2013 and has been advertised mainly through newspapers, but there is a plan to do more efficient advertisement through TV channels. There is a hotline for complaints.

Another example of such a system is *Foras*[14], an economic growth initiative funded by USAID that intends to improve economic and job opportunities for job-seeking Iraqis. This programme started in 2012 and currently connects, through their website, 1,500 employers with 600,000 jobseekers, with a focus on hospitality, human resources, security, IT and customer service. Their main target is Iraqi youth and IDPs.

Another mechanism for recruiting are recruitment companies, mostly employing foreign workers. Locally established small and medium recruitment companies work mostly for individual clients and cleaning services (small and medium hotels). Larger international recruitment companies bring foreign workers from countries like India, Nepal, Pakistan,

[14] http://jobs.foras-iq.ta3mal.com/

Georgia or some African countries. Their clients are mostly large firms such as the large construction companies. In Erbil, there are around 10 major recruitment companies and 10 to 20 smaller ones.

The skills considered as most important by employers are practical experience, willingness to work hard, languages (Kurdish, English and Arabic) and customer handling (particularly in the service sector).

4.2. Emergency market systems maps

The maps below show the situation of both labour market systems as of December 2014, and highlight the impacts of the crisis on the systems.

Figure 5 - Construction labour market system: Emergency map (December 2014)

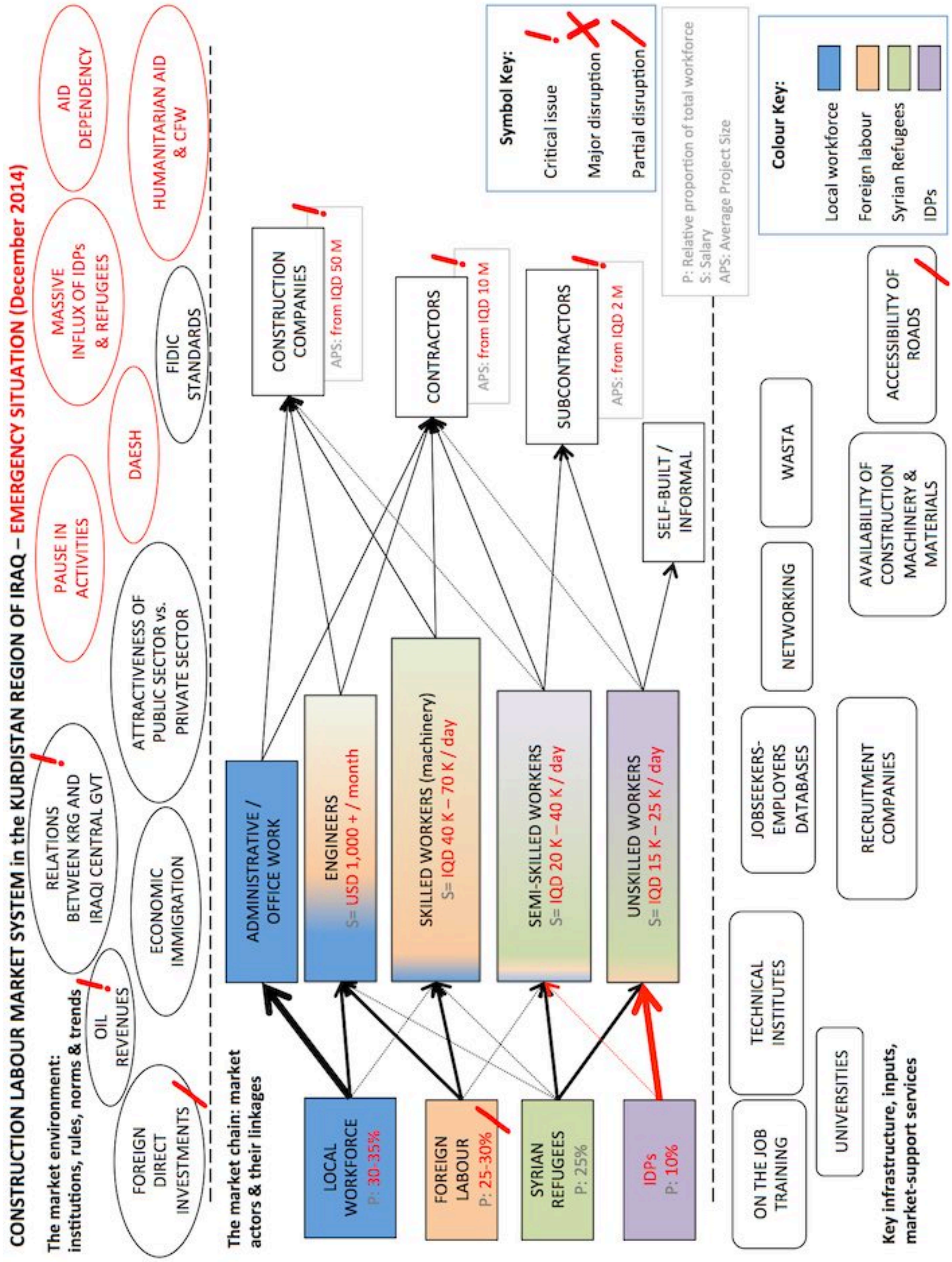
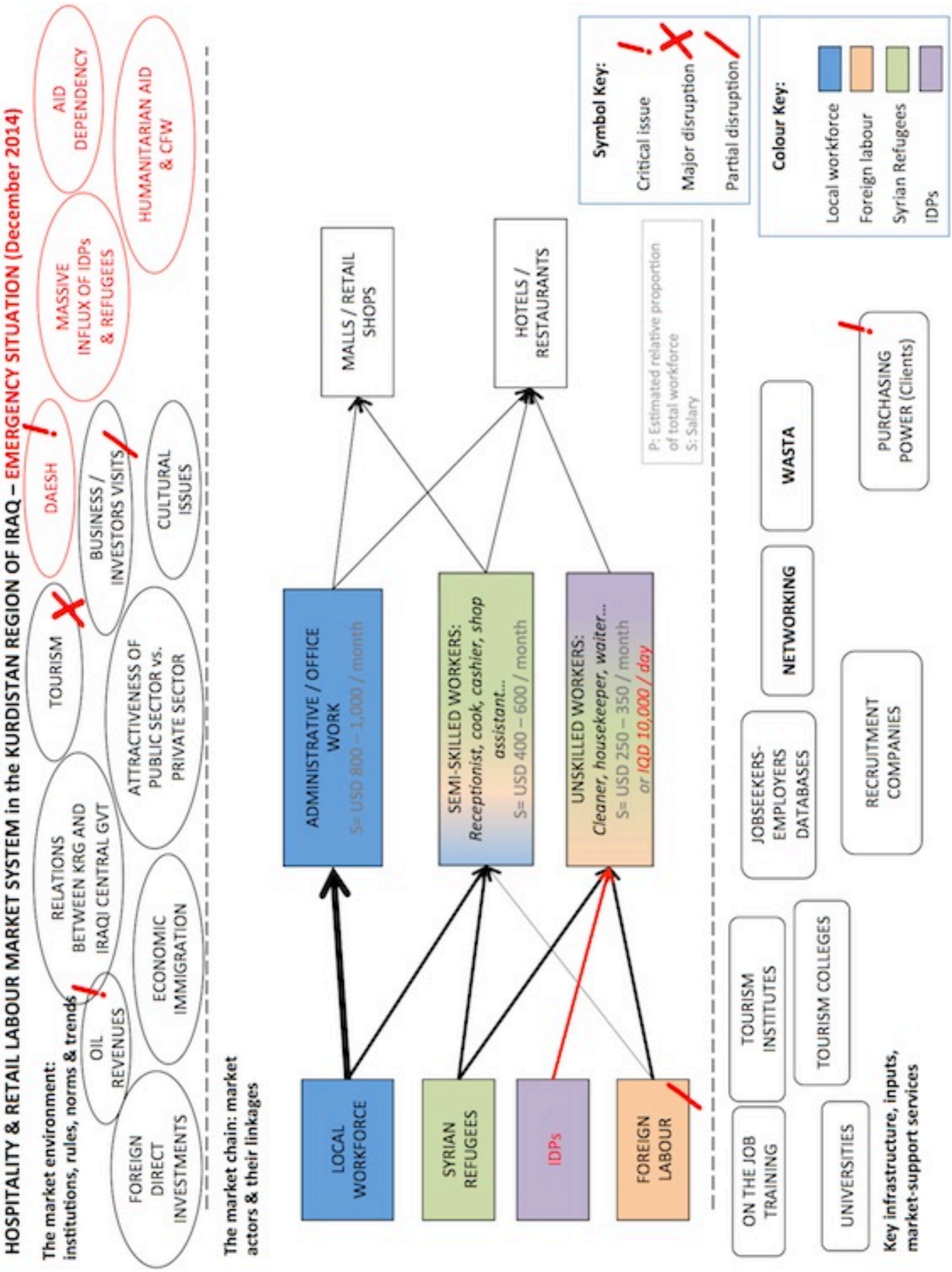


