

# LABOUR MARKET OPPORTUNITIES AND CHALLENGES

Kirkuk City, Kirkuk Governorate

IOM Iraq – January 2020

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## List of Acronyms

|       |  |
|-------|--|
| BEP   | Business Expansion Package               |
| BSP   | Business Support Package                 |
| CIP   | Community Implementation Plan            |
| CoC   | Chamber of Commerce                      |
| CoI   | Chamber of Industries                    |
| CRC   | Community Resource Centre                |
| ESP   | Employment Support Package               |
| FGD   | Focus Group Discussion                   |
| FT    | Farming Training                         |
| IDP   | Internally Displaced Person              |
| ISIL  | Islamic State in Iraq and the Levant     |
| IOM   | International Organization for Migration |
| JP    | Job Placement                            |
| LMA   | Labour Market Assessment                 |
| NFI   | Non-Food Items                           |
| MoLSA | Ministry of Labour and Social Affairs    |
| OJT   | On-the-Job Training                      |
| SME   | Small and Medium Enterprise              |
| VT    | Vocational Training                      |

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# 1. Executive Summary

## 1.1. Introduction

With sub-offices across Iraq, jointly managed community resource centres (CRCs), and a presence within the Ministry of Labour and Social Affairs' suboffices, IOM has a field presence that allows for a community-driven approach to recovery and development. Under its livelihoods programming, IOM works through a system of community engagement that has been refined through an iterative learning process, and relies on stakeholder consultation throughout the design of sustainable livelihood activities. To design market-led development interventions, a series of Labour Market Assessments (LMAs) were conducted.

## 1.2. Study Components

This LMA consisted of 31 interviews with job-seekers, key informants, consumers, and youth, conducted over two months between December 2018 to January 2019. The surveys included a mix of quantitative and qualitative exercises conducted with key informants, job-seekers, youth, consumers, and employers.

## 1.3. Kirkuk City Key Findings

### 1.3.1. Challenges and Opportunities Facing Employers in Kirkuk city

There is a desire to work in skilled professions, in addition to selling clothes, shoes and accessories, maintaining water systems and installing secondary ceilings;

- Food businesses were the least likely to report a drop in demand during the previous five years;
- Skilled labour was frequently mentioned as hard to find, reported most often by food businesses (54% of whom mentioned this as a challenge) and textile businesses (mentioned by 36% of businesses as a challenge).

### 1.3.2. Challenges and Opportunities Facing Consumers in Kirkuk city

- Only 13.3% of the participants or their family members reported having savings;
- 30% of participants mentioned difficulty with finding some goods and public services, such as medical treatment, transportation, electricity, fuel and job placement services;
- Only 1 participant mentioned travelling outside the city to purchase some goods and access medical services;
- Most (76.6%) participants stated that there are no certain places avoided or frequented by certain groups of people. Of the 23.3% who answered "yes", respondents mostly indicated women who tend to purchase goods from other women working from home.

### 1.3.3. Challenges and Opportunities Facing Job-seekers in Kirkuk city

- There is no job centre in Kirkuk city, although there is a youth centre;
- Job-seekers felt that the unemployment rate in Kirkuk city was, on average, 59%;
- Sectors noted as currently hiring workers included shops, restaurants, malls, and markets, as well as private companies, which job-seekers also mentioned as desirable types of work;
- 38% of respondents, however, felt that these jobs were dominated by a certain demographic group;
- 67% mentioned the internet, social media and the media as a source of information about job opportunities and hiring.

## 1.4. Overall Recommendations

|                           |   |
|---------------------------|---|
| <b>Sectors to target:</b> | Food, agriculture, textiles, services such as haircutting and hairdressing, tech and other personal services.   |
| <b>Profile to target:</b> | Female heads of households, people with disabilities, people from lower-income households, and widows.  |
| <b>Notes:</b>             | <ul style="list-style-type: none"> <li>• Avoid mini malls and grocery store management;</li> <li>• Avoid granting to the metalworking sector;</li> <li>• Look for advanced training providers on repairs i.e. electronic and mechanical repairs and services;</li> <li>• Investigate how to support agricultural value chains;</li> <li>• Could be a suitable location for the Enterprise Development Fund;</li> <li>• Good location for advertising through social media.</li> </ul> |

## 2. Location and Study Overview

### 2.1. Introduction

Recognizing that the private sector is an engine for growth, IOM works to create inclusive markets at the individual, community and institutional levels. At the individual level, IOM has prioritized support to micro-enterprises, including providing business development services (for example, business advisory services) and business support packages (including in-kind and cash support), all of which aim to increase income generation at the household level.

