

IOM IRAQ

# ACCESS TO DURABLE SOLUTIONS AMONG IDPs IN IRAQ

LIVELIHOODS AND ECONOMIC  
SECURITY IN DISPLACEMENT





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# INTRODUCTION

When the Inter-Agency Standing Committee (IASC) defined eight criteria to measure each of three defined durable solutions for internally displaced persons (IDPs)—return to the place of origin, local integration in areas, and relocation—the *listing order* of the criteria is telling: safety and security is first, followed by standard of living, then livelihood and employment.<sup>1</sup>

Once IDPs have secured safety and shelter for themselves and their family, they are then confronted with meeting their basic needs. When state provided services or welfare are absent, most IDPs seek out employment and livelihoods to allow them to fulfill core socio-economic needs.

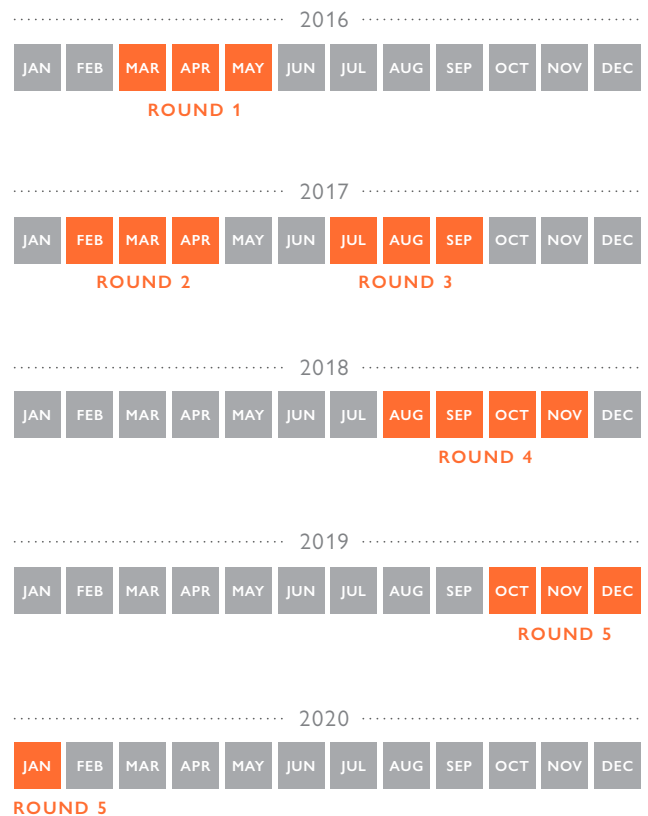
This report is a thematic brief on the issue of livelihoods of Iraqi IDPs using five rounds of survey data and qualitative interviews from the study *Access to Durable Solutions Among IDPs in Iraq*. The longitudinal nature of the study allows us to analyze the changes in IDPs’ lives over time and their solutions to the issues they face in displacement. This ongoing panel study<sup>2</sup> conducted by IOM Iraq and Georgetown University collects data from quantitative surveys and qualitative interviews to understand how non-camp Iraqi IDP households displaced between January 2014 and December 2015 by ISIL develop and adjust strategies over time to access a “durable solution” to their displacement.

The households in the study are part of the non-camp population displaced from the governorates of Anbar, Babylon, Baghdad, Diyala, Kirkuk, Ninewa, and Salah al-Din to one of four governorates where the study was fielded: Baghdad, Basra, Kirkuk, and Sulaymaniyah.

*Access to Durable Solutions Among IDPs in Iraq* tracks both IDP households who have remained in the same location throughout their displacement (IDPs) and the households who were displaced and returned to their places of origin (Returnees). In Round 5 (October 2019-January 2020), 61 per cent of IDPs to whom the study generalizes resided in Baghdad; approximately 2 per cent were in Basra; 28 per cent in Kirkuk, and approximately 9 per cent in Sulaymaniyah. Most of the 1,015 returnee households in

the study sample have returned to Anbar (46%) followed by Ninewa (18%). This report conveys findings among those IDPs who are have remained in the same location throughout their displacement.

**To date, five rounds of data have been collected:**



1 The IASC framework considers that IDPs have reached a durable solution when they no longer face discrimination or disadvantage on the basis of their displaced status. The remaining five criteria in order of listing are: housing, land and property; personal and other documentation; family reunification; access to justice; and participation in public affairs.

2 A panel study is one that tracks the same households over time.

## KEY FINDINGS

- Livelihoods has become the main factor for IDPs considering returning to their places of origin. In Round 4 (August–November 2018), 30 per cent of IDPs ranked livelihoods as the most important requirement for return, a share which increases to 48 per cent in Round 5. This factor overtook safety (26% in Round 4 and 22.3% in Round 5) as the main reason not to return found in Rounds 1, 2, and 3. Without the infrastructure of a functioning economy to return to, IDPs are choosing to stay in host communities where they see more economic security, even if tenuous or temporary.
- IDPs find livelihoods mainly in the informal sector (38.9%), the public sector (18.6%), and business (23.5%).<sup>3</sup> While the overall, aggregate shares of households earning money from the public sector and business appear to be approaching—even surpassing—pre-displacement shares employed in these fields, only 25 per cent of IDPs are working in the same job sector as they were prior to displacement. As such, there is significant volatility in finding employment in displacement.
  - IDPs struggle to stay in public sector jobs in displacement. Only four per cent of those who worked in public sector jobs prior to displacement have been employed in the public sector without interruption during their time in displacement.
  - Despite offering fewer worker protections, the informal sector is one on which IDPs have consistently relied as a source of income throughout displacement.
  - The share of IDPs reporting income from business rose from 17 per cent prior to displacement to 24 per cent in Round 5. However, a very low proportion of families (less than 1%) have been able to rely continuously on income from business throughout their time in displacement.
  - Those working in the agricultural sector remains less than one per cent, compared to the 29 per cent who worked in agriculture prior to displacement.
- IDPs' earnings from their jobs are not enough to cover their cost of living, including expenses related to displacement. They must borrow to meet those costs and therefore incur debt due to displacement. The challenges of earning an income and additional expenses IDPs incur are prolonging the effect of their displacement, even if they are not being discriminated against for being displaced.
- The average monthly expenditure of out-of-camp households of 10 or more members is 753,779 IQD (646 USD) per month, which is below the UN Iraq-defined poverty line of 77,000 IQD (66 USD) per person per month.
- Displacement changed families' consumption patterns. In Round 1 (March–May 2016), 96 per cent noted a change: 45 per cent of them “completely changed” and the other 51 per cent “somewhat changed.” Across all household sizes, food is the largest single expense: it accounts for 43 per cent of the budget of households with 10 or more members and between 33 and 38 per cent of monthly expenses of households of other sizes. It makes sense then that the most common coping mechanism was to rely on less preferred and less expensive foods (33%).

<sup>3</sup> In Round 5. See Figure 3.

## LIVELIHOODS: A REQUIREMENT FOR IDPs TO RETURN HOME

Of the eight criteria that the IASC Framework outlines to measure a “durable solution” to displacement, two criteria stand out as having been more important than others for the IDPs themselves: safety/security and employment/livelihood.

Of these, the first one is often out of the IDPs’ hands. They have little to no control over the amount of violence, crime, or unrest erupting in any given place at one point. As this study has found, displacement is initially an effective strategy for achieving security.<sup>4</sup> Yet, over time, this study has suggested that safety alone is not an individually sufficient condition for IDPs to return to their places of origin.

