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# Vocational Training & Employment Services Project Rapid Labor Market Survey: Phase I

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# RAPID LABOR MARKET SURVEY

USAID/MOLSA IRAQ EMPLOYMENT SERVICES

AND VOCATIONAL TRAINING

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# Introduction & Labor Market Survey

## Objectives

The U.S. Agency for International Development (USAID) initiated the Vocational Training and Employment Services Project in late 2004 to implement a broad scale vocational and training initiative in Iraq in response to the challenges of unemployment, an under skilled workforce, needs of an emerging private sector, and capacity gaps at the Iraqi Ministry of Labor and Social Affairs. The project is managed by a joint venture of the Louis Berger Group (LBG) and the Management and Training Corporation (MTC), with key subcontractors including Citizens International, LLC (CI) and ResCare. Among the next steps to be taken by the project team are the oversight and management of a series of vocational and technical training centers throughout Iraq.

The purpose of this Rapid Labor Survey is to help the project team determine the most immediate and obvious labor needs and range of skills required in Iraq. Based on this information, and in cooperation with MOLSA, the project is focusing its initial training programs and offerings on preparing prospective employees for the most immediate employment needs and opportunities.

We are conducting the National Labor Survey in two phases. The first phase of the study is a rapid assessment of business employment training and personnel needs designed to guide and inform the project management. The second phase, which will feed off of the data and experience of the initial effort, will follow more traditional labor analysis based on much more complete information linked to institutional approaches including MOLSA.

Randall Parks of CI oversaw the initiation of Phase One of the National Labor Survey in December 2004 and its iterations from February to May 2005. One team of expatriates focused on obtaining information from foreign companies. CI also engaged two teams of local surveyors to conduct the field work, which occurred in February 2005 when the teams began interviewing companies in Baghdad and then in Irbil, Mosul, Najef, Karballah, Baqubah, Nasariyya, Amarah, and Basra. The selected cities are the major urban commercial and population centers of Iraq. While the bulk of the survey work was in Baghdad, other cities were surveyed to determine if there were significant geographical and commercial differences between the different urban areas. The teams conducted the surveys in Arabic and then translated the answers into English. It surveyed one thousand and eight (1008) companies. The companies were chosen at random by the surveyors based on location and willingness to participate in the survey, and their responses were summarized for inclusion in this report. The survey process is iterative and continues; updates will be on a regular basis and our team will continue to refine the interviews and characterize the information gathered to support the project team.

# Background

The Ministry of Labor and Social Affairs (MOLSA) as of November 15, 2004 had 18 employment and vocational training centers in Iraq in the following locations: Baghdad, Mosul, Irbil, Kirkuk, Baquba, Karbala, Najaf, Diwaniya, Samawah, Nassariya, Basrah, Kut, Amarah, Tikrit, Ramadi, Sulemaniya, Fallujah and Hilla. The total number of job seekers registered at all vocational and employment centers as of the end of 2004 was 523,056 people.

2003 statistics for Iraq show that the total unemployment rate for people aged 15 years and older, excluding the Kurdistan-Iraq region, was 28.1%. The number of males who were unemployed was 30.2% while the female unemployment rate was 16%. Unemployment in the urban areas stood at 30% and 25.4% in rural areas. The following was the total unemployment rate in 2003 broken down by governorate: Thecar had the highest unemployment rate at 46.2% due to seasonal agriculture and the disbanded Iraqi army; Ninawa, At Ta'mim, Diyala, Al Anbar, Baghdad and Mayasan's unemployment rate was between 30.5% and 33.3%; Karbala had the lowest unemployment rate of 14%. Basra, Wasit, and Najaf had unemployment rates of between 15.5% and 18.1%. While Babel, Salah Al Din, Al Qadisyah, Al Muthana's unemployment rates ranged between 21.6% and 28.2%.

## Executive Summary & Initial Findings

There is an immediate need in the private sector for a significant number of workers to fill skilled and semi-skilled positions. At the same time, it is also striking that the Iraqi private sector has been slow to respond to the large number of business opportunities available as the economy moves away from almost complete reliance on the government to a more open market economy. As a result, large numbers of Iraqis have yet to make the adjustment from relying on government employment to employment in the private sector.

In contrast to government employment, the Iraqi private sector is employing relatively few women. As a result, the training programs planned under this project are making a special effort to identify positions which women can fill and for which they should receive training.

The data sets attached to this first phase report are large, especially given the difficult circumstances under which they were compiled. The full LBG/ MTC consortium has analyzed the data in order to refine the employment training needs and processes being undertaken by MTC and ResCare. While security issues were a major constraint to data collection, the ability of the CI team to secure significant amounts of information, coupled with the willingness of the Iraqi teams utilized to work under the most adverse of conditions, is encouraging.

# Overview of Iraqi Economy & Labor Force

## IRAQ IN TRANSITION

Aside from the political regime change in Iraq, the Iraqi economy is struggling to cope with major transitions that have introduced far-reaching transformations into the economy.<sup>1</sup> One important transformation taking place is from a highly-centralized, state-planned economy with dominant state-owned enterprises and a highly regulated supply chain to a market-based economy with a dominant role played by the private sector.

