SYRIAN REFUGEE CAMP LIVELIHOODS ASSESSMENT ERBIL GOVERNORATE, KURDISTAN REGION OF IRAQ

Qushtapa, Kawergosk, Darashakran and Basirma

Danish Refugee Council (DRC) Erbil, KRI – December 2015

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ACKNOWLEDGMENTS

This document was produced with the financial and technical support of UNHCR and DRC Iraq. The work represents the tireless dedication and teamwork of many individuals, and while it is impossible to thank everyone who contributed to this research. First and foremost, this study owes a great debt to the four Syrian Refugee Camps in Erbil namely Darashakran, Barsima, Quashtapa and Kawergosk refugee camps community: its young men and women, their parents, and their community members who were generous with their time, information and stories and the staff of NGOs and other service providers who all contribute every day to creating a better reality for all Syrian refugees in the camps. Without their support, this study would not have been possible An earnest gratitude is also due to every single member of DRC's livelihoods and camp coordination and management team in Erbil, Iraq who supported the assessment technically, providing logistics, transportation, space to the research team and field support throughout their study. Their tireless dedication and teamwork have greatly assisted the quest for information and continue to work towards alleviating the situation on the ground for KRIs most vulnerable populations. Our deepest appreciation also goes to the Erbil Refugee Council and to everyone who helped write, edit, review, discuss and design this report. Special thanks go to the research team, Hazhar Hasan Abdullah, Aws Kajo and Farshid Shaho, who did an exquisite job collecting and entering data in a limited time, diligently enduring the hot weather and a psychologically tough environment, and maintaining the utmost empathy and respect for everyone who crossed their path in the field.

***Moses Kondowe** and **Kristin Smart** - DRC Livelihoods Department - Iraq*

LIST OF ACRONYMS

DRC	Danish Refugee Council
ERC	Erbil Refugee Council
FGD	Focus Group Discussion
GPS	Global Positioning System
HC	Host Community
IDP	Internally Displaced Persons
IQD	Iraqi Dinar
ISIL	Islamic State of Iraq and the Levant
KII	Key Informant Interview
KRG	Kurdistan Regional Government
KRI	Kurdistan Region of Iraq
MOLSA	Ministry of Labour and Social Affairs
MoU	Memorandum of Understanding
MSME	Micro, Small, Medium Enterprises
MSNA	Multi-Sector Needs Assessment
NFI	Non-food Item
NGO	Non-Governmental Organization
ODK	Open Data Kit
PDS	Public Distribution System
3RP	Regional Refugee Resilience Plan (3RP) for Iraq
UNDP	United Nations Development Program
UNHCR	United Nations High Commissioner for Refugees
USD	United States Dollar
WASH	Water, Sanitation and Hygiene
WFP	World Food Programme

Spare parts shop in Darashkran Refugee Camp, Erbil, KRI

EXECUTIVE SUMMARY

As the conflict in Syria enters its fifth year and shows no signs of ending, refugees continue to seek asylum in neighboring countries. For the 245,134 Syrian refugees currently residing in the Kurdistan Region of Iraq (KRI), this also means no foreseeable option to return home. Given the protracted nature of the conflict in Syria, the Regional Refugee Resilience Plan (3RP) led by humanitarian and Government agencies has shifted away from an emergency response plan to a strategy addressing the long-term development needs of refugee and hosting populations.

In Iraq, this situation has been compounded by the current ISIL crisis that began in 2014 and continues to displace hundreds of thousands of Iraqis. Over 3 million individuals have been internally displaced since the start of the conflict in Iraq, and as of November 2015, 873,000 are residing in the KRI alongside the Syrian refugee population[1]. In this context, whereby a massive influx of IDPs and refugees has placed additional pressure on basic services, infrastructure and employment, a shift towards a resilience-based approach is essential[2].

Among the refugee population of KRI, 38.6% (94,620) are living within aid-supported camp settings with unsustainable access to basic services, food shelter and wash aid, however with some access to livelihoods opportunities or well established market systems, in comparison to refugees living among the hosting communities[3].

This report, developed with the support of the United Nations High Commissioner for Refugees (UNHCR), draws on the findings from three livelihoods assessments completed by the Danish Refugee Council (DRC) across 2015 for camp-based refugees in the Erbil governorate, KRI. The overall objective of this report is to identify resilience-building interventions aimed at contributing to stronger self-reliance and sustainable livelihoods for camp-based refugees. The specific objectives of the assessment are to:

I. Identify opportunities for sustainable livelihood interventions that prioritize building resilience for camp-based refugee populations.
II. Provide insight into the business markets within each of Erbil's four refugee camps and propose clear recommendations on developing strong and stable markets in the camps.
III. Explore the skills and qualifications held by Syrian refugees residing within the camps.
IV. Assess local labor markets accessible from the camps, as well as opportunities or barriers for camp-based populations to enter these markets.

1 IOM. Disaster Tracking Matrix (DTM) Iraq, DTM Tracking Round Update. October 2015.
2 UNHCR. Iraq Regional Refugee and Resilience Plan 2015-2016 in Responding to the Syrian Crisis. 2015.
3 REACH Initiative. Multi-sector Needs Assessment of Syrian Refugees Residing in Camps. March 2015.

KEY FINDINGS AND RECOMMENDATIONS

This report presents findings and specific recommendations from the Camp Business Market Mapping, Rapid Skills Survey, and Local Labor Market Assessment completed between May and September 2015 by the DRC Erbil Livelihoods team.

Key findings and recommendations detailed out in the report include:

Camp Business Market Mapping

1. Small businesses within the camp are well established, with 717 small businesses operational across the four refugee camps of the Erbil governorate. These businesses have links to external markets and internal suppliers locally within the camps and provide a sustainable source of income to business owner households, as well as offer basic goods and services as demanded by camp residents. However there are gaps in the business management practices by business owners and in the capacity of businesses to link with financial institutions and other capital building mechanisms.

- ***Recommendation: Support the further development of existing businesses by building financial capacity and business management practices, linkages to credit and financial markets, and formalizing supplier and wholesale market relationships.***

2. Small businesses provide access to income for business-owning households. The monthly profit of shop owners averages USD 309 per month across the camps surveyed. This is slightly less than the REACH MSNA findings on average monthly household income for camp-based populations of USD 344[4]. Although the shops have a multiplier effect through the spread of cash and goods across the camp, the direct effects of the income provided remain at the household-level by the business-owning household. The majority of surveyed households employ other household members, and very few businesses employ other camp residents, thus limiting the direct income effect on other households.

- ***Recommendation: Establish access to credit and systems to build small businesses into medium-sized market ventures with the capacity to employ outside the immediate household. Include incentives in programs supporting businesses for businesses to employ additional staff when possible.***

3. The majority of businesses within the camps are small-scale retail and grocery shops (65%). When compared to findings on profitability and market demand, retail businesses provided the least amount of profit to the business owners, at USD 202 per month, which is below the REAHC MSNA camp income average of USD 344 per month. This indicates a state of saturation in the camps of retail and grocery sector businesses. In comparison, service and manufacturing businesses provided a higher monthly profit at USD 320 and USD 407, respectively. Manufacturing and service businesses were also cited as types of businesses that are mostly demanded by camp residents.

- ***Recommendation: Support to new micro and small businesses within the camps should be focused on service and manufacturing businesses, since both fill a gap in the market and provide an effective income to the household.***

Rapid Skills Assessment

4. Camp residents prior to departure from Syria were mainly working in full-time employment (76%) in semi-skilled jobs (64%) across the vocational and professional sectors. The most commonly cited semi-skilled sectors for previously held employment were: vehicle operations, masonry, black smith, and

4 REACH Initiative. Multi-sector Needs Assessment of Syrian Refugees Residing in Camps. March 2015.

retail services. However, over a third of respondents surveyed (34%) stated work experience in unskilled labor prior to their departure from Syria, indicating a limited skill set from which to gain livelihoods support.

- ***Recommendation: Livelihoods programs need to be fully assessed and built on the existing skill sets of Syrian refugees, as per normal best practices in livelihoods, particularly for existing skills and capacities in vocational trades. However, tailored support to individuals without a pre-existing skill set should also be provided in parallel to ensure that those without vocational or professional skills can access sustainable livelihoods.***

5. Nearly one in every 16 respondents (6%) was a student in higher educational intuitions before departing Syria. This group of young people, mainly aged 20-25 years, has not since been able to access education or employment and remains larger unemployed. In addition, 47% of respondents had completed secondary school or higher prior to arrival to the KRI, indicating a largely educated and literate camp-based population.

- ***Recommendation: In coordination with Education sector partners, identify solutions to engage camp residents previously engaged in higher education in similar certified or qualifications-based training or educational programs. Livelihoods agencies should also capitalize on highly educated and literate individuals within the camps with the capacity to engage in a range of livelihoods activities.***

Local Labor Market Assessment

6. There is a limited capacity of the labor markets in the areas around Kawergosk, Darashakran and Qushtapa camps to absorb any additional labor force from the camps. However these camps are well connected and in close proximity to Erbil and can feed into the urban labor market within the city center. In addition, there is room for labor-intensive sectors, such as value-added processing and agriculture, to be developed around the camps.

- ***Recommendation: Strengthen the networks, both social and physical, which improve access to employment opportunities within Erbil city center, including on-the-job training, entrepreneurship programs and job placements. At the local level, support the development of value-added markets and the agricultural sector in order to build new markets that can absorb local employment.***

7. Residents of Basirma camp have difficulties in accessing Erbil city center employment, however they can easily access the nearby town center of Shaqlawa where employment opportunities do exist. Employment in the service, retail, and construction sectors in Shaqlawa is available, particularly during the peak holiday months, as Shaqlawa is a domestic tourism destination.

- ***Recommendation: Develop public-private partnerships with private sector employers in Shaqlawa to create access to local employment for Syrian camp-based refugees residing in Basirma through job placements and entrepreneurships.***

INTRODUCTION

As of October 27, 2015, the United Nations High Commissioner for Refugees (UNHCR) had registered 245,134 Syrian refugees residing within Iraq. The majority (98%) of the refugees is residing in the Kurdistan Region of Iraq (KRI)[5]. With the conflict in Syria entering into its fifth year, with no end in sight, the opportunity to return home to a war-torn country is still a long way off for the majority of Syrian refugees. In this context, whereby KRI is also hosting 873,000 displaced Iraqi from the ISIL crisis within Iraq, a focus on building self-reliance and access to basic needs is a critical step toward improving the living conditions for vulnerable displaced populations, as well as allowing them to be able to plan and build assets for the future. This is important particularly in camp-based settings, where aid in support of the camps cannot be sustained in the long-term and alternatives to camps are needed.

As per the REACH Multi-Sector Needs Assessment (MSNA) for camp-based Syrian refugees completed in March 2015, only 30% of camp residents have access to regular monthly salaries, while 70% rely on daily income through casual and short-term labor[6]. Among the 62% of surveyed households that reported problems in accessing employment, the most commonly cited reason was an increased competition for livelihoods. Given this context of limited livelihoods opportunities and minimal access to markets, DRC with the support of UNHCR completed three livelihoods assessments across the four Syrian refugee camps of Erbil between May and September 2015 - Camp Business Market Mapping, Rapid Skills Survey, and Local Labor Market Assessment. The overall objective of this combined assessment report is to identify resilience-building interventions aimed at contributing to stronger self-reliance and sustainable livelihoods for camp-based refugees.

DRC has been a leading agency in livelihoods interventions in Iraq and in the region since 2004, with the opening of the DRC Iraq country office. Since 2013, DRC has been engaged in livelihoods support to camp-based Syrian refugees across the KRI with innovative livelihoods programming including small business development, entrepreneurship and job matching programs, vocational and professional skills trainings, and provision of household level business start-up kits. DRC is committed to building an evidence-based approach to inform livelihoods programming and building on lessons learned, in order to develop higher impact sustainable interventions aimed at building self-reliance at the individual, household, community, and local governance levels. The findings of this assessment report directly inform DRCs' livelihoods strategy for 2016.

5 UNHCR. Syrian Refugee Response Inter-agency Information Sharing Portal, Iraq Syrian Response Stats. Accessed: November 1, 2015.
6 REACH Initiative. Multi-sector Needs Assessment of Syrian Refugees Residing in Camps. March 2015.

One of the retail shops established under the Small Business Grants project in Barsirma Refugee Camp, Erbil, KRI

ASSESSMENT OBJECTIVES

This assessment report aims to build on existing studies and reports in order to identify opportunities for resilience-building interventions aimed at contributing to stronger self-reliance and sustainable livelihoods for camp-based refugees. The specific objectives of the assessment are to:

I. Identify opportunities for sustainable livelihoods interventions that prioritize building resilience for camp-based refugee populations.
II. Provide insight into the business markets within each of Erbil's four refugee camps and recommendations on supporting the development of strong and stable markets in the camps.
III. Explore and build an understanding of the skills and qualifications held by Syrian refugees residing within the camps.
IV. Assess local labor markets accessible from the camps and opportunities or barriers for camp-based populations to enter these markets.