By Round 5 (October 2019-January 2020), 84 per cent of IDPs suggest that their areas of origin were completely or moderately safe. Thus, safety is no longer the main factor deterring IDPs from returning, as it had been in Rounds 1, 2, and 3. When IDPs were asked about the three most important requirements for them to return to their areas of origin in Round 5, nearly 48 per cent suggest that it was a job opportunity or a source of livelihood. This signifies an 18-point increase from Round 4 (August-November 2018), when, for the first time, jobs became more important than the general security situation for return.

Figure 1. Evaluation of the Current Safety Conditions in Area of Origin

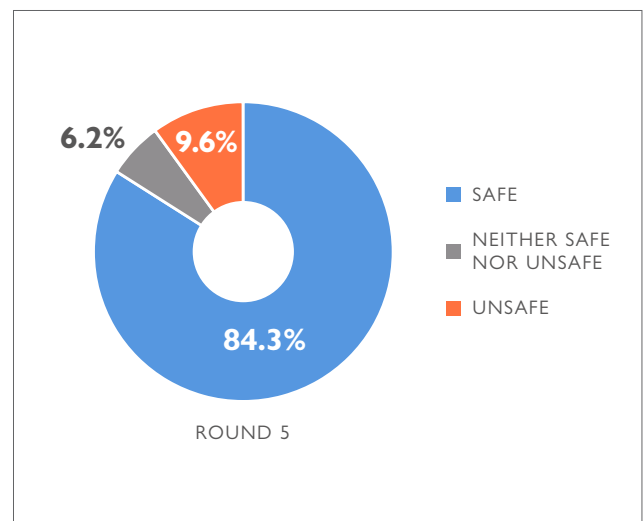
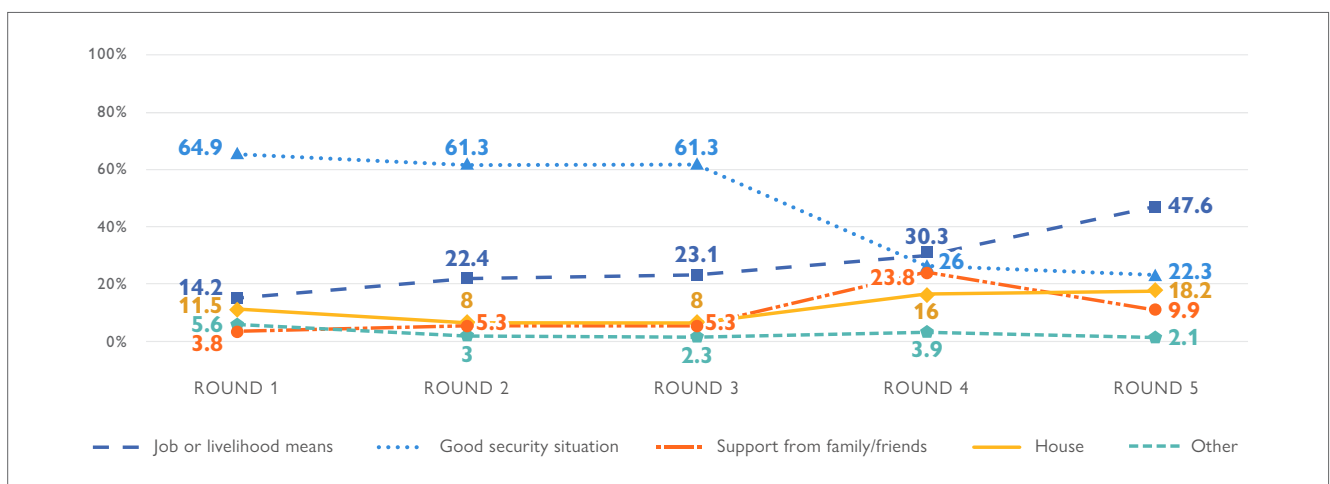


Figure 2. First Most Important Requirement Need for Return to Area of Origin



Economic security is pressing for IDP households, even though the IASC framework parses financial from physical wellbeing. The high percentage of those reporting that jobs are the most important aspect for return suggests that IDPs neither have the economic safety nets for return without

obvious employment opportunities nor do they want to return without access to livelihoods. IDPs’ abilities to return are constrained by infrastructure development and market forces, and security and order in areas of return are not synonymous with reconstruction or return to normality.

4 IOM Iraq and Georgetown University, “Access to Durable Solutions Among IDPs in Iraq: Part I,” April 2017.

Without the infrastructure of a functioning economy to return to, IDPs are choosing to stay in host communities where they see more economic security, even if tenuous or temporary.<sup>5</sup>

A man from Kirkuk who has lived in displacement within the same governorate described these challenges: “I am currently in the phase of rebuilding my house in my original area because it had a lot of damage. Our area in particular faced a

lot of destruction because of the war and constant bombings between the forces of the Iraqi army and ISIS terrorists during the liberation of our area. Approximately 80 per cent of the infrastructure and service departments were destroyed and there are no services. Yet IDPs still desire to return so that life can go back to the area and after that, with the efforts of people and the government, services will be reconnected again.”

