

Coping Alone

The state of small-scale enterprises and vulnerable workers in Iraq eight months into the COVID-19 pandemic

Svein Erik Stave and Åge A. Tiltnes



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Preface

This report presents the findings from a study carried out as part of a larger initiative to assess the impacts of the COVID-19 pandemic on labour markets in three Arab States: Iraq, Jordan and Lebanon. In Iraq, the International Labour Organization (ILO) led the initiative in collaboration with United Nations Development Programme (UNDP), UN Women, International Organization for Migration (IOM), European Union (EU) and the Cash and Livelihoods Consortium in Iraq (CLCI) composed of the Danish Refugee Council (DRC), the International Rescue Committee (IRC), Mercy Corps, the Norwegian Refugee Council (NRC), and Oxfam. As part of the initiative, Fafo Institute for Labour and Social Research (Fafo) has implemented several surveys of individuals, households and enterprises.

The findings presented are based on data collected in June and November 2020, through telephone surveys of households and small-scale business enterprises randomly selected from existing databases maintained by humanitarian and development organisations. Whilst the surveys covered as many as 3,767 households and 1,175 enterprises, this report is restricted to a sub-sample, namely those households and enterprises, which were reachable and accepted to participate at both points in time.

We would like to thank all those who were involved in the development of this report. This includes Anas Alakhras who provided the necessary training to the interviewers and facilitated the data collection process, and Nathalie Both who gave valuable feedback on a draft of the report. We would also like to express our special thanks to Virginia Leap for her excellent coordination and technical support. Furthermore, we extend our appreciation to several representatives of the above-listed organisations, who provided feedback on the draft of the first of two reports, which presented results from the June survey. This time around we rely on both surveys, which allows comparison to assess possible developments. Finally, thanks to all respondents who mustered the patience to answer our many questions, many of them even twice.

Maha Kattaa, ILO

Svein Erik Stave, Fafo

Åge A. Tiltnes, Fafo

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Executive summary

This report examines how the COVID-19 pandemic has affected particularly vulnerable types of enterprises and groups of workers in central and northern parts of Iraq. These are typically small-scale and highly informal enterprises and workers characterised by low skills, low income and low job security. Although the survey data on which this report is based are not representative for enterprises and workers at a national level, they include enterprises and workers that make up considerable parts of the Iraqi business and labour markets and which need special attention with respect to the COVID-19 pandemic.

The findings are based on data collected in June and November 2020, respectively, through telephone surveys of households and small-scale enterprises randomly selected from existing databases maintained by humanitarian and development organisations. Whilst the surveys covered as many as 3,767 households and 1,175 enterprises, this report is restricted to a sub-sample, namely those households and enterprises that were reachable at both points in time. Hence, the two data sets used for analyses consist of samples of 726 enterprises and 2,040 individual respondents/households), respectively.

One characteristic of the surveyed enterprises and workers that stands out is the high degree of informality: 30 percent of the surveyed workers were self-employed and only 14 per cent of the employed had written work contracts, and even fewer, 9 per cent had social security or any other non-pay employment benefit. The high degree of informality among enterprises is reflected by the fact that 95 per cent of them were not registered with the relevant authorities.

Furthermore, in November 2020, only 1 per cent of the surveyed enterprises offered social security coverage to their employees, indicating that most people that were laid off from their jobs or had their wages cut because of the COVID-19 pandemic, received no compensation for their losses. Moreover, from June until November 2020 the proportion of enterprises that offered social security to their workers had dropped by 2 percentage points, suggesting that some enterprises had interrupted their social security payments as a cost-saving measure to tackle the extra challenges brought about by the pandemic.

The main impacts of the pandemic on the surveyed enterprises are summarized as follows:

- In November 2020, more than 90 per cent of all enterprises reported that they had been negatively affected by the COVID-19 pandemic in one way or another.
- Seventy-three per cent of the enterprises had experienced lower demand for their products and services, and 70 per cent had experience reduced revenues.
- Seven per cent of the enterprises had closed permanently (3 per cent) or temporarily (4 per cent) between June and November, but the significant non-response in the November survey indicates that the share of enterprises that were permanently closed may have been considerably higher.
- Forty per cent of the enterprises operated with reduced hours or staff in November 2020, while 56 per cent operated as normal, a considerable improvement from June when only 34 per cent operated as normal.
- About one-fourth of the enterprises had increased their debt during the pandemic, mainly by taking up micro credit.
- Forty per cent of the enterprises had problems with their liquidity and cash-flow in November 2020.
- Fourteen per cent of the enterprises had laid off employees during the pandemic, but the total number of employees in the surveyed enterprises in November 2020 was about the same as in June, because some enterprises had also hired new workers.
- Fourteen per cent of the enterprises had reduced wages to their employees during the pandemic. The average cut was about 30 per cent.
- Most enterprises had reduced the prices of their products and services to cope with the effects of the pandemic, and had also taken steps to reduce running costs, e.g., asked creditors to postpone payments. Almost 10 per cent of the enterprises had sold off assets.
- Being registered, being large, being male-owned, and having introduced web-based sales are factors that seem to have contributed to resilience among the surveyed enterprises. Debt attributed to the

business premises reduces the ability to cope, while debt generally seems to have little impact on the enterprises' ability to handle the pandemic.

- Enterprises in the Kurdish region seem to have been somewhat less affected by the pandemic than enterprises in Central Iraq. They sustained higher levels of sales throughout the pandemic, maintained more hours of production, accrued less debt, and showed better recovery than their counterparts in Central Iraq.
- Only 1 per cent of the surveyed enterprises had received any support from the government to cope with the effects of the pandemic. This very low figure is likely to reflect the vulnerability associated with informality and not being registered with the authorities, making it hard for government agencies to identify and reach out to the small-scale and informal types of enterprises such as those covered in this report.

The main impacts on individuals and their households are:

- Many people had lost their jobs during the pandemic. This is shown by our data on both individuals and households:
 - Forty-four per cent of all the respondents who reported being outside the labour force in November 2020, had been working 15 March 2020. About one-half of them lost their jobs due to COVID-19 and the containment measures.
 - Three in ten households (31 per cent) reported to have at least one member who had lost his or her job since March 2020. As many as nine in ten of the affected households attributed the job loss(es) to the COVID-19 pandemic and/or the containment measures.
- Sixty-five per cent of all wage earners worked 'as normal' in November 2020. More than 90 per cent of people employed in the public sector worked 'as normal', while only 56 per cent of workers in the construction sector did so.
- Altogether 72 per cent of all wage earners reported a wage decrease from February to October 2020, with the median monthly wage dropping from 450,000 to 300,000 IQD.
- While three out of four workers in the private sector had their wages cut, only one out of five employees in the government sector experienced the same — reflecting the job security associated with public employment and why public-sector jobs are so attractive.
- Four-fifths of the surveyed households experienced reduced income from March to November 2020.
- Only 2 per cent of the surveyed households had received support from government sources to help them cope with the effects of the pandemic, while 7 per cent had received support from NGOs.
- Merely one in four workers were aware of any support to workers and enterprises available from government sources.
- The most common coping measures used by households were taking up loans from family and friends (50 per cent), purchasing on credit (34 per cent), reducing food consumption (30 per cent), obtaining non-financial assistance from family and friends (27 per cent), reducing non-food consumption (25 per cent), and selling off assets (21 per cent).

The title of this report — Coping Alone — refers to some of the main findings listed above: First, that less than 1 per cent of the surveyed enterprises had received government support to help them cope with the effects of the pandemic. Second, that only 2 per cent of the households that had experienced reduced income during the pandemic had received support from the government, while 7 per cent had received support from NGOs, and third, that many households were dependent on loan and assistance from friends and family to cope during the pandemic.

The fact that exceedingly few households had received aid from the government is in stark contrast to the significant efforts made by the government in providing support to households, and indirectly many small-scale and informal enterprises, e.g., through Minah and cash assistance. These initiatives have reached more than 1.4 million households, equivalent to 5.4 million individuals, during the COVID-19 pandemic. The low number of surveyed enterprises, which had received government support is likely to reflect the vulnerability associated with informality and not being registered with the Ministry of Trade, making it challenging to identify and reach out to many such enterprises in dire need of support.

Hence, 'Coping Alone' indirectly points at informality as a significant barrier to receiving help in times of crisis.

The best ways to help small-scale enterprises and vulnerable workers cope with the negative effects of the COVID-19 pandemic in the short term is principally through cash assistance and cost-reduction measures, such as reducing taxes and subsidizing necessities, e.g., fuel and electricity. For the smallest enterprises, employing one or two persons and mostly household members only, it appears irrelevant whether the support is provided to the enterprise (through business support programmes) or to the individuals or households (through livelihoods support programmes). For larger enterprises, business support programmes are important, including more proactive types of help beyond measures for cost reduction and securing liquidity, such as technical assistance and support to introduce web-based sales and services.

To build resilience among small-scale enterprises and vulnerable workers in the longer term, i.e., to enhance their capacity to handle shocks like the COVID-19 pandemic, formalizing enterprises and employment is of key importance. This assessment, as well as other studies, has clearly shown how the lack of functioning social security systems and employment that satisfies decent work criteria, undermine workers' ability to sustain their livelihoods in periods of unemployment and wage reductions.

A basic requirement for well-functioning formal labour markets is that both enterprises and workers see the benefits in formalizing their businesses and employment, and that the employers and employees are willing to contribute to social security system through taxes and fees. As the commitment to contribute requires seeing and experiencing benefits, implementing awareness-building programmes as well as pilot projects for developing social security systems in certain sectors, or locations, would be important complements to the development of procedures for formalization at the national political and administrative level. At the national level, establishing procedures that lower the economic and bureaucratic thresholds for formalizing enterprises and employment should be a policy objective.

1 Introduction

This chapter first gives a brief background to the project on which this report is a part. Next it positions the report in the COVID-19 situation characterising Iraq today as well as last year, when the survey data used in the report were obtained. The remaining brief sections of this chapter presents the two surveys and the data, but not in detail as the surveyed individuals, households and enterprises will be described in Chapter 2.

1.1 Background

Recognizing the immediate challenges presented by the COVID-19 pandemic and its adverse impacts on vulnerable individuals, households, and enterprises in Iraq, the ILO has taken a regional initiative to assess the impact of the pandemic. The regional initiative covers three Arab states: Iraq, Jordan, and Lebanon. In doing so, ILO has partnered up with humanitarian and development organizations and Fafo.

This report presents the findings from an assessment of the impacts of the COVID-19 pandemic on households and enterprises in Iraq, drawing on survey data from June and November 2020. The first objective of the report is to document the effects of COVID-19 on vulnerable households. More precisely it draws attention to people's employment situation, their income, the economic conditions of households, and people's perceptions about the future. The report's second objective is to examine the effects of the pandemic on enterprises, most of them small, and how they have adapted to the challenges presented by the pandemic. We would argue that their responses to the anti-COVID measures are indicative of their capacity, or lack thereof, to tackle future crises.

As just mentioned, the report is based on data collected through two telephone surveys of households and small-scale enterprises. The households were randomly selected from existing databases maintained by humanitarian and development organizations as part of their cash support program to vulnerable households. Similarly, the enterprises were selected from the database maintained by the agencies and used in their enterprise development and support interventions. Consequently, the samples are not representative of individuals, households and businesses in Iraq. Nonetheless, studying populations supported by humanitarian and development organizations provides valuable insights and knowledge relevant to the design and adaptation of interventions and policies in times of crisis. As such, the surveys, and this report, shed light on vulnerable populations and small-scale enterprises that are often overlooked in labour market policies and response measures.

1.2 COVID-19-related policy measures In Iraq

At the time of writing this, Iraq has had more than 2 million confirmed COVID-19 cases and the virus has caused more than 23,000 deaths.¹ June 2020 saw 10-15,000 new cases per week, and by last week of that month alone saw more than 700 fatalities. The number of cases increased through the fall and reached a weekly number of nearly 25,000 in November before it dropped slowly in November, reaching June figures the final week of that month. Mortality levels also decreased gradually and reached just above 200 deaths the last week of November 2020. Since then, numbers have spiked twice, first in April 2021 and again in July-August 2021 with 83,000 infected people in the last week of July and 522 weekly deaths by mid-August.² After that the numbers have continued to fall, reaching below 8,000 weekly COVID-19 cases and below 200 weekly deaths by early November 2021.

Since the onset of the pandemic, the government has taken measures to contain the spread of the virus through imposing nationwide curfews and lockdowns, banning mass gatherings, and closing its borders and airports, and so forth. The measures have varied over time to fit the health threats of the virus. Surely, the pandemic and the measures in place to fight it have had serious negative impacts on

¹ <https://covid19.who.int/region/emro/country/iq>, visited 15 November 2021.

² Ibid.

businesses as well as people’s livelihoods and living conditions, which is why the authorities have also introduced schemes to cushion the economic impacts of its fight against the virus. Some of these are: providing paid leave for employees in non-essential services in the public sector; establishing temporary emergency cash transfer schemes; distributing in-kind transfers to the most vulnerable; postponing loan instalments; waving and postponing tax payments; and increasing benefits for refugees and IDPs.³ We will return to such measures in subsequent chapters.

1.3 Data sources

The report is based on data from two rounds of phone surveys of individuals and their households and small-scale enterprises sampled from data bases of individuals/households and enterprises, which have received support, or have been assessed as potential recipients of support, as part of programs and projects implemented by humanitarian and development organizations.

This sample implies that the surveys are limited and that the findings are not representative for Iraq. However, assessing entities and institutions receiving economic assistance, loans, advice, training and other forms of support from humanitarian and development organizations provides valuable insights and knowledge relevant to future design and adaptation of interventions and policies.

The household sample is based on existing databases maintained by the Cash and Livelihoods Consortium for Iraq (CLCI) as well as the individual participating organizations. The organizations that supported the assessment and surveys through making their databases available are the Danish Refugee Council (DRC), the International Rescue Committee (IRC), Mercy Corps, the Norwegian Refugee Council (NRC) and Oxfam.

The CLCI primarily developed its database as part of its cash support program to vulnerable households. The program identifies eligible households for cash support using a socio-economic vulnerability assessment tool. The sampling frame included those households that were assessed for assistance by the CLCI since September 2019 and consented to information being shared for research purposes. Furthermore, a job-seekers database obtained from the Ministry of Labour and Social Affairs of the Kurdistan Regional Government was utilized to expand the coverage to the Kurdish region. The size of the household sampling frame is approx. 25,000 households.

Similarly, the sampling frame for the enterprises was prepared using information from the databases maintained individually by the five agencies as part of their enterprise development support programs and projects. Taken together, the data bases made up an enterprise sampling frame of about 4,500 enterprises.

For the first round, which lasted from 16 to 30 June 2020 (‘the June survey’), a total of 4,384 households and 1,736 enterprises were sampled, with about 15 per cent of the sample allocated to the Kurdish region (Duhok, Sulaymaniyah and Erbil; KRI), and the remaining households and enterprises to what we have labelled Central Iraq (Diyala, Salah ad-Din, Kirkuk, Anbar and Niniveh).

The second round of surveys, which took place from 18 November to 3 December 2020 (‘the November survey’), i.e., five months later, aimed at re-interviewing the same households and enterprises, which were surveyed in June. That is, we started out with a sub-sample of 3,244 households and 1,152 enterprises. However, we did not successfully reach all of them and ended up with data for respectively 2,490 households and 773 enterprises. This is a considerable loss of cases (more about response rates below). However, the strength is that we have data for the same households and enterprises at two points in time.

To summarise, this report builds on two sets of panel data, one with data on households and individuals and one with data on enterprises, which allow us to examine change over time. We describe the samples in detail in Chapter 2. Whenever we refer to ‘the survey’ without specifying the month, it will be a reference to the latest data, i.e., data collected in November 2020.

³ UN 2020 (July). Social protection responses to the COVID-19 crisis in the MENA/Arab States region. https://www.unicef.org/mena/media/10271/file/MENA%20COVID19%20brief%20-%20FINAL_v4.pdf%20.pdf.

Survey instruments

Two structured questionnaires were developed to capture relevant information from respectively individuals and households, and enterprises. The questionnaires were translated and administered in two languages as appropriate to the respondent: Arabic and Kurdish.

For question items aimed at measuring employment, unemployment, and labour force participation, we adhere to the ILO's standard definitions of labour market concepts. For the June survey, the reference period of 1-15 March 2020 was used for assessing employment status before the lockdown whilst 1-15 June 2020 was used as a reference period for assessing 'current' employment status. Similarly, for enterprises, the international standard industrial classification (ISIC) was used. For the November survey, the reference periods for questions on employment were 'now', 'past two weeks', 'past month', and 'prior to the onset of the pandemic'/'March 2020'.

The survey instruments were validated through consultations with the humanitarian organizations mentioned above as well as the experience gained from comparable surveys in Jordan and Lebanon. See the annexes for the questionnaires used in November.

Survey implementation

Both surveys were conducted using computer-assisted telephone interviewing (CATI). The data capture programme was developed using KoBoToolbox and administered using smart phones.

The participating organisations jointly recruited a total of 80 interviewers who conducted the data collection activities in June, whilst the November survey had a fieldwork team of 44 persons recruited by the same five organizations. In June, three supervisors oversaw the data collection while additional two persons carried out re-interviews of about 10 per cent to ensure data quality. Fafo provided a one-day virtual trainer-of-trainees workshop with the three supervisors who in turn conducted the training of the interviewers. A similar set-up was used in November. The data were stored in a dedicated and secure server at "<https://www.humanitarianresponse.info>".

Response rates

The June household survey had a response rate of 74 per cent. The main reasons for non-response include refusal (5 per cent), call not answered and switched off telephone (5 per cent each); and 6 per cent no usable information (the status of the interview is not clear or no utilizable information was obtained). The June enterprise survey had a slightly lower response rate of 68 per cent. Non-response is explained by unreachable telephone calls (16 per cent), incomplete information (12 per cent), and refusals (4 per cent).

In the November survey, the interviewer team failed reaching 18 per cent of the individuals and households because the number was disconnected, the telephone was switched off, or the call was not answered, and 6 per cent of the sample did not wish to participate for a second time. As many as 19 per cent of the enterprises were not reachable for the three just mentioned reasons, and 8 per cent of them refused to be interviewed.

2 Characteristics of the sample units

This chapter portrays the enterprises and their employees surveyed for this report by presenting their key characteristics, many of which are later used as background variables in the graphs and tables throughout the report. Furthermore, these characteristics should be kept as a reference when interpreting the statistics. It should be recalled that the survey results describe the situation for the smallest of enterprises in Iraq, and for particularly vulnerable workers and their families. The chapter next provides background information on the employed individuals and households that participated in the household survey. The statistics here are extracted from the second round of surveys – November 2020.

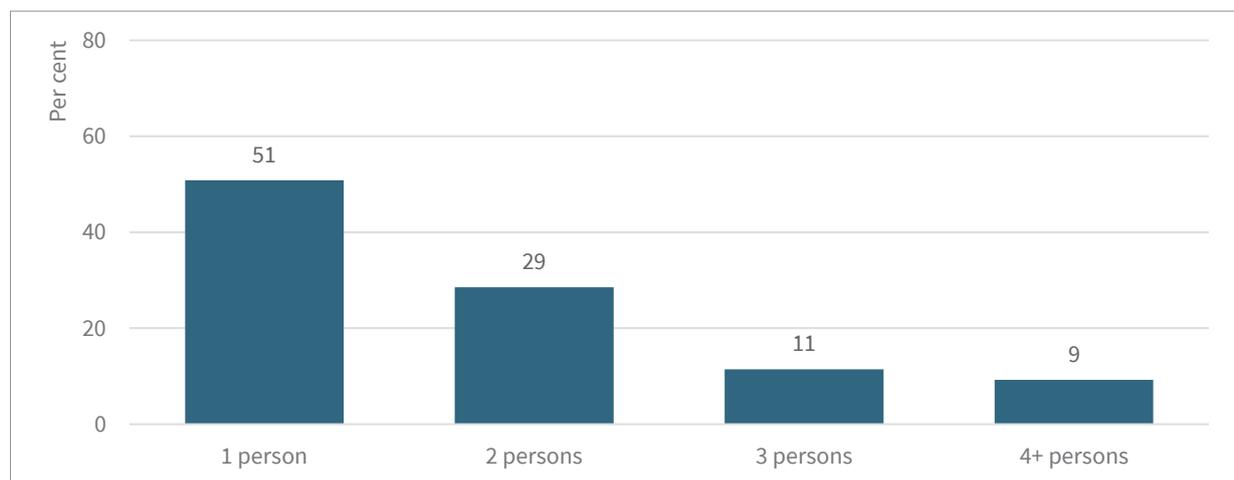
2.1 The enterprises

Compared to a representative sample of enterprises in Iraq, the enterprises surveyed for this report possess some special characteristics that should be kept in mind. First, as just mentioned most enterprises are very small. Second, most of them have been established quite recently. Third, they represent a high diversity of business activities. Fourth, they mainly serve local markets. Fifth, they exhibit a high degree of informality with respect to their employment arrangements. Finally, all enterprises are situated north of Baghdad.

Size

The enterprises covered by the survey are generally very small (Figure 1). One-half of all enterprises are single-person businesses, i.e., they are made up of people who if captured in a household survey would be labelled self-employed or own-account workers. The largest enterprise included in the survey has 53 employees and the second largest has 40 employees. Only 3 per cent of the surveyed enterprises have 10 employees or more. The average number of employees for all surveyed enterprises is 2.34.

Figure 1 Size. Percentage of enterprises (N=726).



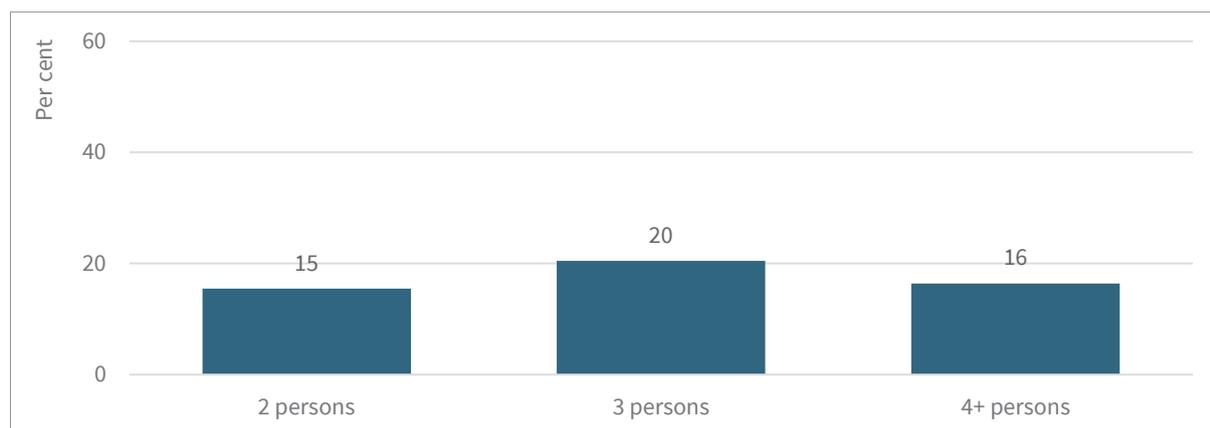
One in four enterprises (27 per cent) are home-based businesses, i.e., enterprises operated from the owner's home, and typically by the owner alone – or together with a few family members. Four in five of these (87 per cent) are single-person enterprises, 11 per cent have two employees whilst 2 per cent have three or four employees. Presumably, most of the surveyed home-based enterprises employ family members only, and most likely, many of the other enterprises in the sample are also family-based.

The workers

One in four employees in the surveyed enterprises are women. Thirty per cent of the enterprises have at least one female employee. A few enterprises employ Syrian refugees (1 per cent) or other foreigners (0.5 per cent), and an additional 1 per cent of the sample is single-person enterprises run by Syrians.

Seventeen per cent of all enterprises with two or more workers employed casual labour at the time of the survey. Whether the enterprises were registered with public authorities or not (see below) made no difference. Also, using such short-term help was only marginally more common amongst the larger enterprises (Figure 2).

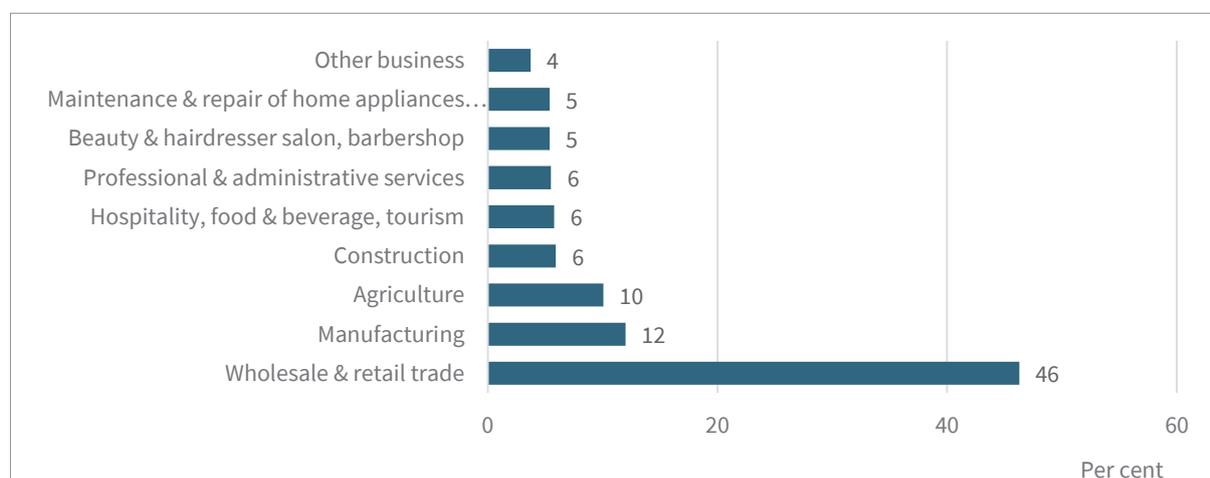
Figure 2 Use of casual labour. Percentage of enterprises employing at least two people (the owner plus one more person). By size of enterprise (N=357).



Industrial classification

Using the International Standard Industrial Classification of All Economic Activities (ISIC), nearly one-half of enterprises in our sample (46 per cent) are classified as wholesale and retail trade (Figure 3). Examples are minimarkets and supermarkets selling groceries and dairy products, stores offering clothes, shoes, bags and accessories, shops selling home appliances and electric devices, those trading new and used spare parts for cars and other vehicles, and enterprises selling cooking gas in cylinders. Twelve per cent of the sample are manufacturing businesses (e.g., micro enterprises sewing new clothes and making repairs, producing home furniture, and doing various metal works) whilst 10 per cent are in agriculture. The remaining enterprises are spread on many different areas of activity, amongst which are construction, hotels, cafes and restaurants, tourism, those providing various administrative and professional services, beauty salons and hairdressers, and enterprises carrying out repair of bikes, motorcycles and cars (Figure 3).