METHODOLOGY AND LIMITATIONS

This assessment report uses both qualitative and quantitative primary data collection and analysis to build on the findings of three previous studies completed by Save the Children, REACH Initiative and the Middle East Research Institute on resilience and livelihoods with the camp-based Syrian refugee populations of KRI:

- Save the Children. Youth Labor Market & Entrepreneurship Opportunities in the KRG Assessment (May 2014);

- REACH Initiative. Multi-sector Needs Assessment of Syrian Refugees Residing in Camps (March 2015); and

- Middle East Research Institute. Pathways to Resilience for Syrian Refugees Living in Camps in the Kurdistan Region of Iraq (August 2015).

Data was collected by the DRC Erbil-based Livelihoods teams between May and September 2015 both through paper and electronic data collection tools i.e. Open Data Kit (ODK). Quantitative data from across all four camps was cleaned, analyzed and compiled with qualitative data from Focus Group Discussions (FGDs) and Key Informant Interviews (KIIs). Given that each assessment within this report required a different methodology, information on the methodologies and limitations for each are detailed out in the relevant sections below.

CONTEXT OF ERBIL SYRIAN REFUGEE CAMPS, KRI

Currently 245,134 Syrian refugees are residing within Iraq. The majority (98%) of these refugees is residing in the Kurdistan Region of Iraq (KRI), with 38.6% in camps[7]. The 94,622 camp-based refugees are living in the nine government-established refugee camps across KRI. In total, Erbil governorate hosts 111,945 Syrian refugees, with 27% or 30,668 camp-based individuals living across four camps established within the governorate[8].

Regarding access to income, 87% of camp-based refugee households across KRI reported earning an income. Although this figure is relatively high, the majority (70%) of those reporting an income were reliant on casual or irregular wage labor. This figure for access to income (87%) has also remained stagnant since May 2014, as reported in the previous REACH MSNA camp assessment[9]. In the March 2015 REACH MSNA, among the 67% of respondents that reported a difficulty in accessing income, the most commonly (60%) reported one was difficulty in accessing employment due to labor market competition[10].

The Syrian refugee camps in Erbil governorate were opened in 2013 with the first large movements of Kurdistan Syrians into KRI. As per the table below, the four refugee camps of Erbil are currently home to 30,668 refugees, representing 27% of the total number of refugees within the governorate.

Kawergosk, Darashakran, Basirma and Qushtapa, are all within 1.5-hour drive from Erbil city center, the capital of the KRI and a bustling economic hub for Northern Iraq and the region. The furthest camp, Basirma has limited access to Erbil, however Kawergosk, Darashakran and Qushtapa are closely accessible and with linkages to Erbil city center markets and employment opportunities.

TABLE 1: GENERAL ERBIL CAMPS INFORMATION

Camp	Population	Location	Areas of Origin of the Refugees	Opening Date
Kawargosk	10,370	Khabat, Erbil	Majority is from Qamishly in Syria	15-8-2013
Darashakran	10,082	Khabat, Erbil	Majority is from Qamishly and Aleppo in Syria	29-9-2013
Basirma	3,506	Shaqlawa, Erbil	Majority is from Qamishly and Hasaka in Syria	26-8-2013
Qushtapa	6,710	Qushtapa, Erbil	Majority is from Qamishly, Diralok and Hasaka in Syria	19-8-2013

7 UNHCR. Syrian Refugee Response Inter-agency Information Sharing Portal. Accessed: November 1, 2015.
8 Ibid.
9 REACH Initiative. Multi-sector Needs Assessment of Syrian Refugees Residing in Camps. March 2015.
10 Ibid.

Map 1: Location of the four refugee camps in Erbil

One of clothing shops supported by DRC in Darashkran Refugee Camp, Erbil, KRI

CAMP BUSINESS MARKET MAPPING AND ASSESSMENT

DRC, as part of its livelihoods strategy in Iraq, has been supporting the establishment of small businesses and market support in Syrian refugee camps across the KRI since 2013. Markets established within each of these camps are at the heart of a bustling economy, yet current knowledge of the types of goods and services available and the dynamics of these markets is limited. Given its significance for the livelihoods of camp residents, impact on the wider economy and implications on service provision, as well as planning and coordination for humanitarian actors, DRC with the support of UNHCR conducted an assessment of all locally owned small businesses across all four Syrian refugee camps in Erbil Governorate between June and August 2015. The Business Market Survey aimed to assess the business and market environment for shops operational within each camp. Across the survey period, 717 micro businesses were assessed.

Objectives of the Survey

1) Understand the camp business markets, gaps and opportunities.
2) Assess the economic benefits of the small businesses established in the camps.
3) Determine which businesses are most profitable and why.
4) Understand the challenges, constraints and opportunities faced by shop owners in business development.
5) Provide recommendations to sustainably improve the businesses and markets within the camps.

Key Findings and Recommendations

Overall, the assessment found a strong link between small businesses and the economic wealth of the household, particularly for businesses in the production, manufacturing, or services sectors. However, the assessment also found market saturation of small grocery and retail shops. In addition, findings support a need to build on existing business and market capacities by strengthening the business practices among business owners, establishing support capital and credit building mechanisms, and through linking business into wider markets outside the camp setting. Key findings detailed out below include;

- A strong business market environment exists within the Syrian Camps of Erbil with 717 small businesses operational across four camps. Kawergosk has the highest number of open businesses (253).
- The majority of operational businesses have been open for 10 months or longer. For those that were no longer operational, the most commonly cited reasons were increased competition and lack of profitability.
- The majority of businesses (65%) are retail businesses, followed by services (27%) and manufacturing (8%).
- When compared to findings on profitability and market demand, retail businesses provided the least amount of profit to the business owners, at USD 202 per month, while service and manufacturing businesses provided a higher monthly profit at USD 320 and USD 407 per month, respectively. Camp residents cited manufacturing and service businesses as types of business that are most in demand. This suggests that future support to small businesses within the camps should be focused on service and manufacturing sector businesses, both of which fill a gap in the market and provide an effective income to the household.
- Business growth and viability is limited by both a worsening economic situation and a lack of business management skills among business owners. Although the majority of business owners (60%) reported limited use of some good business management skills, the adoption of good practices of business is limited to record-keeping with very little knowledge among business owners of budgeting, marketing and stock management practices.
- The lack of financial intuitions and credit options within the camps limits the capacity of businesses to invest, build assets and capital, and develop sound financial management practices.

- The majority of businesses have links to Erbil-based wholesale suppliers (58%), while 38% reported buying stocks and supplies from suppliers within the camps. This suggests both a strong link to Erbil markets and the development of an internal suppliers' market within the camps. This was further supported by the finding that small business owners often buy stocks on credit and pay off their debt monthly.

Methodology

The survey was done through field interviews with the small business shop owners, focus group discussions (FDGs) with camp residents, as well as interviews with key informants (KIIs) in each camp. The interviews with the shop owners were done through assessment questionnaires consisting of sixty (60) qualitative and quantitative questions. The questionnaire was made up of three sections. The first section was about basic household demographics of the business owner. The second section was about the business itself, with the questions related to the business management and value. The last section was about the economic situation of the business with detailed questions related to profits and income. The survey was conducted by the DRC Livelihoods team with the help of six (6) enumerators selected from the camp population. The enumerators completed training prior to starting the data collection and were paid daily allowances as Cash for Work throughout the duration of the survey. The assessment was done within a three-month period, from June to August 2015, with some delays faced during Ramadan. The field teams spent between five and ten days collecting data from each camp to ensure businesses that were closed one day but open another could still be included in the survey.

The teams started by talking with the camp representatives to collect information on any registered or official business to be surveyed and then began a shop-by-shop assessment through a system of walking around each section of the camp and surveying all operational businesses in each of the sections. If a business was found but was closed during the walk-through survey, the team returned to the same location the next day to collect the missing information. Data collection for the interviews with shop owners was done electronically using the Open Data Kit (ODK) software on mobile phones. The ODK system allows for offline collection of data in the field (without internet connection) and then the information can be uploaded to the database when the teams have internet access. This ODK application has the added advantage of recording GPS and pictures with all the data for the interview being collected at once.

In addition, FGDs were conducted with groups of 12 heads of households selected randomly from the residents of each camp. KIIs were also conducted with the camp administration, camp council and other NGOs working inside the camps. All qualitative feedback was summarized in analysis matrices in order to ease the identification of business categories in all camps.

TABLE 2: DATA COLLECTION

Data Collected	Total Open Businesses in All Camps	Qushtapa	Darashakran	Kawargosk	Basirma
Business Market Survey	717	176	179	253	109
Key Informant Interviews	20	5	5	5	5
Focus Group Discussions	4	1	1	1	1

Limitations and Challenges

Data from stationary shops and mobile shops was collected whenever they could be identified. Given a lack of formal business registration systems within the camps, mobile businesses (including services such as transport) have not been included fully in the study as they could not be found or identified within the data collection period.

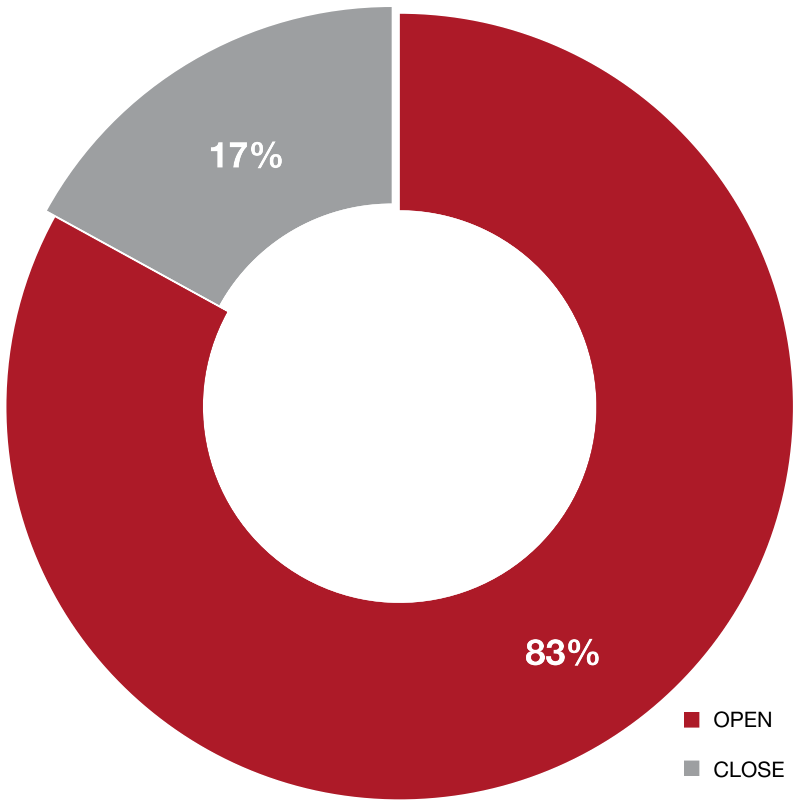
In addition, the World Food Programme (WFP) voucher shops operating in the camps, owned by external parties, were not considered as part of the survey due to their size and specific operational system. However, as a provider of food items, the WFP voucher shops do have an impact on the local market systems within the camps that has not been fully considered in this assessment.

Summary of Findings

1. Status of Operational Small Businesses

In this survey, there were 803 businesses within the camps, in total. Out of these, 83% (717) were operational, while 17% (86) of the businesses had closed. The major reasons cited for these closings were mainly poor returns on profit and a few cases of migration of the business owners to Europe.

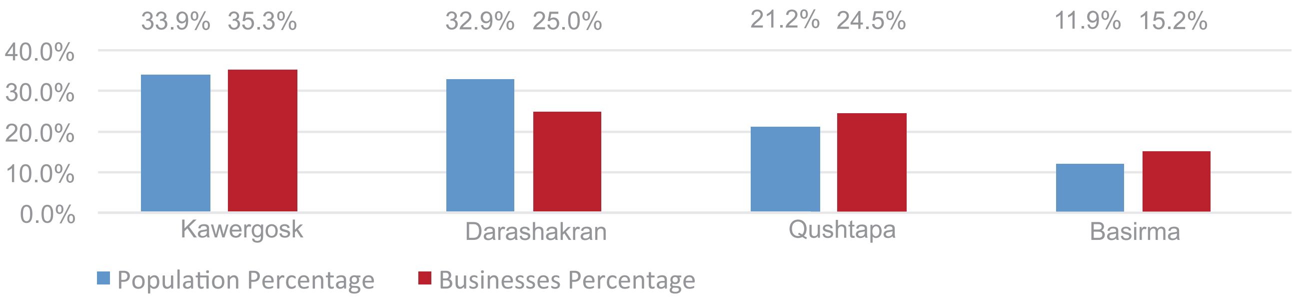
Figure 1: Status of operational small businesses



2. *Business to Population Ratio in each Camp*

The business to population ratio in Basirma, Kawergosk and Qushtapa camps illustrates that there is a significant number of businesses in comparison to the population of the camps. For example, as illustrated below, Kawergosk hosts 34% of the total Syrian camp-based refugee population of Erbil, and it has more than 35% of total Syrian refugee owned businesses across the camps. This equates to 40 persons (customers) per shop opened in Kawergosk. In comparison, Darashakran Camp hosts nearly 33% of the total Syrian camp-based refugee population of Erbil, yet it has only 25% of total Syrian refugee owned businesses across the camp. This equates to 58 persons (customers) per shop opened in Darashakran. Overall, this indicates a slight saturation of businesses, in particular retail and small groceries, across Basirma, Kawergosk and Qushtapa camps, as discussed further below. However, in Darashakran the findings show a smaller portion of businesses opened in comparison to the size of the camp, and there is minimal room to introduce new businesses.

