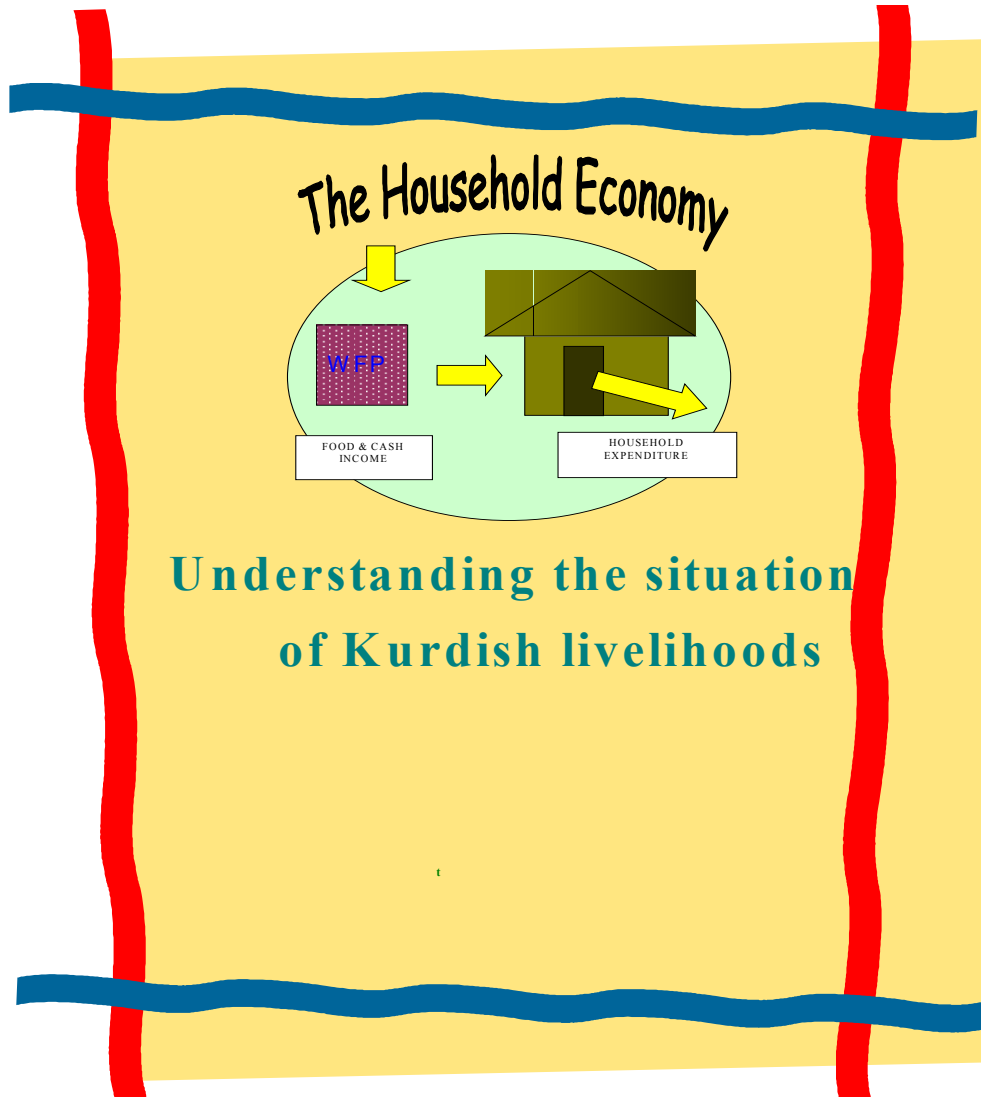




Save the Children

*Understanding Kurdish Livelihoods in Northern Iraq
Final Report*



*The Northern Iraq Country Programme and
The Food Security and Livelihoods Unit
Save the Children (UK)*

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Acronyms and Terms

Donum	measurement of land; 1 donum equals .25 of hectare
FAO	Food and Agriculture Organisation
FEA	Food Economy Area
GOI	Government of Iraq
HEA	Household Economy Approach
HH	Household
IMK	Party of the Islamic Movement
INGO	International Non Government Organisation
KDP	Kurdish Democratic Party
KCS	Kurdish Charitable Society
KSC	Kurdish Save the Children
OFF	Oil for Food
OID	Old Iraqi Dinar
Peshmerga	a name given to local fighters
phpa	Per household per annum
PUK	Patriotic Union of Kurdistan (Party)
SCR986	Security Council Resolution 986
Shoats	classification of goats and sheep
UNCHS	UNITED NATIONS CENTRE FOR HUMAN SETTLEMENTS (Habitat)
WFP	World Food Programme
Zakat	religious gifts

EXECUTIVE SUMMARY

OBJECTIVES OF THE HOUSEHOLD ECONOMY STUDY

Throughout 2001 the North Iraq Country Programme of Save the Children (UK), with the technical support of the Food Security and Livelihoods Unit in London conducted and hosted a household economy training and assessment in Northern Iraq. There were two major objectives. First, to strengthen the capacity of the SC country programme and their respective national partners in areas of Food Security/Livelihood analysis, the emphasis was on obtaining and providing a deeper analysis of populations which may be at risk of economic hardship and food insecurity in the event of any unplanned changes to the UNSCR986 food ration and its distribution systems. Secondly, to assist the SC country programme and relevant agencies to plan and establish more appropriate emergency responses and development interventions for the most vulnerable populations in Northern Iraq.

THE CONTEXT – NORTHERN IRAQ

Until 1991, what is presently known as Iraqi Kurdistan or Northern Iraq, consisted mainly of the three northern governorates of Iraq: Duhok, Erbil and Sulaimany. The population was predominantly rural and the economy was entirely agriculture-based. The Government of Iraq (GOI) has historically dominated and controlled the market structures of the north. Prior to the SCR986 Sanctions, the north supplied a disproportionate amount of agricultural produce to Iraq's internal market in respect of its size because of its favourable agro-climatological situation.

During the 1980s, a considerable amount of Northern Iraq became the front line in the war between Iraq and Iran. There was a complete emptying of the population from most of the areas close to the border with Iran. A continuous Kurdish defiance of the Iraqi central government and support to Iran culminated with the genocide known as the "Anfal" operations which began in early 1998.

The largest Kurdish uprising took place immediately after the Gulf War in 1991. An estimated 1.55 million Kurds fled their homes to the border areas near Iran and Turkey (Keen, 1993). By late March 1991, almost half of the population had become refugees. On the 5th April, the UN Security Council passed Resolution 688 which called for the formation of a 'safe haven' in the north of Iraq for the Kurds.

Sanctions

The UN sanctions imposed upon the GOI led to a complete embargo on goods and products entering or leaving Iraq, including oil. The American and British governments

additionally strengthened the security of the north, as well as the Shi'ite region in the south of Iraq by establishing 'no-fly zones'.

Northern Iraq found itself under a double embargo: the external blockade controlled by the UN and an internal blockade from the GOI, introduced in 1991. These punitive actions profoundly damaged the northern economy by depriving it of fuel, raw materials, manufactured goods and terminating funding for the government employees, who made up almost half of the workforce.

From 1991-1995 evidence was amassing on the scale of the humanitarian problem in Iraq. In July 1993 the FAO/WFP reported that large numbers of Iraqis had food intakes lower than those of the populations in the disaster stricken African countries.

Security Council Resolution

In April 1995 SCR986 was adopted, introducing what is now known as the 'Oil for Food' (OFF) programme. Iraq was initially allowed to sell \$2 billion worth of oil in a six-month period. The North was allocated 13% of the revenues and the Centre/South 54% for the purchase of humanitarian supplies, food and medicine. The SCR986 Programme consists of a universal ration containing wheat-flour, rice, oil, sugar and tea which is distributed by the GOI in the Centre/South and the UN WFP in the North.

HOUSEHOLD ECONOMY APPROACH -- METHODOLOGIES

Overall Approaches

The main purpose of the HEA study was to obtain information on the livelihoods and coping strategies in three Food Economy Areas, as well as urban environments. Three survey teams visited 10 settlements throughout the course of the study, including 8 villages and 2 urban settings (town and collective).

For purposes of comparison and to study the disparities in the economic livelihoods in the rural areas across Northern Iraq, it was important to sub-divide the region into several *Food Economy Areas*. Three FEAs were identified: Rain-Fed Plains, Mountainous Zone and the Semi-Arid Steppe.

Populations in settlements within each FEA were subdivided further into wealth groups. The teams then proceeded to hold interviews with groups of individuals, selected to represent their wealth group. Through these interviews and discussions, information was obtained on how the various wealth groups gain access to food and income and a description of their overall expenditure patterns was drawn up. In total, 42 wealth group interviews and 14 key informant interviews were carried out during the course of the fieldwork.

