

Enterprise Development Fund

Feasibility Study

EDF-Women

**Funding Women's Participation
in the Labour Force**



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INTRODUCTION

The International Organization for Migration (IOM) Enterprise Development Fund (EDF) is an innovative livelihoods approach to contribute to economic recovery and private sector revitalization in Iraq through tailored support to Small and Medium Enterprises (SMEs). The EDF aims to restore and develop essential economic infrastructure by providing financial capital to SMEs (2–30 employees) in primary and secondary economic sectors. By targeting key sectors and providing necessary funding, the EDF encourages rapid but also large-scale job creation. The goal of EDF is to support SMEs so as to enable them to recover and expand their businesses after the

2014–2017 conflict, as well as to facilitate rapid job creation that meets decent work criteria.

In late 2020, IOM will undertake a round of EDF specifically targeting women-owned and women staffed businesses, to increase the representation of female business owners among IOM's grant recipients. To better inform the EDF round focusing on the proposed groups, IOM undertook a study to advise the different stages of the EDF process and adapt it specifically to the women's needs.

EDF PROCESS OVERVIEW

Through a call for expression of interest restricted to sectors previously identified as scalable, SMEs are encouraged to submit an Expression of Interest (EOI) through outreach campaigns that may include information on social media, Q&A sessions and video tutorials in the selected districts. Several workshops are usually conducted by IOM field staff, who will clarify the selection criteria and application package requirements; offer advice and consultations to SME owners who would like to apply; and guide or assist owners (for example, if they are illiterate) in filling and submitting the application package.

The livelihoods teams subsequently review the received applications to ensure these meet the minimum eligibility criteria, which include pre-conflict business operativity or alignment of the sector in question to the sectors listed as eligible in the call for proposals. Preference is given to SMEs that demonstrate positive social as well as economic impact, sustainability, innovation and the participation of vulnerable groups, including displaced persons and returnees. The EOI provides the opportunity for SMEs to indicate their nationality, number of employees, plans on how they intend to use the grant, social impact and experience over the last four years. Businesses are also asked to indicate their contribution to the project.

All of these aspects inform the scoring mechanism, which determines the most qualified businesses. Based on the preestablished criteria, businesses receive a score (calculated through an algorithm) and are ranked. The long-listed businesses are then checked on site to ensure the veracity of the information provided. Subsequently, based on the outcome of the visits, a shortlist of applicants is created and these are invited to submit a full proposal inclusive of a detailed business plan.

During the selection stage, an investment committee composed of senior IOM staff reviews the full applications, which now include a detailed business plan. Two key criteria are central

to the selection phase, namely the potential for full-time job creation and the sustainability of the business, in addition to the business score generated by the grant algorithm. The business plans also undergo a rigorous due diligence process, in which externally hired local experts review the job creation potential and feasibility of each plan. Based on the information received in the application, the site visit findings, and the documentation verification, the committee selects SMEs that align most closely with the expression of interest. In addition, SMEs that are more likely to create sustainable jobs and contribute to developing key economic sectors are also prioritized in grant matching.

IOM subsequently notifies the winning SMEs, and an agreement outlining the responsibilities, milestone-linked disbursement schedules, and performance indicators, is drafted. IOM and the SME will meet to discuss the type of business development support they will receive through the grant, based on the information gathered through the questionnaires, site visits, interviews and the preferences of the applicant. All businesses who receive the grant are required to take an EDF business orientation session that includes marketing advice, environmental and safety considerations, as well as a session on labour standards provided in cooperation with the Chamber of Commerce or the Ministry of Labour and Social Affairs.

The grant is released in installments based on a set of mutually agreed milestones, which often include infrastructure rehabilitation, purchase of machinery, or the increase in the number of jobs supported within the business. Upon receipt of the business plan, the first instalment is released to the grantees. By working closely with the selected SMEs, IOM verifies progress towards all the subsequent agreed milestones and disburses the funds accordingly. IOM provides continuous oversight and performance verification of the SMEs; each verification visit also assesses whether the milestones were achieved. Due diligence processes are integrated throughout the lifecycle of the EDF, whereby IOM aims to identify and mitigate against conflict of interest, fraud and other misuse of funds.

WOMEN IN THE IRAQI ECONOMY: AN OVERVIEW

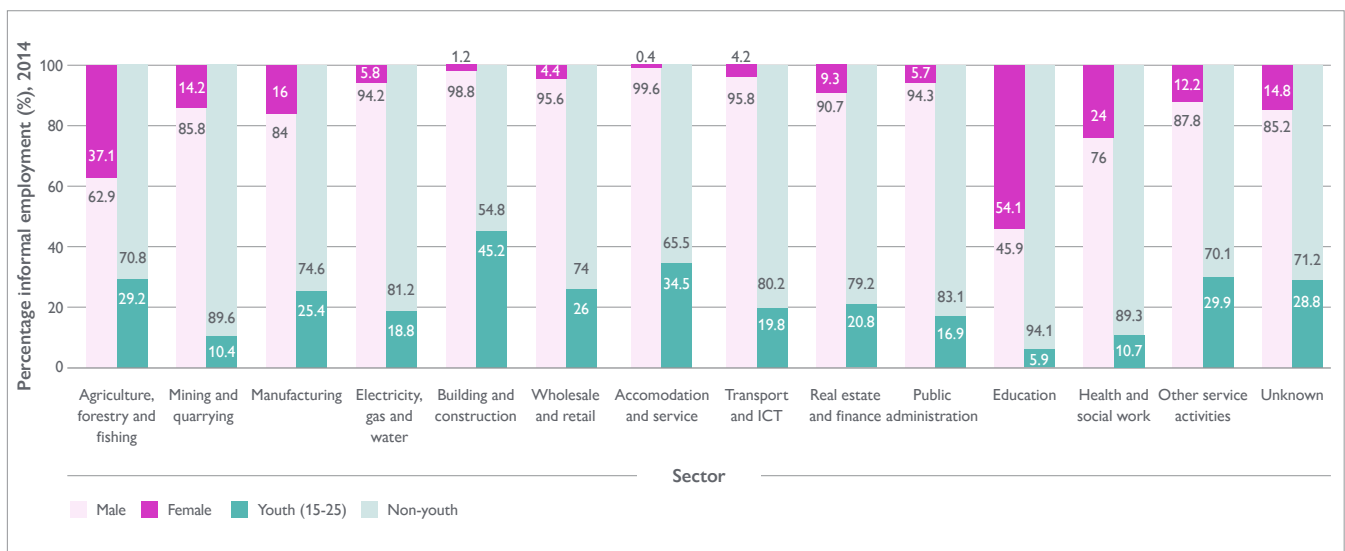
This section explores women in the Iraqi economy. The first part explores women in employment and the second part dwells on female entrepreneurs.

WOMEN IN EMPLOYMENT

Women's labour force participation in Iraq is low and was estimated at 8.2 per cent as of 2019 (compared to the 66.8 per cent male participation).¹ The relatively few women who did participate in the labour force were heavily concentrated in public sector wage jobs (not poor, educated, mostly urban women) or at the opposite end of the spectrum – non-wage agriculture (poor, less-educated, mostly rural women).²

Women are also employed in the health and social work sectors. The share of women employed in the non-agricultural sector is low in Iraq and was estimated at 12 per cent as of 2012.³ Women are very unlikely to have formal private-sector employment in Iraq, with less than 7 per cent of the workforce consisting of women, as highlighted in a 2012 report by the World Bank.⁴

FIGURE 1: EMPLOYMENT STATISTICS IN DIFFERENT SECTORS FOR MEN, WOMEN, AND YOUTH.