Under the previous regime, both the public and the private sector depended upon the Ministry of Trade and Supply to import and distribute raw materials and goods. This arrangement continued under the Oil-for-Food Program administered by the United Nations. Since the change of regimes, no centralized authority has continued to import raw materials and goods for distribution to the private sector. One finding that emerged in this survey is that many private sector companies have not adapted well to this new laissez-faire environment for procuring imported materials and goods. Certain companies have adapted very well but many others are struggling to cope.

Another facet of this transformation that has impacted all of Iraq is the immediate transition from a closed, protected economy to an open one with very few effective barriers. The result of this transition has been the introduction of goods and supplies that are less expensive and are superior in quality to many goods produced by Iraqi companies. Some companies have been unable to deal with this new and intense competition and have ceased production or gone out of business, although the magnitude of this problem remains unknown at this point.<sup>2</sup>

## IRAQI BUSINESS AND LABOR FORCE STRUCTURE

The primary employer in Iraq was and is the Government of Iraq (GOI) which employs approximately 1.5 million individuals. Large state-owned enterprises have approximately 650,000 employees and the government agencies and ministries employ approximately 900,000 individuals. Whereas the Iraqi military once had almost 500,000 members, it has been down-sized and currently employs approximately 150,000 individuals with more growth targeted. The government jobs were considered highly desirable and the government provided the best opportunities to highly-educated, career-oriented women (up to 40% of the employees). As a result many Iraqis still desire public sector employment.

Large public sector firms account for another 120,000 employees while numerous, small private sector companies (estimated at 77,000) employ an additional 165,000 people. The medium to large private sector companies employ about 20,000 individuals at their firms.

The labor force is predominately urban with approximately 3 million urban workers and 2 million rural workers. The labor force is estimated to be growing at the rate of 170,000 new entrants annually. The current labor force is estimated to be distributed in the following manner:

<b>Sector</b>	<b>Percentage</b>
Agricultural	17.0
Mining and Quarrying	---
Manufacturing	7.0
Electricity, Gas, Water	9.0
Construction	10.0
Trade, Restaurants	21.0
Transport	10.0
Financial Services	4.0
Public Administration	30.0

Source: ILO Report, "Employment in Iraq: Outstanding Issues," Paper presented at the International Employment Conference: Jobs for the Future of Iraq, Amman, Jordan: December 12-13, 2004. p. 6

## IRAQI UNEMPLOYMENT

The population of Iraq is currently estimated to be approximately 27 million people with approximately 7.3 million people in the workforce. Estimates of unemployment converge on the number of 2 million unemployed. In terms of percentages, there is great variation by region, gender and age. The extensive survey of 2003 puts unemployment at approximately 30% and underemployment at approximately 20% for a total of some 50%. The New York Times has tracked unemployment in Iraq from a high of 60% to a current figure of 34%.<sup>3</sup> Recently, the Iraqi Central Statistics Office estimates unemployment in Iraq to be 27% overall, but as high as 40% among the youth of Baghdad (ages 15-24). The following tables and discussions provide summaries of these different figures and the methodology used to estimate them. Even the number of inhabitants in Iraq is a matter of discussion and estimation.

<b>Year</b>	<b>Number of People</b>
1977 Census	12,000,000
1987 Census	16,335,000
1997 Census	22,046,200
2004	27,147,092 (estimated)
2005	27,969,358 (projected)
2006	28,798,224 (projected)
2007	29,652,624 (projected)

Al Jader, Zaki, Abdul Wahhab, "Integration of Employment Policies in the National Development Strategy for Years 2005-2007," p. 2

The following is a detailed table of unemployment in Iraq broken down by province, gender and environment (rural and urban). The statistics gathered included people who were fifteen years and older.

Province	Urban			Rural			Total		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Ninawa	26.0	9.5	27.9	42.5	5.5	41.3	32.5	9.3	31.2
At Ta'mim	18.9	22.2	19.2	25.3	4.9	20.0	20.8	16.8	31.4
Diyala	32.4	19.9	30.9	33.3	7.6	31.6	32.8	12.8	31.2
Al Anbar	37.9	12.0	35.9	34.0	10.2	30.7	36.0	9.8	33.3
Baghdad	36.5	30.1	35.7	20.0	0.9	15.7	34.5	26.5	33.0
Babel	30.7	25.7	29.9	24.8	1.9	17.3	27.3	6.5	21.6
Karbala	15.4	17.4	15.7	11.8	5.7	10.8	14.2	12.8	14.0
Wasit	27.9	16.9	25.7	16.5	1.3	10.3	21.6	4.4	16.0
Salah Al Din	34.1	13.4	31.7	26.1	4.8	21.7	29.3	6.5	25.4
Najaf	17.8	14.5	17.4	24.0	2.1	19.6	19.8	10.2	18.1
Al Qadisyah	32.8	17.5	31.0	19.0	2.0	16.5	25.9	8.6	23.5
Al Muthana	29.8	24.3	28.9	33.3	4.7	28.0	31.8	10.6	28.2
Thecar	45.2	30.4	43.1	53.5	28.3	50.9	48.8	25.6	46.2
Mayasan	35.1	29.2	34.8	21.2	15.0	20.2	30.9	24.8	30.5
Basra	16.9	13.7	16.4	13.1	6.5	12.3	16.1	12.6	15.5
<b>TOTAL</b>	<b>31.0</b>	<b>22.3</b>	<b>30.0</b>	<b>28.9</b>	<b>6.7</b>	<b>25.4</b>	<b>30.2</b>	<b>16.0</b>	<b>28.1</b>