Key Terms

Food Economy Areas: A food economy area is defined as a distinct geographical region which is characterised by a certain rural economy. Broadly speaking there will be similar economic activities and similar coping strategies in times of economic stress. These areas are not supposed to be homogeneous and in fact the fewer zones that are defined, the more variability there will be within each zone.

Wealth Groups: The HEA methodology recognises that within a given food economy area there will be different types of households, who live in different ways, and who will respond in different ways (with differing levels of success) to periods of food shortage. The major factor that differentiates one 'type' of household from another is 'wealth'. The wealth groups within a food economy area are sets of households who have similar levels of assets, and employ similar strategies to gain access to food and cash income.

Key Informant Interviews: Key informants are members of the community who have particular in-depth knowledge of the economic and livelihood patterns of a respective community. These included traders, religious leaders, teachers, farmers, medical workers, village elders, etc.

SUMMARY OF MAIN FINDINGS AND CONCLUSIONS

- 60% of the population of Northern Iraq is poor; a significant number of people are destitute
- 20% of the population are in extreme poverty, defined as under \$200 per household per annum (phpa)
- 40% live in poverty, defined as under US\$300 phpa
- Many middle income groups have incomes under \$400 phpa, and may be vulnerable
- Rich households are dependent on trade and official employment, with incomes under \$1000 phpa.
- Most households are extremely vulnerable to external shocks and would be highly susceptible to changes in the sanctions system.
- Many poor people are reliant on the economic activity of the relatively small well-off groups, and are vulnerable to changes in their income.
- The sanctions and ration regime created by the UN Security Council has undermined and distorted markets and livelihoods and destroyed normal economic life for the vast majority.
- The rations system instituted by UN Security Council Resolution 986 has created unprecedented levels of dependency.
- Poor people would not be able to afford to feed themselves if the SCR986 ration was suddenly removed.
- The SCR986 ration system has facilitated state domination of food supply

UNDERSTANDING KURDISH LIVELIHOODS IN NORTHERN IRAQ

1. INTRODUCTION

Throughout 2001, the North Iraq Country Programme of Save the Children (UK), with the technical support of the Food Security and Livelihoods Unit in London conducted a Training and Household Economy Survey in Northern Iraq. The Household Economy Approach (HEA), developed by Save the Children through the 1990s, seeks an accurate description of wealth distribution in a country or region within a country. It elucidates who may be at risk to economic hardship and food insecurity, under different scenarios.

As part of a process of building up national capacity, the overall objectives of the research and training were:

- To strengthen the capabilities of partner agencies, as well as the SC (UK) country programme staff in the use of the Household Economy Approach for both emergency and developmental planning purposes.
- To carry out a household economy survey and complete an analysis of the food security situation within rural and urban communities;
- To inform SC and its partner agencies on potential future impacts of political changes upon the Oil for Food SCR986 ration system and on the system's effect in different geographical settings and to initiate debate on planning for scenarios post SCR986 and/or post sanctions.

Training took place with a group of national staff and partners followed by 10 days of fieldwork to ascertain the situation in villages, collective towns and urban centres before finally analysing the data with the trainees. Agencies involved in the training and study included the Ministries of Agriculture (MoA) and Health (MoH) in Sulaimany and Erbil, Kurdistan Save the Children (KSC), REACH, KRA and the Al-Wafa Benevolent Society.

The results of both the training and survey will assist both the SC North Iraq programme and its partnering agencies to plan and establish more appropriate emergency responses and development interventions for the most vulnerable populations in Northern Iraq.

The report of the Assessment is broken into 4 major sections:

- (1) a general background and context to the communities of Northern Iraq,
- (2) a discussion on the training activities,
- (3) a description of the methodology used in conducting the household economy assessment and finally;
- (4) the results and conclusions of the assessment.

2. THE CONTEXT – NORTHERN IRAQ

2.1 Socio/Political context

Until 1991, what is presently known as Iraqi Kurdistan or Northern Iraq, consisted mainly of the three northern governorates of Iraq: Duhok, Erbil and Sulaimany¹. Before the 1980s, the population was mostly rural and the economy was almost entirely agriculture-based. The north supplied a disproportionate amount of agricultural produce for Iraq's internal consumption in respect of its size, because of its favourable agro-climatological situation.

From the late 1960s there was considerable tension between the Kurds and the Government of Iraq (GOI). The GOI moved towards peace in 1970 with the 11th March Peace Agreement which led eventually to the autonomy law of 1974 (McDowall, 1996). However, there were problems in identifying the area that would come under Kurdish control and defining the amount of influence the GOI would continue to have in decision-making. In addition, the GOI was unhappy at the continued close relationship between the Kurds and the Iranians, and these three factors all contributed to the non-ratification of the law and the outbreak of war. The failed negotiations on Kurdish autonomy meant that there could be little political or economic decision-making outside the GOI. Instead of peace, the decade ended in the building of centralised “*collective towns and villages*” in the vicinity of the major towns and cities, which were built to house the rural population that the Iraqi Army was displacing. The GOI knew that the secret of the Kurdish power-base was their ability to organise guerrilla war from the mountains of the north. Until the early 1970s much of the Kurdish population had been rural and highly tribal and their towns and cities were only just beginning to grow. The long history of conflict in the mountains combined with the fact that the landscape is very difficult to secure militarily, meant that the forced removal of people to collectives in the late 70s and early 80s constituted a considerable control of the population.

The Kurds had always tried to resist control, whether from the Turks, the British and latterly the GOI. From the 1940s Mulla Mustafa Barzani arose as the leader who would fight for the rights to self-governance of their population and in 1946 he established the Kurdistan Democratic Party (KDP). Its principal adherents in the beginning were

¹ One of the many problems of comparing data for the ‘*three northern governorates*’ of Northern Iraq in the period pre 1990 and post 1990 is that the area so named represents something much more geographically complicated; the area under current jurisdiction of the Kurdish Authorities includes the whole of Dohuk and Sulaimany Governorates, the northern two thirds of Erbil Governorate, a small section of north-eastern Ninevah which is now included as part of Dohuk Governorate as well as northern and eastern parts of Ta'mim, Sahahuddin and Diyala Governorates which are locally known as New Kirkuk and are administered from Darbandikhan.

members of the Barzani, Baradusti and Surchi tribes, however, as time went on Mulla Mustafa's popular support, and later that of his son Masood, spread westwards to incorporate much of the area north of a line passing from Dohuk through Akra to Rawanduz. However, Kurdish nationalism was never a united front; the KDP faced opposition based on tribal and ideological grounds. The GOI often courted different factions within the KDP, especially those led by Talebani and Ahmad, but by the mid-1970s Talebani had formed a new party, the Patriotic Union of Kurdistan (PUK). This party brought together the two groups of Komala led by Nawshirwan Mustafa and the Socialist Movement of Kurdistan led by Ali Askari. The PUK were always rather more ideologically-based with strong leftist and often Marxist ideas (McDowall, 1996). Since that time the KDP and PUK have remained the dominant political groups in Northern Iraq.

During the 1980s, a considerable amount of Northern Iraq became the front line in the war between Iraq and Iran. There was a complete emptying of the population from most of the areas close to the border with Iran. The Kurdish leaders, especially those of the newly formed PUK, were fickle in their support of the GOI during the Iran-Iraq war and by 1983, the Iraqi President, Saddam Hussein, had admitted that almost 50,000 deserters, mostly Kurds, had fled to the mountains. McDowall (1996, p.352) describes the Kurdish implicit support for Iran as well as their own claims for independence as '*a Trojan Horse that could well have brought about an Iranian victory in the war*'. It was this defiance of Iraqi sovereignty which led in early February 1988 to the very forceful repression of the Kurds, otherwise known as the "Anfal" operations. These actions against Kurdish civilians, widely viewed as genocide, left tens of thousands dead and hundreds of thousands displaced. President Saddam Hussain received most notoriety when his forces bombed Halabja and various villages in Qaradagh and Balisan using chemical weapons in March 1988. Almost every rural settlement in Sulaimany Governorate was destroyed and many people moved into Sulaimany city or fled to Iran or Turkey.