Source: CSO 2014 (from UNESCO Construction Report, 2018)

According to the World Bank, women with low levels of education and skills are often self-employed and concentrated in private sector activities.⁵ These are usually informal, low-paying jobs with almost no access to benefits such as health insurance, maternity leave or pensions. Women working in the informal economy or private sector are generally excluded from the protection of the labour code as these do not apply to women “who are engaged in a family enterprise in which only family

members work and which is under the authority and supervision of the woman's spouse, father, mother, or brother.”⁶

Almost all respondents who were currently employed or who had ever sought employment from a recent study conducted by REACH and UN Women (surveying over 600 women, including internally displaced persons (IDPs), returnees, host community and Syrian refugee women)⁷ reported that the need for additional income was the primary motivation

1 ILO, Iraq Employment Statistics for 2020, https://www.ilo.org/gateway/faces/home/statistics?_adf.ctrl-state=8bz1un6bn_4&locale=EN&countryCode=IRQ#

2 Krishnan, 2014.

3 World Bank, Iraq, Investment Climate Assessment, 2012.

4 World Bank, 2012

5 Stephen Rimmer, Mohammad Al Ani, A Presentation on Gender Issues in Iraq and Private Sector Development.

6 UNDP, Iraq, Human Development Report, 2014.

7 Among these, 135 were not seeking employment. The survey was conducted in Anbar, Baghdad, Duhok, Erbil, Ninewa, Salah al-Din, and Sulaymaniyah

for them to seek employment.⁸ A much higher proportion of women who were heads of household reported being the only household member able to work compared to those who were not heads of household (110 out of 161 respondents who were heads of household versus 81 out of 338 who were not). IDPs and refugee women living in camps most frequently reported needing additional income because they were the only household member able to work (61 out of 95 and 30 out of 57 respondents, respectively). In addition, personal satisfaction also motivated respondents to work (166 out of 499 respondents who were ever employed or sought employment), indicating that the desire for work goes beyond economic necessity, the report concludes. The findings of an IOM report also reflect similar reasons for women's participation in economic opportunities, identifying the primacy of economic motivations along individual and social reasons.⁹

Respondents from the REACH study thought that primary factors driving employment among women include 1) work experience and expertise (according to 281 out of 416 respondents who were currently or previously employed), 2) educational attainment (195 out of 416 respondents), and 3) technical training (85 out of 416 respondents). The vast majority of respondents also reported that they used connections of family and friends to find a job, which contradicts the finding listed earlier on the factors that determine women's access to work, which rather highlighted the importance of experience and education. IOM's report suggests that the culture of *wasta* (connections) determines the employment prospects for both men and women in Iraq but even more so for women, who might count on less social capital in comparison to men.¹⁰ The same REACH assessment also determined a high interest in trainings (151 out of 187 respondents) among women, including on how to look for a job (48), computer skills (46), finances and bookkeeping (15), and starting a business (13). Most requested training related to a technical sector (98), including education, sewing and textiles, and health. Most employed women believed that they had the skills necessary to be successful in their sector; the vast majority of women also expressed an interest in receiving further training (296 respondents out of 330 currently employed women).¹¹

Based on a World Bank report from 2012, when asked about their reasons for not hiring more women, senior managers' main reason (regardless of company size), was that the security situation made it difficult for women to commute to work.¹² This issue was a key consideration for 54 per cent of firms. Governorates where this belief was held the strongest are Basra (94%), Najaf (80%), Karbala (78%), and Sulaymaniyah (75%). The second most commonly identified reason for not employing more women was that women were absent from work more often than men (46%). While the exact reason for this perception is unknown, it might be attributed to female household and childcare responsibilities or to the unstable security situation.¹³ Forty-three per cent mentioned that work requires travel to remote places, which is difficult for women, followed by 'required benefits and expenses, such as providing separate work place facilities make women more expensive' (41%) and regulations not permitting women to work in the business activity of the respondent (36%).

Based on the same World Bank report, firms without female owners tended to be more likely to identify key factors for not hiring women, which raises the possibility of a male bias against hiring women.¹⁴ Male-owned firms were more likely to mention regulations, required benefits, the higher rate of absence, the requirement of travelling to remote places, and the security situation. Service firms consider the requirement to travel to remote places and the security situation most constraining when hiring women. In all cases (except the security situation); the report concludes that these impediments are greater for small and medium sized businesses compared to large businesses, the report concludes.¹⁵

About half of the women surveyed for the REACH assessment had a formal agreement with the employer. A total of 167 women reported not being aware of any laws or policies related to employment in Iraq, while the remaining 249 respondents said that they knew there were laws on maternity leave, retirement age, pension, and limitations on working hours, but had a negligible knowledge on laws related to discrimination or harassment in the workplace.¹⁶

8 REACH and UN Women, Assessment on Employment and Working Conditions of Conflict-Affected Women Across Key Sectors, November 2019, <https://reliefweb.int/sites/reliefweb.int/files/resources/Assessment%20on%20the%20Working%20Conditions%20of%20Women%20across%20Key%20Sectors%20-%20Final%20Report%20-%20Iraq.pdf>

9 IOM, Perceptions in Women's Economic Opportunities in Urban Areas of Iraq, 2018

10 IOM, 2018.

11 REACH

12 World Bank, Climate Investment Report, 2012.

13 World Bank, 2012

14 World Bank, 2012

15 World Bank, 2012

16 REACH, 2012

FEMALE ENTREPRENEURS

Information specific on women running SMEs in Iraq, especially the challenges they experience, is somewhat limited. According to data from the Investment Climate Report from 2012, which is based on a survey of approximately 1000 enterprises in Iraq, only 7 per cent of sampled firms reported that a woman was one of its main owners.¹⁷ Within the sample, the incidence of firms with a female as one of the principal owners is markedly higher among large companies (44%) than in small (5%) and medium ones (8%). Firms with female ownership were further found to be markedly more likely to identify tax rates, an inadequately-educated workforce, and competition from the informal sector as serious (“major” or “very severe”) constraints. By contrast, firms with only male owners were more likely

to identify electricity supply, water, business licensing and operating permits, political instability, and access to land as serious constraints. The same study also found that women made up only 1.1 per cent of senior management in Iraq. The incidence of firms with a female as a senior manager was higher among large firms (11%) than among SMEs (1% of both small and medium-sized firms).

When asked about what prevented them from opening their own business (or seeking employment) IOM LMA jobseekers (165 in total, based on all those surveyed up to July 2020), 78 per cent mentioned lack of capital or ‘financial issues’. Only a small number mentioned family or community reasons (5.4%).

EVIDENCE ON WHAT WORKS TO ECONOMICALLY EMPOWER FEMALE ENTREPRENEURS

According to UN Women, women’s economic empowerment includes women’s ability to participate equally in existing markets; their access to and control over productive resources, access to decent work, control over their own time, lives and bodies; and increased voice, agency and meaningful participation in economic decision-making at all levels from the household to international institutions. While many definitions of women’s economic empowerment exist, central to most of them is the notion that not only increases in women’s access to income and assets are important, but also control over them and how that control is used in other aspects of their life.¹⁸ This section outlines some evidence extrapolated from the Women Economic Empowerment Roadmap,¹⁹ including the latest update²⁰ on what works to economically empower female entrepreneurs.

The present revision includes *poor women* (micro-entrepreneurs who may be home-based or rent a market stall or shop, with revenues greater than 100 United States dollars (USD) per month and potentially one or two employees)²¹ and *non-poor*

women (SME owners with between 5 and 50 employees and monthly revenues of USD 5,000 or more, and more than USD 100,000 in some cases).²² These two groups would roughly align with potential EDF grantees, whereas the category of ‘very poor women’²³ are mostly left out as this particular group would rather fall under the IOM ILA component in terms of support (for example, through the Business Support Package). Women in agriculture are also excluded from the summary. The Roadmap does not include evidence on businesses with women staff. The interventions and ratings are also summarized in Table 1.

Evidence suggests that secure (private, therefore not accessible to others) individual *savings* accounts, including in the form of commitment accounts and liquid savings accounts, have positive economic outcomes for women across different countries and situations, partly by responding to women’s demand for such accounts and by helping to label and protect money for specific business uses.²⁴ The report continues that this is especially the case for less-empowered women, who particularly benefit from savings accounts that include some

17 World Bank, 2012

18 Furthering economic empowerment is hugely complex, given its wide-ranging implications for different aspects of women’s lives. It requires changes within individuals (capability, knowledge and self-esteem); in communities and institutions (including norms and behavior); in markets and value chains; and in the wider political and legal environment (Golla et al., 2011).

