

Promoting inclusive employment and entrepreneurship opportunities in Iraq

Creating employment prospects for refugees, internally displaced persons and host communities

The challenge

After years of conflict, the situation in Iraq and the Kurdistan Region is still fragile: Many people face economic hardship due to destruction and loss or lack of income opportunities. The situation is especially severe for around four million people who returned to their home communities after fleeing the terror of the so-called 'Islamic State' (IS) and 1.8 million people who are still displaced.

Overall, the Iraqi economy is confronted with enormous challenges: The increased socio and economic challenges facing the country over the past two years, such as the COVID-19 pandemic and the resulting constraints on movement and employment, the depreciation of the Iraqi Dinar, and the repercussion of the Ukraine conflict, which has driven up food prices. These cumulative factors have further exacerbated the struggles faced by the people in Iraq, particularly internally displaced persons (IDPs), refugees and vulnerable members of the host community in their efforts to meet their basic needs in the country. Furthermore, the country relies on highly volatile oil revenues and high levels of the public sector. Yet, a young and growing Iraqi population relies on the private sector to create jobs and thus, an income which allows them to build their livelihoods and society.

Our approach

The project builds on the experience of the Prospects for Employment project (2017-2023) to improve employment opportunities, particularly in the private sector, for IDPs, refugees, returnees and socially deprived households in host communities in Iraq.

The project focusses on four areas:

Project name	Employment Prospects for Socioeconomic Integration
Commissioned by	German Federal Ministry for Economic Cooperation and Development (BMZ)
Project region	Iraq (Erbil, Dohuk, Sulaymaniyah, Halabja, Ninewa, Anbar)
Lead executing agency	Ministry of Planning, Iraq and Kurdistan Region of Iraq; Ministries of Labour and Social Affairs, Iraq and Kurdistan Region of Iraq
Duration	01.06.2023 – 31.05.2026

- (1) **Governmental services:** We work in close collaboration with governmental stakeholders, such as the Ministries of Labour and Social Affairs in Federal Iraq as well as the Kurdistan Region of Iraq, to strengthen their capacities to define and implement frameworks that allow internally displaced persons and refugees to participate in the labour market.
- (2) **Skills for employment:** We offer training programs in which young and vulnerable persons acquire skills relevant for the labour market, and thus, increase their opportunities to secure a job. Our focus lies on enhancing the capacities of vocational training and career development centers as well as developing suitable curricula.
- (3) **Skills for entrepreneurship:** In addition to finding a job, starting a business can also create prospects for both, the entrepreneur as well as potential future employees. That is why we support persons with business development trainings and financial support focusing on micro, small, and medium sized enterprises that address social or ecological challenges.
- (4) **Flexible short-term employment:** Demand-led, short-term cash for work activities can be used to create income for vulnerable target groups. This contributes to stabilizing their economic situation.

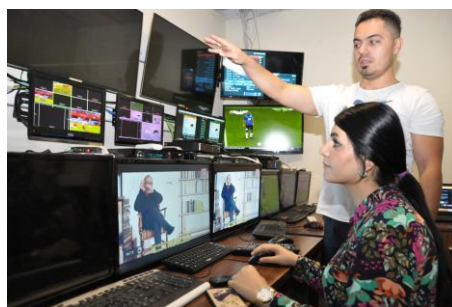


Photo left: Repairing school desks, Cash-for-Work activity in Erbil, 2022

Photo right: Woman attending a vocational training course at a private TV station in Sulaymaniyah, 2019

Both activities were supported by the Prospects for Employment project.



Photo left: Business support to expand agricultural start-up in Sulaimaniyah, 2022

Photo right: Female Founder Training on Crisis Management on Zoom, 2020

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Taking a holistic approach, the project recognizes that displacement affects both, displaced persons as well as members of the host communities. To contribute to social cohesion, vulnerable members of the host community can also participate and benefit from supported activities.

Iraq faces one of the world's lowest women's labor force participation rates, with only 14.4% of women in the workforce. The majority of employed women work in the public sector, which often results in limited opportunities for career progression. Additionally, this is frequently linked to relatively modest income generation. If women were to play an identical role in labor markets to that of men, the GDP of upper middle-income countries like Iraq could increase by 30%. Furthermore, it is proven that employed women reduce poverty by reinvesting 90% of their income into the productivity of their families and the education of their children. Recognizing these opportunities, the project places a strong emphasis on addressing women's specific needs when designing and implementing its measures to unlock these benefits.

The benefits

As we are shifting from short-term stabilization to long-term sustainable employment creation, increasing efforts are made to build governmental partners' capacities to offer inclusive and effective training and employment creation services considering the needs of vulnerable groups, women and youth.

As governmental partners are highly interested in inclusive employment services through their own structures, the project offers technical advice on policy level, especially including the specific needs of vulnerable groups. By forming a steering committee, the project aims to contribute to the sensitisation of state actors in the integration of refugees and internally displaced persons, including equal women participation in the labour market.

The former Prospects for Employment project started in 2017 when reconstructing areas liberated from IS was a priority. Cash

for work was an effective instrument to ensure prompt stabilizing effects for vulnerable groups. This measure also proved helpful when economic activities, globally and locally, were heavily impacted by the Covid-19 pandemic. To date, more than 43,000 people participated in up to 40 workdays giving them the opportunity to earn money for themselves and their families. As vulnerable participants, for example persons with disabilities, often suffer from disadvantages in the labour market, they were prioritized.

As reconstruction efforts progressed, focus was put on creating long-term, sustainable employment opportunities through business development support and skill trainings. More than 1,400 micro-, small- and medium-sized enterprises (MSMEs) completed specific entrepreneurial trainings and/or received financial support to start or scale up their businesses. The successor project 'Employment Prospects for Socioeconomic Integration' further develops these activities aiming to reach additional 1,000 (future) entrepreneurs. This allows displaced and returning persons to rebuild businesses that they lost or start new businesses creating income for themselves. Already established businesses can obtain support in further developing their models and thus, provide employment opportunities to others.

The skills development offers are designed to align with the demands of the labour market, enabling graduates to find suitable employment opportunities. In cooperation with MoLSA, we support eight vocational training centers in providing 40-day training courses, benefiting prospectively 900 individuals. These courses will encompass a wide array of subjects, ranging from smart agriculture, drip irrigation and solar energy to IT administration and coding. Furthermore, 1000 job-seekers who have successfully completed the trainings will be offered internships withing companies, with the ultimate goal of securing long-term employment.

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