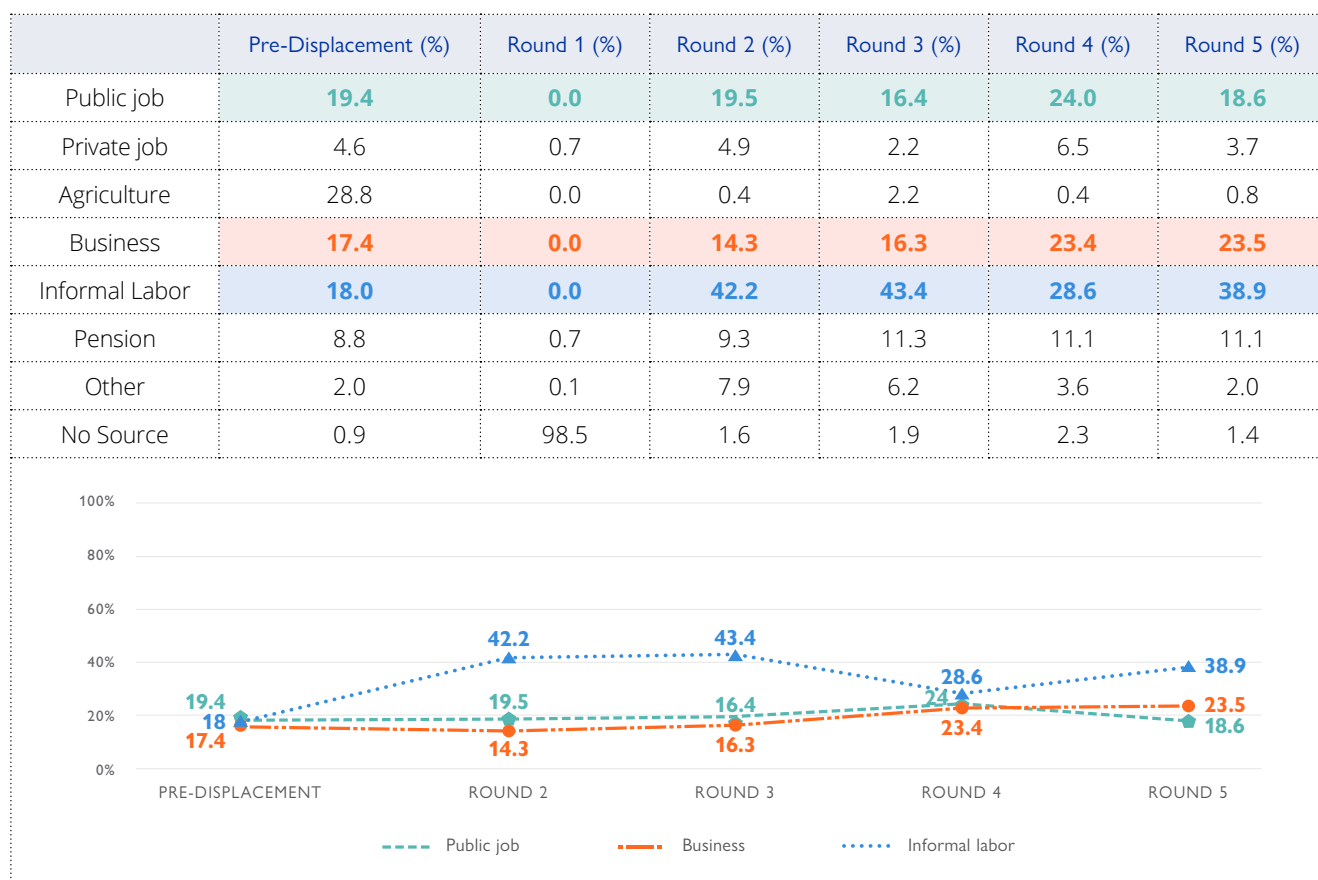
## WORKING IN DISPLACEMENT

While IDPs rebuild their homes and wait for services to be restored in their areas of origin, finding jobs in displacement is a necessary requirement for meeting the cost of living.

Subsequent to their first year of displacement, nearly all IDP households in the non-camp population to which the study generalizes reported having an income from a job. Yet a

trend that emerged early on remains: the informal sector—one that provides little long-term security—is the one from which the plurality of IDP households gain their livelihoods.

Figure 3. Primary Source of Income/Money?<sup>\*</sup>



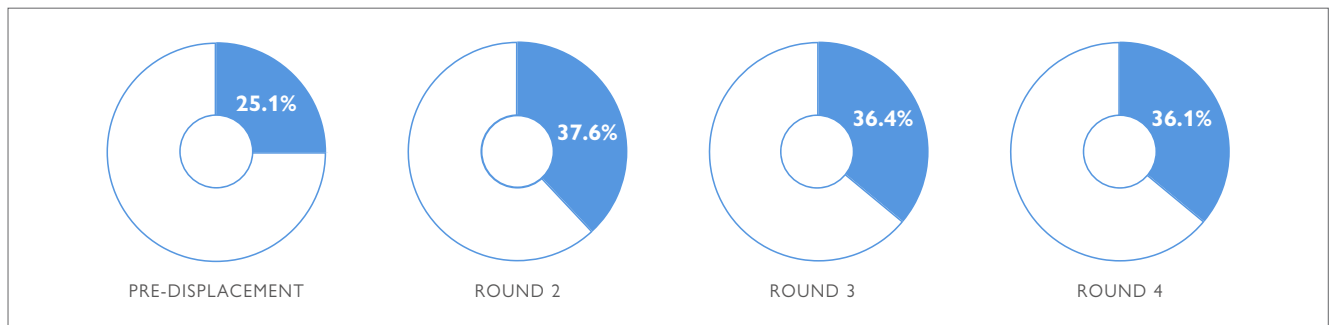
<sup>\*</sup> In Round 1, the question wording in Arabic was “income,” which respondents understood as a steady, consistent salary. As such, in subsequent rounds, the question wording was changed to ask about the primary source of “money.”

5 These findings are corroborated in another IOM Iraq report from a different study. IOM Iraq, Returns Working Group, and Social Inquiry, “When Affordability Matters: The Political Economy and Economic Decision Making of Iraqi IDPs,” December 2019.

The shares of households earning money from the public sector and business appear to be approaching—even surpassing—pre-displacement shares employed in these fields. However, the return to pre-displacement normalcy is superficial: Only 25 per cent of IDP households report that their primary source of income in Round 5 (October 2019-January 2020) is the same as what it was prior to displacement. Of these 25 per cent, 30 per cent have public

jobs, 21 per cent work in business, 33 per cent have informal jobs, and 14 per cent rely on pensions for their livelihoods. Nearly half of this group of IDPs who have returned to pre-displacement sectors of employment are in Baghdad (50%), and 40 per cent are in Kirkuk. Less than three per cent and eight per cent are in Basra and Sulaymaniyah, respectively. As such, there is a considerable amount of volatility in employment among non-camp IDPs.

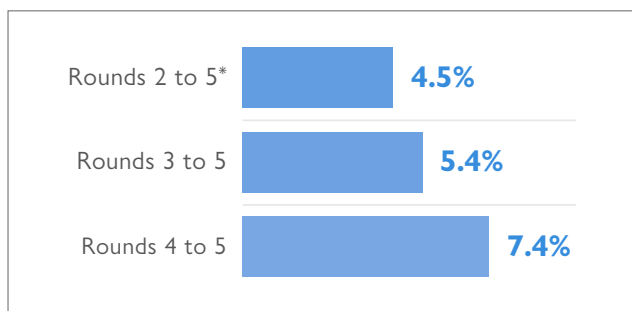
Figure 4. Primary Source of Income in Round 5 is the Same as in:



### PUBLIC SECTOR EMPLOYMENT

Public sector jobs, considered to be the most stable and are thus also often the most sought after, also see significant change. Approximately 20 per cent of households worked in the government jobs prior to displacement; just four per cent of those working in the public sector before displacement have done so without interruption (save Round 1), and this rises to just under eight per cent by Round 4. This suggests that IDPs were unable to stay in public jobs.

Figure 5. Continuity of Employment in Public Sector: Share of IDPs Holding Public Jobs Prior to Displacement and in:

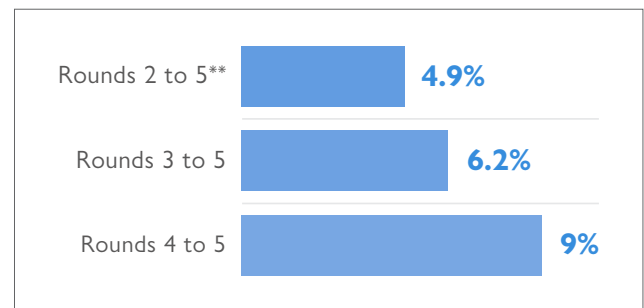


\* Round 1 omitted because of survey wording problem discussed in Figure 3 above.

Regardless of whether or not they worked in the public sector before displacement, five per cent have worked in it in Rounds 2 to 5 (February-April 2017 to October

2019-January 2020), rising just to nine per cent in Rounds 4 and 5 (August-November 2018 to October 2019-January 2020). This increase is at best anemic, and suggests that the reliability of public sector employment was not available to IDPs at the same level as prior to displacement. This could be for any number of reasons including the lack of open public sector positions in their new location; the government push to encourage returns by only allowing former public servants to recover their jobs in areas of return; the political patronage nature of much of civil service employment<sup>6</sup>. Transfers or rehires in general, not just in the public sector, only accounted for seven per cent of the most used means for people to find employment in Round 1 (March-May 2016).

