



**The Informal Economy & conflict:
Dohuk – Kurdistan Region of Iraq as a case study**

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ABSTRACT

The article explores the role of the urban informal economy in poverty-reduction, peace-building and development in post-conflict city, and its scope to provide both livelihoods for the extreme poor and a platform for economic recovery. Post-conflict recovery is a long and cyclical process and this article explores the drivers of conflict and links to the informal economy, examining both structural and individual factors that support/inhibit the informal economy's role and growth in post-conflict settings. Fieldwork was carried out in Dohuk exhibiting different facets of conflict and violence. Following the introduction, the article provides a short background to Dohuk; it describes the political and socio-economic conditions in the city, current policies and attitudes towards the urban IE, and provides an overview of the periods of regional



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support/inhibit

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violence up to 2014. Later, briefly discusses the two-stage methodology used in the fieldwork. The findings of the article are then set out exploring the characteristics of the IE in Dohuk today. It builds a profile of the IE workers and businesses interviewed, and the challenges and problems that the IE faces, before concluding with a commentary on potential protections to strengthen livelihoods. Finally, the article sets out recommendations to support the urban IE in Dohuk..

INTRODUCTION

In post-conflict cities, and many developing world cities across the globe, working in the IE is an important coping strategy. Worldwide, the contribution of urban informal enterprises to gross domestic product (GDP) and jobs is substantial. Even when political stability is assured, informality remains a structural characteristic of low-income economies, yet local and international policies see the IE as a temporary solution and rarely provide supportive and enabling environments for its development. In post-conflict and post-crisis settings, the IE's role is vital in providing livelihoods during recovery and in replacing basic services lost during crises.

Dohuk was selected to examine the impact of regional conflict on the urban area. Though Dohuk has not suffered direct and severe violence itself, it has been surrounded by multiple and intersecting regional conflicts since 2011 which have impacted urban life. The most severe of these include: the Syrian civil war and the advancement of the Islamic State of Iraq and Syria (ISIS) into nearby territories which have initiated mass displacement of people into Dohuk, and the 2017 loss of oil revenue to the Kurdistan Regional Government (KRG). The experience of conflict and displacement, along with a financial crisis and weak governance means that Dohuk exhibits dimensions of fragility typical in 'post-conflict' cities.

Thus, the core focus of interest for the research in Dohuk was to explore the role of the IE during regional violence, its evolution and its current economic contribution. The research also sought to understand how different livelihood routes reduced the impact of violence, crisis and instability on poor people, refugees and IDPs and the role of the IE in economic recovery, as a basis for improving development interventions in Dohuk. Within this framework, the research addressed three main questions:

- How does the IE operate in Dohuk today and what are the main challenges and problems that IE workers face?
- What were the short-term and long-term impacts of urban violence on the urban IE, and how did it respond? How does this response contribute to improved development outcomes?
- How can support for the IE contribute to wider development initiatives of poverty reduction and economic growth?

Dohuk Governorate lies at the Western side of the Kurdistan Region of Iraq (KRI), bordering Turkey and Syria. It also borders the Mosul Lake which separates the province from Nineveh Governorate. Dohuk Governorate consists of four districts: Dohuk, Summel, Amedi and Zakho, the highest density of which are the districts of Dohuk and Summel. Dohuk City (in the district of Dohuk) is the capital of Dohuk Governorate and Summel City, the administrative centre of the district of Summel, is just 14km away. For the purposes of this report, Dohuk will refer to the high-density areas in and around Dohuk City and Summel City, which will be differentiated from Dohuk City, the district of Dohuk and Dohuk Governorate.

1. SETTING THE CONTEXT: CONFLICT & THE CITY

This section gives a brief overview of regional conflict affecting Dohuk up to 2014 and summarises the political, ethnic and socio-economic makeup of Dohuk today, Dohuk's experience of displacement and the policy context affecting the urban IE.

2.1 Conflict in Dohuk

- Dohuk Governorate, in the Kurdistan Region of Iraq (KRI), has been surrounded by regional conflicts for a number of years which has increased insecurity in Dohuk (WANA 2017). No direct violence BUT:
 - Civil war in Syria, starting in 2011 – displacement of Syrian refugees into urban areas of Dohuk.
 - ISIS advance into Northern Iraq (20km from Erbil) – displacement of IDPs from fall of Mosul and Sinjar (among others) into urban areas of Dohuk and military operation by KRI to liberalise territories.
 - Increasingly violent guerrilla war in south-east Turkey
 - Accompanying financial crisis
 - This follows period 2003-2013 named locally as “golden age” following US invasion and the end of Saddam Hussein regime in Iraq.

2.1.1 History of conflict in the Kurdistan Region of Iraq up to 2013

- Period between 1991-2003 difficult – Saddam cuts off financial support for Kurds (WANA 2017)
- Golden period 2003-2013 – Kurds receive 17% of Iraq’s annual budget (oil share) and open doors to international companies, organisations, tourism etc (WANA 2017)

2.1.2 Regional conflict 2013-2014

Mass displacement of refugees from the civil war in neighbouring Syria; brutal human rights violations committed by ISIS in other areas of Iraq and KRI causes displacement of IDPs; and military operations to liberate territory from the terror group causes fear within Dohuk (WANA 2017)

Syrian civil war and displacement

- Though the Syrian conflict began in 2011 and escalated in mid-2012 it was in 2013 that the number of people fleeing to neighbouring countries rose markedly. 61% of all Syrians in Dohuk Governorate displaced between 2013-2014 and almost 50,000 in a two-week period in September 2013.
- In 2016: 26,300 refugees registered in Dohuk City and Summel City (UNHRC 2016)

ISIS insurgency and displacement:

- Up to June 2014 – Majority of IDPs from Ninewa Governorate, mostly in the aftermath of two security incidents: refugees from the Mosul crisis and the Sinjar offensive arrived in 2014
- After fall of Sinjar (Aug 2014): large numbers of Yazidi IDPs.
- In 2016: 89,000 IDPs registered in Dohuk City and Summel City (UNHCR 2016)
- Military operations by KRI peshmerga

2.1.3 Syria migration slows and ISIS defeat

- End of “conflict” period 2014 – Syrian displacement peaks in 2013 and Peshmerga begin to take back territories from ISIS from 2014.

2.2 Ethnic, geographic, socio-economic and political characteristics of Dohuk

2.2.1 Ethnic and religious diversity in KRI and Dohuk

- Ethnic and religious diversity – majority of those born in Dohuk are Muslim Sunni Kurds
- Virtually all Syrian refugees are Muslim Sunni Kurds
- Most IDPs are Kurds (Muslim Sunni Kurds and Yazidi Kurds) but some are Arabs, Christians and Turkmen

2.2.2 Displacement and urbanisation

- Rapid population increase (28%) in the KRI as a result of the influx of 2 million displaced people from the rest of Iraq and Syria (Barwari 2018).

- Districts of Dohuk and Summel are high density stratum in Dohuk Governorate (UNHCR 2016).
 - High density areas host 50% of all displaced people in Governorate (more opportunities for displaced people).
- 2016 Dohuk: Population increase due to displacement = 13%
- 2016 Summel: Population increase due to displacement = 49%
- Refugees and IDPs reside in camps and in urban environment.

2.2.3 Weak economy and the financial crisis

KRI economy characterised by key weaknesses which have been worsened by financial crisis during/since period of conflict (Barwari, 2018). Key weakness:

- High dependency on oil prior to 2014 - constitutionally-mandated oil revenues from Baghdad provide 85% of the KRG's revenue but 1% of region's employment
- High dependency on public sector – KRG is main employer with over 50% of total employment so salaries, pensions, social assistance and subsidies consume over 50% of budget
- Dependency on imports
- Weak financial system – Dependency on cash-based economy and tax provides only 5% of KRG revenue.

Financial crisis from 2014 (Barwari, 2018; Tearfund, 2015):

- Security threat and KRI military expenditure - conflict with ISIS from mid-2014 that reached to within 20 km of Erbil
- Infrastructure and service expenditures - rapid population increase of 28% as a result of the influx of 2 million displaced people from the rest of Iraq and Syria.
- Fiscal imbalances of the KRG due to delayed and diminished budgetary transfers from the central government of Iraq - from \$12 billion in 2013 to about \$1 billion in 2014, to zero in 2015.
- The sharp decline in international oil prices, from \$115 per barrel in June 2014 to about \$45 in 2017.

Effects:

- Near bankruptcy has led to non-payment of public sector salaries and job losses in public sector since 2014 – especially in education and health-care – limited further development and public-sector provision (Hussein, 2018).
- Decline in tourist industry (Tearfund, 2015)
- Very low investments by private sector over period of conflict (Tearfund 2015).