The biggest Kurdish uprising took place immediately after the Gulf War in 1991. Kurdish forces hoped to capitalise on a recently defeated GOI and promised military assistance from the allies which never materialised. An estimated 1.55 million Kurds fled their homes to the border areas near Iran and Turkey (Keen, 1993). By late March 1991, almost half of the population of Iraqi Kurds had become refugees and had precious little to return to. The combination of the Anfal campaigns and this brutal repression from the uprising had severe impacts on the psychology of many Kurdish families. Those who had not been direct victims of attack were psychologically traumatised and left without hope. On the 5th April, the UN Security Council passed Resolution 688 which called upon the formation of a 'safe haven' in the north of Iraq for the Kurds (Graham-Brown, 1999). The Kurdish safe-haven was delimited with similar borders to the three northern Governorates (see n 1). The city of Kirkuk, although predominantly Kurdish,

was kept by the GOI primarily because of the extensive oil reserves in its vicinity. Many Kurds fled from the city, and a significant number, including many women and children, were rounded up and ordered to leave by the GOI forces. This constituted the beginning of what remains a constant stream of displaced Kurds who have been forced to leave Kirkuk and its environs through Chamchamal and on to Sulaimany.

From 1992 to 1994 efforts were made to form a joint Kurdish administration with a capital in Erbil. The joint administration was made up of the KDP, which has traditionally held the western and northern areas of Kurdistan, particularly the rural areas; and the PUK, which has often attracted more urban support. Given the tensions and distrust between the KDP and PUK leadership, it was miraculous that such a government even got off the ground. However, tribal and political tensions between the two main parties, never far from the surface, flared again in mid 1994 and continued with interventions from other smaller parties such as the Islamic Movement (IMK). It was not until 1996 that a permanent cease-fire was reached. The two parties have established separate administrations with the KDP controlling Erbil and Dohuk Governorates and PUK controlling Sulaimany and New Kirkuk Governorates. The only major territorial change since 1996 has been after the PUK took Koya (Koisenjaq) and Taq Taq during clashes in 1997, which means that the Governorate boundaries are not quite the same as the present political boundaries.

2.2 Sanctions

Prior to 1991, Iraq had imported in excess of two thirds of its food requirements and had relied on domestic production for about 30%². The cost of imports had amounted to approximately \$ 2 billion per year although it would often rise to \$3 billion in poor production years³. The Government of Iraq (GOI), prior to the Gulf War, had distributed subsidised food as a matter of course. Almost every product that could be purchased, from food to farm machinery, was subsidised by the GOI, thus creating a culture of dependency. The GOI had established food agents throughout the country who would distribute food to every family who were registered as Iraqi citizens. Such a large programme of subsidisation was able to exist because of the extensive oil revenues; however, especially in the case of food, the country relied on considerable imports.

The sanctions imposed upon the Iraqi regime under UN Security Council Resolution 687 led to a complete embargo on goods and products entering or leaving Iraq, including oil. The American, UK and French governments maintained military influence in the northern Kurdish Governorates, establishing a no-fly zone above the 32nd parallel (Another no-fly zone was set up below the 36th parallel: French involvement in no-fly

² FAO, 1993, *Assessment of the food and nutrition situation: Iraq*, Technical Cooperation Programme.

³ FAO, 1998, *Assessment of the food and nutrition situation: Iraq*, Technical Cooperation Programme.

zones ended in 1996). This allowed the Kurdish people, and particularly the two main Kurdish parties, an unprecedented opportunity to govern themselves and introduce democratic elections; the elections in 1992 were the first opportunity to vote since the late 1950s. However, the overwhelming need for the region was that of humanitarian aid. The return of refugees from Iran and Turkey in addition to those Kurds displaced from other parts of Northern Iraq still remaining under control from GOI, such as Kirkuk and Makhmur, meant that the cities and collective towns were bulging at the seams and had totally inadequate health and sanitation provision. The northern Governorates found themselves under a double embargo; the external blockade controlled by the UN in New York as well as an internal blockade from GOI. For a region which had depended almost entirely on GOI for economic security and decision-making, the internal embargo represented a considerable challenge to the emerging political leadership. However, the influence of the GOI did not stop overnight for they provided food aid to some of the communities in Northern Iraq (Ward & Rimmer, 1994). But, as relations worsened and as international organisations flooded into the north, the food aid from GOI dried up.

Iraq, previously reliant on imported food, was forced by the sanctions to rely on its own production. The internal blockade introduced by the GOI against the north in 1991 profoundly damaged its economy by depriving it of fuel, raw materials and manufactured goods as well as by ending funding for the GOI employees, who made up almost half of the waged workforce (Keen, 1993). The cut in subsidies led to steadily increasing food prices. Wages were static, and the dinar⁴ devalued rapidly, and this meant that purchasing power was vastly reduced. The ability of households to meet their nutritional requirements decreased and this led inexorably to long-term borrowing and selling of assets (Hill, 1999). These assets, in many households, have never been replenished.

The provision of food in the early 1990s in Northern Iraq was haphazard because the various different organisations, whether the Government of Iraq, WFP or the INGOs, had different priorities and mandates. The GOI had organised a highly efficient system of ration cards and food distribution throughout the country during the Iran – Iraq war (Dreze and Gazdar, 1992). Between the imposition of sanctions in August 1990 and the end of 1991, the GOI introduced a universal ration of 1372 kcals. In fact, it was the sudden ceasing of this ration in Northern Iraq, which people had come to depend on, linked with rising food prices and agricultural decline, that led the FAO delegation in 1993 to declare what they called a nutritional crisis (FAO, 1993). By 1992, the GOI had progressively reduced its food inputs for the north and the UN, through WFP, began to

⁴ Prior to 1991, the Iraqi dinar had already been effectively devalued by Saddam Hussein by taking all 25 dinar notes out of circulation. As the administrations diverged between north and south, the north kept the Swiss-produced notes which are now known as the OID or Old Iraqi Dinar. In the south, new notes were produced and the new Iraqi Dinar subsequently devalued at a much faster rate.

augment supplies using the GOI system, with food also being provided by the Turkish Red Crescent, CARE and a whole host of other NGOs (Silva-Barbeau *et al.*, 1994).

GOI/ Organisation	Amount of food	Targeted	Comments
GOI	1372 Kcal per person	Everyone with a ration card	Only until late 1991
World Food Programme	1476 Kcal per person	350,000 beneficiaries in the summer and 700,000 in the winter. All from collectives and some rural areas.	A concentration on those who had been displaced during the Anfal campaign in 1988. Distribution carried out by CARE.
Turkish Red Cross	One ration per urban family per year	None except in the cases of food for Health Centres, hospitals and orphanages.	
NGOs : KSC and KCS		Highly targeted using local committees and needs assessment.	

Food relief during the first four years of sanctions in Northern Iraq (adapted from Silva-Barbeau *et al.*, 1994)

The general lack of targeting by those groups distributing food meant that the vulnerable populations were no more likely to receive assistance, although the collectives received considerably more than other settlements (Ward & Rimmer, 1994, p.21). A report by the UN's Special Envoy, Sadruddin Aga Khan, in July 1991 estimated that US \$6.9 billion was required in the first year for provision of a minimal food ration and partial renovation of the essential infrastructure.

From 1991-1995 evidence was amassing of the scale of the humanitarian problem in Iraq. In July 1993 the Food and Agriculture Organisation/World Food Programme reported that large numbers of Iraqis had food intakes lower than those of the populations in the disaster stricken African countries.⁵

In 1995 the FAO again reported a rise in the monthly average of deaths of children under 5 years which had increased from 593 during 1989 to 4,475 in the January-July 1995 period.⁶ A 1995 GOI nutrition and mortality survey of under 5s found that wasting and stunting were four times more common than in 1991. The survey found that 29% of urban children were underweight, similar rates to Mali (31%), and the prevalence of severe wasting was similar to northern Sudan. The nutritional status of the urban Iraqi

⁵ FAO (1993) Assessment of the Food and Nutritional Situation in Iraq. Technical Cooperation Programme

⁶ FAO (1995) Assessment of the Food and Nutritional Situation in Iraq. Technical Cooperation Programme

population was similar to that of less developed more rural populations with underdeveloped water and sanitation systems.

Comments by the Secretary General in 1995 expressed clearly the dilemma about sanctions in Iraq-

*"..(sanctions) raise the ethical question of whether suffering inflicted on vulnerable groups in the target country is a legitimate means of exerting pressure on political leaders whose behaviour is unlikely to be affected by the plight of their subjects"*⁷

2.3 Oil for Food – SCR 986

In April 1995, in response to the developing humanitarian crisis, Security Council Resolution 986 was adopted, introducing what is commonly known as the 'Oil for Food' programme. Iraq was initially allowed to sell \$2 billion worth of oil in a six-month period. Not all this revenue was allocated to humanitarian relief; deductions of 30% for the Compensation Fund and other amounts for UN agencies and UNSCOM were to be made. The allocation for the purchase of humanitarian supplies of food and medicine was restricted to 13% of total revenues for the North and 54% of total revenues for the Centre/South. The administration of the programme in the three northern governorates was assigned to the UN. The GOI did not accept the resolution until the humanitarian situation got totally out of control. It took until December 1996 for oil to start flowing and April 1997 before the first supplies were actually distributed in-country.