Figure 6. Employment in the Public Sector While in Displacement\*



\* Regardless of whether they worked in the public sector prior to displacement.

\*\* Round 1 omitted because of survey wording problem discussed in Figure 3 above.

6 Ali Al-Mawlawi, "Public Sector Reform in Iraq," Chatham House Briefing, Middle East and North Africa Programme, June 2020.

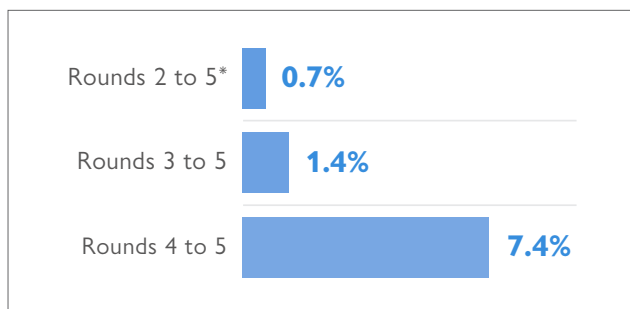


## INFORMAL SECTOR EMPLOYMENT

Instead, and ironically, the sector with the greatest continuity is the one with the least stability: the informal sector. This sector functions in different ways for different populations, both keeping them in situations of precarity, but also enabling them to find employment in new places based on the skills they have. The story of a man from Anbar who fled to Baghdad illustrates this. He said, “Before displacement I was employed as a taxi driver for a local transportation company. The people who have been successful in returning to their previous job were the ones who were able to take with them their savings and continue their work in the displacement area.” He had a heart attack in 2017 that required surgery. Paying for the surgery put them in debt to relatives. He now works in construction thanks to skills he learned from his father decades earlier, but says “If I had enough money, I would buy a car and work as a taxi driver because it is a more suitable work for my current health condition.” The informal economy allows people to find some income, which has been important in helping families get by. However, the precarity of people’s lives who survive on informal sector labor is exacerbated by the absence of a steady income, going into debt for large expenses, and other factors that deeply affect the people who have little left due to displacement.

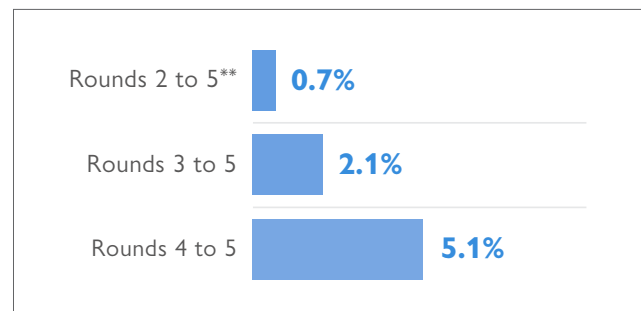
## BUSINESS SECTOR EMPLOYMENT

Figure 7. Continuity of Employment in Business: Share of IDPs Holding Business Jobs Prior to Displacement and in:



\* Round 1 omitted because of survey wording problem discussed in Figure 3 above.

Figure 8. Employment in Business While in Displacement\*



\* Regardless of whether they worked in business prior to displacement.

\*\* Round 1 omitted because of survey wording problem discussed in Figure 3 above.

The volatility seen in public sector employment is even more pronounced among the business sector. Less than one per cent of households have continuously earned income from this sector throughout their time in displacement (see Figure 8). The share of those reporting income from it has risen from 17 per cent prior to displacement to 24 per cent in Round 5 (October 2019-January 2020). IDPs in displacement have perhaps gravitated toward this sector potentially because they find a place where they can readily transfer a multitude of skills, such as those associated with selling, driving, carpentry, upholstery, plumbing, electrician, etc.

An example of an IDP in the business sector is a shop owner from Kirkuk. When ISIL occupied their city, the family fled to another part of Kirkuk governorate. While living in displacement, the former shop owner learned how to work with wood and got a job as a carpenter for the first four rounds of the survey (March 2016-January 2020) for a daily laborer wage. In Round 5 (October 2019-January 2020), he and his family moved from Kirkuk to Tikrit (in Salah al-Din governorate), and he detailed how he developed his own business: “I am still working in the same type of work in carpentry for homes and other buildings. Before moving from Kirkuk to Tikrit, I was a daily laborer. Now in Tikrit, I bought lumber in partnership with a friend of mine here and we share the money after completing any work. My financial capacity is better after moving here, because I earn more money here and I can buy the family’s needs of food and clothes. And I can also pay the rent for the house and save some money, unlike my situation in Kirkuk, where the job opportunities were few.”

## AGRICULTURAL SECTOR

Among the group of IDPs who have remained in displacement, those working in the agricultural sector remains less than 1 per cent, compared to the 29 per cent who worked in agriculture prior to displacement. The 29 per cent who earned a living in the agriculture sector prior to displacement face the challenge of finding new ways to generate income. Often, it is younger members of the family who find new employment. Women who used to make an income from agriculture, however, report having lost that income and are not able to replace it with other kinds of work. In addition, the inability of IDPs to return to the agricultural sector negatively affects the economy and hinders self-sufficiency of produce and animal products in communities.

The story of a farmer from a village in Kirkuk and who fled to another part of Kirkuk governorate illustrates some of the challenges of the agricultural sector. He recalled that before displacement “my financial situation was good, I had agricultural lands that I farmed every year, I had a good income, and farmed in the area and on the land that I own. During the non-farming seasons, I did freelance jobs in different domains.” While living in displacement in Round 2 (February–April 2017), he said that he did “not have enough resources to cover the needs of my family because I rely on informal daily work, if I can find it. If there is no opportunity on a certain day, we live on the assistance received from people and friends. We gave up eating many food items including meat. We used to buy these food items when we lived a normal life before displacement because we had a good income.” He described how he was getting by: “I learned a new job which is completely different from my work before displacement. I do freelance here. I own a motorcycle that I use to move things from one place to another, for certain fees. Some days, I work in loading foodstuffs into large trucks to be transferred to other governorates in Iraq. My current situation is temporary because I want to return to my region and to practice and return to my normal life. In my original region, I have agricultural lands. I would also like to start establishing my life again and ensure my children’s future there.” By Round 5 (October 2019–January 2020), he had moved to another location because of a conflict with someone from the village who did not pay him, and the village leaders expelled him and his family. He said in thinking about the future that, “I hope to participate in agriculture training so that I can improve myself more because I am a farmer originally, but because of my poor financial capacity I have not been able to return to farming and buy the things we need. Working in farming and agriculture is the best type of job if there is government support. I hope that my wife can join the sewing training because she is smart and open to working as a tailor, but she lacks some of the skills and

needs to develop her skills a bit more. I am confident that with a training course, she could work as a tailor and assist me in providing for the family.”

The quantitative findings as well as stories like that of this farmer illustrate the issues faced by those who worked in the agriculture prior to displacement, whether on their own land or land owned by others. First, the vast majority of displaced farmers did not find employment in agriculture when they were living in displacement. Either they turned to other skills that they had or they worked in informal, manual labor or both. Second, their return to the agricultural sector requires major support – both financial and in terms of training. In particular because people’s finances are dedicated to rebuilding homes, it will take a longer time to acquire the capital needed to rehabilitate fields, repopulate livestock and poultry, and acquire necessary tools and supplies (seed, fertilizers, etc.).

