“MY HOPE IS TO STAY HERE”

SHARED LIVELIHOODS SERVICES AS A PATHWAY TOWARDS INTEGRATION IN THE KURDISTAN REGION OF IRAQ
The Durable Solutions Platform (DSP) aims to generate knowledge that informs and inspires forward thinking policy and practice on the long-term future of displaced Syrians. Since its establishment in 2016, the DSP has developed research projects and supported advocacy efforts on key questions regarding durable solutions for Syrians. In addition, DSP has strengthened the capacity of civil society organizations on solutions to displacement.

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“Over the next years my hopes are to develop my business and stay here.” Formally employed Syrian refugee man in Qushtapa camp, Erbil

Cover picture credits: Truck worker delivers an ice cube in Erbil. By: Karl Allen Lugmayer
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ACRONYMS:

3RP – Regional Refugee and Resilience Plan
BMZ – Federal Ministry of Economic Cooperation and Development (Germany)
CCCM – Camp Coordination and Camp Management
DSP – Durable Solutions Platform
EU – European Union
ECHO – European Civil Protection and Humanitarian Aid Operations
GoI – Government of Iraq
HLP – Housing, Land and Property
ILO – International Labour Organization
IMPACT – IMPACT Initiatives
INGO – International non-governmental organization
IQD – Iraqi Dinar
KII – Key informant interview
KRG – Kurdistan Regional Government
KRI – Kurdish Region of Iraq
MERI – Middle East Research Institute
MoLSA – Ministry of Labour and Social Affairs
MoMD – Ministry of Migration and Displacement
MoP – Ministry of Planning
MPCA – Multi-purpose cash assistance
NES – Northeast Syria
NGO – Non-governmental organization
NNGO – National non-governmental organization
PRM – Bureau of Population, Refugees and Migration (US State Department)
RDPP – Regional Development and Protection Program
SME – Small- and medium- enterprises
SMEB – Survival Minimum Expenditure Basket
TVET – Technical and Vocational Education and Training
USD - United States Dollar
1. EXECUTIVE SUMMARY

With the Syrian conflict heading into its eleventh year, durable solutions remain elusive for Syrian refugees in the region. With conditions inside Syria precluding safe, voluntary and dignified returns and few resettlement places available, the majority of Syrian refugees continue to strive for dignified living conditions in displacement. In light of the increasingly protracted displacement of Syrian refugees, it is ever more critical to explore how to support their – and vulnerable host communities’ – abilities to support themselves and plan for their future. Helping to bolster refugees’ self-reliance can contribute to the search for durable solutions to displacement by supporting them to better plan for, and make informed decisions about, their futures. The ability to achieve self-reliance can be a crucial stepping-stone to support displaced people’s pathways towards durable solutions including integration. In practice, supporting integration calls for the inclusion of displaced people into national policies and systems, and for localized approaches to providing services to both refugees and host communities. Shared or integrated service delivery can ensure that both host and refugee populations benefit from and access the same services while strengthening national and local capacities and systems to provide such services in the future.

This report examines whether, and in what ways, shared livelihoods services have and can contribute to better integration outcomes for Syrian refugees, internally displaced people (IDPs) and host communities in KRI. Shared livelihoods can support more equal access to services across nationals and displaced people, promote the sustainability of service provision through using existing structures, and can facilitate social cohesion by enabling positive social interactions. The overall enabling policy environment and social relations between hosts and refugees in the Kurdish Region of Iraq (KRI) are positive, including the similar lived experiences faced by hosts and displaced people. This presents a strong basis from which to build on. Currently, that potential is not fully realized due a number of challenges explored in this report, such as a lack of clarity on legal regulations for displaced people’s work rights, obstacles in enforcing labour laws and economic challenges that call for an expansion of financial inclusion and private sector growth.

The findings and recommendations presented draw on the perspectives of 62 host community, Syrian refugee and IDP respondents in Erbil and Dohuk, collected between September and October 2020, and 39 stakeholders drawn from Kurdistan Regional Government (KRG) representatives (such as from relevant ministries and local authorities), the private sector, donor agencies, United Nations (UN) agencies, international nongovernmental organizations (INGOs) and national non-governmental organizations (NNGOs). Moreover, the report draws on a qualitative review of available secondary sources, including government strategies, NGO and research reports.

While the legal and policy environment for displaced people is considered relatively enabling in KRI, awareness and understanding, as well as the extent of the application, of laws and policies addressing the work rights of refugees and IDPs is limited. Interviews with host community members, Syrian refugees and IDPs reveal limited awareness of laws addressing their right to work, with no one referencing a government agency with an employment rights mandate when asked about who is responsible to enforce these laws. Overall, there is a lack of clarity on which entities are directly responsible for enforcing legal frameworks related to work rights. Challenges around the capacity of government entities to enforce laws and regulations and create a broader enabling environment, including on matters related to implementation and follow-up, were also mentioned by key stakeholders. This risks negatively impacting decent work outcomes, with some private sector employers reporting a preference for hiring displaced populations as they were willing to accept lower salaries and work longer hours. Going forward, increasing awareness and enforcement of labour rights should be placed at the heart of KRI’s economic recovery efforts.

Access to sustainable livelihoods opportunities has been challenging not least due to the effects of the COVID-19 pandemic, with displaced populations and women disproportionately impacted. Lack of opportunities, the lack of needed qualifications, and the inability to access support from networks all act

3 ibid.
as primary barriers to formal employment – which is seen as a clear preference by displaced and host community respondents over engagement in the informal economy. Additionally, displaced populations face specific challenges concerning business creation, including linked to securing the required start-up capital and, in the case of refugees, the need for a guarantor from the host community. Displaced women highlighted the lack of networks and lack of qualifications as obstacles to employment more frequently than men, with gender norms and protection concerns, including safe and affordable transportation to places of work, as key challenges. While awareness of NGO livelihoods programming was quite widespread among respondents, awareness of government services on employment support is limited, indicating the need to strengthen outreach on such services.

Access to formal credit and other financial services is limited for all population groups in KRI, contributing to slowed economic growth and development, particularly when it comes to starting or expanding businesses. Additionally, there is a general lack of clarity among key stakeholders on the extent to which refugees and IDPs are able to access these services – both on paper and in practice. For instance, while most host community and displaced people interviewed for this research expressed that opening a bank account was not challenging, very few actually had one, potentially due to a general lack of trust in financial systems and extensive procedures and documentation requirements. Similarly, most also indicated they had never taken out a loan, due to their inability to pay it back and the perception it was only available to government employees. Displaced populations are particularly disadvantaged by existing loan requirements, as they have commonly lost most of their high-value physical assets in order to meet collateral requirements, and key stakeholders noted limited availability of credit services has been further exacerbated by the impact of COVID-19 and the broader economic crisis.

While public contributory, self-financed pension and social insurance schemes are available in KRI, recent information on the various schemes is limited, the level of coverage and functionality is unclear, and challenges on targeting strategies persist. Almost all host community, Syrian refugee and IDP respondents said they do not receive social insurance in their line of work, and of the few that reported they could access social insurance, almost all were formally employed. From a policy perspective, it is not clear to what extent social protection schemes are available to refugees and

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6 As reported by a number of interviewed implementers.
7 Tearfund. *Assessment of the Livelihood Opportunities in the Kurdistan Region of Iraq*, 2015.
IDPs. However, access appears to be closely linked to type of employment, particularly to public sector employees and to a lesser extent people in formal employment, which are less accessible to refugees and, to a certain extent, IDPs.\textsuperscript{8} In light of the limited access to social insurance, many people have to resort to negative coping mechanisms, for instance informal borrowing and the use of networks for support,\textsuperscript{9} while Multi-Purpose Cash Assistance (MPCA) interventions by humanitarian and development actors aim to support the most vulnerable displaced populations.\textsuperscript{10} Going forward, it is important to strengthen linkages between humanitarian and government services to ensure harmonized social protection programs.

While social cohesion between host and displaced communities in KRI is perceived as positive, tensions around access to employment have emerged as a key trend in responses, making it more relevant to consider and monitor social cohesion outcomes in livelihood policies and interventions. Overall, host community and displaced respondents reported good relations and a positive experience working together. However, key stakeholders reported that rising job competition as a result of the impact of COVID-19 might increase tensions surrounding high unemployment rates and could present a critical challenge to social cohesion in KRI, noticeable through some host community and IDP respondents stating that they should be prioritized for livelihoods services as ‘Iraqis’ and ‘nationals’. Government and NGO respondents reported considering social cohesion dimensions to varying degrees and in a more informal manner. There is an increasing need continue and expand efforts to monitor social cohesion outcomes in livelihood interventions, as relations potentially become stressed due to more limited access to livelihoods, which would likely strengthen shared service provision in KRI.

While challenges remain, it is evident that the potential to support positive integration outcomes through shared livelihoods services in KRI exists. Recommendations emerging from the research, collaboratively developed with key stakeholders, highlight that overcoming these challenges requires a genuine policy effort to refine the regulatory framework for displaced people, especially with regards to labour rights, a strengthening of national and local capacities to enforce these laws and a facilitation of access to livelihoods services that support entrepreneurship and wage-employment, such as access to credit, banking, skills building and placement opportunities that fill demands in the labour market.

2. INTRODUCTION

Syrian refugees’ displacement is increasingly protracted, and for most refugees durable solutions remain out of reach. In light of the increasingly protracted displacement of Syrian refugees, it is ever more critical to explore how to support their – and vulnerable host communities’ – abilities to become more self-reliant and plan for their future. Over 200,000 Syrian refugees reside in Iraq, 98.8% of whom are hosted in cities, towns and camps in the Kurdish Region of Iraq (KRI). While this represents a relatively small proportion of the 5.5 million refugees in the Middle Eastern region, KRI faces particular challenges because it also hosts half of Iraq’s 1.3 million internally displaced people (IDPs). While the context of their displacement and resulting experiences and needs of these two groups are different, there are similarities in their search for a durable solution to their displacement; the social impacts of displacement both on refugees and IDPs and the communities hosting them; and the impacts of the broader economic recovery and growth of the region on these.\textsuperscript{11}

This report examines the role that access to livelihoods and to shared livelihoods services have and can play in the future in contributing to better integration outcomes for Syrian refugees, Iraqi IDPs and Iraqi hosting communities. The paper examines national systems of service provision where refugees and displaced people have or are assumed to have access to the same public and private services as host communities, and livelihoods programs delivered by humanitarian organisations in the country, including business development support; employment services; skills building; financial inclusion; and, contributory protection schemes.

\textsuperscript{8} ibid.
\textsuperscript{9} Smart, Kristin. ODI. Challenging the System: Humanitarian Cash Transfers in Iraq. 2017.
\textsuperscript{10} Government and local authority and implementer respondents were asked questions with regards to this.
With Syrian refugees’ displacement continuing to be protracted, and the added dynamics of continued IDP displacement and return in KRI, it is vital to enable pathways to durable solutions by supporting displaced populations’ self-reliance and resilience, including through exploring further interlinkages and coordination between services provided by Government and humanitarian and development actors. Recognizing that creating an enabling environment for access to livelihoods for all groups requires a comprehensive approach, this report examines the legal and regulatory framework addressing the right to work of refugees and IDPs in KRI as well as explores access to livelihoods and employment services, financial services and social protection in KRI, including differences perceived and in policy and practice between displaced populations and host community. The report goes on to examine social cohesion considerations between groups linked to accessing livelihoods and employment services. Finally, the report concludes with recommendations for priority action by key government agencies, national and international livelihood program implementers, UN agencies, donors and private sector towards supporting sustainable livelihoods in KRI.

Figure 1: Defining Shared Services

Defining Shared Services

Shared or integrated services refers to the practice, by government or civil society actors, of developing policies and programs that provide services to both refugees and host communities. For instance, this can include ensuring that that refugees included into more sustainable and nationally coordinated responses by host governments, or that host communities are included in programs led by humanitarian and development actors. While integrated or shared services between refugees and their hosts may be a factor in creating an environment conducive for the integration of refugees, they are not a substitute for the more complex legal, social and economic processes of local integration. However, shared services between displaced people and their hosts can provide a platform for, and support, integration. In this research, the definition of shared services is expanded to IDPs as they are included in the scope of the study.