19 Mayra Buvinic, Rebecca Furst Nichols, Emily Courey Pryor, Women economic Empowerment Roadmap, 2013, Exxon Mobil, UN Foundation, http://www.womeneconroadmap.org/sites/default/files/WEE_Roadmap_Report_Final.pdf

20 Mayra Buvinic and Megan O’Donnell, Revisiting What Works: Women, Economic Empowerment and Smart Design, November 2016, http://www.womeneconroadmap.org/sites/default/files/CGD-Roadmap-Update_v4.pdf

21 In addition, it includes subsistence farmers growing food primarily for family consumption in a family plot, female-owned plot or household garden. Female farmers generally do not own plots unless they are heads of a farm household. These women may sell some surplus to local markets, and may or may not control proceeds from farming.

22 In addition, smallholder farmers growing food crops and/or cash crops for sale in regional, national or cross-border markets. These women own or manage the farm and control its proceeds.

23 Self-employed women, home-based or street vendors with no set stall or shop, with no paid employees and average monthly revenues of \$80 to \$100 at market exchange rates, and profits of approximately \$1 per day./ Subsistence-level unskilled laborers, often with irregular, seasonal income. /Women vulnerable to food insecurity and under-nourishment, often illiterate, and lacking house- hold productive assets.

24 Women Economic Empowerment Roadmap, 2013

form of commitment, requiring them to keep and accumulate deposits for a particular goal, which helps these women feel less obliged to share available money with others. (However, the positive effects of savings may not extend to very poor women, who might be too poor to save or might live too far away from a savings institution and may require savings to be part of a package of productive-oriented interventions.)

The same revision established that financial services delivered through *mobile phones* are less costly and may be more effective than other delivery mechanisms in increasing women's business investments.²⁵ By helping to protect the privacy of individual choices, mobile phones may provide women with the sufficient autonomy and independence from social pressures to invest cash in the business rather than in the extended family.

Bundled Services include the provision of a large capital transfer (in-kind but also cash), asset-specific training and technical assistance, cash stipend, and access to savings, and often health information and life skills coaching. It has been proven that these services increase women's incomes and are sustainable and cost-effective for very poor women, whereas for *poor women* less costly interventions should suffice.²⁶ Findings indicate that grants in cash or in-kind alone often fail to generate growth in female-owned enterprises, except in businesses that were relatively large and successful (thus had more potential to grow) to begin with.²⁷ Evidence shows that consulting services can have significant effects on the profits of small enterprises and earnings of their owners; however, since the study only reports average effects on both male and female business-owners, further evidence is needed to understand whether effects hold for female-owned businesses.²⁸ Taken together, these studies show that interventions that transfer capital and provide business training to female-owned micro enterprises may yield short-run increases in profitability, but only when combined; when provided alone and not intensively (see evidence below on more intense standalone trainings as these tend to work for poor women), neither capital grants nor training are sufficient to help female-owned small businesses grow (though these can help the non-poor women's businesses).²⁹

Based on a systematic analysis of more than 20 studies in different contexts, *business management training as a standalone intervention* improves business practices among *non-poor women* (but has few measurable effects on the growth of women-owned subsistence level firms or the very poor women).³⁰ The analysis of the 20 programmes did acknowledge, however, that the varying nature and quality of training programmes as well as low uptake and small, heterogeneous samples made it difficult to statistically detect anything but large effects in the evaluations reviewed.

Evidence suggests that 'promising' ways to improve the impact of business training include increasing the quality and duration of the training, following up the training with customized technical visits or expert advice to the firm, and targeting women running larger-sized businesses.³¹ To improve the impact of business training on the growth of female-owned firms, a study suggested following up on the training with technical visits or expert advice tailored to the firm.³² The same revision mentioned a study that found that the combination of training and tailored business advice offered to female microentrepreneurs in Lima resulted in an average 19 per cent increase in business sales, whereas the sales of those exposed only to business training did not grow significantly when compared to control groups.³³ However, this customized advice from an expert who visited the firm to diagnose problems and offer simple solutions (averaging five or six hours of visits per firm), costed twice as much as the training alone.³⁴ Supporting the notion of the impact of tailored advice to firms, one-on-one consulting services or tailored advice with mentors in a programme in Puebla, Mexico had a large impact on the performance of micro, small and medium enterprises; monthly sales went up about 80 per cent, and profits and productivity increased by 120 per cent a year after the service was provided.³⁵ Seventy-two per cent of the firms were male-owned, however, and there was an issue of uptake of the consulting services, especially for women, the same authors suggested.³⁶

25 Women Economic Empowerment Roadmap, 2013

26 Women Economic Empowerment Roadmap, 2013

27 Women Economic Empowerment Roadmap, 2013

28 Bruhn et al. (2012) as cited in Women Economic Empowerment Roadmap, 2013

29 Bruhn et al. (2012) as cited in Women Economic Empowerment Roadmap, 2013

30 Revisiting What Works, 2016

31 Revisiting What Works, 2016

32 Revisiting What Works, 2016

33 Revisiting What Works, 2016

34 Valdivia et al., 2011 as cited in Revisiting What Works, 2016

35 Revisiting What Works, 2016

36 Revisiting What Works, 2016

The revision further suggests that quality business training on its own may work better for larger versus small firms. In the case of large firms, a small percentage increase in profits may be enough to justify the costs of business training, especially if the effects last, because the costs of training often do not increase proportionally with the size of firms undergoing training.³⁷ In order to increase programme impact, targeting motivated and self-selected female entrepreneurs is also recommended.

High-quality training of reasonable duration can also have positive economic outcomes for poor women entrepreneurs (rated as 'promising'), the latest evidence suggests.³⁸ This means that training programmes must be high-quality (in terms of training materials, trainers and duration) and address the constraints (time and other costs) that women microentrepreneurs face to attend and complete the training.³⁹ Good business practices are important to long-term business success and the insignificant effect of business training programmes stems from their inability to change business practices sufficiently. For instance, the average training programme increases the use of good business practices only around 6 to 7 percentage points, whereas a high-quality, intensive business programme, like in one example from Mexico (3 months, 3-times per week for 3 hours) or one in Peru (6 weeks), can improve business practices sufficiently to improve business outcomes, if uptake is high and attrition rates are low.⁴⁰ The same revision also mentioned a less successful example of training. A five-day-long business training programme for women micro-entrepreneurs delivered by the International Labour Organisation (ILO) in Kenya yielded a small yet significant improvement in business practices, but only modest impact on sales, no impact on business survival and no self-reported changes on empowerment.⁴¹ The latter seems to suggest that the training was not intensive or long enough to increase business knowledge or change business practices significantly.⁴²

'Associations and networks' and 'mentors and role models' for women entrepreneurs given their role in complementing and reinforcing the effects of interventions such as cash transfers (but also business training) were rated as 'promising'.⁴³ The complementarity seems to work both through acquiring information and obtaining social support, although it has been difficult to isolate the independent effects of networks and mentors from the effects of the interventions they complement.⁴⁴ In addition, it remains unclear whether associations and networks, as well as mentors and role models, can be treated as equivalent or if there are distinct features to each. Evidence shows that networks and mentors may be particularly important for poorer women and for less-empowered women, who may need the information and social support others can provide to gain the knowledge and confidence to make appropriate business choices and take greater financial risks (as women tend to be risk averse), though further studies might be needed.⁴⁵

Evidence also suggests that *capital delivered in kind* (such as, purchase of livestock or inventory) rather than cash works for women-owned microenterprises with firms that are above subsistence level in size; that is, those with higher initial profits than other firms that are closer in size to male-owned microenterprise firms.⁴⁶ In-kind capital acts as a reminder for the recipient women to keep their business orientation in the future and not to divert the money to more immediate uses. However, capital delivered in-kind is more difficult to implement in comparison to grant disbursements.

The Roadmap rated *access to child care* as 'proven' for all groups of women, including women in wage employment. The latest evidence points to the importance of careful design that is context-specific and anticipates potential negative effects.⁴⁷ For example, in Chile, subsidizing child care by extending the school day for children proved effective, while mandating private-sector employers to pay for child care seems to have backfired: gender disparities in wages worsened.⁴⁸

37 Revisiting What Works, 2016

38 Revisiting What Works, 2016

39 Revisiting What Works, 2016

40 Revisiting What Works, 2016

41 Revisiting What Works, 2016

42 Revisiting What Works, 2016

43 Revisiting What Works, 2016

44 Revisiting What Works, 2016

45 Revisiting What Works, 2016

46 Revisiting What Works, 2016

47 Revisiting What Works, 2016

48 The study found that monthly starting wages of females in large firms that had 20 or more female workers, and were therefore mandated by the State to provide childcare benefits, were between 9 and 20 per cent below those of female workers hired by the same firm when there were fewer than 20 female workers and the firm was not mandated to provide child care (Prada et al. 2015).