The SCR986 Programme consists of a universal ration containing wheat-flour, rice, oil, sugar and tea which is distributed by the GOI in the Centre/South and the World Food Programme on behalf of the GOI in the North (see page 42).

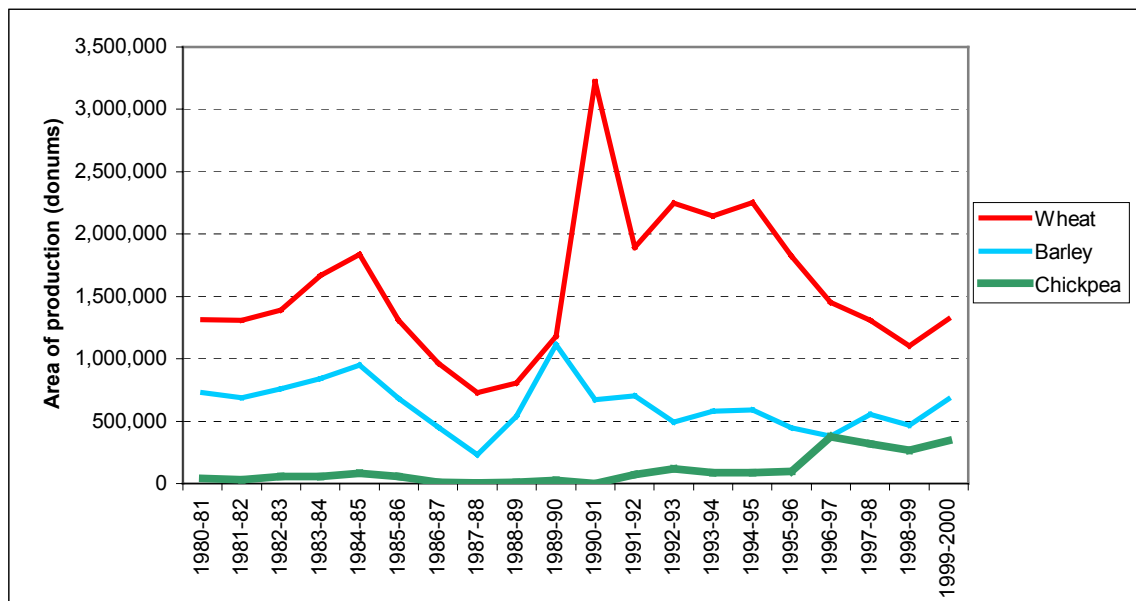
SCR1284, adopted in December 1999, attempted to reform the sanctions regime in some important respects, particularly in the local procurement of goods. This would mean that the ration system would effectively stimulate the damaged agricultural economy by increasing agricultural supply at good prices. The GOI has still not accepted the resolution.

The sanctions-mitigated-by-rations, regime as currently designed, does not work effectively. The sanctions committee, which scrutinises all contracts, places 'holds' on many contracts, often stating concerns that items could be used for military purposes. This prevents a regular flow of essential goods to the country. Such procedures hinder the proper functioning of the system and limit the provision or repair of essential services such as water, sanitation, electricity generation and food handling equipment.

⁷ Supplement to an agenda for peace, United Nations, A/50/60, January 1995

The agricultural sector is still not being stimulated and given all the necessary inputs; without cash school materials cannot be bought, nor salaries and teacher training funded.

2.4 Agriculture Production Trends



Changes in area of production of winter crops since 1980 in Northern Iraq⁸

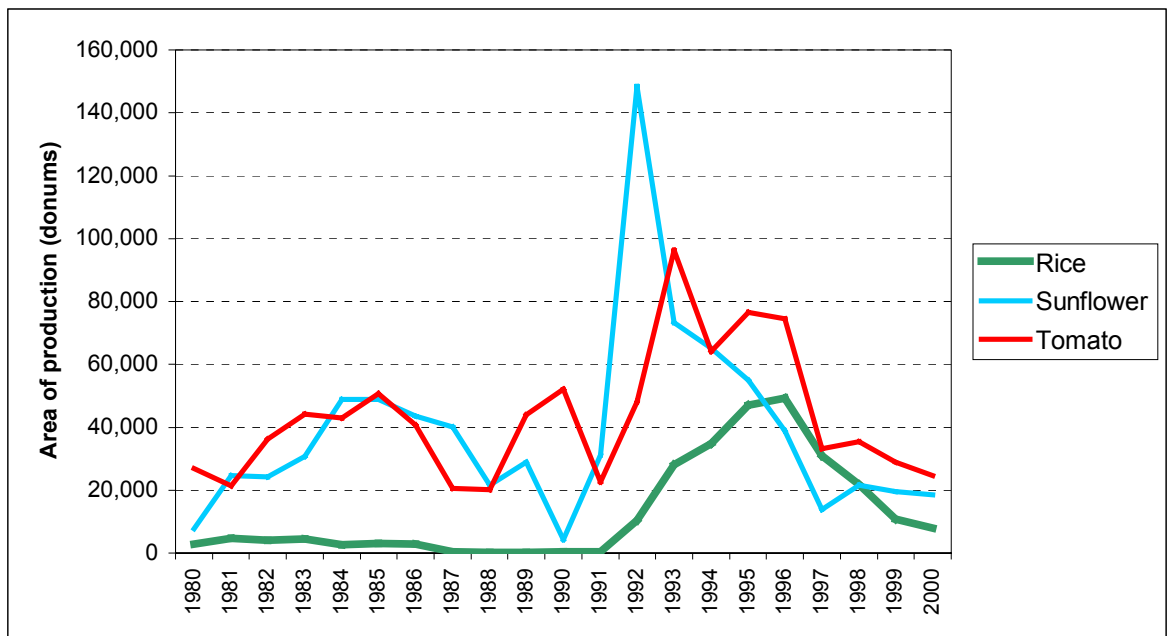
It can be seen from **Error! Reference source not found.** and **Error! Reference source not found.** that the amount of land used for crops has changed considerably over the last 20 years. There was a general reduction in the planting of both winter and summer crops from the mid to late 1980s as the Government systematically destroyed large

⁸ FAO Coordination Office for Northern Iraq (2001), Annual Statistical Bulletin No. (2) Year 2000

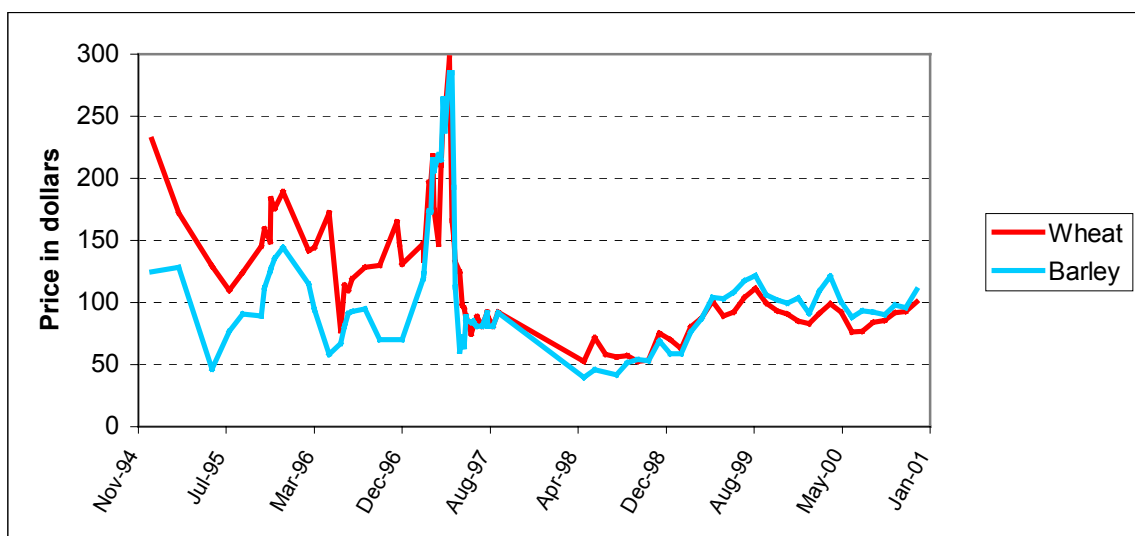
numbers of Kurdish villages and access to land was reduced because of the war with Iran.

In 1990, as sanctions began, the GOI instructed farmers to increase their wheat cultivation and this accounts for the rapid increase in wheat and consequent reduction in barley cultivation. The need for more locally grown food had an effect on all crops except barley which is grown almost exclusively for animal feed. Rice production was encouraged in the north and a steady increase can be seen between 1992 and 1996.