Figure 6 - Service-sector labour market system: Emergency map (December 2014)



4.2.1. Key elements impacted by the crisis

4.2.1.1. Market environment

Political and economic tensions between the Central Government in Baghdad and the Kurdistan Region Government in Erbil have had a crucial impact on the functioning of the labour markets. From February to December 2014, both parties were in disagreement over the share of the Iraqi budget the KRG would receive as well as on oil exports. As a consequence, many sectors have paused, such as construction, which was a booming sector. An agreement was finally reached early December 2014, together with the payment of the arrears by the Central Government, suggesting that tensions will ease in the near future, with a potential for activities to resume.

However, the global drop in oil prices initiated in July 2014, which accelerated after the OPEC Summit in November, may have dramatic effects on the oil revenues. Indeed, the Iraqi budget is very much dependent on oil revenues, and at the time of its design, it was assumed that oil prices would remain just above $100 per barrel. However, in December 2014, the barrel had already gone down to around $60 and early January 2015, it had dramatically dropped to less than $50. This may affect the Iraqi economy in a substantial way and needs follow-up.

The Daesh crisis also affected the hospitality sector, and the number of tourists and investors coming in the region dramatically dropped. Whereas investors and businessmen have already started coming back, tourism may still be impacted in the coming months.

Since the Mosul crisis and the attacks from Daesh in Iraq and Syria, the massive influx of IDPs and refugees in KRI, in addition to the refugees who had already fled Syria over the past 3 years, has increased pressure on the labour market in KRI. In Duhok, this is exacerbated by the fact that refugees and IDPs currently represent half of the total population of the governorate (it is estimated that 54% of the total refugees in KRI are in Duhok governorate). Construction and hospitality sectors in Duhok governorate are relatively less extended than in Erbil. All combined, these factors result in a lesser absorption capacity of the labour market for newly arriving workforce.