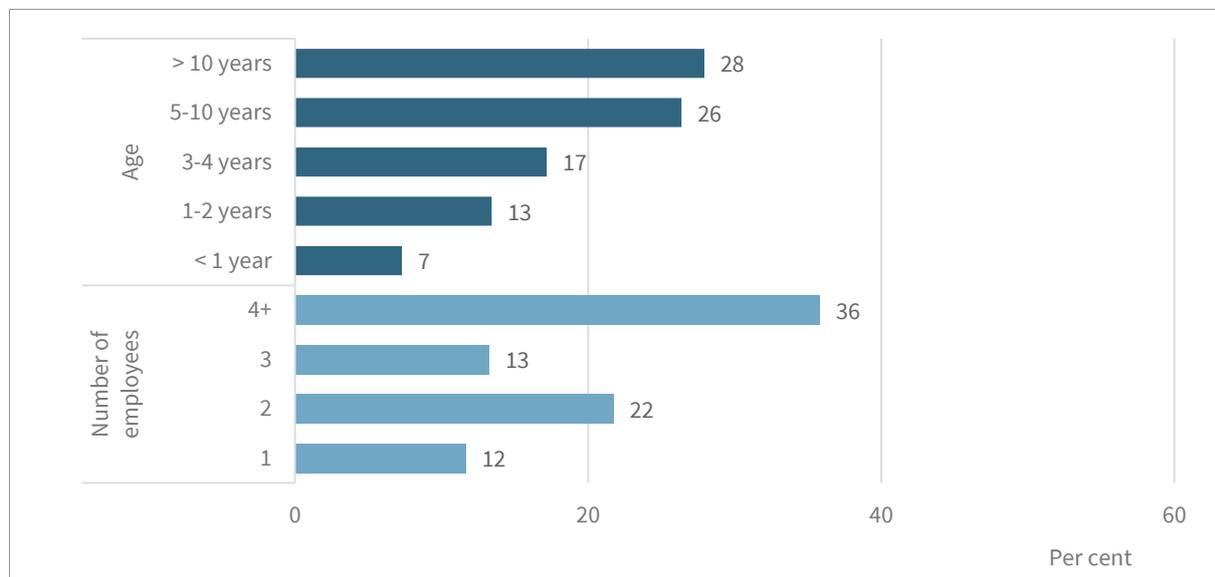
Figure 3 Industry. Percentage of enterprises (N=726).



Markets

Most enterprises (88 per cent) offer their products and services on the local market. Some (17 per cent) also, or mainly, target the wider domestic market. A few enterprises (3 cases) have customers outside the country. Those enterprises targeting the Iraqi domestic market beyond their place of operation tend to be larger and have been in operation for many years (Figure 4).

Figure 4 Enterprises targeting the wider national market. By size and age (N=726).

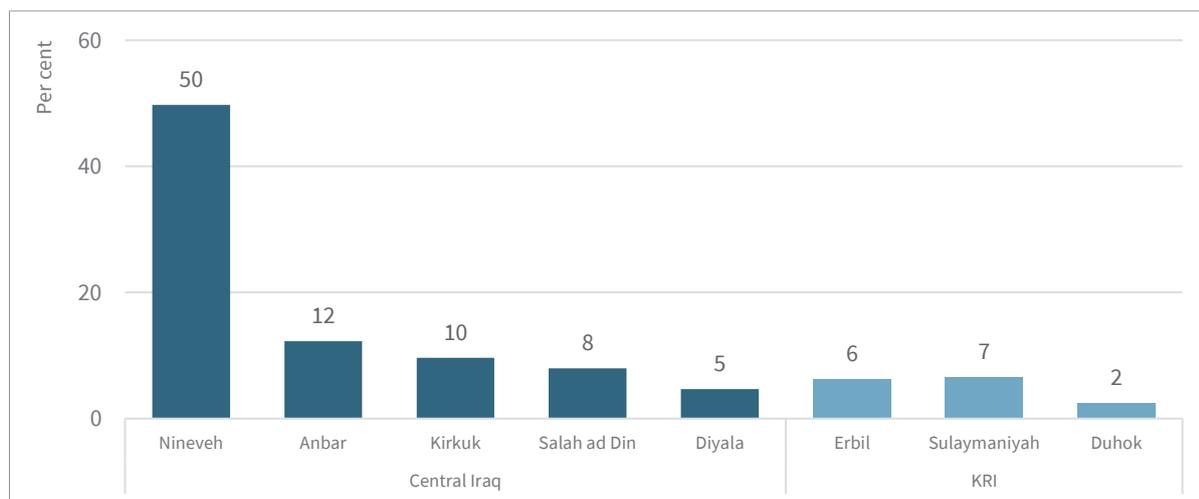


Geographic distribution and reporting domains

The survey sample includes enterprises from eight of Iraq’s 18 governorates, three of them located in the Kurdish Region of Iraq (KRI) and five in a reporting domain we have labelled Central Iraq (Figure 5). Fifteen per cent of the enterprises are in KRI, one-half of the sample is from Nineveh whilst about 35 per cent are located in other four governorates in Central Iraq: Anbar, Kirkuk, Salah ad Din and Diyala. KRI and Central Iraq will make up the two geographic reporting domains used in this report.

One-half of the enterprises are in an urban area whilst 29 per cent are situated in a peri-urban area and 21 per cent are rural. More than one-third of the enterprises (37 per cent) operate from premises that are owned (although some of the owners have debt), 59 per cent operate from rented premises whilst 4 per cent operate from places at no cost.

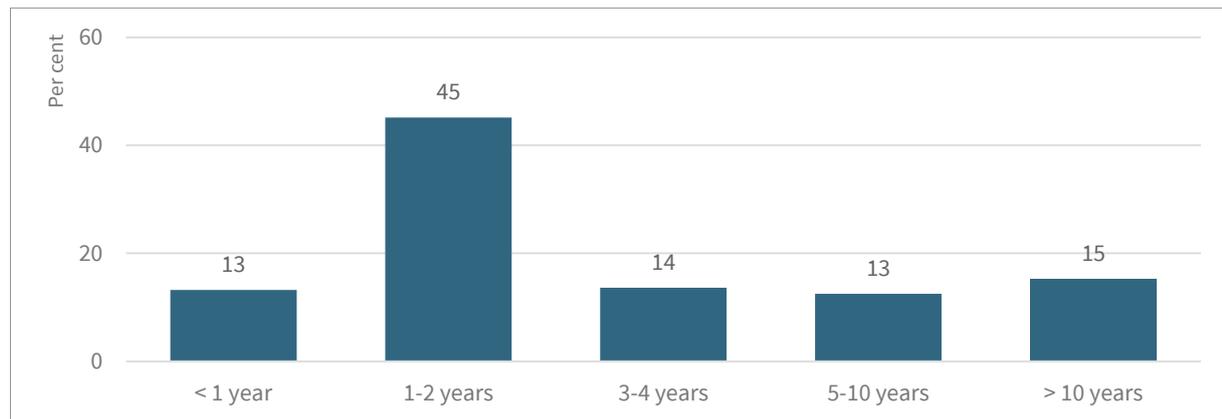
Figure 5 Location of enterprises. Percentage (N=726).



Age

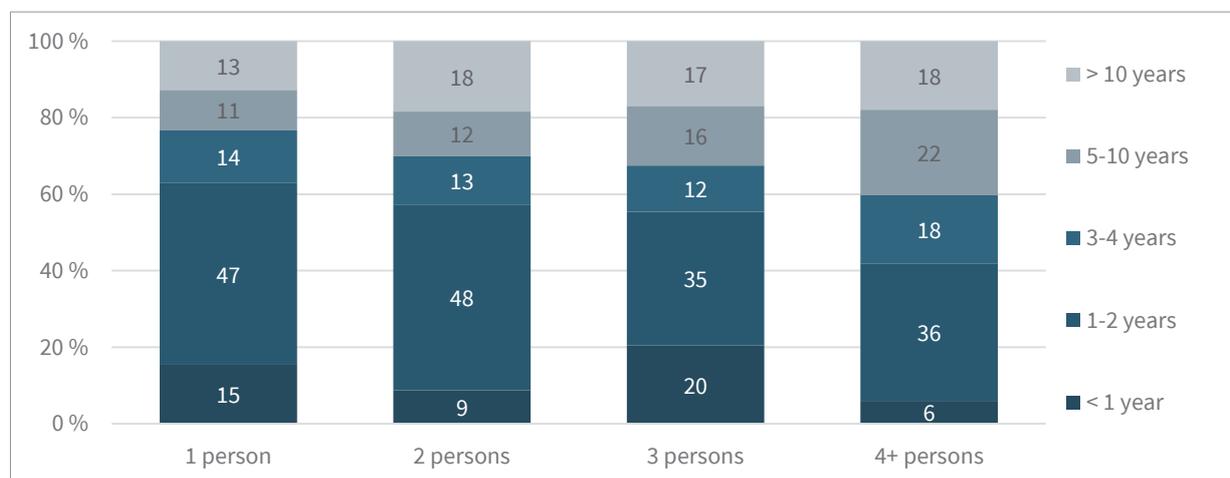
More than one-half of the enterprises (58 per cent) are younger than two years (Figure 6). Thirteen per cent were established less than a year prior to the survey, i.e., they were established just prior to – or during – the COVID-19 pandemic. A similar percentage is five to ten years old whilst 15 per cent have been in operation for more than a decade. The proportion of old enterprises, i.e., those that have existed more than ten years, is highest amongst those in the repair and maintenance business (36 per cent), agriculture (32 per cent) and manufacturing (25 per cent). The age distribution of home-based businesses is like that of other enterprises.

Figure 6 Age. Percentage of enterprises (N=726).



As shown in Figure 7, there is a modest association between age and size: two in ten single-person enterprises have been in operation at least five years, three in ten enterprises with two and three employees have existed that long, whilst four in ten enterprises employing at least four people are five years or older.

Figure 7 Years of operation by size of enterprise (N=726).



Ownership

Most enterprises in our sample are owned by Iraqis, either completely (77 per cent) or mostly (18 per cent). A few enterprises are owned equally by Iraqis and foreigners (4 per cent) or are owned by foreigners only or mostly (1 per cent). Women own 30 per cent and men own 70 per cent of the enterprises. Women own 58 per cent of all home-based businesses. However, considering ownership for very small, and particularly single-person enterprises may make little sense. If we restrict our calculations to enterprises where at least three people work, women make up only 17 per cent of the owners. The picture

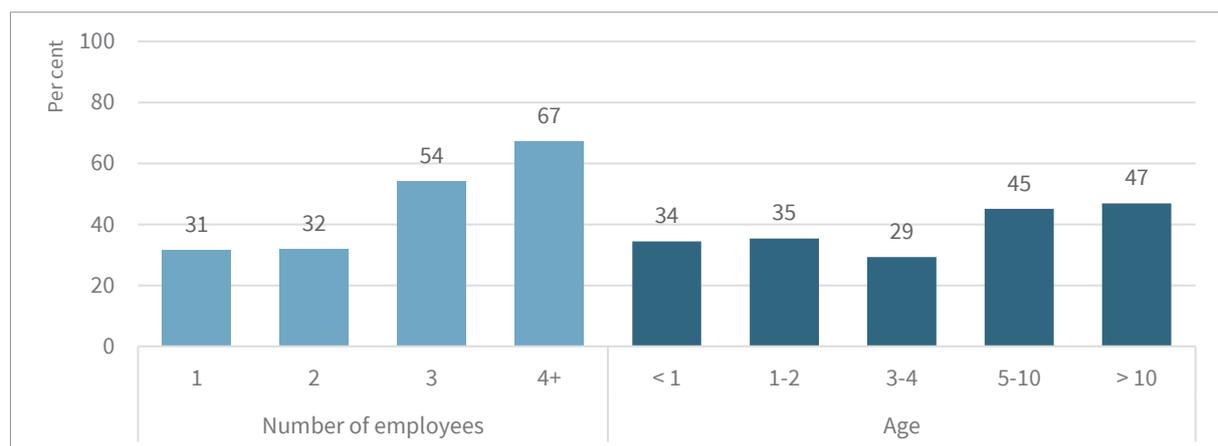
regarding the nationality of owners of such enterprises is, however, comparable to the one for all enterprises – 69 per cent are entirely and 26 per cent are mostly owned by Iraqis.

Registration status

Four in ten of the surveyed enterprises (38 per cent) reported to be formal in the sense that they were registered with the Ministry of Trade. One-half of the surveyed enterprises (51 per cent) were not registered while 10 per cent of the respondents did not know whether their enterprise was registered with the public authorities or not, and a few refused to answer the question. A much lower proportion of home-based enterprises (22 per cent) than other enterprises (44 per cent) were registered. Furthermore, the percentage of enterprises registered with the authorities increases with size and age (Figure 8). For example, it is about twice as high amongst enterprises with four or more employees as amongst those employing only one or two persons.

Out of the enterprises that were not registered with the authorities, one-third (34 per cent) stated that they were interested in registering, while the second one-third (33 per cent) were not interested and the final one-third (33 per cent) were not sure whether they wished to register or not, or they refused to respond to this question. The interest to register was significantly lower amongst one-person enterprises (22 per cent) than those employing two or more persons (varying from 41 to 52 per cent) and it was also lower amongst home-based enterprises (22 per cent) than amongst other enterprises (40 per cent).

Figure 8 Registration status. Percentage of enterprises registered with the authorities. By size and age (N=726).



Employment contracts

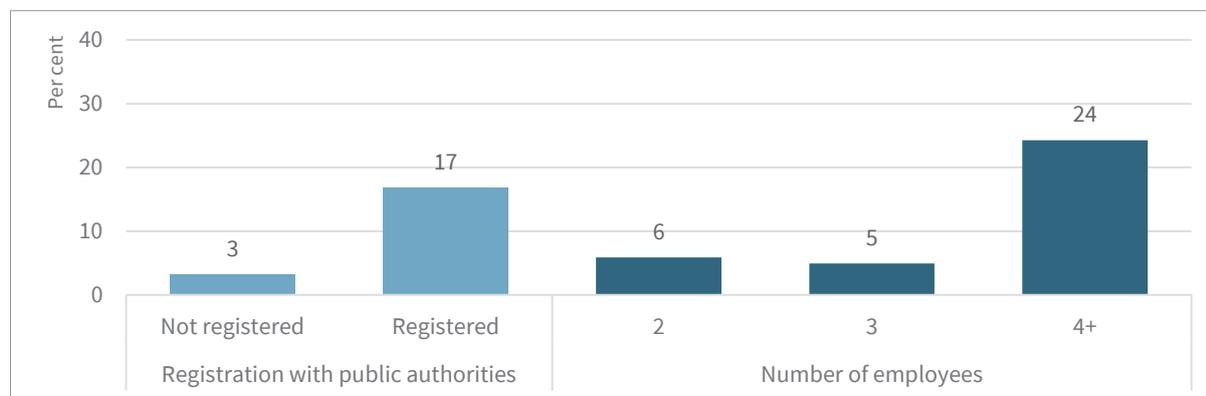
Employing people based on written contracts is an indicator of formal employment. Only one in ten surveyed enterprises (9 per cent), which are not home-based, and which employ at least two persons, offer such contracts. Three in ten (29 per cent) employ people based on oral understandings, and a few enterprises combine the two forms of contract. Presumably, the written or oral agreements specify work conditions, work time, holidays, wages, non-pay benefits, etc. The formality that such agreements represent, might not be considered important for family businesses. On the other hand, out of the few home-based enterprises with two employees or more, 4 per cent offer written contracts, which is only marginally lower than for non-home-based enterprises. These are most likely enterprises that have hired people from outside the (immediate) family. The low prevalence of written contracts is in accordance with findings of another recent study carried out by IOM.⁴

The prevalence of written work contracts is considerably higher amongst enterprises registered with the authorities and the larger enterprises. As shown in Figure 9, written agreements are five times more

⁴ IOM (2020): Impact of COVID-19 on Small and Medium-Sized Enterprises in Iraq. The report is based on a survey on small and medium-sized enterprises in Iraq implemented in April 2020. <https://iraq.iom.int/files/IOM%20Iraq%20Impact%20of%20COVID-19%20on%20Small%20and%20Medium-Sized%20Enterprises%20in%20Iraq.pdf>

common in registered enterprises than in those that are not registered, and four times more frequent amongst enterprises employing at least four people than amongst the smallest enterprises. There is a similar but much smaller effect for oral agreements (not shown).

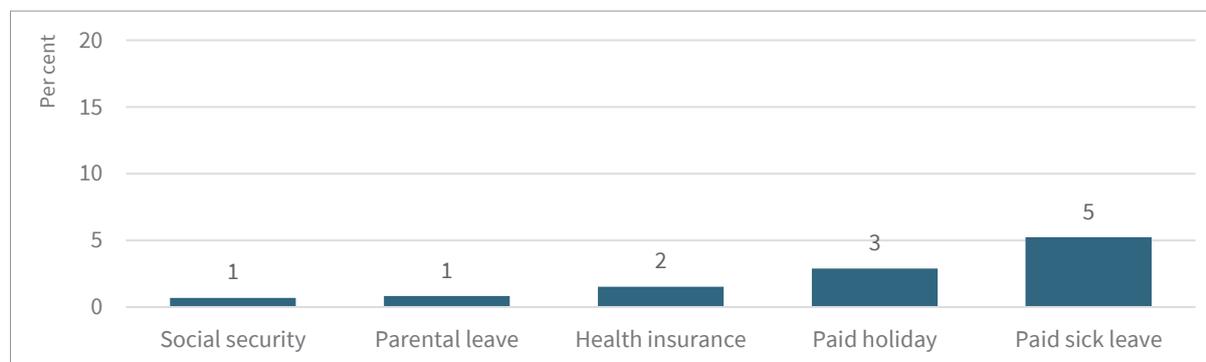
Figure 9 Enterprises offering written work contracts to their employees. Percentage of non-home-based enterprises employing two or more people (N=334). By registration status and size of enterprise.



Benefits

Given that our sample comprises so many small, informal, home-based and family-based enterprises, it is nothing remarkable about the fact that most of them – nine in ten (92 per cent) – do not offer any benefit in addition to the wage. Those who do are often registered, not home-based and have operated for more than two years. Quite naturally, single-person enterprises rarely offer any benefits (but a few may take out a salary during holidays and when falling ill). The percentage of all enterprises in our sample providing benefits to their employees are depicted in Figure 10.⁵

Figure 10 Various benefits offered. Percentage of enterprises (N=726).



2.2 The individuals and their households

All respondents

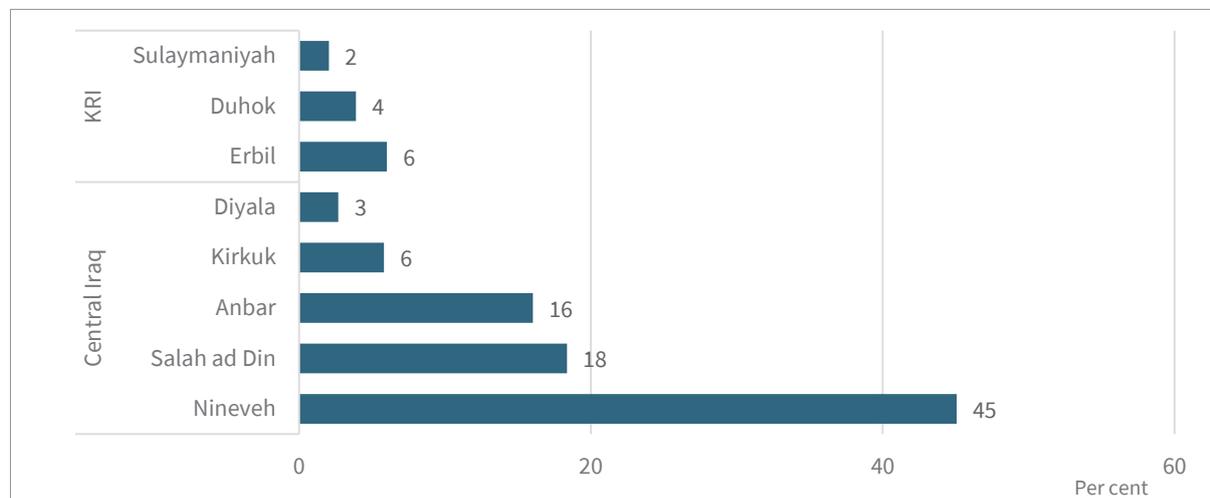
Place of residence

As is the case for the enterprises covered by this report, the individuals included in the survey are not representative for the Iraqi population, nor for the population in the geographic areas in which they

⁵ It is not always evident what ‘social security’ entails. The Iraqi social security system for the private sector is limited and provides workers access to maternity leave and financial support following work injury and disability, but does not, for instance, provide unemployment benefits. Social security in the public sector is better as it also includes retirement pension. (Information from ILO, Iraq.)

live. Nine in ten respondents (88 per cent) reside in Central Iraq whilst one in ten (12 per cent) have their homes in the Kurdish region (Figure 11). Nearly one-half of them live in the governorate of Nineveh. One-half of the surveyed people (52 per cent) reside in urban areas, one-quarter (23 per cent) in peri-urban areas, and one-quarter (25 per cent) live in rural settings.

Figure 11 Governorate of residence. Percentage of individuals (N=2,490).



Demography

Four in five surveyed individuals are men (83 per cent) and one in five are women (17 per cent). Nearly four in ten (37 per cent) are below 35 years of age, nearly one-half (46 per cent) is middle-aged and the rest (13 per cent) are 55 years or older (Table 1). The age distribution is similar for women and men. Apart from two Syrians, the surveyed people are all Iraqi nationals. Nine in ten men (92 per cent) are currently married whilst a much lower proportion of women (48 per cent) are married.

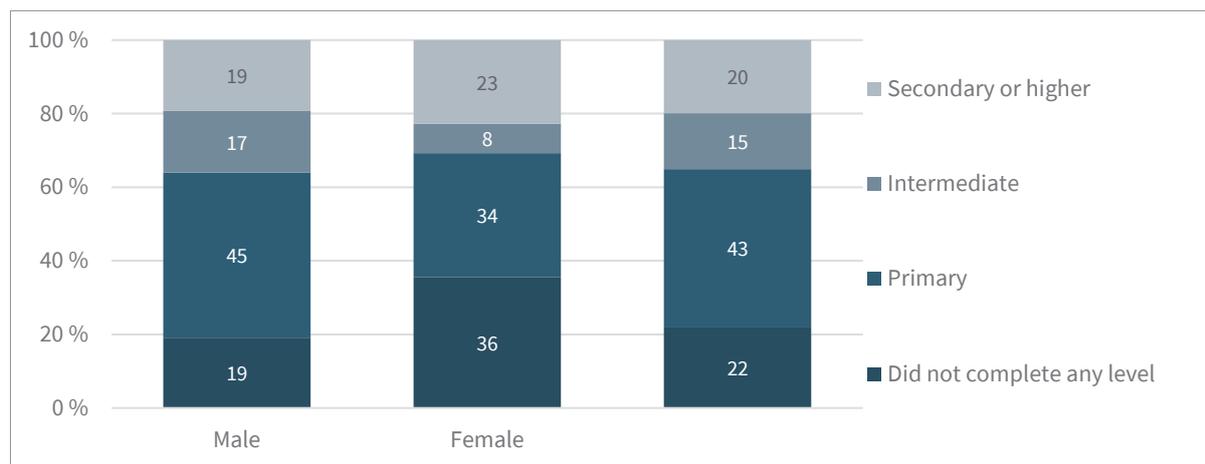
Table 1 The sample by gender and age groups (N=2,040).

	Male	Female	All
18-24 years	7	8	7
25-34 years	32	28	31
35-44 years	28	23	27
45-54 years	21	21	21
55-64 years	9	11	9
65+ years	4	9	4
Total	100	100	100
n	1,689	351	2,040

Education level

About one in five respondents, the same proportion of women as men, have attained secondary or higher education (Figure 1). Nineteen per cent of male and 36 per cent of female respondents did not complete primary school, some of whom may not have attended school at all.

Figure 12 Educational attainment by gender (N=2,489).



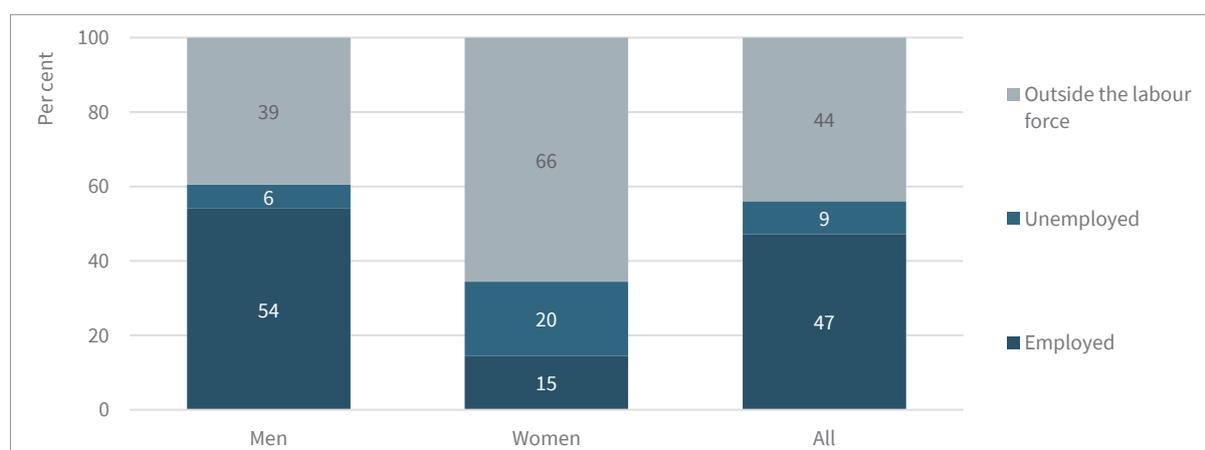
Employment

About twice the proportion of men (92 per cent) as women (45 per cent) reported to be the principal provider of their household. Taken together, four in five respondents (84 per cent) asserted that they were the main breadwinners of their respective households. This suggests that many of the surveyed households were not doing well as only 45 per cent of the respondents were employed at the time of the interview (Figure 13).

In accordance with ILO standards, we have classified as labour force members (the economically active) all respondents who worked at least one hour in the reference period (the employed) or who wanted to work, actively sought a job and were ready to take on a job should the opportunity arise (the unemployed). The survey applied a two-week reference period, i.e., the two weeks preceding the interview.

Just above one-half of the respondents (56 per cent; 60 per cent of men and 35 per cent of women) were members of the labour force (economically active), but many of them — and 9 per cent of all respondents — were unemployed. This amounts to an unemployment rate of 16 per cent amongst the respondents (11 per cent for men and 58 per cent for women) at the time of the interview.