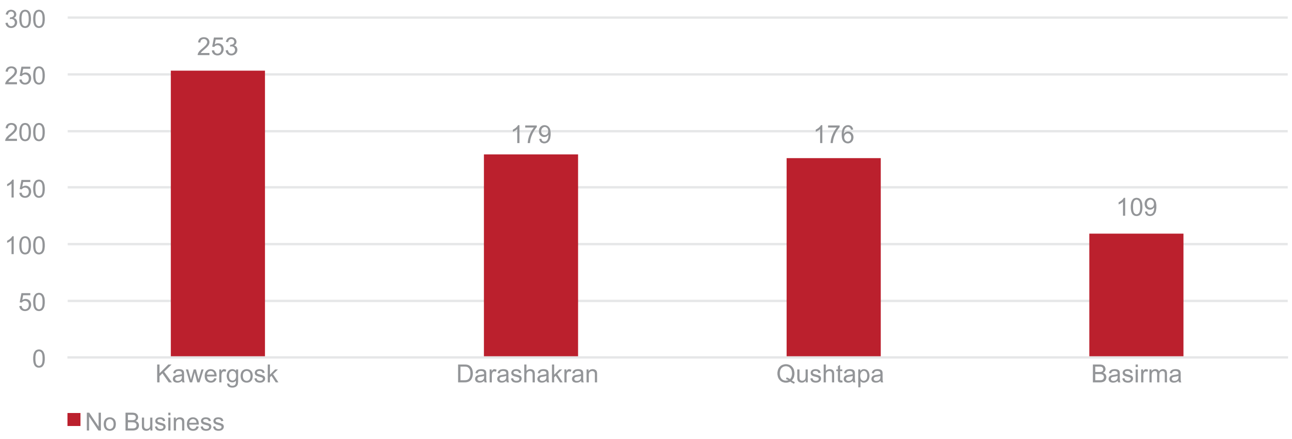
Figure 2: Business to population ratio in camps



3. *Number of Operational Businesses*

There was a total of 717 small businesses that were operational across all four refugee camps at the time of the survey data collection. Kawergosk has the highest number of open businesses (253), whilst Basirma has the lowest number of open businesses (109).

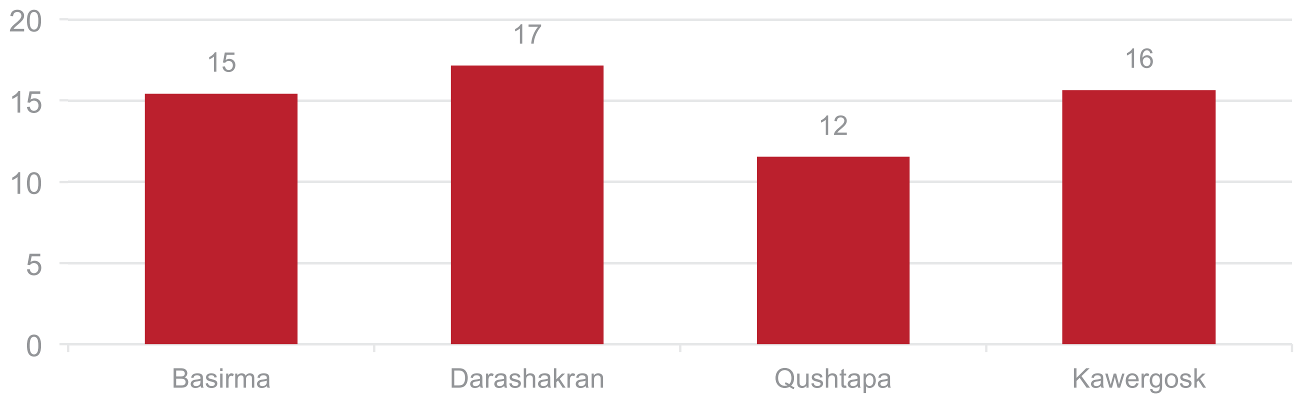
Figure 3: Number of small businesses operational in the refugee camps



4. Duration of Business Operation

Most businesses in the camps have been operational for at least ten months. In Darashakran businesses had been operational slightly longer, for an average of 17 months. On average, most businesses in the camps were established soon after the initial opening of the camps in order to provide basic goods and services to the population in the camps.

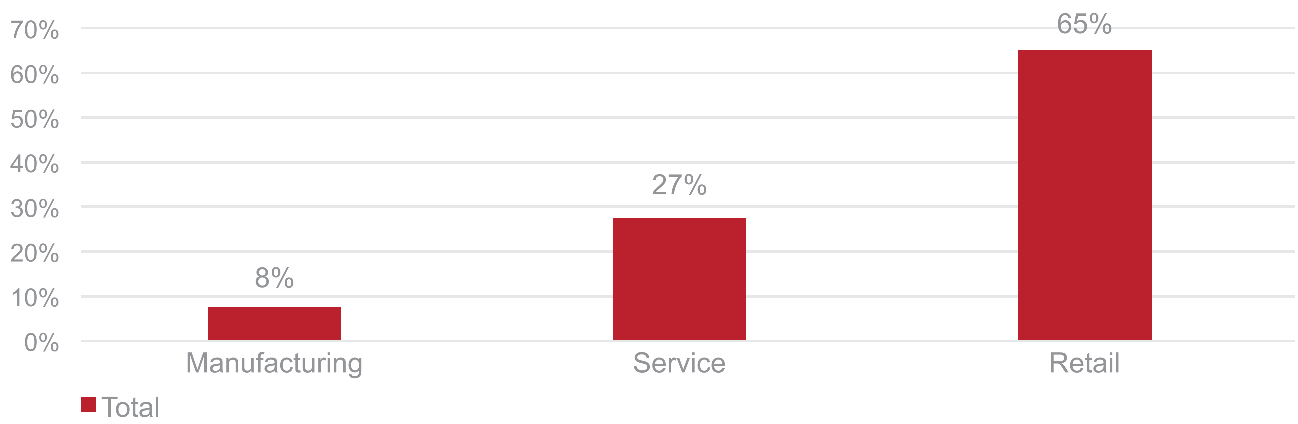
Figure 4: Duration of operation of businesses (in months) in the camps



5. Business Types

There are three main types of business shops in all camps that can be grouped into; 1) production/ manufacturing, 2) retail and 3) service businesses. A total of 65% of businesses are involved in retail businesses, 27% are involved in services, and 8% are involved in production activities. Retail shops are mainly selling basic household food and non-food items for household consumption. Service businesses in the camps are mainly hair salons and phone credit and repair shops. Production/manufacturing businesses in the camps are mainly bread making and tailoring.

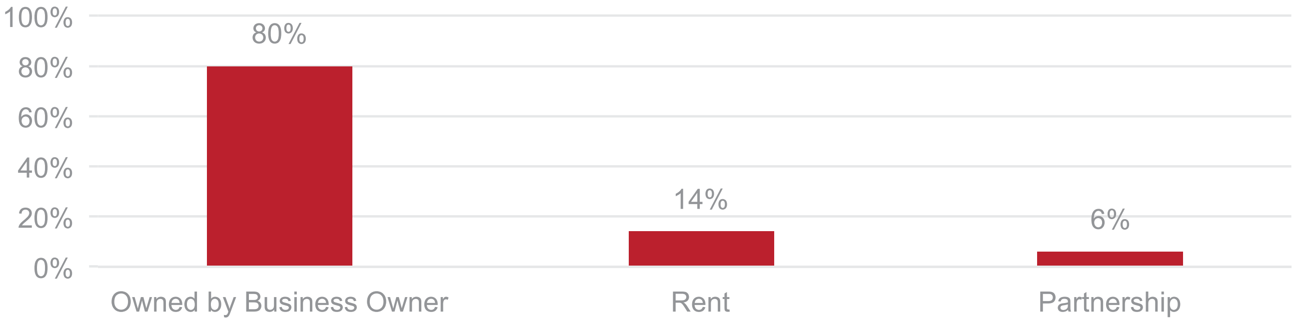
Figure 5: Main business types in the camps



6. Ownership of Businesses

On average, 80% of businesses in camps are being run by their sole owners, 14% of the business owners are renting the shops, while 6% of businesses are owned in partnership.

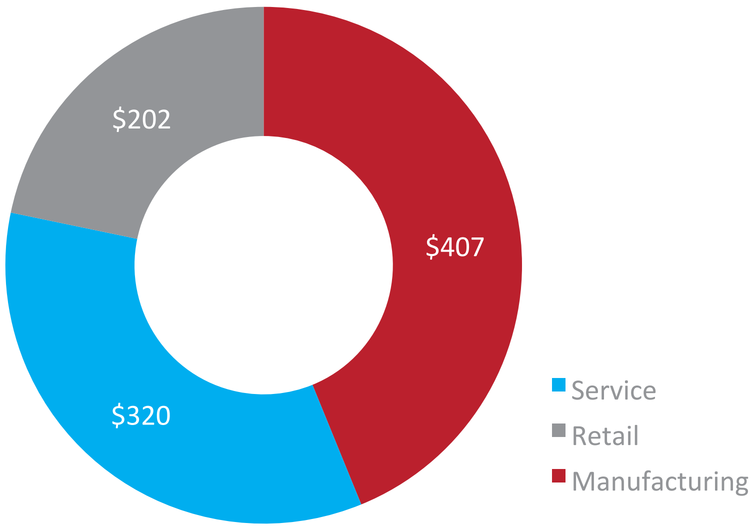
Figure 6: Business ownership arrangements in the camps



7. Profitability of each Business Type

Results from the business owners' interviews show that production and service businesses have the highest profit margin per month. On the lowest side of the profit margin are the retail businesses with the least profit per month due to the high number of these types of businesses inside the camps. Key informant interviews also indicated that service and manufacturing businesses are in short supply, yet in high demand within the camp. This information, plus the findings that indicate service and manufacturing businesses are more profitable than retail businesses in the camps, indicates a need to support the development of manufacturing and service sectors within the camps.

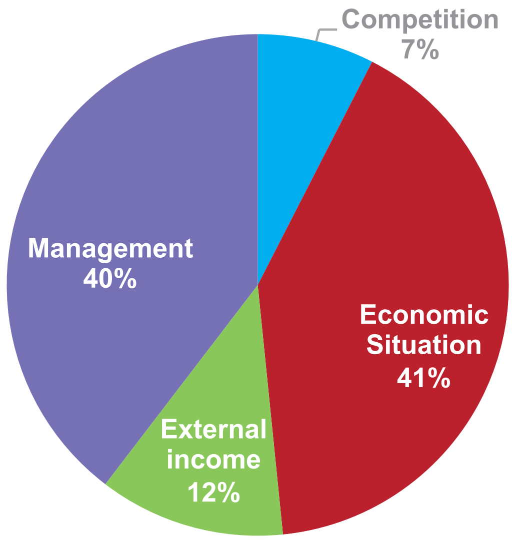
Figure 7: Average monthly profitability of each business type



8. Factors Affecting Small Businesses Viability

Inflation and limited business management skills are affecting the viability of most businesses in the camps. As illustrated below, the majority of respondents reported the worsening of the economic situation (41%) and the lack of business management (40%) as the two main factors negatively affecting business performance. This is partially explained by the worsening economic conditions in Iraq, faced with financing an internal conflict, dropping oil revenues, reduced private sector investment and drained government resources available for paying salaries.

Figure 8: Main factors affecting small businesses viability



9. Customers

The average customer to business ratio is 40.9 across all the camps. The average household size in all four camps is 5.3[11]. Interview results also indicate that customer flow is affected by the proximity of the businesses to services within the camp that attract a higher traffic of people, proximity to areas with more dense populations, and the type of goods available. As indicated in the table below, on average, each family in the camps is spending approximately USD 60 per month in the small locally owned businesses with an average income per business of USD 472 per month.