2.2.4 Women in Dohuk

- In conflict: Women experience human rights abuses in Syrian civil war and ISIS advance: organised rape and sexual assault, sexual slavery, and forced marriages (Ahram 2015; Khuloud Alsaba & Anuj Kapilashrami, 2016).
- In KRI: National Strategy to Confront Violence Against Women set up in 2012 – acknowledgement of high levels of honour killings, suicide, self-immolation, FGM and forced marriage of teenage girls.
- Low levels of formal education (See National Strategy, 2012).
- Very low employment rates for women across KRI. Most employed women work in public sector employment (education or health) or in agriculture in the private sector. Lack of women in work is attributed to inadequate education and training levels and cultural norms. However, recent conflict and financial crisis has increased female participation in the labour market (UNHCR 2016).

2.3 Local government in Dohuk

- Weak governance at local level - Mixture of conflict, displacement and financial crisis has impacted on government income and functions, household resilience and public service provision in Dohuk.
- High levels of corruption – Code of Conduct for government employees to deal with conflict of interest introduced in 2009 but not implemented (Barwari, 2018).

2.4 The informal economy in Dohuk

- Informal economy biggest provider of jobs (ILO 2016).
- Increase in IE since economic and political crisis - influx of displaced people including educated, skilled, and experienced refugees from Syria (WANA 2017)
- Refugees and IDPs free to work in local private economy (within and outwith camps) BUT no legal framework for refugees to achieve citizenship/locally integrate/work in public sector and high levels of discrimination and exploitation i.e. willingness to accept below-average wages and working conditions (WANA 2017).
- Though refugees and IDPs cannot legally work in public sector jobs some exceptions have been made for education or healthcare personnel (WANA 2017).
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2. METHODS

This study adopted a mixed-method approach and used a combination of two key methods.

This section summarises the key methods employed during the fieldwork for this research. The study adopted a mixed-method approach and used a combination of two methods, outlined below. Where possible the findings from Dohuk have been linked to relevant points in the literature to show the extent to which the findings here reflect, or differ from, findings.

3.1 Informal economy analysis

In order to gain in-depth comparative information of individual experiences extended semi-structured pathways interviews were conducted with two groups. The first group consisted of IE workers in Dohuk today. The second included those who had been in Dohuk in 2013-2014 and had been directly affected by regional conflict, either as a refugee, IDP or member of the host population, so could answer questions about the impact of regional conflict on their lives and livelihoods.

3.1.1 Interviews with IE workers today

In the analysis of the semi-structured interviews, the 175 current IE workers in Dohuk are referred to as “current IE workers” throughout this report. The questionnaire was designed to elicit people’s experience of the IE; the challenges and problems they face; any engagement with local authorities; and the impacts of conflict. Questions fell under the following broad categories: people; business; links and networks (including engagement with local authorities); safety; and security. If they could, respondents were then asked to comment on the impacts of the past conflict on society generally and the IE more specifically.

In order to get a diverse range of participants, selection was based on a number of observed factors including gender; age; business district, business type; and business premises. Factors such as time restraints of the fieldwork, and the unwillingness of some IE workers to participate, mean that an equal mix of participants within these groupings was not possible, an unavoidable limitation in the sampling. A brief profile of the 175 IE workers interviewed and their businesses is given below.

Gender

Some 157 men (90% of the sample) were interviewed compared with 18 women. This fits with findings from elsewhere which suggest that employment rates for women are extraordinarily low in Dohuk Governorate and across the KRI region (UNHCR 2016). It could also reflect the willingness of IE workers to be interviewed. The lack of female participants is recognised as a limitation of the study.

Table 2.1: Age group

Age Group	Frequency	Percent
0 -17 Years	18	11
18 – 25 Years	55	31
26 – 35 Years	56	32
36 – 55 Years	42	24
55+ Years	4	2
Total	175	100

Age group

The vast majority of those interviewed (63%) were young people aged between 18–35 years (Table 2.1). There were few very young workers (under 18 years) or older (55 years and over) in the sample.

The presence of a large number of 18-25-year olds in this study is contrary to wider statistics on young people’s employment in Dohuk Governorate, and UNCHR (2016) found that 50% of 18-25-year olds were unemployed, and youth integration in the labour market was highlighted as a key challenge for local government.

Business location

The survey focussed on four key areas all of which had been impacted by regional conflict and displacement: Dohuk City, the capital and largest city in Dohuk Governorate; Summel City, a high density area close to Dohuk City where the arrival of displaced people has resulted in a large population increase; Domiz refugee camp, situated outside Dohuk City and established in 2012 for the large numbers of Syrians fleeing to the KRI; and Shariya IDP camp, situated outside of Dohuk City and established in 2014 to accommodate those fleeing from Ninewa and Salah Al Din governorates in Iraq, which hosts a large number of Yazidi IDPs from Sin jar.

Table 2.2: Business type

Business Type	Frequency	Percent
Vending	109	62
Services	31	18
Home-based	13	7
Café	12	7
Construction	8	5
Other	2	1

	Total	175	100
Most of the 175 IE workers interviewed operated from the urban areas of Dohuk City (82 or 47% of the total) and Summel City (32 or 18% of the total). The remaining 61 IE workers worked in camps: 36 (21%) in Shariya IDP camp and 25 (14%) in Domiz refugee camp. This distribution allowed for a good mix of urban-based and camp-based businesses in and around Dohuk.			

Business type

The majority (62%) of those interviewed were vendors selling fruit and vegetables, dry and cooked foods, grocery items, cigarettes, clothes, perfume, cosmetics and mobile accessories, amongst other goods (Table 2.2).

Those involved in services, including cobblers and shoe shiners, tailors, beauticians and hairdressers, printers, taxi drivers, mobile and watch repairers and money exchange workers, accounted for 18% of those interviewed. Home-based workers (7%) either worked as domestic workers or tailors or prepared and sold food and spices from their houses. Those involved in cafés, most of which were based in Dohuk City catering mainly for tourists, made up a further 7%, while construction workers, mostly labourers, made up 5% of those interviewed. The two “other” workers consisted of a shepherd and a people smuggler (1%).

Business premises

The majority of businesses (53%) operated from the street or from a bike, cart or cabinet in a public space while 6% operated from a market-type premises without a permanent roof. A third (33%) were based in a roofed building, while construction sites provided working space for 5% of those IE workers interviewed. The remaining 3% either operated from a vehicle (which they used as a taxi or vending space) or were itinerant in their work (such as hawkers, the shepherd and the people smuggler). This suggests that respondents face varying degrees of precariousness, enabling any variation in challenges to be explored.



Analysis

Numerical data from the questionnaires was analysed in SPSS using cross-tabulations of demographic indicators and current challenges within the IE to explore associations within the data. Qualitative data was analysed using NVivo.

3.1.2 Interviews with conflict-affected people in 2013-2014

Of the 175 current IE workers interviewed 113 (65%) had directly experienced regional conflict in 2013-2014 as a refugee, IDP or member of the host community. This group will be referred to as “conflict-affected people” (CAP) in this report. They were asked questions exploring the experience of conflict from a personal, business and societal perspective as well as the ability of the IE to contribute to economic development and peace-building in the period of transition.

Analysis

The responses from the 113 CAP were mainly qualitative and data was analysed using NVivo.

3.1.4 Governance analysis

In parallel, key informant (KI) interviews were conducted with stakeholders, including senior staff from local government, IDP and refugee camp managers, international NGOs, consultants and academics. A total of nine KI interviews took place. The KI interviews focussed on the historic and current role of the IE in Dohuk, national economic trajectories, current attitudes and policies of central and local government to the urban IE and potential opportunities within this.

Analysis

Again, analysis was performed using NVivo. This allowed KI interview data to be coded alongside the experiences of the 175 current IE workers (and within this, the 113 workers who could answer questions on conflict).

3. DOHUK'S INFORMAL ECONOMY TODAY

IE workers in urban areas and camps face a host of challenges which restrict their ability to secure sufficient livelihoods, increasing insecurity. This section describes the contemporary IE in Dohuk by examining the profile of current IE workers, the characteristics of their businesses and the challenges they face. It also investigates potential ways to address these problems through initiatives of central and local government or other urban actors. The section draws on information from the 175 interviews with current IE workers, the 9 KI interviews and secondary data where relevant.

4.1 Describing the contemporary informal economy in Dohuk

This section builds a profile of interviewees working in the IE in Dohuk today, examining issues of birthplace, ethnicity, displacement, home district and education. It then explores business characteristics including business districts, types of businesses and premises, income levels and issues of seasonality.

We had expected to find that the livelihoods for those originally from KRI and refugees/IDPs were significantly different. Although the questionnaire did not specifically ask about refugee status (whether the interviewee was a registered international refugee, internally displaced person, or internal migrant from one city to another), we explored this hypothesis through a number of secondary indicators (e.g. date of moving to current home), and did not find significant differences between groups. The place of work seemed to be a better indicator of difference. More significantly, informal economy workers generally seem to have been affected by the challenging economic situation in the region.