However, the expectation of the food ration under the newly established SCR986 agreement meant that production plummeted and particularly in the case of wheat (42% decline), rice (56% decline) and sunflowers (64% decline). Barley and chickpeas are the only major crops which have actually increased since the 'oil for food' programme began in 1997. Barley probably increased because the price stabilised at a relatively high level and although there were rations for livestock, there was still a more inflexible demand for animal fodder. In the case of chickpeas, these were rarely provided in the WFP ration and therefore gave a higher earning potential.



Changes in area of production of summer crops since 1980 in Northern Iraq



Change in grain prices between December 1994 and December 2000 in Northern Iraq

The rise in prices in the early 90s was in part due to the sudden reduction in supply, but was also highly affected by the collapse of the Iraqi dinar. In the north the dinar : dollar rate dropped from 1:3 to almost 100:1. In the south, there is a different currency regime, and dinar devaluation was substantially greater. From **Error! Reference source not found.** it can be seen that the effect of the onset of SCR986 on grain prices was considerable. Although the resolution had been signed in 1995 and finally agreed by Iraq in 1996, the first goods actually didn't arrive until April 1997. Farmers had reduced production in 1996 in expectation that a full food ration would begin and hence there was a considerable shortage in the winter of 1996, causing a rapid escalation of prices followed by an equally rapid fall once the food started arriving.

From April 1997 grain prices stabilised, but at a relatively low level, only increasing because of occasional purchases by the GOI or as a consequence of the severe droughts in the winters of 98/99 and 99/2000. The lack of rain over the past three winter seasons has drastically reduced yields and therefore increased prices, although even the magnitude of the drought's effect on grain prices has been mitigated by the SCR986 programme.

2.5: Studies of household economy

In addition to the FAO/WFP/WHO biannual reports which collate various secondary data which go to inform their view on changes in nutrition, there have been a few pieces of dedicated research which seek a better understanding of household economies and food and livelihood security issues. The main contribution to the debate pre SCR986 was the work carried out by Ward and Rimmer (1994), whilst the two important contributions carried out since the onset of SCR986, prior to this research, were carried out by Hill in 1997 (DURT, 1998) and WFP in 2000 (WFP, 2001). All three studies were primarily concerned with describing an "average" household. Sampling in all three has been large-scale and the methods used based upon short questionnaires.

The over-riding problem of each of these studies is that "average" household descriptions do not accurately represent the highly skewed wealth distribution of households in the region. With the majority of households earning less than \$30 per month and a minority of households earning several hundred if not thousands of dollars per month, it is easy to see how, statistically speaking, the arithmetic mean gives a very biased view of the income distribution suggesting higher levels of income than is really the case. Ward and Rimmer and Hill both have a stratified sample so that they can identify differences between settlements types, while WFP carry out a completely random cluster sample based around food agents. Neither forms of sampling and analysis, however, allow for in-depth understanding of the wealth variations between households.

The HEA methodology has a clear advantage over the other studies in that each sample is more of a case study and therefore cross-checking during wealth-group interviews help to internally validate the incomes and expenditure data. It provides data which are already disaggregated into wealth-groups and therefore the mean averages are less skewed. The wealth-groups are determined by the respondent communities rather than the author's preconceptions of wealth. This leads to a more objective sense of wealth and also avoids to a large extent the problem of skewed means because each wealth group is taken on its own. Overall it complements the larger-scale studies by describing in depth the household economics at a community level.

3. THE HOUSEHOLD ECONOMY APPROACH⁹ – TRAINING AND METHODOLOGIES

The training component was consistent with the criteria set for a Level 1 SC(UK) training in household economy. There are three stages to this training and they are as follows:

- 1) Four days of classroom training, including general food and livelihood security concepts & theories, methods of data collection, and calculating basic food energy requirement.
- 2) Twelve days of field work (including 2 days of preliminary analysis). The HEA survey includes primary data collection with key informants and conducting household wealth group interviews.
- 3) Five days of analysis, interpretation of data and how to present the results of the HEA survey.

3.1 FEAs: Identification and description of Food Economy Areas and urban study areas

For purposes of comparison and to study the disparities in the economic livelihoods in the rural areas across Northern Iraq, it was important to sub-divide the region into several Food Economy Areas (or FEAs).

Majid (1998) made a tentative definition of FEAs, identified by their agro-climatological zone. Majid also noted their historical and political circumstances and the displacement patterns created over the last twenty five years. However, he used anecdotal rather than quantitative

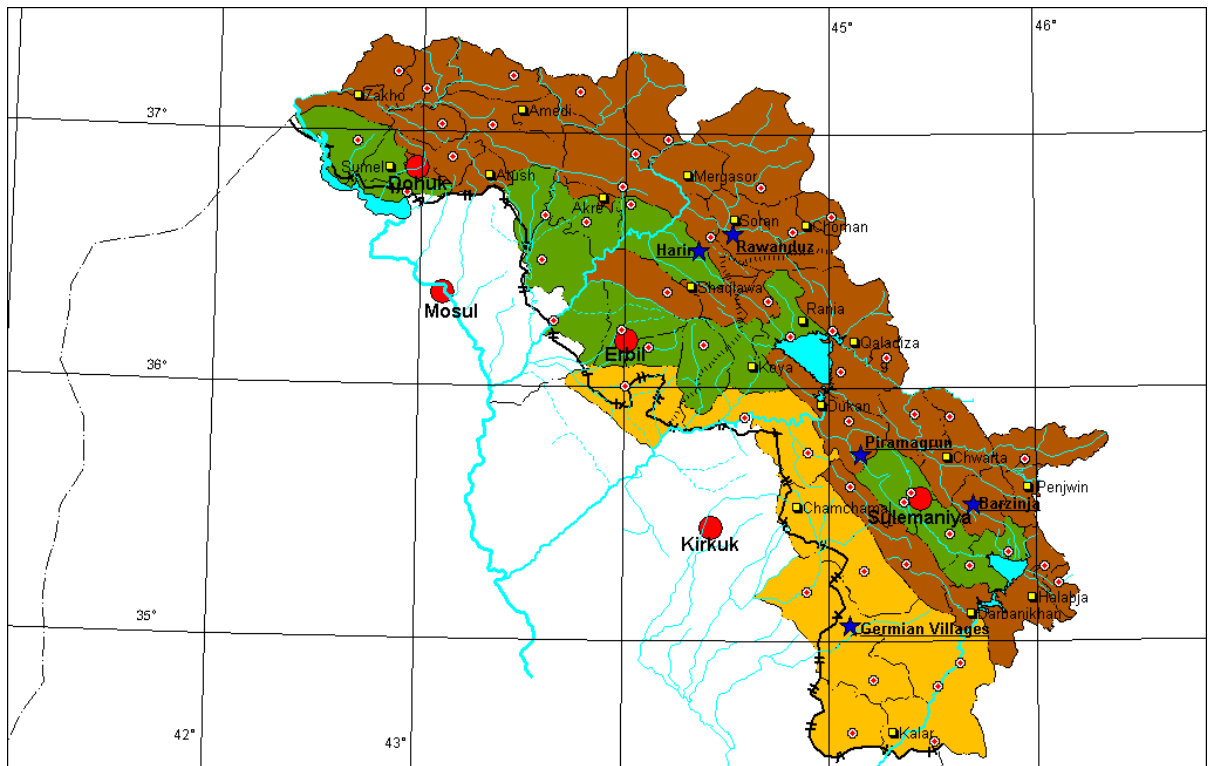
A food economy area is defined as a distinct geographical region which is characterised by a certain rural economy. Broadly speaking there will be similar economic activities and similar coping strategies in times of economic stress. These areas are not supposed to be homogeneous and in fact the fewer zones that are defined, the more variability there is within each zone

descriptions of the FEAs. UNCHS in livelihood research conducted in 2001, provides a detailed account of agricultural and socio-economic conditions of villages to create a detailed situation analysis of the rural environment.

This HEA research has a less nuanced description of the rural environment than the UNCHS study. Only three economic zones were identified to investigate the rural situation, loosely corresponding to Majid's zones. But this study builds a quantitative basis for his classification. Like Majid's study, and unlike the UNCHS study, this study looks beyond the purely rural environment to identify the differences in sources of

⁹ For further information on the Household Economy Approach, please visit SC's Food Security and Livelihoods web page at www.savethechildren.org.uk or refer to the following publication: *The Household Economy*

income available in new collective towns and more historical urban centres. The UNCHS work does show that the economic situation of the rural environment is very complex, and the present work is an oversimplification of that environment. But, the advantage of the simpler HEA model is that it can be used to describe household economies in towns, that fall outside the agricultural economies of rural FEAs. One of the achievements of this study is some very conclusive results about the extremely high levels of poverty and dependency in urban and peri-urban (or collective village) areas.