Source: Report on the Results of an Employment & Unemployment Survey 2003, Ministry of Planning and Development Outreach, January 2004, p. 14



Estimates of unemployment in Iraq range from 20 to 65 per cent. The United Nations/World Bank Joint Needs Assessment calculated that 50 per cent of the labor force is unemployed or under employed. The International Labor Organization assessed unemployment to be between 60 and 65 per cent. The Coalition Provisional Authority's Private Sector Development Office measured an unemployment rate of approximately 20 per cent. MOLSA has conducted its own survey and has ascertained that 40 per cent of job seekers who have registered for jobs at the Baghdad Employment Services Center are employed elsewhere full time. Until more data on unemployment is collected, the unemployment rate (defined here as the workforce that earns no income at all) in Iraq is estimated to range between 20 and 30 percent. If one calculates the percentage of underemployed as being approximately 25 percent, the total unemployed and underemployed approaches 50 percent of the population.

# Rapid Labor Survey- Phase I

## **SURVEY METHODOLOGY**

Statistics in the Middle East are notoriously unreliable for a variety of reasons. Authoritarian regimes in the region view information, even innocuous information, as valued secrets to be protected. Combine this attitude with political and military conflicts that have raged throughout the Middle East, and statistical information is often perceived as state secrets with military and political importance.

Adding to these difficulties is the problem of obtaining accurate information from interviewees. Often suspicious of requests for information, interviewees are concerned that interviews are being conducted for hidden reasons, such as tax audits, or even for more sinister reasons, such as being part of the kidnap/ransom industry in Iraq (even asking for telephone numbers is viewed suspiciously as the telephone numbers themselves are a critical ingredient to the kidnapping industry in Iraq.) By the time one factors in normal difficulties in interpreting human tendencies to flatter or exaggerate, one learns to interpret answers very judiciously and with inherent skepticism.

CI engaged three teams to conduct interviews during the month of February 2005 as it was difficult to begin earlier than the end of January elections due to security reasons. Many of the surveyors took personal risks in conducting the interviews. Some quit during the process and all are to be commended for their efforts. The interviewers were chosen not only for their technical skills, but also for their personal integrity to ensure the reliability and authenticity of the data.

One CI survey team was an expatriate team that focused strictly on American and international companies working with the Project and Contracting Office and the official U.S. community (Team 1). While their efforts have been systematic and focused, they have been largely unsuccessful. Emails, telephone calls, and personal efforts to obtain information have been ignored or stymied based on "security concerns." Official intervention from the appropriate authorities is required to mandate companies to provide the project with useful information. This issue is being conveyed to appropriate authorities through USAID so that the data will be available for Phase Two of the Labor Market Survey.

The second CI team was led by an academician who specializes in testing. He selected the interviewers (15 males), trained them, and managed the entire process of translating and summarizing the resulting information. His team operated independently of the rest of the project team, and has expanded the range of the survey outside of Baghdad to include Mosul, Irbil, Najef, Karballah, Baqubah, Basra and several other smaller cities (Team 2).

The third CI survey team was managed by the Iraqi American Chamber of Commerce (IACC) and supervised by its Vice President for Business Development. It consists of 9 men and 3 women. The team surveyed members of the IACC and was asked to focus on larger companies drawn from the different sectors (Team 3).

The labor survey was designed to compare skills needed by the local private sector with the existing skills and abilities of the local workforce. The information is disaggregated by gender and industry. The relevant

stakeholders in such different sectors were consulted. The choices were both directed towards specific businesses and organizations (Team One, Team Three) and towards specific locations (Team Two). Not all companies interviewed were willing to provide information. Many public sector companies refused to answer questions because the interviewers did not have official authorization and approval; some private sector companies were suspicious of the survey's stated purposes and refused to answer questions because of security or tax audit concerns.

The first phase determined the most immediate and obvious labor needs, the work force available and the range of skills required. The information is very basic and more statistical analysis remains to be done. Initial impressions and information are provided in this document; further refinement and analysis will follow. The second phase, which will build on the data and experience of the initial effort, will follow more traditional labor analysis based on much more complete information linked to institutional approaches including MOLSA.

The first phase has its limitations and weaknesses. Information from the "Autonomous Areas" in the North is lacking at this point. The survey results to date represent a concentration of information from Baghdad companies, because security concerns limited team travel and also because Baghdad represents the initial project focus as well as the largest location of readily-available companies for the survey teams to engage. In addition, field testing of the survey is an on-going process and so there is some variation in answers.

Despite these flaws, the information came at great personal risk of the CI interview teams at a time when every trip is dangerous and when cooperating with Americans often results in death. The sacrifice and efforts of the individual surveyors provided productive and reliable information designed to direct and guide the Vocational Training and Employment Services Project in prioritizing vocational training needs and programs. This survey's results are consistent with and corroborate the findings of two other recent surveys: "Sector, Sub-sector Enterprise Needs-Assessment Survey," conducted by VEGA/PSDI in January 20, 2005 and "Business Leader Attitudes Towards Commercial Activity, Employee Relations, and Government in Post-Saddam Iraq," conducted by Zogby International for the Center for Private Enterprise in December 2004.