4.1.1 Profile of informal economy workers

Though the IE provides poor urban residents with crucial opportunities for income generation in conflict-affected situations, there are entry barriers to participation (Günther and Launov, 2012). This section therefore analyses the profile of current IE workers interviewed in Dohuk with particular attention to structural inequalities such as birthplace, ethnicity, displacement, home district,

and education, all recognised as factors that enable or inhibit access to the IE (Sen, 2008)

Birthplace and migration status

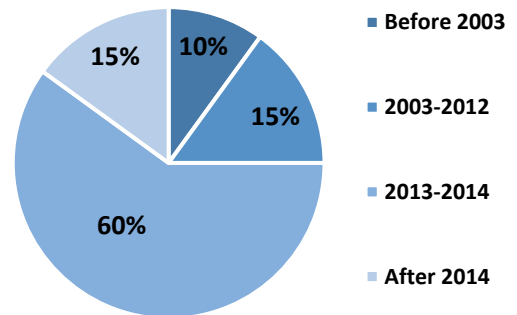
Of the 175 current IE workers interviewed only 47 (27%) were born in Dohuk or Summel while 128 (73%) migrated to the city.

Of the 128 migrant IE workers 47 (37%) were born in Sinjar; 45 (35%) were born in Mosul (29) or other areas of the KRI or Iraq (16)¹; 31 (18%) were born in Syria and 5 (3%) in Turkey.

Some of the 47 people born in Dohuk or Summel had also moved away after birth and since returned to the city. Of the 175 current IE workers interviewed 130 (74%) provided a response when asked when they moved to (or back to) Dohuk while seven IE workers who had moved to Dohuk from Mosul or other Iraqi regions did not respond. Of these 130 IE workers, 75% had moved since 2013 and 60% had moved in the two years between 2013-2014 and all can be presumed to have migrated because of conflict respond (Figure 3.1).

Move date can affect registration status Of the 47 IE workers born in Sinjar, all moved in the period after 2012 and will be referred to as “Sinjar IDPs” in this report. Of the 45 born in Mosul or other Iraqi regions, 21 moved in the period after 2012 and will be referred to as “Iraqi IDPs” in this report to differentiate them from Sinjar IDPs specifically, though they will be known together simply as IDPs. All 31 IE workers born in Syria migrated from the start of civil conflict in 2011 (though most in the period between 2013-2014) and will be referred to as “Syrian refugees” in this report. All Turks moved since 2013 and will be referred to as “Turkish migrants” in this report while all other IE workers born in the KRI or Iraq moved in the period before 2013 and will be known as “internal migrants” in the report.

Figure 3.1: Move date to Dohuk



¹ Other areas of the KRI or Iraq include Akre, Bardarash, Amadiya, Raabia and Bashiqa.

The majority (83%) of the 18 female IE workers interviewed were born outwith Dohuk or Summel, and 50% (9) of the female interviewees were from Syria.

Ethnicity and religion

Ethnically and in terms of religion, the KRI is fairly diverse. Of the 175 current IE workers interviewed 135 (77%) were Muslim Sunni Kurds while 34 (19%) were Yazidi Kurds. The remaining 3% were assorted ethnicities including Shia and Sunni Arabs and Christians.

Of the 135 Muslim Sunni Kurds 34% were born in Dohuk; 27% were regional migrants; 23% were born in Syria, 12% in Sinjar and 4% in Turkey. On the other hand, 91% of the 34 Yazidis interviewed were born in Sinjar.

Home district and households

The 175 IE workers were interviewed at their place of work. Only 52% of these lived in the urban areas of Dohuk City or Summel City and a significant proportion (41%) lived in refugee or IDP camps on the outskirts of Dohuk: 23% lived in Shariya IDP camp and Khanke IDP camp while 18% lived in Domiz refugee camp. The remaining IE workers (7%) lived in other low-density towns or villages in the region such as Misurike, Akre, Qasrok and Bardarash while working in Dohuk.

There is a link between migration status and home district in Dohuk. The majority of Syrian refugees (81%) interviewed lived in Domiz refugee camp though 19% lived outside of the camp in Dohuk City or Summel City (Table 3.1). Similarly, the majority of Sinjar IDPs (75%) lived in Shariya or Khanke IDP camps, though 25% lived off-camp in Dohuk City or Summel City or other nearby urban areas. Conversely, the majority of Iraqi IDPs (85%) lived in Dohuk City, Summel City or other towns in the region. All internal migrants (88%) and the majority of Turkish migrants (80%) lived in urban areas outside camps. Though all 47 IE workers born in Dohuk have been included as members of the host community in analysis, some moved away from, and then back to, Dohuk and so could have shared experiences with migrants or displaced people on their return. While 40 of the 47 IE workers from the host community lived in urban areas, five lived in Domiz refugee camp and two lived in Shariya IDP camp.

Table 3.1: Home district by migration status

Home district	% Host n=47	% IDPs n=47	Sinjar IDPs n=21	Iraqi refugees n=31	Syrian migrants n=17	Internal migrants n=5	Turkis migrants
Dohuk/Summel	77	23	76	19	88	80	
Domiz	11	0	5	81	0	20	
Shariya/Khanke	4	75	10	0	0	0	
Other	8	2	9	0	12	0	
Total	100	100	100	100	100	100	100

Large numbers of dependents in households can increase household vulnerability. Within the sample, the number of people in a household ranged from 2-25 with a median of 8. Similarly, the number of children in a household ranged from 0-13, and the median was 3. While the averages are not particularly high there were a few households with large numbers of dependents. There was no particular difference in the number of dependents in households in camps compared with urban areas.

Education levels

Lack of educational attainment can also increase levels of vulnerability. Of the current IE workers interviewed, the majority (44%) stopped education at primary school level and 14% had received no formal education whatsoever (Table 3.2). Conversely, while 32% had been educated to secondary school, very few (10%) reached higher education. This correlates with evidence which suggests low levels of human capital across the population of Dohuk Governorate and across the refugee, IDP and host communities (UNHCR 2016).

Table 3.2: Education level

Education level	Frequency	Percent
None	23	14
Primary	76	44
Secondary	55	32
Higher	17	10
Total	171	100

Unlike findings elsewhere there was no difference between the educational attainment of women and men, though the number of female IE workers interviewed was very small. However, there was a significant difference between

Yazidi Kurds and other Kurds with 30% of the 34 Yazidis, the majority of whom were Sinjar IDPs, receiving no formal education compared with just 10% of the 131 Muslim Sunni Kurds.

4.1.2 Profile of informal businesses

This section looks at the profile of IE businesses, with particular attention to differences in business practices of the different demographic groups outlined above.

Key business locations

As demonstrated in Section 3.2.1 the majority of IE businesses were located in Dohuk City (47%); Summel City (18%); Shariya IDP camp (21%) and Domiz refugee camp (14%).

The majority of IE workers worked in the same areas as they lived (apart from those living outside of the four main business locations where interviews were carried out). However, those living in Domiz refugee camp (22%) and, to a lesser extent, Shariya or Khanke IDP camps (12%) were more likely to move outside of their place of residency to work. None of those living in Dohuk City or Summel City or in other towns in the area worked in the camps. It appears that there is commuting out of camps for work but there is no commuting into camps.

As there is an established relationship between home district and migration status there is also a link between business location and migration status (Table 3.3). The majority of members of the host community (96%) as well as all internal migrants and Turkish migrants worked outside camps. Conversely, the majority of those born in Syria worked in Domiz refugee camp (77%), though 23% worked in Dohuk City or Summel City. Similarly, the majority of IE workers born in Sinjar worked in Shariya IDP camp (70%) though 30% worked in Dohuk City or Summel City. In comparison to IDPs from Sinjar, the majority of Iraqi IDPs worked in urban

areas (90%) while 5% worked in Domiz refugee camp and only 5% worked in IDP camps.

Table 3.3: Business location by migration status

Business location	% Host n=47	% Sinjar IDPs n=47	% Iraqi IDPs n=21	% Syrian refugees n=31	% Internal migrants n=17	% Turkish migrants n=5
Dohuk City	85	11	52	13	71	60
Summel City	11	19	38	10	29	40
Domiz camp	0	0	5	77	0	0
Shariya camp	4	70	5	0	0	0
Total	100	100	100	100	100	100

Main businesses

As demonstrated in Section 3.2.1 vending (62%) and services (18%) were the most frequent livelihoods amongst current IE workers interviewed followed by home-based workers (7%), café workers (7%) and construction workers (5%). Cafés mainly served the tourist trade.

This study found that business type was correlated with the location of business (Table 3.4). Vending was the most prevalent type of business in every district, though it was less prevalent in Domiz, where more Syrians lived than in other interview areas. IE workers in Shariya IDP camp, the majority of whom were born in Sinjar, were more likely to be in services (30%) than those in Domiz (20%), Dohuk (13%) and Summel (12%). In Domiz, 32% of IE workers were involved in home-based enterprises compared with 5% in Dohuk and 3% in Shariya (no home-based IE workers interviewed worked in Summel). All construction workers were based in Summel and all but one café/resturant was in Dohuk City.