Strengthening the inclusion of displaced people in national and local systems, strategies and policy frameworks during displacement is important, and localized approaches to providing services to both refugees and host communities can play a role in ensuring that interventions are better tailored to their needs and foster social cohesion. While the parallel service delivery system characteristic of emergency humanitarian responses to refugees has its flaws, research further suggests that the integrated or shared services approach can provide a more sustainable development-oriented approach to refugee hosting, where both host and refugee populations benefit from and access the same services.

3. METHODOLOGY

This research used a mix-method approach, including a desk review of relevant materials, key informant interviews (KII) and individual in-depth interviews. The research took a qualitative approach; emphasising the views, experiences and recommendations of populations affected by conflict, displacement and the economic crisis, including the socio-economic impact of COVID-19, as well as those of stakeholders directly engaged in employing host and displaced populations or livelihood programming in KRI. As a result, findings cannot be generalized to geographic areas, population groups or employment status.

Primary data collection was conducted in urban areas in or adjacent to Erbil and Dohuk cities, and in Qushtapa and Domiz 1 and 2 camps. These camps were selected based on: (i) the presence of sizeable populations of Syrian refugees living in protracted displacement; (ii) a process of consultation with key stakeholders (including international donor, UN agencies and implementing non-governmental organisation (NGO) agencies) examining relevance based on access to services and level of needs; and (iii) proximity to Erbil and Dohuk cities. Similarly, Erbil and Dohuk cities were selected due to: (i) the presence of sizeable populations of Syrian refugees and IDPs living in protracted displacement in the broader Governorates (see the context section below); (ii) a process of consultation with key stakeholders; (iii) the proximity of camps to the cities; and (iv) the ability to build on findings from previous reports conducted by the Durable Solutions Platform (DSP) and REACH.

KfIs were conducted between August and October 2020 with a total of 39 individuals, including 8 members of government and local authorities; 3 representatives of international donor agencies, 10 implementers (national and international NGOs and UN agencies) and a technical and policy expert, 6 private sector employers, including businesses and banks. Further KfIs were conducted with 4 representatives of local authorities (mukhtars), 4 local implementing staff of operational agencies, and 4 local businesses to complement interviews with more centralized stakeholders.

A total of 62 in-depth interviews were conducted in September and October 2020, the primary focus of the study is on refugees and host communities, which explains the smaller sample of IDPs for comparative purposes; 21 members of host communities; 9 IDPs living in urban areas; 24 Syrian refugees living in camps (Domiz 1 and 2, and Qushtapa Camps); and 8 Syrian refugees living in urban areas. An equal number of men and women were interviewed, all between 18-35 years old. Respondents were equally categorized by employment status and included: 8 unemployed people; 8 small and medium-sized enterprise (SME) owners; 21 formally employed people; and, 25 informally employed.

Due to the impacts of COVID-19 and movement restrictions, data collection was largely conducted remotely. Returnees were not specifically considered as a sub-group due to the limited sample size. Some key informant interviews were conducted in person at social distance with government (11) and private sector actors (10), upon request. Finally, two validation workshops were held with key stakeholders in November 2020 and January 2021. The first included representatives from international donor agencies, UN agencies, NGOs and government agencies, while the second engaged a wider group of representatives from the Governmental Ministries to consider findings and recommendations.

4. CONTEXT

In 2020, Iraq is simultaneously categorized as a middle-income country and one facing an ongoing humanitarian and dynamic displacement crisis. Years of insecurity have led to the displacement of millions of people, eroded social cohesion, disrupted access to basic services and livelihoods. In 2020, it was estimated that at least 4.1 million IDPs and returnees in Iraq were in need of humanitarian assistance, with political uncertainty and natural disasters continuing to intensify humanitarian needs. Unquantified, humanitarian needs equally continue to exist among some host communities, particularly with the additional pressure of increased returns. At the same time, a deteriorating economic situation has contributed to limited access and poor quality of public services and high unemployment.

Iraq also hosts an estimated 241,738 Syrian refugees, representing 4.3% of the total Syrian refugee population in the Middle East, and around 15% of the displaced population in Iraq. Approximately 98.8% of registered Syrian refugees in Iraq reside in the KRI, with the vast majority being of Kurdish ethnicity. Approximately 37.5% of Syrian refugees in Iraq reside in camps, meaning that the majority of refugees in KRI live in urban settings. According to a 2019 study, while three-quarters of Syrian refugees in the region hope to return one day, 95% of those interviewed in Iraq did not believe this would happen in the next year. Syria remains gripped by an ongoing conflict and humanitarian crisis, marked by ongoing displacement. Between October 2019 and the beginning of March 2020, over 21,000 Syrian refugees arrived into KRI as a result of an increased military operations in fighting in Northeast Syria (NES). This gradually started to decrease until the border between Syria and KRI was ultimately closed in March 2020 in an effort to curtail the spread of COVID-19. As of mid-September 2020, the border was opened for limited movement, but little information is available at the time of writing on recent refugee arrivals.

At the same time, there are approximately 1.3 million IDPs in Iraq, half of whom (650,584) continue to seek safety in the KRI. While an estimated 165,000 IDPs live in formal camps, the majority of IDPs in KRI

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19 UNHCR. Iraq Factsheet September 2020.
21 UNHCR. Iraq Factsheet – August 2019.
22 UNHCR. Fifth Regional Survey on Syrian Refugees’ Perceptions and Intentions on Return to Syria. March 2019.
live in out-of-camp settings. The situation for IDPs in Iraq remains dynamic. In October 2020, planning for camp closures in Iraq rapidly picked up pace, with 16 camps and informal sites closed or reclassified in Federal Iraq since then. In 2021, these processes are likely to continue and to result in new needs and protection risks as well as increased pressure on access to services and livelihoods in areas of return and – in cases where IDPs opt to remain – in the areas of displacement areas adjacent to camps.24

Figure 2: Demographics in Erbil

Demographics in Erbil

The capital and an economic hub of KRI, Erbil city has been deeply affected by waves of displacement resulting from the conflicts in Syria and the rest of Iraq, as well as from a national economic crisis affecting the public and private sectors.

Erbil Governorate hosts the largest proportion of Syrian refugees in KRI at 50.8% of the total refugee population; 122,712 Syrian refugees resided in the Governorate as of October 2020, 76% of whom reside outside of camps.25 The urban refugee population tends to cluster in Erbil city, and research suggests three out of four Syrian refugees in the Governorate are located in Erbil city.26 Approximately 6.7% of these individuals reside in Quishta camp, which is around 23km from Erbil City.27

Erbil Governorate currently hosts 230,712 IDPs,28 around 6% of whom reside in camps.29 The majority of IDPs in Erbil Governorate originated from Ninewa (47%) and Anbar (30%), followed by Salah Al-Din, Baghdad, Kirkuk, and Diyala Governorates.30 Additionally, while intentions data for IDPs outside of camps is limited, REACH and Camp Coordination and Camp Management (CCCM) data from August 2020 demonstrates that 90% of IDPs in camps in Erbil Governorate (Baharka, Debaga 1 and Harshm camps) intend to remain in the camp or their broader area of displacement in the next 12 months.31

Figure 3: Demographics in Dohuk

Demographics in Dohuk

Dohuk Governorate lies at the western side of KRI, bordering Turkey and Syria. It is the main point of entry for both people and goods between Syria and KRI. This geographic position has placed Dohuk Governorate as one of the principal areas of displacement for Syrian refugees fleeing the conflict in the northern areas of Syria since 2012, as well as for families displaced after the retake of Mosul in June 2014. Overall, 24% of the population in Dohuk Governorate is displaced.32

Dohuk Governorate hosts 34.9% of Syrian refugees (84,421 individuals) residing in KRI; the largest proportion (36.3%) of these individuals reside in Domiz 1 camp (30,651 individuals), with a further 12.8% residing in Domiz 2 (10,786).33 Bardarash and Gawilan camps and Akre settlement in Dohuk Governorate equally host 14,508 Syrian refugees.34

At the same time, Dohuk Governorate also currently hosts 273,796 IDPs, the largest proportion of IDPs in KRI.35 More than 42% of IDPs live in 16 formal camps across the seven districts while the others live in urban and peri-urban areas. Over 90% of IDPs are of Yezidi ethnicity, originating from the Sinjar District, Ninewa Governorate in Federal Iraq.36 REACH and CCCM data from August 2020 demonstrates that 83% of IDPs in camps in Dohuk Governorate (Bajed Kandala, Bersive 1 and 2, Chamishku, Dakar, Dawoudia, Kabarto 1 and 2, Khanke, Rwanga Community and Shariya camps) intend to remain in the camp or their broader area of displacement in the next 12 months.37

30 ibid.
31 It should be noted that this data was collected before the escalation of recent camp closure discussions, and it is therefore not immediately clear how these intentions may have shifted or what the implications could be for their local integration. REACH and CCCM Cluster. Iraq Intentions Survey – IDPs in Formal Camps. September 2020.
4.1. THE ECONOMIC SITUATION AND ACCESS TO LIVELIHOODS

KRI is facing a deteriorating economic situation, with the impacts of COVID-19 expected to further negatively impact growth. These conditions are closely linked to the economy of Federal Iraq, where economic growth is expected to contract by 9.5% in 2020, the country’s worst annual performance since 2003. This is in part due to the global drop in oil prices; according to reports, 90% of government revenue for both the Government of Iraq (GoI) and the Kurdistan Regional Government (KRG) comes from oil and gas, yet the sector absorbs only about 1% of the domestic labour force. The deterioration of oil revenues have also compounded diminished budgetary transfers from the central GoI. Overall, this situation has contributed to higher poverty rates in the region, reaching up to 6.7% in Erbil and 8.6% in Dohuk in 2019.

The general economic situation compounds challenges to access sustainable livelihoods. Employment creation in the private sector is a particular challenge, with nearly half of the active workforce in KRI employed in the public sector, a much higher rate than more diversified economies in the Middle East region. At the same time, reports indicate that the economic crisis in KRI has also resulted in the halting or delay of salaries for public sector workers. While recent and reliable statistics on employment are limited, according to the Ministry of Planning the unemployment rate in KRI in 2018 was 9%. This varied by region – the unemployment rate of Dohuk Governorate was 13.8% compared to 9.2% in Erbil Governorate. However, estimates from 2019 suggest that the unemployment rate in KRI could be as high as 22-26%. Reports suggest this has worsened since COVID-19; for example, while representative up-to-date statistics on the impacts of the pandemic are not yet available, a rapid assessment conducted by multiple humanitarian agencies in July 2020 found that a quarter of respondents who were employed prior to the lockdown had since been permanently laid off, with youth being particularly affected.

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40 European Asylum Support Office. *Iraq Key Socio-Economic Indicators For Baghdad, Basra and Erbil*. September 2020.
46 European Asylum Support Office. *Iraq Key Socio-Economic Indicators For Baghdad, Basra and Erbil*. 2020.
Additional recent humanitarian assessments further demonstrate that the spread of the COVID-19 pandemic is likely to negatively impact access to sustainable livelihoods in the KRI. As of January 2021, there have been over 611,000 confirmed cases of COVID-19 in Iraq, including around 13,000 deaths. To date, measures put in place to prevent the spread of the disease have contributed to the temporary suspension or stopping of livelihood activities, the delay or loss of income, and rising cost of goods. Evidence further suggests that refugees and IDPs are among the groups most affected by the pandemic in Iraq because they more often depend on daily (informal) employment to earn money. Much of this type of work has been stopped or reduced amid lockdowns and precautionary measures.

Moreover, displaced populations in KRI face additional hurdles accessing livelihoods. In 2017, only 59% of interviewed refugee households reported having access to employment and livelihoods compared to 78% of host community households. Displaced populations living in camps may be particularly disadvantaged; according to data from 2020, 68% of refugees in camps in Erbil and Dohuk depend on loans and debt as their primary sources of livelihood (rather than employment), compared to 37.5% outside camps. According to previous reports, heightened challenges displaced populations face accessing livelihoods include: lack of connections or ‘wasta’, transportation or restrictions on freedom of movement, loss of or challenges acquiring required documentation including identification cards, residency, and work permits, lower levels or lack of recognition of education attainment or experience.