For those individuals who need capacity development support or who have specific backgrounds such as agriculture, IOM provides specialized skills development and training through Vocational Training (VT), Farming Training (FT) or On-the-Job Training (OJT), accompanied by employability assistance inclusive of in-kind items tailored to enhance individual employability. For beneficiaries who already possess relevant education or training and need to gain hands-on work experience, IOM job placement and job matching initiatives link participants with businesses in growth sectors, and pays their salaries partially or fully for 3 to 6 months.

At the community level, IOM provides support to slightly larger businesses – Small and Medium-sized Enterprises (SMEs) – to support long-term job creation and the expansion of local production capacities.

IOM also targets the infrastructure needed to support markets, linking support to livelihoods with support for the enabling environment. For example, in agricultural communities IOM may support irrigation projects. At the institutional level, IOM also provides capacity building to national and local authorities, including market assessments that seek to promote institutional change that would support local livelihoods.

### 2.2. LMA Overview

This and other IOM Labour Market Assessments (LMAs) are intended to provide actionable recommendations for the individual livelihood assistance that IOM provides in multiple districts throughout Iraq. This LMA focuses on Kirkuk city, the capital of Kirkuk Governorate.

### 2.3. Assessment and Methodology Overview

The LMA process took two months to complete, beginning with a two-day training, and surveyed job-seekers, average consumers, and youth, in addition to analyzing previous interviews with key informants and business owners. Six communities were selected for in-depth surveying, and where possible surveys were collected evenly across these six locations.

#### 2.3.1. Key Informant Interviews (KIIs)

The surveys undertaken by the team for this labour market analysis were supplemented with secondary data from an EDF market assessment, which included 11 KII conducted in Kirkuk city in 2018.

#### 2.3.2. Job-seekers Surveys

The job-seeker survey is designed to identify preferences by unemployed and underemployed workers. With each Job-seekers Survey, the purpose of the survey and informed consent was obtained. In Kirkuk city, 31 job-seekers were identified and surveyed.

#### 2.3.3. Job-seeker Surveys

The job-seeker survey is designed to identify the preferences of unemployed and underemployed workers. In Al-Shatra, 30 job-seekers were identified and surveyed. The survey's purpose was outlined for each job-seeker survey, and informed consent was obtained from those surveyed.

#### 2.3.4. Consumer Surveys

The consumer survey was designed to triangulate data related to demand, income, and vulnerability.

Thirty respondents were identified by approaching members of the public in commercial or industrial districts and asking to speak with them. There were no restrictions on the demographic profiles of participants except for a diversity of groups within the population to the extent possible.

#### 2.3.5. Focus Group Discussions

Focus Group Discussions (FGDs) were designed to be rolled out with youth to identify bottlenecks to youth employment and training preferences. FGDs were conducted by requesting participation from members in each community. Six FGDs were conducted, one in each community in Kirkuk city that would receive livelihood programming, with participants aged between 15–25, and sought to include a diverse group of youth.

#### 2.3.6 Employer Surveys

Ninety-seven employer surveys, completed in 2018 as part of a market assessment for the Enterprise Development Fund, were also added to the analysis for Kirkuk city to provide a sample as representative as possible of the local market.

### 3. Findings

#### 3.1. Government and private sector stakeholders

In contrast to key informants in neighbouring Hawija, who unanimously reported agriculture as the major employer of local residents, key informants in Kirkuk city reported more diverse sources in income generation for local residents, reflective of a typical urban/rural differentiation. These income generation sources included food processing, government jobs, agricultural work, trading, and construction. According to the respondents, however, most factories stopped production during ISIL's attacks on the city and occupation of surrounding areas. Damage to electrical transformers and irrigation systems affected agricultural output, construction projects stopped, and trading was also halted due to a lack of confidence in the security situation. As a result, currently the largest employers in the area include mini-malls, cafes, some private schools, and a privately owned oil refinery. Respondents said agriculture was hindered by checkpoints, with one respondent reporting that:

“This year, [farmers] are facing a lot of barriers from the checkpoints [whereby the checkpoints are] not letting farmers to take their share of (diesel, seeds, fertilizer, and equipment).”

While opinions were mixed on whether or not the government was encouraging investment in any sector, a majority (81%) mentioned private investment in mini-malls and general trading as present in Kirkuk.