TABLE 1: TYPE OF INTERVENTION, RATINGS, AND THE RESPECTIVE CATEGORIES OF WOMEN IT REFERS TO BASED ON THE ROADMAP FOR WOMEN ECONOMIC EMPOWERMENT (2013) AND REVISITING WHAT WORKS (2016)

INTERVENTION	CATEGORY OF WOMEN
PROVEN	
Evidence for effectiveness or cost-effectiveness is robust or, in the absence of cost-effective data, simple and replicable in different settings, or weight of evidence is more than promising	
Savings	All
Credit	Non-poor
Business management training	Non-poor
Bundled services: In-kind capital (large) + asset-specific training & technical assistance	Poor (and very poor)
Land rights/titling	All
Childcare	All
PROMISING	
Credible evidence is positive, but not yet convincing in terms of breadth	
Business management training	Poor
Credit	Poor
Networks and Mentors	All
Mobile phones (for financial transactions and market information)	All
Consulting (TA) services for entrepreneurs	Poor and non-poor
In-kind capital, tailored for women microentrepreneurs	Poor
Information on land rights	All
HIGH POTENTIAL	
The intervention has been largely untested but is promising on conceptual grounds	
Firm certification	All
Business associations and networks	All
UNPROVEN	
The intervention has not been effective for the particular category of women in the specific settings where it has been evaluated	
Micro-cash loan or a grant alone	Poor (and very poor)
Financial literacy training (standalone)	Poor (and very poor)

METHODOLOGY

This study's approach mainly consists of qualitative research methods, including phone interviews with female employers, female EDF beneficiaries and employees from enterprises with a prevalently female workforce. Considering that the study tried to explore the possible challenges (but also opportunities) of a round of EDF targeting female-owned enterprises and enterprises with a predominantly female workforce, a qualitative approach was considered appropriate for providing in-depth information, which was used for guiding potential changes and adjustments to the EDF process.

Businesses with a prevalently female workforce were not included in the interview as it is assumed that these, in theory, experience the same challenges as other male-owned businesses in Iraq. In addition, Key Informants would have provided insights on the challenges and best approaches to economically empower women. However, most of the women's programming in Iraq focuses on 'livelihoods' programming rather than on supporting SMEs and therefore discussions might have been less useful. In addition, questions on how to economically empower women in a given context are difficult to answer, with the most relevant guidance still provided by evaluations of similar programmes and the respective lessons learned as outlined earlier.

FEMALE EDF BENEFICIARIES

The phone-based survey, through mostly open-ended questions, explored the challenges that women experienced throughout the different phases of the EDF process, including application and the subsequent implementation phases. The questions also surveyed the improvements these women believe were needed to improve their business outcomes.

In addition, since women's economic empowerment is more than just 'income and assets,' the questionnaire also explored

some other dimensions of empowerment. While these often consist of three main elements, roughly falling at the personal, relational and environmental level, not all were explored to avoid excessively long questionnaires (as some could be also derived from other sources). At personal level, the questionnaire explored access to savings and personal autonomy (family authorization for travelling to different locations). At a relational level, the questionnaire explored group participation along leadership in such groups, household decision-making on some expenditures (small and larger purchases, investments in the enterprise, and decision-making about how to spend income derived from the business). While still anecdotal, this questionnaire provided a glimpse into some of the restrictions that female SMEs have in Iraq, and information for potential 'clever design adjustments' to the current EDF modality by taking women's constraints into consideration.

FEMALE EMPLOYERS

The phone interviews explored the business status and challenges, including with female employees, and the needs that female-owned businesses currently have. In addition, the same set of questions on empowerment as outlined above for the female EDF beneficiaries were also administered to female employers. These questions also provided information for adjustments to the current EDF long-listing and short-listing criteria.

FEMALE EMPLOYEES

Female employees working in prevalently female-staffed enterprises were administered the same set of questions on women's empowerment. In addition, the challenges that women experience for accessing employment, but also the challenges at the workplace were explored, mostly in general.

SAMPLING

Forty female employees, 36 female EDF beneficiaries, and 49 female employers were surveyed in 14 governorates of Iraq and the Kurdistan Region of Iraq (KRI) for this study, that is, 125 women in total, through a purposeful sampling technique. The locations and the number of surveyed women in each are outlined in the table below.

TABLE 2: SAMPLE

GOVERNORATE	EMPLOYEES	FEMALE EDF BENEFICIARIES	FEMALE EMPLOYERS
Anbar	2	3	2
Baghdad	6	5	9
Babylon	-	-	1
Basra	4	1	-
Diyala	2	1	-
Dohuk	-	1	10
Erbil	-	1	2
Kirkuk	4	2	2
Najaf	9	5	1
Ninewa	9	9	13
Salahaddin	4	2	1
Suleymania	-	6	5
Thi Qar	-	-	1
Wasit	-	-	1
Sub-total	40	36	49
Total		125	

LIMITATIONS

To establish differences between male and female employers (on any of the variables measured), a representative survey would have been needed. However, the number of female SMEs is not known (these were obtained through a mapping exercise) and even if these would have been known, the number of female SMEs is often small, which also results in samples that are too small for conducting advanced statistical analysis. Therefore, possible differences between male and female entrepreneurs were established by inquiring about the possible differences as perceived by women only. The answers might be therefore prone to bias as they are only based on perceptions on the differences with men.

In consideration of the coronavirus disease 2019 (Covid-19) restrictions, interviews were conducted over the phone. This limited the richness of the answers, which required an in-depth discussion. Establishing rapport is also difficult over the phone, which was needed, especially for exploring the challenges that female employees experience, as these women would have required additional time for gaining trust given that employers had provided their numbers to the IOM enumerators. Nonetheless, findings were triangulated with other sources with more consistent samples.

FINDINGS

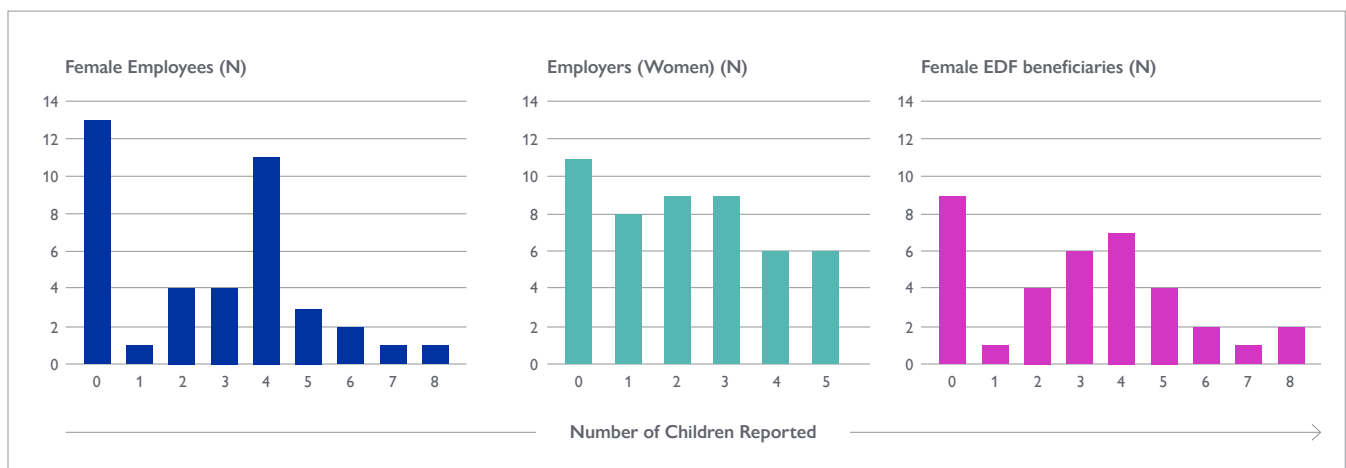
This section outlines background information, including on family size, education, age and some information on the respective companies such as number of employees and years of operation. The following section explores some women empowerment elements, including decision-making on a variety of issues, freedom of movement, and activity in networks. The following section focuses on the challenges experienced by women during the EDF process, based on responses from EDF grantees only. The last sections explore challenges for conducting business experienced by female entrepreneurs, followed by challenges among female employees – for entering the workforce and at the workplace.