Map of Northern Iraq showing the different FEAs (FEA1: green, FEA2: brown and FEA3: yellow)

FEA1 – Rain-fed plains: These are the fertile alluvial plains which lie on the foot-slopes of the mountain belt and include Sharazoor, the Erbil plain, the Akra plain, the plain of Harir and the area west of Dohuk. The mean rainfall is between 500 and 800

mm per year and is much more reliable than in the rest of Northern Iraq, which means that animal rearing is less important and crop production is much more important and diversified. Wheat and barley are definitely the most important crops, but pulses and some irrigated rice as well as cash crops are grown.

FEA2 – mountainous zone: The closer one gets towards the Iranian and Turkish borders, the steeper the topography becomes as one moves towards the centre of the Zagros mountain chain. Highly folded massive limestone cliffs dominate the scenery with rich fertile valleys and villages crouching beneath the tall mountains, usually near springs that gush from the steep cliffs. Here the rainfall is much higher and often well over 1000 mm per year, including considerable amounts of snow during the winter. The climate is harsh during the winter and moderately hot in the summer making it a good place for fruit production; especially grapes. Animals are reared and cows in particular are bred for milk and meat. The valley sides are often steep and so space for growing crops is relatively limited with the result that crops are mainly grown on a subsistence basis.

FEA3 - Semi-arid steppe: This area is found in southern Erbil Governorate especially in the area called Dashty Koya (plain of Koya) and most of New Kirkuk Governorate which is often named the Germian (*kuṛdish: hot place*). It is the driest area in the whole of Northern Iraq with a mean average of between about 350 and 500 mm rainfall per year (Guest, 1966) and is the area most prone to drought. The area is sparsely populated and therefore the average land holding is larger than in other areas. Livelihoods revolve around wheat and barley production and the rearing of animals.

Peri-urban settlement: This was conducted in the collective town of Piramagrun. Collective towns, or peri-urban settlements were set up in the context of the Anfal operation to settle populations displaced by the conflict. Although the sample collective town lies within the semi-arid steppe FEAs, and is undoubtedly affected by the context of that FEA, the populations will generally have little access to land and livestock and their income. Almost all the population would have been displaced from the villages with many losing family members in the process. Collective towns do not tend to be natural markets because they are structures created by military action, with no established hinterland. Therefore they tend to have limited income-earning opportunities and in the late 90s a considerable number of the better-off families have returned to their original rebuilt villages.

Urban settlement: The historical town of Ruwanduz was long a market centre and there are more established patterns of work and labour, often centred around trading and service provision.

3.2 Overall Approaches

The main purpose of the household survey was to obtain information on the livelihoods and coping strategies in the three food economy areas and the urban settings. Three survey teams visited 8 villages in the three identified FEAs and then two urban areas (a town and collective), selecting three urban quarters in each settlement.

STEPS TAKEN IN A HEA ASSESSMENT

- Step 1 Secondary data collection and interviews with key informants*
- Step 2 Identify Household Food Economy Areas and Populations and baseline year*
- Step 3 Identify Wealth Groups and a baseline normal year*
- Step 4 Describing Household's access to food, cash, income and expenditures*
- Step 5 Understanding links to markets*
- Step 6 Understanding potential coping strategies*
- Step 7 Problem specification – calculating the impact of shocks.*
- Step 8 Provide recommendations on potential interventions and responses*

The fieldwork followed a standard HEA process. Upon completion of the classroom work and a review of secondary data relevant to the FEAs, the survey teams commenced the fieldwork. The first step in this process was to conduct interviews with settlement key informants. The main objectives of these initial meetings were:

- To obtain a brief overview of the community, historical background, services, markets, population, general description of livelihoods.
- To establish a wealth group profile of the community.
- To conduct seasonal calendars as a framework for discussing livelihood activities.
- To develop a schedule to meet with household wealth group representatives.
- To discuss community perceptions of the current year and priorities for interventions in the short and medium term.

Upon completion of the village key informant interviews, the survey teams then conducted group interviews with individuals selected to represent the various wealth groups. The purpose of these meetings was to gain an understanding of the wealth distribution within their respective villages and to discuss how each group gains its access to food and income.

The information provided from these interviews was then examined to present a range of wealth group characteristics within the respective FEA. In total, 42 wealth group

interviews and 14 key informant interviews were carried out during the course of the field work.

3.3 Discussion on HEA Methodologies

Key Informant Interviews: Key informants are members of the community who have particular in-depth knowledge of the economic and livelihood patterns of a respective community. In the Northern Iraq context these included traders, religious leaders, teachers, farmers, medical workers, village elders, veterinary workers, etc.

Wealth Groups: The HEA methodology recognises that within a given food economy area there will be different types of households, who live in different ways, and who will respond in different ways (with differing levels of success) to periods of food shortage. The major factor that differentiates one 'type' of household from another is 'wealth'. The wealth groups/socio-economic groups within a food economy area are sets of households who have similar levels of assets, and employ similar strategies to gain access to food and cash income. For the rural economies we generally recognised three broad wealth groups, but as we carried out interviews with key informants in the urban areas, it became clear that a fourth 'very poor' wealth group was emerging. The fourth wealth group was identified in Piramagrūn collective town during the initial stages of the field work, but in Ruwanduz it was only identified during the verification survey carried out later. This means that we have a better quantified description of the very poor wealth group in Piramagrūn and therefore in the analysis we have been able to provide separate bar charts for the group. In Ruwanduz, whilst we have been able to get an overall description of the very poor wealth group, we do not have the individual statistics because no interviews with the very poor wealth group were carried out at the household survey stage.

Consumption and expenditures patterns: To determine the consumption and expenditure patterns, as well as food energy requirements of the respective households in each wealth group, all interviews sought to calculate income and expenditures, expressed in dinars (Old Iraqi Dinars or OID); and food acquisition sources in kilocalories. Food sources are reported as a percentage of the WFP standard of 2100 kilocalories per person per day.

3.4 Constraints

First, the sampling sites had to be changed in Erbil Governorate because government officials felt that they were not all appropriate. This meant that we had to overcome logistical problems as we had planned to interview in villages close to Erbil to ease access and to maximise opportunities for training feedback.

In using what is essentially a rapid appraisal methodology it is always difficult to know how reliable the data is. Although the method specifically includes a number of representatives from a wealth group in order to gain the view of the whole wealth group rather than individuals, it was often the case that the interviewees found it difficult to answer on behalf of others. This became more marked in the urban areas because the populations were much higher and people were not necessarily able to conceive of an average situation.

A cultural consideration should also be noted at this point. People in Kurdish culture will not contradict one another because it would seem shameful to the one being contradicted. The wealth groups therefore did not engender discussion, but rather gave the point of view of the most vocal members of the representatives. There is also a strong hierarchical structure and, particularly in the case of some key informant interviews, a certain member of the community would dominate to the detriment of the consultative method. This led to a difficulty in defining wealth groups in some locations. The biggest problem occurred in one quarter in the town of Rawanduz, where the key informants would not define poverty and felt unable to categorise people for fear of recrimination. This led, in Ruwanduz, to a mis-quantification of the poor wealth groups, which was only identified during the verification of the data at a later date.

It was almost impossible to get participation from women and children and therefore there is likely to be a bias, especially in expenditure, towards the items that the man has to buy. Women were invited to attend, but would tend to keep quiet as is culturally appropriate for them to do. The men would have a good idea of the amount of meat they had bought or the amount of tobacco consumed, but they were not always clear about the fruit and vegetables that their wives had bought. This highlights again the problem of representation and the fact that there are different dynamics of household expenditure and income within the household. It is quite possible that knowledge is not always shared within the household on various economic matters. This was also the case in terms of children's contribution to the household income. It was difficult to find out accurate information about the number and age of children who worked.

Lastly, and connected to the points above, it was often difficult to reconcile the figures for income and expenditure. People tended to under-emphasise income and over-emphasise expenditure which led to a problem of balancing the two figures. However, as the fieldwork continued, the researchers became more adept in noticing disparities and exploring them in order to get a more accurate picture.

It must be remembered that the research exercise was also a training exercise to allow the partner agencies the potential for carrying out similar work in the future. It was only

unfortunate that the period of training was shorter than planned because of unforeseen difficulties in getting consultants in from London for the required period.