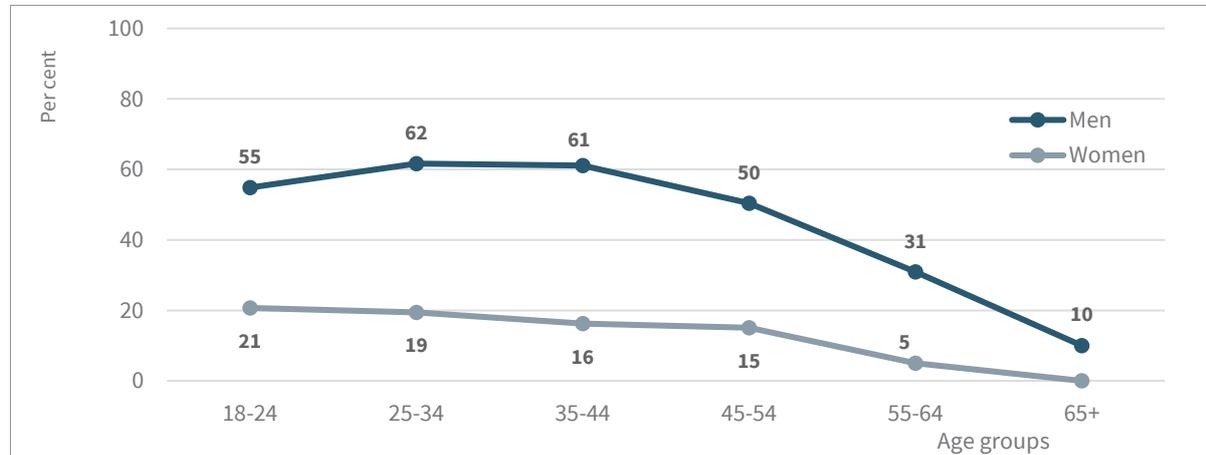
Figure 13 Labour force status by gender (N=2,040).



The employed

As stated, fewer than one-half of all respondents (47 per cent) and a much lower share of women than men, were employed at the time of the survey. As is usually the case, the proportion who worked was highest in the 25-44 age band and significantly lower amongst those aged 55 years and older, for both women and men (Figure 14).

Figure 14 Percentage of employed respondents. By gender and age groups (N=2,040).



Types of employment

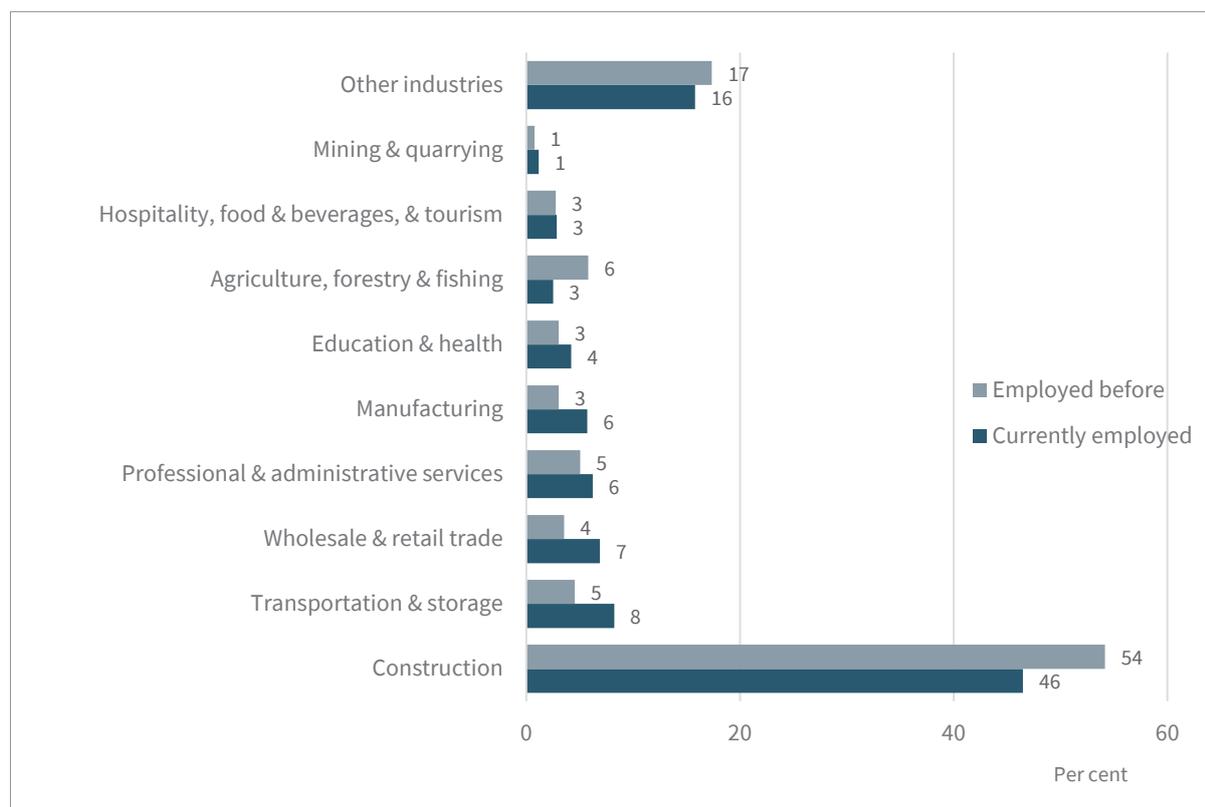
Out of these 964 persons, 4 per cent worked at a family farm and 1 per cent in another form of family business, 2 per cent were apprentices or trainees, whilst 31 per cent were self-employed in their own business (some as own-account workers; others as employers) and 62 per cent were regular employees in a non-family enterprise. The employed women in the sample were slightly more often self-employed (41 per cent) than men (30 per cent), and less often paid employees in non-family enterprises (46 versus 63 per cent). Similarly, the youngest employed respondents (those below 35 years of age) were somewhat more often normal paid employees (69 per cent) than those aged 35 and older (56 per cent) and less often self-employed (24 versus 36 per cent).

The 596 employed individuals in our sample who were neither own-account workers nor worked in family businesses or as apprentices but who received wages from an employer, worked for the government (13 per cent), a private-sector company (72 per cent; a few of them owned by foreigners), a private household (12 per cent), or a non-governmental organization (3 per cent).

Employment by sectors

As shown in Figure 15, nearly one-half of all respondents (47 per cent) employed in non-family enterprises at the time of the interview (November 2020) worked in the construction sector. The rest are distributed across a wide number of other sectors, with 'transportation and storage' being the second largest industry. Nine in ten (88 per cent) held the same job at the time of the interview as they held before the outbreak of the COVID-19 pandemic while the others had changed jobs. The respondents who were not employed at the time of the survey but held jobs upon the introduction of anti-COVID-19 measures, generally worked in the same industries as those employed during the survey (Figure 15). As we will return to in more detail in Chapter 4, the pandemic accounts for much of both job changes and job losses.

Figure 15 Industry. Percentage of respondents currently employed in a non-family enterprise (N=596) and respondents not currently employed but who were employed in March 2020 (N=397).



Employment by size of enterprise

Two-thirds of the currently employed wage earners in our sample (68 per cent) worked in enterprises with up to five employees, 14 per cent in enterprises with 6-15 people, 5 per cent were employed in enterprises with 16-100 employees, and 2 per cent held jobs in large enterprises with more than 100 employees. Two-thirds of the latter (nine out of 14 cases) were public institutions whilst one-third were big private companies.

Informal employment

Thirteen per cent of the wage earners in the sample worked based on a written contract, 36 per cent had an oral agreement with their employer whilst one-half (51 per cent) worked without a contract of any kind (and a few refused to answer the. One-third of those with a written or oral work agreement (35 per cent) had one that was limited whilst the others had no set end date.

Only 30 per cent of the wage earners employed at the time of the survey considered their job to be permanent whilst the others reported shorter-term hire (Figure 16). There is no significant difference between women and men in this regard. However, access to work classified as 'permanent' by the respondents increases gradually by age (Figure 17).

Figure 16 Regularity of employment amongst wage workers (N=594).

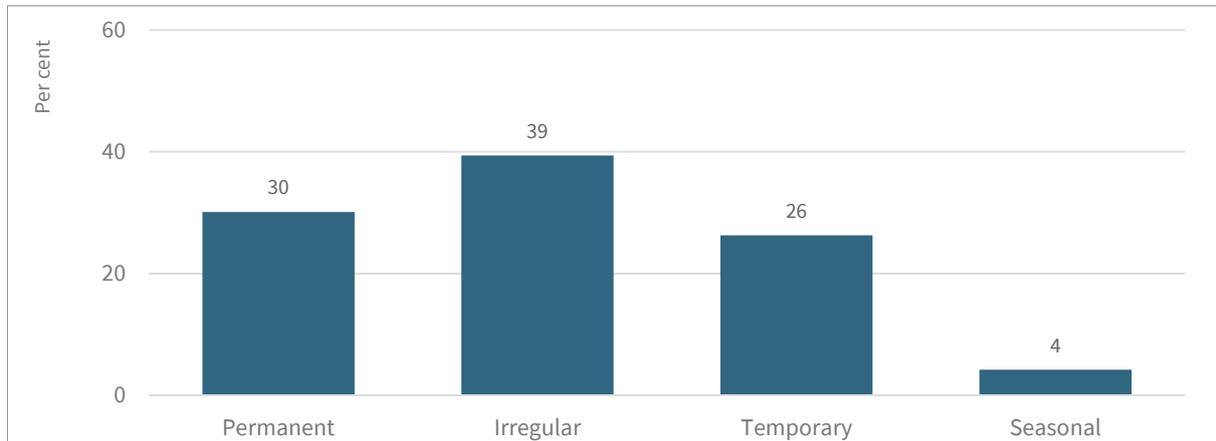
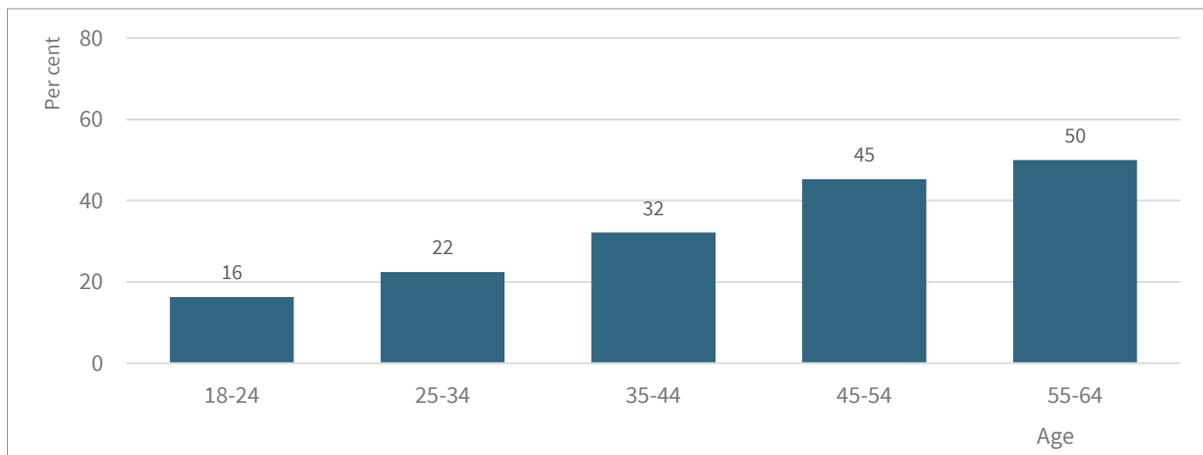
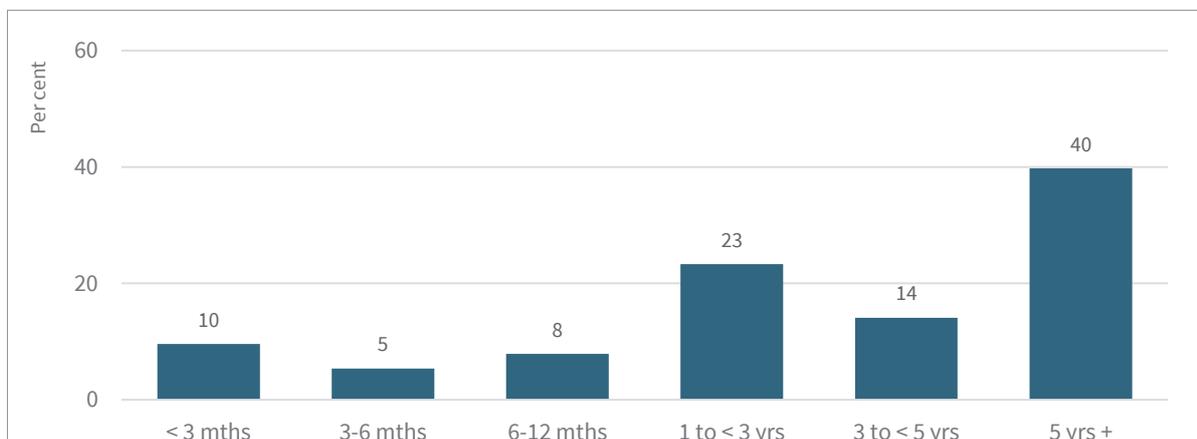


Figure 17 Percentage of wage workers who consider their work as ‘permanent’ (N=592).



Nevertheless, despite the rather few people reporting permanent employment, many had remained in the same jobs for years (Figure 18). Nearly eight in ten employees had held the same job for more than a year, and four in ten for at least five years – i.e., a higher percentage than those understanding their job to be ‘permanent’. One explanation for this can be that many people move in and out of jobs for the same employer, or perhaps that they work for the same type of employer (e.g., in construction) and carry out the same work tasks and considers this ‘the same job’.

Figure 18 Duration of current job. Percentage of wage earners (N=596).



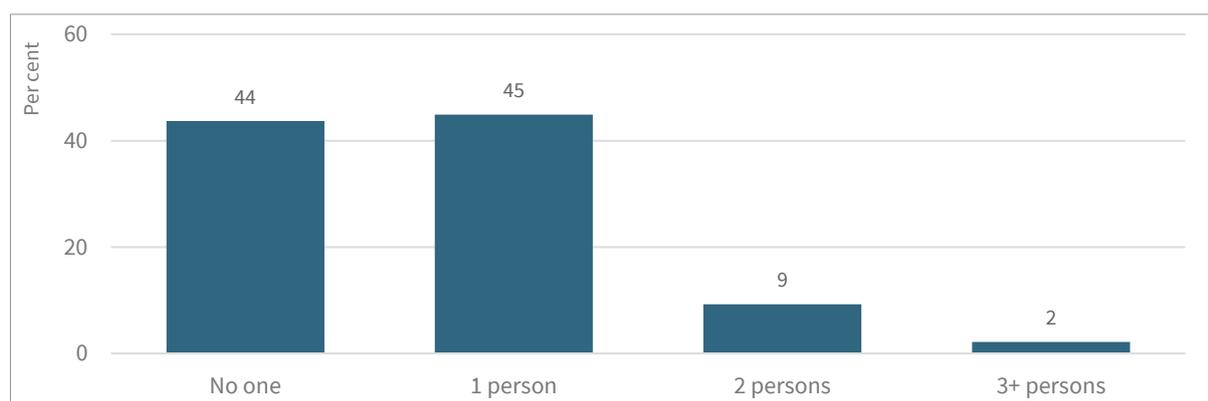
The households

We have no objective information to position the respondents and their households relative to the ‘average’ Iraqi individual or households. Nor do we know how the respondents would consider their households’ socio-economic status in relation to other households in their community, regionally or nationally. However, since the sample is drawn from databases comprising households that have in the past approached the database owners for assistance, and some indeed received such support, most households must be assumed to be situated at the lower end of the Iraqi income distribution. As we shall return to in Chapter 4, one-fourth of the households had received various forms of economic support in the 12 months preceding the November survey.

Employment income

And for sure, many households were struggling at the time of the survey. Consider, for example, Figure 19, which informs us that more than four in ten households (44 per cent) were without employment income at the time of the survey, i.e., in November 2020. In fact, the situation may have been much worse than depicted by the graph because some of the household members classified as ‘active’ (or employed) may have been temporarily laid off at the time. Forty-five per cent of the households had one economically active (employed) person, while about one in ten households (11 per cent) had two or more working household members. In addition to the possible misclassification just alluded to, some of the economically active people may not have been working full time and may have held intermittent employment of some sort. Three per cent of the households had one or, in a few cases, two employed women, and 1 per cent of the households had one or two working women without any working man.

Figure 19 Number of economically active persons in household (N=2,040).



While, as shown in Figure 19, barely six in ten households (56 per cent) had at least one employed household member at the time of the survey, nearly eight in ten households (78 per cent) reported at least some employment income during the 12 months preceding the survey: 73 per cent reported wage income, 6 per cent had income from a family farm (or fishery) and 2 per cent had income from some kind of non-farm family business (Figure 20). Some households had income from a combination of these three sources. As a matter of fact, a few households based their livelihood on a combination of up to as many as five of the income sources included in the graph. These statistics suggest that many of the households in our sample generate wage income from temporary and intermittent jobs only, and hints at the fact that some may have lost their wage employment due to COVID-19 and the ensuing policy measure to contain the disease. We return to the impact of COVID-19 on employment in Chapter 3 and Chapter 4.

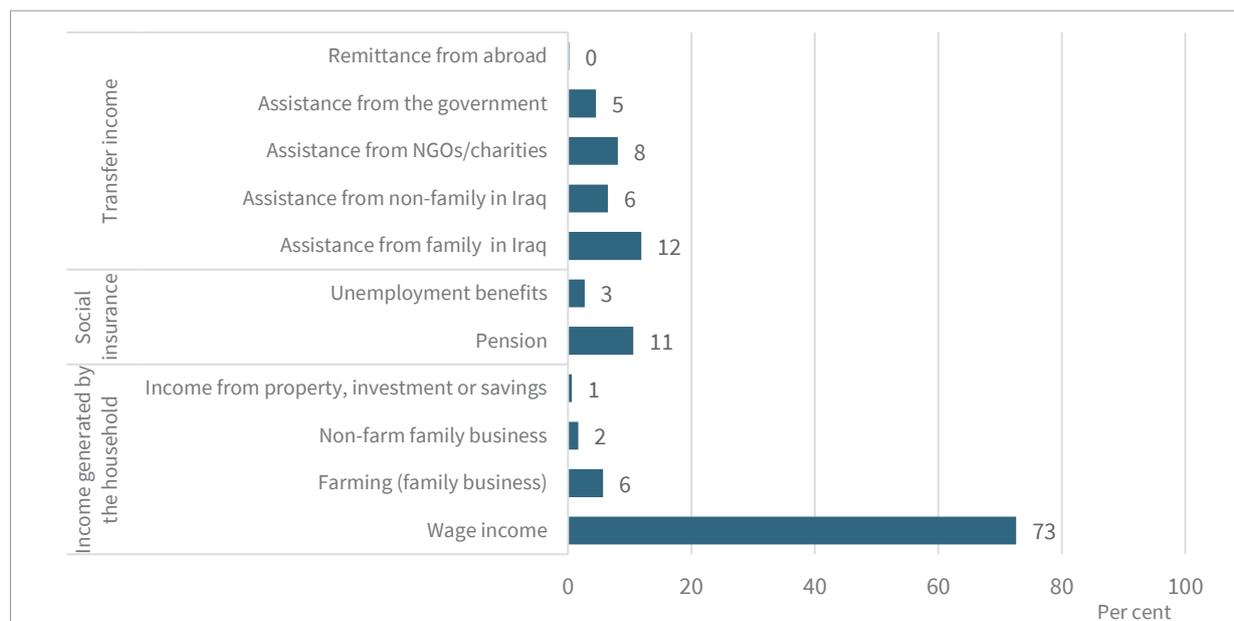
Many households profited from income associated with past and previous wage employment: 11 per cent reported retirement pension as a household income source, and 7 per cent of all surveyed households made a living from pension income only. In addition, 3 per cent received unemployment benefits.

Whilst unemployment benefits are not implemented in Iraq,⁶ our data suggest that at least some employers provided partial payment to workers laid off temporarily due to the difficult business circumstances created by COVID-19. Furthermore, some respondents may also have reported severance pay as unemployment income, particularly if a person was unemployed for a short while only before finding a new job.

Assistance

One-quarter of all households (25 per cent) received some sort of assistance during the year preceding the survey. As shown, private support from family and friends is more widespread than support from the government or non-governmental organizations, with more than one in ten (12 per cent) reporting aid from family. Not seldom, income of this kind is combined with other income, something that is indicative of the meagre and intermittent earnings of many households. For example, 11 per cent of the households had both received assistance and had employment income in the year before the survey. The percentage of households that relied on one source of assistance only is as follows: assistance from family in Iraq, 3 per cent; other private assistance, 2 per cent; assistance from the government, also 2 per cent; and assistance from one or more non-governmental institutions, 1 per cent. It is likely that at least some of this assistance is the result of a wish to help poor people negatively affected by COVID-19. We shall return to support associated with the pandemic in Chapter 4, which provides further details about household vulnerability and steps taken to cope with it.

Figure 20 Household income sources past 12 months. Percentage (N=2,490).



⁶ Information from ILO, Iraq.

3 Impacts on small-scale enterprises

This chapter provides an overview of the enterprises' operational and economic situation in November 2020 — eight months into the COVID-19 pandemic — and assesses the impacts of the pandemic by comparing findings from the two surveys carried out in June and November 2020, respectively. The chapter also looks at the measures that the enterprises had introduced to cope with the challenges caused by the pandemic, as well as the forms of support they had received and what they considered the most important measures to recover from the effects of the pandemic. The last part of the chapter presents the characteristics of the enterprises that had coped the best during the pandemic. However, before moving into these aspects, we shall use the descriptive statistics from Chapter 2 to examine some of the enterprises' special features.

3.1 Informality and dynamics of small-scale enterprises

The enterprises seem quite dynamic in finding business activities and markets and they seem to be relatively resilient with respect to sustaining their operations under the pressure of the COVID-19 pandemic.

This observation might be explained by the fact that most of the surveyed enterprises are very modest undertakings with respect to investments, activities, revenues and employees. Hence, losses are limited by the sheer nature and extent of the type of business that the enterprises perform. Moreover, many enterprises seem to be able to run on low activity when required (in times of crises) and then regain former activity levels when markets re-appear and/or by finding new niches in the existing market. It can sometimes be difficult to distinguish many of the enterprises from the income-generating activities of individuals or households. In fact, about one-half of the enterprises in our sample would have been classified as own-account workers in a household survey. Evidently, such enterprises enjoy much larger flexibility and a better capacity to adapt to changing market environments than larger and more formal businesses.

One of the factors behind the dynamic nature of the enterprises is their informality. Despite almost 40 per cent of the enterprises claiming to be registered with the Ministry of Trade, very few of them possess other characteristics of formal enterprises. As shown in Chapter 2, less than 1 per cent of the enterprises contribute to social security, while 7 per cent offer written contracts to their employees. Furthermore, less than 7 per cent of the enterprises offer benefits such as health insurance, paid holidays, parental leave and paid sick leave (Figure 21). It also appears that some enterprises had withdrawn from social security contribution between June and November 2020, a decline that might indicate that social security is one of the expenses that are being cut by small enterprises when revenues are low.

Figure 21 Common informality indicators, June (N=560) and November (N=726) 2020. Percentage of enterprises.

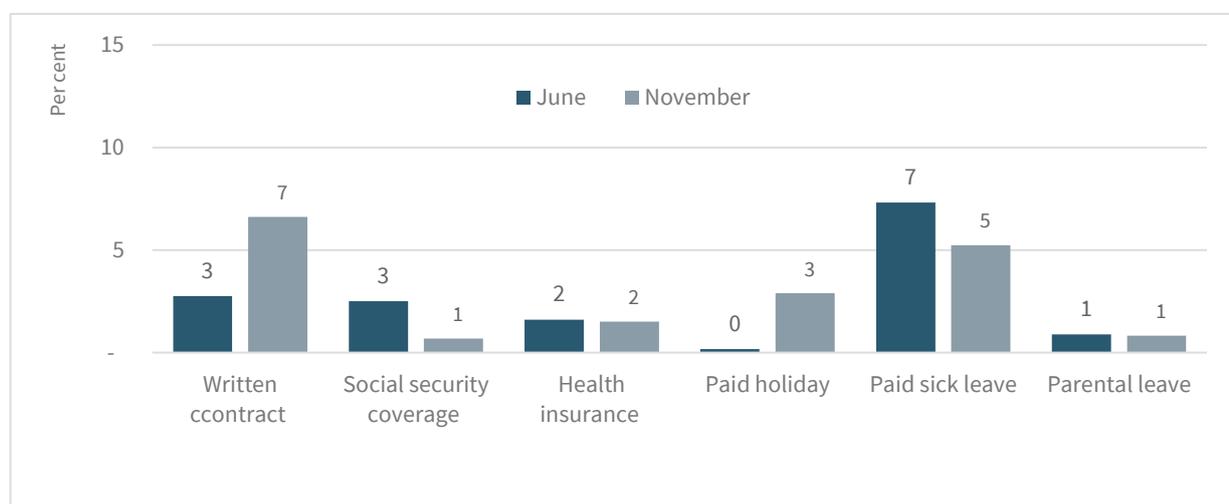


Table 2 shows indicators of informality among the surveyed enterprises in November 2020 (and the total for June), i.e., whether the enterprises offer social security, health insurance, paid holiday, paid sick leave, parental leave, and/or written contracts to their employees, and whether the enterprises are registered with the authorities. Not surprisingly, informality is highest among the smallest enterprises in our sample (home-based businesses and micro enterprises) with respect to both employees and revenue. This also exemplifies why many statistical agencies use size as a proxy indicator of informality in national statistics. As expected, there are positive relationships between being registered and issuing written contracts – and offering social security and other social benefits to the employees. However, by comparing these different types of informality indicators, it also becomes clear that being formal ‘on paper’ does not necessarily ensure formality in practice, e.g., 85 per cent of all registered enterprises do not offer social security or any other social benefits to their employees.

Table 2 State of common informality indicators in November 2020 by reporting domain, size, gender of owner, revenue, pre COVID-19 profitability, registration status, and type of contract offered to employees. Percentage of enterprises (N=726).