# Firms & Companies Surveyed

As of May 2005, over 1008 firms were surveyed with approximately 100 firms refusing to provide information. The firms average almost 28 employees total and less than four female employees.

<b>Sector</b>	<b>Number of Companies</b>	<b>Total Number of Employees</b>	<b>Number of Male Employees</b>	<b>Number of Female Employees</b>
Automotive	19	153	153	0
Construction, Contracting	268	13,901	11,299	2,602
Education	3	23	23	0
Financial	5	246	171	75
Food Processing and Manufacturing Plants, Agricultural	52	1,410	1,124	286
Garment	9	223	190	33
Health, Medical	13	424	243	181
Information Technology	22	206	180	26
Manufacturing	177	2,450	2,373	77
Petroleum/Energy	18	662	607	55
Retail	54	821	768	53
Telecommunications, Media	39	719	647	72
Tourism	4	22	18	4
Trade (Export, Import)	194	3,806	3,486	320
Transportation	7	48	40	8
Travel	3	14	13	1
Wholesale	121	1,606	1,497	109
<b>Total</b>	<b>1008</b>	<b>26,734</b>	<b>22,832</b>	<b>3,902</b>

# Preliminary Survey Analysis

## LARGE NUMBER OF VACANT POSITIONS

Considering the high percentage of unemployment in Iraq, it is interesting to note that many companies claim to have vacant positions. According to the survey of the companies, there are over 4,551 vacant positions in companies which have a total employment of 26,734 positions. There is a vacancy rate of 17% percent among the companies, or an average of over 4 vacant positions per company.

The two major obstacles to filling these vacant position are security and lack of skilled labor. It is commonly accepted that the current security situation in Iraq seriously impacts business. It is surprising that many companies cite “lack of skilled labor” as the second major obstacle to filling their vacancies. When probed about the reasons for the vacant positions, over eighty percent of the companies which responded provided one of two basic reasons: 1) Security circumstances (49%); and 2) Lack of Skilled Labor (38%).

Reasons Provided	No. of Companies
Security, Salaries	92
Security	138
Salaries, Other Reasons	7
Salaries	45
Marketing	8
Lack of Skilled Labor, Security	16
Lack of Skilled Labor, Salaries	18
Lack of Skilled Labor, Power	1
Lack of Skilled Labor	151
Lack of Commitment	1
Financing	2
Absenteeism	8
Total Companies Responding	487

## LARGE NUMBER OF “POTENTIAL HIRES”

Another unexpected response that emerged from the survey was the large number of potential hires whom employers hoped to engage in the near future (within the next year). Many managers and owners responded with a common perspective: “expansion would be carried out when circumstances improve”. In a variation of the question asked about the problems in hiring new employees, the responses were consistent. Out of 585 companies which responded, almost half (262 companies) replied that the security situation, and some of its accompanying difficulties like absenteeism and transportation, kept them from hiring more people. Thirty seven percent of the companies (217) responded that a shortage of available, skilled labor stopped them from hiring additional staff.

When one compares the potential hires to the current number of employees, it appears that as many as 11,474 positions could theoretically be filled by companies which currently are employing 26,734 individuals, or 42% of current employment. This pent-up demand for employees depends not only upon solving the issues of security but also the provision of appropriately skilled labor.

## GENDER ISSUES

The responses were consistent when it came to gender issues and the challenge is apparent. With only a few exceptions, such as government employment or positions that fit traditional stereotypes, most companies interviewed do not have many women working for them nor do they plan to hire many in the immediate or near future. The consistent responses place in stark perspective the project's goal of placing women in 30% of the employment opportunities generated by the project. This employment goal was even difficult to achieve on the survey teams, partially because the nature of the work and also because of the circumstances in early 2005.

An analysis of Iraqi companies with the largest number of female employees provides some interesting data. It is no surprise that the four companies that have the most female employees are all related to the public sector. This is consistent with the general information about the Iraqi labor market. The total number of female employees among the 1008 companies surveyed is 3,902 women. However, most of these women are employed by a very small number of the companies surveyed. Fifty Iraqi companies employ 3,184 women, 81.5% of the total women employed by all the companies that were surveyed. It is interesting to note that while some of these 50 companies are in sectors where women are traditionally employed (e.g., food processing & manufacturing and garments), the other companies are not. Note the distribution in Table 6.

**Table 6: Iraqi Companies with the Largest Number of Female Employees**

Name of Company	Business Classification	Total Employees	No. of Male Employees	No. of Female Employees
Rana Co. for Foodstuff	Wholesale	38	8	30
Al-Basra Co. Ltd. For Dairy and Ice Cream Products	Wholesale	62	45	17
Al-Saadi For detergent products	Wholesale	20	10	10
	<b>Wholesale Total</b>			<b>57</b>
Al-Rifiq Co. Ltd For Ag Products	Trade (Export/Import)	80	60	20
Al-Khalij Co. for Trading	Trade (Export/Import)	100	80	20
Al-Munshed Co. for Intl. Trade	Trade (Export/Import)	100	80	20
Al-Aseel Co. for Threads Products and Twining	Trade (Export/Import)	17	6	11
Al-Furat Co. for Socks Products	Trade (Export/Import)	34	23	11
Mazin Factory for Producing Plastic Bags	Trade (Export/Import)	40	30	10
Al-Waha for Computers	Trade (Export/Import)	16	6	10
	<b>Trade (Export/Import) Total</b>			<b>102</b>
General Co. for Communication and Postal	Telecommunications, Media	50	38	12
Mashia Mobiles & Electronics LTD.	Telecommunications, Media	20	10	10
Dar Nabid Al-Iraq for the Press	Telecommunications, Media	15	5	10
	<b>Telecommunications, Media Total</b>			<b>32</b>
Nazar Al-Refaie	Retail	75	50	25
General Office Dept. for Al Wasit Electricity Distributing	Retail	30	20	10
	<b>Retail Total</b>			<b>35</b>
Iraq Al-Yawm for Oil Constr	Petroleum/Energy	50	35	15
Al-Ibtekar Co.	Petroleum/Energy	125	115	10