Table 3.4: Business type by business location

Business Type	% in Dohuk City n=82	% in Summel City n=32	% in Domiz camp n=25	% in Shariya camp n=36
Vending	68	63	44	64
Services	13	12	20	30

Home-based	5	0	32	3
Café	13	0	4	0
Construction	0	25	0	0
Other	1	0	0	3
Total	100	100	100	100

There was also a link between business type and migration status. While all groups worked as vendors, IDPs from Iraq (29%) and Sinjar (23%) and refugees from Syria (23%) were more likely to work in services than migrants from Iraq (12%) or Turkey (0%) or members of the host community (11%). Similarly, only IDPs from Iraq (14%) and Sinjar (6%) and refugees from Syria (7%) worked in construction. Refugees from Syria (25%) were also much more likely to be involved in home-based enterprises than any other groups (ranging from 0-6%).

There was also a link between gender and business type, though the sample of female IE workers was extremely small. More men (64%) worked in vending than women (44%), while in services more women were working (28%) than men (17%). The type of service provision was also gendered, with men working as cobblers, drivers and in money exchange and shoe cleaning, while women worked as beauticians or tailors. More women (28%) than men (5%) worked in home-based enterprises or domestic service and no women worked in construction or in cafés/restaurants.

Business premises

Section 3 demonstrated that the 175 current IE workers interviewed operated from different business premises, with the majority running businesses from the street (53%) or a site without permanent roofing (6%) while others operated from roofed buildings (33%). A small percentage worked on construction sites (5%) while the remaining 3% either operated from a vehicle (which they used as a taxi or a vending space) or moved around for work (such as the shepherd and people smuggler).

Unsurprisingly, vendors (73%) were most likely to operate from a street or cart, although there were a significant number of those in the café and tourism industry (58%) operating from public spaces (Table 3.5). The majority of those in services (65%) worked from a roofed building (as did all home-based workers). All

construction workers operated from a construction site. Generally, IE workers who operate from the street or an insecure space without a permanent roof are more vulnerable than those who do not (Brown, 2006).

Table 3.5: Business premises by business type

Business premises	%	% Services n=31	% Home-based n=13	% Café n=12	% Constructio n n=8	%Other n=2
Street	73	19	0	58	0	0
No permanent roof	6	10	0	0	0	0
Roofed building	20	65	100	42	0	0
Construction site	0	0	0	0	100	0
Other	2	6	0	0	0	100
Total	100	100	100	100	100	100

IE workers who operated in camps were less likely (31%) to work on the streets than those who worked in the urban areas of Dohuk City and Summel City (65%) as the camp administration has made some provision for them. Migrants who work from the street are thought to be particularly vulnerable (Craig et al, 2015) and this study found that migrant IE workers operating outside camps faced a degree of precarity. Indeed, 71% of the 17 internal migrants, and all Turkish migrants worked on the street or a site without a permanent roof. Business premises were also linked with gender, and 83% of female IE workers interviewed operated from a permanent roof in comparison to only 28% of male workers. This is unsurprising given that the fact that a greater percentage of women worked in services and home-based industries, most of which are conducted from a roofed building.

People in business

In this study, 46% of all IE workers work alone, which can also signify vulnerability. IE workers based in camps (57%) were more likely to work alone in comparison with those operating outside of camps (40%). Fewer IE workers worked alone in Dohuk (32%) than in Summel City (63%), Domiz refugee camp (56%) and Shariya IDP camp (57%).

Business income

Income data is generally difficult to assess, either because people do not keep count of what they earn, or are reluctant to divulge this in interview. Of the 175 current IE workers interviewed, 159 reported income data and daily income ranged from IQD. 3–65,000 averaging at IQD. 10,760 (US\$9.00) a day².

The income data was measured against some of the demographic groups above and there was discrepancy in income between the different types of businesses (Table 3.6). Generally, those involved in home-based enterprises (IQD. 2,500) and construction (IQD. 5,000) made significantly less on average than those in other professions whilst café workers, often catering for tourists, made significantly more (IQD. 21,500). It follows, given that a greater percentage of women compared with men were involved in home-based enterprises within this study that, albeit from a small number of interviewees, women (IQD.340) also received significantly less daily income than men (IQD. 11,900).

Table 3.6: Daily income by business type

Business Type	n	Average daily income (Iraqi Dinar)
Vendor	99	11,1150
Services	31	10,550
Home-based	11	2,500
Restaurant	10	21,00
Construction	8	5,000

Table 3.7: Daily income by business district

Business District	n	Average daily income (Iraqi Dinar)
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²This does not include the smuggler who earned IQD.398,000 daily which was disproportionate to the rest of the IE workers interviewed.

Perhaps most significant however, was the discrepancy in daily income between businesses in different districts (Table 3.7). Businesses run from camps earned significantly less daily income on average than those operating from urban areas with refugees in Domiz camp on average earning least (IQD. 3,400) and those operating in Dohuk City (IQD. 15,200) earning most. Syrian refugees (IQD. 3,850) and Sinjar IDPs (IQD. 7,800) also received less daily income than Iraqi IDPs (IQD. 15,100), internal migrants (IQD. 17,000), Turkish migrants (IQD. 19,200) or members of the host community (IQD. 15,200).

Dohuk City	71	15,200
Summel City	24	11,350
Domiz Camp	30	3,400
Shariya Camp	34	6,250

Seasonality of business

Studies have found that seasonal businesses bring “risks” to the income flow of informal workers, with decreased capital from the structural and cyclical features of the business increasing vulnerability (Lund and Srinivas, 2000). In Dohuk 49% of the 175 current workers interviewed associate their business with seasonality. Summer, winter, and festivals were all factors that affected seasonality.

Unsurprisingly, vending, construction and café/restaurant businesses, the majority of which operated from the street or without a permanent roof, were more affected by seasonality than services or home-based enterprises, the majority of which operated from roofed buildings.

Table 3.8: Seasonality of business by type

Business seasonality?	% Vending n=109	% Services n=31	% Home-based n=13	% Café n=12	% Construction n=8	%Other n=2
Yes	52	38	15	75	50	50
No	48	61	85	25	50	50
Total	100	100	100	100	100	100

Both construction workers and café workers reported better earnings in the spring and summer when the weather was better and tourists were more plentiful. Vendors were affected differently depending on their products and operating

spaces though were generally more likely to see profit increase during cultural festivals, like Nawroz and Eid and decrease during the rainy season. Seasonality and the availability of products meant that vendors often diversified or changed their products in line with the seasons.

The summer is better than winter because in summer we sell a lot of local vegetables grown in our region. In winter they are imported from Turkey and Iran and it is too expensive (Male IE worker, Vendor, Fruit and vegetables).

4.2 Challenges and problems in the informal economy today

Worldwide, the IE is a structural characteristic of urban economies in low and middle-income countries and a source of innovation and jobs. However, even under relatively stable political regimes, state policy marginalises the urban IE and problems and challenges are commonplace (Brown, 2015). This section investigates some of the challenges and problems faced by IE workers in contemporary Dohuk, focusing on vulnerability and multiple jobs, lack of inclusion in government policy, problems with local authorities, economic variables and difficulties with infrastructure and operating spaces.

4.2.1 Challenges in the informal economy

Of the 175 IE workers interviewed, 137 (78%) admitted they face one or multiple challenges at work, discussed below. Generally, difficulties are faced by all business sectors and business premises and by all genders, ages, ethnicities. However, those with more formal education seemed to be more affected by challenges than those with less formal education, with 90% of those who had received secondary education admitting challenges compared to 61% of IE workers with no formal education.

Business district was also a factor and marginally fewer IE workers in Summel reported business challenges (62%) than those working in Dohuk (88%), Shariya IDP camp (75%) or Domiz refugee camp (72%) (Table 3.9).

Table 3.9: Business challenges by business district

Business challenges?	% in Dohuk City n=82	% in Summel City n=32	% in Domiz camp n=25	% in Shariya camp n=36
Yes	88	62	72	75
No	12	38	28	25
Total	100	100	100	100

This section investigates the specific challenges and problems that IE workers experienced in contemporary Dohuk both from interviews with 175 current IE workers and key informants. Five broad categories of problem were identified:

- Vulnerability and multiple jobs
- Lack of inclusion in government policy
- Problems with local authorities
- Economic variables
- Difficulties with infrastructure and operating spaces

4.2.2 Vulnerability and multiple jobs

Much emphasis is put on the survivalist nature of the urban IE and its importance for household resilience in times of shocks (Jha et al., 2013). A drop in profit or turnover undermines this resilience, and poses a threat to urban livelihoods. In this study 43% of current IE workers interviewed reported a decrease in business over the last five years and a further 12% mentioned experiencing a specific and significant drop of profits. Much of this was attributed to the financial crisis and lack of liquidity in the local market.