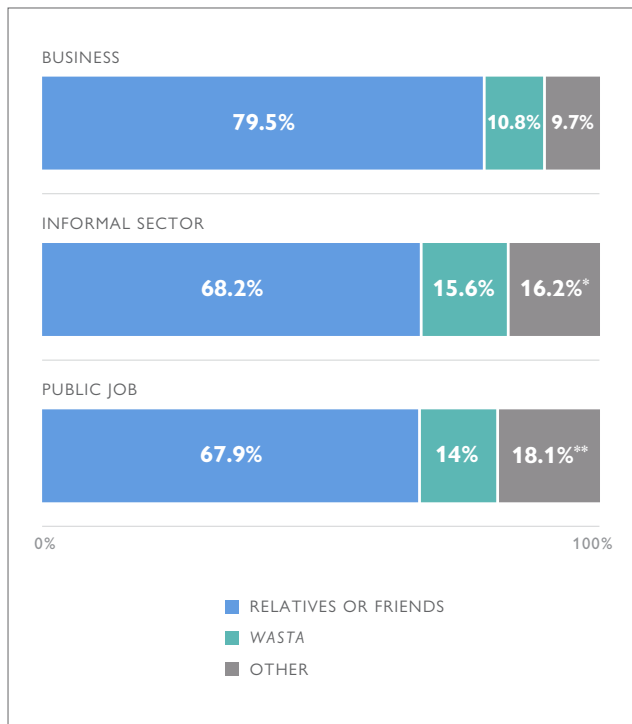
## FINDING EMPLOYMENT

In addition to the ability to transfer skills—or even jobs—, two other factors seem to be key in determining the sector in which IDP households earn their income. The first driving force relates to how IDPs find jobs, and the second, to where they are located. By far, the majority of IDP households report finding jobs through family and friends: the share who relied on this inner circle to access work increased from 58 per cent in Round 1 (March–May 2016) to 74 per cent in Round 4 (August–November 2018). The other most common way was through *wasta*, which means in this context “favorable connections,” such that an acquaintance at best puts in a good word or at worst bribes an employer to help procure the job. This method was reported at 17 per cent in Round 1 and dropped to just under 13 per cent in Round 4.

Table 1. Most Used Means to Access Jobs

	ROUND 1 (%)	ROUND 4 (%)
Relatives or friends	57.8	73.8
Wasta	17.1	12.5
Formal ads	3.7	2.0
Pick-up sites	7.0	6.5
Workers wanted	5.2	1.4
Transfer or rehire	7.1	3.2
Other	2.0	0.6

Figure 9. Round 5 Livelihood Sector by Most Used Means to Access Jobs



\* Of these 9.4% are pick-up sites.

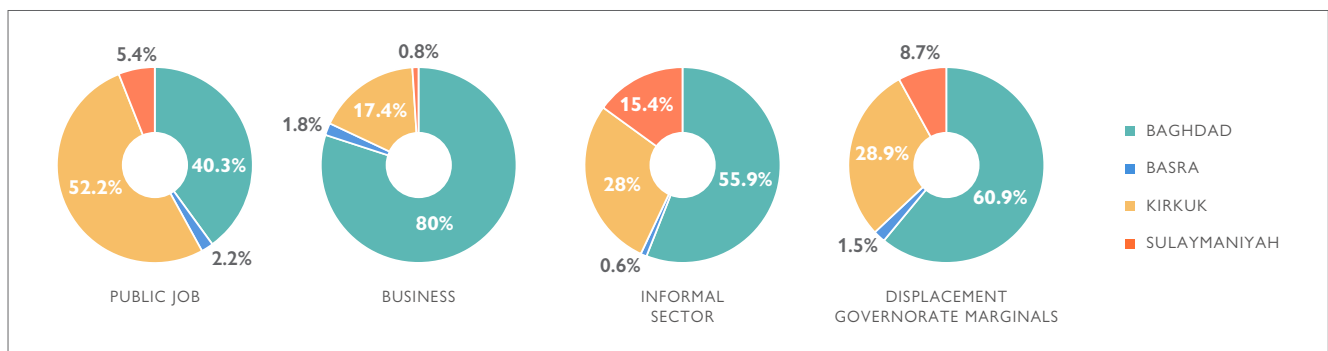
\*\* Of these, 9% are transfer or rehires.

In the three sources of livelihoods that employ 81 per cent of all IDPs in Round 5 (October 2019-January 2020), there is some telling variation in where they look for aid in getting a job. Those whose main source of livelihood is business rely on relatives or friends at a significantly higher rate than those in the public sector and informal wage labor. This seems to be related to the relationships that IDP households cultivate

with host community members over time. For example, a university educated professional from Mosul told the story in Round 1 (March-May 2016) of how he found his first regular employment after moving to Basra:

“ When I first arrived here, I had to work as a taxi driver. I drove around an older woman. She wanted me to take her to a few different places and during that trip, which lasted more than three hours, we spoke a lot. She learned that I am an IDP from Mosul, that I am a university graduate and a professor, and that my circumstances forced me to work as a taxi driver. She took my phone number and would always ask me to drive her to the company where she works or to transport her family. After working with her for a long time, during which she would always ask me about the things that I knew or my skills, she told me about a job at the company where she works. I expressed my happiness, as did she. She set up an interview time and when I drove her to work one day, I went in with her. She indicated the conference room to me so that I could begin the interview. There was someone there waiting for me who asked me my life’s story and began asking about me, my previous jobs, and the nature of my work. The interview lasted nearly 30 minutes, at which point he said, ‘You will meet with the director of the company in order to complete your interview.’ Five minutes later, I was welcomed in and it was the same woman whom I had been driving every day. I realized that she herself was the director of the company. I will never forget that experience because of its positive impact upon my family and me.

Figure 10. Round 5 Livelihood Sector by Round 5 Governorate of Displacement



Alongside how they access jobs, an IDP household’s location also impacts the types of jobs they have. Of those working in the public sector, the majority are not in Baghdad as one might expect but in Kirkuk. Meanwhile, the overwhelming majority of those working in business are in Baghdad. (Informal sector work is evenly distributed in proportion to IDP locations.)