	No benefits	Social security	Health insurance	Paid holiday	Paid sick leave	Parental leave	Written contract*	Registered	Sample size
All, June 2020	90	3	2	0	7	1	5	37	560
All, November 2020	92	1	2	3	5	1	10	42	726
Reporting domain									
Central Iraq	94	0	0	1	3	1	9	31	613
KRI	77	2	6	11	15	1	17	75	111
Size									
Medium/large (20+)	72	6	6	17	17	-	44	78	18
Small (5-19)	70	6	11	9	17	2	17	81	54
Micro (1-4)*	92	0	1	2	5	1	7*	37	479
Home-based business*	98	-	-	1	2	-	*	22	175
Gender of owner									
Female	95	0	0	1	2	1	6	28	212
Male	91	1	2	3	6	1	9	40	496
Revenue									
> 30 million IQD	60	-	-	40	40	-	0	100	5
10-29.9 million IQD	68	-	6	10	26	3	26	55	31
1-9.9 million IQD	95	-	-	2	3	0	8	38	221
< 1 million IQD	94	-	2	1	4	1	6	29	277
Profitability pre COVID-19									
Break even	90	1	2	2	7	1	12	38	258
Profitable	93	0	1	3	4	0	9	37	408
Losing money	91	3	6	3	6	3	19	35	34
Registration status									
Registered	85	2	3	5	10	1	18		272
Unregistered	95	-	1	2	3	1	4		373
Contracts to employees									
Written	66	11	13	11	24	5		82	43
Oral or none	93	0	1	2	4	1		43	610

* Calculations of enterprises offering written contracts exclude home-based businesses and micro enterprises with only one employed person (i.e., the self-employed or own account workers).

The modest nature of the surveyed enterprises is reflected by low numbers of employees, low revenues, low investments and expenditures beyond wages, and low debt and other financial commitments. Eighty per cent of the enterprises employ one or two people, and one out of two enterprises employ

only one person (Table 3). Ninety per cent of all enterprises are classified as micro or home-based businesses, and the fact that almost one-third of these enterprises had the ‘opposite’ classification in June and November shows that the distinction between the two types is vague and that classification is difficult. More than two-thirds of the enterprises have no debt or other financial commitments. Among the enterprises that have debt, more than half have below 1 million Iraqi dinars (IQD; about 680 USD) in debt and nearly none have a debt above 10 million IQD (about 6,800 USD).

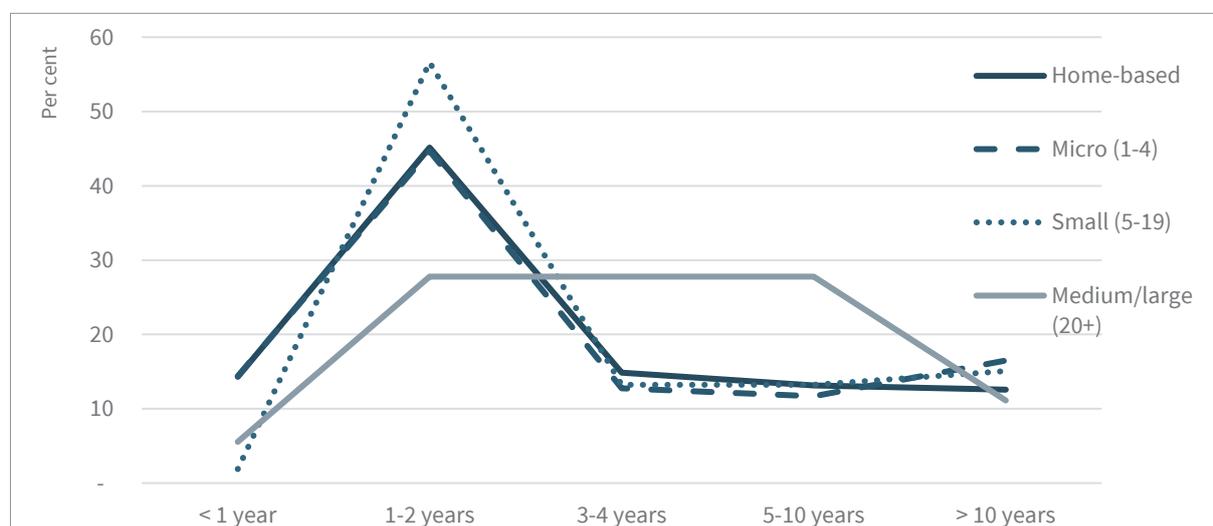
Table 3 Indicators reflecting the modest nature of the surveyed enterprises. Percentage of enterprises (N=726).

Two employees or less	80
One employee only	51
Micro and home-based businesses	90
Change micro to/from home-based, June to November	30
No debt nor financial commitments	70
Debt less than 1 million IQD (680 USD)*	53
Debt less than 10 million IQD (6,800 USD)*	92
Business premises owned or rented for free	41
Wage(s) as part of total expenses (November)	72

* Percentage of enterprises with debt.

Another aspect that reflects the small and modest nature of the surveyed enterprises is that there is only a modest correlation between the age and the size of the enterprises, i.e., the enterprises seem not to be growing significantly over time. The median age category of large and medium enterprises is 3-4 years, while small, micro and home-based businesses are in the median age category of 1-2 years. However, the different sizes of enterprises are quite evenly distributed according to the age categories (Figure 22).

Figure 22 Age and size of enterprises. Percentage (N=726).



Yet another aspect that reflects the dynamic nature of the enterprises in our sample is that it has been challenging to classify them according to the standard industry classification system (ISIC), and that many of the enterprises seem to have changed industry belonging between the two surveys. In fact, according to our original industry classification of the surveyed enterprises 70 per cent of the enterprises interviewed in June had changed industry belonging in November (Table 4a).⁷ Although the original classifications were re-coded at a later stage, the original classifications either show that many

⁷ The original classifications were re-coded later to better harmonize the data from the June and November surveys.

enterprises are operating at the borders of standard categories of industry classifications, and are challenging to classify for interviewers, or that enterprises move from one type of business or market to another quite frequently. Whatever explanation that might be true, they both reflect the dynamics of the enterprises in our sample.

Looking at the industry categories that the enterprises have moved from and to (Table 4a), it is reasonable that many enterprises have moved from accommodation and food service activities, which is strongly connected to tourism, to other industries during the pandemic. It also makes sense that many enterprises have switched to professional and administrative services, which means that they to a larger degree provide services to other enterprises rather than directly to public costumers (Tables 4b and Table 4c).

Table 4a Change of industry classification of surveyed enterprises from June to November 2020 (based on the original classifications).

Industry	June		November		Change
	Number	Per cent	Number	Per cent	Per cent
Accommodation & food service activities	61	8	17	2	-72
Other industries (mainly various services)	291	40	186	26	-36
Agriculture, forestry & fishing	62	9	47	6	-24
Professional & administrative services	45	6	82	11	82
Manufacturing	68	9	102	14	50
Wholesale & retail trade	184	25	270	37	47
Construction	15	2	22	3	47
Total	726	100	726	100	

Table 4b Enterprises that have switched industrial belonging from accommodation and food services to other industries from June to November 2020 (based on the original survey classifications).

From accommodation & food services to:	Number	Per cent
Accommodation & food service activities	9	15
Agriculture; forestry & fishing	1	2
Manufacturing	2	3
Other	14	23
Professional and administrative services	6	10
Wholesale & retail trade	29	48
Total	61	100

Table 4c Enterprises that have switched industrial belonging from other industries to professional and administrative services between June and November 2020 (based on the original survey classifications).

To professional & administrative services from:	Number	Per cent
Accommodation & food service activities	6	7
Agriculture, forestry & fishing	1	1
Manufacturing	6	7
Other	46	56
Professional & administrative services	8	10
Wholesale & retail trade	15	18
Total	82	100

3.2 Operational and economic impacts

More than 90 per cent of the surveyed enterprises state that they have been operationally and economically affected by the COVID-19 pandemic. Most enterprises reported lower demand for their products and services (73 per cent), while about one-third of the enterprises had experienced problems related to closure of their markets and one-fifth had experienced forced closures of their own businesses during periods of the pandemic. Around one-fifth of the enterprises had also experienced problems related to movement restrictions of their workers, while smaller proportions of enterprises had had problems with supply (10 per cent) and prices (4 per cent) of raw materials for their production (Table 5).

Enterprises in the Kurdish region had had less problems with reduced demand for their products and services than enterprises in Central Iraq and seems less exposed overall to negative operational and economic effects of the COVID-19 pandemic than enterprises there (Table 5).

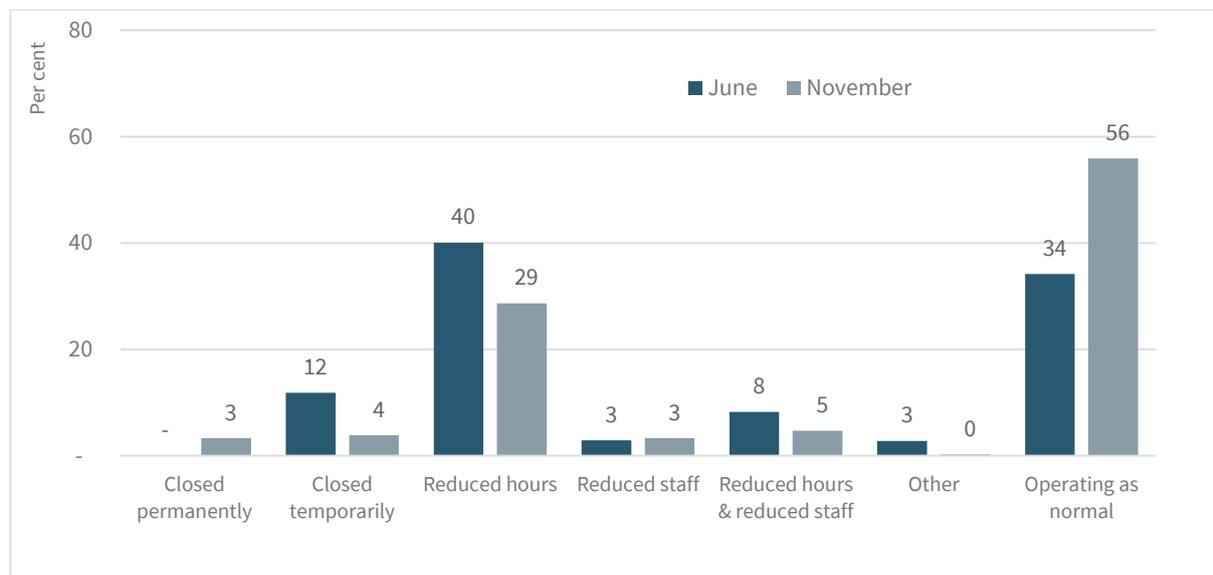
Table 5 Effects of the COVID-19 pandemic as reported by the enterprises, by reporting domain and size of enterprises. Percentage of enterprises (N=726).

	All	Reporting domain			Size				Sample size
		KRI	Central Iraq	Home-based business	Large (50+)	Medium (20-49)	Micro (1-4)	Small (5-19)	
Lower demand for products	73	60	75	73	75	86	74	61	73
Lower supply of raw materials & intermediate goods	10	10	11	10	25	-	11	11	10
Restricted movement of workers	17	15	17	9	50	7	20	15	17
Forced closure of business	20	11	21	14	-	14	23	17	20
Workers' absence from workplace	3	3	3	2	-	7	3	7	3
Closure of marketplace /shops	34	32	35	32	-	43	37	19	34
Insufficient protective equipment	1	-	1	-	-	-	1	2	1
Higher demand for produce/services	2	1	2	1	-	-	2	2	2
Higher price for produce /services	6	3	6	5	-	-	6	7	6
Lower price of raw material & intermediate goods	2	1	2	2	-	7	1	4	2
Higher price of raw material & intermediate goods	4	5	4	4	-	7	4	2	4
Other effects	3	5	2	2	-	-	3	2	3
Sample size	726	111	615	175	4	14	479	54	726

Operational impacts

In November 2020, about 3 per cent of the surveyed enterprises had closed their businesses permanently and about as many had closed temporarily. Almost 60 per cent of the enterprises had resumed normal operations in November, which is a significant positive development from June when only one-third of the enterprises were operating as they used to before the pandemic. Slightly less than 40 per cent of the enterprises were operating with reduced staff or hours in November, while four months earlier more than one-half were operating with reduced staff or hours. More than 10 per cent of the enterprises were also closed temporarily in June 2020, and some of these had closed permanently in November (Figure 23). However, for the enterprises in operation in November, the overall trend in the fall was positive.

Figure 23 Operational status of enterprises in June and November 2020. Percentage of all enterprises (N=726).



By November 2020, a larger share of enterprises in KRI (70 per cent) than in Central Iraq (53 per cent) had resumed normal operations, while more enterprises outside KRI were still operating at reduced hours (Table 6). A larger proportion of smaller enterprises than larger enterprises were operating with reduced hours, while more of the larger enterprises were operating as normal. Registered enterprises were doing better than unregistered enterprises (Table 6).

Table 6 Operational status of enterprises in June and November 2020, by reporting domain, size, gender of owner and registration status. Percentage of enterprises.

November 2020	Enterprise closed permanently	Workplace closed temporarily	Operating with reduced hours	Operating with reduced staff	Operating with reduced hours & reduced staff	Other	Operating as normal	Sample size
All	3	4	29	3	5	0	56	726
Reporting domain								
Central Iraq	3	4	31	2	5	0	53	615
KRI	3	2	14	8	3	-	70	111
Size								
Large (50+)	-	-	-	-	-	-	100	4
Medium (20-49)	7	-	7	-	-	-	86	14
Small (5-19)	-	2	17	6	6	-	70	54
Micro (1-4)	3	5	30	4	5	0	53	479
Home-based business	5	2	31	2	5	-	56	175
Gender of owner								
Female	3	3	37	1	2	-	53	212
Male	3	4	26	4	6	0	56	496
Registration status								
Registered	1	2	20	3	3	-	71	272
Unregistered	5	5	34	4	5	-	46	373

		Workplace closed temporarily	Operating with reduced hours	Operating with reduced staff	Operating with reduced hours & reduced staff	Other	Operating as normal	Sample size
June 2020								
All		12	40	3	8	3	34	726
Reporting domain								
Central Iraq		13	43	3	8	3	30	615
KRI		5	25	3	7	3	57	111
Size								
Large (50+)		-	75	-	-	-	25	4
Medium (20-49)		14	14	-	29	-	43	14
Small (5-19)		9	39	6	13	2	31	54
Micro (1-4)		13	39	3	7	3	34	479
Home-based business		9	45	1	9	3	34	175
Gender of owner								
Female		14	44	3	3	3	34	212
Male		11	39	3	10	3	34	496
Registration status								
Registered		6	39	2	9	3	42	272
Unregistered		16	41	3	7	3	30	373

Although this report is primarily based on panel data from the two surveys carried out in June and November 2020, respectively, some interesting insights can be drawn from examining the enterprises that dropped out from the June to the November sample. Such a comparison shows that a larger proportion of young than old enterprises dropped out, and that the drop-out rate was higher for the larger than the smaller enterprises (Table 7). This does not *necessarily* mean that all these enterprises were shut down (permanently) between June and November – there might be a variety of reasons why these enterprises did not participate in the November survey – but it *might* also indicate that larger and younger enterprises have been most severely affected by the COVID-19 pandemic.

Table 7 Comparison of the number of enterprises in the June (N=1,175) and November (N=726) surveys. By age and size.

	June	October	Change (per cent)
Age			
2 years or younger	753	426	-43
3-4 years	166	99	-40
5-10 years	123	89	-28
> 10 years	133	112	-16
Size			
Medium (20-49)	58	14	-76
Small (5-19)	95	54	-43
Micro (1-4)	755	481	-36
Home-based	267	177	-34
Total	1175	726	-38

In November 2020, the mean days of weekly operation for all enterprises was 17 per cent below the mean days of operation before the COVID-19 pandemic, implying that the enterprises had lost one weekly workday, on average. However, enterprises in the KRI were doing better than enterprises in Central Iraq and were close to the same levels of operation as before the pandemic. Larger enterprises were closer to normal operations than smaller enterprises, as were registered compared to unregistered enterprises. It also appears that enterprises owned by men had resumed to normal operations somewhat better than enterprises owned by women (Table 8).

Table 8 Weekly days of operation prior to the COVID-19 pandemic and in November 2020, by reporting domain, size, registration status and gender of owner (N=726).

	Pre COVID-19	November 2020	Change (per cent)	Sample size
Total	6,3	5,2	-17	726
Reporting domain				
Central Iraq	6,2	5,0	-19	615
KRI	6,3	5,9	-6	111
Size				
Large (50+)	5,3	6,8	29	4
Medium (20-49)	6,5	6,1	-7	14
Small (5-19)	6,3	5,7	-9	54
Micro (1-4)	6,2	5,1	-17	479
Home-based	6,4	5,1	-21	175
Registration status				
Registered	6,2	5,5	-11	272
Unregistered	6,4	5,0	-21	373
Gender of owner				
Female	6,4	4,9	-23	212
Male	6,2	5,2	-16	496

Economic impacts

The COVID-19 pandemic has affected the economy of just about every enterprise in our sample. Only 4 per cent of the enterprises claimed not being affected. Seven in ten enterprises experienced reduced demand for and sales of their products and services, which in turn led to revenue loss. Forty per cent of the enterprises faced liquidity problems. One-fourth of the enterprises had to increase their debts to cope with the situation in relation to COVID-19. A higher proportion of enterprises owned by men (26 per cent) than those owned by women (17 per cent) experienced increased debt. Another interesting observation is that medium and small enterprises less often suffered loss of revenue than micro and home-based businesses, while a larger share of the medium and small enterprises went bankrupt during the pandemic (Table 9). This finding aligns with the results in Table 6, which showed that a larger proportion of medium and small enterprises than micro and home-based businesses had disappeared from the sample between June and November.

Table 9 Economic impacts of the COVID-19 pandemic. Up to three answers allowed. By reporting domain, size, and gender of owner, Percentage of enterprises (N=726).

	Loss of revenue	Reduced demand/ sales	Higher production costs	Poor access to cash /liquidity problems	Problems importing materials needed	Increased revenue	Increased debt	Bankruptcy	No economic impact	Other	Sample size
Total	69	71	12	40	6	1	24	6	4	1	726
Reporting domain											
KRI	59	74	14	13	16	2	26	6	6	-	111
Central Iraq	71	70	12	45	4	1	23	6	3	1	615
Size											
Large (50+)	25	50	25	75	-	-	25	-	25	-	4
Medium (20-49)	57	57	14	21	21	-	36	21	7	-	14
Small (5-19)	56	56	15	24	9	4	22	13	7	2	54
Micro (1-4)	72	72	11	40	7	1	25	4	3	1	479
Home-based business	67	71	14	46	2	1	20	8	5	1	175
Gender of owner											
Female	68	73	11	42	3	0	17	5	4	1	212
Male	70	70	13	40	7	1	26	6	3	1	496

Literally all enterprises that were indebted before the onset of the pandemic had their debt increased during the pandemic. Furthermore, about 7 per cent of the enterprises without debt prior to the pandemic had taken up debt in November 2020. Micro-credit was the most common form of loan amongst the smaller enterprises whilst the prevalence of bank loans grew by the size of the enterprise (Table 10). A significantly smaller proportion of the enterprises in the Kurdish region were indebted (9 per cent) than enterprises in Central Iraq (34 per cent). Despite an increase in the prevalence of enterprises' debt during the pandemic, the amount of debt, particularly among smaller enterprises, is moderate and typically below 1 million IQD (about 680 USD).

Table 10 Percentage of enterprises by different types of debt in June and November 2020. By reporting domain, size and gender of owner (N=726).

	No debt	Micro-finance loan	Bank loan(s)	Bills of exchange	Deferred cheques	Open letters of credit	Sample size
Total, June 2020	75	13	-	7	3	4	726
Total, October 2020	70	19	1	7	6	1	726
Reporting domain							
KRI	91	5	3	1	-	-	111
Central Iraq	66	21	0	8	7	1	615
Size							
Large (50 and above)	75	-	25	-	-	-	4
Medium (20-49)	79	-	14	-	-	7	14
Small (5-19)	65	13	4	6	15	2	54
Micro (1-4)	72	17	0	8	6	1	479
Home-based business	65	29	-	3	4	1	175
Gender of owner							
Female	72	20	0	3	5	1	212
Male	69	19	0	8	7	1	496

When the enterprises were asked about their two most severe financial problems in the times of COVID-19, more than one-half (53 per cent) pointed at paying rents (Table 11). The only exception was the home-based businesses, amongst which most mentioned handling general expenses (41 per cent). Furthermore, fewer female-owned enterprises (40 per cent) than those owned by men (58 per cent) pointed at rents as the main problem. To a large degree, this is explained by the fact that more women than men run their businesses from home.

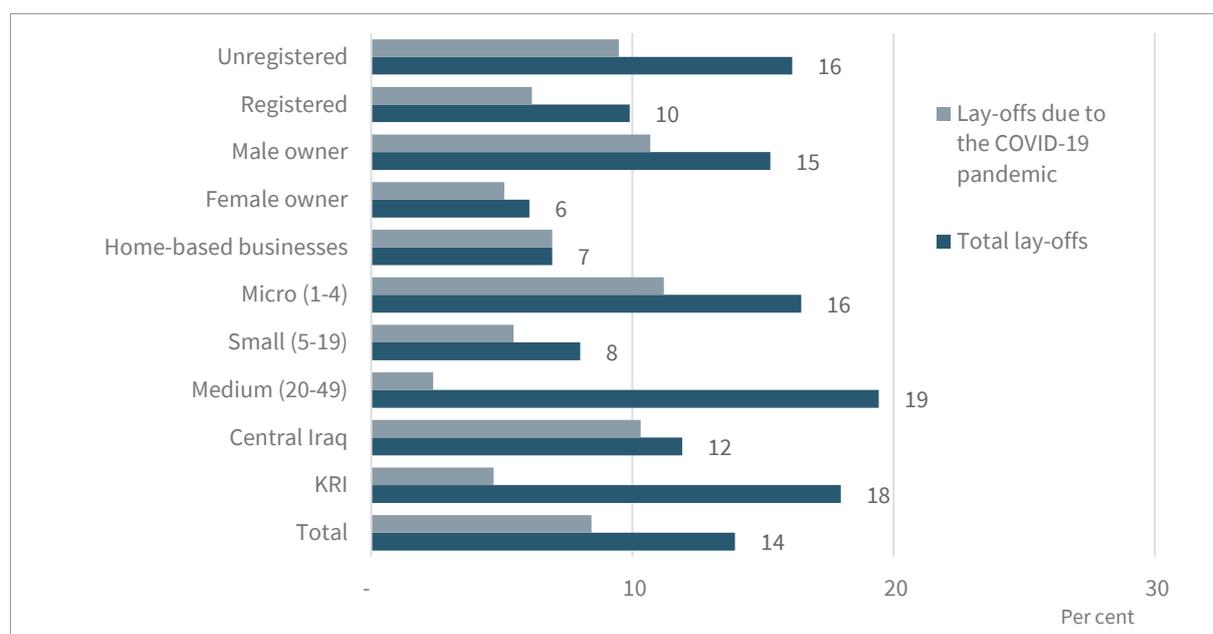
Table 11 The two most significant financial problems faced by the enterprises during the COVID-19 pandemic. By reporting domain, size and gender of owner. Percentage of enterprises.

	Wages & social security payments	Rent	Repayment of loans	Payment of invoices	Other expenses	No specific problems	Other	Sample size
Total	19	53	22	24	25	15	4	726
Reporting domain								
KRI	24	57	19	32	13	14	2	111
North	18	52	23	23	27	15	4	615
Size								
Large (50+)	25	-	-	25	-	75	-	4
Medium (20-49)	21	57	14	14	14	29	-	14
Small (5-19)	31	59	13	11	11	20	-	54
Micro (1-4)	22	63	20	27	21	9	4	479
Home-based business	7	24	31	20	41	25	5	175
Gender of owner								
Female	11	40	25	24	31	19	5	212
Male	22	58	22	25	22	12	3	496

Implications for employees

About one in seven persons (14 per cent) who were employed prior to the pandemic had been temporarily or permanently laid off eight months later. However, some enterprises had also employed new people, and by November 2020 there were a total of 98 extra people employed in the 726 surveyed enterprises compared to February 2020 – before the onset of the pandemic. Hence, it appears that there is a considerable turnover in the enterprises. Enterprises owned by women had laid off a smaller proportion of their employees than enterprises owned by men, and registered enterprises had laid off smaller proportions compared to unregistered enterprises. While enterprises in the Kurdish areas had fired more people than enterprises in Central Iraq since March 2020, a lower proportion of their dismissals was caused by the pandemic (Figure 24).

Figure 24 Percentage of employees who in November 2020 had been laid off since March 2020. In total and due to the COVID-19 pandemic. By reporting domain, size, gender of owner and registration status (N=726).



Fourteen per cent of the surveyed enterprises had reduced wages to their employees because of the COVID-19 pandemic. The average reduction among these enterprises was about 30 per cent compared to the wage level before the onset of the pandemic. Home-based businesses, enterprises owned by women, and the most informal (unregistered) enterprises had cut wages less often than other enterprises (Table 12), which can be explained primarily by the fact that wages correspond directly with income for people working in many of these enterprises, and that their incomes fluctuate during normal conditions as well.

Table 12 Percentage of enterprises that had reduced the wages of their employees due to the COVID-19 pandemic. By reporting domain, size and gender of owner (N=726).

	Per cent	Sample size
Total	14	726
Reporting domain		
KRI	14	111
Central Iraq	14	615
Size		
Large (50+)	-	4
Medium (20-49)	14	14
Small (5-19)	19	54
Micro (1-4)	17	479
Home-based businesses	3	175
Gender of owner		
Female	7	212
Male	17	496
Registration status		
Registered	21	272
Unregistered	8	373

3.3 Coping and support

While the surveyed enterprises had taken various measures to cope with the negative effects of the COVID-19 pandemic, hardly any of them had received support from the government to deal with their challenges created by the pandemic. Furthermore, very few had received any support from other sources, such as NGO's, business associations or business networks. This section describes the main coping measures taken by the enterprises and outlines the kind of support that the enterprises would prefer.

Nearly 30 percent of the surveyed enterprises had cut the prices of products and services in an attempt to sustain their sales during the pandemic (Table 13). A much smaller proportion of enterprises in KRI than in Central Iraq had cut their prices. This reflects that the pandemic, and the social restrictions associated with it, had less negative impact on enterprises in the Kurdish areas. Twelve per cent of the surveyed enterprises had negotiated delay of payments to reduce their expenditures during the pandemic, while 10 per cent had considered introducing new products and services to adapt to new market conditions. Only 1 per cent of the enterprises in KRI had negotiated delayed payments, while 14 per cent had considered the introduction of new products and services – compared to 9 per cent of the enterprises in Central Iraq. Furthermore, while 5 per cent of the enterprises in the Kurdish region had been forced to sell off assets to cope with the adverse economic effects of the pandemic, 9 per cent of the enterprises in Central Iraq had done so.

Table 13 Measures introduced by the enterprises to cope with the COVID-19 pandemic, by reporting domain, size and gender of the owner. Percentage of enterprises (N=726).