BACKGROUND

Female EDF beneficiaries and female employers have 3,1 children on average, with female employees reporting a lower average, 2,7 children. This figure is somewhat lower than the national average of 3,7 births per woman, as of 2018, which places Iraq among the countries with higher fertility rates (it is mostly the Sub-Saharan African countries that fall in this

category).⁴⁹ The lower average number of children is also due to the fact that many reported having none. While quite a high number appear to have no children, a high number appear to have four children and more (up to 9). Those who do not have children are mostly single and belong to all age groups.

CHART 1: NUMBER OF CHILDREN REPORTED BY NUMBER OF WOMEN, INCLUDING FEMALE EMPLOYEES, FEMALE EMPLOYERS, AND FEMALE EDF BENEFICIARIES



49 World Bank, Fertility Rate, Total, <https://data.worldbank.org/indicator/SP.DYN.TFRT.IN>

Education among employers is somewhat average. Less than 50 per cent have a university degree and above, 12 per cent are illiterate and 8 per cent have some reading and writing skills.

Female employees overall also had limited education, where at most, a fourth can read and write. See the table below for details.

TABLE 3: EDUCATION AMONG FEMALE EMPLOYERS AND EMPLOYEES (EXCLUDING FEMALE EDF BENEFICIARIES)

EDUCATION	EMPLOYERS	EMPLOYEES
Illiterate	12%	20%
Some reading and writing	8%	5%
Primary education	14%	12%
Secondary education	4%	20%
High school	14%	30%
University/diploma	41%	13%
Post-graduate degree	6%	0%

Female employers are 39 years old on average, female EDF beneficiaries 41, and female employees 35. Sixty-four per cent of female EDF beneficiaries are married and 22 per cent are single. Female employers are also mostly married (63%) with smaller percentages, who are single (20%), widowed (10%), and very few who are divorced or separated. Female employees are also mostly married (62%) with 27 per cent single (with smaller percentages who are widowed, divorced and separated).

A high number of women surveyed appear to be the head of the household: 40 per cent of female employees, 32 per cent of female employers, and 50 per cent of female EDF beneficiaries.

Female EDF beneficiaries have 8,6 employees on average, where 5,8 are women; therefore, a 67 per cent female workforce. Female employers have slightly less employees on average (7,1), where the average number of female employees is 5,3 (therefore a 74% female workforce). Nineteen per cent of female EDF beneficiaries have up to two employees, whereas among female employers, the percentage is higher, at 36 per

cent. The remaining have three or more and some run fairly large enterprises.

Female employers reported 7,6 years of operations on average, whereas female EDF beneficiaries' enterprises are 11 years old on average, where almost half (42%) appear to be more than 10 years old, which points to well-established businesses.

Twenty-eight per cent of female EDF beneficiaries and the same percentage of female employers and female employees reported having a savings account and the remaining as not having it. Some provided explanations such as not needing a savings account or preferring to 'keep the money at home'. Some women explained it was a lengthy and costly process, with some mentioning corruption. One mentioned the delays when withdrawing money from Iraqi banks and another mentioned there was no bank in the area as she lives in a sub-district. One female employee from Baghdad mentioned she was not able to save any money due to her low salary.

WOMEN'S EMPOWERMENT

In terms of decisions related to larger purchases in the household, these are mostly taken jointly with a family member. The majority of female EDF beneficiaries appear to be making decisions on their own in this regard. As to spending money earned through the enterprise, most female EDF beneficiaries and female employers appear to be taking the decision, which

is less the case among female employees, where decisions are taken jointly. These decisions do not appear to be concentrated among the heads of households only. Overall, women mostly did not report that someone else takes decisions on the larger purchases and on how to spend money earned through their work or enterprise, which is positive (Chart 2).

CHART 2: DECISIONS ON LARGER PURCHASES AND ON MONEY SPENT THROUGH WORK/BUSINESS REPORTED BY FEMALE EMPLOYERS AND EMPLOYEES



In terms of decisions in regards to investment in the enterprise, 55 per cent of female employers and 44 per cent of female EDF beneficiaries decide on their own, whereas 43 per cent of female employers and 47 per cent of female EDF beneficiaries decide jointly with a family member. In addition, 8 per cent of female EDF beneficiaries have no say in regards to investment in the enterprise, which is less positive. This low figure highlights that decision-making among female entrepreneurs in business investment might be somewhat constrained.

Fifty-five per cent of female employees decide jointly with a family member on whether they work or not, with 45 per cent of women mentioning deciding on their own. Those who decide for themselves also appear to be mostly the head of the household. The findings from the REACH assessment established a dispersed decision-making regarding women's entrance in the labour force, with the husband playing a notable role for married women.⁵⁰

50 Of currently or previously employed respondents, almost all said that they had been involved in the decision to look for a job (341 out of 349 respondents) the same study found. This was consistent across population groups. Of these, 191 respondents reported that they were the only person involved in the decision to pursue employment. Among the 207 married women, who were currently or previously employed, a lower proportion responded that they were the only person involved in the decision (101 respondents), with the husband being the most commonly involved additional person in the decision making (80 respondents replied that they and their husbands only made the decision to seek employment). Aside from the women who responded that they were the only person involved in the decision, 22 married respondents did not indicate that their husband was involved in the decision making. Among other respondents (142 respondents), the majority responded that they were the only person involved in the decision (100 respondents), followed by themselves and another family member (41 respondents). Conflict and displacement have also reportedly had an impact on decision making related to employment, depending on perceived levels of safety and family need, the same report found.

In terms of requiring permission to travel, 58 per cent of EDF beneficiaries, almost 50 per cent of female employers, and 37 per cent of female employees do not need approval, whereas the remaining mentioned requiring permission, either from parents or a family member but most often from the husband. They mostly did not specify for which locations they require travel approval. This finding points to some limitations in terms of freedom of movement among women.

It appears that female entrepreneurs do not require childcare nor experience problems with it, with few exceptions, and others leave their children with family members. On the other hand, 32 per cent of female employees reported facing challenges related to childcare. Nurseries and kindergartens are available in Iraq but their availability might not be consistent, particularly in rural areas. Data from 2007 (the most recent available), indicated that only 7 per cent of children aged 3–5 years were enrolled in pre-primary education (such as nursery school or kindergarten).⁵¹ The findings from a recent IOM study in four urban areas indicated that childcare facilities were considered sufficient and were operational in the areas of study; sending children to these facilities was viewed positively by some participants too.⁵²

Sixty-one per cent of female EDF beneficiaries and female employers do not belong to any business-related association or network. The remaining EDF beneficiaries mentioned trade and industry unions, labs, associations and the Federation of Iraqi Businesses. Female employers did not specify the organization but those who were not involved mentioned it was because association is not needed, such associations did not exist (according to their knowledge), and that they did not have the time for it. Female EDF beneficiaries mostly mentioned not being involved in decision-making in the respective institutions/networks, whereas eight female employers were involved to a medium extent and one was involved to a large extent (and 3 to a small extent). Two respondents explicitly stressed the importance of associations, especially for improving business outcomes (one mentioned through information sharing, including virtually).

While most employers do not belong to any non-business-related association either, five EDF women mentioned NGOs, farmer's markets, and other activities, where two are involved in decision-making to a great extent. Eighteen per cent of female employers belong to other types of networks and associations and half are involved in taking decisions to a medium extent and the remaining to a small extent (only one was not involved at all).

EDF PROCESS

Female EDF beneficiaries mostly reported not having experienced any difficulties during the EDF outreach phase. Two women reported requiring to travel with a guardian to

the Community Resource Centre, which might have been far from their dwellings (reportedly, others claimed not having any difficulties as they resided nearby). One beneficiary mentioned that many women were cut out as they were not exactly from the area determined eligible by the EoI.