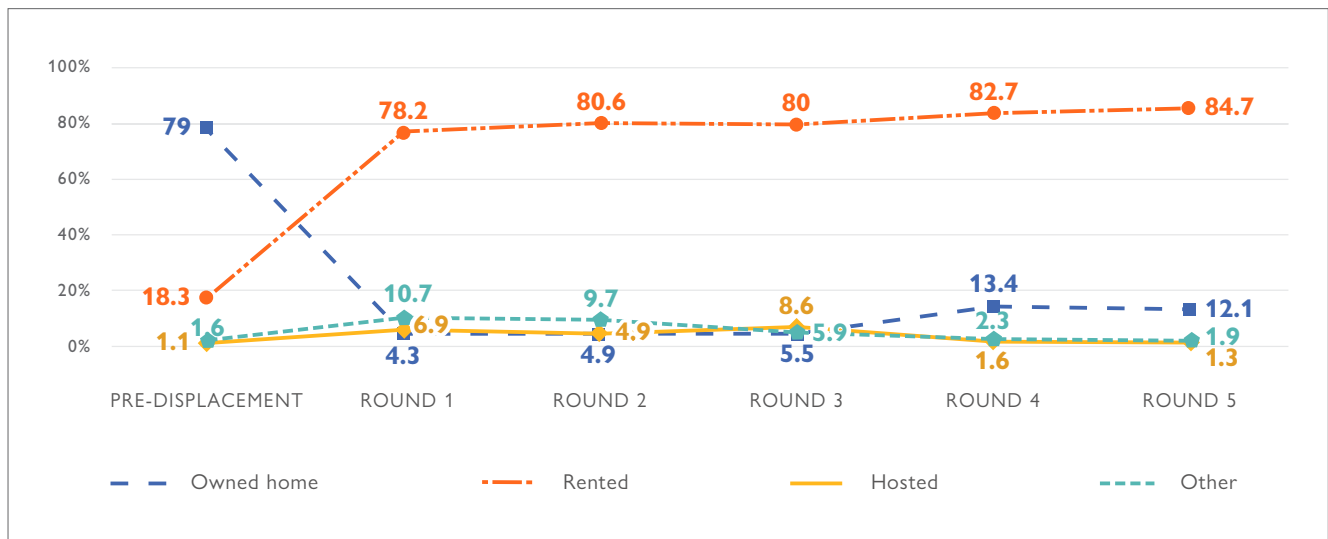
## BORROWING MONEY TO MAKE ENDS MEET

While having a source of income has been key to allowing IDP households to meet their basic needs, it alone has often not sufficed to do so. This is particularly the case because IDPs were hit with two economic blows in the process of their displacement.

First, they lost their jobs and sources of livelihood,<sup>7</sup> and as detailed above, had to try and find new means of income. Second, they lost their housing, which just over half of them owned prior to displacement. Thus, in displacement

they had to take on the new expense of rent (which some managed to do, while others stayed with family or friends, or lived in unfinished buildings, etc.).<sup>8</sup>

Figure 11. Shelter Type



Round 5 (October 2019-January 2020) results show how housing status continues to play a role in IDPs’ relationship to livelihoods. Approximately 85 per cent of IDP households rent while in displacement, and among them, 97 per cent pay the rent themselves. Of the 58 per cent who still own homes in their places of origin, 61 per cent can access their property; however, 95 per cent say their property is destroyed or heavily or partially damaged. Finding the resources to pay for repairs, as well as the costs of moving, while still paying rent in displacement explains why they rank jobs or a source of livelihood as the most important requirement for them to return to their areas of origin.

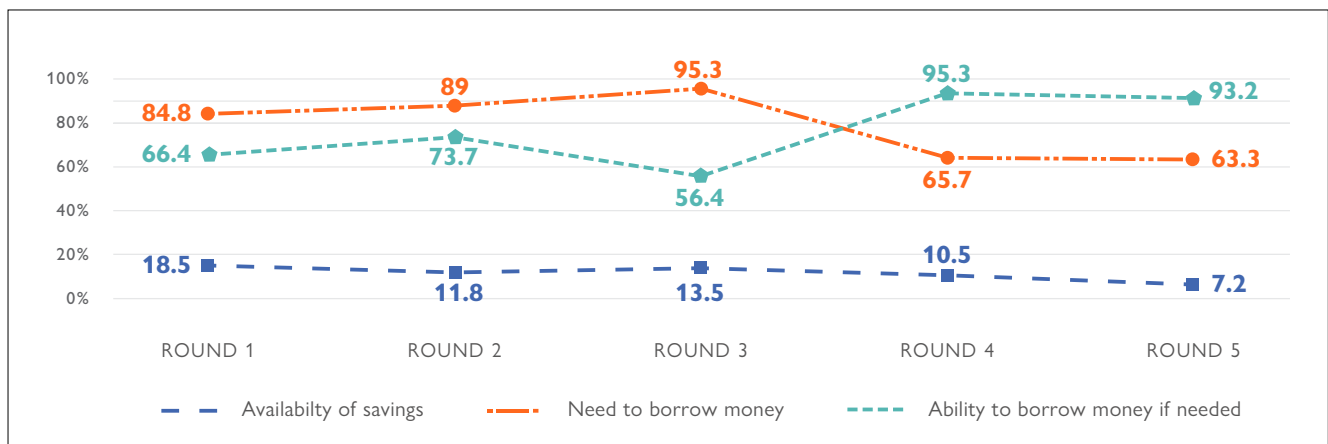
Where did IDPs come up with that money? Only a small share of IDPs—less than 19 per cent—had any savings when they were forced to leave their homes, and over time these savings have only depleted. Instead, they have had to borrow money, most often from family and friends.

7 IOM Iraq and Georgetown University, “Access to Durable Solutions Among IDPs in Iraq: Part I,” April 2017.

8 These issues are detailed in each of the reports for each round. See in particular, IOM Iraq and Georgetown University, “Access to Durable Solutions Among IDPs in Iraq: Four Years in Displacement,” November 2019 and “Access to Durable Solutions Among IDPs in Iraq: Three Years in Displacement,” February 2019.



Figure 12. Availability of Savings and Need/Ability to Borrow Money Over Time



In Round 5 (October 2019-January 2020), just over 63 per cent of IDPs needed to borrow money, which while high, is lower than the 85 per cent who needed to borrow money in Round 1 (March-May 2016). Approximately 51 per cent borrowed money from relatives or extended family, followed by 23 per cent who borrowed from friends and acquaintances and 25 per cent borrowed from shopkeepers and local businesspeople.<sup>9</sup> The burden of borrowing still is within close circles, indicating that the burden of displacement is borne by people close to the IDPs, rather than by institutions or society at large.<sup>10</sup> An important indicator of this communal support network is that, as time has passed, IDPs express that if they need to borrow money they can borrow it: 93 per cent in Round 5 say that they can borrow money if they need to.

In a Round 5 (October 2019-January 2020) interview, a former business owner from Kirkuk described his family's situation: "I had to borrow money when we were displaced, because when we left home, we did not expect that displacement would take such a long time. I thought that it would just be for a few days and then we'll return to our areas, so we left everything behind and did not take anything with us. I had to borrow a lot of money to be able to pay the rent and buy the things we needed, but thank God, after I moved here, I started working and settled down, and I paid back a large part of the loan that I borrowed from my relatives and friends and just a small amount of the debt remains. I'm trying, as the days pass, to pay back all of the debts."

Two other reasons stand out for borrowing from people known to them. One is that there is often great forgiveness in terms of the timeliness of repaying the loan, because their circumstances are known to the lender. A mother who heads a household with her older female relative and her two children described that "being the head of the household is very difficult in this living situation, when we do not have any income, and we must rely on the help of neighbors." By Round 4 (August–November 2018) she was also forced to borrow money: "I have taken on debts from my relatives, and I have not repaid them yet. They know my situation, so they do not force me to pay back the debt."

A second reason is the unwillingness of some devout Muslims to borrow from banks or institutions that charge interest, due to their religious beliefs. A man who moved while in displacement to open a business with a business partner, described his unwillingness to accept a loan that charges interest: "I'd accept a loan on the condition that there is no interest on the loan given to me because in Islamic law interest is usury and that is forbidden. If there is a loan without interest, I would accept the loan and buy a pickup truck, as well find a new home for my family. And I want to be independent in my work so I would also buy my partner's share. And if my partner refused to sell his share, I will sell my share and with the remaining loan amount, I would open my own project and work independently." Many institutions in Iraq give loans that are compatible with Islamic law by charging a fee for the loan, rather than interest.