TABLE 3: AVERAGE NUMBER OF CUSTOMERS' SPENDING MONEY IN THE SHOPS PER MONTH

Variable	Unit	Result
Average number of customers visiting each shop per month	People	254
Average amount of cash spent by each Individual per month – Cash Flow	USD	11.4
Average amount of cash spent by each family per month – Cash Flow	USD	60.5
Average gross income for each business per month	USD	472
Total number of businesses in the four camps	Number	717
Average customer business ratio (Customers / Business)	-	40.9
Average household size	Number	5.3

11 KRI UNHCR Report, December 2014

10. Average Business Income per Month

Qushtapa Camp has the highest average income per business on a monthly basis at USD 753, whilst Kawergosk reported the lowest income, at USD 209. This is mainly attributable to the fact that there are more service and production businesses in Qushtapa as compared to Kawergosk Camp. When comparing NGO-supported and established businesses and self-established business based on their average income per month, non-NGO supported businesses are performing better, on average, than NGO-supported businesses in all four camps. These findings are significantly higher than the ones from the recent REACH MSNA (2015) which found that in the Erbil governorate the average income per household totaled USD 344[12].

TABLE 4: MONTHLY AVERAGE INCOME OF BUSINESSES PER CAMP			
Refugee Camp	Non-NGO Supported Businesses (USD)	NGO Supported Businesses (USD)	Average Business Income per Camp (USD)
Darashakran	700	494	643
Qushtapa	957	401	753
Basirma	472	242	351
Kawargosk	212	201	209
Average	**585**	**335**	**489**

11. Change in Business Value in 2015

Qushtapa Camp has the highest reported increase (51%) in business value this year, followed by Kawergosk camp. As mentioned above, key informant interviews indicated that this may be attributed to the fact that there are more production and service businesses in Qushtapa than in other camps, as well as because of the high proportion of Qushtapa residents employed in Erbil who have access to some income to spend within the camp-based markets. This is in stark contrast to Darashakran that reported very low growth (7%) this year.

12. Education Levels of Business Operators

Most of the business operators (55%) reported having primary level of education. Limited levels of literacy may affect the way businesses are run with restricted capacity for documentation, management and accounting.

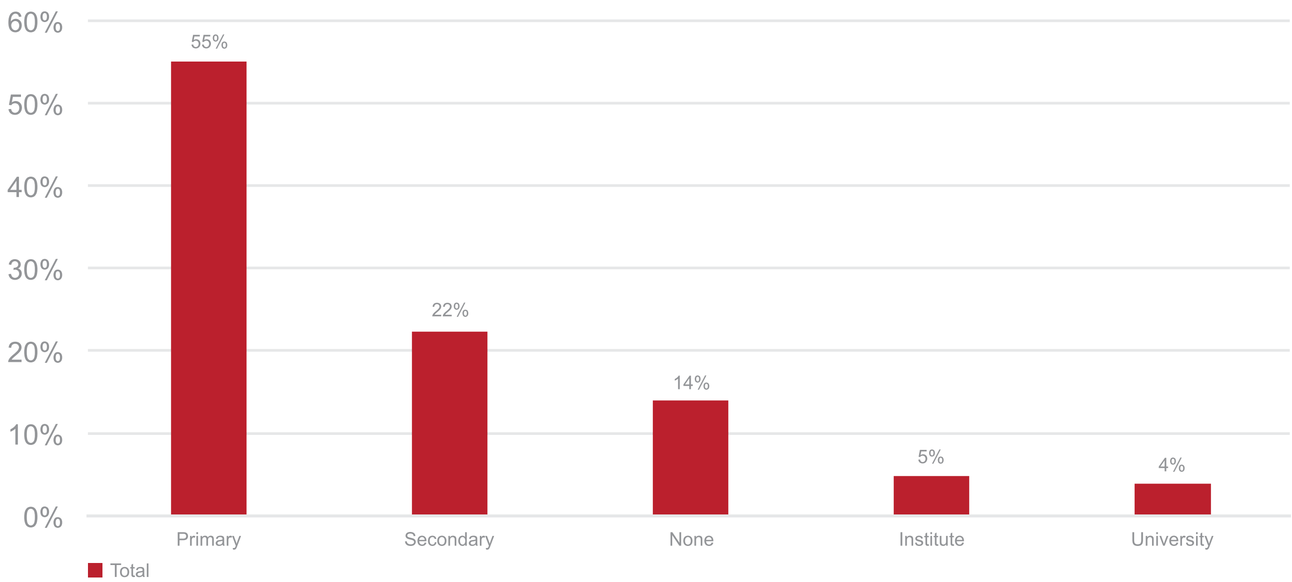
13. Business Management Skills Practices

Most business operators reported limited use of good business management skills such as budgeting, marketing, and stock management. This is detrimental to the performance of their business activities that require good business skills in order to build the profitability and sustainability of small businesses. Adoption of good business practices by the business operators will go a long way in improving the performances of their businesses.

12 REACH Initiative. Multi-sector Needs Assessment of Syrian Refugees in Camps. March 2015.

TABLE 5: GROWTH IN BUSINESS VALUE PER CAMP IN 2015			
Camp	Average Business Value at the beginning of the year (USD)	Current value of the business (USD)	Increase (%)
Basirma	1,158	1,263	9.08
Darashakran	1,104	1,183	7.21
Qushtapa	978	1,479	51.20
Kawargosk	892	1,198	34.30

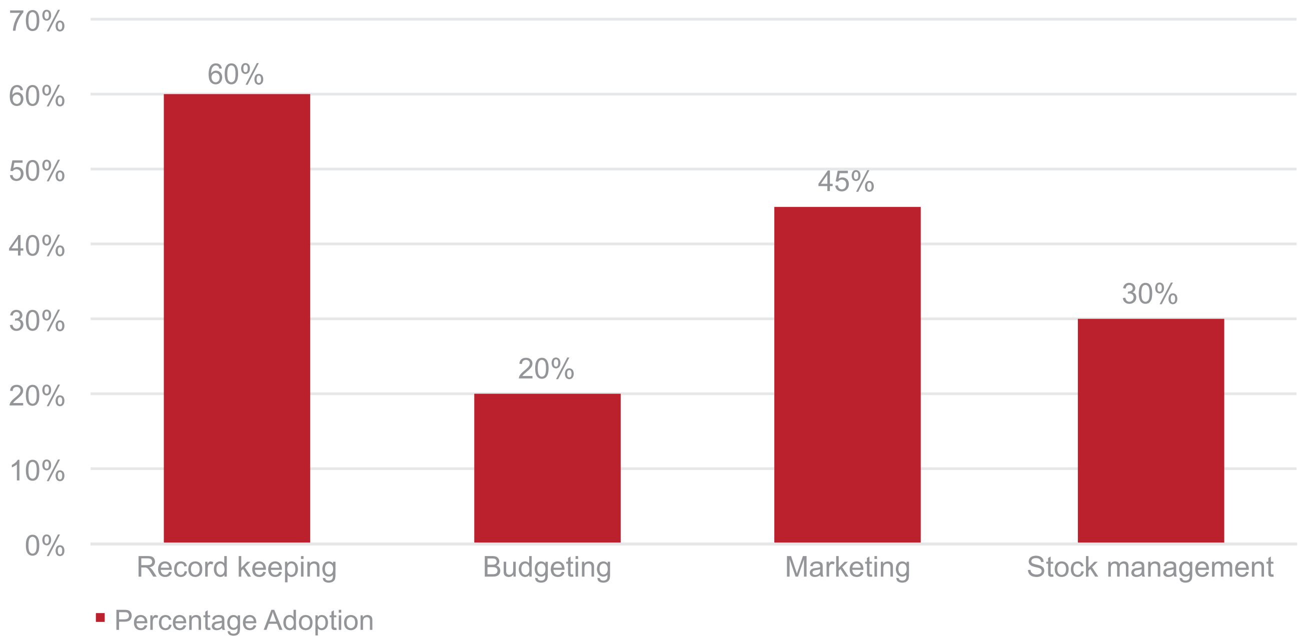
Figure 9: Education Levels of Business Operators



14. Gender Balance of Businesses Ownership within the Camps

As observed from the interviews' results, the ratio of males who own a business in all camps is higher (80%) than that of females (20%). Widows and single individuals also own businesses in the camps, although they represent a small proportion of the business-owning community i.e. 3% and 9%, respectively.

Figure 10: Management practices



15. Employment Opportunities Created

Most of the business operators are using household and family labor to run their shops in order to reduce operational costs and maximize profits. Service and manufacturing business owners indicated that they will need to employ at least one additional employee if they are to upscale their businesses due to increased volume of business. Key informant interviews indicated that most retail shops are selling food commodities, which go a long way in meeting the immediate food security needs of households and providing dietary diversity. They also highlighted that businesses are providing some limited employment opportunities for refugees, including youth, and thereby contributing to the reduction in perceived engagement in anti-social behavior or negative coping strategies by the youth. As shown in the table below regarding employment opportunities created, on average two persons in each family are indirectly employed through their business.

Figure 11: Gender of business owners

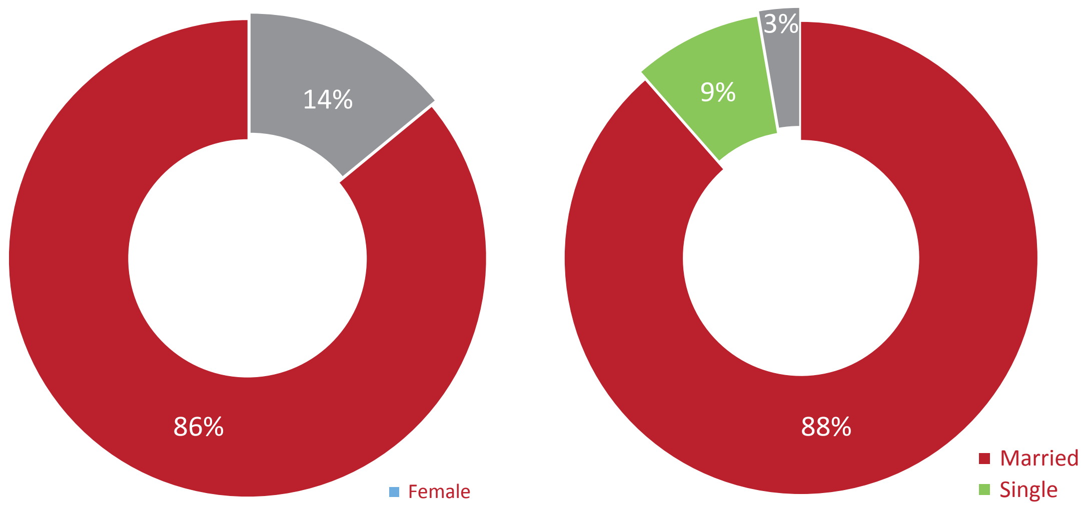
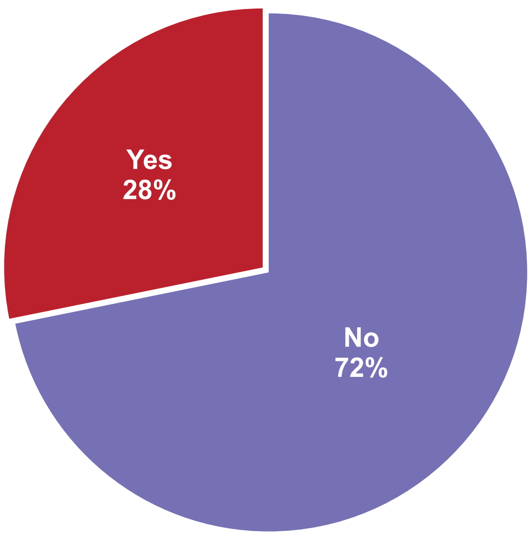


TABLE 6: EMPLOYMENT OPPORTUNITIES CREATED		
Camp	**Number of Businesses**	**Employment Opportunities Created (Indirectly)**
Kawargosk	253	506
Darashakran	179	358
Qushtapa	176	352
Basirma	109	218
Total	**717**	**1434**

16. Financial Support for Business Establishment

A total of 72% of the businesses in all four camps have been established by owners using their own resources, while 28% have been established with support from NGOs working within the refugee camps. This is a good indication that camp business markets are healthy, and business owners are taking the initiative to establish their own businesses. However, no banks or financial institutions are cooperating with the business owners in the camps, which limits the financial capacity of these businesses and the scope to invest in new services and products given a limited availability of financial capital to start up new businesses ventures.