	All	Reporting domain		Size					Gender of owner		Sample size
		KRI	Central Iraq	Large (50+)	Medium (20-49)	Small (5-19)	Micro (1-4)	Home-based business	Female	Male	
Introduced e-commerce (internet-based sales & services)	8	17	6	-	-	9	9	5	4	10	8
Sold assets	9	5	9	-	-	7	12	2	7	10	9
Considered the introduction of new products	10	14	9	-	7	11	10	10	7	11	10
Reduced prices of products & services	29	15	31	25	14	31	29	30	32	28	29
Increased prices of products & services	2	5	2	-	7	2	3	2	1	3	2
Negotiated delay of payments	12	1	14	-	7	9	13	10	11	13	12
Decided to accelerate technological, product & service innovation	0	-	0	-	-	-	0	-	-	0	0
Explored new office & business models	1	4	1	-	7	2	1	1	1	1	1
Strengthened global reach of supply chain	-	-	-	-	-	-	-	-	-	-	-
Planned to withdraw from the market	1	5	-	-	-	4	1	-	-	1	1
Negotiated reduced financing costs & extended repayment	3	1	3	-	-	4	3	2	2	3	3
Negotiated reduced or exempted rent, equipment rental fees	1	1	1	-	-	2	1	1	1	1	1
Shut down certain production lines, outlets	0	-	0	-	-	-	0	-	-	0	0
Applied for subsidies	0	-	0	-	-	-	0	1	-	1	0
Sample size	726	111	615	4	14	54	479	175	212	496	726

According to Table 13, practically three times as many enterprises in the Kurdish region (17 per cent) as in Central Iraq (6 per cent) claimed to have introduced internet-based sales and services during the pandemic. However, when comparing the enterprises' reporting on internet sales and home-delivery/pick-up services in November and before the pandemic, the picture looks somewhat different and less clear. Table 14 suggests a more modest increase in the use of web-based services than shown in Table 13. One possible explanation might be that a good number of enterprises had *introduced* such ways of promoting and selling their goods and services but had failed and then given up at the time of the November survey. Another explanation might simply be that introduction of such services among the surveyed enterprises was not necessarily associated with the pandemic, something which have exaggerated this relationship when asked directly about it in November.

Eight months into the pandemic, enterprises in the Kurdish governorates used web-based services less than before its onset, while enterprises in Central Iraq used such services more than before. The proportion of small enterprises that used web-based services in November 2020 also dropped. Offering home-delivery and/or pick-up services saw a modest increase from 14 to 16 per cent. As with web-based services, the prevalence of home-delivery and/or pick-up services in KRI was somewhat lower in November 2020 than before the pandemic.

Table 14 Percentage of enterprises offering internet sales, home delivery or pick-up services in November 2020 and prior to the COVID-19 pandemic (N=726).

	Home delivery and/or pick-up service		Web sales		Sample size
	Pre COVID-19	November 2020	Pre COVID-19	November 2020	
Total	14	16	13	15	726
Reporting domain					
KRI	14	12	27	22	111
Central Iraq	14	17	11	14	615
Size					
Large (50+)	50	75	-	-	4
Medium (20-49)	29	29	29	21	14
Small (5-19)	13	15	30	17	54
Micro (1-4)	15	15	14	18	479
Home-based business	9	16	4	6	175
Gender of owner					
Female	13	13	11	12	212
Male	14	16	14	17	496

The 16 per cent of surveyed enterprises that offered home-delivery and/or pick-up services in November 2020 organized these services as follows: 14 per cent used mobile-phone applications like WhatsApp, Viber, etc.; 4 per cent used their own mobile or internet apps to organize the services; while 1 per cent of the enterprises used other methods (note that some enterprises may have used more than one method).

In November 2020, less than 1 per cent of the enterprises reported that they had received assistance from the government helping them cope with the effects of the pandemic. However, when the same enterprises were asked about any support they had received in June 2020, 12 per cent reported to have received support. Although results from the June survey did not specify all sources, 3 per cent reported subsidies from the government to cover expenses, 2 per cent had benefitted from tax relief, and 1 per cent had received business stimulus packages, all of which should come from the Iraqi government. The very low percentage of enterprises that had received support from the government, and the even lower percentage in November than in June, may be explained by the fact that most enterprises in our sample are informal and unregistered with the authorities and that they, therefore, fall outside the kinds of enterprises being targeted for government business support packages. Other forms of assis-

tance that had reached some enterprises by June 2020 include support from banks and creditors. Notwithstanding the disparity in reporting between the two surveys, the figures demonstrate that only a very small proportion of the surveyed enterprises had received support to tackle the adverse economic and operational effects of the pandemic.

Table 15 provides an overview of the kinds of support the enterprises would prefer to help them cope with the negative effects of the pandemic. The preferred types of support are all related to reducing costs, including a cut in electricity rates, tax relief and freeze of loan payments. Other favoured forms of support relate to the access of capital with little or zero interest rates.

Table 15 Most relevant policy measures for mitigating the effects of the COVID-19 pandemic. By reporting domain, size and gender of the owner. Percentage of enterprises (N=726).

	All	Gender of owner		Size					Reporting domain	
		Female	Male	Large (50+)	Medium (20-49)	Small (5-19)	Micro (1-4)	Home-based business	KRI	Central Iraq
Reduction or freeze of operational costs	34	31	35	50	57	41	39	19	39	34
Reduction of costs for electricity, gas, logistics	44	38	47	50	43	35	47	38	60	41
Reduction or deferral of payroll taxes or providing wage subsidies	12	8	14	-	14	17	13	8	13	12
Additional severance pay to laid-off workers	1	0	1	-	-	2	0	1	-	1
Waving taxes payment	9	4	10	25	43	19	9	5	25	7
Reduction or deferral of pension contributions	1	-	1	-	-	2	1	-	-	1
Reduction of bank interest rates	2	0	3	-	21	2	3	1	4	2
Freeze of loan repayment, extension of loan terms or partial debt relief	11	14	10	-	-	4	7	23	2	12
Providing access to capital through access to zero-interest loans	13	14	13	-	14	15	12	17	15	13
Providing technical advice on business operations related with the crises	1	1	1	-	14	2	1	1	1	1
Improving of exporting tax rebate services	2	-	2	-	21	2	2	-	8	1
Foreign currency supply	-	-	-	-	-	-	-	-	-	-
Relaxing labour regulations (e.g., easing laying off or firing of workers)	1	-	2	-	-	-	2	1	-	2
Other support	9	10	8	-	7	6	7	15	5	9
Sample size	726	212	496	4	14	54	479	175	111	615

3.4 Resilience and outlook

Table 16 presents a list of factors that are useful to assess the enterprises' ability to cope and recover from shocks like the COVID-19 pandemic: closure of business; profitability; new hires; and state of operations by November 2020. The results suggest that the ability to recover from shock increases with the size of the enterprise, although a considerable proportion of the largest enterprises (6 per cent) have shut down due to the pandemic. Enterprises owned by men have recovered slightly better than enterprises owned by women.

There is a clear relationship between profitability before the pandemic and closure caused by the pandemic: 18 per cent of the enterprises that were losing money before the pandemic had shut down by November, but only 1 per cent of those that were profitable had ceased their operations. However, there is no clear correlation between profitability before the pandemic and recovery to pre-pandemic levels of operation. However, enterprises that were profitable prior to the pandemic also became the most profitable upon recovery.

Registered enterprises show a slightly better recovery rate than unregistered enterprises, and argument that is also valid for registered versus unregistered home-based businesses. Whether the premises from where the enterprises operated was rented or owned played little role for the ability to recover, while debt attributed to the premises reduced the ability to regain former operation levels. Geographic location plays a minor role for the ability to recover from shock, although enterprises in rural areas seem to regain profitability slightly better than enterprises in urban areas.

Somewhat surprisingly, having debt or not seems to have little effect on the enterprises' ability to recover. One explanation may be that debt acts as a balancing factor for recovery in the sense that for some, having debt or taking up new loans may ensure capital required to cope or recover and, for others, not having debt or being able to settle debt reduces costs, which also helps in coping and recovery. Not so surprisingly, receiving support have a very significant effect on enterprises' ability to bounce back from COVID-19-induced difficulties. However, since so few enterprises had received support, the data are too scarce to provide any analysis on the link between assistance and its effects. Lastly, offering sales and services via internet clearly enhances the enterprises' ability to recover.

Table 16 Indicators of enterprise resilience: permanent closure, increased profitability, hiring employees, and normality of operations. Percentage of enterprises (N=726).

	Permanently closed per November	Increased profit since March	Hired staff since March	Re-established normal operations by November	Sample size
Size					
Medium/large (20+)	6	33	22	94	18
Small (5-19)	-	28	19	81	54
Micro (1-4)	3	23	9	60	479
Home-based	5	21	2	51	175
Gender of owner					
Female	3	19	6	50	212
Male	3	25	9	63	496
Pre COVID-19 profitability					
Profitable	1	30	8	59	408
Break even	4	17	10	63	258
Losing money	18	9	9	65	34
Registration status					
Registered	1	26	13	70	193
Registered, home-based	3	22	3	62	79
Not registered	5	22	6	57	256
Not registered, home-based	4	21	5	52	117
Ownership of premises					
Rented	4	24	10	61	427
Owned with debt	-	12	4	47	49
Owned without debt	4	24	6	62	218
Occupied for free	3	25	9	59	32
Reporting domain					
Central Iraq	4	24	7	56	613
KRI	3	21	14	85	111
Urban/rural location					
Rural	2	27	3	56	150
Peri-urban	3	26	9	67	211
Urban	4	20	10	58	365
Indebted per November 2020					
Has debt	3	26	9	60	218
No debt	4	22	8	60	508
Debt per June 2020					
No debt	4	23	8	59	545
Indebted	2	25	8	65	181
Change of debt June-November					
No debt	4	22	8	59	386
Settled debt	2	25	9	66	122
Established debt	3	26	9	60	159
Kept debt	2	25	7	61	59
Received support					
No support	3	23	8	60	720
Support	-	67	-	67	6
Web-based sales & services					
No	4	23	7	58	551
Yes	1	26	13	69	175

Table 17 depicts the level of confidence that the enterprises had in their own ability to recover from the COVID-19 pandemic. Their overall levels of confidence did not change significantly between June and November 2020, with about 60 per cent being confident or highly confident in recovery and about 20 per cent being unconfident or highly unconfident. In November 2020, home-based businesses and unregistered enterprises were more unconfident about their own chances to recover than other enterprises. Enterprises in the Kurdish region were slightly more optimistic than enterprises in Central Iraq.

Table 17 The enterprises' confidence in being able to recover from the COVID-19 pandemic, by reporting domain, size, gender of the owner, and registration status. Percentage of enterprises (N=726).

	Highly confident	Confident	Neither confident nor unconfident	Unconfident	Highly unconfident	Sample size
Total, June 2020	21	37	21	17	4	726
Total, October 2020	19	40	22	15	4	726
Reporting domain						
KRI	36	30	15	17	2	111
Central Iraq	16	42	23	15	4	615
Size						
Large (50+)	25	75	-	-	-	4
Medium (20-49)	21	43	14	21	-	14
Small (5-19)	31	56	6	7	-	54
Micro (1-4)	22	40	20	14	3	479
Home-based business	7	33	33	19	7	175
Gender of owner						
Female	15	47	21	14	4	212
Male	21	37	23	16	4	496
Registration status						
Registered	30	38	18	10	4	272
Unregistered	8	45	26	18	3	373

Table 18 and Table 19 show the challenges or risks the enterprises expect to face in the coming month and years, respectively. In the short term, most enterprises feared reduced sales of products and services and problems with their cash flow. The fear of cash-flow problems was particularly high among home-based businesses. It is also interesting to note that among the largest enterprises, 50 per cent feared political and social instability in the short term. The proportion of enterprises that were fearful of political and social instability had increased from June to November 2020. However, some of the fears that enterprises reported in June 2020 had been reduced in November, including fearing loss of investments, fearing not being able to access required goods and raw materials and have it transported, and fearing not being able to restock goods and raw materials.

In the longer term, the primary worries of the enterprises were also reduction of sales, loss of revenue, and problems with cash flows. The fear of revenue loss and reduced cash flows had increased substantially from June to November 2020 whilst fears of COVID-19-related restrictions and reduced access to raw materials had decreased substantially during the same period. However, concerns of reduced access to raw materials were still high among the largest enterprises. In November 2020, the fear of reduced sales and revenues as well as cash-flow problems was significantly lower among enterprises in KRI than in Central Iraq. Furthermore, the fear of cash-flow problems was highest among the smallest enterprises, i.e., micro and home-based businesses.

Table 18 Perceived challenges and risks the coming months. By reporting domain and size. Percentage of enterprises (N=726). Up to three answers allowed.

	Reduced sales/ demand	Restrictions on foreign currency	Loss of investment	Problems moving goods/ raw materials	Bank shut-downs	Political/ social instability	Liquidity/ cash- flow problems	No restocking of goods/ raw materials	Other challenges & risk	No challenge & risk	Sample size
All, June 2020	72	2	9	18	1	20	37	10	7	ND	726
All, Nov. 2020	74	4	4	3	4	25	46	2	2	8	726
Reporting domain											
KRI	62	5	3	4	6	42	12	3	3	11	111
Central Iraq	77	4	4	3	3	22	52	2	1	7	615
Size											
Large (50+)	75	-	-	-	-	-	25	-	-	25	4
Medium (20-49)	57	-	7	7	7	50	29	-	-	7	14
Small (5-19)	70	9	6	4	4	22	17	4	2	11	54
Micro (1-4)	75	4	4	3	4	26	47	2	1	7	479
Home-based business	77	5	3	3	2	22	53	2	2	9	175

Table 19 Perceived COVID-19-related obstacles and risks facing the business the coming year. By reporting domain and size. Percentage of enterprises (N=726). Multiple answers allowed.

	Loss of revenue	Reduced demand/ sales	Increased production costs	Poor access to cash/ liquidity problems	Obtaining needed input factors	Keeping qualified staff	Government restrictions preventing operations	Conflict(s) preventing operations	Other risks	No risk	Sample size
All, June 2020	29	61	11	23	19	3	13	3	10	ND	726
All, Nov. 2020	50	65	11	42	5	1	3	2	4	10	726
Reporting domain											
KRI	27	42	12	8	2	2	1	1	21	21	111
Central Iraq	54	69	11	48	6	1	4	2	1	8	615
Size											
Large (50+)	-	25	-	25	-	-	-	-	-	50	4
Medium (20-49)	29	36	14	29	14	7	-	-	21	7	14
Small (5-19)	35	46	11	13	2	4	2	2	15	15	54
Micro (1-4)	52	64	11	44	6	1	4	2	4	9	479
Home-based business	51	74	10	46	5	1	3	1	2	10	175

4 Impacts on vulnerable workers and their households

This chapter first examines the negative impacts that COVID-19 and the government measures in place to fight it have had on people's employment situation and their households — many of them poor and in a vulnerable situation even before the outbreak of the pandemic. It considers next how people and households have met the challenges caused by the pandemic, including examining the forms of support they have received in these difficult times. The chapter also describes health-related measures taken by people privately and at the workplace. Finally, it explores people's thoughts about the future at a time when they had major health concerns.

At the outset, it should be noted that this chapter looks at some of the same issues as Chapter 3 but from a different angle, and with different data. Instead of responses from enterprises, we now use household data. It should also be underscored that these data originate from databases, which are disconnected from the databases of enterprises. That implies that the employed people we refer to in this chapter tend to be employed in different industrial sectors than the enterprises are classified into. For example, whilst nearly one-half of the enterprises analysed in Chapter 3 are in wholesale and retail trade and only 6 per cent are in construction, about one-half of the employed people in the household survey earned their money in the construction sector and only 7 per cent worked in wholesale and retail businesses. Because the data are different, there is also variation in findings. However, as you will understand, they are generally consistent and point towards the same conclusion, specifically that already poor and vulnerable enterprises and households paid a heavy price in Iraq's fight against COVID-19.

4.1 Raising joblessness and income loss

Before presenting survey findings, a recap of key employment characteristics of the sample might be useful: Some six in ten employed respondents were wage earners, about three in ten were self-employed, and one in ten worked in a family business at the time of the interview. In addition to the construction sector, the wage earners are distributed across many different sectors, the largest being transportation and storage, wholesale and retail trade, and professional and administrative services. Most wage earners employed in November 2020 (87 per cent) held jobs in the private, commercial as well as non-commercial, sector.

Nearly one-half (47 per cent) of the sample were employed at the time of the survey. Another 20 per cent were without a job at that time but had been employed in March 2020 when the Iraqi government first introduced measures to contain COVID-19. This hints at the incredibly negative impact of the pandemic on jobs and people's living standards. The current section demonstrates the severe negative impact of the pandemic and the ensuing containment measures on the labour force whilst the following section examines the subsequent economic consequences of this for households.

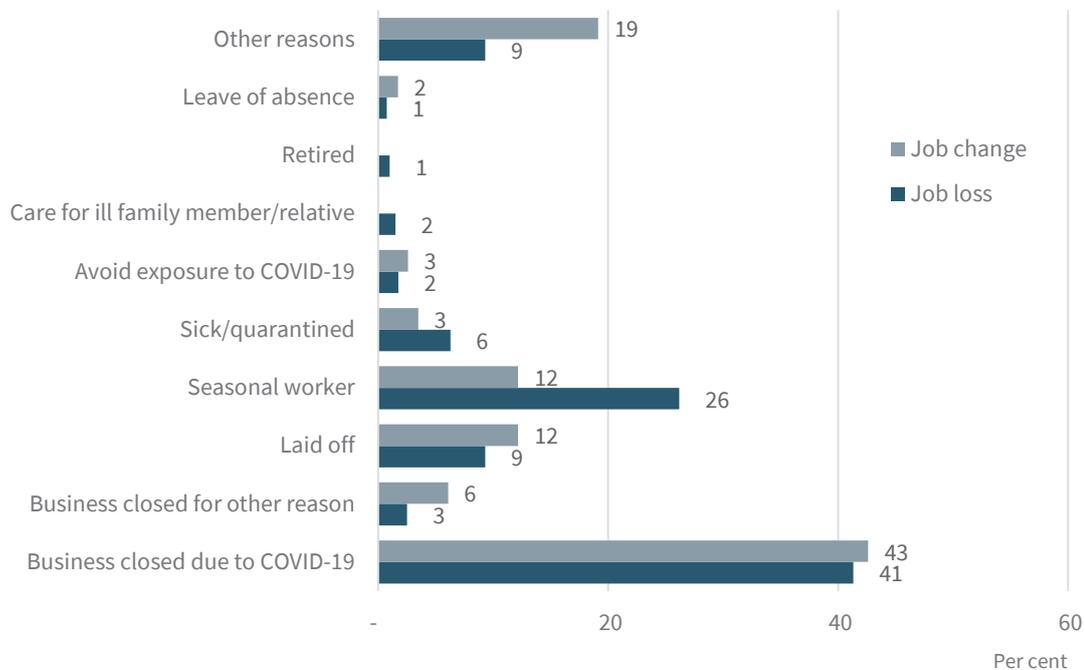
Forty-four per cent of all the respondents who reported being outside the labour force at the time of the survey in November 2020, had been working 15 March 2020, i.e., at the time when the first COVID-19 lockdown measures were introduced. A similar picture emerges when considering information about the respondents' households: three in ten (31 per cent) reported to have at least one member who had lost his or her job since March 2020.

Undoubtedly, the COVID-19 pandemic can explain much of the changes that took place on the labour market in 2020, including both job losses and job changes. What follows are some details.

First, approximately one-half of those employed in March 2020 but without a job at the time of the survey, said they had lost their work due to COVID-19 or the containment measures in the wake of its outbreak (Figure 25). As many as 41 per cent went jobless because of COVID-19-induced closures. Nine per cent were laid off even as the business continued its operations, and it is likely that at least some of these layoffs had to do with the pandemic and containment measures. Moreover, some people voluntarily ceased working to reduce the risk of contamination to a minimum (2 per cent); they had to care for ill relatives, some of whom might have been infected with COVID-19 (2 per cent); they were prohibited from reaching their farmland due to movement restrictions (a few, grouped with 'Other reasons'

in the graph); or they lacked input factors, possibly caused by lockdowns and other measures aiming to combat the spread of COVID-19 (also only a few, and also grouped with ‘Other reasons’). Finally, 6 per cent said they had stopped working because they became ill, some conceivably from COVID-19, or were quarantined. The major reason for job loss *not* related to the pandemic was the seasonal character of the work people had in March 2020 – reported by 25 per cent.

Figure 25 Reasons for job loss (N=397) and job change (N=115) between March and November 2020.



Second, as mentioned above, three in ten surveyed households had at least one member who had lost his or her job since March 2020. Of these cases, 89 per cent of the affected households attributed the job loss(es) to COVID-19 pandemic or the various containment measures.

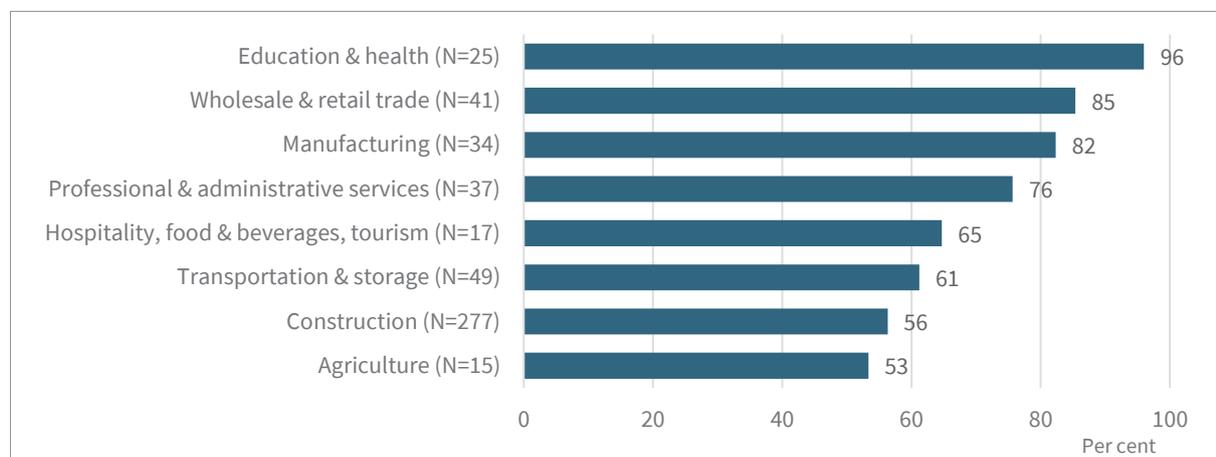
Third, the explanations provided for job shifts between 20 March 2020 and the survey mirror those just provided for job loss (Figure 25). The two most prominent explanations: 43 per cent mentioned closure of enterprise caused by COVID-19 or the containment measures in its wake, and 12 per cent reported layoffs (while the enterprise remained in business), at least some of them presumably related to the pandemic. Furthermore, 4 per cent of the respondents said they became ill and/or had to be quarantined and 3 per cent found a new job that reduced the chances of getting exposed to the Corona virus.

The previous chapter examined, in some detail, the various steps, which enterprises took to safeguard their employees and remain in operation. Moving activities from the normal working place to the employees’ homes, is one such response that might have had a positive effect on both these concerns. Nevertheless, and despite good intentions, the measures disrupted people’s ‘normal’ way of performing their work tasks, and only two-thirds of the wage earners (65 per cent) employed at the time of the survey were able to work ‘as usual’, either at the normal workplace or remotely, during the month preceding the survey. ‘Remotely’ mainly refers to ‘home office’, a practical adjustment to the pandemic, which was possible in some sectors and for certain work tasks, e.g., for people having IT-related and administrative duties.

The percentage working ‘as usual’ was above-average for public employees (93 per cent), probably because many of them held white-collar positions and provided administrative and professional services (76 per cent ‘as usual’) with work tasks that could be carried out at home but also because many public employees work in the education and health industry (96 per cent ‘as usual’), which largely was exempted from shut-downs. People employed in the manufacturing as well as the wholesale and retail

trade industries were slightly better off than average (82 and 85 per cent worked ‘as usual’) whilst people working in construction (nearly one-half of all wage-earners in the sample) fared the worst, with only 56 per cent working ‘as usual’ the month before the survey (see Figure 26, but interpret variation with care due the low number of cases employed in most industries).

Figure 26 Percentage of the employed working ‘as usual’ in October 2020. By industry.



Most of those who could not work as they should have, were hindered for reasons related to COVID-19: closures caused by governmental measures taken to fight the pandemic (80 per cent); movement restrictions (5 per cent); and being ill or quarantined (2 per cent).

Four in five (81 per cent) of those who were unable to work as they used to before the pandemic and the implementation of the anti-Corona measures – principally those who reported (what we must assume, or hope, were temporary) closures of their enterprises) – were not paid the month before the survey. Another 6 per cent were only partially paid and 8 per cent were uncertain whether they were going to be paid or not. Hence, in addition to those who reported having lost their jobs since the introduction of public anti-pandemic measures in March 2020, many of those who reported holding a wage-earning job at the time of the survey were not receiving their regular wages. They might have been in this situation on-and-off for a long time, rendering even many under normal circumstances steady jobs intermittent and further exacerbating the adverse effect of COVID-19 on the vulnerable population covered by the survey.

The survey asked all wage earners to compare their employment income in the month preceding the survey to that of a ‘usual’ or ‘average’ month before the outbreak of the pandemic. Nearly three-fourths (72 per cent) said it had decreased, one-fourth (25 per cent) said it remained unchanged whilst only a few (3 per cent) reported an increase.⁸ Those who reported lower wages predominantly explained the fall with less work, i.e., shorter or fewer workdays (85 per cent) or wage-cut without reduced work (11 per cent) due to the pandemic and the lockdown and other measures taken to fight it.