4.2. PLACING SHARED LIVELIHOOD SERVICES IN CONTEXT

Access to livelihoods and sustainable income is a key step to improving self-reliance and resilience in KRI across the board, and is one of the most critical problems identified in the 2020 Humanitarian Response Plan. Similarly, livelihoods is a key pillar of the Iraq chapter of the Regional Refugee and Resilience Plan (3RP), including objectives linked to: (1) increasing the availability of information to allow for evidence-based interventions; (2) improving economic opportunities for affected populations of Syrian refugees and host communities; and (3) improving employability with marketable skills. Access to livelihoods has equally been found to be a key ‘push and pull’ factor for the re-displacement or return of Syrian refugees and IDPs. Alongside legal and physical safety, material safety – including access to livelihoods – is a key indicator of whether people are able to reach a durable solution to their displacement.

The Ministry of Planning’s Vision for the Future 2020 – which sets out the overall development vision of the KRI – includes sweeping reforms linked to creating and supporting systems and services aimed at enabling access to sustainable and adequate livelihoods. Overall, the objectives included in the plan were ambitious, and it is not clear to what extent the strategy has been implemented. Vision for the Future includes objectives around:

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60 VNG International. LOGOREP II: Improving the resilience of host communities and refugees in Iraq. 2019.
Job creation and private sector growth, including supporting the creation and growth of SMEs;

• Improving the legal and regulatory environment for private sector growth, including entrepreneurship, and instituting legal reforms to modernize employer and employee protections;

• Increasing access to and the relevance of technical and vocational education and training (TVET); and,

• Introducing pension and benefits reforms and creating a comprehensive unemployment insurance system.

Vision for Future makes no reference to IDPs or refugees, making the degree of their inclusion in planning around and implementation of the strategy unclear. In this regard, it should be noted that the strategy was drafted prior to the displacement of the majority of IDPs and Syrian refugees in KRI. Yet, access to livelihoods is an important determinant for the self-reliance of displaced populations and evidence from the region suggests that shared livelihood services could support social relations and social cohesion outcomes. It will therefore be critical for the government to consider during discussions for the development of Vision 2030, which is due to launch in 2021.

5. LEGAL AND REGULATORY FRAMEWORK

Understanding the complete picture of the legal and regulatory framework addressing labour rights and the rights of refugees and IDPs to work in KRI remains challenging. This appears to be largely due to a general lack of understanding of the frameworks by the various respondents, their general lack of public dissemination and accessibility, as well as the absence of clear articulation on the applicability of key laws and policies to refugees and, to a certain extent, IDPs.

5.1. LEGAL AND POLICY FRAMEWORKS

The existing legal and regulatory framework in Iraq, sometimes unclearly applicable in KRI, primarily addresses ‘foreigners’, with the existing refugees’ law in Iraq not recognizing non-political refugees. While the frameworks include some legal protections for refugees, research has noted that it does “not provide means towards durable solutions” as the framework provides few explicit socio-economic protections (namely access to services) and or clear policies for the (social) integration of displaced people, including the absence of clear legal pathway offered to Syrian refugees to obtain full-fledged Iraqi citizenship.

Iraq is not party to the 1951 Convention relating to the Status of Refugees or its 1967 Protocol. While the Political Refugee Law (Law 51/1971) establishes benefits for refugees, such as the right to work and access to the same health and education services as Iraqis (article 11), these protections are limited to ‘political and military’ refugees only, meaning it excludes refugees in Federal Iraq or KRI on some protection grounds – as is the case for the vast majority of Syrian refugees. Additionally, the Foreigners’ Residency Law (Law 76/2017) regulates the entry and exit of foreigners to and from the Republic of Iraq, including requirements for visas and residencies. In KRI, the application of Law 76/2017 is shared between the Ministry of Interior and the Security Agency (Asayish). There is no exception in this legal framework for asylum seekers or refugees who cross borders in either a regular or irregular manner, and who may face challenges meeting visa or residency and documentation conditions.

66 The vast majority of Syrian refugees in Kurdistan arrived in 2013 and 2014. The majority of IDP displacement to KRI occurred over the same period. UNHCR, IDP Factsheet, December 2020.
67 UNDP and KRI, The Kurdistan Region of Iraq to develop Vision 2030 supported by UNDP, 2020.
70 Kehdir, Hewa Haji. IDPs in the Kurdish Region of Iraq: Intractable Return and Absence of Integration of Policy. 2020.
71 The full law is available here.
Theorically, this means that when an asylum seeker crosses into KRI, they can be held by security actors. Generally, however, this is not the case for Syrian refugees as it is ‘understood’ that they have fled their country of origin because of the conflict and the KRI Ministry of Interior and General Directorate of Asayish in Kurdistan has released decrees recognizing their right to seek asylum, with the requirement they register with UNHCR. Additionally, the Iraqi Constitution permits regional powers to have their own executive, legislative and judicial powers aside from those exclusive to the federal government (article 121). It should be noted in this regard that the KRG issues residency permits to all Syrian refugees that grant the right to work and freedom of movement within the KRI, though these permits are not recognised in Federal Iraq and they are not able to cross into Federal Iraq without a separate visa or permit. Refugees holding a residency permit in the KRI are also granted free access to health services in the KRI. Efforts are ongoing to reform the legal framework for refugees in Iraq, although a revised draft refugee law that was first submitted to parliament in 2018 was recently rejected by the Council of Representatives and will need to be revised before it is brought back before parliament.

The Ministry of Migration and Displacement’s (MoMD) Law (Law 21/2009) sets out the obligations of the Iraqi government in providing support to IDPs and refugees. Law 21/2009 provides for the “necessary services” for refugees and IDPs in Iraq, including providing that the Ministry shall “seek to improve their [refugees’ and IDPs’] livelihoods… [and] prioritize in accordance with benchmarks for poverty, humanitarian needs, and other standards.” To the extent that the MoMD law includes a more expansive definition of refugee – including those who sought refuge as a result of fear of persecution or as a result of violence or events threatening their lives, integrity or freedoms – it is more inclusive than the 1971 Political Refugee Act, which nevertheless continues to serve as the main law on asylum and refuge in the country. Additionally, the implementation of the MoMD law is facing setbacks as the Ministry reportedly lacks the capacity to provide the protections as outlined, and as the law in its current form reportedly is “vague and fails to provide specific remedies.”

When it comes to employment rights, KRI primarily applies the Iraqi Labour Law (Law 37/2015) to govern employment relationships in KRI, although the Kurdish Parliament has yet to legally adopt it. There are also a number of ‘instructions and regulations’ issued to clarify, expand or otherwise amend the framework, though the content and scope of these is difficult to determine as these instructions are not always published or made available to the general public. Generally, however, these laws cover all aspects of employment, from hiring to termination, benefits and avenues for complaint. In theory, the protections included in these laws should apply equally to IDPs (as citizens) and refugees, provided they have obtained the proper documentation (work and residency permits).

The majority of implementers and donors interviewed believed that the legal and policy environment for refugees’ and IDPs’ access to livelihoods was enabling. For example, a technical and policy expert in Dohuk said that “in terms of legal policy frameworks there is nothing that stops [refugees and IDPs] from accessing sustainable livelihoods.” An NGO respondent equally believed that the overall framework compared positively to other Syrian refugee hosting countries, stating that “in general, the legal and policy framework in KRI is a bit better than other countries in terms of allowing refugees to have the opportunity to work.”

However, despite widespread confidence in the policy environment, few of those interviewed were able to articulate details of specific frameworks or regulations, highlighting the lack of awareness and information on the regulatory basis for displaced people’s access to work opportunities, and an equal

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72 See: [Draft Ministry of Migration and Displacement Law No. 21](https://www.unhcr.org/)
73 UNHCR. [International Protection Considerations with Regard to People Fleeing the Syrian Arab Republic Update V. 2017](https://www.unhcr.org/)
74 [Guidelines from the General Directorate of Asayish in Kurdistan No.1463. 2016](https://www.unhcr.org/)
75 [Draft of the Ministry of Migration and Displacement Law No. 21](https://www.unhcr.org/)
76 DRC, DSP, IMPACT Initiatives, IRC, NRC. [Far From Home: Future Prospects for Syrian Refugees in Iraq, 2019](https://www.unhcr.org/)
78 The full law is available [here](https://www.unhcr.org/)
80 [European Asylum Support Office. Iraq Key Socio-Economic Indicators For Baghdad, Basra and Erbil. 2020](https://www.unhcr.org/)
81 [ACAPS. 2013. Legal Status of Individuals Fleeing Syria (Including Syrian Refugees)](https://www.unhcr.org/)
82 [DRC, DSP, IMPACT Initiatives, IRC, NRC. Far From Home: Future Prospects for Syrian Refugees in Iraq, 2019](https://www.unhcr.org/)
84 [ibid.](https://www.unhcr.org/)
85 [Draft Ministry of Migration and Displacement Law No. 21](https://www.unhcr.org/)
86 [DRC, DSP, IMPACT Initiatives, IRC, NRC. Far From Home: Future Prospects for Syrian Refugees in Iraq, 2019](https://www.unhcr.org/)
87 [ACAPS. 2013. Legal Status of Individuals Fleeing Syria (Including Syrian Refugees)](https://www.unhcr.org/)
88 [ibid.](https://www.unhcr.org/)
89 [Draft Ministry of Migration and Displacement Law No. 21](https://www.unhcr.org/)
90 [ACAPS. 2013. Legal Status of Individuals Fleeing Syria (Including Syrian Refugees)](https://www.unhcr.org/)
91 [ibid.](https://www.unhcr.org/)
92 [Draft Ministry of Migration and Displacement Law No. 21](https://www.unhcr.org/)
93 [ACAPS. 2013. Legal Status of Individuals Fleeing Syria (Including Syrian Refugees)](https://www.unhcr.org/)
94 [ibid.](https://www.unhcr.org/)
95 [Draft Ministry of Migration and Displacement Law No. 21](https://www.unhcr.org/)
96 [ACAPS. 2013. Legal Status of Individuals Fleeing Syria (Including Syrian Refugees)](https://www.unhcr.org/)
97 [ibid.](https://www.unhcr.org/)
98 [Draft Ministry of Migration and Displacement Law No. 21](https://www.unhcr.org/)
99 [ACAPS. 2013. Legal Status of Individuals Fleeing Syria (Including Syrian Refugees)](https://www.unhcr.org/)
100 [ibid.](https://www.unhcr.org/)
101 [Draft Ministry of Migration and Displacement Law No. 21](https://www.unhcr.org/)
102 [ACAPS. 2013. Legal Status of Individuals Fleeing Syria (Including Syrian Refugees)](https://www.unhcr.org/)
103 [ibid.](https://www.unhcr.org/)
104 [Draft Ministry of Migration and Displacement Law No. 21](https://www.unhcr.org/)
105 [ACAPS. 2013. Legal Status of Individuals Fleeing Syria (Including Syrian Refugees)](https://www.unhcr.org/)
106 [ibid.](https://www.unhcr.org/)
107 [Draft Ministry of Migration and Displacement Law No. 21](https://www.unhcr.org/)
108 [ACAPS. 2013. Legal Status of Individuals Fleeing Syria (Including Syrian Refugees)](https://www.unhcr.org/)
109 [ibid.](https://www.unhcr.org/)
110 [Draft Ministry of Migration and Displacement Law No. 21](https://www.unhcr.org/)
111 [ACAPS. 2013. Legal Status of Individuals Fleeing Syria (Including Syrian Refugees)](https://www.unhcr.org/)
112 [ibid.](https://www.unhcr.org/)
113 [Draft Ministry of Migration and Displacement Law No. 21](https://www.unhcr.org/)
114 [ACAPS. 2013. Legal Status of Individuals Fleeing Syria (Including Syrian Refugees)](https://www.unhcr.org/)
115 [ibid.](https://www.unhcr.org/)
116 [Draft Ministry of Migration and Displacement Law No. 21](https://www.unhcr.org/)
117 [ACAPS. 2013. Legal Status of Individuals Fleeing Syria (Including Syrian Refugees)](https://www.unhcr.org/)
118 [ibid.](https://www.unhcr.org/)
119 [Draft Ministry of Migration and Displacement Law No. 21](https://www.unhcr.org/)
120 [ACAPS. 2013. Legal Status of Individuals Fleeing Syria (Including Syrian Refugees)](https://www.unhcr.org/)
121 [ibid.](https://www.unhcr.org/)
number of key informant respondents spoke of ‘de facto’ policies that created barriers for refugees and IDPs’ access. For example, four implementers noted discrimination in hiring practices against IDPs and refugees, with one noting specifically a 20% quota on hiring Syrian refugees. Overall, in the absence of an inclusive refugee law in Iraq and clear provisions protecting the rights of IDPs to work, displaced people have faced, and are vulnerable to, different standards of treatment and policy changes that affect the realization of their rights. Equally, this – and lack of clarity on applicability of Iraqi frameworks in KRI – has led to confusion on the exact protections afforded to refugees when it comes to employment.