Large humanitarian programmes have been providing Syrian refugees and IDPs (mostly in camps) with relief items and emergency programmes such as food aid, cash and vouchers or cash-for-work programmes (CFW is the most common first source of income for target groups in camps across KRI, according to the REACH Initiative Economic Survey, April 2014). None of these can be considered a sustainable option on the long run for the target groups, and this has to be balanced with return prospects, which at current are very limited for both refugees and IDPs. The issue of their integration on the local labour market therefore has to be raised inevitably.

4.2.1.2. Market chain

The market chains of both systems were affected on both supply (workforce) and demand (employers) side.

On the supply side, as previously mentioned, the massive arrival of new IDPs, and also new refugees, has increased pressure on the labour market. It is not clear what percentage of the foreign labour left KRI following the start of the Daesh crisis, but it is estimated that this proportion might be quite low, especially as some who had left have actually come back. An estimation[15] of the relative proportion of workers in the construction sector in the three governorates depending on their origin gives an indication on the dynamic changes on this labour market as compared to the baseline situation.

<table>
<tr><th rowspan="2">Origin of workforce</th><th colspan="2">Baseline</th><th colspan="2">Emergency</th></tr>
<tr><th>Total KRI</th><th>Erbil</th><th>Total KRI</th><th>Erbil</th></tr>
<tr><td>Locals</td><td>25%</td><td>10%</td><td>30-35%</td><td>25%</td></tr>
<tr><td>Foreigners</td><td>50%</td><td>75%</td><td>25-30%</td><td>50%</td></tr>
<tr><td>Syrian refugees</td><td>25%</td><td>15%</td><td>25%</td><td rowspan="2">25%</td></tr>
<tr><td>IDPs</td><td>-</td><td>-</td><td>10%</td></tr>
</table>

Table 4 - Estimation of relative share of workforce in construction labour according to origin

IDPs, which proportion was relatively not significant in the baseline situation, now represent around 10% of the construction labour force. The share of Syrian refugees has not changed (25%), but the proportion of foreign labour has decreased from 50% to 30% (the absolute total number of foreign workers may not have decreased that much, as previously indicated, but the arrival of new labourers has impacted the proportions). Local workforce available to work in construction appears to have increased as some locals have temporarily turned to private sector jobs as government salaries were not being paid for some time.

In the construction labour sector, salaries have decreased by 30 to 50%, the greatest decrease being supported by the unskilled workers (see table 5 below).

	Baseline	Emergency
Engineers	USD 2,000 – 10,000 / month	USD 1,000 – ? / month
Skilled workers	IQD 60,000 – 100,000 / day	IQD 40,000 – 70,000 / day
Semi-skilled workers	IQD 50,000 – 60,000 / day	IQD 20,000 – 40,000 / day
Unskilled workers	IQD 30,000 – 45,000 / day	IQD 15,000 – 25,000 / day

Table 5 - Comparison of wages in baseline and emergency situation, according to level of skills, in construction labour market system

One of the main reasons for this decrease is twofold, as a consequence of the increase in workforce available combined with the decrease in demand for such workforce. The competition within the workforce has pushed labourers to accept lower and lower wages

[15] This estimation is based on trends mentioned by informants during interviews for this study. It is not based on a statistical review of the actual number of workers (this numerical information could not be found at the time of the study).

(see Chapter 6.3). On the other side, the demand has shrunk become of the pause in construction activities. The size and number of construction projects have decreased (see table 6).

	Baseline	Emergency
Construction companies	IQD 100 M – 10 Bn	From IQD 50 M
Contractors	IQD 50 M – 500 M	From IQD 10 M
Subcontractors	IQD 20 M – 50 M	From IQD 2 M

Table 6 - Comparison of average construction project size in baseline and emergency situation according to type of company[16]

In the hospitality and retail sector, it was not possible to collect clear information on the estimative share of workforce according to origin in the current situation. From this study it seems that salaries may not have varied significantly (however more information is still needed to confirm this). Some interviewees mentioned they would accept salaries as low as IQD 10,000 per day when working in a restaurant as waiters. This very low salary would not allow them to rent a flat and they would have to live on their workplace. On the other hand, work conditions have changed, as employees reported to have longer working hours and more shifts in a week.

In Sulaymaniyah and Duhok, key informants reported a drop in activity of up to 50 or 70%. Several hotels have closed due to a lack of clients. Hotel clients usually are of two types: business people and tourists. The economic crisis has impacted the visits of the former while the Daesh crisis has impacted the latter. Moreover, some hotels have started accommodating students (reported in Duhok).

In Duhok, governorate, the only entry point for tourists is now in Zakho, bordering with Turkey, but Turkish tourists traditionally do not visit KRI.

4.2.1.3. Market support services

The education system in KRI is not yet open to refugees and IDPs. A number of them are benefiting from humanitarian programmes offering vocational training, but this is not easily scalable and mainly target people in camps.

Employment mechanisms remain the same as in the baseline situation, with a large preponderance of informal job-search networks through family and friends. This is valid for all communities (locals or refugees). Small and medium recruitment companies have witnessed a drop in activity of 50 to 70% since the Mosul crisis.

[16] M = Million. Bn = Billion.