The only problem is the bad economic situation. My work declined from IQD 15,000 to IQD 10,000 per day because of it. The salaries have decreased and there is no money so the customers have decreased and my profit has decreased (*Male IE worker, Services Shariya, Barber*).

The inability to earn a decent living means that many current IE workers have multiple livelihood strategies, changing work frequently or holding secondary jobs. Of the 175 current IE workers interviewed, only 28% had never had a secondary or previous job. The remaining 72% had to adapt their income stream to sustain their livelihoods.

For IDPs and refugees conflict and displacement necessitated a change in livelihoods on arrival in Dohuk:

I was a police officer in Mosul from 2009 to 2014 which is when I came to Dohuk. I am now a construction worker but work has declined a lot in recent years. The situation is unbearable because sometimes we even cannot even pay the private electricity fees. A check-up with a private doctors is more than IQD. 15,000 but we cannot make more than IQD.20,000-40,000 per week (*Male IE worker, Construction, Labourer*).

I was a blacksmith in Sinjar from 1985 to 2012. ISIS burnt my car and we lost everything we had there. I now live and work in Shariya [IDP camp] and sell fruit and vegetables on the street (*Male IE worker, Vendor, Fruit and vegetables*).

I was a teacher in Syria. Now I wait on street to find any construction work. I want to work as a teacher as I have a teaching certificate, but it is not recognised here so they do not let me teach (*Male IE worker, Construction, Labourer*).

The financial crisis in Dohuk has also necessitated job changes for residents as private and public-sector job losses and non-payment of wages have impacted the local population.

I graduated and worked in an NGO for five or six years. Then there were no salaries so I worked in a clothing shop. Now I make money from this business to satisfy my family's need and I also employ other people as a help for them. I would prefer to do other work (*Male IE worker, Café, Tourist snacks*).

As a result of such uncertainty some current IE workers also hold secondary jobs in order to diversify income streams.

I sell cigarettes, socks and lighters on the street. I am also Peshmerga³. The advantages were good but now they are not (*Male IE worker, Vendor, Cigarettes*)

³ The Peshmerga are the military forces of the federal region of the KRI.

Vulnerability and the need for multiple jobs was attributed to various factors including lack of protect in labour policy, difficulties with local authorities, financial crisis, the saturation of certain IE sectors, increased competition, and trouble with business operating spaces. The most prominent will be discussed in more detail below.

4.2.3. Lack of inclusion in government policy

- National Employment Policy (2012)

Kurdistan Regional Development Policy (2013-2017) - The project aims to produce a framework for policy implementation which includes an action plan and capacity building to enhance tripartite support essential to a Kurdistan Employment Strategy. Also focuses on providing employment opportunities focused on the youth and achieving economic growth through support to the private sector.

- New Labour Code - submitted to the Regional Council of Ministers (2016) - The new labour legislation only covers the private sector but includes amendments proposed by the Iraqi unions with ILO support, recognizing the right to collective bargaining and reintroducing the right to strike (banned since 1987). The law also limits child labour and provides improved protections against discrimination and sexual harassment in the workplace (ILO 2016).
- A new unemployment insurance scheme was developed for construction workers with ILO support, based on international labour standards and international best practice. The scheme will cover construction workers (2016)
- In September 2013, the Ministry of Labour adopted an amendment to social security regulations governing casual workers. The scheme also addresses the lack of unemployment insurance coverage for private sector workers, providing benefits to insured workers who lose their employment for reasons beyond their control. It is now mandatory for all employees in the private sector in the Kurdistan region who are covered]

Within the wider KRI there is a lack of legislation, policies and labour rights cornering the urban IE. There is little knowledge of the informal economy and limited government focus on the implementation of local labour laws, even for the formal sector. The absence of protective and supportive systems inhibits the potential of the IE in Dohuk.

Over the last 30 years there have been no strategic economic development plans at the national level. What existed were non-strategic decisions by the State to address the problems caused by instability in Iraq over the period...There are no clear policies or legislation that promote economic growth. If there are any they are ineffective and there is no interest in enforcing them...There is not enough interest in the informal economy and no laws of legislation for it...This is due to the instability in the region, which in turn impedes the existence of long-term development plans to promote economic growth in both the formal and informal economy (K11).

In contexts where government regulation is weak, the urban IE tends to thrive, but it is difficult to introduce tax systems or business registration measures and the lack of legal status and social protection can disadvantage IE workers. In the KRI, estimates suggest that in 2016 taxes revenue constituted only 5% of total revenue (World Bank 2016) and there is an absence of labour standards and social protection for IE workers, leaving them vulnerable.

The great difference between the privileges of workers in the formal and informal economy are in social security. Informal workers cannot plan for retirement, they do not have insurance or other material benefits [of the public sector] (K11).

The informal economy causes problems because it is not stable work and not legal, so a lot of problems occur for workers (*Male IE worker, Services Dohuk, Tailor*).

Most of the time we do very hard work and when I go home I cannot sleep from the pain in my back and foot. The work is quite unsafe, and injuries happen on the work site. Recently one of my friends broke his hand and there was no support (*Male IE Worker, Construction Summel, Labourer*).

Refugees and IDPs do have official access to employment both in the camp environment and urban environment so long as they are registered with UNHCR or

have residency permits. However, there is no legal framework for refugees to achieve citizenship and no long-term legislation for the local integration of refugees. There is also a lack of knowledge of the livelihoods and contribution of refugees currently working in the region.

There is no specific process of coordination between the parties concerned with displaced persons and refugees. There is no long-term planning process with clear laws and policies for migration in the KRI. There is an absence of a central body at national level responsible for this and thus nothing for local officials to implement...All work carried out by IDPs and refugees falls within the informal economy, but we do not have a reliable information on the number of workers in this field (K11)

Lack of inclusion and protection in government policy can result in discrimination and exploitation, and some refugees highlighted their experience of discrimination. They reported lack of payments for work completed, receiving less money than local workers for the same work, and poorer working conditions. Furthermore, only 10% of the 114 businesses based in Dohuk City or Summel City employed refugees despite 54% benefitting from a refugee customer base.

I was working in Dohuk, but they didn't pay me my wages because I am a refugee (Male IE worker, Home-based work Domiz, Spices).

I worked in a restaurant for two months, but they only paid me for one month, so I quit. Now I prefer to do this (Male IE worker, Vendor Domiz, Bed linen).

4.2.4 Problems with local authorities

Table 3.10: Prevalence of problems with local authorities

Type of Problem	% of IE Workers n=197
Harassment	10
Fines	6

The lack of legal status and social protection means that globally IE workers remain unrecognised and vulnerable to victimisation, police harassment, evictions and confiscations (Bromley and Mackie, 2009). Although not particularly extensive compared to elsewhere, the impacts of harassment on IE workers can be acute. Out of the 175 current IE workers interviewed 17% faced problems from local authorities. Some 10% of IE workers interviewed had experienced harassment and to a lesser extent IE workers had also been vulnerable to fines. Confiscations and eviction were rare (Table 3.10).

Confiscations	1
Eviction	1

According to the interviews in this study, certain demographic groups and IE businesses are more likely to experience harassment from local authorities than others. Businesses that operated from the public realm, whether from a street or informal market place (34%) or from a vehicle (33%), were much more likely to face challenges than those in roofed buildings (7%) or private construction sites (0%) (Table 3.11).

Table 3.11: Challenge with local authority by business premises

Challenge with Authority	% operate from street n=92	% operate without permanent roof n=10	% operate from roofed building n=58	% operate from construction site n=8	% operate from other n=6
Yes	24	10	7	0	33
No	76	90	93	100	67
Total	100	100	100	100	100

Vendors (22%) and those working in cafés (25%), the majority of whom operated from public places were more likely to face challenges with local authorities than those in services (3%); home-based work (0%) or construction (0%). Similarly, IE workers in Dohuk (32%), where the survey included more vendors and café workers, reported more problems with local authorities than workers in Summel (3%), Shariya (5%) and Domiz (0%).

The municipality bothers me a lot. They ask me to move my cart continuously, and not to stay in one place (*Male IE worker, Vendor Dohuk, Smeets⁴*).

4 Smeets – traditional sweet.

This bus terminal is given for investors. Recently the contract finished so the government wants to evict us so that they can make a new contract with another company or investor to develop the land (*Male IE worker, Vendor Dohuk, Lighters*).

A common complaint was an inconsistency in local authority permissions (both formal and informal). IE workers were sometimes given permission to work in certain areas whilst at other times they were harassed to leave. This hinders the ability of IE businesses to grow.

The municipality sometimes give us permission to sell but other times they evict us (*Male IE worker, Vendor Dohuk, Fish*).

The camp management doesn't allow me to sell here every day (*Male IE worker, Vendor Shariya, Chickens*).