The mean and median ‘usual’ take-home monthly amount from the wage earners’ main job the year preceding the survey stood at 569,481 and 450,000 Iraqi dinars, respectively. The mean and median take-home amount for the month before the survey, i.e., October 2020, had dropped to 359,921 and 300,000 dinars, respectively – a significant income fall of about 35 per cent (Figure 27).⁹ And these numbers are prepared for the wage-earning respondents with at least some wage income only.¹⁰ Also considering the many people who had lost their income completely due to lay-offs, one will understand

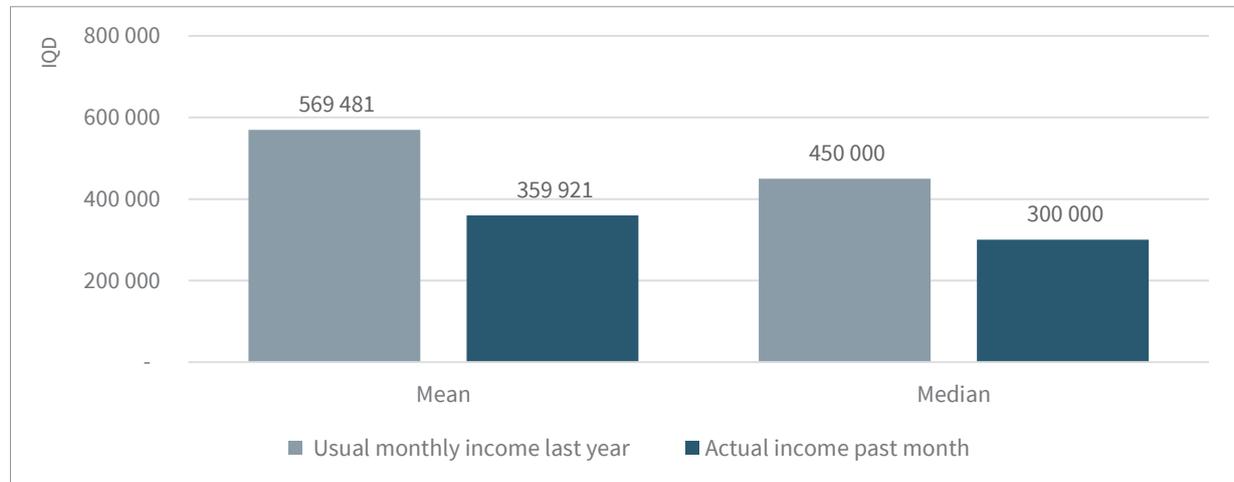
⁸ Six percent of the respondents to this question said they were unsure about any change in the wage and 2 per cent refused to answer the question. These cases are removed from the calculation.

⁹ 1 USD equals approx. 1,450 Iraqi dinars. Hence, the ‘usual’ median wage income of 450,000 dinars equals approx. 310 USD, and the actual median income of 300,000 dinars equals approx. 207 USD.

¹⁰ Between 200 and 300 wage-earning respondents did not know their (exact) incomes or choose not to disclose it.

the gravity of COVID-19's impact on (already) vulnerably households. The seriousness of people's income problems is summarized by the fact that four-fifths of all surveyed households had experienced income reduction since March 2020.

Figure 27 Comparison of actual net monthly wage income in October 2020 with usual net monthly wage income last year. Percentage of wage earners who provided information on both variables (N=318).

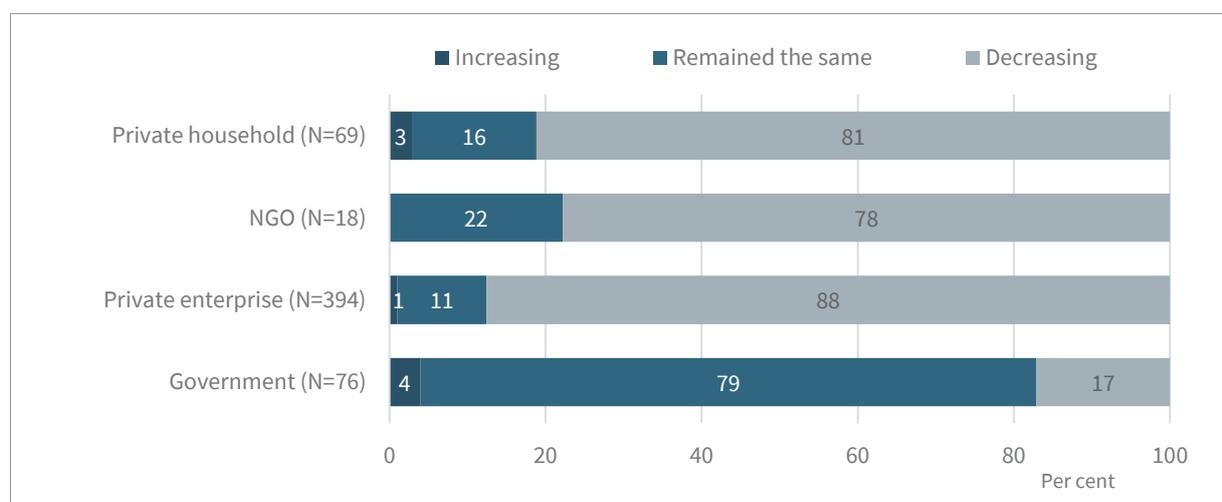


4.2 Falling household income

As just stated, the households covered by the survey reported a very negative development in their income situation: 80 per cent had falling household income between March and November 2020 whilst only a few households (1 per cent) reported income increase. For one in five households (19 per cent), income had remained constant.

In November 2020, three in four respondents (78 per cent) employed in the public sector reported unchanged income for their household the past seven months, whereas one in ten respondents (11 per cent) with earnings from the private sector reported steady household income (Figure 28). Instead, respondents employed in the private sector tended to report an income fall (88 per cent). This underscores the high value of public-sector job safety and that it is people dependent on income from the private sector who has paid the heaviest economic price of the pandemic's ill doings.

Figure 28 Change in household income between March and November 2020. By sector of employment of employed respondents (N=557).



Another indication of COVID-19's extremely harmful impact on many people's living standards is the fact that in June 2020, just three months after the introduction of lockdown measures to curb the virus, one-half of the surveyed households (49 per cent) reported a reduction in food consumption.

4.3 Measures to manage unemployment and income fall

The November survey asked those households that had experienced income shortfall since March 2020, which, if any, steps they had taken to compensate for it. Figure 29 provides an overview of the various coping strategies applied by these households as well as the percentage of households that had made use of them. Five per cent had not altered their income-generating strategies at all. However, most households that had experienced decreasing income had combined at least two of these coping strategies (Figure 30). Sixteen per cent had used four or more strategies.

Help from family and friends was important for many, either in the form of loans (50 per cent) or gifts (27 per cent). Reduced consumption was also a common coping strategy, both cutting down on food (30 per cent) and non-food commodities (25 per cent). Purchasing various goods on credit was widespread as well, and a strategy used by about one-third of all households reporting income decline. Similarly, a good number of households (7 per cent) resorted to a delay of down-payments on loans etc. Altogether, three in four households (73 per cent) had taken on some sort of debt to manage the economic situation created by the COVID-19 and the measures introduced to contain it.

Seven and two per cent reported assistance from respectively non-governmental organisations and the Iraqi government. These figures may be considerably higher, because responding to a different set of survey questions, 11 per cent of all households admitted having received institutional (i.e., excluding family and friends) cash assistance and 10 per cent had received in-kind assistance during the three months preceding the survey. One-fifth of these had received both cash and in-kind assistance whilst the proportion that had received either one or the other form of assistance was similar. Returning to the findings shown in the graph, many households (21 per cent) had sold off assets (for example a motor vehicle or a sofa), and a few (2 per cent) had sent off minors to work.

Some of the households (4 per cent) had been able to spend savings to cushion the reduced income. Unfortunately, only 8 per cent of all surveyed households and 7 per cent of those that had experienced income decline had any savings at all. Twice as many of the same households, 16 per cent, reported savings 6 months earlier. Thus, 50 per cent of those with savings early in the pandemic had spent it all by November 2020. When asked how long the savings would last under the current circumstances, only 7 per cent of those few households with any savings in November thought they would last more than six months, and 77 per cent believed all savings would be gone in less than three months. This suggests that for most households in our sample, their remaining financial reserves were of limited size, a testimony to their small capacity to buffer income shortfalls in times of crisis, at least of the extraordinary kind, which COVID-19 has represented.

Figure 29 Coping strategies. Multiple answers allowed. Percentage of households with reduced income since March 2020 (N=1,558).

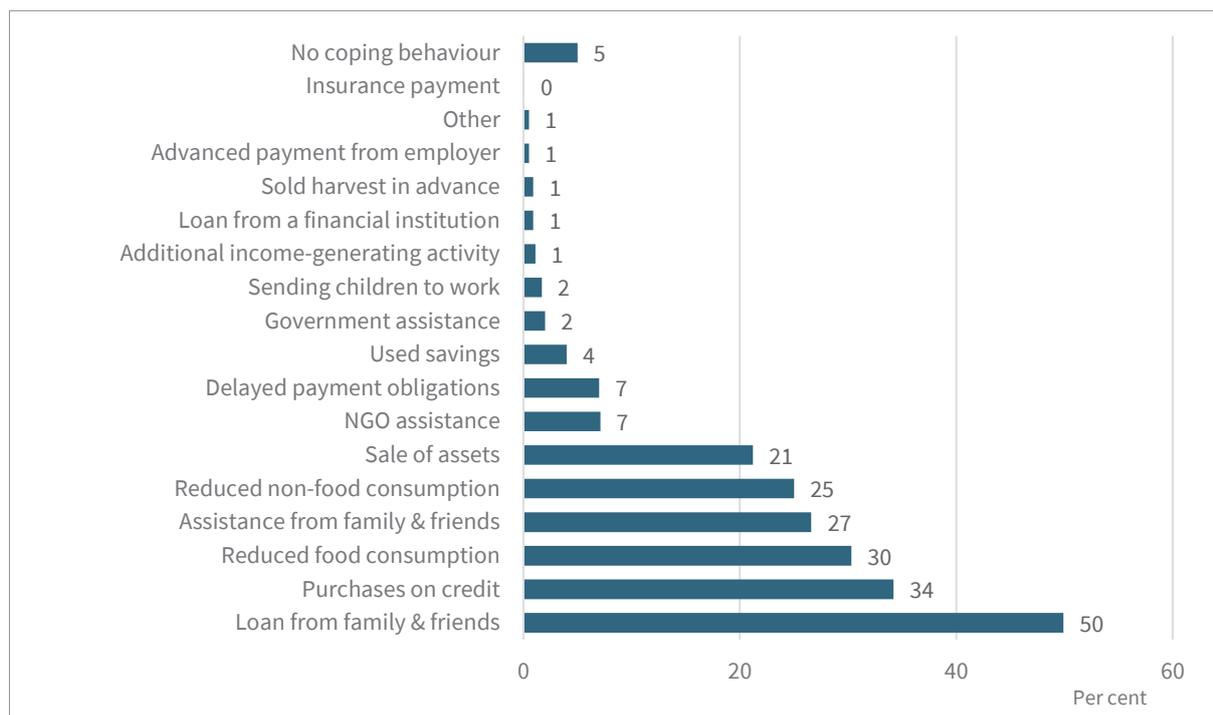
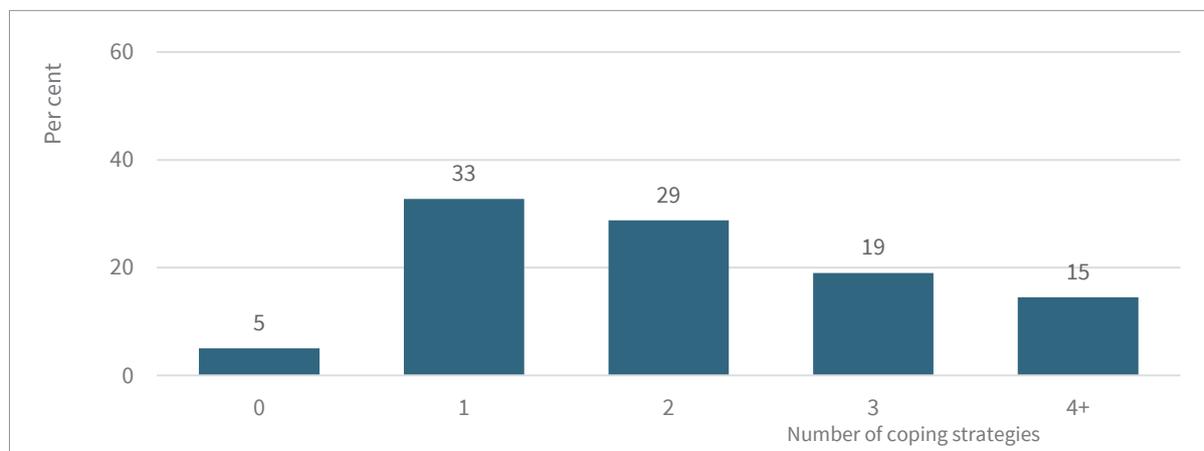


Figure 30 Number of coping strategies used to tackle income decline since March 2020. Percentage of households that applied at least one such strategy (N=1,558).



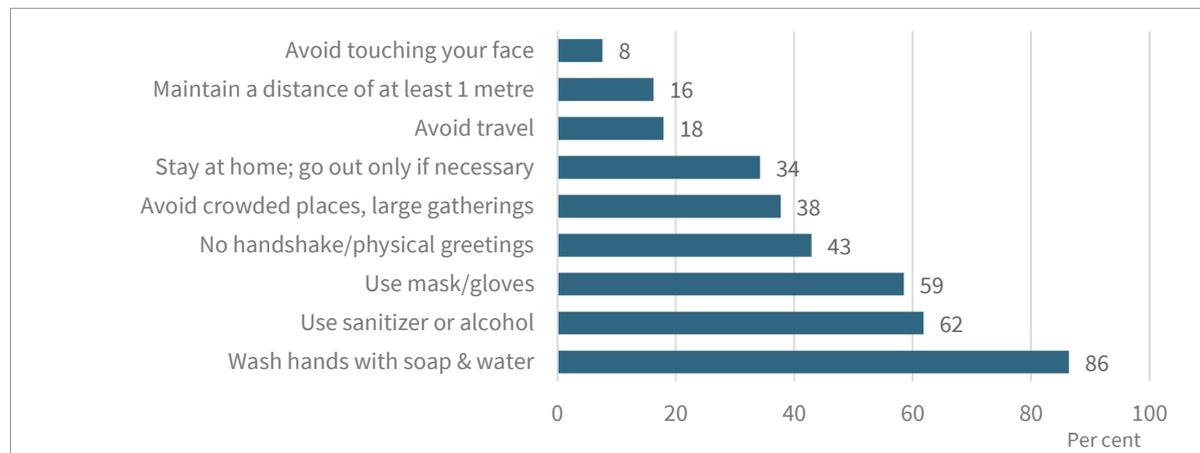
Above, we stated that nearly three-quarters of all surveyed (73 per cent) households reported having taken on debt to tackle its economic situation created by COVID-19 and the responses to it. The sources of loans and credit is nothing out of the extraordinary but mirror those used by poor households under more normal circumstances: 83 per cent had turned to family and friends in Iraq and 3 per cent had borrowed from family and friends outside Iraq; 68 per cent had accumulated debt to local shop-owners; a few (2 per cent) had received medical treatment and care on credit, whilst only a handful had turned to formal financial institutions like banks and money-lenders. Over one-half of the households, which had taken on debt, had turned to at least two out of these five sources.

4.4 Health-related measures

Privately

Seemingly, people’s understanding of actions to take to avoid being infected by the Corona virus could have been better (Figure 31). On a question investigating their knowledge of various measures, nine in ten (86 per cent) recognised that proper handwashing was an effective measure whilst much fewer were aware of the importance of social distancing, and merely one in six acknowledged the importance of maintaining a distance of at least one meter to other people. On the other hand, enquiring about their practices during the week preceding the survey, 93 per cent claimed they washed their hands more often than they used to do, 87 per cent said they avoided handshakes or other forms of physical greetings, and 88 per cent avoided private gatherings and worshipping places, funerals etc. with more than ten people. Consequently, people’s knowledge of and actual anti-COVID-19 behaviour may be considerably better than the graph suggests. There is no significant effect of gender, age and educational attainment on people’s knowledge and behaviour.

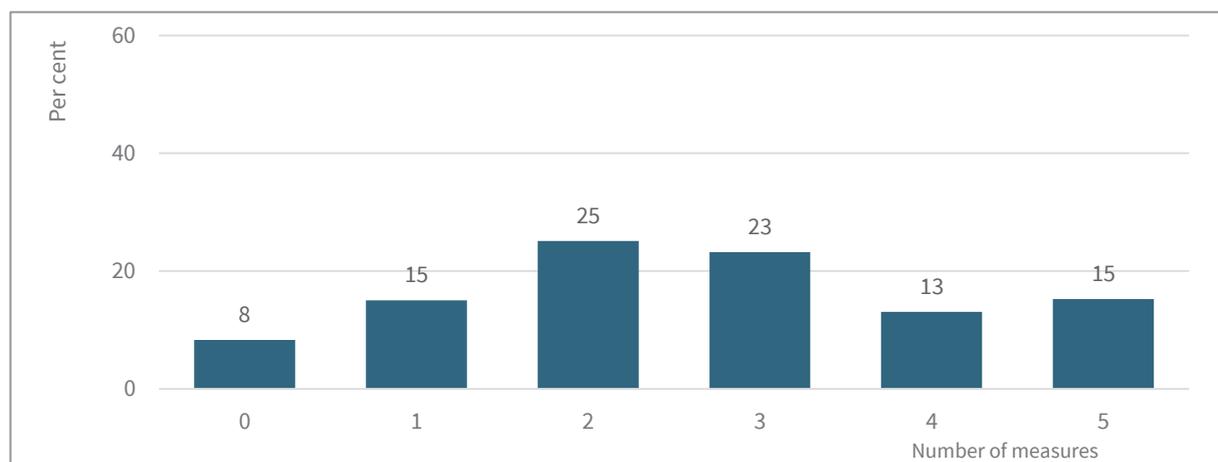
Figure 31 Knowledge of measures people can take to avoid contracting the Corona virus. Percentage of all respondents (N=2,040).



At the workplace

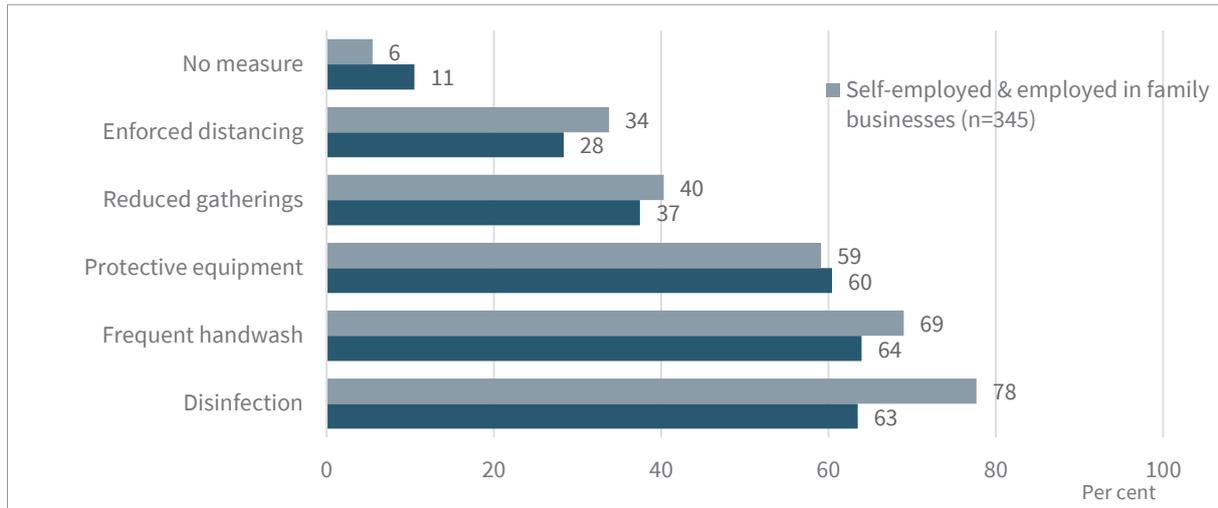
Nearly one in ten employed respondents (8 per cent) reported that not a single specific measure was introduced at their workplace to hinder employees from getting infected by COVID-19 (Figure 32). Forty per cent reported one or two measures and nearly 30 per cent reported four or five measures at their workplace.

Figure 32 Number of measures taken at the workplace to minimize the risk of contracting COVID-19. Percentage of respondents employed at the time of the survey (N=1,110).



The prevalence of the various measures included in the survey is shown in Figure 33, which also suggests that the self-employed and those employed in family enterprises slightly more often worked with such measures in place than wage earners did. Some six to eight in ten workplaces used disinfectants, practised frequent handwash and used protective equipment such as face masks. A lower proportion of employers and workplaces, three to four in ten, focused on social distancing. This seems ‘reasonable’ as most workplaces are small (for example, about three in four wage earners are employed in enterprises with fewer than six employees), which would make distancing less relevant than other measures.

Figure 33 Measures taken at the workplace to minimize the risk of contracting COVID-19. Percentage of respondents employed at the time of the survey. By type of employment (N=1,110).



If the prevalence of adapted measures were related to size of enterprise, as just suggested, this should show up in the statistics. Indeed, it does (Figure 34). However, larger size does not have a positive effect on the presence of all measures, and the effect is not particularly strong. The trend for wage earners is clear for the use of disinfectants and protective equipment whilst the association between size and social distancing at the workplace is not as strong. Frequent handwash seems of less importance to larger enterprises than small and medium-sized enterprises.

The prevalence of the various protective measures taken at workplaces in November 2020 were not substantially different from the prevalence a few months earlier (Figure 35).

Figure 34 Measures taken at the workplace to minimize the risk of contracting COVID-19. Percentage of wage-earners employed at the time of the survey. By size of enterprise (N=528).

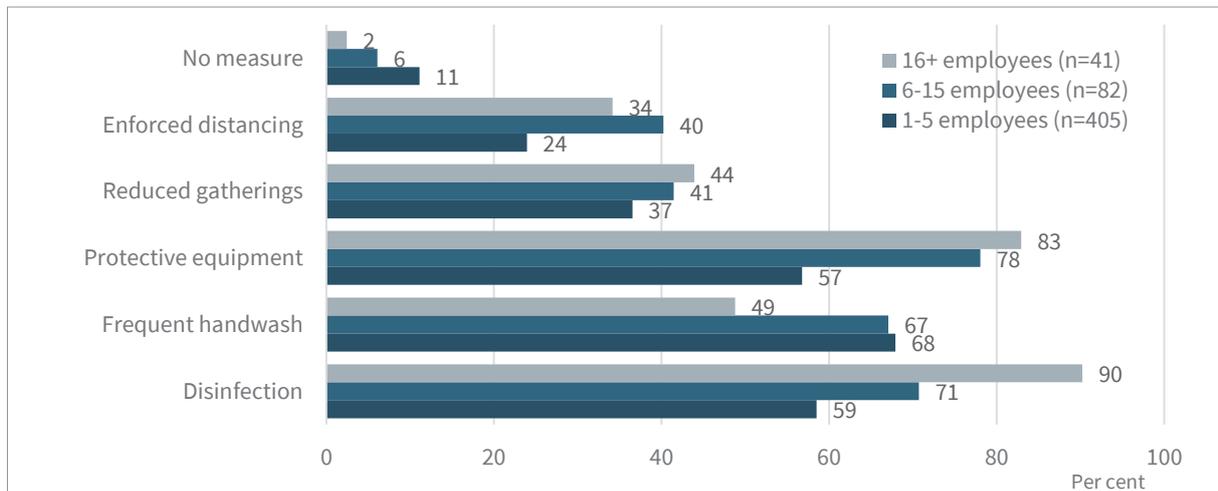
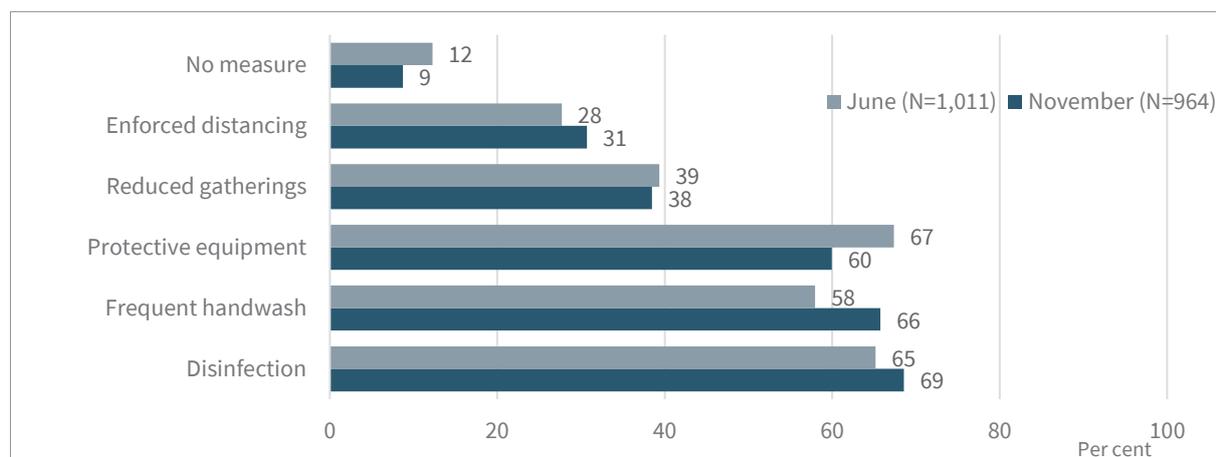


Figure 35 Measures taken at the workplace to minimize the risk of contracting COVID-19. November and June 2020 compared. Percentage of all respondents employed at the time of the two surveys.



4.5 Knowledge and perceptions of government measures

Concerning the spread of COVID-19

The survey examined if the respondents were aware of steps the central government or local authorities had taken to curb the spread of COVID-19. The results are presented in Figure 36. Seven in ten reported two related measures, namely curfews — forcing people to stay at home — and the *advice* to stay at home. Closures of schools and universities was also a well-known measure. That less than thirty per cent mentioned local, national and international travel restrictions is more of surprise, also because they are so related to the first two mentioned policies aimed at movement restriction.

Nearly all respondents (96 per cent) mentioned at least one policy measure, 17 per cent mentioned one measure and 22 per cent mentioned two measures, while 9 per cent knew about as many as six measures or more (Figure 37). The level of knowledge was similar for women and men. Neither did it vary significantly by education level nor by attachment to the labour force, i.e., between those economically active and those who were not. However, the younger the respondent the higher the number of measures he or she was aware of. Answers were provided without the interviewer listing all options. If he or she had done so, experience tells us, the percentages would have been higher, particularly for the less obvious measures, those that do not come to mind instantly.

Figure 36 Awareness of government policy measures to curb the spread of COVID-19. Percentage of all respondents (N=2,040).