9 These findings mirror developments across Iraq. Findex data from 2017 shows that while 63 per cent of Iraqis over the age of fifteen took out a loan in the past year, the majority of them (52%) took out loans from family or friends, and only 3.1 per cent from financial institutions. Demirgüç-Kunt, Asli, Leora Klapper, Dorothe Singer, Saniya Ansar, and Jake Hess, "The Global Findex Database 2017: Measuring Financial Inclusion and the Fintech Revolution," The World Bank, Washington, D.C., 2018.

10 In the areas ISIL occupied, the microfinance sector has been decimated, thereby costing Iraq 15 per cent of its microfinance sector. Prior to ISIL's emergence there were 12 credit-focused microfinance institutions operating across the 18 provinces of Iraq. USAID and other organizations had worked to develop Iraq's microfinance industry, with USAID's private-sector program Tijara providing over \$300 million in microloans between 2004 and 2009. The World Bank Group, "The Kurdistan Region of Iraq: Assessing the Economic and Social Impact of the Syrian Conflict and ISIL," 2015, pg. 151; The World Bank, "The Legal and Regulatory Framework for Microfinance in Iraq," July 2015, pg. 11; USAID, "USAID Microfinance Program in Iraq Top \$300 Million in Microloans," USAID Press Release, 3 July 2009.

## STANDARD OF LIVING IN DISPLACEMENT

UN Iraq defines the poverty level as spending less than 77,000 IQD (66 USD) per person per month.<sup>11</sup>

Conditional on the individual household sizes of the non-camp population displaced to Baghdad, Basra, Kirkuk and Sulaymaniyah, the average monthly expenditures of households that have 10 or more members (6% of the population, average monthly expenditure 753,779 IQD/ 646 USD) are lower than this UN-defined poverty line. Those households that have seven to nine members (25% of the population, average monthly expenditure 797,288 IQD/ 683 USD) hover just above this poverty line.

The cost of living in displacement is expensive. Irrespective of household size, rent constitutes the second largest expenditure across all households and accounts for as much as 27 per cent of monthly expenditures (among households with 1 to 3 and 4 to 6 members). While rent is new and a burden specific to displacement, it does not account for the lion's share of monthly costs. Rather, and again across all household sizes, food is the costliest: It accounts for 43 per cent of the budget of households with 10 or more members and between 33 and 38 per cent of monthly expenses of

households of other sizes. That food takes up so much of the budget of larger households may explain why their other costs—such as rent and medical expenses—are in fact lower than smaller households: it is by necessity.

Figure 13. Household Size in Round 5

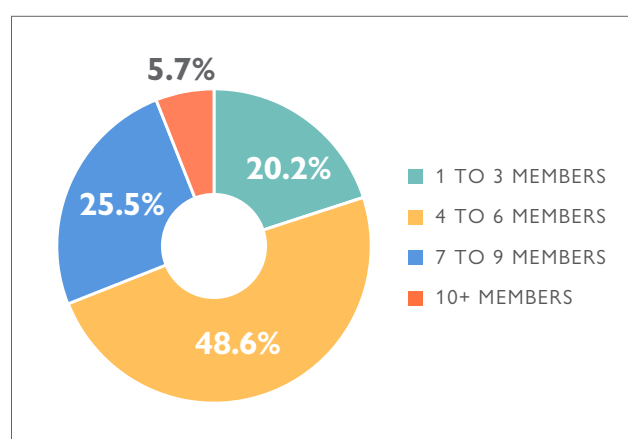


Table 2. Average Monthly Expenditures in IQD by Household Size

HOUSEHOLD SIZE	EXPENDITURE					AVERAGE TOTAL BY HOUSEHOLD SIZE
	Rent (IQD)	Utilities (IQD)	Food (IQD)	Transportation (IQD)	Medical Care (IQD)	
1 to 3 members	190,186	103,579	234,422	76,703	99,274	704,164
4 to 6 members	206,576	105,483	289,293	90,450	79,610	771,412
7 to 9 members	203,795	96,154	306,254	95,214	95,871	797,288
10+ members	164,340	93,588	323,520	96,257	76,074	753,779
<b>Average independent of household size</b>	<b>200,143</b>	<b>102,038</b>	<b>284,486</b>	<b>89,219</b>	<b>87,532</b>	<b>794,366</b>

11 UN Iraq, "Country Profile, Iraq."

Table 3. IDPs: Coping Strategies by Household Size: Households who said they had to do the following every day or most days (4-7 days)

HOUSEHOLD SIZE	COPING STRATEGY						
	Rely on less preferred and less expensive foods (%)	Borrow food, or rely on help from a friend or relative (%)	Purchase food on credit (%)	Limit portion size at mealtimes (%)	Restrict consumption by adults for small children to eat (%)	Reduce number of meals eaten in a day (%)	Skip entire days without eating (%)
1 to 3 members	35.8	12.3	22.1	14.7	8.4	4.8	4.1
4 to 6 members	30.1	15.8	27.1	12.6	5.3	7.5	4.8
7 to 9 members	35.2	20	33.5	14.8	9.5	14.6	3.9
10+ members	38.8	3.32	29.0	7.86	4.7	2.9	0.8
<b>Overall percentage</b>	<b>32.9</b>	<b>15.5</b>	<b>27.8</b>	<b>13.3</b>	<b>6.9</b>	<b>8.5</b>	<b>4.2</b>

IDP households are thus forced into a situation where they need to prioritize among basic needs. This is particularly difficult for households who have school-aged children. A father of a family from a village outside of Mosul who worked in a public job described the impact of the loss of income not only on their standard of living but also on the family cohesiveness. After taking refuge in Baghdad and living in a government building, he described the family situation as follows: "Displacement had a negative impact on my relationships with the members of my family. I some-times feel guilty, since I forced my children to leave their schools; I couldn't pay for their schooling since I struggled with major

shortages in providing their clothing, food, or even going on a picnic or to a doctor's appointment when they were sick."

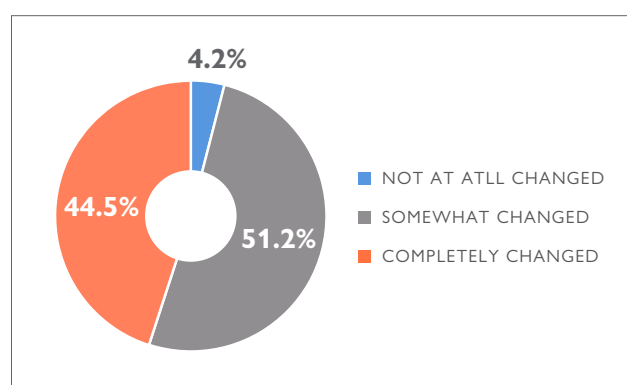
While most IDPs do not report any discrimination based on their status as IDPs in their ability to access healthcare and education, the costs associated with both burden them in ways that they cannot absorb.<sup>12</sup> As such, it is not uncommon to see IDP families unable to get healthcare because they cannot pay for it. Likewise, 83 per cent of families with children have been able to keep their children in school regularly. Among the almost half who cannot keep their children in school regularly (17%), they say the first most important reason is because they lacked the money.