4.2.5 Economic variables

For the purposes of this report economic variables are considered to be those which affect the profit or income margins of IE workers and include profit loss, competition, fees and theft, all of which are acknowledged in academic research as key problems for IE workers (Roever, 2014). Out of 175 current IE workers 63% struggled with economic pressures of different types.

The financial crisis has severely affected IE workers in Dohuk. The loss of formal and public-sector wages has resulted in a drop in consumption which has affected real income in the IE and there is a lack of work for IE employees.

The only problem is the bad economic situation. My work declined from IQD 15,000 - 10,000 per day because of it. The salaries have decreased and there is no money so the customers have decreased and my profit has decreased (*Male IE worker, Services Shariya, Barber*).

When I ask people to clean their shoes, they say that due to the economic crisis they do not want to pay... If the government gives them their salaries we can also work, and our work profits will increase (*Male IE Worker, Services Dohuk, Shoe-shine*).

I have to pay rent on my shop and the transportation to get to and from the camp is expensive. There is not a lot of work due to the economic crisis and my income is very low. I do not work enough to cover my expenses (*Female IE worker, Services Domiz, Salon*).

Competition over sparse jobs or customers and over-saturation of the market by the same type of IE businesses in the same areas affected 49% of the 175 current IE workers interviewed.

I face competition with neighbouring shops. I've worked as a tailor for many years and my work is recognized...The other shops owners do not like me and get angry when they see a lot of customers come to my shop instead of going to theirs. Usually they come and fight with me (*Male IE worker, Services Dohuk, Tailor*).

Often price undercutting was used which increased competition and caused conflict between IE workers, particularly those in construction, vending and services.

Sometimes there are problems between the vendors about the business premises or the price of the goods. One vendor may sell the goods cheaply, while the other does not, so fights happen (*Male IE worker, Vendor Dohuk, Fish*).

There are too many workers in one place. Some of us are asking for a lower price which leads all of us to ask for lower prices. Instead of asking for IQD 25,000 per day we will ask for IQD 15,000. [The price] goes lower day after day. We need more jobs (*Male IE worker, Construction Summel, Labourer*).

Competition for jobs and customers between refugees, IDPs and the host community was highlighted by IE workers and KIs, who reported that refugees and IDPs often worked for less money than locals which created conflict.

The crisis and displacement had a large impact on our economy and society. Most of the IDPs are wage workers and they work for lower wages so that affects the employment of the host community negatively, particularly in agriculture, construction and trade (*KI5*).

The impact of the refugee crisis on the city has been direct in terms of employment. Refugees compete for employment opportunities with the local community of the city. Consequently, the majority of the local labour force of the city is unemployed in this sector simply because the refugees do not pay for rent

and take assistance from the camp. Therefore, they can work for lower wages compared to a host community members in Dohuk (K17).

After the IDPs and Syrian refugees came in it has got harder [to find work]. They are competing with us (*Male IE worker, Vendor, Cigarettes*).

However, as refugees and IDPs are discriminated against and rarely find work in formal employment or in the public sector, competition is felt most in low-income informal sectors.

Refugees often compete with locals for low skilled labour in the private sector but they cannot access the public sector so what are they meant to do? (K16)

Mass unemployment in Dohuk (and other cities in the region) makes it difficult for IDPs and refugees to compete with the local Kurdish unemployed for some jobs (K18).

Low pay, lack of payment and the need to provide goods on credit were also reported by those in construction and in services and the café sector. This severely hampered household income.

We are a lot of workers and there are few opportunities for work. When we do [find work] it is very difficult and sometimes we aren't paid our wages (*Male IE worker, Construction Summel, Labourer*).

After the crisis there is no money in the market so no work. We work for credit. Imagine that people cannot even pay IQD. 55 for the cleaning of their shoes. Today people owe me about IQD. 50,000-60,000 I work, and they do not pay (*Male IE worker, Services Summel, Shoe-shine*).

Table 3.12: Formal fees by business district

Pay formal fees	% in Dohuk City n=82	% in Summel City n=32	% in Domiz camp n=25	% in camp n=36
Yes	50	9	20	11



No	50	91	80	89
Total	100	100	100	100

The need to pay fees affects disposable income and, of the 175 current IE workers, 30% paid formal fees and 8% paid informal fees. While workers often complain about the payment of fees, local governments generally need to collect business fees in order to support service provision. The problems are when fees outweigh profit, are increased without warning or when fee-payers see no benefit from the payments.

Problems with formal fees were more likely to occur in Dohuk than in any other business district (Table 3.12).

The municipality has asked for increased fees for rent but the electricity and water supply has decreased. The work has also decreased and so have my earnings. [Despite this] the municipality are always requiring me to pay more fees (*Male IE worker, Vendor Dohuk, Cosmetics*).

The electricity became more expensive and recently we have to pay for the waste as well. I really wish the fees were less and the rent cheaper (*Male IE worker, Vendor Dohuk, Clothes*).

Theft in the workplace by customers, clients and other workers also affected 11% of the 175 interviewed and was cited as being a fundamental challenge to business profitability. Theft was also more likely in Dohuk City (20%) than in Summel City (3%), Domiz refugee camp (8%) or Sharyia IDP camp (3%).

These economic pressures are exacerbated by a lack of business knowledge and capital and these challenges were felt particularly acutely by women or camp-based IE workers who have lower incomes than other demographic groups. Low-income workers often do not separate business and household finances, or keep any form of accounts, and as such find it difficult to invest in their business and compete in the marketplace.

My sewing machine has been broken. I need to buy another one but I do not have enough money. The other sewing shops have fabric that I do not have because it costs a lot of money. That is why most customers do not come here and go to the other shops that have the fabric...My work has declined a lot (*Female IE worker, Services Domiz, Tailor*).

There are some families in the camp whose economic situation is good. They have shops and they reduce the opportunity of low income families to sell their goods (*Female IE worker, Services Domiz, Tailor*).

In the absence of high profit margins, remittances and informal cash transfers influence the ability of IE workers to maintain incomes, particularly in times of economic shocks (Bradbury, 2008). However, hardly any (1%) of the 175 current IE workers interviewed received additional income from cash transfers, which suggests that remittances may not be a common source of income for many low-income urban workers.

4.2.6 Difficulties with infrastructure and operating space

Some 20% of the 175 IE workers interviewed claimed that one of the main challenges is the infrastructure and operating space they work from. Workers in all businesses complained of the lack of adequate serviced spaces that were safe and permanent with adequate roofing, electricity supplies, drinking water or waste management.

The lack of electricity is a big challenge for my business (*Female IE worker, Services Shariya, Hair salon*).

There is no water. It would be great if there was water in the camp (*Male IE worker, Vendor Dohuk, Plants*).

Businesses without designated spaces and permissions to operate suffered greater problems than others and were vulnerable to eviction, confiscation, and removal, particularly if they operated from a public space. Vendors reported being moved by the city council to other areas of the city with less footfall that proved unsuitable for their purposes and detrimental to business profits.

The municipality closed my business for two days because I passed the boundary of the land specified for me and my business (*Male IE worker, Vendor Dohuk, Mobile accessories*).

The municipality changed our place which affected our work a lot. In the old area more people were coming (*Male IE worker, Vendor Dohuk, Clothes*).

The old place of this Bazaar was much better because it caused no problem for people and there were lots of customers (*Male IE worker, Vendor, Bicycles*).

Poor occupational safety and health workplace conditions have been highlighted by the ILO as common in the informal economy and implementation of new labour codes has been supported (ILO, 2016). In this study, construction workers, all IDPs and refugees, who waited on roadsides in Summel for labour work complained of safety risks and hazardous conditions in their working environment and whilst waiting for work.

If we could be protected from rain and from the high degree of sun in summer that would be better (*Male IE worker, Construction Summel, Labourer*)

We stand in front of shopkeepers waiting for an offer of work and it bothers them. Shopkeepers fight to not let us stand in front of their shops and lots of fights happen. When a construction boss comes all the workers try and get their attention so that they get work and in the last four months two workers have been hit by cars whilst standing on the street (*Male IE Worker, Construction Summel, Labourer*).

Within wider Dohuk, there is the additional challenge of physical safety, although security has generally increased in the city since 2014. Three quarters (75%) of the 175 IE workers interviewed confessed to feeling “very safe” in their working environment, however, perceptions of safety for women were significantly lower (40%). Public spaces, particularly spaces used mainly by men, were highlighted as areas where women could be at particular risk of harassment.

Culturally it is not accepted [for women to work here]. Last year one woman was working here and she faced a lot of harassment so she quit working in this area (*Male IE worker, Café Dohuk, Café worker*).

Most of the customers are men, so women may face problems in such work. It is on the street, so they may get stared at or disturbed by men for working here (*Male IE worker, Vendor Dohuk, Perfume*).