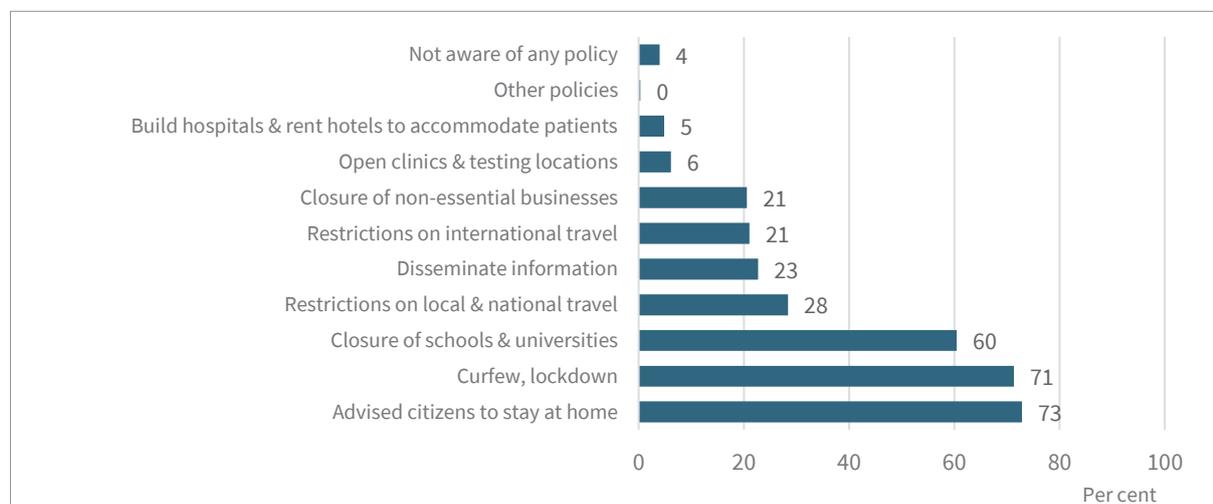
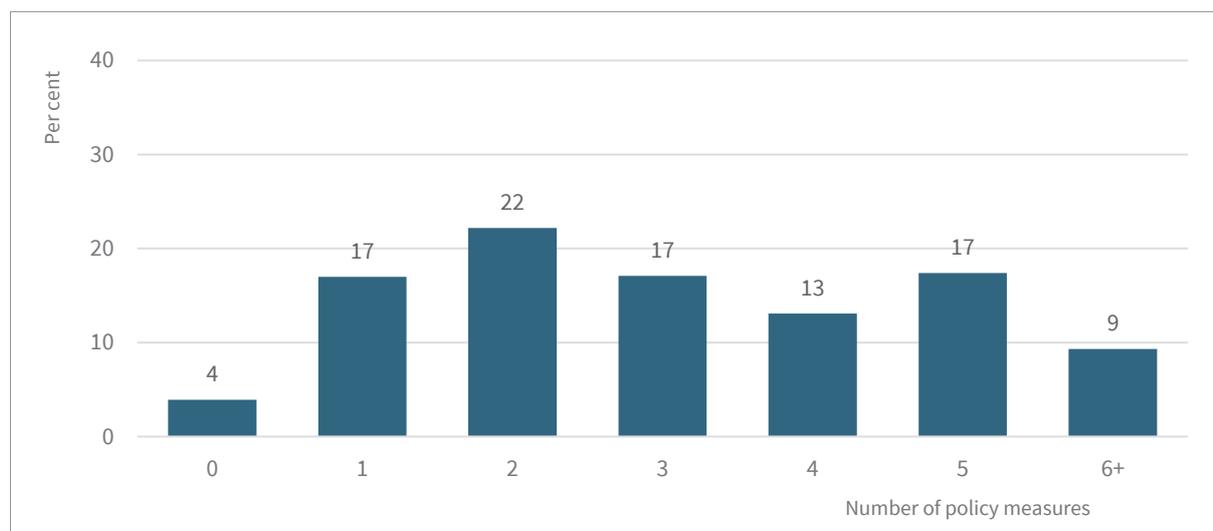


Figure 37 Awareness of government policy measures to curb the spread of COVID-19. Number of measures. Percentage of all respondents (N=2,040).



Concerning policies directed at the labour market

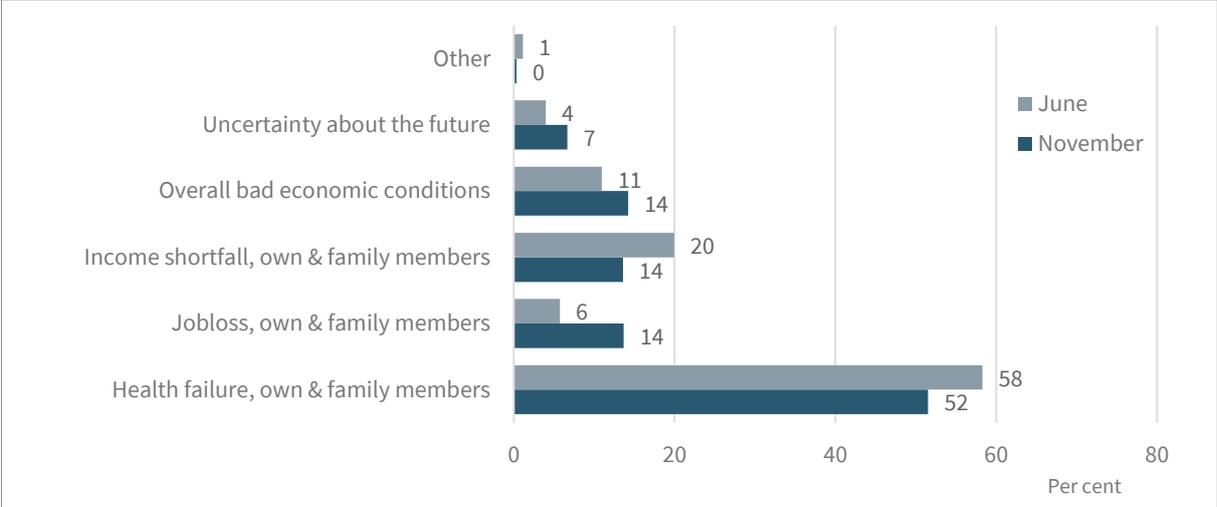
The survey asked the those were economically active (employed) at the time of the survey if they were aware of any measures taken by the government or local authorities in support of the employment situation during the pandemic. Less than one-quarter (24 per cent) had heard of any such policy. Out of those who knew about a government policy, one-half (52 per cent) were satisfied, some (14 per cent) were neither satisfied not unsatisfied whilst one-third (33 per cent) were dissatisfied.

4.6 Perception about the future

Looking ahead, people have both health and economic concerns (Figure 38). Fear that COVID-19 might cause health problems seem to trump economic worries, but one should be careful when interpreting the graph. It could well be that a much higher proportion of the respondents have substantial economic concerns — and some of the earlier statistics presented in this report would suggest that — but that these were over-shadowed by fears for own health and the health of dear ones at a time when still very few people were protected from the disease by vaccines. Moreover, the way the question was posed may have led the respondents to think that the interviewers were mainly interested in health matters.¹¹ Nevertheless, it is interesting to note that people's perceptions were very similar at the two points in time. There is some change in the percentages for income concerns versus job concerns (the third and fourth group of bars from the top in the graph) but the changes for the two variables even each other out and may well have more to do with how the answers were expressed and/or how they were coded than any shift in perceptions or opinions.

¹¹ The question was: "What is your biggest fear or worry in this time of uncertainty due to the Corona-virus disease?"

Figure 38 The largest fear in times of uncertainty created by COVID-19. Percentage of all respondents (N=2,040).



5 Conclusion

This report has described how the COVID-19 pandemic has affected enterprises and workers in central and northern governorates of Iraq, which are assumed to be particularly vulnerable to shocks affecting business and labour markets. These are typically small and highly informal enterprises and workers with relatively low skills, low income, and low degree of security with respect to their employment situations.

The high degree of informality pertaining to the surveyed enterprises and workers has several dimensions and can be captured by several indicators. First, about 30 per cent of the surveyed individuals are self-employed indicating the overall extent of informality. Second, rural areas have a large proportion of the workforce employed in farming, which is considered de facto informal employment in the absence of legal coverage of workers in the agriculture sector. Third, most surveyed workers lack written employment contracts: 14 per cent of them had a written contract and only 7 per cent of the enterprises offered written contracts to their employees.

Fourth, the incidence of informality is even higher when considering formal arrangements beyond the contract, like access to social security and other employment-related benefits. Only 1 per cent the enterprises provided social security to their employees in November 2020, while only 5 per cent offered paid sick leaves. Fifth, the high degree of informality amongst enterprises is also reflected by the fact that 95 per cent of them were not registered with the Ministry of Trade.

Informality is considered a key factor of vulnerability among enterprises and workers, and the surveys demonstrate that both the enterprises and the workers, and their households, have been heavily affected by the COVID-19 pandemic. The link between the enterprises' struggle to keep themselves afloat and workers and their families being negatively affected further down the chain, is very visible in the data. Many workers and families pay the price of coping measures introduced by enterprises, including laying off people and cutting hours of work and wages of people still employed. In fact, nearly 50 per cent of the operational enterprises ran their businesses with reduced hours and/or reduced staff in November 2020.

The COVID-19 pandemic forced many enterprises to close their businesses for good. From June to November 2020, 3 per cent of the enterprises in our sample had shut down permanently, and an additional 3 per cent had closed temporarily. However, many enterprises interviewed in June did not respond when being approached again in November, suggesting that more than 3 per cent had ceased their operations for good between June and November.

The operational and economic effects on enterprises from COVID-19 and the measures introduced to contain it are clearly reflected in the results from the survey on individuals and households. One dramatic finding is that 44 per cent of those who had a job in June, were jobless in November. Another finding is that nearly 50 per cent of the surveyed households did not have one single employed person within their walls. Furthermore, four out of five households reported reduced income from June to November, and three months into the pandemic one-half of the households had reduced their food consumption.

This chain of negative effects from vulnerable forms of businesses to vulnerable workers and households can also be attributed to a missing formal and institutional social security system in Iraq. In November, only 1 per cent of the surveyed enterprises offered social security to their employees, implying that those who had their wages cut, were laid off temporarily or lost their jobs permanently, received no compensation. The proportion of enterprises offering social security had fallen by 2 percentage points from June to November 2020, suggesting that some enterprises had stopped their social security payments to save costs at a difficult time.

The surveys show that very few enterprises (less than 1 per cent) had received government support to help them cope with the effects of the COVID-19 pandemic. Only 2 per cent of the households that had experienced reduced income during the pandemic, had received support from the government, whilst a

larger share (7 per cent) had received support from NGOs. Less than one in four workers were aware of any government policy or support packages to help enterprises or employees during the pandemic.

These low figures stand in contrast to the significant efforts made by the government in providing support to households, and indirectly many small-scale and informal enterprises, e.g., through Minah and cash assistance, which already has reached out to more than 1.4 million households, equivalent to 5.4 million individuals, during the COVID-19 pandemic.¹² The survey findings are likely to reflect the vulnerability associated with informality and not being registered with the authorities, making it difficult for public authorities to identify and reach out to many of the enterprises most in need of support.

The title of this report, coping alone, refers to the fact that very few of the surveyed enterprises and households had received any support from the Iraqi government or other institutional sources to cope with the COVID-19 pandemic, and that loans and other assistance from friends and family is the main coping strategy applied by households and enterprises. Furthermore, as just alluded to it indirectly refers to informality being a barrier for accessing institutional support.

The predominantly informal small-scale enterprises and vulnerable workers covered by this report mainly need cash assistance and cost reduction measures to cope with the economic implications of the pandemic in the short-term, such as reduced taxes and subsidized necessities (e.g., fuel and electricity). For many of the smallest enterprises — those employing one or a few persons or household members only — it may be irrelevant whether assistance is provided to the enterprises (through business support programmes) or to the individuals or households (through livelihoods support programmes). For larger enterprises, business support programmes are crucial, including also more proactive types of support beyond reducing costs and securing liquidity, e.g., technical assistance and support to introduce web-based services or other measures helping them adapt to a changing market.

To build resilience among small-scale enterprises and vulnerable workers in the longer term, for example to enhance their capacity to handle shocks like the COVID-19 pandemic in the future, formalizing enterprises and employment is of major importance. This assessment, as well as other studies, has clearly demonstrated how the lack of functioning social security systems and formal labour markets satisfying decent work criteria, undermine workers' ability to sustain their livelihoods in periods of unemployment and wage reductions.

A basic requirement for well-functioning formal labour markets is that both enterprises and workers see the benefits in formalizing their businesses and employment, and that both employers and employees are willing to contribute to the system through taxes and fees. As the commitment to contribute requires seeing and experiencing benefits, implementing awareness-building programmes as well as pilot projects for developing social security systems in certain sectors, or locations, would be important complements to the development of procedures for formalization at the national political and administrative level. At the national administrative level, establishing procedures that bring down the economic and bureaucratic thresholds for formalizing enterprises and employment should be a guiding policy objective.

¹² Information from ILO, Iraq.

Appendix A: Questionnaire for Individuals, 2nd Round (November 2020)

Date	Date of Interview		dd.mm.yyyy		
Agency	Organization conducting the survey		Oxfam DRC IRC Mercy Corps NRC Other	1 2 3 4 5 6	
QI01	Interviewer Name		_____		
QI02	Telephone number of the individual respondent		_____	10 digits	
QI03	Name of the individual respondent		_____		
QI04	Did anyone answer the call?		Yes, connected Call not answered Busy signal Telephone is switched off Number disconnected	1 2 3 4 5	
Intro 1	Greetings! My name is [NAME of INTERVIEWER]. I am calling from [NAME OF AGENCY]. We are currently doing a survey on the impact of corona virus on the labour market situation. I am trying to reach [NAME OF RESPONDENT]. Who am I speaking to please?				
QI05	Are you speaking to your assigned respondent?		Yes No, the assigned person couldn't be found on this number	1 2	
Intro 2	This interview will take around 25 minutes. Any information you share with us will be kept strictly confidential and only be used for statistical purposes. If at any point there are any questions you do not feel comfortable answering, you can choose not to answer them. You can also choose to stop the interview at any point. Are you willing to participate?				
QI06	Does the respondent agreed to be interviewed?		Yes No, not now, asked to call back No, refused	1 2 3	→QI08
QI07	Do you remember if you have participated in a similar survey when we called you last June?		Yes, I remember No, I forgot No, I am sure I was not interviewed before	1 2 3	
QI08	Can I call you back later at a time that works better for you? It is really important for us to speak to you?		Yes No	1 2	
QI09	On what day?		_____		
QI10	What time?		_____		→Tel-confirm
Status	What is the result of the interview	Completed, with the right person Completed interview with a new person than assigned (new respondent) Partially completed Connected to the right person but refused Respondent was busy, call later Respondent was sick/ill		1 2 3 4 5 6	
Reason	Please give details on why the household refused or why the interview could not be completed?		_____		
Telconfirm	Please confirm again the number you have reached the respondent on.		_____	10 digits	
QI11	Do you have any notes that are relevant when calling this respondent in the future?		Yes No	1 2	
QI12	Interviewer notes		_____		

Section 1: Employment and income

101	During the last two weeks (1-15 November), did you do any work for payment, do any kind of business, farming or other activity to generate income, even if only for one hour?	Yes No	1 2	→110
102	Were you working before 15 March 2020, the day the COVID-19 lockdown began?	Yes No	1 2	→105
103	Why did you stop working?	Business/government closed due to Coronavirus legal restrictions Business/government closed for another reason Laid off while business continues Leave of absence Vacation Ill /Quarantined Need to care for ill relative Seasonal worker Retired Not able to go to farm due to movement restrictions Not able to farm due to lack of inputs Not farming season Lack of transportation Don't want to be exposed to the Corona virus Other, specify:	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15	
104	What is the main activity of the business or organization in which you were working in your main job before 15 March 2020?	Agriculture; forestry and fishing Mining and quarrying Manufacturing Construction Wholesale and retail trade Transportation and storage Tourism and hospitality (including restaurants, bars, etc.) Information and financial services Professional and administrative services Education and health Other	1 2 3 4 5 6 7 8 9 10 11	
Currently not working				
105	During the last two weeks, did you want to work?	Yes No	1 2	
106	If a job had been available the past 14 days, or would be available the coming 14 days, would you have been able to start working?	Yes No	1 2	
107	In the past 4 weeks, did you actively look for work or did you try to start a business?	Yes No	1 2	→109
108	In the past 4 weeks, what did you do to look for work or start a business? <i>Select all that apply</i>	Asked friends/relatives Contacted a middleman (Shawish/ Simsar) Applied directly to employer(s) Registered at labour office/employment center Placed/answered job advertisement Searched the newspapers Searched the internet Waiting to be recruited (for casual work) Tried to start own business Registered for a cash-for-work scheme/ program Approached the UN/ an NGO Other, specify: _____ Refusal	A B C D E F G H I J K X Z	
109	What is the most important reason why you do not want to /not available to / not look for work/ not get a work?	Family responsibility, housework, childcare/ pregnancy Health reason (disability) Health reasons (Other than disability) Family objection (Parents/ husband disagree/ Social restrictions) Already committed to other work No (suitable) job available/ discouraged Want to start own business Other, specify: _____ Refusal	1 2 3 4 5 6 7 9	ALL→Next section
Currently working persons (Main job)				

110	Is this the same job you were doing before 15 March 2020?	Yes No	1 2	→113
111	Why did you change jobs?	Business/government closed due to Corona virus legal restrictions Business/government closed for another reason Laid off while business continues Leave of absence Vacation Ill /Quarantined Need to care for ill relative Seasonal worker Retired Not able to go to farm due to movement restrictions Not able to farm due to lack of inputs Not farming season Lack of transportation Don't want to be exposed to the corona virus Others, specify: _____	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15	
112	What is the main activity of the business or organization in which you were working in our main job before 15 March 2020?	Agriculture; forestry and fishing Mining and quarrying Manufacturing Construction Wholesale and retail trade Transportation and storage Tourism and hospitality (including restaurants, bars, etc.) Information and financial services Professional and administrative services Education and health Other	1 2 3 4 5 6 7 8 9 10 11	
113	In your main job, do you currently work ...?	As an employee for someone else In your own business / Self-employed In a business operated by a household or family member In a family farm, raising livestock, fishing, etc. As an apprentice, trainee, intern	1 2 3 4 5	→ → → →
114	What kind of industry, business, service or activity is carried out at your workplace? <i>If respondent does not understand, give examples</i> What are the main goods/products or services produced at the place where you work?		_____ _____ _____ _____	
115	What is the main activity of the business or organization in which you are currently working in your main job?	Agriculture; forestry and fishing Mining and quarrying Manufacturing Construction Wholesale and retail trade Transportation and storage Tourism and hospitality (including restaurants, bars, etc.) Information and financial services Professional and administrative services Education and health Other	1 2 3 4 5 6 7 8 9 10 11	
116	What is your job/occupation? <i>Write down (a) <u>job title</u> and (b) main <u>tasks</u> or <u>duties</u></i>		_____ _____ _____	
117	What type of employer did you work for?	Government Private company/ business Foreign company/ business Non-governmental organization A private household	1 2 3 4 5	
118	How did you obtain your job with this employer? <i>Select all that apply</i>	Asked friends/relatives Through a middleman (Shawish/ Simsar) Applied directly to employer(s) Registered at labor office/employment center Placed/answered job advertisement in the press Placed/answered job advertisement on the Internet Recruited on the street Employer took contact After previous (unpaid) experience (internship, apprenticeship, volunteer work) Through educational institutions Started own business Other: _____ Refusal	A B C D E F G H I J K X Z	

119	Approximately, how many persons work in your main workplace?	1-5 employees 6-15 employees 16-100 employees More than 100 employees Do not know Refusal	1 2 3 4 8 9	
120	In your main job, are you employed based on a written contract or an oral agreement?	A written contract An oral agreement Neither Refusal	1 2 3 9	
121	Is your contract/ agreement a limited or unlimited period contract/agreement?	Limited period contract/agreement Unlimited period contract/agreement Refusal	1 2 9	
122	What type of transportation do you usually use to get to your workplace?	On foot or bicycle Motorbike Private car (owned, rental, friends, etc.) Public bus Taxi services (including Careem etc.) Transportation provided by employer	1 2 3 4 5 6	
123	How far is your workplace from your residence?	Less than 1 km From 1 to less than 2 km From 2 to less than 3 km From 3 to less than 5 km From 5 to less than 10 km From 10 to less than 20 km From 20 to less than 30 km More than 30 km	1 2 3 4 5 6 7 8	
124	For how long have you held this job? In years	Less than 3 months 3 to 6 Months 6 to 12 Months From 1 to less than 3 years From 3 to less than 5 years More than 5 years	1 2 3 4 5 6	
125	Is this job temporary, permanent, seasonal or irregular?	Permanent Temporary Seasonal Irregular Refusal	1 2 3 4 9	
126	Last month (October), were you able to work as usual in your job either at your place of work or remotely?	Yes No	1 2	
127	What is the main reason that you were not able to work as usual? <i>Do not read out options!</i>	Business closed due to corona virus legal restrictions Business Closed for another reason Annual leave Temporarily absent Ill/Quarantined Need to care for ill relative Seasonal worker Not able to go to place of work due to movement restrictions Didn't have a job last month Other, specify.	1 2 3 4 5 6 7 8 9 10	
128	Even though you were not working as usual, will you be paid or were you paid?	Full normal payment Partial payment No payment Not certain Refusal	1 2 3 4 9	
129	What was your actual take home amount from the main job last month (in October 2020)?	Not yet paid=9995 Don't know=9998 Refusal=9999 <i>Amount in IQD</i>		_ _ _ _ _
130	During last year, what was the usual take home amount that you earn per month from this job? Average amount	Refusal=9999 <i>Amount in IQD</i>		_ _ _ _ _
131	What was your income situation during the month of October compared to your usual pay before the corona virus pandemic began?	Decreased Remained the same Increased Don't know Refusal	1 2 3 8 9	→134 →133 →134 →134

132	What was the reason for the reduction of your income from the main job during the month of October?	Employer reduced my wage/salary level due to corona virus Less hours/days worked due to Corona virus measures Other, specify: _____	1 2 3	
133	What was the reason for the increase in your income from the main job during the month of October?	I have worked more hours/days in the same job Expected usual increase in wage/salary Didn't have a job before Other, specify: _____	1 2 3 4	
134	Does your employer provide you with contributions to health insurance?	Yes No Don't know	1 2 8	
135	Since you have started working with your employer, has your present employer covered any expenses you have had on health services?	Yes No Don't know	1 2 8	
136	Does your employer provide you with paid annual leave?	Yes No Don't know	1 2 8	
137	Have you taken any paid annual leave since you've started to work in this job?	Yes No Don't know	1 2 8	
138	Does your employer provide you with paid sick leave?	Yes No Don't know	1 2 8	
139	Have you taken any paid sick leave since you started to work in this job?	Yes No Don't know	1 2 8	
140	Do you have any social security coverage related to your job activities? <i>Social security includes one or more insurances such as insurance against work injuries; insurance against old age, disability and death; maternity insurance (paid maternity leave); insurance against unemployment.</i>	Yes, facilitated by my employer Yes, arranged by myself Yes, arranged by other agencies No, don't have any coverage Don't know Refusal	1 2 3 4 8 9	→142 →142 →142
141	Which benefits are you aware that you can benefit from your social security coverage? Select all that apply	Insurance against work injuries Old age pension Disability and death pension End of service indemnity Maternity insurance (paid maternity leave) Insurance against unemployment Medical treatment	1 2 3 4 5 6 7	
142	Since February 2020, have you taken up any other type of job/work in addition to your main job?	Yes No	1 2	ALL → Next section

For those who are self-employed or in a family business				
143	In this job /business activity, what is your employment status?	Own-account worker An employer (with paid workers other than family members) Contributing family worker	1 2 3	
144	Are you mainly working alone or in a family enterprise?	Alone Working in a family enterprise	1 2	→146
145	Approximately, how many persons work in this enterprise?	1-5 6-15 16-100 More than 100 Do not know Refusal	1 2 3 4 8 9	
146	What is the main activity of the business?	Agriculture; forestry and fishing Mining and quarrying Manufacturing Construction Wholesale and retail trade Transportation and storage Tourism and hospitality (including restaurants, bars, etc.) Information and financial services Professional and administrative services Education and health Other	1 2 3 4 5 6 7 8 9 10 11	

147	What was your net income earned from this business during the last month (in October 2020)?	Unpaid worker <i>Amount in IQD</i> Refusal	9997 _ _ _ _ _ _ _ _ _ _ 9999	
148	Compared to the revenue from the business in October 2019, how is the situation of the business last month (in October 2020)?	Higher About the same Lower	1 2 3	→Next section
149	Why was the revenue from the business less than the same month in 2019?	Usual place of business closed due to coronavirus legal restrictions Usual place of business closed for another reason No customers Can't get inputs Can't travels /transport goods for trade Ill/Quarantined due to corona virus Ill with another disease Need to take care of a family member Seasonal closure Vacation Other, specify: _____	1 2 3 4 5 6 7 8 9 10 11	

Section 2: Livelihood implications and coping

201	How many male members of your family are currently working (engaged in income generating activities, irrespective of temporary absence)?	None _ _	0	
202	How many female members of your family are currently working (engaged in income generating activities, irrespective of temporary absence)?	None _ _	0	
203	Since March 2020, has anyone in your household lose his/her job?	Yes No	1 2	→
204	Was the job loss related to the corona-virus situation or to reasons NOT related to the virus?	Related to COVID-19 Unrelated to COVID-19	1 2	
205	How many male members of your household have lost their jobs due to measures related to the corona virus?	None _ _	0	
206	How many female members of your household have lost their jobs due to measures related to the corona virus?	None _ _	0	
207	During the last 12 months, which of the following were your household's sources of livelihood? <i>Read out each option and select all that apply</i>	Wage employment of household members Family farming, livestock or fishing Non-farm family business Unemployment benefits Remittances from abroad Assistance from family within the country Assistance from other non-family persons Income from properties, investment or savings Pension Assistance from the government Assistance from NGOs /charitable organization	1 2 3 4 5 6 7 8 9 10 11	
208	Since March 2020, what has been the situation of your total household income?	Increasing Remained the same Decreasing Don't know Refusal	1 2 3 8 9	

209	How did your household cope with the decline?		Sale of assets Sending children to work Engaged in additional income generating activities Received assistance from Friends & family Borrowed from friends & family Took a loan from a financial institution Credited purchases Delayed payment obligations Sold harvest in advance Reduced food consumption Reduced non-food Consumption Relied on savings Received assistance from NGO Took advanced payment from employer Received assistance from government Was covered by insurance policy Did nothing Other, specify: _____	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	
210	Does your household have any savings that can be used to ease problems caused by the Corona situation?		Yes No Don't know Refusal	1 2 8 9	→304 →304 →304
211	For how long do you think these savings will last given that the situation remains the same as it is today?		Less than one month 1-3 Months 4-6 Months More than 6 months Don't know Refusal	1 2 3 4 8 9	
212	Has your household had to take on debt to manage its financial situation created by the Coronavirus related conditions?		Yes No Don't know Refusal	1 2 8 9	→304 →304 →304
213	From which sources have you borrowed the money? <i>Select all that apply</i>		Family/friends in Iraq Family/ friends outside of Iraq Local shop owner Hospital/ medical doctor Moneylender or bank Other, specify: _____ Do not know Refusal	A B C D E F Y Z	
214	During the last three months, has your household or anyone in your household received external cash assistance from anyone (excluding family and friends, etc)?		Yes No Refusal	1 2 9	→216 →216
215	From which source(s) have you received the cash assistance? <i>Select all that apply</i>		Social safety nets Special programmes related to religious institutions Special programs for local civil society organizations Special programs for foreign civil society organizations Any retirement pension Any other external assistance programme Other, specify: _____	1 2 3 4 5 6 7	
216	During the last three months, has your household or anyone in your household received external <u>in-kind</u> assistance from anyone (excluding family and friends, etc)?		Yes No Refusal	1 2 9	→Next section →Next section
217	From which source(s) have you received the in-kind assistance? <i>Select all that apply</i>		Social safety nets Special programmes related to religious institutions Special programs for local civil society organizations Special programs for foreign civil society organizations Any retirement pension Any other external assistance programme Other, specify: _____	1 2 3 4 5 6 7	