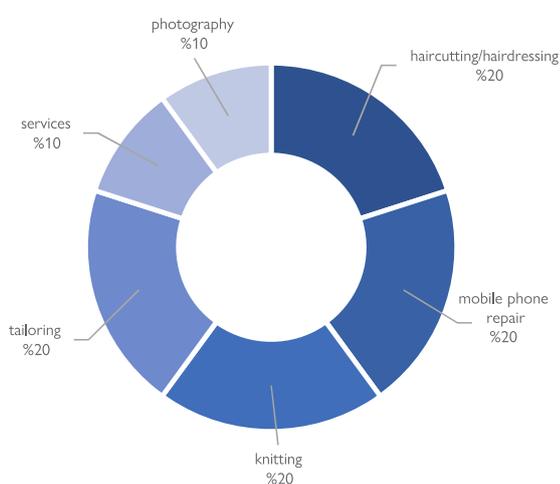


Figure 1. Tiseen Requested Trainings by Mention

#### 3.2. Youth Needs and Priorities

Six FGDs were conducted with a total of 47 youth. These discussions were held in Tiseen, Al-Qadissiya (Rabareen), Hay Al-Askary, Hay huzairan, Rahim Awa, and Shorija. Most (87%) discussants felt that increased economic opportunities would make youth less likely to join military actors. Most discussants also felt that one third of their community was living below the poverty line and that around one-third of youth were unemployed or underemployed.

Some of the mentioned available but oversaturated skills included tailoring, teaching courses for school students, sports training and food markets, restaurant and supermarket management.

Demanded skills included handicraft creation, haircutting, computer skills, car mechanic skills, sales, pastry-making, restaurant management, English language, tailoring, mobile maintenance, construction skills, selling clothes, hairdressing, sports, and other skills for running small businesses.

Hairdressing and haircutting were suggested repeatedly as a training course option for both men and women in all communities surveyed. Below, a breakdown of trainings that youth felt should be offered in their communities is provided, including both male- and female-appropriate courses.