While political action could alleviate the difficulties experienced by IE workers, only 3% of 175 IE workers felt that the majority party helped their business activities.

4.3 Potential protections from problems and challenges

The inclusion of informal workers in urban policy and planning encourages recognition of the economic, environmental and social contributions that they make and can protect and enhance existing livelihoods in the post-conflict setting (UN-Habitat, 2016). Of particular importance is the ability of local government and other urban actors to facilitate the inclusion and participation of groups who may feel marginalised (Ernstson et al., 2010). This section explores possible protections for IE workers in Dohuk investigated during the research with KIs and interviews with current IE workers. Through this process, five key protections were identified that could dilute the challenges faced by IE workers in Dohuk:

- Policy Inclusion
- Improved governance
- Support for associations
- Increased business education and training
- Improved infrastructure and operating spaces

4.3.1 Policy inclusion and labour laws

Economic development strategies and legislation is needed across the KRI following years of economic and humanitarian crises. While there has been some progress in this area, such as the National Employment Policy of 2012 and new Labour Code which was presented to KRG in 2016, legislation has not been implemented or enforced.

For fifteen years the country has experienced a cycle of disasters and crises with increasing debt and unemployment. There is a role for international organisations to build a national programme of recovery to rebuild the country. The government must allow those with expertise and competence to assume responsibility...There must be a programme to develop the national economy of Iraq. We need to restructure the budget and identify the immediate and future objectives of the economy and the compatibility with current capabilities and resources...The elimination of unemployment, the increase in health provision, fight against corruption, the restriction of arms, the end of militias can all be done by increasing rule of law. This would create a positive atmosphere for economic

development and then we would be able to better support the informal economy (K19).

If the government gives the people their salaries all the problems will be solved. Most of the vendors who come to this Friday market already have shops. If they do not work well during the week they come to Friday market with the hope of selling their goods to earn some money. If people got their salaries they will buy from the shops during the week and this will decrease competition in this area on Fridays (*Male IE worker, Vendor Dohuk, Olives*).

Furthermore, there is little acknowledgement of the IE, although KIs contacted for this study (such as senior officials from local government and UN agencies) recognised the role of the IE in economic recovery and development and the need to support and empower IE workers through enabling policy and legislation. Recognition of the IE in national and economic employment strategies would raise the profile of the IE on government agendas and help alleviate discrimination and exclusion by providing rights to the disenfranchised.

The most important opportunities for development in the informal economy are through supporting the private sector and considering it as a true partner of the government in economic development processes. We must encourage young graduates of institutes and universities to establish their own small companies, finance them with soft loans from government banks, and exempt them from taxes for an appropriate period. We must guide them in identifying the sectors of work that suit their abilities and qualifications. We must provide laws and legislation for regulating informal work and give it legal status, eliminating the differences and advantages that exist between workers in the formal and informal economy. We must particularly look at social security and pensions (K11).

If the government could ensure the rights of informal workers that would be beneficial to my business (*Male IE worker, Dohuk, Money exchange*).

Attention must be given to the working rights of refugees and IDPs as well as members of the local population, with particular attention to women. This is important given the positive contribution that refugee work has brought to the local economy in recent years (see Section 5.3.2).

UNHCR is advocating to formalise employment opportunities for refugees. Formal employment should be tied to access to health insurance, respect for minimum wage agreements, and awareness raising amongst refugees of the applicable labour law and protective dispositions. Partnership with ILO, and their decent work approach, the World Bank, European Bank for Reconstruction and Development, UNDP and other development partners that are actively supporting the growth of the labour market and national economy would be of key importance, to ensure that refugee protection is enshrined in their agenda (K16)

Policies to formalise the IE, as advocated by UNHCR, are widely promoted through international policy agendas, but formalisation requires long-term legal and regulatory change. Instead, the team advocates a more immediate policy-focused approach, which seeks to reduce vulnerabilities through policy inclusion, building the organisational capacity of workers, and small-scale projects on the ground, rather than seeing formalisation as an end goal.

4.3.2 Improved governance

Since the regional crisis in 2013-14, the local government has faced a number of challenges, due to financial instability as a result of disruption of central-local transfers from Baghdad, security concerns resulting from the rise and proximity of ISIS, and the influx of displaced people. However, current IE workers and KIs also reported corruption amongst senior government officials which weakens local government capacity to support local economic development.

The most important challenges are the financial crisis experienced by the region and its direct impact on the labour sector, as well as the weak labour organisations and institutions who are in charge of organising work, job creation and vocational training (K11)

If corruption decreases and government give the salaries, everything will be good. A more stable political environment would achieve more profit for us (Male IE worker, Vendor Domiz, Cigarettes).



While IE workers generally face relatively low levels of harassment from local authorities, greater consistency in the way in which local authorities deal with informal economy workers, both within and outwith camps, would allow IE businesses to thrive and grow.

4.3.3 Support for associations

Associations and trade unions are important means for strengthening IE workers' rights (Bonner and Spooner, 2011). There is recognition amongst IE workers and KIs that greater organisation and representation is needed, particularly if business challenges in the IE are to be overcome. Though there are various organisations which support businesses, professionals and workers in Dohuk, such as the Dohuk Chamber of Commerce and Industry, they often focus on larger, more formal businesses and capacity and levels of organisation among them and other civil organisations are generally low.

The first challenge is to create new employment opportunities for the working class in the informal economy...This means investment by investors and by the activation of informal organisations or trade unions who can study the existing challenges faced by workers and plan accordingly. Foreign workers are not organised but at the same time there is a lot of skilled labour. There is no one to support this sector to organise work and create better employment opportunities so there is inequality between formal and informal workers (KI7).

There are many organisations and offices concerned with the economy and the labour market but unfortunately, they do not receive their share of support and interest from government in order to have a role in directing and strengthening the economy. These include the Dohuk Chamber of Commerce and Industry, the Contractors Union, the professional trade unions for workers and engineers and the Labour Office among others...Most other civil society organisations are still not qualified to play a vital and influential role in responding to crises due to lack of sufficient interest from the government and lack of support from international organisations. The Department of Relations and Information in the province communicates and coordinates with civil society organisations, but

the capacity of these organisations is still growing and has not reached the level by which it can affect the response to crises in a reliable manner (K11).

If a group can be created for domestic workers we will be more recognised, and our work will be better (*Female IE worker, Domestic Worker Domiz, Maid*).

Self-help groups and co-operatives can also be important sources of support savings and could smooth shocks or crises, and unions of self-employed workers have been effective in protecting the rights of own-account workers. Though some IE workers had created self-help groups which benefitted their work, access to more formalised associations would increase scope for support.

We are a group of six women who work in the same sector, they help me and take care of my shop when I go somewhere and in return I help them to (Female IE worker, Vendor Dohuk, Grocers).

If collective bargaining is to be effective, more participation, training and development is also needed. This is particularly vital given the absence of involvement of the most vulnerable IE workers in formal or informal associations within Dohuk. Of the 175 current IE workers interviewed, only 2% were part of a trade union and 9% were part of an informal group, highlighting the potential for increased association to encourage collective voice.

4.3.4 Increased business and skills training and access to capital

Many current IE workers and KIs identified a need for increased education, business training and skills resources. Particular focus should be on vulnerable, low-income workers such as women and those in refugee and IDP camps as well as young people and those with little formal education in the host community.

Support programs for poor families in setting up small projects for them to increase their income, as well as the establishment of vocational training courses for young people and job creation in coordination with international organisations and private sector companies, would help informal economy workers in Dohuk (K11)

I want to be involved in sewing training to better my skills. I also want to buy a sewing machine but do not have enough money (Female IE worker, Domiz Services, Tailor).

If there was a special women's NGO that could teach women and where women could show their abilities they could work in different areas (*Female IE worker, Home-based worker Dohuk, Embroidery*).

Some IE workers knew what they needed to do to improve their business, or would change their business, but had a lack of access to capital.

If there was a loan program by the government so we have access to financial resources to develop a better business for ourselves. [If we had this] I could have my own shop and sell my goods for a better profit (*Male IE worker, Vendor Shariya, Clothes*).

If the government could give us a small fund we can develop our work... If I had more capital, I would develop my business by bringing more and better-quality products (*Male IE worker, Vendor Dohuk, Perfume maker and seller*).

If I got financial help I would buy a shoes sewing machine to repair shoes for people (*Male IE worker, Vendor Domiz, Second-hand shoes*).

In Dohuk there are several NGOs who have been providing grants, loans, and skills training for business start-up and improvement, with some success. These include the Danish Refugee Council, Five One Labs and International Organisation for Migration which have focussed on providing for refugees and IDPs (KI6). Other organisations serve the host community, though there is less support for this population (KI6). It is important then, that business and skills training and access to capital is targeted at both refugees, IDPs and the host community to alleviate tension or conflict over resources.