## CHANGES IN PATTERNS OF CONSUMPTION

Such shortages have mandated lifestyle changes. Measures from the Reduced Coping Strategies Index incorporated into Round 5 (October 2019-January 2020) reveal that approximately a third of IDP households in this non-camp population report needing to change the types of food they ate on account of cost.

This share reaches nearly 4 in 10 households among those that have 10 or more members. While small minorities have had to reduce or skip meals, approximately 28 per cent purchased food on credit.

Figure 14. Family's Patterns of Consumption in Round 1



This trend, however, is not new. Displacement altered households' standard of living as evidenced in what they reported on the change in the family's patterns of consumption. In Round 1 (March-May 2016), 96 per cent noted a change: 45 per cent of them "completely changed" and the other 51 per cent "somewhat changed." The father of a family from Falluja described the changes in their lives that came with displacement:

*I don't have adequate income to provide for our basic needs. If not for the assistance of my wife's family, I would have struggled to provide the most basic livelihood. Because of our situation, I couldn't support the burden of my son's studies, which forced him to leave his studies and work, for a salary of 5,000 dinar/day in helping to provide a means of livelihood. We have gotten by due to my son leaving school and working to help us provide a livelihood, reducing spending on items like clothing and food, and depending upon assistance from the region's charities and the local council.*

This change in consumption patterns also witnesses IDPs' need to sell personal property upon initially being displaced. Approximately 26 per cent of IDPs report having had to sell items upon being displaced. The most commonly sold item

was jewelry, a form of savings that women can convert into cash. In Round 3 (July-September 2017), a family from Anbar reported, that "Although the retirement salary is somewhat enough for provide for my family's needs, last month we gave up a gold necklace and sold it in order to have enough money for the children's education and medication." Other accounts from IDPs suggest that prior to displacement they might have sold larger items if they needed money, but in the case of ISIL-driven displacement, they could not sell items because they had not been able to bring many things with them because they fled so quickly and desperately.

Table 4. IDPs: Items Sold Upon Being Initially Displaced (Round 1)

	SOLD (%)
Jewelry	16
Vehicle	8
Computer, Smartphone, TV	7
Household furniture	1.9

Figure 15. IDPs: Households Able to Provide for Basic Needs

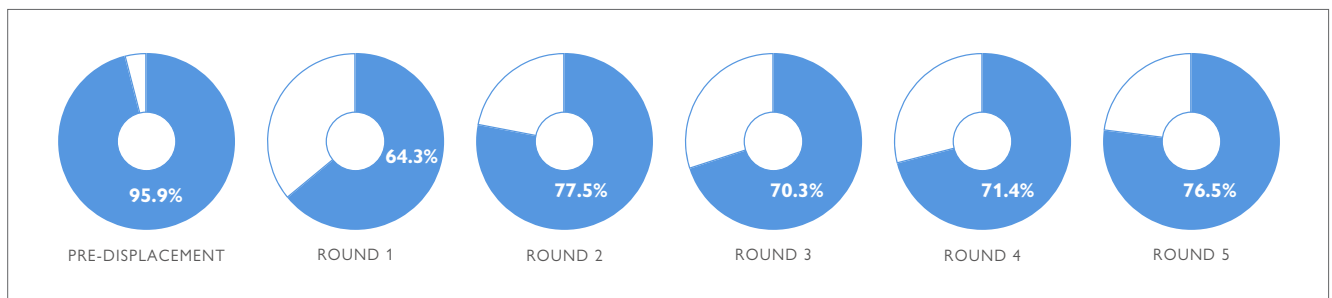
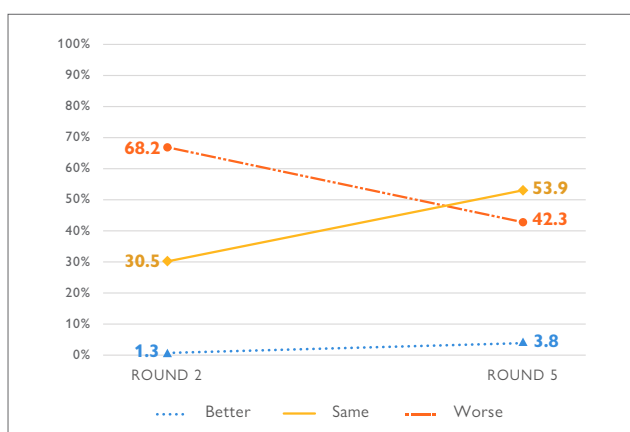


Figure 16. IDPs: Standard of Living Compared to Host Community



Sources of livelihoods are barely enough to cover the cost of living, particularly for larger families. Unstable jobs engender depleted savings and the need to borrow money, particularly in more recent years when the share of IDPs reporting they received aid dropped from 93 per cent in Round 1 (March-May 2016) to just 9 per cent in Round 5 (October 2019-January 2020). In part this is due to the shifts in aid from direct assistance to the provision of developmental funding at the infrastructural level and encouragement of business development through small and medium enterprise project funding. IDPs have been forced to adjust to fewer direct resources available to them as the relief continuum shifts to more development related projects.



## CONCLUSION

Since Round 2 (February–April 2017) of *Access to Durable Solutions Among IDPs in Iraq*, 98 per cent of IDP households have reported having a source of income. Yet since that same round, the share of households reporting they were able to meet their basic needs has stagnated at approximately 70 per cent, failing to reach the 95 per cent share who reported in Round 1 (March–May 2016) that they could meet their basic needs prior to displacement.

As such, this stasis is not to be confused with stability. Rather, a deeper investigation into IDPs' livelihoods in displacement reveals instability, volatility, and the precariousness of weighing the decision to stay in displacement—and the sustained costs that come along with that—against the decision to return to damaged homes without prospects of jobs—and income—to reconstruct them.

For IDPs still living in displacement, the “stability” that often accompanies having employment and income is paradoxically built on the most unstable employment sector: 39 per cent say that their income comes from informal wage labor. Furthermore, while the other two largest sources of livelihood are businesses (24%) and public sector jobs (19%), less than one per cent and five per cent respectively have continuously earned income from these two sectors throughout their time in displacement. Furthermore, overall, just a quarter of all households' main source of income has returned to what it was prior to displacement.

Additionally, this income is often not sufficient to sustain the high costs of living in displacement. The six per cent of IDP households who have 10 or more members live below the poverty line, and the 25 per cent of households with seven to nine members hover just above it. With their savings depleted and humanitarian aid at a five-year low—just 9 per cent said they received aid in Round 5 (October 2019–January 2020)—IDPs have needed to borrow money and change their families' consumption patterns to make ends meet in displacement.

In IDPs' calculus, however, returning home is not the obvious solution. While livelihoods are at the core of not only IDPs' abilities to meet basic needs while in displacement, it has also become the key consideration in deciding to return to their places of origin. By Round 4, the ability to find a job had surpassed safety as the main factor in IDPs' decisions to return to their areas of origin or stay in displacement. As such, IDPs opt to stay in displacement for more economic security. They are weary to return due to lack of livelihoods in their areas of origin and they cannot afford both repairs on their damaged and the cost of living in displacement.

In sum, IDPs are unable to advance towards a durable solution due to the high costs of living and vulnerable income sources in their areas of displacement, and inability to return due to lack of livelihood opportunities in their areas of origin. The costs of being displaced is keeping IDPs in a situation of protracted displacement, and the extent to which it is protracted is intimately tied to the economic and infrastructural recovery and rehabilitation in their areas of origin.

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