Section 3. Knowledge, behaviour and satisfactions

301	To your knowledge, what measures can you adopt to reduce the risk of contracting the corona virus? <i>Read out all measures and select if the respondent knows the measure</i>	Hand washing with water and soap Use of sanitizer or alcohol No handshake /physical greetings Use of mask/ gloves Avoid travel Staying at home and avoid going out unless necessary Avoid crowded places of gatherings with many people Maintain enough distance of at least 1 meter Avoid touching your face	1 2 3 4 5 6 7 8 9	
302	Last week, did you wash your hands with soap more often than you used to?	Yes No	1 2	
303	Last week, did you avoid handshakes (physical greetings)?	Yes No	1 2	
304	Last week, did you avoid groups of more than 10 people such as family gatherings, mosque, funerals, etc?	Yes No	1 2	
305	What specific measures have been taken at your workplace to minimize the risk of contracting the corona virus? <i>Select all that apply</i>	Disinfection Frequent hand washing Provided protection equipment (mouth masks) Enforced distancing Reduced gatherings None Other, specify:	1 2 3 4 5 6 7	<i>Only for those with jobs</i>
306	Are there measures related to closure or lay-offs taken by your employer?	Workplace is closed and no more in business Some employees have been temporarily laid off Some employees have been permanently laid off None, business runs as usual Not applicable Other, specify:	1 2 3 4 5 6	<i>Only for those with jobs</i>
307	What steps has the government/ local authorities have taken to curb the spread of the corona virus? <i>Do not read out. Select all that apply.</i>	Advised citizens to stay at home Restricted travel within country/area Restricted international travel Closure of schools and universities Curfew/lockdown Closure of non-essential businesses Building more hospitals or renting hotel to accommodate patients Provide food to those who need Open clinics and testing locations Disseminate knowledge about the virus Other, specify: _____ Don't know	1 2 3 4 5 6 7 8 9 10 11 98	
308	Are you aware of any government measures that support the employment situation during the Corona virus crisis?	Yes No	1 2	→310
309	What government measure do you consider most relevant in minimizing the effect of the corona virus crisis on your own employment situation?	Free access to testing and healthcare for COVID In kind distribution of hygiene kits and protective materials In kind food distribution Cash support for vulnerable groups (e.g., elderly, disabled) Cash support for families who lost source of income Emergency loans for families Support for businesses Other, specify:	1 2 3 4 5 6 7 8	
310	In general, how satisfied are you with the government measures designed to mitigate the impact of the corona virus on your employment situation?	Highly satisfied Satisfied Neither satisfied nor dissatisfied Dissatisfied Highly dissatisfied	1 2 3 4 5	
311	What is your biggest fear or worry in this time of uncertainty due to the corona virus disease?	Fear of a health situation to myself and to my family Loss of work for me or one of my family members Fear of a decrease or lack of income for me and my family Fear of bad economic conditions in general Lack of clarity for future Other, specify:	1 2 3 4 5 6	

Section 4: Background

401	Which governorate do you currently live?	Duhok Nainawa Sulaimaniya Kirkuk Erbil Diala Anbar Baghdad Babil Kerbala Wasit Salahaddin Najaf Qadissiyah Muthana Thiqr Missan Basra	11 12 13 14 15 21 22 23 24 25 26 27 28 31 32 33 34 35	
402	Is your current residence located in rural, urban or peri-urban area?	Rural Peri-urban Urban	1 2 3	
403	What is your nationality?	Iraqi Syrian Other Refusal	1 2 3 4	
404	Gender	Male Female	1 2	
405	How old are you?	_ _		
406	What is your marital status?	Single, never married Married Widowed, not remarried Divorced Separated	1 2 3 4 5	
407	What is the most advanced level of education you have completed?	Did not complete any level Primary Intermediate Diploma (5 years after intermediate) Secondary Diploma Bachelor degree Higher education Refusal	1 2 3 4 5 6 7 8 9	
408	What is your mother tongue/native language?	Arabic Kurdish Turkman Assyrian Other	1 2 3 4 5	
409	How many persons usually live in your household/family?	Children [<18 years old] Male _ _ Female _ _ Adults [Age 18-64] Male _ _ Female _ _ Elderly persons [Age 65 and above] Male _ _ Female _ _		
410	Are you the main provider in your family/household?	Yes No Refusal	1 2 9	
411	If your current dwelling owned by your household, is it rented, or is it occupied without paying rent?	Owned by household—no debt Owned by household—have debt Rented Occupied for free For work (for free) Refusal	1 2 3 4 5 9	

Appendix B: Questionnaire for Enterprises, 2nd Round (November 2020)

Date	Date of Interview	dd.mm.yyyy		
Agency	Organization conducting the survey	Oxfam DRC IRC Mercy Corps NRC Other	1 2 3 4 5 6	
QI01	Interviewer Name	_____		
QI02	Telephone number of the respondent	_____	10 digits	
Entname	Name of the enterprise	_____		
QI03	Name of the respondent	_____		
QI04	Did anyone answer the call?	Yes, connected Call not answered Busy signal Telephone is switched off Number disconnected	1 2 3 4 5	
Intro 1	Greetings! My name is [NAME of INTERVIEWER]. I am calling from [NAME OF AGENCY]. We are currently doing a survey on the impact of coronavirus on business enterprises. I am trying to reach [NAME OF ENTERPRISE]. Who am I speaking to please?			
QI05	Are you speaking to your assigned respondent?	Yes No, the assigned person couldn't be found on this number	1 2	
Intro 2	This interview will take around 25 minutes. Any information you share with us will be kept strictly confidential and only be used for statistical purposes. If at any point there are any questions you do not feel comfortable answering, you can choose not to answer them. You can also choose to stop the interview at any point. Are you willing to participate?			
QI06	Does the respondent agreed to be interviewed?	Yes No, not now, asked to call back No, refused No, respondent is ill/sick	1 2 3 4	→QI08
QI07	Do you remember if you have participated in a similar survey when we called you last June?	Yes, I remember No, I forgot No, I am sure I was not interviewed before	1 2 3	
QI08	Are you asked to call back later?	Yes No	1 2	
QI09	On what day?	_____		
QI10	What time?	_____		→Telconfirm
Status	What is the result of the interview	Completed, with the right person Completed interview with a new person than assigned (new respondent) Partially completed	1 2 3	
Reason	Please give details on why the respondent refused or why the interview could not be completed?	_____		
Telconfirm	Please enter again the number you have reached the respondent on.	_____	10 digits	
QI11	Do you have any notes that are relevant when calling this respondent in the future?	Yes No	1 2	
QI12	Interviewer note	_____		

Section 1: Enterprise profile

150	<p>What kind of business, service or activity is carried out by your enterprise?</p> <p><i>If the respondent does not understand, give examples:</i> What are the main goods/products or services produced at the place where you work? Describe the main activities carried out by the enterprise. Record if business is wholesale trade, retail trade, manufacturing, or services</p>	<p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>		
151	<p>Which industry does this enterprise represent?</p> <p><i>Interviewer:</i> Please conduct the classification. Do not ask the respondent!</p>	<p>Agriculture; forestry and fishing</p> <p>Mining and quarrying</p> <p>Manufacturing</p> <p>Construction</p> <p>Wholesale and retail trade</p> <p>Transportation and storage</p> <p>Tourism and hospitality (including restaurants, bars, etc.)</p> <p>Information and financial services</p> <p>Professional and administrative services</p> <p>Education and health</p> <p>Other</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p>	
152	<p>For how long has your enterprise existed?</p>	<p>Less than 1 year</p> <p>1-2 years</p> <p>3-4 years</p> <p>5-10 years</p> <p>More than 10 years</p> <p>Don't know</p> <p>Refusal</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>8</p> <p>9</p>	
153	<p>Where was your enterprise mainly operating in Iraq?</p>	<p>Duhok</p> <p>Nainawa</p> <p>Sulaimaniya</p> <p>Kirkuk</p> <p>Erbil</p> <p>Diala</p> <p>Anbar</p> <p>Baghdad</p> <p>Babil</p> <p>Kerbala</p> <p>Wasit</p> <p>Salahaddin</p> <p>Najaf</p> <p>Qadissiyah</p> <p>Muthana</p> <p>Thiqar</p> <p>Missan</p> <p>Basra</p>	<p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p> <p>26</p> <p>27</p> <p>28</p> <p>31</p> <p>32</p> <p>33</p> <p>34</p> <p>35</p>	
Area	<p>Is your business enterprise located in urban, peri-urban or rural area?</p>	<p>Rural</p> <p>Peri-Urban</p> <p>Urban</p>	<p>1</p> <p>2</p> <p>3</p>	
154	<p>Are the premises used for the operation of your enterprise owned, rented or occupied for free?</p>	<p>Owned, now debt</p> <p>Owned, have debt</p> <p>Rented</p> <p>Occupied for free</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p>	
155	<p>What was the size of your enterprise measured by the number of employees?</p> <p><i>Interviewer: Explain the size in ranges as: home-based, micro (1-4), etc.</i></p>	<p>Home-based Business</p> <p>Micro 1-4</p> <p>Small 5-19</p> <p>Medium 20-49</p> <p>50-99</p> <p>100 and above</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p> <p>6</p>	
156	<p>Was the owner of your enterprise male or female?</p>	<p>Male</p> <p>Female</p>	<p>1</p> <p>2</p>	<p><i>Ask if 105<4</i></p>
157	<p>What was the ownership structure of your establishment?</p>	<p>Mostly Iraqi-owned</p> <p>Fully Iraqi-owned</p> <p>Equal share: Iraqi and foreign</p> <p>Mostly foreign owned</p> <p>Fully foreign owned</p>	<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5</p>	
158	<p>What is the total number of employees you currently have?</p>	<p>□□□□□</p>		
159	<p>How many of these employees are women?</p>	<p>□□□</p>		

160	How many of your employees are Iraqi/ non-Iraqi?	Iraqi <input type="checkbox"/> <input type="checkbox"/> Syrians <input type="checkbox"/> <input type="checkbox"/> Others <input type="checkbox"/> <input type="checkbox"/>		
161	What type of contracts does your enterprise offer to its employees? <i>Select all that apply.</i>	Written contract Oral agreement None Refusal	1 2 3 9	
162	Approximately, how many of the employees have written contracts?	<input type="checkbox"/> <input type="checkbox"/> Don't know Refusal	98 99	→ →
163	Approximately, how many of the employees have oral agreements?	<input type="checkbox"/> <input type="checkbox"/> Don't know Refusal	98 99	→ →
164	Approximately, how many of the employees have neither written nor oral agreement?	<input type="checkbox"/> <input type="checkbox"/> Don't know Refusal	98 99	→ →
165	Approximately, how many of your employees had a contract with duration of 1-year or more?	<input type="checkbox"/> <input type="checkbox"/> Don't know Refusal	98 99	
166	How many daily labourers or casual workers do you currently employ? <i>Daily labourers or casual workers are those who work on a short term, occasional, or intermittent basis. And often, they do not have time-bound contracts with employer.</i>	<input type="checkbox"/> <input type="checkbox"/> Don't know Refusal	98 99	
167	Which of the following benefits does your enterprise offer to its employees other than wages/salaries? <i>Select all that apply</i>	Health insurance Social security Paid holiday Paid sick leave Parental leave None	1 2 3 4 5 6	
168	What was the main market for your enterprise? <i>Select all that apply</i>	Local area market Broader domestic Regional (Middle East) Global	1 2 3 4	
169	Does your enterprise have web/internet based sales or provision of services?	Yes No	1 2	
170	Is your enterprise a member of any business association?	Yes No	1 2	
171	What is the registration status of your enterprise?	Home based, registered Home based, unregistered Unregistered/informal Registered Don't know Refusal	1 2 3 4 8 9	→Next Section →Next Section →Next Section →Next Section
172	Would you be interested to register your business with the Chambers of Commerce/Ministry of Trade?	Yes No Don't know Refusal	1 2 8 9	→Next Section →Next Section →Next Section
173	What is the reason that you are not interested to register your business?	_____ _____		

Section 2: Enterprise conditions

218	Currently, what is the operational status of the enterprise?	Operating as usual Operating with reduced hours Operating with reduced staff Operating with reduced hours and reduced staff Workplace closed temporarily Enterprise closed permanently Other	1 2 3 4 5 6 7	
219	Prior to the onset of the coronavirus pandemic, how many days did your enterprise usually operate per week?	<input type="checkbox"/> Number of days per week		

220	How many days did your enterprise operate during the last week? <i>Record 0 if the enterprise was close the entire period.</i>	<input type="text"/> Number of days		If >0 →
221	How many weeks do you think the enterprise will remain closed?	<input type="text"/> Number of weeks		
222	Last week, how many hours per day did your enterprise typically operate on days that it was operating?	<input type="text"/> Average number of hours		
223	Have you hired any worker for pay since March 2020?	Yes No	1 2	→
224	How many workers have you hired for pay since March 2020?	<input type="text"/> Number of new workers		
225	How many of these were women?	<input type="text"/>		
226	How many of these hires were on a permanent contract?	<input type="text"/>		
227	How many of these hires were on a temporary contract?	<input type="text"/>		
228	Have you used daily workers or casual workers since March 2020? <i>Daily labourers or casual workers are those who work on a short term, occasional, or intermittent basis. And often, they do not have time-bound contracts with employer</i>	Yes No	1 2	→
229	How many daily labourers or casual workers have you used since March 2020?	<input type="text"/>		
230	Did you layoff any workers since March 2020 for any reason?	Yes No		→
231	How many workers were laid off since March 2020?	<input type="text"/>		
232	How many workers have you had to let go of because of the COVID-19/Coronavirus pandemic?	<input type="text"/> Number of workers		
233	How many of these were women?	<input type="text"/>		
234	How many of these layoffs were on a permanent contract before being laid off?	<input type="text"/>		
235	How many of these layoffs were on a temporary contract before being laid off?	<input type="text"/>		
236	Were any of the laid off workers given compensation?	Yes No	1 2	→
237	How was the compensation calculated?	A proportion of monthly salary A severance pay Other unemployment benefits	1 2 3	
238	What was the total value of the compensation for workers who were laid off?	IQD <input type="text"/>		
239	Did you grant any of your workers leave (holidays) since March 2020? <i>This should not include workers who are laid off or those who quit of their own accord.</i>	Yes No	1 2	→
240	How many were granted leave/holidays with pay and how many leave/holidays without pay?	Number of workers with pay Number of workers without pay	<input type="text"/> <input type="text"/>	
241	Do you expect to hire any workers in the next 3 months?	Yes No	1 2	→
242	How many workers do you expect to hire in the next three months?	<input type="text"/>		
243	How many of the workers who are currently working with you do you expect will not be working with you in the next 3 months (for any reason)?	<input type="text"/>		

244	Have you reduced the salary of any of your current workers since March 2020?	Yes No	1 2	→
245	Approximately, what was the average percentage reduction in the salary of your current workers since March 2020?	<input type="text"/> Percentage reduction in salary		
246	During October 2020, what percent of your total expenditure was for wages and salaries?	<input type="text"/> Don't know Refusal	98 99	
247	What was the enterprise's monthly sales revenue during the last completed month (October 2020)? <i>In IQD</i>	Less than 1 million IQD 1-9,9 million IQD 10-29.9 million IQD 30-49.9 million IQD 50-79.9 million IQD 80-99.9 million IQD >100 million IQD Don't know Refusal	1 2 3 4 5 6 7 8 9	
248	Did the enterprise owner have income from other supplemental sources?	Yes No Don't know Refusal	1 2 8 9	Ask if 230=1
249	What was the enterprise's monthly profit during the last completed month (October 2020)? <i>Profit = Revenue - Expenditure</i>	Less than 1 million IQD 1-9,9 million IQD 10-29.9 million IQD 30-49.9 million IQD 50-79.9 million IQD 80-99.9 million IQD >100 million IQD Don't know Refusal	1 2 3 4 5 6 7 8 9	
250	Approximately, what was the amount of total sales revenue for the enterprise during 2019? <i>In IQD</i>	Less than 1 million IQD 1-9,9 million IQD 10-29.9 million IQD 30-49.9 million IQD 50-79.9 million IQD 80-99.9 million IQD >100 million IQD Don't know Refusal	1 2 3 4 5 6 7 8 9	
251	How would you describe the financial status of your enterprise prior to the onset of the coronavirus pandemic, i.e. before March 2020?	Profitable Break even Was losing money Don't know Refusal	1 2 3 8 9	
252	Compared to last year (2019), how do you expect your profit would be in 2020?	Much higher Higher About the same Lower Much lower	1 2 3 4 5	
253	Do you have any existing financial commitments? <i>Read out and select all that apply.</i>	Micro-finance loan Bank loan(s) Bills of exchange Deferred Cheques Open letters of credit None	1 2 3 4 5 6	→
254	How much debt does your enterprise currently has?	Less than 1 million IQD 1-9,9 million IQD 10-29.9 million IQD 30-49.9 million IQD 50-79.9 million IQD 80-99.9 million IQD >100 million IQD Don't know Refusal	1 2 3 4 5 6 7 8 9	
255	Does your enterprise have web/internet based sales or provision of services?	Yes No	1 2	
256	Before the onset of the coronavirus pandemic, did your enterprise offer home-delivery or pick up for its sales or services?	Yes No	1 2	→

257	How is the delivery or pick-up arranged? <i>Select all that apply.</i>	Phone calls including Whatsapp, Viber, etc Text messages including Whatsapp, Viber, etc. Own website Own mobile apps Delivery mobile apps such as Lezzo, Talabatey, etc. Other	1 2 3 4 5 6	
258	Does your enterprise offer home delivery or pick up for its sales or services?	Yes No	1 2	
259	How is the delivery or pick-up mainly arranged? <i>Select all that apply.</i>	Phone calls including Whatsapp, Viber, etc Text messages including Whatsapp, Viber, etc. Own website Own mobile apps Delivery mobile apps such as Lezzo, Talabatey, etc. Other	1 2 3 4 5 6	
260	Are these changes in forms of delivery introduced because of the coronavirus?	Yes No	1 2	

Section 3: Impact of COVID-19

301	Is your enterprise affected by the COVID-19 /Coronavirus pandemic in any way (either positively or negatively)?	Yes No	1 2	→
302	How is your enterprise currently affected? <i>Select all that apply.</i>	Lower demand of products Lower supply of raw materials and intermediate goods Restricted movement of workers Forced closure of business Workers absence from workplace Closure of marketplace /shops Insufficient protective equipment Higher demand for produce/services Higher price for produce /services Lower price of raw materials and intermediate goods Higher price of raw materials and intermediate goods Other, specify:	1 2 3 4 5 6 7 8 9 10 11 12	
303	So far and since the onset of the coronavirus crisis in the country, what are the three most severe economic impacts of the Corona-virus pandemic on your enterprise? <i>Maximum 3 options!</i>	Loss of revenue Reduce demand / sales Increased costs of production Access to cash/liquidity problems Problems importing materials needed Increased revenue Increased debt Bankruptcy No economic impact Other, specify:	1 2 3 4 5 6 7 8 9 10	
304	Are there any organizations or groups you are working with to cope with the situation? <i>Select all that apply</i>	Formal financial service providers Informal savings associations Enterprises operating in the same sector or area Civil society organizations National government ministries Local government None Other, specify:	1 2 3 4 5 6 7 8	
305	Have you worked with any of these groups to cope with other shocks that impacted your business in the past? <i>Select all that apply</i>	Formal financial service providers Informal savings associations Enterprises operating in the same sector or area Civil society organizations National government ministries Local government No, didn't work with any of them	1 2 3 4 5 6 7	
306	Because of the COVID-19 /coronavirus pandemic, what is the number of your employees who are unable to come to work at present?	<input type="text"/> Fill 0 if none are affected		
307	Among those who are unable to come to work, how many are currently working from home? <i>Employees are considered to "work from home" if they can do their jobs for their employer when being at home.</i>	<input type="text"/> Number of workers working from home		

308	Because of the COVID-19/coronavirus pandemic, what percentage of monthly sales revenue did you lose during October 2020?	<input type="text"/> <i>Record 0 if no revenue is lost</i>		
309	What are the two most significant financial problems for your company during the COVID-19/coronavirus pandemic. <i>Select up to two options</i>	Staff wages and social security payments Rent Repayment of loans Payment of invoices Other expenses No specific problem Other, specify: _____	1 2 3 4 5 6 7	
310	How many weeks from today do you think it will take your firm to be back to the pre-COVID-19/coronavirus state (normal state) in terms of market for your product?	<input type="text"/> Number of weeks Never Don't know	97 98	
311	Has your enterprise taken any measures so that it could continue to be operational and ensure business continuity during COVID? <i>Ask if the enterprise owner had to make any changes to the business model, operations or delivery mechanisms to ensure business continuity both in terms of the enterprise being able to continue functioning despite coronavirus and the containment measures as well as to stimulate demand. If they were able to continue operating without any challenges, select no.</i>	Yes No	1 2	
312	What measures were taken, or changes made? <i>Enquire in detail!</i>	Introduced e-commerce Selling some assets Considering introduction of new products Reduce prices of products and services Increase prices of products and services Negotiate delay of payments Decided to accelerate technological, product and service innovation Explored new office and business models Strengthened global reach of supply chain Planning to withdraw from market Negotiate with lenders for lowering the financing cost and extending the repayment cycle Negotiate with the lessor for the reduction or exemption of rent, equipment rental fees Shut down certain production lines, outlets Apply for subsidies	1 2 3 4 5 6 7 8 9 10 11 12 13 14	
313	In the face of the growing concern of the COVID-19/Coronavirus pandemic, what policy measures do you believe are the most relevant for your enterprise? <i>Do not read out the options!</i>	Covering, reduction or freeze of operational costs such as costs for working places Reduction of costs for electricity, gas, logistics Reduction or deferral of payroll taxes or providing wage subsidies Additional severance pay to laid-off workers Waving taxes payment Reduction or deferral of pension contributions Reduction of bank interest rates Freeze of loan repayment, extension of loan terms or partial debt relief Providing access to capital through access o zero-interest loans Providing technical advice on business operations related with the crises Improving of exporting tax rebate services Foreign currency supply Relaxing labour regulations (e.g., easing laying off or firing of workers) Other, specify: _____	1 2 3 4 5 6 7 8 9 10 11 12 13 14	
314	Have you benefitted from any government support related to the COVID-19/Coronavirus pandemic?	Yes No	1 2	→

315	What type of support did you receive? <i>Do not read out the options!</i>	Covering, reduction or freeze of operational costs such as costs for working places Reduction of costs for electricity, gas, logistics Reduction or deferral of payroll taxes or providing wage subsidies Additional severance pay to laid off workers Waving taxes payment Reduction or deferral of pension contributions Reduction of bank interest rates Freeze of loan repayment, extension of loan terms or partial debt relief Providing access to capital through financial grants Providing access to capital through access to zero-interest loans Providing technical advice on business operations related with the crises Improving of exporting tax rebate services Foreign currency supply Relaxing labour regulations (e.g., easing laying off or firing of workers) Other, specify: _____	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15	
316	How many workers were you able to keep due to the government support?	_____ 0 _ _	None	
317	What measures has your enterprise taken to increase the safety of its workers? <i>Select all that apply</i>	Disseminated protective gear (i.e., hand sanitizer, masks, gloves) for employees to use at their discretion Enhanced cleaning and sanitizing efforts across facilities Implemented a shift schedule to rotate staff and minimize the number of people at the worksite Established a dedicated commuter shuttle for our employees Permit workers to work from home Grant workers paid leave Strict social distancing requirements in the workplace No measures have been taken yet Other, specify: _____	1 2 3 4 5 6 7 8 9	
318	In the past two years, has your enterprise been affected by any of the following shocks or stresses outside the current situation? <i>Select all that apply</i>	Price increases for goods/raw materials Lack of availability of goods/raw materials Difficulty recruiting qualified employees Conflict prevented enterprise operations Reduced customer demand No, not affected Other: please specify _____	1 2 3 4 5 6 7	
319	What do you consider the greatest risks to your enterprise over the coming year? Select 3 that are most relevant to you. <i>Maximum 3 options allowed</i>	Loss of revenue Reduce demand / sales Increased costs of production Access to cash/liquidity problems Problems obtaining materials needed Problems maintaining qualified staff Gov't restrictions prevent enterprise operation Conflict prevents enterprise operation None, no risk Other, specify: _____	1 2 3 4 5 6 7 8 9 10	
320	With regards to the coronavirus crisis, what are the biggest obstacles facing your enterprise in the coming months? <i>Select all that apply</i>	Reduced sales/demand Restrictions on foreign currency Bank shutdowns Political/social instability Low liquidity/ cash flow problems No restocking of goods/raw materials Problems moving goods/raw materials domestically Loss of investment None Other _____	1 2 3 4 5 6 7 8 9 10	
321	How confident are you that the enterprise is economically robust enough to come through the crisis and resume profitable business after the crisis is over?	Highly confident Confident Neither Unconfident Highly unconfident	1 2 3 4 5	

Section 4: Follow-up information and comments

<p>Lastly, we would ask you a few questions that might help us to follow-up the valuable information that you have provided in the coming months as the Coronavirus pandemic progresses.</p>				
401	<p>Would you be willing to participate in a follow up survey we are planning to carry out in August?</p>	<p>Yes</p> <p>No</p>		
402	<p>Please provide contact information</p>	<p>Telephone number</p> <p>E-mail address</p>	<p>10 digits</p> <p>xxx@xxx.xx</p>	
403	<p>Please add any additional comment</p>	<p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>		



This report presents the findings from a study carried out as part of a larger initiative to assess the impact of the COVID-19 pandemic on labour markets in three Arab States: Iraq, Jordan and Lebanon. In Iraq, the International Labour Organization (ILO) led the initiative in collaboration with the United Nations Development Programme (UNDP), UNWomen, the International Organization for Migration (IOM), the European Union (EU) and the Cash and Livelihoods Consortium in Iraq (CLCI), which is composed of the Danish Refugee Council (DRC), the International Rescue Committee (IRC), Mercy Corps, the Norwegian Refugee Council (NRC), and Oxfam. As part of the initiative, the Fafo Institute for Labour and Social Research (Fafo) has implemented several surveys of individuals, households and enterprises.