<b>Name of Company (Table 6 Continued)</b>	<b>Business Classification</b>	<b>Total Employees</b>	<b>No. of Male Employees</b>	<b>No. of Female Employees</b>
Ebtikar Co.	Petroleum/Energy	130	120	10
	<b>Petroleum/Energy Total</b>			<b>35</b>
Al-Bahrani – Rafedain	Manufacturing	150	125	25
Abdul – Sahib Factory for Black Smith Works	Manufacturing	25	15	10
	<b>Manufacturing Total</b>			<b>35</b>
Directorate General for Water Resources	Health & Medical	150	50	100
Public Co. for Veterinary	Health & Medical	100	50	50
Al-Ghalis Office Department	Health & Medical	88	69	19
	<b>Health &amp; Medical Total</b>			<b>169</b>
Al-Rafedain Company for Cotton Industries	Garment	40	30	10
Rafid Shoes Manufacturing	Garment	25	15	10
	<b>Garment Total</b>			<b>20</b>
Public Co. for Food Products	Food Services/Agricultural	400	300	100
Sur Men Raa	Food Services/Agricultural	100	40	60
Sur-Man Raa for Biscuit Industry	Food Services/Agricultural	60	35	25
Teba Co. For Poultry	Food Services/Agricultural	70	50	20
Larsa Confectionary Factory: Cosmetics and Perfume	Food Services/Agricultural	24	9	15
Akad Factory for Biscuit Products	Food Services/Agricultural	14	0	14
Mesan Food Industry	Food Services/Agricultural	79	65	14
	<b>Food Services/Agricultural Total</b>			<b>248</b>
Al-Syada for Information, Press and Advertisement Services	Financial	100	60	40
Sumar Bank	Financial	65	30	35
	<b>Financial Total</b>			<b>75</b>
Kuba Group	Construction/Contracting	5000	3000	2000
Sulivan	Construction/Contracting	400	300	100
Ster Group	Construction/Contracting	300	250	50
Directorate General for Drilling Water Wells	Construction/Contracting	160	120	40
Real-Estate Diyala Bank	Construction/Contracting	48	15	33
Al-Munshed Al-Arabi Co. for Contracting	Construction/Contracting	75	50	25
Al-Chalis Co. for Bricks Industry	Construction/Contracting	40	25	15
Dyar	Construction/Contracting	285	270	15
77	Construction/Contracting	2014	2000	14
Al-Masar for Contracts	Construction/Contracting	15	2	13
Al-Amaan Turnery Factory	Construction/Contracting	27	16	11
Al-Bab Al-'Alee (Gen Contracts)	Construction/Contracting	70	60	10
Al-Hemza Firm Co.	Construction/Contracting	16	6	10
Ryadh Aubaid	Construction/Contracting	35	25	10
	<b>Construction/Contracting Total</b>			<b>2346</b>
	<b>Grand Total</b>			<b>3154</b>

# Implications for Vocational Training Project Strategies & Conclusions

## **TYPES OF TRAINING NEEDED**

Individual companies were interviewed about the numbers of employees whom they either intend or hope to hire in the immediate and near future. They were also asked about the types of skills that the potential employees should possess and what types of training they expected to provide or require. While the required skills available do not all correspond neatly to the categories that have been proposed in Table 7, the results do offer specific guidance as to both the numbers and skills of desired and potential employees. Table 7 provides a summary by business classifications of the total number of current vacancies and potential positions. Table 8 provides more specific responses which define specific types of training required and the potential number of employees identified from among the 1008 companies interviewed.

Five hundred and eighty five companies, or 58% of the total surveyed, had no vacant positions. In addition, 343 companies, or 34% of the survey population, had no plans to hire anyone within the next year. It will be important to analyze this situation further as to the reasons: is it indicative of the negative business climate or does it simply reflect the small nature of Iraqi businesses in general?



