

Syrians contributing to Kurdish economic growth

Anubha Sood and Louisa Seferis

The circumstances for both successful livelihoods programming for refugees and for contributing to the local economy are present in the Kurdish region of Iraq.

Over 225,000 refugees have taken refuge in the Kurdistan Region of Iraq (KRI); this represents 97% of all Syrian refugees in Iraq, as central Iraq has denied entry to Syrian refugees. Over 90% of Syrian refugees in KRI are Syrian Kurds.

A recent economic survey of refugees in the camps in KRI indicates that a significant proportion of refugees have little or no access to income-generating activities, and those who do often cannot manage to fully meet their households' needs.¹ Findings also indicate depleted savings, increasing levels of indebtedness, and negative economic coping strategies. In neighbourhoods with large refugee concentrations, rents have increased steeply (by nearly 20% for residential rent and by 10-15% for commercial property) and prices for basic commodities and food have gone up. While it is unclear whether or not the price increases are due to increased demand because of the presence of refugees, these factors are having a severely damaging impact on household livelihoods, pushing a very substantial number of (mainly low-income and already poor) households into impoverishment.

However, at the same time, KRI has been witnessing an economic boom, drawing back many Kurds who had fled during the former Iraqi regime. As of June 2013 there were 2,300 foreign companies registered in KRI, in addition to 15,000 local companies.² Growth over the last ten years has been on the rise as regional opportunities to transport goods and food through Kurdistan to places like Turkey offset the loss of business from Syria. Factors encouraging expansion into KRI include affordable housing, good security, reliable power, airport infrastructure, growing transport structures, a strong retail sector, the oil market, tourism, and

investment opportunities in the hospitality sector. With a population of just over five million, Iraqi Kurdistan is expected to see an 8% growth in GDP in 2014. With this growth rate there is a demand for unskilled and semi-skilled workers, and also more skilled workers in the service sector.

Syrians contributing to the KRI economic boom

With return to Syria a remote prospect, and resettlement only practical for a small proportion of refugees, many people may prefer to stay in neighbouring countries, where they know the language and are familiar with the culture. Integration in the main host countries requires strengthening the host communities and running programmes that do not widen the divide between the hosts and the refugees but instead strengthen the bonds and benefit both.

In 2013 the Danish Refugee Council (DRC) started an apprenticeship project for Syrian refugees living outside camps in KRI. It was conceived to help the Syrian refugees integrate better, provide for themselves and contribute towards the economic growth of KRI. The project assisted 70% Syrians and 30% host community members. They were placed in private companies in the hospitality sector and in retail businesses for two months to get on-the-job training and exposure to the job market. Most employers contributed towards the apprentices' salaries in cash or by providing free meals and transportation.

The project received a tremendous response, as Syrians were filling positions that locals did not want, working as waiters and cleaners and in other lower-paid jobs or jobs less highly thought of by the locals. The refugees were earning a living with dignity, providing for their families and at the same time being productive in the host country.

September 2014



Pshitiwan Ali



Pshitiwan Ali



Pshitiwan Ali

Young Syrians and Kurds on job placements.

Two months after the financial support from the project stopped, approximately 79% of the project beneficiaries were still working in the businesses where they were placed but now as regular company employees. Those who left did so because they found other employment or moved to another location. The jobs with the best retention rates were in the service industry – restaurant work, retail jobs and employment in shopping malls. DRC also observed that most of the young women benefitting from group job placement in big retail stores stayed on after the project ended; in their case, it seemed that group support and the relative prestige

of the position, as well as the steady income, were factors in the girls' decisions to stay on.

The Kurdish government policy of allowing refugees to work was also a huge facilitating factor. Syrians with a resident identification card (valid for 6-12 months) are allowed to work, though it varies in different governorates. The government is currently not renewing resident IDs but Syrians are allowed to work so long as they once had an ID, even if it has expired. The government also has not taken a clear position on whether or not to formally approve Syrian refugees' right to work, so as not to allow a huge influx of labour in the job market, especially now with the influx of IDPs from central Iraq. IDPs from central Iraq do not have the same permission to work as Syrian Kurds, though some have managed to find temporary employment (mainly as unskilled labour and in construction work). It is too early to tell if the assistance extended to Syrians and the lack of assistance to IDPs outside camps will create tensions between the two communities.