The majority did not report any challenges for filling the forms, as they reported receiving training with some others, and were assisted by some organizations. About one fifth raised some issues, including difficulties in filling the form, especially due to the details required (but they did not elaborate further). Three women mentioned issues related to the verification of income,⁵³ reporting they did not have anyone to do so.

Forty-four per cent of women reported not experiencing any challenges in the subsequent phases of the EDF process. Women mentioned late or delayed disbursements, where some specified it was due to Covid-19 closures. Some also mentioned that they spent all their savings due to the delayed payments and one mentioned she had to borrow money. One mentioned not being able to attend the orientation session. Three women had difficulties in providing proof of registration. One grantee mentioned lack of clarity of the milestones after the first one was achieved, such as procedures for the next milestone payments. The expenses were also considered higher than expected, especially for registration and government department expenses, likely referring to paperwork.

CHALLENGES FOR CONDUCTING BUSINESS

Fourteen per cent of female EDF beneficiaries reported very good and 33 per cent a good business performance with 11 per cent reporting average demand, which is a positive finding, especially considering the overall damaging effects of the Covid-19 lockdown. Some of those who mentioned very good and good demand mentioned actually improving their business production and sales during the Covid-19 closures, whereas some others reported losses (but still considering them good demand). Those who reported having poor demand also mentioned Covid-19 as the main reason. Apparently, beneficiaries working in the food sector reported only good to very good demand (with 2 reporting average). Other sectors were mixed. A quarter only reported poor performance and none a very poor performance. A small number of respondents were women from newly established enterprises.

The other female employers surveyed reported similar business outcomes (4% very good, 37% good, and 14% average performance with slightly higher percentages, 44%, reporting poor performance). Good performance was attributed to good reputation and high hygiene standards (as reported by those working in the food sector), and 'harmony among employees' in the office. Many mentioned that demand used to be very good but due to closures caused by the pandemic demand is

51 REACH

52 IOM, 2018.

53 Businesses should be rejected if the salaries reported by the business owner and the employees are not consistent by 25 % or more.

lower. Women who reported average demand also attributed the rating to Covid-19 whereas those who reported poor performance, in addition to attributing it lockdowns, mentioned the economic crisis in general, poor access to electricity, and one business owner working in dairy production reported shortage of milk 'due to seasonal conditions.' Overall, no sector appears to have particularly bad demand among the female entrepreneurs (in agriculture and hospitality, while the demand was poor, the number of respondents is also very low and therefore drawing any conclusions is difficult). Details on the poor demand expressed in percentages within sector, are in Table 4.

TABLE 4: LOW DEMAND REPORTED BY FEMALE EMPLOYERS AND FEMALE EDF BENEFICIARIES DIVIDED PER SECTOR REPORTED AS PERCENTAGE WITHIN THE SAME SECTOR

SECTOR	EDF WOMEN POOR DEMAND WITHIN SECTOR PERCENTAGE	FEMALE EMPLOYERS POOR DEMAND WITHIN SECTOR PERCENTAGE
Agriculture	-	100%
Hospitality	-	100%
Services	71%	60%
Education	-	67%
Manufacturing	50%	-
Trade	-	50%
Textile	30%	33%
Food	-	17%

Female employers were asked about the challenges they experience with suppliers, with the vast majority reporting not having any. Eighteen per cent reported some challenges, including late delivery of raw materials (3), poor quality and high price of raw materials, lack of commitment and lack of trust in the suppliers, which are common complaints among all the employers surveyed for the EDF market assessments/LMAs. Two women mentioned gender-related challenges, such as men being taken more seriously and the perception that men pay more than women. One mentioned the need to go to the market for meeting her suppliers, which is populated by men only (she also acknowledged that these men will not prevent her from approaching her suppliers). The same respondents were asked about the challenges they experience with clients, where almost 70 per cent reported not having any. The remaining reported challenges related to late payments, bargaining, clients changing their mind after the delivery of the goods/service, and similar issues, which are reported by the majority of employers surveyed by IOM in Iraq. One mentioned 'flirting' with the female employees as the major challenge with clients.

Women were also asked about the main challenges they experience in conducting their business. Half were explicit on the absence of any challenges. The remaining mentioned:

high competition (2), poor marketing (2), presence of 'different political parties' (mentioned by 2 respondents, both from Sulaymaniyah), poor quality of raw materials, insufficient quantities of raw materials, relocation of business due to return from displacement, high prices paid for purchasing the needed equipment, Covid-19 closures, small working space, lack of electricity, high demand (considering current capacities), lack of driving license (causing poor access to raw materials), censorship of websites (related to a media company), lack of design knowledge (in the textile sector), high registration fees and taxes, lack of financial support, lack of transportation, government interference (without further specifications), and commitment/credibility of customers and/or suppliers. These also mostly align with the findings from the surveys administered to employers by IOM across Iraq.

The majority of female employers do not feel they experience any particular challenges due to their gender if they compare themselves to men in similar businesses. A small number reported some challenges, including not allowing customers to smoke inside the shop to preserve its family friendly clientele and preventing people from 'talking'. The respondent acknowledged that these restrictions reduce the number of clients, with detrimental effects on her business outcomes. One mentioned the need to work from home due to her domestic responsibilities, which also prevents her business from growing. One female employer reported challenges related to advertising to hard-to-reach women.

Female employers were also asked about the challenges that female entrepreneurs experience in general (compared to men), with the majority saying there were no major differences as all experience similar challenges. One respondent thought that suppliers, drivers and technicians think that male business owners are more 'serious' than female business owners. One respondent mentioned challenges related to customs and traditions, which are slow to accept female business owners. One respondent also mentioned how female entrepreneurs are overburdened since they also have to 'work at home'. One female employer working in advertising and media reported that a male business owner stole her camera and other unspecified equipment. Two respondents mentioned facing fiercer competition compared to male business owners but did not provide further details.

To improve business performance, female business owners (both female EDF beneficiaries and female employers) mostly mentioned requiring machinery, raw materials, and equipment, followed by financial support and expansion in the same area or by opening branches. Seven women mentioned requiring a work-space or showroom, as women often work from home, which has a detrimental effect on business outcomes. Four mentioned requiring a mentor and counselling, and four mentioned training. Five mentioned the need to hire additional employees, especially women (Table 5).

TABLE 5: FEMALE EMPLOYERS AND FEMALE EDF BENEFICIARIES' NEEDS FOR IMPROVING BUSINESS PERFORMANCE

IN ORDER TO IMPROVE BUSINESS PERFORMANCE WOMEN MENTIONED REQUIRING	NUMBER OF MENTIONS
Equipment (CNC, embroidery machines, cutting machines, ovens, cars, raw materials)	27
Financial support	16
Expanding the business (in the same location/area) such as adding a gym, a beauty centre, expanding the space in general, etc.	15
Opening a branch in another part of the area/city or governorate	10
Having a work space such as a photography studio, a restaurant, or a showroom, a shop	7
Hire additional employees	5
Marketing	4
Availability of a mentor and counselling	4
Trainings (accounting inventory purchases, training in general, business management, finance, risk management, investment, marketing)	4
Improved internet network for improved online activity (for start-ups)	2
Additional working time	2
Property ownership (instead of renting)	1
Technology use	1
Government support	1
Societal support (or 'moral support')	1

WOMEN IN EMPLOYMENT

This section explores women's challenges in entering employment and the challenges that women experience in the workplace. This section also heavily draws on another recent assessment conducted by REACH, which ensured a more consistent sample of women.

Access to Employment

Out of all the respondents from the REACH assessment who decided to search for employment and reported facing challenges in doing so, more than half mentioned an overall 1) increased competition for jobs followed by a 2) lack of jobs relevant to their previous experience (mentioned by about a quarter of women) and 3) insufficient education

(mentioned by another quarter).⁵⁴ The challenges identified by female employees surveyed for this study as precluding women (in general) from finding work include similar issues to those identified earlier, including a lack of job opportunities (mentioned by 3 women) and lack of 'suitable' job opportunities (mentioned by 2 women) since, overall, in Iraq some jobs and

⁵⁴ For those respondents who had only completed primary education and reported challenges, insufficient education emerged as the most commonly reported issue (28 out of 60 respondents), though increased competition remained the most commonly reported challenge for those who had completed more than primary education. With respect to accessing education necessary for desired jobs, being able to complete primary and middle school (44 out of 89 respondents who had ever sought employment and reported challenges in accessing education and training necessary to get a job) as well as having access to and being able to afford additional job training (29 out of 89 respondents) were the two most commonly reported challenges.

sectors are considered to be more suitable for women.⁵⁵ Female employees also mentioned lack of childcare (3), societal restrictions in general as women tend to not work in Iraq (mentioned by 1 respondent from Najaf and 1 from Ninewa), distance or the commute to work (1 respondent from Baiji), pay discrimination (1), and husband in prison (1).