**Table 7: Total Number of Prospective and Vacant Positions by Companies**

<b>Business Classification</b>	<b>Total No. of Vacancies and Potential Positions</b>	<b>Total Vacancies</b>	<b>No. of Vacant Jobs, Male</b>	<b>No. of Vacant Jobs, Female</b>	<b>Total Prospective Hires</b>	<b>No. of Prospective Hires, Male</b>	<b>No. of Prospective Hires, Female</b>
Construction/ Contracting Total	6,906	989	849	140	5,917	5,461	456
Manufacturing Total	2,214	894	885	9	1,320	1,218	102
Trade (Export/Import) Total	1,899	715	670	45	1,184	1,004	180
Wholesale Total	1,402	595	585	10	807	754	53
Garment Total	594	433	327	106	161	143	18
Food Processing & Manufacturing Plants/ Agricultural Total	814	291	253	38	523	414	109
Petroleum/ Energy Total	431	211	211	-	220	210	10
Retail Total	620	176	176	-	444	438	6
Telecommunica- tions, Media Total	686	132	124	8	554	375	179
Automotive Sector Total	111	36	36	-	75	65	10
Financial Total	79	20	20	-	59	39	20
Educational Total	43	18	18	-	25	23	2
Health & Medical Total	94	18	18	-	76	60	16
Information Technology Total	79	18	15	3	61	45	16
Transportation Total	39	2	2	-	37	30	7
Travel Total	4	2	2	-	2	2	0
Tourism Total	10	1	-	1	9	4	5
<b>Grand Total</b>	<b>16,025</b>	<b>4,551</b>	<b>4,191</b>	<b>360</b>	<b>11,474</b>	<b>10,285</b>	<b>1,189</b>

## TRAINING PRIORITIES FOR VOCATIONAL TRAINING AND EMPLOYMENT SERVICES PROJECT

The individual companies were surveyed as to what their priority training needs were. The results are provided in Table 8. The list of priority training correlates strongly with the list of total vacancies provided in Table 7, but provides more definition regarding the training required for the prospective positions. Table 8 provides a listing by types of training and skills requested by the different companies. The training required is based on the combination of total number of vacancies with the total number of prospective hires. The following table, based on the combined total, lists the specific training required by the different companies:

<b>Table 8: Vocational Training Required By Iraqi Companies with Vacant or Prospective Positions</b>							
<b>Type of Training Required</b>	<b>Total of Vacancies &amp; Prospective Hires</b>	<b>Total Vacancies</b>	<b>No. of Vacant Jobs, Male</b>	<b>No. of Vacant Jobs, Female</b>	<b>Total Prospective Hires</b>	<b>No. of Prospective Hires, Male</b>	<b>No. of Prospective Hires, Female</b>
Carpentry, Architectural Finish	2,202	672	591	81	1,530	1,277	253
Light Manufacturing	2,034	792	777	15	1,242	1,164	78
Professional Services (Accounting, Engineering etc.)	807	175	140	35	632	509	123
Metal Fabrication	805	278	278	0	527	506	21
Food Processing and Manufacturing Plants	766	337	298	39	429	344	85
Retail Services	546	126	123	3	420	383	37
Mechanical System	412	37	35	2	375	262	113
Retail Manufacturing	277	52	40	12	225	176	49
Electrical Systems	202	71	64	7	131	131	0
Information Technology	174	43	33	10	131	96	35
Automotive Mechanics	101	31	31	0	70	61	9
English as a Second Language	32	3	0	3	29	10	19
<b>TOTAL</b>	<b>8,358</b>	<b>2,617</b>	<b>2,410</b>	<b>207</b>	<b>5,741</b>	<b>4,919</b>	<b>822</b>

## **CRITICAL PRIORITY TRAINING CATEGORIES**

Based on the large number of vacancies and prospective positions, the Vocational Training and Employment Services project should focus on the following training categories as immediate priorities:

1. Carpentry, Architectural Finish
2. Light Manufacturing
3. Professional Services
4. Metal Fabrication
5. Food Processing and Manufacturing Plants

## **PRIORITY TRAINING CATEGORIES**

There is a substantial difference in number between the first tier and the second tier; therefore, it is important to factor in project goals and targets in establishing the second tier. Gender considerations are important priorities and emerge in the analysis. The selection of second tier training categories is based on a combination of the resulting statistical information factored with the project goals and targets:

6. Retail Services
7. Mechanical Systems
8. Retail Manufacturing
9. Electrical Systems
10. Information Technology
11. English As a Second Language

Training in English and computers (Information Technology Training) are perceived as being critical for successful employment in the “New Iraq.” This common perception emerges not only from the survey responses, but also from daily conversations with MOLSA officials, job applicants, and ordinary citizens. Whether this perception is completely warranted remains an open question. It does have some basis in fact as many of the individuals who have easily found employment are those with English language skills and computer training; the American and foreign companies have been quick to hire such individuals. It remains to be determined as how valid this perception is.

Both English-as-a-Second Language (ESL) and IT are sectors which are important from the perspective of encouraging female employment. When the vacant and prospective positions are analyzed by gender, several categories of training emerge as having either a large number or a high percentage of employment opportunities for women. Since female employment is an important project goal and the Iraqi society provides limited opportunities for various reasons, additional categories emerge as critical priorities. The following tables provide the basis for the emphasis on additional areas of training.