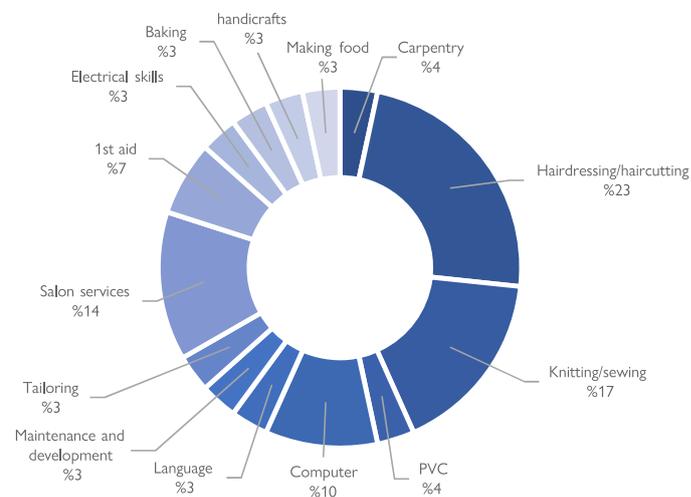


Figure 2. Al Qadissiya Rabareen requested trainings by Mention

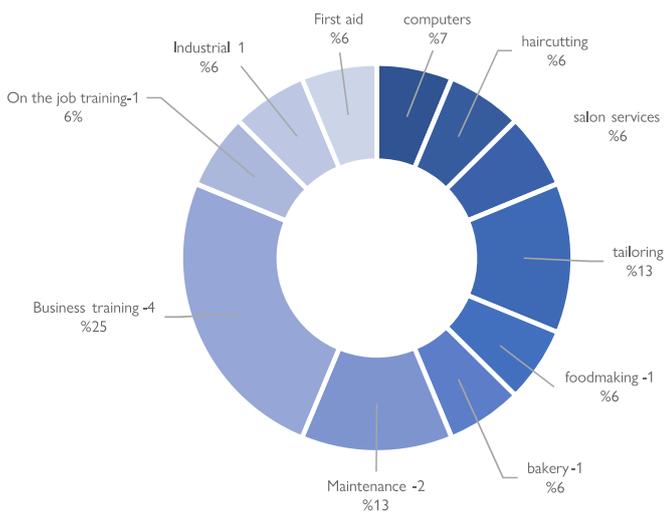


Figure 3. Hay Huzairan requested trainings by Mention

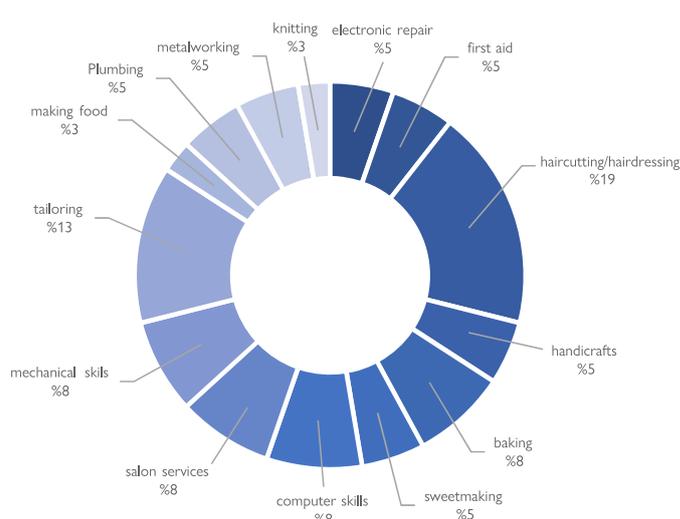


Figure 4. Hay al Askary requested trainings by Mention

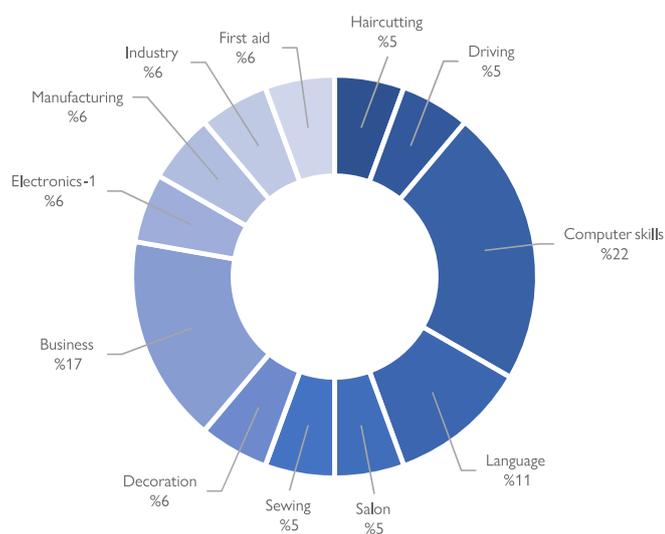


Figure 5. Rahim Awa requested trainings by mention

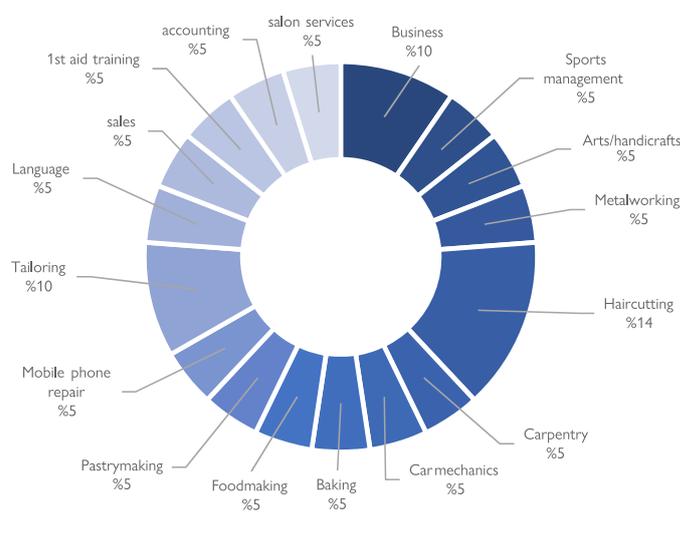


Figure 6. Shorija Requested trainings by Mention

While some of the training courses subjects do not match the skills in demand in each community mentioned above, they overlap in mentions of haircutting skills, computer and language skills, mechanical and electronic skills, and general business skills, to name a few.