5.2. UNDERSTANDING OF THE LEGAL AND REGULATORY FRAMEWORK

Less than half of the Syrian refugee, IDP and host community respondents (30 out of 62 respondents) said they were aware of laws and policies addressing the rights of refugees and IDPs to work. This remained relatively consistent across displacement groups, with IDPs (5 of 9) and host community member respondents (11 of 21) reporting to be aware at a slightly higher rate than Syrian refugee respondents (11 of 24 for refugees living in camp compared to 3 of 8 for urban areas). This limited level of awareness is notable as research has demonstrated that if workers and employers are not aware of these frameworks and the associated rights, the ability to access them and their wider enforcement is more restricted.

At the same time, women were less likely to be aware of such laws or policies compared to men (11 out of 31, compared to 19 of 31). In addition to the broader framework, it is worth noting that there are a number of governmental policies and legislative documents specifically related to increasing women’s participation in the labour force. Generally, these cover the provision of paid maternity leave; prohibit discrimination against women during recruitment and in the workplace; and

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84 ILO. Extending Social Security to Workers in the Informal Economy: Information and awareness, 2019
85 These include (but are not limited to): The National Action Plan for the Implementation of the UN Security Council Resolution (UNSCR) 1325; the 2014-2018 National Strategy for the Advancement of the Status of Iraqi Women, and; the Iraq Labour Law of 2015.
promote female participation in the public sphere.\textsuperscript{86} Equally, Vision 2020 sets out several objectives to boost women’s economic participation. However, research suggests that the implementation and enforcement of these policies is inconsistent, particularly in the private sector, and there are a number of gaps, including shorter maternity leave than the international standard; lack of childcare support, and legal restrictions on women’s employment in sectors that are considered “arduous” and “hazardous”.\textsuperscript{87} Research equally demonstrates that awareness of these frameworks and employment rights is very weak, which prevents women from claiming their rights.\textsuperscript{88}

Overall, refugees, IDPs and host community respondents showed limited understanding of the regulatory frameworks, with few references to specific protections or frameworks. Those who were informally employed were less likely to be aware of the laws or policies than other employment categories, reiterating previous findings that workers who are informally employed may not be aware of frameworks addressing labour rights and/or whether these apply in their sector.\textsuperscript{89} Many noted contracts as the main way these rights are enforced in KRI, which are generally not in place for informal employment. Additionally, two Syrian refugees in camp also expressed the belief that existing laws were not enough or not sufficient, and one man from the host community believed that only government employees have guaranteed protection.

\begin{quote}
“[Protection laws are] not enough and not implemented. In some cases, the Syrian refugees, if they work in a company or a place without a contract or any unorganized work the employer may delay paying the salary, or the worker will be suspended without paying his/her salary. There is no system that preserves his/ her rights as a worker” – Male Syrian refugee in camp in Qushtapa, (Erbil), unemployed

“If the worker works for an organization or company, he has rights that can be applied according to the terms of the contract. As for the worker without a contract, he does not have special protection rights and regulations.” – Male Syrian refugee in Dohuk, informally employed

“There is nothing that provides protection for the rights of the worker in general. A person must know that she or he chooses a good workplace and a good employer, especially the private sector, because only in government departments can there be protection for the rights of employees” – Male host community member in Erbil, informally employed
\end{quote}

Similarly, government and private sector actors also demonstrated varying levels of knowledge and understanding of the regulatory framework on the right of IDPs and refugees to work. Around half of government and local authority actors interviewed believed that there were no laws in place to support refugees and IDPs’ access to sustainable livelihoods. Similarly, of ten private sector employers interviewed, four said that there were no laws or that they were not aware of such provisions. This is significant as these actors hold key responsibilities in implementation and awareness raising around the legal and policy framework making this knowledge gap an important indicator of the lack of clarity on the extent to which the broader labour laws apply to these groups. As reflected in the previous section, this could be due to the lack of clarity on the applicability of the broader framework to refugees, or more broadly of the application of Iraqi legislation in KRI, as well as the lack of specific legislation addressing the rights of displaced people to work.

Additionally, two private sector and two governmental sector respondents noted challenges for refugees to secure permits or security approvals in order to work. In some cases, this requirement was extended broadly to include both IDPs and refugees, but also the requirement was not generally clearly articulated: being referred to as ‘certificates’ or ‘permits’ in some cases, and as ‘security clearance from the Asayish’ in others. It is therefore difficult to determine how these requirements align with what is outlined in the broader legal framework, and what may constitute other, potentially informal, policies or requirements – this is especially true as actors operate within a legal and regulatory framework that generally lacks clarity (as explored in the previous section).

\textsuperscript{86} European Union, REACH, UN Women. \textit{Assessment on Employment and Working Conditions of Conflict Affected Women Across Key Sectors- Iraq}. 2019.


\textsuperscript{88} UNWomen, Oxfam, Government of Japan. \textit{Gender Profile – Iraq}. December 2018.

\textsuperscript{89} ILO, Work Organization and Employment Relations Research Centre, Sheffield University. \textit{Extending Labour Inspection to the Informal Economy: A Trainer’s Handbook}. 
Four implementers mentioned additional obstacles for refugees to own a business. Similar to the broader framework, there appeared to be a lack of clarity on the extent to which this was possible, with one NGO respondent believing it was not possible for refugees to own a business, another NGO respondent referencing challenges in documentation. A donor respondent also expressed confusion: “While there are some policies that protect refugees like permits, what is less clear is whether or not they have the ability to own businesses on their own, or whether they have to own one in conjunction [with a member of the host community].” It is worth noting here that the literature review was not able to further clarify the legal framework addressing the ability of refugees to own a business, however Vision 2020 notes that “the legal and regulatory environment for doing business is outdated and confusing. This is difficult for all business but is especially difficult for smaller businesses.”

5.3. IMPLEMENTATION AND ENFORCEMENT OF LEGAL AND REGULATORY FRAMEWORK

The lack of clarity observed by respondents as regards the scope of the legal and regulatory framework was mirrored when it came to understanding the mechanisms in place to support implementation and enforcement. That being said, of the Syrian refugee, IDP and host community respondents who knew of the existence of laws addressing the rights of refugees and IDPs to work, the majority (21 of 27 respondents) thought they were sufficiently enforced; this remained relatively consistent across displacement status. However, when asked who was responsible for enforcing these laws and policies, respondents mentioned a wide range of stakeholders, most commonly employers (7 respondents), Asayish (5 respondents) and NGOs (3 respondents). Camp administration was also referenced by refugees living in camps (3 respondents). It is notable that no respondent referenced a government agency with an employment rights mandate.

The government is the key actor responsible for not only the articulation of the regulatory framework, but also accountability for its implementation and enforcement. In KRI, this responsibility lies particularly with the Ministry of Labour and Social Affairs (MoLSA). Yet, the lack of awareness on the government’s role in enforcement was further reflected in limited references across interviews. Only one actor from a government agency in Dohuk referenced an “inspection and monitoring committee”, however went on to say, “the committee’s staff are few and it cannot control private sector projects in Dohuk Governorate.” Challenges around the capacity of government to not only enforce laws and regulations, but also to create a broader enabling environment, were raised by another government respondent, who noted that “institutional and capacity issues need more attention…. How to make a strategy. How to draft some laws and legislation [and] how to get these approved.” Overall, this is reflective of a lack of clarity regarding the existence and functionality of specific enforcement mechanisms existing at governmental level and the need to build capacity.

The lack of clarity or specific provisions on protections for refugees and IDPs could lead to gaps in enforcement. In particular, this could impact decent work outcomes; for example, as will be further explored below, some private sector employers noted a preference for hiring displaced populations as they were willing to accept lower salaries and work longer hours. Additionally, this means that these conditions are vulnerable to change alongside shifting government priorities – at both KRG and GoI levels. One donor agency noted that, from her perspective, government and local authorities in KRI are open to these discussions, however the economic crisis adds a further layer to these conversations: “In the conversations that I have with local authorities, there is at least no resistance in the conversation to assess how the policy framework can be changed or can be more flexible. The issue is with the current economic situation that KRI is experiencing, there is a need to really prioritize investments first and then adapt the policy framework. The entry points to adjust the frameworks are to do so in a way that can support increased investment and find favour with the policy makers.”

While the broader emphasis was largely on implementation, one government respondent expressed the need to amend the legal framework to better protect the rights of employees, including the provision of social security. The need for reform was further referenced by a private sector bank respondent who noted that “the Labour Law is very old and has not been amended and does not protect the rights of employees.” This could be linked to levels of political will; it is important to note that policy decisions or shifts in government priorities – at both the levels of
the KRG or GoI – can impact the quality of protection for workers and business owners, including protections for displaced populations. This is especially true given the lack of clear articulation of these protections in law or policy.

Moreover, the need for greater levels of engagement between public and private sector actors to clarify roles and responsibilities and improve relations equally emerged in responses. Two private sector respondents advocated for a more active role for government in implementation and oversight, with one stating that “laws are not enforced by the private sector due to lack of adequate follow-up and oversight by the government.” Another mentioned specifically challenges or gaps in communication between the government and private sector. Conversely, a respondent from a government agency stated that “[there is a] need to focus more on the private sector. Implementation should not [just] be under the government’s control,” suggesting willingness and interest among private sector actors for stronger government oversight and closer engagement, which could present a solid entry point for stronger partnerships and coordination between relevant government entities and the private sector.

Overall, there is a clear need for further investment aimed at supporting the economic recovery of KRI and expanding the private sector. Considerations surrounding awareness and enforcement of labour rights should be integrated into these efforts, with particular focus on the meaningful inclusion of displaced people, given the lack of articulated policy towards them. Additionally, responses suggest a need for specific interventions aimed at building awareness and understanding around the current regulatory framework, as well as develop and communicate monitoring mechanisms. Given the lack of awareness at all levels, this could include focusing on implementers as well as workers and employers. At an operational level, responses also point to the need for increased coordination between private sector and government on enforcement, as well as a need to build the capacity of existing enforcement mechanisms and relevant government agencies.

6. ACCESS TO LIVELIHOODS AND EMPLOYMENT SERVICES IN KRI

Syrian refugees, IDPs and host community face a range of challenges accessing livelihoods in KRI, and livelihood service development and expansion remains limited. While the experiences of these groups are similar, displaced populations face particular challenges in this regard. Women also face additional hurdles, with vulnerabilities linked to their displacement status and barriers linked to their gender often intersecting.

6.1. OBSTACLES TO EMPLOYMENT

Overall, the challenging employment situation in KRI is linked to a number of broader challenges, including: the small size of the private sector, a fast-growing labour force due to natural population growth and displacement to the region, weak government policies and investment, and economic downturn. Employment creation in the private sector seems to be particularly challenging, with nearly half of the active workforce in the KRI employed in the public sector.

The challenge to employment most commonly noted by all Syrian refugee, IDP and Iraqi host community respondents was the lack of opportunities (17 respondents). While host community respondents made up the largest proportion of respondents citing increased competition as a key challenge – with several referencing this specifically in the context of the presence of displaced populations – refugees and IDPs noted a perceived preference by employers for hiring host community members (15 respondents). Lack of opportunities was also echoed by key informants interviewed, many of whom raised the broader economic situation in the region or the lack of opportunities as a key obstacle to employment. One NGO respondent also noted the heavy reliance on public sector jobs and the need to explore ways to make the private sector more ‘vibrant’ to support job creation.