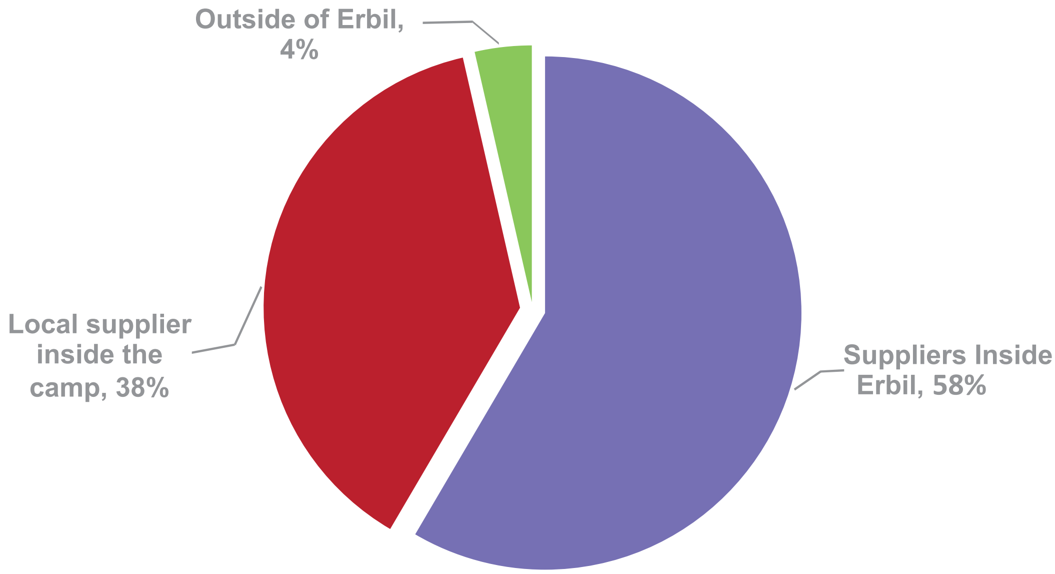
Figure 12: Financial assistance received from NGOs for establishment of businesses



17. Suppliers of Stock

Most of the wholesalers/suppliers (58%) providing the stock for the camp-based businesses are located in Erbil City center. Business owners have created links with the Erbil markets to support the supply of their goods and purchase items in bulk at wholesale prices. This shows that there is a good business value relationship developing between camp and non-camp businesses. Interestingly, 38% of the businesses reported accessing stock from suppliers within the camps, suggesting internal camp-based wholesale and stock markets between small local shops.

Figure 13: Location of stock suppliers working with business owners in the camps



18. Customer Purchases

Shop owners indicated that on a monthly basis 54.2% of their customers buy goods on credit from their shops and pay off their debt later at the end of the month. Items bought on credit vary from USD 10 to USD 250 per customer. All business operators indicated that customers are not regularly defaulting on paying off their debts for items bought on credit. This highlights good social cohesion and household-level financial planning capacity among the refugee population.

19. Businesses Getting Credit Lines from Suppliers/Wholesalers

Businesses in the camp reported accessing consignment stocks on credit from suppliers both within and outside Erbil. On average, each business in the camp is stocked with credit consignment stock that is worth an average of USD 300. This is showing a positive relationship between camp and out of camp businesses, and stability of the shops to maintain payments back into a credit-based system.

20. Physical Structure and Safety of Camp Businesses

Most businesses (60%) have constructed properly secured business structures using iron plates and concrete. This shows that business owners understand the importance of putting recognizable physical business structures in order to minimize risks of theft of stock or physical damage of stock by adverse weather environment.

21. Customer Preferences

According to the results of the focus group discussions (FGDs) conducted with consumer households, data shows that almost every household consumes confectionary products, including baked goods and sweets, on a daily basis. However, there are very few bakery businesses in the camps and, hence, most households are forced to travel to Erbil for such products. As an example, the results of the FGDs indicate that bread is the staple food in the camps. Every household in the camps consumes bread products everyday but there are only a handful of bakeries in all four camps. Therefore, there is a shortage of this commodity, which forces most families to look for bread in Erbil City. There are only 17 bakery shops inside the camps, producing on average 1000kg of bread per day. On average, a household in the camp consumes between 1-2kg of bread products per day, thus there is always a deficit of bakery products in the camps.

Figure 14: Value of credit consignment for camp businesses in USD

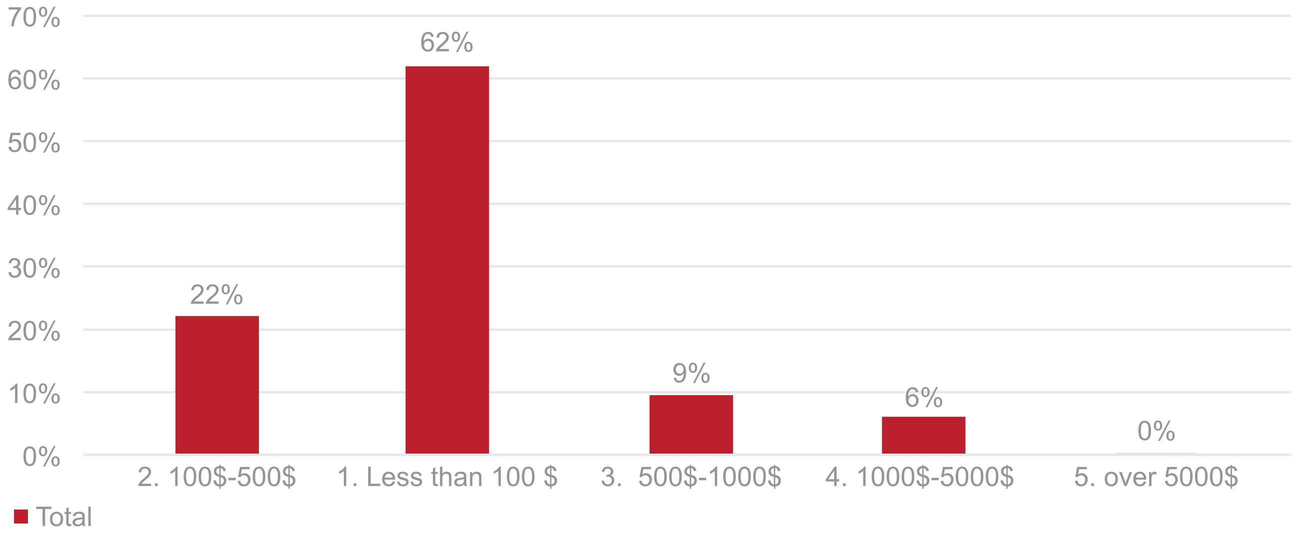
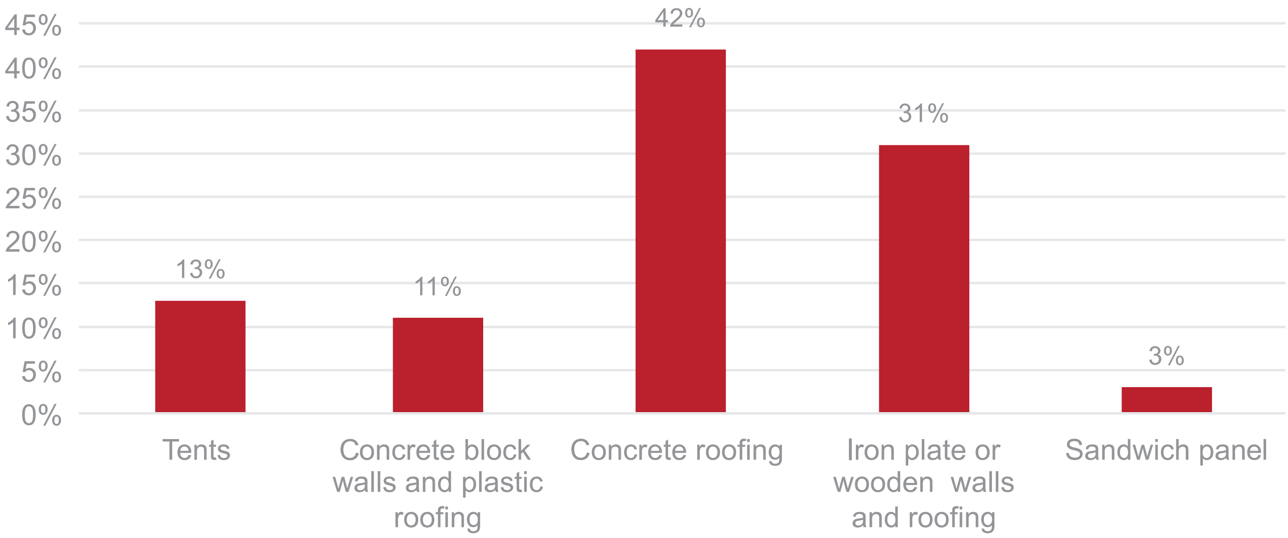


Figure 15: Physical structure of businesses



Households also indicated that there is limited number of service and production shops. They highlighted that the most popular service shops that are inadequate or nonexistent in the camps include tea shops, hairdressing and teaching of English language. Production/manufacturing businesses that were popular with respondents during the FDGs include bread making, tailoring, welding and carpentry.

Conclusions and Recommendations

Humanitarian and Development Agencies and Other Stakeholders

- There is a need to scale up service and manufacturing/production markets in the camp as they have highest potential for profits and respond to unmet consumer demands. The findings also show that there is a limited number of service and production businesses currently established in the camps, despite the fact that they are highly profitable, due to limited financial capacity of the business entrepreneurs to buy machinery and inputs needed to undertake these types of businesses successfully.
- There is a need to increase support to female-owned businesses, possibly through home-based or mobile business models, to improve gender balance, since this assessment found the majority of businesses being owned and operated by men.
- There is a need to improve business management skills such as budgeting and stock management so that the business owners can run their businesses more professionally and sustainably.
- There is a need to foster business relations and market linkages within the camps, and between camp businesses and supplier networks outside the camps. This could be done through the formation of business associations to promote peering and promotion of good business ideas among small business owners.
- There is a need to link business operators in the camps to wholesalers and finance institutions outside the camps so that they can foster sustainable, professional working relationships to further their businesses.
- Continued promotion of inclusive businesses inside the camps with scaling up existing businesses through market linkages to other local businesses within the camps. This will create a 'win-win' situation for all three main types of businesses in the camp i.e. retail, service and production businesses.
- Support to the establishment of manufacturing (value-added) and service related businesses that are labor intensive, in order to create more employment and increase profitability. Livelihoods interventions should move away from establishing new retail shops given the saturation and low profitability of these shops in the camps.

Kurdistan Regional Government of Iraq (KRI)

- To share clear criteria for refugees to take part in market activities, and coordinate with the private sector and local communities, thus contributing to the improvement of community relations and social cohesion.

Abdulrahman standing at the entrance of his shop in Kawergosk Refugee Camp-Erbil, KRI

RAPID SKILLS ASSESSMENT, ERBIL SYRIAN REFUGEE CAMPS, KRI

Introduction

The objective of this survey was to explore the skills and qualifications Syrian Refugees residing in Kawergosk, Qushtapa, Darashakran and Basirma camps held prior to arriving to the Kurdistan Region of Iraq (KRI). The research was conducted by the DRC Livelihoods team using a questionnaire that asked respondents to provide information on a broad range of skills, such as: educational background (including qualifications gained), work-related skills and qualifications, and work history.

To date, there has been limited information on the camp-based refugee livelihoods prior to their arrival in the KRI. The only pre-existing study that can be found is the Save the Children (2014) 'Youth Labor Market & Entrepreneurship Opportunities in the KRG Assessment', which included both camp and noncamp refugee populations. This study did not focus on pre-existing skill sets but did find that among Syrian refugee youth, now between the ages of 18-24, 71.1% that were previously in school are now unemployed and no longer in school. Given the right to access work was established for Kurdish Syrians in the KRI and the accessibility or urban and peri-urban markets, this is an underutilized labor force. This is partially limited by the dramatic constraints in the growth of the private sector and formal employment opportunities in 2015.

In order to address this information gap in pre-existing skill sets of Syrian refugees, and to better inform DRC and other sector partner camp-based livelihoods programming, DRC implemented a rapid skills assessment survey with the primary objective to determine what skills, education and experiences campbased residents bring on arrival to the camp. By gathering information on this subject, DRC has been able to adapt and adjust livelihoods programs to ensure the effective engagement of target populations in livelihoods activities, and to assist Syrian refugees in their integration into the KRI labor market.

Key Findings and Recommendations

- 76% (330) of the respondents were working in full-time employment before leaving Syria. Given that the survey was completed during weekday working hours (9am-3pm), when many of the employed Syrian refugees are working outside the camps, the actual figure is likely to be even higher.
- 5% of the respondents held highly skilled jobs, 64% semi-skilled jobs and 31% unskilled jobs prior to their arrival to the KRI. The main skills and sectors of experience were vehicle operations, masonry, blacksmith, and retail services.
- The study recommends livelihoods agencies to build on pre-existing semi- and high skill sets that the majority (69%) of Syrian refugees bring with them, and to develop tailored livelihoods packages, while providing trainings and skills-building programs to enhance the capacities of those whose previous experiences were in unskilled labor (31%).
- Nearly one in every 16 respondents surveyed (6%) was a student prior to departure from Syria and has not had the opportunity to complete their education since arriving to the KRI. Agencies need to develop programs to support linking these youth to certified educational and professional skills programs to ensure both access to income in the short run and to enable the development of transferable skills that can be used upon return to Syria or migration to other countries.
- 47% (202) of the respondents had completed secondary school or higher prior to their arrival in the KRI. This represents an educated and literate population that can be actively engaged in a range of professional and business opportunities.