Key Terms¹⁰

Sources of food:

Own crops	<i>Domestic crop production.</i>
Own animals	<i>Animal products produced at the household for household consumption.</i>
Food for Work	<i>Food obtained as wage payment for work completed.</i>
Wild foods	<i>Wild foods refer to all collection and consumption of non-farmed vegetable and insect foods.</i>
Gifts/begging	<i>Food acquired from other households that is given without expectation of labour or other payment.</i>
Remittances in food	<i>Food acquired from household members working outside the area.</i>
Purchase	<i>Food acquired from formal or non-formal markets where payment is given in exchange.</i>

Sources of income:

Sale of food crops	<i>The sale of food crops that are generally produced on households' main farms (e.g. wheat, barley, chick peas).</i>
Sale of cash crops	<i>The sale of cash crops (e.g. tobacco, cotton).</i>
Sale of animal products	<i>The sale of animal products (meat, wool, milk, yoghurt etc.).</i>
Agricultural/ Casual labour	<i>The provision of farm-based or other daily labour for which daily wages are given.</i>
Trade	<i>The sale or re-exchange of goods that have been previously acquired and brought into the household.</i>
Remittance	<i>The cash that is acquired from household members working outside the area and often from relatives living abroad.</i>
Loan	<i>The acquisition of income from loans that are accumulated or not paid back.</i>

Expenditure:

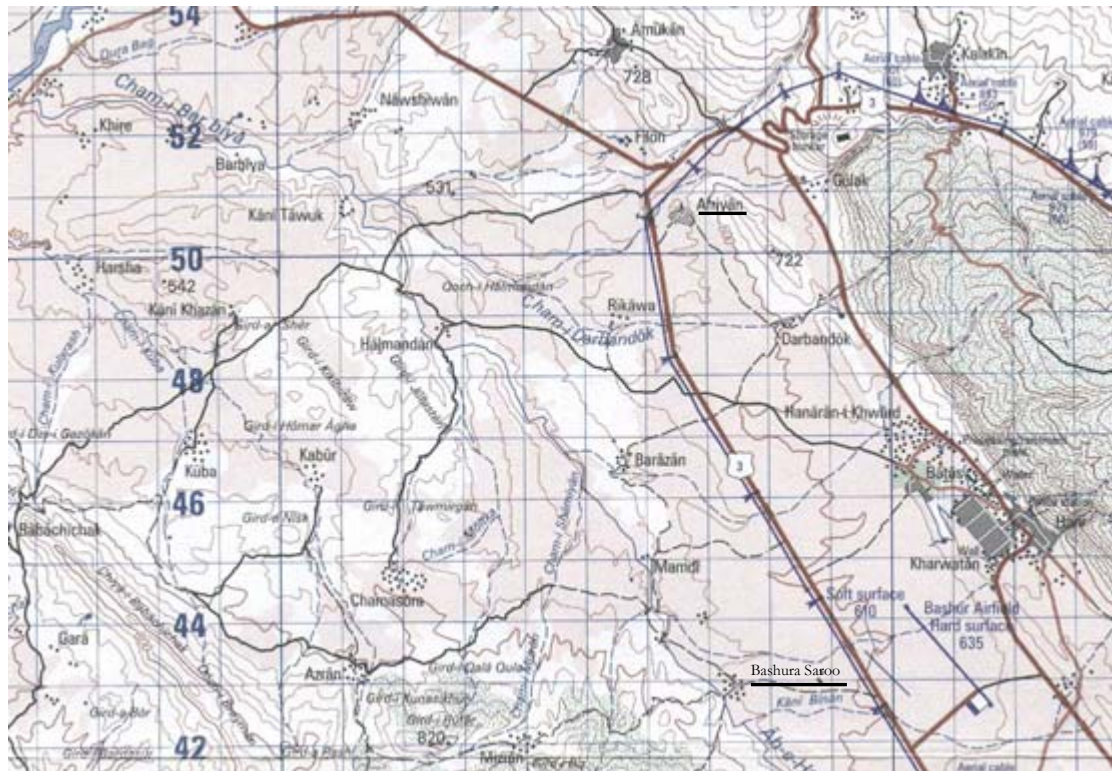
Food (staple)	<i>Staple cereals such as maize, sorghum and millet.</i>
Food (non-staple)	<i>All other foods, including legumes, oil, sugar, vegetables, etc.</i>
Social services	<i>Services considered essential, including health care and education.</i>
Hiring of others	<i>Cash used for payment of formal or daily employees.</i>
Animal purchase	<i>The purchase of poultry, small stock and livestock.</i>
Inputs	<i>Tools, fertilizers, pesticides, medicines and other materials utilised for domestic production of crops or animals.</i>
Household items	<i>Essential household items such as blankets, kitchen implements, etc.</i>
Transport	<i>Costs of public transport</i>
Loan repayment	<i>The payment of loans with cash.</i>

¹⁰ Adapted from: Save the Children (UK). The Household Economy Approach: A Resource Manual for Practitioners. London: Save the Children (UK), 2000.

4. MAIN FINDINGS: THE RURAL SETTLEMENTS

4.1 FEA 1 – RAIN-FED PLAINS

The area chosen for observing the household economic situation in the rain-fed plains was the Harir plain and specifically 2 villages, Afriyan and Bashura Saroo (see **Error! Reference source not found.**).



Map of the Harir plain, (Source: UNOPS); each square represents a km

Harir: The plain of Harir or Dashty Harir is located north of Erbil in a large flat-bottomed valley where a small tributary of the Great Zab river flows north westwards, joining the Zab just in the upper corner of the map sheet above. Harir is the main market town and sub-district centre with a population of between seventeen and twenty thousand inhabitants. It lies at the foot of the escarpment of Shaki Harir, which towers 700 metres above the plain. Bashura Saroo lies just to the east of the small river, which flows through the plain, on a river terrace and the land around the village is flat fertile arable land. It is close to the new road and is about 6 km from Harir town. Afriyan lies on the north-east edge of the plain close to the road junction where the old Hamilton road to Diana splits from the road from Erbil to Dohuk. The land is hummocky and there are fewer opportunities for cultivation.

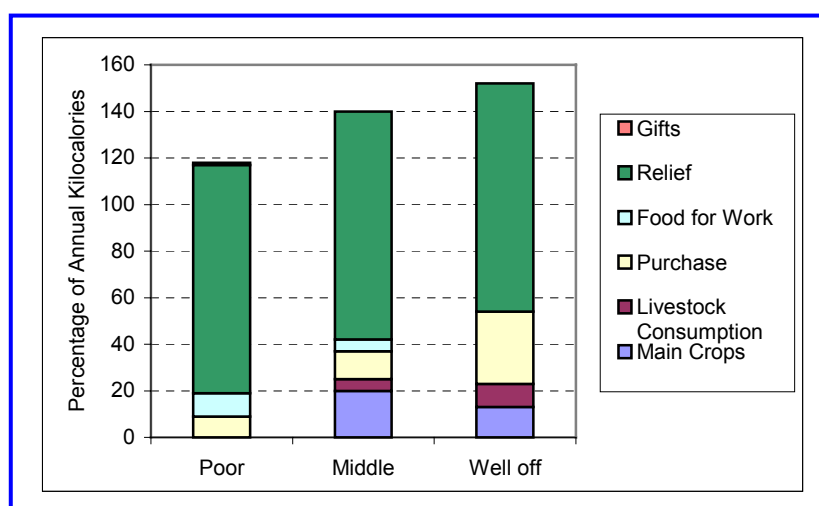
Wealth group characteristics for FEA 1

Characteristics of Wealth Group	Poor: Dependent on relief with Casual Unskilled Labour	Middle: Agriculture Labour with official employment	Well off: Access to Capital with trade and regular employment
% of total HHs	52 %	32 %	16 %
Mean HH size	7.5	7.5	9
Average HH income (phpa)	\$ 251 4,635 OID	\$ 702 12,982 OID	\$ 983 18,189 OID
Land cultivated	1 donum ¹¹ (rented)	12 donums (owned / rented)	15-20 donums owned
Livestock owned	1 cow, no shoats and up to 5 poultry	1-2 cattle, 6 shoats and 8 poultry	2-3 cattle, 17 sheep and 5-10 poultry
Principal livelihood activities	High level of unemployment. Rock-crushing, some casual work in local town and some agricultural labour on other people's land (planting/harvesting).	Civil servant (guard, cleaner or teacher) or a member of the family is a Peshmerga.	Trading in agricultural goods. Vehicle hire. Head teacher and / or Angiaman who looks after the affairs of the village
Comments	Use dung for cooking, No furniture	Use kerosene and gas for cooking. May own radio or T.V.	Probably owns vehicle and or generator. Owns business in local town.