**TABLE NO. 9 FEMALE VACANCIES BY COMPANY AND BUSINESS CLASSIFICATION**

<b>Business Classification</b>	<b>No. of Companies by sector</b>	<b>Total No. Of Vacancies and Potential Positions</b>	<b>Average No. of Vacancies and Potential Employees Per Company</b>	<b>Average No. of Female Vacancies and Potential Employees Per Company</b>
Garment Total	9	594	66	14
Telecommunications, Media Total	39	686	17	5
Financial Total	5	79	16	4
Food Services/Agricultural Total	52	814	16	3
Construction/Contracting Total	268	6,906	26	2
Tourism Total	4	10	3	2
Health & Medical Total	13	94	7	1
Trade (Export/Import) Total	194	1,899	10	1
Transportation Total	7	39	6	1
Information Technology Total	22	79	4	1
Educational Total	3	43	13	1
Manufacturing Total	177	2,214	13	1
Petroleum/Energy Total	18	431	24	1
Automotive Sector Total	18	111	6	1
Wholesale Total	121	1,402	12	1
Retail Total	54	620	11	0
Travel Total	3	4	1	-

The following areas of training provide important opportunities for women: garments, telecommunications & media, financial, food processing and manufacturing plants, professional services and retail manufacturing. Retail manufacturing includes garment manufacturing and this sector provides multiple opportunities of socially acceptable positions for women. It should become a training priority for the project.

Professional services are a more problematic area of training. Professional services encompass a variety of skills and professions including accounting and engineering. Often computer training for a particular expertise is often mentioned or implied, i.e. an accountant who can utilize accounting software to maintain the accounts. The project needs to define what categories of training for “professional services” it will focus upon. Exploration of this area should strive to provide additional opportunities for Iraqi women.

Of all the areas of training required, many of the positions requiring English-as-a-Second Language are designated for women. This designation is probably based on the concept of using women in the executive assistant's or office manager's positions so that they can deal with overseas clients and foreign businesses in English. In its efforts to provide employment opportunities to women, the project should initiate some pilot programs utilizing ESL. ESL courses should provide training opportunities which would be very attractive to female job candidates. This finding has also been supported by discussions with the Iraqi American Chamber of Commerce which contends that trained Office Managers or Executive Assistants are in very high demand but short supply.

## **NECESSITY OF OUTREACH**

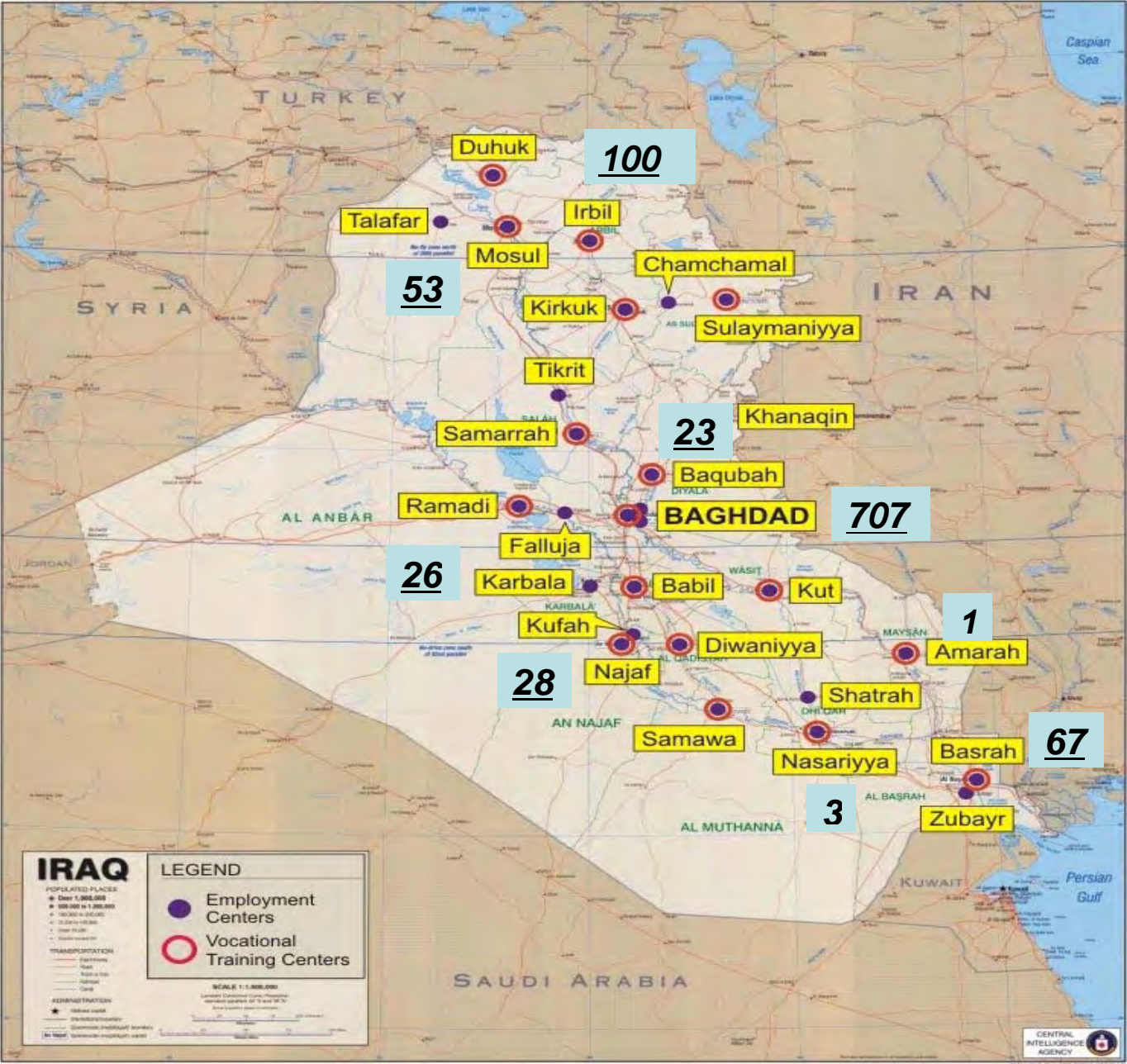
The company responses indicate that many either do not have knowledge of employment services or centers offered by the GOI or they have not found them useful. More pointed questions on this matter need to be developed and posed. The Vocational Training and Employment Services Project must work with MOLSA to initiate and develop relationships between the companies and the various MOLSA services.