4.2.2. Future prospects

As of today, it is difficult to make projections on the future of the employment situation in the construction, hospitality and retail sectors. The agreement reached between the Central Government and the KRG early December will certainly unfreeze the budget issue; however the global oil crisis may have impacts on the KRI economy as a whole. Moreover, the unstable situation in central Iraq with the ISIS crisis may lead to a new influx of IDPs. However, if these last factors do not appear to have impacts in the coming months, and the economy stabilizes somehow, the end of winter will probably see construction projects be launched back again. Despite the uncertainties exposed above, some key informants were optimistic that the economic situation will improve in 2015, potentially from spring.

Currently, a lot of construction sites are occupied by IDPs in informal settlements. However, it was reported that construction companies are starting, in some instances, to pay penalties for the delay in building. This leads to delocalization of IDPs and needs to be followed up more closely.

As mentioned in the RAND report (2012): as the economy develops and employers need employees with more specialized skills, informal job-search networks may not suffice as the primary way to match labour demand with labour supply as is done currently: more sophisticated matching processes may become necessary.

SECTION 5. Findings on the gap analysis

This section identifies the potentialities and constraints that the target groups face in accessing the labour markets.

5.1. Access to employment for Syrian refugees

Syrian refugees are considered hardworking by a large proportion of employers. All refugees have the right to work as long as they can produce a residency card or the UNHCR registration. In many cases, they are highly experienced, skilled and qualified. Syrian refugees, especially the Kurds, have a comparative advantage over foreign workers as they speak Kurdish and are have religious and cultural traditions close to those of the local Kurds.

They have experience in the hospitality and service sectors. However, a majority of them are currently working at low-paid positions, and usually take vacancies left by the locals. Before the massive influx of IDPs, and within booming sectors such as construction and retail, gaps in the labour market could be readily filled by Syrians without saturating the labour market or inciting tension with the host communities[17]. Generally, for the same level of skills, refugees will get lower salaries than locals and have longer working hours. It appears that Syrian certificates are not fully acknowledged in KRI. For example, medical staffs need to have an Iraqi certification to be allowed to work in the medical sector in KRI.

Cultural issues may also be a barrier in accessing jobs, especially for women: in a large proportion of cases, it is not culturally appropriate for women to work outside; in other instances, household duties, especially taking care of children, do not enable women to leave the house for long hours. This is exacerbated by the fact that many camps are located far from the cities and therefore far from potential employment opportunities, and people have to travel relatively long distances and time to find jobs.

Moreover, there are crucial differences between the refugees living in camps and those living outside camps. In camps, refugees receive free aid (food, cash, NFIs, other relief items), they do not pay rents, transport from camps to cities is generally relatively cheap (although long) with minibuses, and local markets and commodities found in shops within the camps are relatively cheaper than in town. Refugees living in camps may therefore accept lower salaries for jobs outside camps. This is where they compete with Syrian refugees living in non-camp locations, especially in cities. In the urban areas, refugees have to pay high rents, pay for food, health and other expenses, and transportation is very expensive within cities (using taxis). Therefore they can hardly afford accepting very low wages. During this study, some interviewees, especially restaurant and hotel employees, mentioned that they had to live and eat in their workplace, which would save them the cost of an otherwise unaffordable rent. However, this is not possible to refugees with a family.

Syrians are used to work in industrial factories. However, these are very limited in KRI (Syrian refugees in Turkey reportedly have more opportunities to work in factories in Turkey for example).

When first arriving in KRI, Syrian refugees lack good understanding of the dynamics of local employment markets and also lack connections to facilitate their access to jobs. For those who are highly educated, it might take up to several months to be able to 'sell' themselves, network and gain trust of potential employers. Meanwhile, they will take any low-paid job, often well below their qualifications.

In other countries, employers do not trust refugees, as they are concerned they might be unreliable. But this does not seem to be the case for a majority of employers in KRI: during the interviews for this study, only one employer mentioned this. Almost all of them acknowledged that Syrian refugees are hardworking and accepting lower wages, which is beneficial to employers.

---

[17] **Sood, A., Seferis, L.** – *Syrians Contributing to Kurdish Economic Growth*, in Forced Migration Review, Issue 47, September 2014

5.2. Access to employment for Iraqi IDPs

There seems to be a higher proportion of IDPs with income generating activities and skilled jobs in Sulaymaniyah governorate than in Erbil or Duhok governorates (according to interviews with IOM key informants). There may be two reasons to this: IDPs are more likely to receive residency cards in Sulaymaniyah than in other governorates and the relative share of Syrian refugees in this governorate is lower, therefore less pressurizing the labour market.

In terms of documentation necessary to work, the minority groups (Yezidis, Christians and Shabak) do not need work permits but they will still need permission from the Asayish services. It seems however more difficult for Arab Iraqis to get these documents. The Daesh crisis has stimulated tensions between Kurds and Arabs. There is a lack of trust in hiring Arabs across the sectors.

In terms of skills, IDPs appear to be relatively less skilled than Syrian refugees for the hospitality and retail sector (it was also reported that their willingness to work in these sectors in not as high as Syrians'). They are generally mostly working in the construction sector (this sector, with daily work, is more easily accessed by undocumented workers). This is also due to the language issue, as a large proportion of IDPs lack Kurdish skills necessary to work in hospitality or retail. Yezidis are considered skilled in the construction sector (welding, plumbing, etc.).