91 ILO. The access of refugees and other forcibly displaced persons to the labour market. 2016.
92 IOM, KRG, UNFPA. Demographic Survey - Kurdistan Region of Iraq. 2018.
Syrian refugee, IDP and host community respondents also noted more specific challenges linked to getting a job, including the lack of qualifications (12 respondents). Eight implementer and government respondents also raised the issue of lack of skills or experience, almost all noting this particularly affected displaced populations. For example, when it comes to Syrian refugees, one NGO respondent gave a scenario: “There are some people who came in 2012 – when they left, they were 13 [but] now they are adults. And they haven’t been to school or had training. So, for the young people, they have limited skills.” On the other hand, some key informants highlighted that many refugees are qualified, however are only hired in low-skill jobs due to lack of access or lack of recognition of qualifications by employers.\(^93\)

Similarly, three humanitarian and one private sector respondent noted that refugees may be particularly disadvantaged due to more limited networks and lack of ‘wasta’, which was also the second most commonly raised challenge by interviewed host communities and displaced people (14 respondents). This was also referenced in previous studies, which found that IDPs and refugees may be particularly disadvantaged in this regard, as they are from outside the region or area and therefore have fewer connections to mobilize to secure employment.\(^94\) This is equally notable as employment networks or ‘wasta’ was the most commonly referenced avenue among interviewed host community and displaced people for support in finding employment (35 respondents), further reinforcing the important role networks play in employment support.

Adequate language (Kurdish and English) and documentation were also referenced by key informant respondents as particularly impacting displaced populations.\(^95\) Research suggest this may vary by status. Refugees, for instance, are noted as facing particular challenges accessing jobs and starting a business due to the challenges in obtaining residency and the lack of clear pathway to obtain Iraq citizenship.\(^96\) On the other hand, language challenges may particularly impact IDPs; one research notes that this can also be a source of contention, as host community members have reportedly criticized IDPs’ reluctance to learn or speak Kurdish (the most common language used in KRI), and IDPs expect host community to communicate with them in Arabic (most commonly used in Federal Iraq).\(^97\) That being said, research has also noted some language challenges for Syrian refugees, due to the different Kurdish dialects.\(^98\)

Transportation, particularly for refugees in camps, was also raised as an obstacle to accessing livelihoods in many interviews, with a technical and policy expert recommending stakeholders look into “investing in areas closer to [camps]” as “once investment is made, there are so many projects that could take place around those areas. There is a huge housing project that is happening around Domiz that has been frozen. But imagine that would resume – they [refugees] would be in a more competitive position to work on that, because it is just next to Domiz.” This may be linked to timing in movements to and from camp, and distance to these opportunities – notably, transportation was raised as an obstacle to employment by two Syrian refugee respondents in camps.\(^99\)

Overall, host community and displaced respondents preferred formal to informal work, citing a number of benefits. The most commonly referenced were having job security (20 respondents), a contract (18 respondents), and employee rights (13 respondents). While these benefits were noted across displacement categories, this is notable as – as highlighted above – IDPs and refugees generally rely on informal work. Many respondents equally noted the benefits linked to contracts in the context of work protection, which – linked to the heavy reference to employee rights – is significant given the lack of clarity in the broader regulatory framework and vulnerabilities to exploitation, highlighted above.

\(^95\) Language was raised by two host community members, one refugee in camp and one IDP. Documentation was raised by one refugee in camp.
\(^96\) VNG International. LOGOReP II: Improving the resilience of host communities and refugees in Iraq. 2019.
\(^99\) It was also noted by two host community respondents.
6.2. OBSTACLES TO ENTREPRENEURSHIP IN KRI

When it comes to entrepreneurship, the most common challenge referenced by host community and displaced respondents was securing the required permit and/ or security clearance to open a business (32 respondents). Securing the required capital was also frequently referenced (17 respondents), with the majority of respondents noting that as a challenge being informally employed (11 of 17 responses). The need for a guarantor or sponsor from the host community was also referenced by displaced respondents (14 respondents), with refugees living in urban areas (4 of 8 respondents) noting this as a challenge at a higher rate than IDPs or refugees in camp.

Interviews with key informants raised similar challenges to starting a business in KRI. The most frequently referenced challenge was securing the required capital. Four respondents specifically linked the limited access to financial services to difficulties in starting a business. While there is limited information about refugees’ and IDPs’ specific experiences in entrepreneurship in KRI, research suggests they may face additional challenges linked to securing the required start-up capital due to difficult conditions in displacement and lack of availability for already limited financial services and access to credit (see below).

Two private sector respondents also noted extensive and lengthy procedures as challenges to starting a business, and another two noted an overall environment that was not conducive for business creation and growth. In particular, a private sector employer in Erbil noted the lack of proper market research to support identifying the most rewarding opportunities for investment. This is further supported in other sources, which note that the business incorporation process is a significant barrier to entrepreneurship, with the process taking up to a month in the best of circumstances and costing upwards of 3 million Iraqi Dinars (IQD) (around USD 2,500).

The specific challenges faced by displacement groups with regards to entrepreneurship in KRI remains in need of further research. In one 2017 study, 89% of the surveyed youth said they would consider starting their own business with the most common sectors being manufacturing, handcraft, education and trade. Entrepreneurship also constitutes a key pathway for private sector growth and job creation, as outlined in Vision 2020. Further research is needed on the policies and state-of-play of entrepreneurship in KRI, including particular challenges faced by displaced populations, to more effectively inform response and mobilize the capacity of an apparently entrepreneurial youth population.

6.3. PERSPECTIVES OF EMPLOYERS ON EMPLOYMENT OF DISPLACED POPULATIONS IN KRI

In interviews with ten private sector actors including medium-sized companies operating in hospitality, banking, communications, construction and retail, nine reported they had no problems hiring refugees and IDPs. While this is a positive indication, this may well not always translate well into practice. Critically, three of these respondents noted that they had no issues in hiring displaced populations due to their willingness to work for less wages and longer hours, suggesting a potential bias in the application of decent work conditions across displacement categories. One private sector employer stated that he would not hire displaced people because “refugees and IDPs are not stable here [permanently] and have obstacles such as housing, transportation and language.”

When Syrian refugee respondents were asked about their hopes in five years’ time, most spoke about aspirations linked to their career, starting a business, or accessing better jobs. For instance, an informally employed Syrian woman in Domiz camp said she hoped to find a suitable job and be self-reliant, and a Syrian SME owner in Qushtapa camp expressed his hope to stay in the region and expand his work. Similarly, intentions data suggest that a significant portion (~90%) of IDPs in camp in Erbil and Dohuk governorates intend to remain in their areas of displacement for the next year. This suggests that many IDPs and Syrian refugees are likely to remain engaged - or be seeking to be engaged - in the labour market in KRI in the medium and longer-term.

100 Tearfund. Assessment of the Livelihood Opportunities in the Kurdistan Region of Iraq. 2015.
“My hope is to stay here in the region, develop my skills and expand my work if the appropriate opportunity becomes available for me.” – Male Syrian refugee in Qushtapa (Erbil), SME owner

Figure 4: Shared livelihood services and the concept of decent work

Challenges regarding the ‘quality’ of employment were raised by respondents throughout this research, including gaps in, and limited knowledge and implementation of, legal standards. The overwhelming positive perceptions refugee, IDP and host community respondents had on formal work – especially on the protections it affords in terms of contract security and employment rights – are further evidence of this. Finally, perceptions raised by respondents around displaced populations’ (particularly refugees’) willingness to work long hours for less pay, often in low-skilled jobs, is further reflected in the literature, which suggests that refugees and IDPs tend to be more vulnerable to ‘abuse’ by employers. Additionally, in one study, Syrian women also reported facing sexual harassment or exploitation from Iraqi men, taking advantage of women’s poor financial situation and the need for money.

Regional learning highlights that focusing only on access to livelihoods can mask gaps in decent work outcomes, including protection risks. This relates to issues such as fair wages, workplace safety, and freedom from exploitation, and demonstrates the importance of focusing on related interventions, including around legal awareness sessions and legal assistance, integrating accountability for decent work indicators in interventions, and investment in monitoring the implementation of decent work standards – which often apply for both formal and informal work.

6.4. ACCESS TO LIVELIHOODS FOR WOMEN IN THE KRI

Multiple studies recognize the additional challenges women across displacement groups face accessing livelihoods in the KRI. Overall, the female labour force participation rate in KRI is one of the lowest in the world at 14%. While this figure relates to nationals, it is indicative of broader structural challenges to accessing livelihoods faced by women in KRI – which often interlinks with obstacles linked to displacement status. For example, of the women who are employed in KRI, almost 80% are reportedly employed in the public sector, which refugees are often unable to access. In comparison, industries in which men work tend to be much more varied. The increased vulnerability of displaced women is exemplified in recent data on the labour participation rate of Syrian refugees; only 2% of Syrian refugee women in Erbil and 3% in Dohuk were working outside the home, compared to 83% and 78% of men, respectively.

References:

108 ibid.
110 Tearfund. Assessment of the Livelihood Opportunities in the Kurdistan Region of Iraq. 2015.
Gender norms and transportation challenges are particular challenges for women. Displaced women overall reported being more affected by the lack of networks and the lack of qualifications when accessing employment than male respondents. A number of implementer and private sector respondents explained that women required permission from a male relative and faced more domestic responsibilities, which presented challenges to committing to ‘standard’ working hours. A number of key informant respondents equally highlighted how certain professions are gendered, e.g. taxi drivers being limited to men or sewing or hairdressing being limited to women. Research also highlighted the perception that certain jobs and sectors are considered ‘more suitable for women’, including education, health, sewing and textiles, local or international community-based organizations or NGOs, beauty/cosmetics and agriculture. Two key gendered aspects also emerged around transportation: first, travelling long distances to access employment or skills training is often challenging for women due to additional responsibilities as caregivers; and secondly, perceived risks to safety and security impact women’s travel. As highlighted above, Syrian refugees living in camps highlighted particular challenges linked to transportation and distance to access livelihood opportunities.

### 6.5. ACCESS TO EMPLOYMENT SERVICES

Beyond availability and access to livelihoods, employment services – such as business development support, job placement services, employment centers, and skills building – can facilitate access to livelihoods and professional growth. For example, in the case of MoLSA, this includes employment service centres, which aim to create more decent jobs through integrated services, such as job and skills matching, career guidance and counselling, as well as on-the-job training opportunities. In addition to commitments to ensuring that 50% of those supported by the centres are women, services have also been expanded to include IDPs and refugees.

The vast majority of Syrian refugee, IDP and host community respondents (54 of 62 respondents) were not aware of government services on employment, including Ministry of Labour and Social Affairs (MoLSA) employment centres. Interviewed key informants demonstrated varied levels of knowledge on government employment services. For instance, while most implementers interviewed were aware of services – particularly those provided by MoLSA, two private sector respondents believed no government services were available. Similarly, there was limited publicly available information on government employment services, suggesting either that they are limited in availability or lack available information on how to access them.

When asking host community and displaced respondents on NGO livelihoods programming, the majority (34 of 44 respondents) said they knew where to find information on activities. Host community respondents reported having such information at the lowest rate (9 of 16, compared to 25 out of 28 for displaced respondents). The most commonly referenced sources of information were the internet (19 respondents), networks (15 respondents), social media (7 respondents) and advertisements (7 respondents). Moreover, around half of host community and displaced respondents had received skills training (26 of 54 respondents), with participation rates relatively consistent across population groups. Most respondents who participated in trainings reported to perceive them as useful (18 respondents). The most common providers were NGOs (13 respondents), with a small proportion accessing training from private institutes (3 respondents) or the government (2 respondents). Of those who had not received skills training, the most commonly requested types of training were specific livelihoods skills for example in barbering and animation (15 respondents), computer skills (11 respondents) and (primarily English) language skills (9 respondents).

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116 ILO. ILO and KRI pledge to support formal employment for forcibly displaced persons and host communities, August 2020

117 These employment service centres – run by the Ministry of Labour and Social Affairs – were established to create more decent jobs through integrated services, such as job and skills matching, career guidance and counselling, as well as on-the-job training opportunities.