## **PRIORITY OF DONOR AND PROJECT COORDINATION**

The challenges facing many Iraqi businesses are simply overwhelming. In addition to the issues of security and safety, many companies are grappling with issues regarding their supply chains, financing, international competition, marketing, human resource development, etc.

It is imperative that a cohesive and comprehensive approach be provided to both donor and project coordination. There needs to be closer cooperation with the Project and Contracting Office so that basic information can be gathered effectively from the multinational companies. In addition, it is important that Iraqi companies be able to access projects which strengthen and introduce competitive marketing and corporate strategies. Such an approach requires coordination among USG activities, GOI strategies and other bilateral and multi-donor agencies.

# Location of Firms & Companies Visited for the Labor Market Survey



# Sample Labor Market Survey Tool

Date	
Interviewer	
	<b>COMPANY CONTACTS</b>
Company	
Address	
Telephone No.	
Fax No.	
Website	
Contact Name	
Contact Title	
Contact Telephone	
Contact Fax	
Contact Email	
General Manager	
Contact Information	
Human Resources	
Contact Information	
Headquarter Contacts	

<b>COMPANY DESCRIPTION</b>	
Company's Business	<input type="checkbox"/> Construction <input type="checkbox"/> Financial <input type="checkbox"/> Health <input type="checkbox"/> Educational <input type="checkbox"/> Security <input type="checkbox"/> Trading <input type="checkbox"/> Commercial <input type="checkbox"/> Wholesale <input type="checkbox"/> Commercial Retail <input type="checkbox"/> Petroleum <input type="checkbox"/> Military Support
Nature of Company	US Economic Development, Military Support, Infrastructure Contractor
	Iraqi Government
	Iraqi Company
	Multinational Company
	Middle Eastern Company
	Other (please specify):
Company's Legal Structure	Individual/Partnership (formal/informal)
	Privately Owned
	Publicly Held
	Joint Venture
	Foreign Representative Office
Size of Company	Overall Revenues
	Iraqi Revenues
	No. of Employees <input type="checkbox"/> <10 <input type="checkbox"/> 10-50 <input type="checkbox"/> 50-100 <input type="checkbox"/> 100-1000 <input type="checkbox"/> Over 1000
	Male <input type="checkbox"/> Female
	Nationality:    Iraqi    American    TCNs Classification of Workers <input type="checkbox"/> Unskilled <input type="checkbox"/> Skilled <input type="checkbox"/> Support <input type="checkbox"/> Managers
Geographical	Where are your activities located:
	Baghdad



	Other Major Cities (specify)
	Provinces
	Job Sites

<b>EMPLOYMENT</b>	
Employment	Are all positions filled?
	If not, how many need to be filled:
	Proposed long term hiring (3 months or longer)
	Proposed Short term Hiring (less than 3 months)
	If positions not filled, why not:
	Salary Issues
	Security Issues
	Skill Requirements
	Other
Recent Hiring	Has the company hired people lately?
	If so, how many?
	How many male/female
	Job classifications (laborers, skilled trade, professional staff, etc.)
	Job Salaries
Proposed Hiring	Company Plans to Hire in Near Future
	How many total
	How many male/female
	Job classifications (laborers, skilled trade, professional staff, etc.)
	Job Salaries
Hiring Process	What process is used to find new employees
	Referrals <i>Family Friends Colleagues</i>
	Advertising
	Employment agencies/ companies
	Iraqi Ministry of Labor
	Iraqi Business Center
	May we establish a relationship with MOL, IBC/
Hiring Difficulties	What is turnover rate at your company
	What are your primary problems in Hiring
	How does your company address these issues
Hiring Criteria/ Process	Formal Educational Standards
	High School
	University
	Graduate Degree (Masters/PhD)
	References, Security Check, Physicals, Drug Testing

	Industry Experience
	Industry Specific Training/ Certificates
	On the Job Demonstration
	Probation Period
HR Development	
	Formal Mentoring Program for Employees
	Career Counseling?
	Employee development via OJT training, external training, etc.
	Outplacement training?

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# Endnotes

<sup>1</sup> Saidi, Nasser. “Labour and Employment in Reconstruction and Development: Iraq in Transition, Liberalization & Reform,” Presented at the International Employment Conference: Jobs for the Future of Iraq sponsored by the Ministry of Planning and Development Cooperation, Government of Iraq, Amman, Jordan: December 12-13, 2004. p. 3-4.

<sup>2</sup> Anecdotal examples abound. One was recently shared by the owner of a garment factory who could not compete with imported clothes from China and India and simply closed her doors.

<sup>3</sup> Adrian Lins de Albuquerque, Michael O’Hanlon, and Amy Unikewcz, “The State of Iraq: An Update,” The New York Times, February 21, 2005.