Many IDP households have a family member who used to be a Government employee and still receiving a salary, despite having fled their regions and work. There is no penalty when workers do not show up at work in the public sector (see above paragraphs on the benefits of working in Government offices). Therefore, even though the salaries they are still getting are often delayed by one or two months, IDPs will more easily accept to work for low wages (which will come on top of their usual salary).

Christian IDPs seems to get support from Church (especially with getting accommodation and necessary documents).

5.3. General issues affecting access to employment for the target groups

The first issue relating to access to employment in the analysed sectors is the relative saturation of the labour market, especially in Duhok governorate where Syrian refugees and Iraqi IDPs represent around half of the population. There seems to be a lower absorption capacity in Duhok as compared to Erbil or Sulaymaniyah. IDPs and refugees represent around half the population of Duhok governorate, while their proportion is 15 to 20% in Erbil governorate and around 10% in Sulaymaniyah (when comparing target group population figures with latest census conducted by KRG in 2010). Since the massive influx of refugees and IDPs in July and August 2014, following the Daesh crisis, competition has increased within the available workforce. It was reported that a higher proportion of locals was represented within the total workforce of the construction labour system, as locals have looked for alternatives at times where they did not get salaries paid by the Government (before the Central Government in Baghdad and the KRG found an agreement on the budget share, early December 2014). Before the influx of IDPs, refugees were already accepting low salaries compared to locals or other foreign workers. Currently, the IDPs, in an attempt to access more opportunities, are in turn accepting even lower wages, as some are still getting salaries from their previous public jobs. There is also a competition between refugees in camps and in non-camp locations (see above). This creates a vicious circle where work salaries and conditions are getting poorer and poorer. Income is decreasing, whereas cost of living is increasing for those living in non-camp locations (as an example, rents in Domiz town have increased from USD 250 to 700 per month, and in Avro they increased from USD 450 to 900 per month, with rents to be paid upfront for 3 months in a row).

Networking is essential in finding a job. It is actually, by far, the main mechanism for employers to hire workers. It is important for jobseekers, especially refugees and IDPs, to have a local '*kafil'* (Arabic word for sponsor, guarantor), in order to get a work permit and link with potential employers to find a job. Even Syrian entrepreneurs will preferably hire within their own network. Family and friends are the first network employers will favour to hire labourers. There is a clear lack of transparency in recruitment processes at all levels of companies, from family-run companies to large firms.

Practical experience is key to accessing jobs. Degrees and certificates are not as big an asset as practical experience for jobseekers. Employers see experience as a crucial determinant when hiring workers. Language is also a key enabling factor in finding jobs, and language courses are strongly requested in vocational trainings. Kurdish, and to some extent English, are required to work in hospitality and retail.

The industrial sector in KRI is yet too limited to create more job opportunities and enhance its absorption capacity of the workforce available. Moreover, there is a lack of clear policy to favour the integration of refugees and IDPs into the labour market.

SECTION 6. Response options and recommendations

The final step of the study was to analyse response options to result in recommendations. The response options are a result of the combined analysis of the market functionality and how it was impacted by the crisis (Section 5) and of the gap in terms of access to employment for the target groups (Section 6).

Response analysis is a two-step process. First, potential response options are identified and the pros and cons of each option are analysed. This resulted in the response options framework in Annex 4. The second step is to select the most appropriate responses within the options, and give recommendations on activities or combinations of activities to be implemented in order to reach the intended impact on the market systems and the target groups. The response-recommendations framework provided in Table 7 is the result of this final step.

6.1. Response logic

The potential for improving access to labour markets and income generation for the Syrian refugees and Iraqi IDPs is highly dependent on four factors:

1. A better integration of the target groups into the labour market systems. This can be reached through raising knowledge of the target groups on the labour markets and reinforcing their capacity to 'sell' their skills to employers. However, more transparency is required in the recruitment mechanisms, which today are dominated by networking practices; encouraging the use of existing matching systems can support this. On the other hand, Government policies should also be in line with the integration of target groups within the KRI economy.
2. Develop partnerships with the private sector to invest on labour intensive value chains with high potential for employing target groups (as workers and/or suppliers). This comes at a critical time in KRI economic growth where opportunities for developing value chains are high. Raise awareness about added value in employing target groups. Invest and encourage development of markets / value chains with potential of hiring workforce among target groups and of partnering with suppliers among target group entrepreneurs. Better communication between humanitarian actors and the private sector is required.
3. Innovative ideas of entrepreneurs for small and medium enterprises among the target population should be supported and encouraged. It is not humanitarian agencies' role to propose innovations, however these agencies can create the space for entrepreneurs to think creatively. This supports ownership and self-sustainability of new income generating activities.
4. While it is imperative that emergency needs of the target population are met, the risk of dependency to humanitarian aid must be tackled immediately, in order to avoid creating parallel economies which are not sustainable without external aid. This is also in line with the efforts to decongest overpopulated camps. Cash for work schemes in camps constitute the major source of income for refugees but poses the question of lack of sustainability (REACH Economic Survey 2014) and has some level of contribution to the downward spiral of low wages. More attention should be brought to non-camp populations (reportedly more than 50% or 60% of refugees and IDPs) as current humanitarian efforts focus on camps.

Further analysis is also needed in order to reach higher impact in livelihood programming. Two priority sectors were identified: credit (analysing access to credit for small businesses to promote self-sustainability, especially in KRI where there seems to be a lack of institutional finance mechanisms) and agriculture or agricultural labour (this is one of the priority sectors with potentialities of development mentioned by many key informants at Government and UN level).