118 SME Owners were not asked questions on access to skills or skill training needs.
Interestingly – as language is a key barrier to the employment of displaced populations- the majority of respondents who requested (English) language training were host community members (7 of 9 respondents). This could be due to the (perceived) increasing demand from employers to be able to communicate in English in the job. Conversely, half of respondents requesting training for specific livelihood skills were refugees in camps (12 of 28 respondents), suggesting they may have more limited access to trainings for or feel less qualified to access livelihoods relevant to the labour market in their areas of displacement. This could also be linked to the lack of recognition by employers of qualifications achieved in Syria, as highlighted above. Additionally, while participation rates reported by men and women were also similar, it is perhaps worth noting that one female Syrian refugee who was formally employed noted that distance and the timing of training and other qualification building opportunities during the day created particular challenges to access. This further reinforces transportation challenges and scheduling struggles are more likely to impact women's access to livelihoods and employment services, given their additional caregiving burdens, as noted above.

Overall, these diverse perceptions on the availability, quality and relevance of skills training suggests the need for a more in-depth analysis of the landscape in terms of current level of skills among youth, youth’s aspirations when it comes to work opportunities and employment, and the skills required by the labour market. Implementer and donor respondents further flagged that trainings should be modernized, including for the use of technology, that skills programs should be more closely linked to long-term employment, and that trainings should be made more gender sensitive.

Coordination between NGO and government implementers also emerged as a key challenge. In particular, one UN respondent noted ongoing efforts in terms of mapping government and private sector services and their accessibility for displaced populations in order to identify gaps. These types of effort are important, as three implementers highlighted they did not have a good idea of which services existed, and five believed that services were limited outside those provided by NGOs. This suggests a lack of knowledge on the availability of such services and the levels to which they are resourced, which could impact the degree to which services provided by Government and those provided by NGOs are coordinated.

7. ACCESS TO FINANCIAL SERVICES AND SOCIAL PROTECTION IN KRI

Findings suggest that access to financial services and social protection in KRI are limited for all population groups, and there is a general lack of clarity on the extent to which refugees, IDPs and the broader population are able to access these services – both in terms of policy and reality.

7.1. ACCESS TO BANKING SERVICES AND CREDIT

Access to formal credit and other financial services is extremely limited in KRI, contributing to slowed economic growth and development, particularly when it comes to starting or expanding businesses. For example, research by DRC estimates that only 23% of Iraqi households have access to an account with a financial institution, which is considered the lowest in the Middle Eastern region after Yemen. These trends emerged clearly in the primary data. While over half of host community and displaced respondents interviewed said that accessing a bank account was not difficult, the majority of those were members of the host community (12 of 21 respondents). In spite of this, several respondents further specified that they themselves did not have bank accounts. A number of interviewed implementers suggested that this could be due, in part, to a cash culture and lack of trust in financial institutions. For example, one NGO implementer said: “Iraqis do not prefer banks […]. People do not bank their money. I can talk about colleagues here in the office, even friends, when they are paid, they withdraw their salaries, and they keep it out [of the bank]. That is how the financial system is structured.” This is further highlighted in literature, including linked to cash circulation challenges in 2017, which contributed to making the market more cash driven.

“Opening a bank account needs a large capital, and whoever has a small business such as a tailor shop must work to expand and grow the business and the shop, then I will think about opening a bank account.” – Female Syrian Refugee in Qushtapa (Erbil), SME owner

“It is possible [to open a bank account] but with difficult procedures. I expect the person must have strong capital in order to open an account in his name.” – Female host community member in Erbil, informally employed

Another challenge raised was around the documentation and minimum deposit required to open a bank account. Research suggests that opening a bank account requires civil documentation, a photo and signature, as well a minimum deposit amount of USD 50 and USD 25 yearly maintenance fee. It is equally difficult to discern the extent to which this may vary in practice, or across institutions.

A number of government and implementer respondents specifically stated that easing these requirements represented a key element in increasing the financial stability of businesses, noting that the requirements for a minimum deposit and the high cost of related fees were particularly challenging for refugees. This was reflected in interviews with Syrian refugees, IDPs and host communities; most respondents who raised capital as a challenge were refugees primarily residing in camps (6 of 8 respondents), and all respondents who raised documentation as a challenge were refugees (2 respondents). Moreover, six Syrian refugee respondents expressed the belief that refugees did not have the ability to open bank accounts in KRI at all, though the requirements noted above contradict this perception, which might present an indicator that the documentation requirement represents a much higher barrier in practice.

It is equally worth noting that women interviewed were twice as likely as men to consider opening a bank account to be a challenge. This is in line with research on Iraq which identifies additional hurdles for women to access financial services, including that access depends on permission from male relatives and travel restrictions due to security concerns or cultural values.

Research equally shows that women may face additional challenges in securing the required documentation and capital, which are further compounded for displaced women.

Similar challenges emerge when it comes to access to credit. The vast majority of host community and displaced respondents indicated they had never taken out a loan. The main reasons for this were the inability to pay it back (16 respondents) and the perception that they are only available to government employees (14 respondents). Equally, half of the refugee respondents believed that refugees were not allowed to access these services. This belief was shared by two government respondents; a mukhtar; a representative from a NNGO; and two representatives from INGOs, one of whom further expressed that this ‘made sense’ as credit could not be reclaimed when a Syrian refugee returned.

Moreover, documentation required to access credit emerged as particular hurdle for refugees. An interviewed policy expert explained that while documentation to access capital was a challenge for host community members, it was further compounded for refugees and IDPs: “It requires so much paperwork to open a bank account, let alone to get credit. For example, I am a very established person here, I live here, my employment is secure. If I apply for a loan, I have to put down so many guarantees. This of course is not available for refugees and IDPs – they do not have any property to put on loan.” Previous research has demonstrated how displaced populations are likely to be particularly disadvantaged by existing loan requirements because they have commonly lost most of their high-value physical assets in order to meet collateral requirements, including – in the case of refugees – being unable to own land.

For example, in a 2020 study on debt by REACH, only host community members reported borrowing from formal institutions, with IDPs and refugees accessing only informal credit from friends and family. This was reportedly due to lack of knowledge on institutions to borrow from, as well as missing documentation.

123 ibid.
126 Tearfund. Assessment of the Livelihood Opportunities in the Kurdistan Region of Iraq. 2015.
127 REACH and UNHCR. Study on Impact of Debt on IDP, Refugee and Host Community Households in Iraq. 2020.
Linked to that, two government and two private sector respondents raised that the economic crisis in KRI was further restricting the access to formal credit, which has been very limited already. For example, an NGO respondent raised the importance of business financing provided by MoLSA, which was “not active these days due to the financial crisis in the KRI.” This is further highlighted in Vision 2020, which notes that lack of local financing – including early-stage, working capital, and equipment loans – is one of the most critical challenges facing SMEs in KRI, further noting missing insurance and mortgage industries, which are important supports for the development of the private sector. Overall, challenges accessing financial services are clear obstacles for business start-up and growth, and therefore job creation, in KRI. Respondents’ perceptions equally demonstrate that displaced populations face additional barriers in this regard, and highlight the need for further efforts in terms of providing clarity in process and policy.

7.2. ACCESS TO PENSIONS AND SOCIAL INSURANCE

Public contributory, self-financed pension and social insurance schemes are available in KRI, however recent information on the various schemes is limited, the level of coverage and functionality is unclear, and challenges in regards to targeting strategies persist. For example, a 2016 study by the World Bank reported that the pensions and social insurance system in KRI is ‘not sustainable, suffers from low coverage, and is inefficient.’ Similarly, a donor respondent highlighted that “it is quite challenging to ensure this social system. The systems, including as linked to social safety nets, are quite obsolete and are quite difficult to be maintained and operational. They strongly need reforms.”

Interviews with government and local authority representatives reflected these challenges, as their opinions varied on whether these schemes existed, what their coverage and quality were. For instance, a few believed social insurance schemes were in place but ’were not active’ or ‘did not work’, with a mukhtar in Erbil explaining that “they cut a small portion of the salary for the social insurance, but the social insurance does not work.” These varying perceptions are reflective of the general lack of clarity and knowledge on the scope and availability of these protections in KRI, which was further highlighted by an NGO respondent: “This lack of knowledge is causing gaps… The issue is the knowledge of the employee about insurance and their rights.”

Refugees and IDPs face particular obstacles when it comes to accessing pensions and social insurance. Only around a quarter of host community and displaced respondents reported having access to social insurance benefits. Of those who had access, the majority were employed in the formal sector. Access to pensions were similarly limited; with only a handful of respondents reporting having access to a pension, all of whom were formally employed. Of those who did not have access to a pension scheme, the vast majority had no plans for retirement. This could contribute to increased vulnerability, as retiring populations rely on support from working members of their household and community.

From a policy perspective, it is not clear to what extent social protection schemes are available to refugees and IDPs. In particular, three implementers expressed the belief that refugees did not have access to these schemes, two of whom also believed that, while IDPs had access to these services on paper, they equally faced practical barriers. According to one NGO respondent, this could be because access is linked to IDPs’ governorate of origin, as they explained: “if you are displaced, legally you can have access [to social services]. But the way they structured the access to social services is an IDP will have no access to it because they need to be in the place of their governorate [of origin] to access those services. Formally IDPs can access it as long as they go back to their governorates.”

Additionally, access to broader social protection schemes appears closely linked to the type of employment. Two respondents – a representative from a donor agency and a technical and policy expert – believed that these schemes were disproportionately accessible for public sector employees. As explored above, while the government is major employer in KRI, refugees and (to a certain extent) IDPs generally do not have these types of positions. Equally, these types of benefits are largely reserved for formal employment; however, according to IOM, informal labour represents the largest share of employment for IDPs in Iraq, and while recent comparative statistics for Syrian refugees in Iraq could not be found, research from the Middle Eastern region found that the majority are also informally employed.

### 7.3. PARTICIPATION IN UNIONS

Similarly, participation in unions was reportedly limited, with the vast majority of host community and displaced respondents reporting that they did not belong to a union. Overall, limited information exists about the situation of labour unions in Iraq, but reports suggest that they face severe restrictions and interference in their activities. Yet, labour unions can be important agents

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134 Key informants were not asked for their perspectives on labour union participation, so their views are not reflected in this section.
in the protection and promotion of workers’ rights, including access to social protection. This is reflected in the interviews, with two host community respondents highlighting benefits related to worker protections and one host community and two IDP respondents highlighting that unions could provide support during retirement.

“It is useful [belonging to a union] as if we face any problem, we resort to the union to defend us.” – Female host community member in Erbil, formally employed

“I have an engineer’s union identity that may help me in the future get a retirement pension.” – Male IDP in Erbil, formally employed

“It is useful [to belong to a union] as anyone affiliated with this union may get retirement in the distant future.” – Female IDP in Erbil, formally employed

High rates of non-participation in labour unions were reported across displacement groups. No refugee respondents indicated they currently belonged to a labour union in KRI, and when asked the reasons for this, most refugee respondents living in camps and nearly half of refugees living in urban areas indicated this was because they believed refugees could not participate. However, it is not clear if this is a formal or de facto policy. Evidence from projects in other contexts have demonstrated that labour unions can be effective agents in the promotion and protection of the rights of displaced people by supporting awareness raising and advocacy, as well as collective action. Labour unions are equally important mechanisms in strengthening social dialogue mechanisms, and therefore could potentially be mobilized to increase interaction and promote dialogue between displaced and host populations, particular around employment challenges and service needs.

7.4. ALTERNATIVES TO FORMAL SCHEMES AND COPING MECHANISMS

Social protection interventions cut across humanitarian and development responses. In post-conflict contexts as in Iraq, evidence suggests that such schemes help reduce poverty and inequality. In displacement crises, research further suggests that such schemes can provide longer-term resilience and support to displaced populations, and provide more equitable access to services by shadowing national support systems. The belief that such schemes are beneficial was reflected in interviews with host community and displaced respondents. While most indicated that access to social insurance schemes were generally not accessible, the general perception was that these would be helpful, especially to access to health insurance (20 respondents) and to provide an emergency protection in the case of loss of income (25 respondents).

In light of the limited access to social insurance, reports suggest many people have to resort to negative coping mechanisms, for instance informal borrowing and the use of networks for support. This has been a well-documented coping mechanism in Iraq; according to some estimates, up to 80-85% of households in Iraq have reported using debt as a coping mechanism. While debt reportedly impacts all population groups, a 2020 study by IMPACT and UNHCR suggests that dynamics differ based on displacement status, though debt prevented (all) respondents from investing in productive assets that would be an important source of future income. In that specific study, host community households more frequently reported using debt to finance investment, such as purchasing productive assets, while IDP and refugee participants more frequently reported using debt to pay for expenses to meet basic needs – such as rent or food.