Over half of respondents from the REACH assessment reported they believed their chances of being hired were the same as men's. Qualitative data from the same study found that hiring discrimination based on gender, age and physical appearance were common. The report clarified this might be likely due to less stringent enforcement of labour laws related to age, which was also mentioned by three respondents surveyed for the present study. While age issues were not sufficiently explained by the surveyed female employees, age discrimination appears to refer to older but also to younger women. In fact, the REACH assessment explained that employers were seemingly reluctant to hire younger women because they might soon get married or become pregnant and would need to leave, whereas older women were less likely to be hired because they were perceived as less competent or attractive.⁵⁶ Female employers tend to hire through personal connections (73%) and word of mouth (12%). Nonetheless, 28 per cent also use formal job advertisements, which is not common in Iraq (based on IOM findings from EDF/LMAs) compounding the findings from the female employers surveyed for the EDF/LMAs, who appear to also use more formal mechanisms for hiring in comparison to men, which is overall more inclusive in terms of hiring non-family members.

Employers included in this study were asked whether there were positions for which either men or women were preferred. The vast majority mentioned that preference depended on the type of business; for typically women's jobs or businesses catering to female clients, women were preferred. One employer also mentioned the place or area of work, as some might be less accessible to women (though specifications were not provided). One mentioned that men are preferred because they tend to take less leave days and are needed for physically strenuous jobs. For coding and programming, men are preferred, one female employer reported, but for jobs requiring customer relations (such as cashiers) women are preferred due to some 'innate attitudinal characteristics', which makes them more suitable for interacting with clients. Female employers in general cited a set of characteristics and traits associated with women, which makes them more desirable as employees compared to men, including more patience, accuracy, honesty, perseverance, commitment to work and tending to 'prove themselves'. However, one employer thought men were

more honest. One female employer mentioned preferring women because they work at home, implying that hiring male employees would run against social norms prescribing sexual space segregation. Three respondents mentioned that women are overall privileged in terms of hiring where one specified 'especially when they are educated.'

The REACH study additionally surveyed respondents who were not in the labour force (135). The top three most commonly reported reasons for not seeking employment include domestic responsibilities (87 respondents), insufficient education (49 respondents) and a lack of desire to work (25 respondents).⁵⁷ Of the respondents who were currently or had been in the labour force and had children (233 respondents), 42 reported that they did not have childcare; it was unclear how these respondents handled this situation. Of those who reported having childcare, most reported that immediate family members most often provided childcare (146 out of 162 respondents).⁵⁸

Women in the Workplace

At the workplace, female employees reported (in general) the following as major problems experienced by women: harassment (mentioned by 6 women), exploitation, equal pay and 'pay transparency' issues, and childcare issues. Overall, 70 per cent of female employees did not report challenges for women in the workplace, with the vast majority of female employers also reporting the same. Only a small number of female employers mentioned issues such as women requiring transportation and men not requiring it, women's inability to stay late (while men had no such problems), harassment by customers, especially for those women who work in retail (one employer mentioned that business performance decreased since women quit due to harassment, and men were subsequently hired). Female employers also reported women's absence from work (or their need to leave early), due to childcare responsibilities and other house-chores, including having guests. Female employers do not experience any challenges with retaining female employees, where one mentioned their inability to stay late and one mentioned women being often on leave. Overall, about one third of female employees reported experiencing some challenges related to childcare, though the majority did not elaborate further.

Thirty-five per cent of employers reported that women prefer flexible working hours, where some specified that this preference is due to childcare and other household responsibilities; 28 per cent mentioned women preferring full-time working hours; and the remaining mentioned that working hours tend to be

⁵⁵ The majority of respondents from the REACH assessments reported that they believe there are certain jobs and sectors that are more suitable for women (317 out of 614 respondents). These include education, health, sewing and textiles, local or international community-based organizations (CBOs) or NGOs, cosmetology, and agriculture (cited by women, who work in agriculture), which is also roughly aligns with findings from the current IOM LMA assessments. Among those who were unemployed or planned to work in the future (187 respondents), preferences for jobs in certain sectors varied more widely, particularly by education level, the REACH assessment concludes. Those with primary education (57 respondents) indicated a preference for employment in cleaning (20 respondents) and sewing and textiles (16 respondents). Those with a university education (42 respondents), on the other hand, indicated a preference for employment in education (25 respondents) and local or international NGOs (24 respondents).

⁵⁶ REACH

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⁵⁸ REACH

scheduled around demand. The REACH assessment established that permanent, part-time employment is considered to be more suited for women to allow them to balance domestic responsibilities (271 out of 317 respondents).⁵⁹ When asked why certain jobs were more suitable for women, respondents primarily answered fewer working hours, allowing women to balance their domestic responsibilities (102 respondents); social expectations (71 respondents); the jobs suit the nature of women (30 respondents); and they are useful sectors (20 respondents). The expectations associated with women's roles at home therefore appear to dominate all aspects of women's employment, from the sectors in which they work to the amount of time considered appropriate for them to work, the same report concludes.⁶⁰ The World Bank Household Socio-Economic Survey 2012 - Second Round, inquired on time use. However, neither the report nor data are accessible, with the exception of tables (from the previous round) that do not report data broken down by working status and sex, which would be helpful in determining how much time employed women spend on care work.

The surveyed female employees did not raise any particular challenges experienced by women at home or in the community because of their work, with only one mentioning that 'people talk.' In terms of progressing in their career, the majority of female employees reported that women do not experience any challenges. A smaller number thought that harassment, lack of education, age, children and other household responsibilities precluded women from progressing in their careers in general.

The majority of women believe they receive a fair compensation for their work, but some also did not know. However, 28 per cent of female employees mentioned they feel they do not receive a fair compensation, where one specified that 'it was not enough' therefore pointing to low salaries rather than to a perception of discrimination in comparison to men. The average salary among the surveyed female employees is USD 283 (where some were unemployed and some others blamed the closures due to Covid-19). This figure is slightly higher than the salaries paid to unskilled workers (which mostly refers to men) as reported in LMAs.⁶¹ Most respondents (349 out of 416) from the REACH assessment also believed that they would receive salaries equal to men for doing the same work. However, qualitative data from the same study seemed to have disputed

this belief.⁶² According to the World Bank, irrespective of the sector, women earn significantly less than men with similar characteristics, which represents a disincentive to work.⁶³ In the public sector, on average, men earned 20 per cent more than women in 2012. The same report finds that human capital characteristics only explained 13 per cent of this gap.⁶⁴ In the private sector, according to the same World Bank Report, the wage gap is almost eight times wider than that in the public sector, with its bulk being largely unexplained and therefore perhaps attributable to discrimination.⁶⁵ It is unclear whether work at the same level of seniority and hours worked was taken into consideration when calculating the latter. In addition, some female employees, as reported above, felt that women are paid more than men, especially when they are educated, pointing to a potential discrimination of men.