6.2. Response recommendations

Table 7 – Response recommendations framework

Response activities or combinations	Key risks and assumptions	Likely effect on market system and target groups	Implementation
Aid interventions to enhance efforts to target IDPs and refugees in non-camp locations	*Assumption:* Mechanisms are in place to identify target population in non-camp locations. Government policies favourable to targeting non-camp populations. Fits with humanitarian actors mandates and plans.	Reach a higher proportion of target groups (more than 50% or 60% live in non-camp locations). Relieve impact of competition over low wages between camp and non-camp populations.	Reinforce beneficiary targeting systems (REACH Survey on non-camp refugees, September 2014). Adjust livelihood interventions according to non-camp specificities.
Raise awareness of target groups on labour markets in KRI and build their capacity to search adequate jobs	*Assumptions:* The informal job searching system (friends and family network) leaves space for newcomers. Government policies favourable to integrating target groups. *Risks:* Targeting is a challenge and must be done according to the objectives of the programme. Arab IDPs may not be welcomed by employers (negative perception of them).	Refugees and IDPs are able to rapidly find jobs in line with their level of skills. Beneficiaries stop accepting very low salaries for less skilled jobs. Vicious circle of low salaries broken.	Organize workshops (CV writing, networking, use of job search tools). Mentoring by previously successful jobseekers from same community.

Develop the awareness around and use of matching systems for both jobseekers and employers	*Assumptions:* Existing systems have the capacity to scale up. Employers welcome the initiative and accept more transparency. *Risks:*	Better coordination on how to employ IDPs and refugees. Promote and scale already existing systems. More transparency in recruitment processes. Clear mapping of skills available. Information shared more openly.	1. Identify all matching initiatives; 2. Sensitize on existing systems and how to use them (for both jobseekers and employers) 3. Organize HR workshops with major companies to employment opportunities and prospects
Develop partnerships with private sector (medium and large companies) to invest in value chains with high potential of creating income for target groups (as workers and/or suppliers).	*Assumption:* Private sector actors welcome the initiative. Create trust and transparency between the actors. Government policies favourable to integrating target groups.	Create opportunities for target groups (especially non-entrepreneurs). Contribute to KRI economic growth by integrating efficient workforce (target groups). Encourage development of value chains for target group entrepreneurs to supply (link with innovative ideas below).	Enhance communication between humanitarian actors and private sector to identify plans and opportunities (HR workshops, coordination meetings). Raise awareness about added value of integrating target groups. Invest on markets/value chain employing target groups or encouraging target groups as suppliers
Promote innovative ideas for small-scale enterprises for those with entrepreneurship skills, potentially through challenge approach (prize-winning type competition, prize being start-up grant for example)	*Assumption:* Main objective of the programme is to promote ownership, not imposing ideas (ideas must come from the beneficiaries only). *Risks:* Funding of ideas of activities must be ensured to avoid drop out, so this must be combined with an analysis of credit market and activities must link with credit initiatives.	Less pressure on already saturated markets in camps (e.g. groceries, barbershops, other small shops in camps). Self-sustainability through ownership.	Target only beneficiaries with entrepreneurship skills, for a chance to be successful and sustainable. Create space for target groups to brainstorm and come up with creative ideas (example of coworking spaces in Europe). Combine with analysis of access to credit to ensure self-sustainability.

Conduct market analysis on access to credit for small businesses	*Assumption:* Credit mechanisms are functioning and accessible to small-scale entrepreneurs.	Provide more specific recommendations on business development / support programmes Promote self-sustainability of small businesses.	Conduct EMMA-type market analysis.
Conduct a market analysis on agriculture / agricultural labour			Conduct EMMA-type market analysis
Advocate with humanitarian actors to break cycle of aid dependency	*Assumption:* Humanitarian actors understand the need to avoid aid dependency and actually design programmes with coherent exit strategies. Government policies favourable to integrating target groups.	Favour integration of target groups in KRI economy. Promote self-sustainability. Avoid saturation of camps in only a few locations (fair spread of refugees and IDPs across KRI). Break vicious circle of lower wages (target groups stop accepting lower wages as they do not consistently get free aid)	Coordination with other actors. Engagement of coordinating bodies and government authorities.
Update results of this study	*Assumption:* No new massive influx of refugees / IDPs	Enable timely adjustment in recommendations and programming	Organize follow-up interviews with key informants after 3 months (end of winter and follow up on economic and political situation). Update market system maps.

ANNEX 1 – COMPOSITION OF THE TEAM

Name	Organization & Role	Area
Emmeline Saint	Team Leader Independent Consultant emmelinesaint@gmail.com	All
Hossam Aziz	Independent consultant hossam@azizconsultancy.nl	All
Narav Salahaddin	DRC – M&E	All
Pshtiwan Ali	DRC – Livelihoods	Support in Erbil
Mohammed Wadhad	DRC – M&E	Support in Erbil and Sulaymaniyah
Hazhar Salim	Independent	Support in Sulaymaniyah
Mohammed Mhawes	DRC – Livelihoods	Support in Duhok
Karveen Mohammed	DRC – Livelihoods	Support in Duhok

ANNEX 2 – BIBLIOGRAPHY

KRG MINISTRY OF PLANNING, UNDP – *Building the Kurdistan Region of Iraq: The Socio-Economic Infrastructure*, December 2012