137 ibid, ILO.


140 Government and local authority and implementer respondents were asked questions with regards to this.


142 REACH and UNHCR. Study on Impact of Debt on IDP, Refugee and Host Community Households in Iraq. 2020.

143 REACH and UNHCR. Study on Impact of Debt on IDP, Refugee and Host Community Households in Iraq. 2020.
Research further suggests that displaced populations receiving support through public social protection schemes (through the public distribution system) were not receiving the full benefits. This suggests that while mitigating some of the impacts of displacement, they are not, in their current form, a fully effective emergency assistance tool. One NGO respondent highlighted that, more broadly, humanitarian programming can provide entry points in this regard: “For example, we have a cash for work program. Because of the risks involved we had to register the participants with a health insurance provider. And it did not cost very much. [However], there are people who provide these services… but I think it is more about us exploring what services are available and taking these services to the camp.”

It is also worth noting in this regard that Multi-Purpose Cash Assistance (MPCA) interventions by humanitarian and development actors also constitute a significant social protection scheme in Iraq, and are provided to out-of-camp populations (as basic services are directly provided in camps). A total of US 73.156 million was allocated for this type of assistance in the 2020 Humanitarian Response Plan, constituting 14% of the total budget. Similarly, cash for work and cash for assets are a key indicator for supporting income generating activities in the 2020/2021 3RP for Iraq. This further reinforces the need to coordinate service provision between implementing actors; a 2020 assessment finds that limited data sharing between humanitarian actors and no protocols for data sharing between government and humanitarian actors is contributing to inefficiencies, duplication and gaps, indicating the need for closer alignment between programming.

Figure 5: The role of networks in access to employment and employment services in KRI

Entry points to and reliance on networks are a key trend in access to livelihoods and livelihood services; they are noted by respondents as a key source of employment, of information on employment, and support to borrow money and obtain other resources. Research equally shows that displaced populations may face challenges in this regard due to the ‘strength’ (wealth and size) of their networks in areas of displacement. Equally, these networks seem to be largely limited to others in their displacement category – particularly when it comes to borrowing – due to the need to establish a significant level of trust.

Further research is required to understand how the ‘wasta’ system impacts access to livelihoods and livelihood services, and the different experiences of host community and displaced populations in this regard. This includes examining how to tailor responses based on understanding of these networks, and how they can provide both a barrier and an opportunity for job seekers, including through community consultation. Research suggests improving market coordination and information – through, for example, job centres – can help expand opportunities beyond personal networks.

Finally, it is important to note that the absence of such social safety nets can contribute to the use of other coping mechanisms. According to a donor respondent: “child labour, child marriage, selling things, taking credit. These are all things that people end up [doing] when there are no social safety nets.” Research suggests that IDPs and refugees are particularly vulnerable to child, early and forced marriage and ‘the worst forms’ of child labour. Recent assessments indicate the use of these strategies among Syrian refugee households and by IDP households in camp in Erbil and Dohuk. In other contexts, there are successful examples of where closer linkages between humanitarian and government actors have helped in redirected humanitarian aid from emergency

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145 ibid.


151 REACH and UNHCR. *Study on Impact of Debt on IDP, Refugees and Host Community Households in Iraq*. 2020.


support to government-supported social safety nets that can contribute to the longer-term wellbeing of displaced populations,\textsuperscript{155} including graduation approaches, that can reduce the incidence of these negative coping mechanisms.\textsuperscript{156} In Iraq, efforts have been made to lay the groundwork for strengthening linkages between humanitarian and government services, including through the National Development Plan, the Poverty Reduction Strategy 2018-2022, the Social Protection Roadmap 2015-2019 and through the outcomes of a 2018 workshop between humanitarian actors, the Ministry of Labour and Social Affairs and the World Bank, with another workshop planned to review the recommendations. The ways forward emerging from these processes can provide the roadmap for further progress in this regard.

8. SOCIAL RELATIONS AND COHESION BETWEEN HOST AND DISPLACED COMMUNITIES IN KRI

Social cohesion between displaced and host communities in KRI is perceived as positive overall, however tensions have emerged – particularly as regards access to livelihoods.

8.1. SOCIAL RELATIONS AND COHESION BETWEEN DISPLACED AND HOST COMMUNITIES IN THE KRI

The vast majority of host community and displaced respondents stated that there were good relations between population groups. Similarly, the vast majority of respondents said that their experience working with host community members or displaced people was good, as it allowed them to meet new people and/or make new friends (14 respondents), gave them new experiences (14 respondents), and allowed them to learn about a new culture or language (13 respondents). These perceptions were largely consistent across population groups, and reinforced in interviews with implementers and government and local authorities.\textsuperscript{157} That being said, a few displaced and host community respondents indicated points of contention, these were the minority. For example, one woman in Domiz 1 refugee camp noted the quality of the experience depended on the employer, and a woman from the host community in Erbil reinforced that such interactions are often sensitive.

"According to my experience, there is no difference between us, and every person is judged according to his skills in the same field. But relations are good, and we learn about the traditions and customs of other groups of society and new cultures and acquire and exchange experiences and exchange ideas and cultures."

– Female IDP in Dohuk, employed formally

"According to my experience, it was a beautiful and wonderful experience to work with people from other countries and Governorates and learn about new cultures."

– Male host community member in Erbil, informally employed

"If the business owner is good and does not differentiate between a host society and a refugee, then there is no problem and there is no separation between workers. The matter depends on the employer himself."

– Female refugee in Domiz 1 (Dohuk), informally employed

"They do not agree with each other and there is no interaction. Dealing with each other is considered sensitive due to the different religions, sects and customs and traditions."

– Female host community member in Erbil, formally employed

A number of interviewed stakeholders noted the ‘shared Kurdish identity’ as a factor supporting the integration of Syrian refugees in KRI, with a government respondent stating that “most refugees are Kurds, so the relationship between them [and the host community] is very good. They get married and become business partners.”\textsuperscript{158} Comparatively, while host community and displaced

\textsuperscript{155} MERI. Durable Solutions for Syrian Refugees in the Kurdistan Region of Iraq. 2017.

\textsuperscript{156} EU. Graduation from social protection: What it means, how it works. May 2019.

\textsuperscript{157} Private sector respondents were not directly asked for their perceptions on relations, so their views are not reflected here.

\textsuperscript{158} This is also reflected in other studies: DRC, DSP, IMPACT Initiatives, IRC, NRC. Far From Home: Future Prospects for Syrian Refugees in Iraq. 2019.
respondents reported that relations between hosts and IDPs were also overall positive, some other literature highlights points of tension given their cultural differences (including language, as noted above). Particularly, previous research suggests that this has resulted in a lack of trust in hiring IDPs across different sectors in the KRI. This was also echoed by an NGO respondent, who highlighted historical grievances between Kurdish and Arab Iraqis. Reports indicate that IDPs are also sometimes viewed with distrust by host communities due to perceived links with armed groups.

Research further suggests that social interactions between displaced populations and host community are often limited to public places such as shops and schools. Employment equally provides a critical opportunity for interaction between groups; the vast majority of host community and displaced respondents worked in places that hired mixed displacement groups (36 of 51 respondents). This suggests that these public places – including those linked to employment services – and workplaces themselves can provide opportunities to build closer social relations between groups, but also need to be closely monitored as potential sources of tension.

8.2. SOCIAL RELATIONS AND EMPLOYMENT IN KRI

As noted above, workplaces are key locations for social interaction between displaced populations and the host community. Additionally, while respondents generally reported relations between displaced and host community members to be good, tensions around access to employment emerged as a key trend across interviews. For example, while eight out of eleven government and local authority respondents said that relations were good, six equally stated there were tensions linked to jobs, as one explained: “There is a tension between these groups because of the increase in job opportunities for refugees and IDPs more than the host community.” Research has similarly found that increasing pressure on the job market and the increasingly protected nature of internal displacement have also contributed to tensions.

The impact of COVID-19 and tensions surrounding high unemployment rates could further influence a potential increase in tensions. This concern was referenced by a number of key informants, including implementers who believed that while relations between groups were generally good, rising job competition could mean that social cohesion “might be a problem in the future.” Recent research further suggests that tensions towards IDPs and returnees have increased during COVID-19, including additional stigma against IDPs due to the perception that they are diminishing public resources and may be carrying the virus. While comparative research for relations between Syrian refugees and host community members was not available at the time of writing, UNHCR has highlighted that mounting economic pressures resulting from the pandemic are generating tensions and undermining social cohesion in the region. These pressures are compounded by restrictions in social cohesion activities linked to movement restrictions and public health concerns linked to COVID-19.

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160 ibid.
161 IOM. Social Cohesion of Displaced Populations and Host Communities in Iraq, 2017.
162 ibid.
165 ibid.
167 ibid.
On the one hand, the vast majority of host community and displaced respondents reported that making livelihood services available to all population groups was a positive way forward, with the most commonly reported reason being because it was considered ‘fair’ or an issue of ‘equality’ (30 of 62 respondents). However, this perception varied greatly by displacement category: it was reported by all refugee respondents in urban areas (8 respondents); over half of refugee respondents residing in camps (14 respondents); and half of IDP respondents (4 respondents). In comparison, while almost all host community respondents felt making services available to all population groups was positive, less than a third (6 respondents) indicated that this was an issue of fairness. With regards to access to employment services specifically, this picture becomes more nuanced. While IDP and host community respondents indicated that refugees should have equal access as them to livelihoods services, a significant number also stated that host community members and IDPs – as ‘Iraqis’ and nationals – should be prioritized.

Overall, this points to complex perceptions from host community respondents on the way in which employment service provision and access to livelihoods are divided between host and displaced populations. While most see more equitable and mixing of access to services as positive, the more limited lack of reference to equality or fairness and the more nuanced view in terms of mixing services could point to concerns that they will be disadvantaged in this regard. For example, this is reflected in a recent study on COVID-19 relief, where nearly half of respondents felt that all population groups should be treated equally and receive the same amount of support, including vulnerable and non-vulnerable groups, but a significant number (15%) also recognized the importance for caring specifically for IDPs and Syrian refugees.168

“Certainly, [shared livelihood services] should be a must. Refugees should have the same rights as the host community, so this is considered a service from the humanitarian point of view.” – Male host community member in Erbil, informally employed

“Certainly, it is good [to have shared livelihood services], and there will be more integration and acquaintance between them and cooperation in any type of these businesses, and everyone who has experience in a specific field will provide a benefit to the community, regardless of whether he is a refugee, displaced person or from the local community. – Male host community member in Erbil, SME owner

“[Shared services are good] from the humanitarian point of view, but the host community has the right to employment in the first place, and then comes the IDP’s and refugees.” – Female IDP in Dohuk, informally employed

“In government departments, refugees should not be employed, and in companies and organizations 75% must be employed from the host community or IDP’s, and 25% are refugees.” – Male host community member in Erbil, unemployed

8.3. SOCIAL COHESION CONSIDERATIONS IN GOVERNMENT SERVICES AND NGO PROGRAMMING

The close interlinkages between employment and social relations in KRI point to the need to closely analyse and monitor these considerations in planning and implementation of government services and livelihood programming. Several factors need to be taken into account to understand social cohesion within and between groups and between groups and the state and how these can be impacted (positively or negatively) by interventions. According to previous research, these factors include demographic history and diversity, governance and security, cost of living, shortage of livelihoods (including the impact of COVID-19) and the degree of community mobilisation for positive collective engagement.¹⁶⁹

Detail on the degree to which social cohesion considerations are integrated in government services and NGO programming were limited in interviews with key informants.¹⁷⁰ Most implementers reported that they considered social cohesion in the development and implementation of livelihoods programs and policies (8 of 12), however two implementers noted that the level to which social cohesion is integrated depends on the implementing partner and donor priorities. Social cohesion considerations included: targeting a mix of host and displaced populations, consultation and community awareness activities, and careful selection of the beneficiaries, both in terms of number and role in the community. On the latter, an NGO respondent noted in particular that the selection of beneficiaries should be based on needs, rather than displacement status. This is also a recommendation emerging from research in other countries, which suggests that implementing actors should increase targets based on needs or geographic areas, as this more likely to ensure that interventions are contextually appropriate and carry a shared benefit of services between groups.¹⁷¹