Methodology

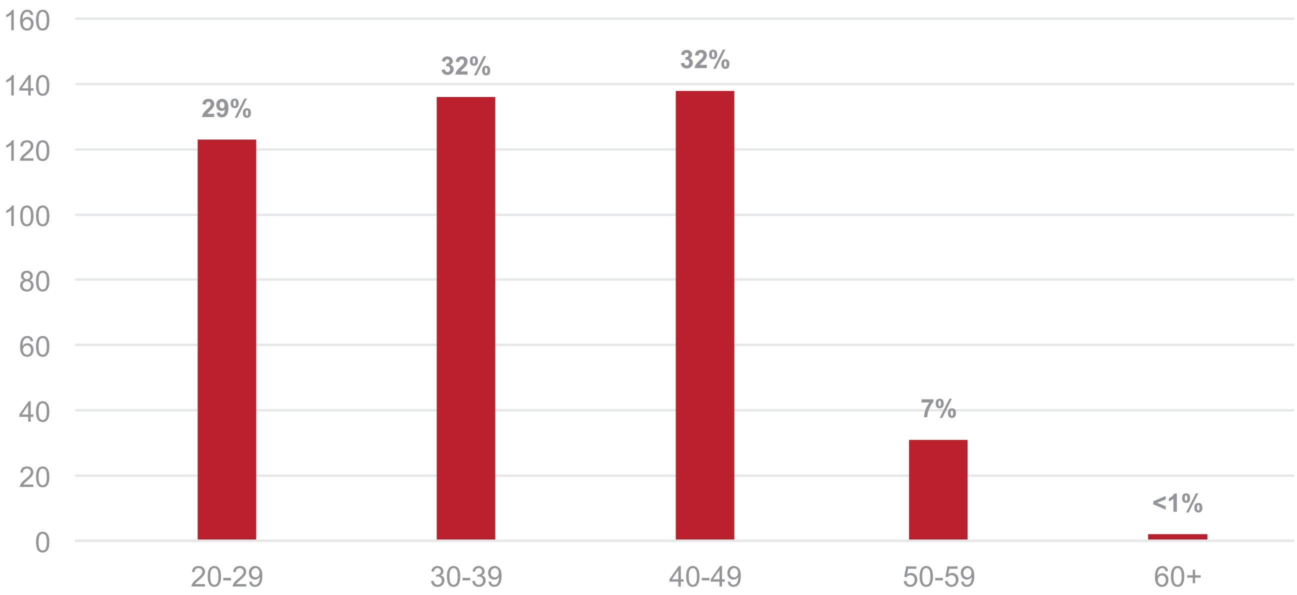
The assessment was conducted in Kawergosk, Darashakran, Qushtapa, and Basirma refugee camps in May 2015 by the Livelihoods team of DRC. The skill survey questionnaire included questions regarding

TABLE 7:			
Camp	Number of Interviews Completed	Male Respondents	Female Respondents
Kawargosk	106	91 (85%)	15 (15%)
Darashakran	110	92 (83%)	18 (16%)
Qushtapa	105	89 (84%)	16 (15%)
Basirma	109	90 (83%)	19 (17%)
Total	**430**	**362 (84%)**	**68 (16%)**

name, gender, age, work-related skills and qualifications, previous work experience, and educational and literacy levels. Data was collected on paper through randomized sampling during the weekdays from 9 a.m. to 3 p.m. Given the time period of data collection, the majority of respondents were unemployed at the time of the survey. Therefore, it can be assumed that the data is representative of the unemployed camp-based population. Within a two-week survey period, 430 interviews were completed across all four Syrian refugee camps of Erbil.

The majority of respondents were male (84%), limiting the outcomes and their applicability to female camp-based residents. In addition, the majority of the respondents (99%) were within working age i.e. from 20-59 years of age.

Figure 16: Age distribution of respondents, Erbil Syrian refugee camps



Limitations

This study was limited by two main factors: first, the time of day that data was collected and second, the gender distribution of respondents. Given that data was collected between 9 a.m. and 3 p.m., the majority of respondents were not currently employed, while the majority of those that are employed in the camps engaged in income-generating activities during those hours. Therefore, the majority of respondents were unemployed at the time of the survey. Although the data cannot be assumed representative of the full camp population, it can be assumed representative of the unemployed camp-based population.

The survey aimed to interview the heads of household, or household members previously engaged in income-generating activities in Syria before displacement. As a result, the majority of survey respondents were male, with very few female heads of household or household members having been the active breadwinner in the family prior to arrival in Iraq.

Summary of Findings

1. Education:

Nearly half (47%) of the respondents reported completing secondary school or higher education. These individuals, having over 10 years of formal schooling completed, are able to effectively read and write in Arabic. In addition, 21% had completed some level of schooling past secondary school, which includes higher-level education, vocational training institutes and university education.

However, the majority (52%) of surveyed respondents completed education at the primary level or less. This suggests that livelihoods programming should be linked to education and capacity-building to support the population in basic literacy, language, and professional skills. Note that 6% (26) of the respondents reported being in school before departing Syria but have not been able to access or complete their education since. This finding is further supported by a recent REACH MSNA for Syrian Refugees in Camps in KRI (2015) that found school attendance rate of children aged 6-17 in camps to be at 71%, with a slightly higher attendance amongst females (73%) than males (68%). This implies a need to focus on building the skill sets among youth unable to access education opportunities[13].

2. Work Experiences, Skill Sets, and most Recent Economic Activity before Arrival to KRI

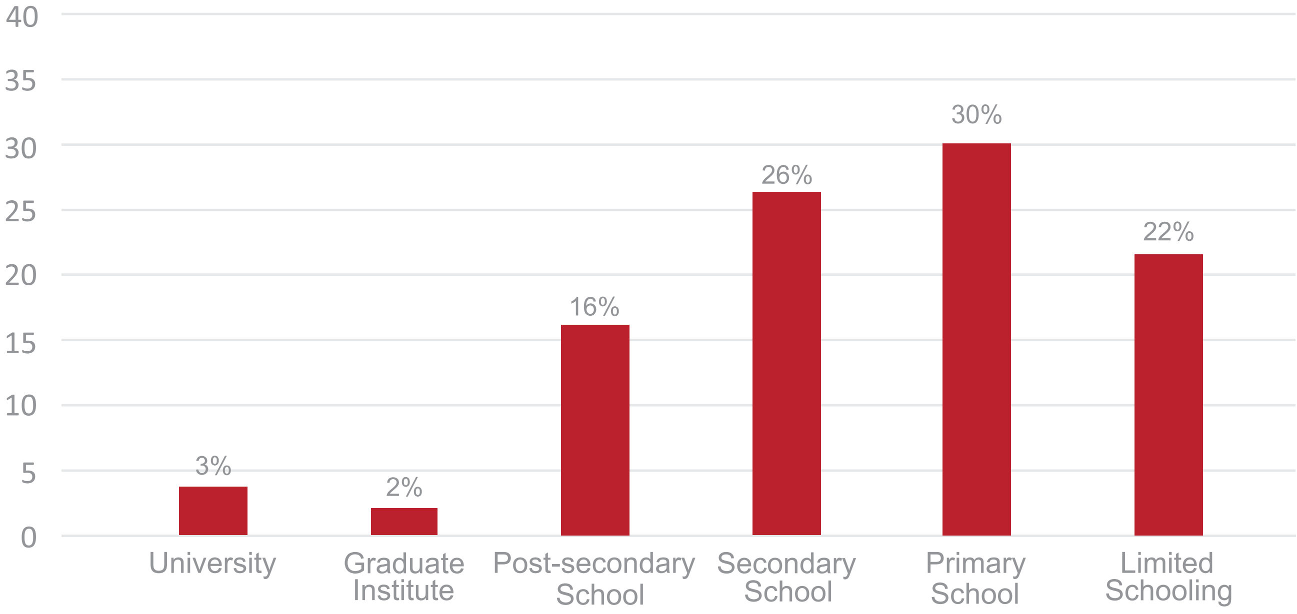
The majority of respondents (76%) reported to be actively engaged in income-generating activities in Syria before their arrival to the KRI. This excludes respondents who reported actively looking for work, who were engaged in casual labor activities and/or were enrolled in a school before departing Syria.
For the purposes of the survey, skill sets were based on previous occupation and the minimum level of skills or qualifications required for the position. The categories are defined as:

- **Skilled Labor** – laborers who hold positions requiring a higher-level of education past secondary school, such as managers, teachers, doctors, etc.
- **Semi-skilled Labor** – laborers who work in manual, service or retail trades requiring specific skill sets or vocational qualifications, such as mechanics, bakers, masonry carpenters and electricians.
- **Unskilled Labor** – laborers who work in jobs that are mainly physical but do not require specific skill sets, education or other qualifications, such as agricultural labor, casual labor and house painting.

As illustrated below, the survey found the majority (64%) of camp-based Syrian refugees in Erbil to be semi-skilled laborers given their previous occupations in Syria. Only 5% of respondents were engaged in income-generating activities that require highly skilled labor, while the remaining 31% were engaged in unskilled labor activities.

13 REACH Initiative. Multi-sector Needs Assessment of Syrian Refugees Residing in Camps. March 2015.

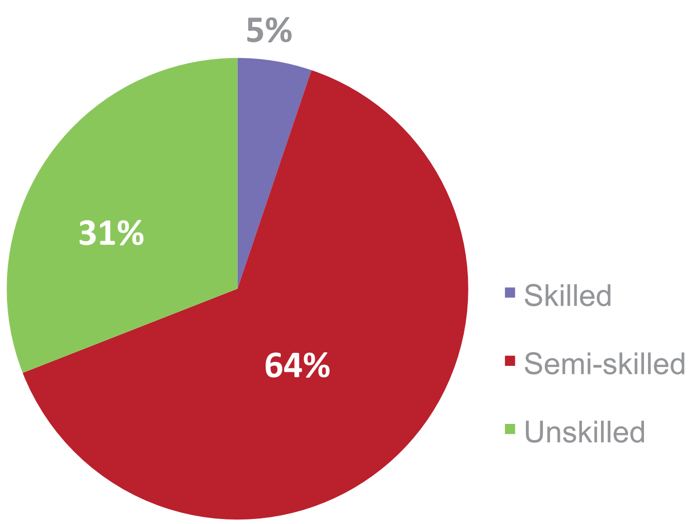
Figure 17: Schooling Completed, Erbil Syrian Refugee Camps



These findings suggest that over two thirds (69%) of the camp-based population have an existing skill set that could be utilized in income-generating activities if the current employment opportunity was to become available. Overall, the most commonly reported occupations prior to departure from Syria were related to physical labor such as masonry (10%), vehicle operations (11%), agricultural labor (10%), casual labor (18%) and blacksmith (8%).

When disaggregated by gender, men were found to work in wider range of occupations, such as labor that supports construction, agriculture and retail trade activities, whereas women were found to be based more in household-level or gender-specific jobs such as tailoring and hairdressing. Furthermore, occupations varied by the geographic location of the household prior to departure from Syria, for example, if the household had lived in a rural or urban community.

Figure 18: Skill Levels of Previous Occupations Erbil Camp, Syrian Refugees



Conclusions and Recommendations

The results of this rapid assessment found that the majority (76%) of respondents had been actively employed in Syria before the crisis, indicating the capacity, experience, and willingness to engage in productive income-generating activities. In addition, 69% were engaged in semi- or highly-skilled labor activities, giving them an added advantage in entering the labor market in comparison to less skilled individuals. This is further reinforced by the educational level of nearly half (47%) of respondents that reported completing 10 years of education or more.

Educational achievements and qualifications are complicated by the fact that 6% of respondents reported having to withdraw from higher education establishments on departure from Syria. These individuals have not yet been able to access or complete their studies in the KRI and remain largely unemployed.

However, the benefits of work experience and education are constrained in the KRI by the limited capacity of the labor markets to absorb the professions and vocational skills commonly reported, such as carpentry, masonry, tailoring, etc. As reported in the ‘Emergency Market Mapping Assessment: KRI Labor Market” completed by DRC, UNHCR and UNDP in December 2014, unless additional market sectors are developed or value-added processing facilities are expanded, the ability of the labor market to absorb semi-skilled job seekers is limited. In this highly competitive labor market, livelihoods actors can support overcoming the barriers to accessing employment by building the network and linkages between semi-skilled workers and possible employers.