IOM – *Displacement Snapshot: Dahuk*, September 2014

IOM – *Displacement Snapshot: Erbil*, September 2014

IOM – *Displacement Snapshot: Sulaymaniyah*, September 2014

RAND CORPORATION – *An Assessment of the Present and Future Labor Market in the Kurdistan Region of Iraq*, 2014

REACH INITIATIVE – *Multi-sector Needs Assessment of Syrian Refugees Outside Camps*, Kurdistan Region of Iraq, September 2014

REACH INITIATIVE – *Economic Survey of Syrian Refugees*, Refugee Camps, KRI, September 2014

SOOD, A., SEFERIS, L. – *Syrians Contributing to Kurdish Economic Growth*, in Forced Migration Review, Issue 47, September 2014

UNHCR Inter-Agency Information Sharing Portal, Iraq: http://data.unhcr.org/syrianrefugees/country.php?id=103

UNOCHA – *Iraq Crisis, Situation Reports*, November to December 2014

Herder in Bayan district, Sulaymaniyah governorate (Photo ES)

Annex 3 – List of Actors Interviewed

Type	Date	Location	Actor
Key Informants	Dec 2	Erbil	NGOs: Mercy Corps, IRC
	Dec 3	Erbil	REACH Initiative – Country Coordinator and Assessment Officer
	Dec 3	Erbil	FORAS – Chief Information Officer, Senior Industries Broker and Senior Market Development Officer
	Dec 4	Erbil	IOM – Early Recovery and Livelihoods Programme Manager
	Dec 4	Erbil	UNHCR – Cash and Livelihoods Officers
	Dec 9	Sulaymaniyah	Directorate of Tourism – General Director
	Dec 9	Sulaymaniyah	Chamber of Commerce
	Dec 9	Sulaymaniyah	Faruk Holding – Business Development Director
	Dec 10	Sulaymaniyah	IOM – Project Assistant, Magnet Focal Point
	Dec 10	Sulaymaniyah	MoLSA, Directorate of Employment – Director
	Dec 10	Sulaymaniyah	Halabja Group – HR Manager
	Dec 14	Duhok	Chamber of Commerce – President
	Dec 14	Duhok	Vocational Training Centre - Director
	Dec 14	Duhok	IRC – Livelihoods Manager
	Dec 14	Duhok	French Red Cross – Livelihoods Programme Manager
	Dec 14	Duhok	UNDP Representative
	Dec 15	Duhok	Kurdistan Reconstruction & Development Society – Manager
	Dec 15	Duhok	Directorate of Tourism – General Director
	Dec 17	Phone interview	UNHCR in Duhok
	Dec 17	Erbil	Ministry of Labour & Social Affairs (MoLSA) – Executive Director of Administration Department
Syrian Refugees	Dec 3	Erbil	Qoshtabah Refugee Camp – FGD with 15 Syrian youths (mixed)
	Dec 9	Sulaymaniyah	City Star Mall Cafeteria employee (male)
	Dec 9	Sulaymaniyah	Maximall employee (female)
	Dec 10	Sulaymaniyah	Ramada Hotel employee (male)
	Dec 10	Sulaymaniyah	Ramada Hotel employee (female)
	Dec 11	Sulaymaniyah	Arbat Refugee Camp – FDG with 10 Syrian refugees (males)
	Dec 13	Duhok	Unemployed Syrian refugee (female)
	Dec 13	Duhok	Mazi Mall Shoe Shop employee (female)
	Dec 13	Duhok	Mazi Mall Electrician Assistant (male)
	Dec 13	Duhok	Mazi Mall Restaurant employee (male)
	Dec 13	Duhok	Khani Hotel receptionist (female)
	Dec 15	Duhok	Domiz Refugee Camp – FGD with 19 Syrians (11

			females, 8 males)
	Dec 15	Duhok	Independent construction worker, painter (male)
	Dec 15	Duhok	Domiz Refugee Camp – FGD with 23 Syrians (14 females, 9 males)
IDPs	Dec 2	Erbil	Ankawa Mall IDP Camp – individual interviews with 15 IDPs
	Dec 2	Erbil	Ankawa Mall IDP Camp – FGD with 20 IDPs (Christian youth, mixed)
	Dec 9	Sulaymaniyah	Restaurant employee (Yezidi, male)
	Dec 9	Sulaymaniyah	Construction worker (Arab, male)
	Dec 10	Sulaymaniyah	Bicycle store employee (Arab, male)
	Dec 11	Sulaymaniyah	Arbat IDP Camp – FGD with 10 IDPs, males
	Dec 11	Sulaymaniyah	Arbat IDP Camp – FGD with 10 IDPs, females
	Dec 13	Duhok	IDPs in non-camp location (Yezidis)
	Dec 13	Duhok	IDPs in host family (Kurds)
Construction companies	Dec 10	Sulaymaniyah	Contractors' Union – President
	Dec 10	Sulaymaniyah	Construction site (Family Mall) – Supervisor
	Dec 13	Duhok	Gurbag Company – Administrative Assistant
	Dec 15	Duhok	Airport construction site, Turkish construction company – Engineers
	Dec 15	Duhok	Construction contractor
	Dec 16	Erbil	Hiwa Group construction company – Field Operational Coordinator
Service-sector companies	Dec 9	Sulaymaniyah	Maxi Mall Manager
	Dec 9	Sulaymaniyah	Cultural Café Manager
	Dec 10	Sulaymaniyah	Slemani Palace Hotel General Manager
	Dec 10	Sulaymaniyah	Ramada Hotel Manager
	Dec 13	Duhok	Mazi Mall store manager
Recruitment companies	Dec 15	Duhok	Vaver Recruitment company – Manager
	Dec 17	Erbil	MSelect recruitment company – Recruitment consultant
	Dec 18	Erbil	Shasha Manpower Importing - Employee

Annex 4 – Response Options Framework

IMPORTANT NOTE: The framework below gives a detail of the different response options that were analysed to result in the response-recommendations framework. The options below are *not* the recommendations per se (recommendations are in Section 7 of the report).