Women reported their commute to work as safe or very safe and mostly did not provide reasons for why they felt it was safe. The most commonly reported method of transportation to work among currently employed respondents (330) from the REACH assessment was walking (mentioned by 124 respondents), followed by carpooling (88) and taxis (78). Overall, respondents from the REACH assessment most frequently reported their transportation as "very safe".⁶⁶ Two questions administered to female employees also inquired about how safe and comfortable women feel at their workplace. These mostly reported feeling safe or very safe and comfortable or very comfortable without further explanations for the ratings provided. However, it has to be noted that sexual harassment was reported as a major issue for women (in general) at the workplace. Considering that businesses owned by women often have a mainly female labour force, sexual harassment is therefore less likely. Reports of harassment were negligible (these reports were also asked related to 'other women') in the REACH assessment, which could be due to the sensitivity of the issue as apparently respondents were not comfortable answering this question. However, it remains unclear how many were actually uncomfortable in answering the question.⁶⁷ Overall, the REACH assessment mentioned that harassment is much more prevalent in the private sector as opposed to the public sector since the consequences for those who harass women in the public sector are more severe than in the private sector.⁶⁸

59 REACH

60 REACH

61 Baghdad, Abu Ghraib USD 183; Anbar USD 213; Babylon USD 233; Baiji USD 224; Anbar, Falluja USD 288; Karbala USD 214; Najaf, Kufa USD 227; Tikrit USD 287; Diyala, Al-Khalis USD 246; Erbil USD 257; Diyala, Khanaqin USD 182, etc.

62 REACH

63 World Bank, 2012.

64 World Bank, 2014, The Unfulfilled Promise of Oil and Growth.

65 World Bank, 2014, The Unfulfilled Promise of Oil and Growth.

66 REACH

67 REACH

68 REACH

CONCLUSION AND RECOMMENDATIONS

In conclusion, female entrepreneurs did not report any major challenges in comparison to men for running their businesses. They acknowledged that financial support, expansion, more visibility, and workspace would increase their earnings, which is more difficult when they work from home. The EDF process did not present major challenges to the women surveyed. However, it lacks elements, which would enable women's economic empowerment, especially those running smaller enterprises, who, according to evidence, with a grant alone might still experience limitations in terms of growth. While female entrepreneurs did not identify major challenges in running their businesses, looking into freedom of movement and decision-making in business investments point to some restrictions to their potential.

Discrimination of women in the workplace, stereotyping and sexual harassment still represent major issues for women in the workplace, in addition to age-related restrictions that women might experience in securing a job, and limited job opportunities in general. However, female employees did not report major issues, which is likely, at least in part, due to the fact that they work in environments where women represent the majority of employees. Childcare was reported as a challenge by a third of female employees, which represents a major barrier to employment, compounded by a context of high fertility rates.

RECOMMENDATIONS

ON THE EDF COMPONENTS AND EDF IN GENERAL

- While some women have a savings account, many do not. Having a savings account is a proven element in women's economic empowerment and should be therefore introduced as part of the EDF package, including ensuring its private and exclusive use by the future female EDF grantee. This is especially the case for less empowered women, who particularly benefit from savings accounts that include some form of commitment, requiring them to keep and accumulate deposits for a particular goal. The findings were clear on how female entrepreneurs do not appear to have full control on investment in the enterprise, as about half take such decisions jointly with a family member (with a small number even reporting that someone else takes such decisions). However, it might be less appropriate to enforce this modality with all women, especially when some might be living far from financial institutions.
- The delivery of financial services through mobile phones is recommended, as it is often less costly and more effective compared to other delivery mechanisms in increasing women's business investments. By helping to protect the privacy of individual choices, mobile phones may provide women with the sufficient autonomy and independence from social pressures to invest cash in the business rather than in the extended family.
- For poor women, evidence showed that those with smaller enterprises with up to two employees (but again this number is indicative only), a grant alone would be ineffective. Bundled services, in addition to the grant, would also include trainings (and possibly technical assistance/consulting, which often consists of a couple of hours of expert advice

to the enterprise), are proven to economically empower this particular category of female entrepreneurs. Therefore, introducing trainings and technical assistance as part of the EDF package might be especially important, as a fairly high number of female-owned enterprises fall in this category, which in the current sample totaled more than one third. As evidence suggests, trainings need to be sufficiently long to change business practices, as trainings are important for long-term business success; otherwise, training-induced success appears to be short-lived. Evidence is clear on how bundled services with training and capital transfer – combined when both are not intense enough – tend to work but not on the longer run. In addition, trainings were also specifically mentioned as being needed for improving business performance by some respondents, including knowledge in marketing. It is worth noting that women's education level is not particularly high – with some illiteracy recorded – which underscores the importance of trainings. The latter also means putting mechanisms in place to prevent dropout from trainings, since completion is a major problem in trainings. Such mechanisms could include ensuring transportation or transportation costs, mahram (chaperon) costs if needed, suitable training schedules, even an online modality, obligatory attendance, etc. which also takes into consideration women's time and other type of constraints.

- Since for larger enterprises, a training alone is also considered as having impact (again, if intense enough), relatively larger businesses could be granted trainings even if not awarded an EDF grant (assuming some places would be still available, with the relevant adjustments needed to minimize drop-out).

- Establishing networks or mentors represents a promising complementary approach to women's economic empowerment, evidence suggests. These networks are particularly important for poorer women and for less-empowered women, who may need the information and social support others can provide to gain the knowledge and confidence to make appropriate business choices and take greater financial risks. Findings suggest that some female entrepreneurs also felt that networks were needed in order to improve their business performance. In addition, EDF grantees from similar and larger enterprises could become mentors to other women (if available). Nonetheless, more emphasis should be placed on savings and trainings/ technical assistance in addition to the grant.
- Similar to findings in other Market Assessments across Iraq, allow budgets for generators, especially in light of the fact that women might be more affected by power cuts, as they often work from home.
- In addition, allow for budgets for enterprises moving away from strictly domestic spaces, as some women thought that working from home was a major constraint to their business development.
- It is recommended to provide some referrals to women who are illiterate to institutions that offer literacy courses. Illiteracy is likely more prevalent in some areas such as Anbar and Ninewa.
- Closely align the ILA and EDF-W, especially in terms of referrals of female jobseekers to EDF grantees.
- Business networks are considered as having high potential for female entrepreneurs (excluding very poor women). Information on business networks might be therefore appropriate for women wishing to enter such a network, if available in their area.
- As the report found, women work at home as well, in a context where household responsibilities remain largely unshared. A step ahead (complemented by approaches that place greater control over resources) would be to include a sensitization element into orientation sessions; the sessions could be attended by the respective spouses or household decision-makers. Alternatively, consider social marketing approaches specifically addressing social norms and women in the economy, and also considering the ILA and other programming implemented by IOM.
- Due to the low education level among women, ensure women receive support during the application process.
- Findings established that more than one third of female employers reported having up to two employees only. Consequently, the current requirement of having at least three employees for eligibility in the EDF grant might be too restrictive for women and the minimum required should be lower, such as two or even one employee.
- Reconsider the criterion of rejection if any worker was fired due to lack of demand. Due to the Covid-19 lockdowns, furloughs likely became much more common for many SMEs (at least some of the female employees surveyed do not appear to work anymore).
- Ensure timely payments of milestones. While late payments affect everyone, delays might have an even greater effect on women, who in general might have less access to credit, of any kind.
- Information on all the milestones should be provided in advance as some women complained of the lack of clarity about the milestones (after the first is achieved).

FEMALE EMPLOYEES

This section on female employees provides some general recommendations in regards to women's employment and does not specifically refer to EDF-Women.

- While childcare is not consistently available, in many places, especially urban settings, it likely is. Support the use of childcare among beneficiaries but also continue advocating for availability of quality childcare in conjunction with other organizations, in addition to supporting childcare when it is not available.
- Fertility rates remain high in Iraq, which negatively influences the employment and the educational prospects of women. In conjunction with the ILA component, it is therefore recommended to work jointly with other organizations and respective health departments, who provide information and/or sensitization on family planning and basic reproductive health, and introduce these concepts to overall target younger women.
- The importance of savings extends to female employees as well, as it is proven to empower all women, also those in wage employment.
- EDF represents an important instrument supporting in the implementation of Labour Laws in the private sector. However, according to findings from other studies knowledge on Labour Laws remains limited among working women, and should be also considered as an important element in EDF-Women.

ON THE EDF PROCESS

- The call for the EoI should not specify (nor exclude any) specific sector; none of the sectors in which women are involved appears to be having particularly bad demand, even during Covid-19 closures.

FUNDING WOMEN'S PARTICIPATION IN THE LABOUR FORCE

IOM IRAQ

 edf.iom.int

 iraqedf@iom.int

UNAMI Compound (Diwan 2),
International Zone,
Baghdad, Iraq



@IOMIraq



Implemented by:

KFW

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