Finally, a large proportion of respondents were reported to be engaged in unskilled labor (31%) and/or not to have completed education past primary level (53%). For these individuals additional livelihoods support is needed to build capacities and skill sets required to actively engage in the labor market, both in their location of displacement in the KRI and upon return to Syria or another location outside of Iraq. Livelihoods agencies should focus on building transferable urban and rural skill sets to this group of camp-based residents, as well as supporting on-the-job trainings, entrepreneurships and other income-generating activities, following the completion of the skills-building programs.

LOCAL LABOR MARKET ASSESSMENT

Introduction

This assessment provides a review of the local labor markets around or easily accessible from Qushtapa, Kawergosk, Darashakran, and Basirma Syrian refugee camps in the Erbil Governorate. The main objectives of the assessment are to:

- Identify the local labor market sectors that could be accessible to camp-based refugees;
- Determine how and if refugees can be absorbed into these local labor markets;
- Determine the barriers and opportunities to enter these sectors.

This assessment is intended to inform stakeholders, including humanitarian agencies, Government counterparts and local community representatives, of the opportunities for and limitations of accessing gainful employment for camp-based Syrian refugees in the target areas. This study is of particular interest to DRC and the broader humanitarian community as a step towards understanding how to establish and support sustainable livelihoods, particularly through market-based interventions, using the existing local labor markets as a source of employment creation.

The findings are presented by the districts within Erbil, based on their proximity to Syrian refugee camps;

- Qushtapa and Kawergosk districts – providing the local labor markets for Qushtapa, Kawergosk, and Darashakran refugee camps.
- Shaqlawa district – providing the local labor markets for Basirma refugee camp.

Key Findings and Recommendations

There is a limited capacity to absorb additional labor in areas around Qushtapa, Kawergosk and Darashakran Syrian refugee camps within the existing market sectors. Opportunities to provide local employment opportunities for camp-based Syrian men and women in new labor-intensive market sectors, specifically agricultural production and value-added processing, need to be explored.

- Given the limitations of the local markets servicing Qushtapa, Kawergosk and Darashakran, further attention should be placed on supporting networks, both social and physical, which reduce the barriers to employment in Erbil. Activities that enable access to employment include job facilitation and connecting employers with skilled refugees, developing private sector transport systems that reduce costs faced by refugees when traveling to Erbil, and setting up services within the camps, such as the provision of safe child care that would allow women to travel to and work in Erbil.
- Residents of Basirma camp have a harder time accessing employment in Erbil due to the distance between the camp and the city center. However, Shaqlawa, which is the nearest city center to Basirma, has a range of retail and service-related opportunities with the potential to absorb some of the working-age population of Syrians residing in Basirma. Agencies working on livelihoods activities in Basirma camp need to support the integration of Syrian refugees into the Shaqlawa labor market by building a network of employers in Shaqlawa through public-private partnerships and providing trainings that match gaps in these markets.
- The land around all four Erbil refugee camps is arable and has potential for agricultural development and livestock husbandry, sectors that are currently under-utilized by the land-owning community. Further developing these sectors could create employment at two levels; firstly, the production of agricultural goods and secondly, value-added processing of agricultural goods. By bringing further economic activity to the target areas, these markets would also support social cohesion between the host community and camp-based refugee populations.

- Linkages with the Government municipality services supporting both the sub-district residents and camp populations, including waste management and other services, needs to be further explored. Job creation in this sector would facilitate employment for refugees and, once again, build social cohesion between the communities.

Methodology

DRC undertook the Labor Market Assessment in districts and sub-districts that are easily accessible from the target refugee camps. Data collection took place between June and July 2015, and fieldwork covered all three target districts and sub-districts (Shaqlawa, Qushtapa, and Kawergosk-Darashakran) in the Erbil Governorate. The structure for data collection included both Focus Group Discussion (FGD) with local level officials and Government authorities, and Key Informant Interviews (KIIS) with local businesses and community representatives. Interviews were held with various actors of the market systems, as illustrated in the table below.

TABLE 9:

Type of Actor	Interviews Conducted
Government Authorities	3
Company / Business Employers	10
Business Owners	21

Labor Markets in the Kurdistan Region of Iraq (KRI) and Erbil Governorate

Prior to 2014, pre-crisis Kurdistan was home to 5.3 million people with an unemployment rate of 10% and an income of USD 7,000 per capita (2012)[14]. The KRI is divided into three Governorates; Erbil, Dohuk and Sulaymaniyah. Over the past five years, economic growth in Kurdistan has been driven by a booming construction sector, services to support growing domestic and international tourism, and revenues from oil and gas production. In addition to the private sector, the economy is strongly backed by public services and public sector employment with an estimated 80% of employed women and 45% of employed men working for the Government within public services[15].

Since 2012, the on-going conflict in Syria has seen more than 245,000 refugees enter and settle in the KRI, with approximately 42% of Syrian refugees residing in camps[16]. Among the camp-based refugees, 88% have reported some access to income within the past 30 days[17]. The majority of households rely either on income earned by a family member residing outside the camp or on informal employment (short-term work) within the camp. Within the Syrian camps of the Erbil Governorate, a recent REACH Initiative (2015) study found that average monthly income was between USD 300 and USD 400 per household.
In addition to the refugee population, the onset of internal conflict within Iraq in 2014 and the growth of ISIL have resulted in internal displacement of 3.2 million Iraqis to date. The KRI now hosts an estimated 875,000 Internally Displaced Persons (IDPs)[18].

14 Invest in Group. Kurdistan Review: Leading the way for 2020. February 2015.
15 Invest in Group. Overview: Kurdistan Region of Iraq: Human Capital. April 2014
16 REACH Initiative. Multi-sector Needs Assessment of Syrian Refugees Residing in Camps. March 2015.
17 Ibid.
18 IOM. Disaster Tracking Matrix (DTM) Iraq, DTM Tracking Round Update. October 2015.

Within the KRI, Syrian refugees have an advantage over IDPs with regard to accessing contracted labor due to sharing a common culture and language with the Kurdistan host community, as well as the KRI Government regulations that allow Syrians to work with the proper documentation. The KRI Government has legally granted Syrian residents within KRI the right to work and has facilitated work permits for Syrian refugees residing in the KRI.

As a result of internal conflict and large numbers of displaced persons arriving in the KRI (from both Syria and Iraq) the labor market has become distorted. Employment opportunities have been reduced with less private sector investment and public spending combined with an ever increasing demand for jobs. Consequently, a large displaced population remains in need of immediate access to income. In addition, the KRI labor market includes large numbers of foreign workers from South and East Asia working in the construction and service sectors, which were estimated to have represented up to 50% of the workforce in the construction sector during the peak growth period for the sector[19].

In Erbil, prior to the crisis, construction projects filled the skyline with an estimated 81 housing projects worth USD 8.89 billion[20]. Domestic tourism, with both the UNESCO Citadel site and the tourism region of Shaqlawa, was also flourishing. Since mid-2014, these two driving sectors have stalled as private investors put their developments on hold and the market for tourism shrank because of the on-going conflict within the country. Retail, services and telecommunications industries remain strong within the city center but not at their pre-crisis growth rates.

Erbil city center is accessible within 30 minutes to 1 hour drive from three of the refugee camps in the Governorate: Qushtapa, Kawergosk and Darashakran. Basirma camp is located further outside of Erbil requiring a 1.5-hour drive each way. Given the comparative abundance of labor market information in Erbil city center and the barriers (time, costs and security) to accessing the Erbil labor market, this assessment focuses on the local towns and areas around the camps that are easily accessible for camp residents.

Two previous studies on the labor markets in KRI have been completed since the onset of the recent Iraqi crisis:

- Save the Children. Youth Labor Market & Entrepreneurship Opportunities in the KRG (May 2014), and
- DRC, UNDP, UNHCR. Market Mapping and Analysis, Construction and Service-sector Labor Market Systems: A Study of the Opportunities in Employment for Iraqi IDPs and Syrian Refugees, KRI (December 2014).

Both of these studies highlighted limitations in the labor markets' ability to absorb recently displaced households and provide opportunities for accessing the specific labor market sectors. In particular, also highlighted in the assessment findings below, both studies refer to the concept of 'wasta' or the use of networking and contacts to facilitate access to employment. This system provides both a barrier and opportunity for job seekers and should be considered as part of any response option linking them to employment. Both studies, as well as other private sector investment reports, highlight the potential of developing the agricultural sector, which remains under-utilized in the KRI due to a reliance on imported food and a Government backed public distributions system (PDS) which buys out staple crops from local farmers and stores them in Government silos. This assessment takes this into account and makes recommendations on expanding agricultural sector markets as a key area in which camp-based Syrian refugee populations could effectively participate in.

Recommendations throughout this assessment report are made in consideration of this and other findings in previous labor market assessments and aim to build on the previous findings.

19 DRC, UNDP, UNHCR. Market Mapping and Analysis, Construction and Service-sector Labor Market Systems: A study of the opportunities in employment for Iraqi IDPs and Syrian Refugees, KRI. December 2014.

20 Save the Children. Youth Labor market & Entrepreneurship Opportunities in the KRG. May 2014.

Qushtapa, Kawergosk Sub-Districts

- **Qushtapa** sub-district is situated 25km outside of Erbil district. Qushtapa sub-district is a management center for several peri-urban and rural villages. The area is located in a plain and flat section southwest of Bnaslawa, the Center of Dashti Hawler district. Qushtapa refugee camp is located 2 km southwest of Qushtapa sub-district center. The camp was opened in August 2013 and as of August 2015 has a population of 6,653 Syrians[21].

- **Kawergosk** sub-district is situated 26km outside of Erbil on the west side of the city. Kawergosk refugee camp is located beside the Kawergosk sub-district. Kawergosk sub-district is also the closest sub-district to Darashakran refugee camp. Although Darashakran is a sub-district, it mostly represents and covers several villages covered through the Kawergosk sub-district management system. Kawergosk refugee camp was opened in August 2013 and as of August 2015 had a population of 10,142 Syrians. Darashakran refugee camp was opened in October 2013 and as of August 2015 has a population of 10,380 Syrians[22].

Current Market Sectors

Qushtapa and Kawergosk sub-districts have similar market sectors due to their geographical distance from Erbil City and village settings. Both sub-districts are largely dependent on Erbil City Center where the majority of sub-district residents have jobs in the public and private sectors. Apart of dependency on Erbil for employment, a few residents have small businesses or are public employees within the sub-districts.

Given the absence of hospitality, service and construction markets, which are considered the major market sectors in the KRI and Erbil, there is limited work available in both Qushtapa and Kawergosk sub-districts. The construction sector consists of small-scale activities, such as repairing homes and shops, and no large projects such as hotels, restaurants or other commercial buildings. There is, as a result, limited opportunity to develop or create employment in this sector.

Although small in comparison to the market sectors in Erbil and other urban settings, the major market sectors in Qushtapa and Kawergosk sub-districts are retail, services, agriculture, and transportation.
Businesses such as groceries, apparel shops, electricians, carwashes, greengrocers, tailors, hairdressers, and mini-markets make up the majority of retail shops. However, the size of the towns and the small customer base limit opportunities to absorb

21 UNHCR. Syria Regional Refugee Response Inter-agency Information Sharing Portal: Qushtapa. Accessed: August 2015.

22 UNHCR. Syria Regional Refugee Response Inter-agency Information Sharing Portal: Kawergosk and Darashakran. Accessed: August 2015.

Syrian refugees into the retail sector. The opportunities that do exist rely heavily on 'wasta' or the right connections and network to access jobs.

Agriculture is another major sector within the sub-districts and provides an additional source of small-scale income to land owners around town centers. Crops grown (wheat and barley) are seasonal and labor un-intensive, requiring only planting and field maintenance for a six-month growing period using a limited amount of water. Following each growing season, crops are bought by the Government in KRI, often with delayed or unpredictable payments to the land owners, creating very little incentive for increasing the productivity of the land. Though the opportunities for the agricultural sector are extensive in both sub-districts, they do not currently play a strong role in providing primary income to residents, with the majority of land-owners engaging in other types of public and private jobs to earn income. Other than staple crops, planting of a wider variety of produce is not common in these sub-districts (other than in small household gardens) as land is not suitable given the limited water resources and the lack of infrastructure to support large-scale produce farming. A high reliance on imported vegetables and other produce within the KRI means that the current market prices act as a disincentive, discouraging land-owners from attempting to set up production of new fresh food items.

Given the relatively high proportion of Kurdistan men and women employed in the public sector, private sector investment in retail and agriculture in these sub-districts has been limited. With local residents dependent on Erbil, transportation has become a strong market sector, particularly in Qushtapa. Though many people have their own vehicles, this sector has had enough demand to provide room for bus and taxi services. Even though Kawergosk sub-district also relies heavily on Erbil, it is a smaller community with many daily commuters to and from Erbil relying on their own private transport and limited taxi services. Although the crisis in Iraq has brought displaced individuals and families to the community, the market sectors of Kawergosk and Qushtapa have remained largely unchanged and stable.