### 3.3. Job-seeker Needs and Priorities

Thirty-one job-seekers were surveyed, who estimated that the unemployment rate in Kirkuk is around 59%. Graduates, women, youth and IDPs were mentioned most often as likely to be unemployed or underemployed, while people with disabilities, low-income or those with lower education levels were also mentioned. The majority of respondents felt that knowledge, followed by experience, were the most important qualities in finding satisfactory employment, and 67% mentioned internet, social media and the

media as a source of information about job opportunities and hiring. Most (96%) respondents said that there was no job centre in their community, although four participants did mention a youth centre. Each community mentioned that a job centre should be placed within their own community, or nearby in an accessible location, and vulnerable persons were mentioned most often as a preferred group of persons to prioritize for livelihood assistance, including female heads of households, people with disabilities, people with low income, orphans, and widows.

Sectors noted as currently hiring included shops, restaurants, malls and markets, as well as private companies, which job-seekers also mentioned as desirable types of work. However, 38% of respondents felt that these jobs were dominated by a certain demographic group, with one respondent noting sometimes host community members were favoured for jobs.

### 3.4. Employer Needs and Priorities

Many employers surveyed (56%) had experienced a drop in demand, profit, or revenue between 2014–2017. Food businesses were the least likely to report a drop in demand.

One issue many employers remarked on was a customs fee charged at the border between federal Iraq and the Kurdistan Region of Iraq. Employer surveys, conducted in November of 2018, however, do not take into account the dismantling of the customs checkpoints in December, which were ruled as illegal and ordered removed by the Government of Iraq.

Employers also reported other current demand issues, including low demand, especially within the metal sector (reported by 71% of metal businesses) and carpentry (reported by 60% of carpenters). Skilled labour was also hard to find, reported most often by food businesses (54% of whom mentioned this as a challenge) and textile businesses (mentioned by 36% of businesses as a challenge).

### 3.5. Consumer Needs and Priorities

The average monthly income of consumers surveyed was 342 United States dollars (USD). Only 13.3% of the participants or their family members reported having savings, and the average monthly saving among those who reported saving a portion of their income regularly was USD 98.7; 70% reported not having difficulty with finding services, with only 30% of participants mentioning difficulty with finding some goods and public services, such as medical treatment, transportation, electricity, fuel, and job placement services. Only 1 participant mentioned traveling outside the city to purchase some goods and medical services.

A majority (76.6%) of participants stated that there are no certain places avoided or frequented by certain group of people. Of the 23.3% who answered yes, there respondents specified that they meant women who tend to purchase goods from other women working from home.

Spending patterns are shown below:

| Period  | Expense              | % of Participants with Expense | Average Local Expense (USD) | Average National Expense (USD) |
|---------|----------------------|--------------------------------|-----------------------------|--------------------------------|
| Weekly  | Food                 | 30                             | 100%                        | 61.2                           |
| Monthly | Rent for residence   | 16                             | 53.3%                       | 160.6                          |
|         | Combustibles         | 30                             | 100%                        | 28.8                           |
|         | Transportation       | 24                             | 80%                         | 25.2                           |
|         | Temptation           | 26                             | 86.6%                       | 24                             |
|         | Recreation           | 0                              | 0%                          | 0                              |
|         | Water                | 20                             | 66.6%                       | 22.5                           |
|         | Communication        | 28                             | 93.3%                       | 19.6                           |
| Yearly  | Education            | 22                             | 73.3%                       | 112.4                          |
|         | Medical              | 26                             | 86.6%                       | 118.8                          |
|         | Repairs              | 10                             | 33.3%                       | 105.3                          |
|         | Household appliances | 5                              | 16.6%                       | 137.8                          |
|         | Purchase of vehicles | 0                              | 0%                          | 0                              |
|         | Family events        | 1                              | 3.3%                        | 416                            |

Table 1. Spending patterns

## 4. Conclusions

Kirkuk city is a city with a high perceived rate of unemployment but youth there requested specific and targeted training. Although there is a tendency to use social media to post job opportunities and youth trust that experience and qualifications do matter in hiring, there is also a feeling that available jobs are dominated by certain groups. This creates an urban context that is at once merit-based and divided. IOM would do well to consider this when devising livelihood interventions and target different communities equally in a conflict-sensitive approach. Social media is acceptable as a means of awareness-raising and seems to be widely used. There is some evidence of a small amount of consumer saving, which is a positive sign for more sustainable livelihood interventions such as the Enterprise Development Fund. In terms of individual livelihoods, employers in the food and textile industries mentioned needing skilled labour, which lines up with the food-making and sewing training requests made by youth. Better educated youth who prefer office work, meanwhile, may benefit more from computer or tech courses.



# IOM-IRAQ MISSION

## LABOUR MARKET

## OPPORTUNITIES AND CHALLENGES

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