Figure 6: Social media and access to livelihoods in KRI

Social media emerged as a key area of support for accessing livelihoods and livelihood services in KRI. Social media was one of the primary methods reportedly used by displaced and host community respondents for employment support or advice, like finding a job or learning new skills (16 respondents). It was also a frequently noted source of information on NGO employment activities, such as trainings (7 respondents). At the same time, a technical and policy expert also highlighted the importance of social media as a tool for promoting small businesses, particularly for women entrepreneurs.¹⁷²

In addition to being a valuable source of information on opportunities for employment or skills development, social media has emerged as an important tool to promote social cohesion in the region.¹⁷³ Given access to livelihoods was referenced as a potential source of tension in responses, opportunities may therefore exist for monitoring trends in attitudes expressed on social media or other activities aimed at promoting social cohesion. This is reflected in one INGO respondent’s perception that there is a “need to focus on people’s mentalities” to address perceived preferences in hiring, and could include activities such as engaging local civil society actors on campaigns and positive reporting. For example, this could include stories of successful displaced and host community businesspeople in a range of sectors to promote job diversification and inclusion of all groups.¹⁷⁴

¹⁷⁰ Private sector respondents were not asked questions regarding this.
¹⁷² This has also been highlighted in research. See for example: NRC. Partner Presentation - Basra situational report and market assessment. Emergency Livelihoods Cluster Meeting Minutes. November 2019.
For government and local authority key informants, responses were more limited. However, two respondents reported social cohesion were considered in planning and implementation, with one noting specifically that they “[take] in consideration the location of the project to minimize tension.” The lack of clarity surrounding the degree to which these considerations are taken into account could be linked to earlier challenges surrounding the lack of clarity surrounding the inclusion of displaced populations in existing government services. Understanding the targeting of such assistance, in particular, would support in indicating the degree to which these are – and should be – considered.

When it comes specifically to monitoring, reporting and evaluation, five implementer key informants noted they included social cohesion indicators in their livelihood’s activities, while four noted they did not. Of those reporting they did not, half mentioned that generally these types of indicators are considered in social cohesion programming, but not consistently in livelihood activities. This suggests that while social cohesion considerations were often taken into account by implementers when designing their programming, monitoring and evaluating possible impact of program activities on social cohesion during and after implementation was less commonly reported.

Overall, it is worth noting that while there is limited information on how these considerations are integrated in programming as a whole, standards and guidance for conflict sensitive, quality programming list social cohesion as a consideration, which should be mainstreamed in responses to displacement and provide guidance on how this could be done. Operationally, guidance indicates this could include ensuring a conflict sensitive approach, involving populations from different background and legal statuses, while ensuring displacement related challenges are addressed and conducting genuine and thorough consultations and community engagement activities to match the services with the needs present. Given concerns that increasing pressure on the job market and employment services could impact these relations further, understanding, examining and addressing these dynamics at a localised level will be essential to safe, quality programming. This is especially true as camp closures and associated further returns are likely to create further shifts in dynamics surrounding perceptions surrounding access to livelihoods and assistance in 2021.

9. CONCLUSION AND RECOMMENDATIONS

Syrian refugees, IDPs and host communities in KRI face many similar experiences when it comes to accessing livelihoods and livelihood services in KRI – including being similarly affected by the impacts of COVID-19 – although displaced populations face additional challenges in many areas. Given the protracted nature of the displacement of Syrian refugees, and the added dynamics of protracted IDP displacement and increased return movements, access to livelihoods should continue to be a key priority for the response in KRI as a key determinant of self-reliance and resilience to support pathways to durable solutions. This is especially true as the impact of COVID-19 continues to limit or reduce livelihood opportunities and services in the region.

Sustainable access to livelihoods goes beyond simply access to jobs or income; it relies on factors in the broader environment surrounding the regulatory framework, access to employment and entrepreneurship, access to financial and employment services, and social cohesion. This research demonstrates that, while the policy and regulatory environment is generally enabling, lack of clarity or specific articulation of the rights of displaced population to work have contributed to confusion and implementation gaps, particularly potential differences as regards decent work outcomes.

Similarly, limited clarity on the levels of and policies surrounding the access of displaced populations -and refugees in particular- to employment and financial services and social protection – and the resulting confusion of key stakeholders and communities – reinforce differences in levels of access. This research indicates that refugees and IDPs often face additional challenges accessing sustainable and decent livelihoods, as well as related enabling services – including due to more limited capital and connections, transportation challenges, language barriers, and being more vulnerable to exploitative working conditions.

Overall, this suggests the need for further support aimed at strengthening national system capacity and reach, and the inclusion of displaced populations therein, with humanitarian and development activities continuing to play important roles in targeting the most vulnerable, supporting the resilience of communities and filling continued short and medium-term gaps in close coordination with broader systems and services. In order to support improved integration outcomes for displaced populations and increase the access to livelihoods of communities in KRI, the following recommendations are suggested based on the findings of this report. Recommendations have been collaboratively developed with key stakeholders, and endorsed through a process of review and validation workshops with implementing partners, donors, technical and policy experts and representatives from KRG.

RECOMMENDATIONS

Recommendations for the Government of Federal Iraq:

- Clarify pathways for the legal and long-term protection of displaced populations in Iraq, ensuring protections afforded to refugees and IDPs are clearly articulated in domestic law. This should include the ratification of the 1951 Refugee Convention and its 1967 Protocol, and ensuring its domestication in national legal frameworks.
- Ensure that sufficient financial resources are allocated to addressing the needs of Syrian refugees and their long-term protection.

Recommendations for the Government of KRI:

- Ministry of Interior with other relevant agencies, including the Ministry of Labour and Social Affairs, should conduct a review of the existing legal and policy frameworks relating to Syrian refugees’ and IDPs’ access to and rights related to employment and livelihoods. This would help to ensure clarity on frameworks, support information sharing and identify outstanding gaps to be addressed.
- Identify opportunities to include Syrian refugees in KRI’s regional agenda, policies and programs to ensure access to and enjoyment of rights. Policy and strategy frameworks, such as Vision 2030, should provide explicit guarantees that the rights of host community, IDPs and refugees, including Syrians, will be protected.
- The Ministry of Labour and Social Affairs should review regulatory and bureaucratic processes and costs for registering businesses with the aim to streamline procedures and facilitate business creation. Efforts should be accompanied by a clear communication strategy to ensure that business owners and individuals interested in starting a business can access the latest policies.
- The Ministry of Labour and Social Affairs should protect labour rights and promote safe and secure working environments for all workers. This should include investment in building the capacity of national monitoring mechanisms and be accompanied by awareness raising on employee rights and protections, with a focus on protections for vulnerable populations.
- The Ministry of Labour and Social Affairs (MoLSA) should invest in improving and expanding the services provided through the Employment Centres, with support from international partners, including by:
  - Establishing centres in areas accessible to Syrian refugees, IDPs and host community members. This includes expanding the centers into urban areas with a high proportion of displaced people and into refugee camps.
  - With community consultation on services needed, establishing the centres as one-stop-shops for services, providing a wide range of services including general information on employment services and opportunities, skills training, job linking services and guidance with permits and documentation processes.
  - Building a communication strategy to promote awareness of these services, including using social media and internet advertisements as key sources of information.

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178 This is also echoed in other strategy documents, see for instance: 3RP, Iraq Country Chapter, 2020. This is also echoed in: Global Compact on Refugees, 2018.
• The Ministry of Labour and Social Affairs should work with international partners to provide financial assistance, including direct cash grants, to COVID-19 affected SMEs and individuals including through resuming its loan scheme and opportunities to expand financial support for business creation and expansion.

• The Ministry of Transport and Communications should ensure that access to safe and affordable public transportation is available to all. MoLSA, with support from international donors, should address transportation barriers that limit access to livelihood opportunities and ensure that gender considerations are incorporated into the design.

• Provide an enabling environment for financial service providers to include displaced people into their service provision. This includes facilitating displaced people’s access to financial services, for instance through simplified documentation and procedures, and making sure relevant provisions are included in legal and policy frameworks and made available to the private sector.

Recommendations for international donors:

• Support the KRG’s and the Government of Iraq’s efforts to boost economic growth and promote the inclusion of Syrian refugees and IDPs by providing technical and financial support. International donors should prioritize interventions and strategies that boost job-creation and foster a more enabling environment for businesses and investments. This should include ensuring consultation with vulnerable populations to ensure interventions are conflict sensitive and support social cohesion.

• Integrate and prioritize livelihoods in COVID-19 response strategies, ensuring that vulnerable populations – including refugees in camps – are included. Strategies should include ensuring the integration of all COVID-19 response projects with existing responses and supporting implementers in identifying adaptive livelihoods programming measures in order to scale them up, especially for SMEs.

• Support national systems of service provision and meaningful outcomes for livelihoods and social protection in Iraq, including in KRI, for all. International donors should provide the necessary technical and financial support to the GoI and KRG and implementing partners to strengthen institutional capacities on all levels, integrate accountability for meaningful outcomes into livelihood interventions and policy frameworks including decent work, and improve access to quality services on livelihoods and social protection.

• Provide longer-term support for the provision of livelihood services and prioritize market-based programming, coordinating support and funding amongst the donor community while ensuring that livelihoods programming reinforces the whole market and enables the creation of businesses, infrastructure and jobs.

Recommendations for the UN:

• Identify relevant coordination spaces for information sharing on refugee-specific needs. The UN should continue to ensure efficient channels of communication and collaboration between implementing agencies covering livelihoods and basic needs, while making sure that refugee-specific needs and priorities remain on the agenda.

• Support the inclusion of Syrian refugees and IDPs in Governorate-, KRI- and national-level planning processes on livelihoods and private sector growth. The UN should ensure that the needs and priorities of both IDPs and refugees are considered in strategic government processes aimed at crafting policies and interventions on economic opportunities, social protection and wider development priorities.

• Review the provision of shared service delivery modalities for Syrian refugees and IDPs on livelihoods in KRI. The UN should embark on a process to review the similarities and differences between access to, and type of, services available to refugees and IDPs in KRI, in order to facilitate shared services where possible.

• Support efforts to review existing legal and policy frameworks on displaced peoples’ access to and rights related to employment and livelihoods.

• Promote the integration of decent work outcomes into livelihoods interventions and policy frameworks. Encourage the inclusion of positive outcomes, into livelihoods programs and strategic policy frameworks, in line with international labour standards.
• Coordinate contextual research and analysis to ensure interventions are contextually appropriate and responding to market needs.

Recommendations for operational agencies supporting livelihood services:

• Support an area-based approach to the provision of livelihood services, to better identify shared modalities for delivery, promote inclusion and pinpoint any remaining status-based differences and challenges.

• Ensure that livelihoods services targeted at displaced people are as much as possible integrated into already available public institutions and centers. Identify linkages between NGO-supported services and existing employment, business support and TVET centers administered by MoLSA.

• Adapt skills, entrepreneurship, and livelihoods services to provide a clear pathway to sustainable livelihoods and self-reliance, including integrated or holistic livelihoods programs that provide a combination of services, for instance protection, psycho-social, livelihoods and basic needs support, would help further such outcomes.

• Support SMEs’ resilience to the economic crisis, including with adaptive business development planning, including support to navigate market re-entry with bespoke services for financial inclusion, management, product development, market linkages and scaling up teleworking capacity and use of digital marketing.

• Integrate social cohesion indicators into livelihoods program design, implementation and evaluation.

RECOMMENDATIONS FOR THE PRIVATE SECTOR:

• Explore strategies to promote the financial inclusion of refugee and IDPs. Banks and financial service providers should explore strategies to promote economic inclusion, including (1) providing clear guidelines and instructions to staff on Know Your Customer regulations and displaced people’s inclusion in the formal banking system, (2) expansion of access to mobile wallets and their use in the marketplace.

• Explore creative recruitment channels, such as virtual ‘job fairs’ in secondary, college and TVET institutions.

• Enable dignified employment for refugees, IDPs and host communities, and coordinate with the Ministry of Labor and Social Affairs on ensuring safe and secure working environment for all workers.