Refugees and Opportunities to Enter the Qushtapa and Kawergosk Labor Markets

Considering the size and capacity of the market sectors in both Qushtapa and Kawergosk sub-districts, there is very little scope for camp based Syrian refugees in Qushtapa, Kawergosk or Darashakran to enter the existing local labor markets. Even though, as evidenced by the Syrian camp-based refugee skills assessment, the refugee community holds many of the skills the market sectors require (construction, services, agricultural and transportation) there is no capacity to absorb an additional workforce unless the size of the markets is expanded.

The two key restrictions to entering the markets are the surplus of locally available labor from the hosting community and the financial constraints on business owners. For example, one key informant interviewed noted that approximately 50 hairdressers are open in Qushtapa catering to an estimated 14,000 local residents. Syrian refugees would also face difficulties in opening their own shops in the hosting communities, given the existing surplus of small retail and service shops and limited opportunities for refugees to access the financial capital needed to compete.

A key opportunity exists in expanding the agriculture sector. As mentioned, farmers use their lands to plant wheat and barley however, with a high proportion of arable land in the sub-districts and around the refugee camps, there are a number of unexplored opportunities to establish new agricultural sectors and value-added processing. Although expanding and diversifying within the agricultural sector would require serious initial capital investment, once established these expanded markets would have a positive impact on both the local labor market and the local economy.

In addition, given the relatively few number of employment opportunities available in the local labor market, further market connections with Erbil, including supporting public transport and facilitating access to employment opportunities, should be a priority in order to support camp-based refugees to access gainful employment.

Shaqlawa Sub-District

Shaqlawa sub-district is a tourist resort town in the mountains about 51km northeast of Erbil, easily accessible to Basirma refugee camp. The town is home to approximately 25,000 people. Shaqlawa is situated between Safeen Mountain and Sork Mountain. Shaqlawa sub-district is the closest city to Basirma refugee camp and has some opportunities within the local labor market. Due to its cool weather during summer, snowy winters, and picturesque landscape with an abundance of waterfalls, springs, trees, and flora, Shaqlawa attracts tourists from across Iraq, and prior to the current crisis was a hot spot for domestic tourism.

Hospitality is the by far the biggest sector and provides the main source of income to the majority of residents in Shaqlawa. Tourism supporting restaurants, hotels, street vendors and cafes is common. Government and private sector investors have heavily invested in new construction projects intended to support a pre-crisis tourism market.

Due to the linkage between hospitality and construction, hospitality has advanced the construction sector. Hotels, restaurants and residential complexes owned by private companies are under construction all around the district, and the Government has also focused on extending roads and parks in the last few years.

The boom within the hospitality sector started in 2003 with the fall of previous Iraqi regime and lifting of movement restrictions between the South and Central regions of Iraq and Kurdistan. The resulting upsurge in domestic tourism drove the development of holiday homes and apartments, hotels, restaurants, tourist attractions and other tourism supporting markets.

Current Market Sectors

Before the crisis, skilled service sector workers, such as chefs, waiters, salespeople, masons, painters and casual laborers, were in high demand to fulfill the growing requirements of both the hospitality and construction sectors. As of mid-2015, a substantial number of skilled, semi-skilled and unskilled laborers including both refugees and locals were still employed by foreign and local businessmen investing in these sectors.

However, the situation in Shaqlawa district has been hugely affected by three main factors;

- Start of the 2014 crisis causing a reduction in the number of domestic tourists and reduced freedom of movement.
- Moving of displaced communities from Central and Southern Iraq into Shaqlawa and occupying homes, hotels and residential spaces previously used by the hospitality sector. At the time of this assessment (June-July 2015) according to estimates by Government officials, there were an estimated 24,000 IDP residents in Shaqlawa.

- The political crisis between the Central Government in Baghdad and the Kurdistan Regional Government since 2014 with disagreements over the budgets resulting in a halt to Government-funded projects in Shaqlawa and limited cash liquidity within the KRI with which to pay for on-going commercial projects.

It is important to mention that since the population in Shaqlawa has increased by 24,000 IDPs, the retail and service sectors such as mini-markets, bakeries, restaurants, cafés and bars and etc. have to some extent remained stable and well functioning. Through interviews with local stakeholders, business owners and local employers, it is clear that although retail businesses have not suffered significantly, there are no new sectors or businesses developing. In interviews with local Government representatives, it was also stated that the KRI does not have any plans to restart work on construction projects that have been left unfinished.

Although not currently well utilized or explored as a source of revenue for the local economy, the areas around Shaqlawa sub-district and Basirma do have the capacity to support agricultural and livestock markets given the cool climate and relatively easy access to water.

Refugees and Opportunities to Enter the Shaqlawa Labor Market

Although the 2014 crisis and budget constraints have had a negative impact on hospitality and construction sectors, the retail and service sectors are still functioning and serve as an entry point for Syrian refugees residing in Basirma camp. In interviews with local officials and employers, two key challenges were identified as limiting the opportunities for refugees to enter the labor market: 1) the shortage of land on which to establish new businesses and 2) competition between IDPs and refugees both residing within the same geographical area. However, many Syrian refugees were still reported to be working as chefs, waiters, retailers, and as construction laborers.

Overall, it was mentioned by the local employers and business owners that there remains room for refugees to enter the retail and service sectors, particularly those with previous experience in the hospitality sectors. Multiple employers interviewed mentioned needing both skilled and unskilled staff, but that they struggled to find the right individuals.

Mohammed is one of the beneficiaries of the DRC Livelihoods small business grants project being implemented with support from UNHCR in the Qushtapa Refugee Camp, Erbil, KRI

''I am now able to provide for all my monthly household requirements through the profit I make from my business'' said Mohammed"

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ANNEX 1 – CAMP BUSINESS MARKET SURVEY - QUESTIONAIRRE

English	العربية
Information	**معلومات**
1. Survey team	1. اسم الشخص القائم بالاستبيان
Specify other.	حدد اخرى
2. Date	التاريخ
3. Governorate	المحافظة
Specify other Governorate.	حدد المحافظة اخرى
4. Camp	المخيم
Specify other.	حدد اخرى
Address	العنوان
5. Tent	خيمة
6. Bloc	كتلة
7. Name of the business owner	اسم صاحب العمل
8. HH size	حجم العائلة
9. Name of head of HH	اسم رب العائلة
10. Marital status	الحالة الزوجية
11. Sex	الجنس
12. Contact number	رقم الهاتف
13. UNHCR code	رقم UNHCR
14. Do you have any employees?	هل لديك اي موظفين
15. Number of employees you have	كم العدد
16. How often do the employees work?	غالبا ما المقدار العمل الذي يقوم به العمال
Specify other.	حدد اخرى
17. Education	التحصيل الدراسي
Specify other.	حدد اخرى
18. Skills	المهارات
Business	**الاقتصاد**
1. Type of business	نوع العمل
2. Name of the business	اسم العمل
3. Date business opened	تاريخ افتتاح العمل
4a. Current value of business value (estimated):	القيمة الحالية لقيمة العمل (تقديرا)
4b. At time of opening business value (estimated):	في الوقت الافتتاح القيمة العمل (تقديرا)
5. Why has value of business increased or decreased?	لماذا ارتفعت او انخفضت قيمة العمل ؟
6. Do you make any regular payments (monthly) for your shop maintenance or services?	هل تقوم بدفع بدل ايجار عن هذا المحل ؟
Explain:	وضح
7. Do you have any outstanding credit?	هل لديك اي قروض معلقة ؟
8. Total value of current credit	ما هي القيمة الكاملة للقروض
9. Do you have any outstanding debt?	هل لديك اي ديون معلقة ؟
10. Total current value of debt	ما هي القيمة الكاملة للقروض

11. Received any grant or assets from any NGOs.	هل استلمت مساعدة مالية او عينية من اي منظمة ؟
12. From who the grant was received	من هي الجهة الواهبة
13. Grant amount	كم المبلغ
14. Average No. of customers per day.	العدد المقدر للزبائن يوميا
15. Safe location	امن الموقع
Why?	لماذا؟
16. What are the most popular selling items in your shop? Top three most popular selling items.	ما هي المواد الاكثر مبيعا في العمل ؟ المواد الاكثر مبيعا (ثلاثة فقط)
17. Where do you get the goods or supplies you need to stock your shops?	من اين تحصل على البضائع والتجهيزات الخاصة بعملك ؟
Explain how and where.	وضح كيف واين
18. What do you need to develop your business?	ما الذي تحتاج ان تطوره في عملك ؟
19. If you could sell a new good or service in your shop, what would it be? Why?	اذا كان بامكانك بيع سلع او خدمات جديدة الى عملك ماذا ستختار ولماذا؟
20. Do you need any employees?	هل تحتاج الى اي موظفين ؟
21. When you need employees?	متي
22. How many employees you want?	كم العدد
Income	**دخل**
1. No. of income earners in the HH?	عدد العاملين في العائلة ؟
2. What is your estimated total household income per month?	عموما كم هو المبلغ المقدر كدخل شهري لعائلتك ؟
3. Business income per day:	الدخل اليومي للعمل
4. Business expenditure:	النفقات اليومية للعمل
5. Average profit per day.	الربح اليومي للعمل
6. Average profit per month.	الربح الشهري للعمل
7. If there is any different between monthly and daily profit, why?	هل هناك فرق بين الربح اليومي والشهري لماذا ؟
8. Which items do you make the most profit on selling?	ما هي المواد الاكثر ربحا عند البيع
9. GPS:	الموقع
10. Media, pics 1	صور, وسائل ايضاح اخرى 1
10. Media, pics 2	صور, وسائل ايضاح اخرى 2
1. Comments:	تعليقات

ANNEX 2 – CAMP BUSINESS MARKET SURVEY - FOCUS GROUP QUESTIONS

Section 1: Livelihoods in the Camp

1. Since arriving in Erbil, what have you been doing to make money? What about your other family members?
2. Who knows someone – a relative or a friend – who got a job in the camp? What did they do? What opinion have you formed about work opportunities in the camp?
3. Who has ever sought an employment opportunity? How did you seek employment? Did you seek a specific kind of work? What was it? Why?
4. For those who sought employment but did not work, what stopped you from receiving a work opportunity?
5. For those who did not seek employment, what stopped you from doing do?
6. By the show of hands, who has ever worked in the camp? Where? What did you do? Please tell us about your experience? Any skills you were required to have? The utilization of the skills you had? Did you learn anything new? Please describe the different job aspects such as nature of work, work environment, pay, etc.
7. What problems do people like you face when seeking to make money in the camp?
8. Who knows someone – a relative or a friend – who was involved in an income-generating activity? What did they do? What opinion have you formed about income-generating projects in the camp?
9. Has anyone (or anyone you know) tried to or thought of starting an income-generating project in the camp? What opportunities did they see? What challenges did they encounter?

Section 2: Market Needs

1. Think about your daily life... What are the goods and services that you use and need on a daily basis?
   - What do you need and use on a daily basis at home?
   - What do you need and use on a daily basis for work?
   - What do you need and use on a daily basis for your children?
2. To what extent do you get these goods and services in the camp?
3. Are there any problems directly related to those goods and services? What are they?
4. What are the goods and services that you need but cannot get? Why can you not get them? Why are they important?
5. What do you take into consideration when purchasing goods and services and services in the camp? (Examples: type, price, quality, personality of seller, availability, proximity to shelter?)
6. Now let us think on weekly/ monthly/ season basis, what are the goods and services that you need and only purchase from time to time... not a daily commodity? .. (Researcher gives examples such as cooking oil, and maintenance)
7. What are the goods and services that you buy on special occasions, for example for a wedding or funeral or other incidents, please specify incident and goods and services.
8. When the camp expands and its residents increase in number, can you think of goods and services that could witness increased demand? Why?

ANNEX 3 – LABOUR MARKET SURVEY

1. Kindly describe the labour market in Erbil and around the refugee camps?
2. What are the major employment sectors in Erbil and around the refugee camps?
3. What are the challenges facing employers?
4. What are the employment opportunities available for job seekers-Kurdish, IDPs, and Refugees?
5. What can be done to increase employment opportunities for job seekers in Erbil?
6. What are the skills gaps on the job market in Erbil and around the refugee camps? How can these gaps be addressed?

ANNEX 4 –SKILLS SURVEY QUESTIONAIRRE

1. Has anyone heard of training and skills development programs in the camp? What programs did you hear about? How did you know about them? What have you heard about them?
2. Has anyone participated in any of these programs? What were they? How would you assess your experience?
3. Did you learn anything useful for your career? Did you learn something useful for your life?
4. Would you be interested in joining such a program? Why?
5. Have you received any skills training when you were in Syria or here in KRI? If yes- What are they? Please mention.
6. Do you have any work experience? Please specify the period and the field.
7. What is your education level? Limited schooling. Primary. Secondary. Post-secondary. Institute. University.
8. What kind of training would you want to participate in the future?

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