The DRC project's success was largely due to two main factors – gaps in the labour market which could be readily filled by Syrians without saturating the labour market or inciting tension with the host communities, and the existing social capital and integration between Syrians Kurds and local Kurdish communities. Given the fact that the vast majority of Syrian refugees in KRI are Kurdish, there were fewer language barriers (different Kurdish dialects as opposed to the severe barrier Syrians face in Turkey) and, more importantly, Syrian refugees in Kurdistan had access to social networks that created an environment conducive to job and business creation.

The possibilities for livelihoods programming in Kurdistan are therefore more developed and flexible than in other countries hosting large numbers of Syrian refugees, especially where there are stricter government policies against refugees' right to work or open businesses. Similar job placement or business creation projects, carried out by DRC and

other NGOs in Lebanon or Jordan have had limited success and scope compared to those undertaken in KRI. Outside the Kurdish communities, Syrian refugees and host communities have fewer social ties that withstand the enormous pressure that the refugees' presence puts on resources and labour markets. Oversaturated labour markets, particularly for unskilled workers, either mean that there are fewer job opportunities or the jobs available put Syrian refugees in competition with the host community labour force; Syrians, being willing to work for less pay than the host community, often crowd out local labour. This is particularly true for sectors such as construction, agricultural work, daily or temporary work and the service industry. For example, restaurants in some parts of southern Turkey often now employ young Syrian boys, starting from around 10 years old, to clear tables, wash dishes and translate for Arabic-speaking customers.

Government policies on Syrian refugees' right to work have also been stricter in other countries, more resembling the Kurdish government's position on IDPs from central Iraq. This in turn has made those governments averse to allowing NGOs to implement livelihood programmes, because they do not want to further encourage Syrians to 'steal' jobs from the hosting communities, who themselves suffer from long-term poverty and lack of access to steady employment. In-kind assistance to refugees is generally an accepted form of humanitarian aid in the region but some authorities see cash and livelihoods for refugees as threats to their communities' well-being. It is a delicate balance to promote refugee self-reliance without undermining hosting communities' livelihoods.

Conclusions on livelihoods programming

A strong argument for refugee livelihoods programming should begin with the host country's socio-economic priorities, and how support to refugees can alleviate hosting burdens and/or strengthen existing host-country systems and markets. NGOs like DRC are therefore working on finding markets where Syrians and host communities

already collaborate rather than compete for labour or business creation. Livelihoods programming opportunities can also build upon Syrians' special knowledge in certain sectors to transfer knowledge to local communities that do not have the same skill sets, or can focus on transitional/temporary markets that are only needed for Syrians and that would alleviate some of the burden on the host country infrastructure.

There are three main challenges for livelihoods programming to support Syrian refugees in the Middle East. Firstly, organisations must aim to integrate these programmes into the local/regional markets, which is what determines their longer-term success; the success of DRC's livelihoods projects in KRI was largely due to the fact that refugees and locals were placed in the same businesses and when the project ended beneficiaries were integrated into the service sector with the requisite experience and contacts. Secondly, it is difficult to implement livelihoods programmes on a scale that truly benefits refugees and vulnerable host communities; most of the proposed projects are in niche markets that are difficult to scale up and can only benefit a limited number of people. Finally, it is much more difficult to influence or support sustainable livelihood solutions for refugees in urban contexts where labour market or supply trends have a greater effect than livelihoods projects on people's ability to earn a reliable income. The challenge also remains of being able to demonstrate the impact of livelihoods programming in such urban market systems, where humanitarian projects are only one part of complex circumstances that determine the livelihood outcomes for Syrian refugees.

Anubha Sood anubha.sood@drciraq.dk is Emergency Livelihoods Program Manager for Iraq. **Louisa Seferis** louisa.seferis@drclebanon.dk is Regional Livelihoods and Cash Advisor, Danish Refugee Council – MENA. www.drc.dk

1. REACH and UNHCR (2014) *Economic Survey of Syrian Refugees, Refugee Camps, Kurdistan Region of Iraq, Thematic Assessment Report* <http://tinyurl.com/UNHCR-REACH-2014-KRIeconomic>

2. <http://dbxkurdistan.com/PDF/IKGPropertyErbilQ3Report.pdf>