The management of the camp depends mainly on the programmes of non-governmental organisations and international community organisations as there is an absence of support by the Kurdistan Regional Government or the Iraqi government. These programmes include livelihood projects (with long-term impact) and cash-for-work projects (short-term impact) in refugee and IDPs camps and these have shown to have direct impact on per capita income (KI7).

The province has also received support from some organisations in the implementation of some important projects that serve the host community

affected by the displacement. In coordination with international organisations, it has directed some programs to serve needy families within the host community, including cash assistance programs, cash-for-work schemes and white oil distribution. All these measures have contributed significantly in avoiding the tension between the host community, refugees, and displaced people (K11).

When I started working the camp management helped me and bought some of the goods for me to start my work (*Female IE worker, Vendor Domiz, Fruit and vegetables*).

However, while there has been some success, donor funding is usually short-term and the task of developing consistent, long-term and workable policies is difficult, resulting in the exclusion of some of the most vulnerable. Of the 175 current IE workers interviewed only 13 (7%) had regularly engaged with an NGO, demonstrating the need for increased access to business training for vulnerable groups amongst the host community and displaced communities. Focus on longer-term integration strategies for refugees and IDPs should also be considered.

4.3.5 Improved infrastructure and operating spaces

As discussed in Section 4.3.6 there is a great need for improved working spaces for the IE. Secure and serviced operating spaces were highlighted by many IE workers as fundamental to business improvement.

There has been some work completed to this end in refugee camps, where vendors have been supplied with a designated space and kiosks from which to operate within the camp environment. However, only some businesses have benefitted and there was an absence of similar schemes in the urban areas, though some cafés have been given permissions to work from the public space.

In order to control the randomness in the camp, we organised some of the practiced activities by giving them a 2x2-meter piece of land and material to construct cabinets on it. About 135 pieces of land were given in the project which covered about 15% of all business in the camp (K14).

The BRHA allowed us to build kiosks instead of selling on the street. The health department comes every two weeks come to check the cabinet and the materials to make sure they are up to date (*Male IE worker, Vendor Shariya, Groceries*).

The municipality gave us permission to work here so if there are any problems we call the police and they sort it (*Male IE worker, Café Dohuk, Café worker*).

Safe, serviced spaces for vendors is a priority, though areas need to be convenient and appropriate, for both vendors and consumers, to encourage high levels of foot traffic. Additionally, work in construction needs to be made safer. Particular attention, however, should be paid to women, who are perceived to be less safe in the public sphere due to cultural barriers and face high levels of harassment in the public sphere.

If there is a special area for us to work in it would decrease the problems for us ...because the area is not safe (*Female IE worker, Vendor Domiz, Fruit and vegetables*).

4. FINDINGS AND RECOMMENDATIONS

5.1 Key Findings

In most developing cities globally, urban policy marginalises the IE, despite the IE providing vital employment to urban citizens (Lyons et al., 2012). In Dohuk, 78% of current IE workers admitted facing challenges at work. The main challenges were:

- **Vulnerability and multiple jobs:** 43% of current IE workers had witnessed a decrease in business, and 12% mentioned a significant drop in profit or turnover in the last five years, threatening household resilience. More substantially, 72% had a previous or secondary job in the IE and had been required to adapt or diversify their income stream to sustain their livelihoods.
- **Lack of inclusion in government policy:** There is a lack of recognition of the role of informal work in providing livelihoods for many households in Dohuk. The IE remains unrecognised in national and local labour law and policy, and there is no enabling regulatory framework.

Furthermore, there is an absence of labour standards and social protection for IE workers. While this means that IE businesses can be start up easily and informal employment can be found, there is an absence of protection for IE workers. Though refugees and IDPs have permission to work, lack of protective legislation has resulted in discrimination and exploitation in the informal economy.

- **Problems with local authorities:** Globally IE workers remain unrecognised and vulnerable to victimisation, police harassment, evictions and confiscations. In Dohuk, only 17% of current IE workers had experienced these problems. Of those, workers who operated from public space, vendors and café workers, particularly those in Dohuk City, were most likely to have been affected. The main complaints regarded inconsistency in permissions granted for work in both camps and urban areas and resultant harassment of IE workers.
- **Economic variables:** The wider financial crisis in the KRI has affected the businesses and profit margins of IE workers. Economic pressures such as competition, pay delays or non-payment (particularly prevalent in the construction and café sectors and amongst refugees and IDPs), formal and informal municipality fees and theft all affected the profit and income margins of current IE workers in Dohuk. Businesses in Dohuk City seem to have been more affected than businesses in the other three locations. These problems were exacerbated by a lack of business training and access to capital, which influences the capacity for business growth. In the absence of high profit margins, remittances and informal cash transfers influence the ability of IE workers to maintain incomes. However, only 1% of current IE workers receive additional income from cash transfers.
- **Difficulties with infrastructure and operating spaces:** 20% of current IE workers cited the lack of safe and secure operating spaces, and an absence of occupational safety and health workplace conditions, as a severe hindrance to business. Problems were exacerbated by the low levels of physical safety in wider Dohuk, particularly for women, with only 40% of 175 IE workers deeming working environments safe for women. In particular, there was a general absence of gender appropriate operating spaces and women were prone to harassment if operating from public spaces.

Within the IE there are several vulnerable groups who are more affected than others by the challenges above. For example, those operating businesses from Shariya IDP camp (mostly Yazidi Kurds and Sinjar IDPS) and Domiz refugee camp (mostly Syrian refugees) on average earned significantly less daily income than Iraqi IDPs, internal and external migrants and members of the host community operating from Dohuk City or Summel City. IE workers in camps were also more likely to work alone than those in Dohuk City, which increases vulnerability. Women were significantly more likely than men to be in low-income businesses such as services and home-based enterprises and face harassment when working in the public realm. The majority of Iraqi migrants, Iraqi IDPs and those from Turkey, as well as the majority of vendors, operated from the street which increases vulnerability due to lack of access to safe, permanent, serviced spaces.

5.2 Recommendations

The research recommends several key protections that could alleviate the challenges and problems in the contemporary IE in Dohuk:

5.2.1 Measures to support IE businesses

- **Policy inclusion to support and empower IE workers and their businesses:** Small-scale enabling actions would raise the profile of the IE on government agendas and help alleviate discrimination, exploitation and social exclusion by providing rights to the disenfranchised, particularly women, refugees, IDPs, and young people and those with limited formal education in the host population.
- **Improved governance:** Capacity-building in local government in order to implement and enforce employment legislation must be prioritised. Local-level corruption affecting local government and other regulatory authorities should be addressed.
- **Support for associations:** Enabling workers to organise into associations, trade unions or co-operatives can be important in providing a platform for IE workers to articulate and negotiate their needs, establish rights, and address conflicts in the urban context. Savings and credit associations and financial co-operatives can also be important sources of

savings. In the KRI, participation in trade unions has been restricted and there is a lack of institutions and organisations which have the resources to organise, support and protect workers. Indeed, only 2% of current IE workers interviewed were currently involved with a trade union.

- **Extension of business training:** Business training could address some of the difficulties of lack of formal education and skills shortage faced by some IE workers, particularly Yazidi Kurds and women. However, training sessions should be affordable and timed so that people can combine training with income earning. Some training is provided by NGOs, but only 1% of the current IE workers interviewed had regularly engaged with NGOs, highlighting the need for increased training and capacity building opportunities. Furthermore, access to finance should be extended.
- **Improved infrastructure and operating spaces:** There is a need for secure and serviced operating spaces which would not only protect vulnerable members of the IE but would encourage business growth and improve urban governance. Enabling policies and practices that support vulnerable groups like women such as gender-appropriate operating spaces, should be sought.

5.2.2 Poverty reduction and conflict prevention

It has been argued that economic growth without social policies which alleviate poverty at household level does not reduce the risk of conflict (Mallett and Slater, 2012). Indeed, both the onset of conflict, and participation in conflict, have been linked to high unemployment and low household income (Justino, 2011).

As demonstrated earlier in the article, the IE provided employment in Dohuk to vulnerable city-dwellers and newly arrived refugees and IDPs in a period of economic crisis. The increase in the IE in the years after the conflict demonstrates the resilience of the IE and the ability of IE workers to diversify and adapt their livelihoods to cope following violence and shocks. This has enabled



individuals to build resilience and sustain household income while surrounded by regional conflict.

The importance of the IE to poverty-reduction, economic growth and conflict prevention cannot be underestimated. However, in Dohuk, certain groups such as young people, women, refugees, IDPs and those working in particular industries remain vulnerable within the IE, and others cannot access it.

Going forward, an emphasis on the quality of economic growth, rather than the rate of growth, will ensure sustainable poverty-reduction by generating sufficient employment and even distribution of resources for vulnerable workers in the IE (including IDPs, refugees and the host population) Furthermore, small-scale sector-specific changes supported by central and local government and other urban actors can often avoid further disenfranchisement and marginalisation of these groups.

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