Response options	Advantages	Disadvantages	Feasibility
Raise awareness of target groups on labour market in KRI.	Reinforce knowledge and understanding of the labour market for target groups. Improve their capacity to 'sell' themselves (communication and 'self-marketing' skills). Improve connexions to established refugees / IDPs.	Targeting may be challenging (identifying the most in need). Negative perception of employers towards Arab IDPs.	High
Develop the knowledge and use of matching systems for both jobseekers and employers.	Use and promote already existing systems. Enhance transparency in recruitment processes. Easier identification of skills available (for employers) and job openings (for jobseekers).	Traditionally, recruitment is done within family and friends networks. Difficult to transition from traditional system to more transparency.	Medium
Vocational training.	Development of skills of jobseekers. Adjustment to skills required on the labour market. Open new opportunities for jobseekers.	Not easily scalable. A number of humanitarian programmes already offer VT in camps (risk of duplication).	Medium Current programmes should be extended to non-camp locations.

Set up small transport businesses or advocate for companies to pay for or organize transport.	Better accessibility to job market. Transport prices more competitive. Use of existing skills (drivers within refugee and IDP communities).	Not easy to set up and follow up. May not be sustainable.	Medium
Raise awareness on labour rights, advocate for use of complaint hotline (MoLSA) by refugees and IDPs.	Adherence to fair labour standards. Improve work conditions (security, insurance, fair wages, etc.).	People may fear losing their jobs if they complain. May be difficult to raise issue with some companies that do not strictly follow labour laws. Complaint mechanism needs to be in place and strong.	Low
Raise awareness among employers to assess cost effectiveness and efficiency of hiring refugees and IDPs rather than foreign labour.	Recognition of potential added value in hiring refugees and IDPs (cost effectiveness and efficiency). Increase number of opportunities for target groups.	Risk of distorting existing foreign labour market. Risk of increased tensions.	Medium
Encourage employment of women and older people.	Improve access to income for vulnerable groups.	Social issues around work for women. Employers less incline to hire 50+, especially in construction labour.	Medium
Promote innovative ideas for small-scale enterprises for those with entrepreneurship skills.	Encourage innovation. Less pressure on already saturated market (creation of niches). Ownership by target groups.	Difficulty to scale-up. Ideas must not be imposed by agency.	High

Conduct market analysis on access to credit for setting up small businesses.	Better understanding of driving factors of business sustainability. Promote sustainability of small businesses, even when created through small grants		High
Better communication between humanitarian actors and private sector / Encourage development of Labour Market Information System (LMIS)[18]	More up-to-date information on labour market trends, information and transparency about job openings, information on skills, education and other characteristics of workers required.	Heavy to set-up. LMIS should be Government driven.	High (for communication with private sector on plans of humanitarian agencies). Low (LMIS must be Government driven).
Advocate humanitarian actors to break the cycle of aid dependency	Promote sustainability of livelihoods. Do no harm principle.	Induce promotion of integration of target groups within KRI economy / labour market, which may not be in line with KRG policies. No ready-made solutions.	High
Market analysis on agriculture	Understand constraints and opportunities in agricultural sector. Potential for development and creating labour opportunities for target groups.		High
Update results of this study	Enable timely adjustments in recommendations and programming.		High

[18] See RAND report, 2012.

ANNEX 5 – INDUCTION TRAINING AGENDA AND OUTLINE

EMMA Kurdistan – DRC – Erbil, KRI, December 2014

	Sunday, December 7th, 2014 EMMA Purpose & Processes	Monday, December 8th, 2014 EMMA in Action *(only for team members)*
09:00 – 10:00	Introduction What you need to know before EMMA	Initial Market Mapping (Baseline & Emergency)
10:00 – 10:15	Break	Break
10:15 – 12:30	Introduction to EMMA EMMA Purpose, Logic & Process	Fieldwork Preparation (Interview plans and guides)
12:30 – 13:30	Lunch	Lunch
13:30 – 15:30	Gap and Market Analysis: Concepts	Travel to Sulaymaniyah
15:30 – 16:00	Break	
16:00 – 16:30	Critical Market System Selection	

	Session	Outline
DAY 1	Introduction	*Presentation of participants*
	What you need to know about EMMA	*Introductory exercise to the importance of understanding markets in order to design humanitarian programmes*
	EMMA Purpose, Logic & Process	*Exploration of the approach, the objectives, steps and tools involved in the EMMA methodology*
	Gap and Market Analysis: Concepts	*Interactive and participatory review of the gap and market analysis steps in EMMA*
	Critical Market System Selection	*Presentation on how the critical market systems for this study were selected*
DAY 2	Initial Market Mapping (Baseline & Emergency)	*Creation of market system maps to be updated throughout the process with information from fieldwork*
	Fieldwork preparation	*Identification of key market actors to interview and planning appointments, design of interview guides*