Food and energy requirements:

(Figure: Food sources for FEA 1 as a percentage of WFP recommended calorific intake)

Ascertaining if a given population is meeting its annual food needs is



basic to an HEA assessment. Practitioners/trainees are required to calculate all relevant food sources into food energy requirements in kilocalories. This includes all food sources from the household's own production, purchase, and agriculture labour (when exchanged for food). The average requirement per person per day is generally taken as

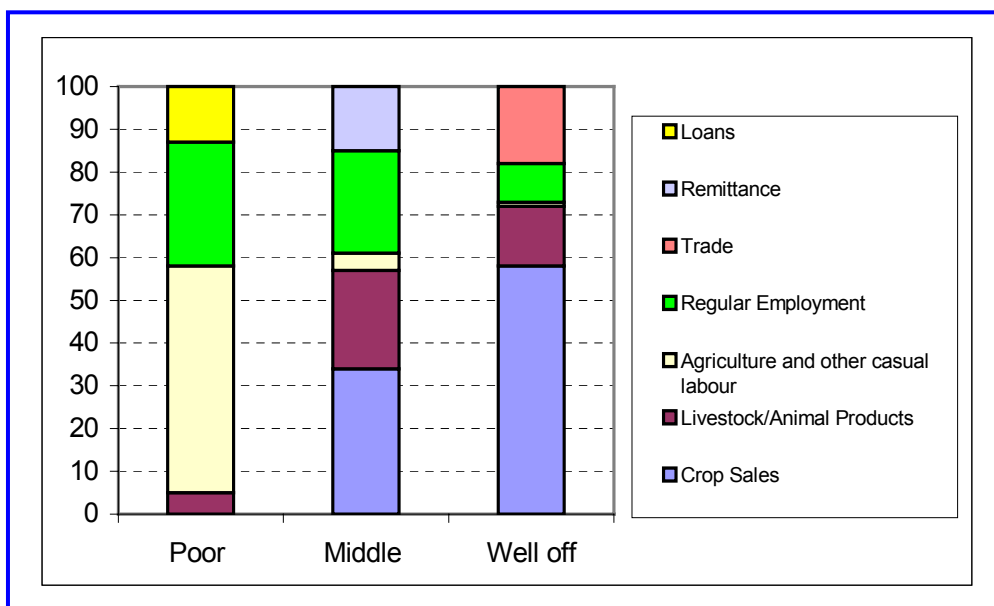
2100 kilocalories. Figure II shows details of how all wealth groups are well above their minimal energy requirements. This is attributable to the universal UN-SCR986 food ration.

For the poor wealth group, food for work means paying back loans, taken out during lean times of the year, in the form of casual labour.

The middle group also has some element of food for work. However, purchasing of foods which are high in kilocalories is unnecessary because of their own crop production. Although the rates of purchase are no higher in relative terms than those of the poor, the types of food purchased are vastly different: more food at higher cost with higher nutritional value.

The rich group has more and better food, compared to middle and poor groups: they have a markedly higher level of purchased food, which is attributable to the diversification of economic activities giving an increase in disposable income.

FEA 1 Sources of Income



The three wealth groups consist of: the poor with incomes of **4,635 OID per household per annum (phpa)**, middle **12,982 OID phpa** and the rich **18,189 OID phpa**.

Regular employment is an important source of income for each wealth-group.

¹¹ 1 donum equals .25 of a hectare

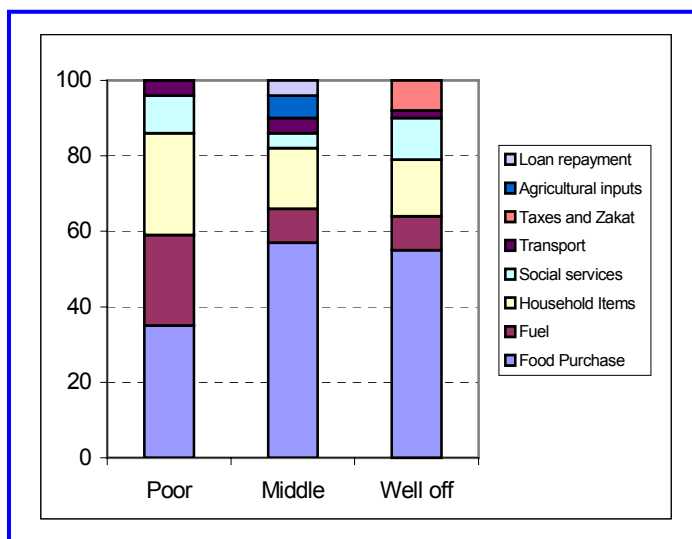
However, relatively speaking it becomes less important for the richer members of the population, as there is a much greater reliance on other economic activities, (e.g. crop sales and trade)

The middle wealth-group gain 15% of its income from remittances from outside the village. This additional income assists finance agricultural activities. This is in contrast to the poor wealth-group which gains a similar amount in loans, but has to repay them.

The middle and rich wealth-groups gain most of their income from crop production followed by livestock sales.

**Expenditure Patterns
(Figure: FEA 1 expenditure patterns)**

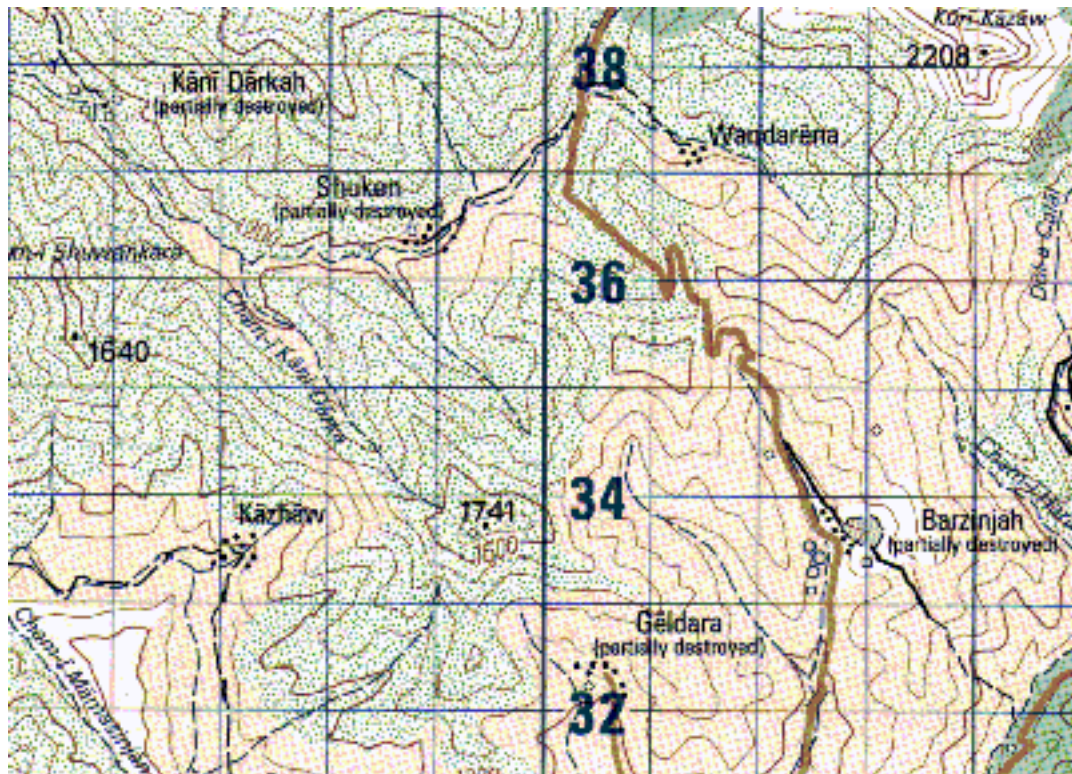
In comparison to the poor, the middle and rich groups spend a higher proportion of significantly higher incomes on food purchase. This makes clear the difference in food quality between different wealth groups.



A large amount of money is spent by all wealth-groups on fuel. There is little availability of firewood nearby.

It is noticeable that the rich are giving 8% of their income away in taxes and Zakat.

4.2 FEA 2 -- MOUNTAINS



Map of the region around Barzinja, (Source UNOPS); contours = 100m

Barzinja is a remote mountainous area lying approximately half way between Sulaimany and the Iranian border. Historically the small town of Barzinja has been an important religious centre with records of the non-Kurdish Sheiks of Barzinja going back several hundred years. All the villages in the area, including Barzinja itself, were most recently destroyed during the Anfal campaign in the late 80s, but have since been rebuilt and resettled, although many families decided to stay in or around Sulaimany. The village of Wanderena (1350 m) sits on the steep lower western slopes of Kazhaw mountain (2208 m), and has little land that can be cultivated. Villagers rely heavily on livestock and fruit production. The villages of Kazhaw (1100 m) and Geldara (1200 m) lie on much gentler sloping ground on the edge of a small valley which drains southeastwards. There is much more arable land, although in the last few years their crops have been affected by a pest which has destroyed their wheat crops. However, fruit and livestock are still the main agricultural activities. Villagers in Geldera, because of their proximity to the main road leading south from Barzinja (the road north becomes a mud track), have more opportunities for regular employment either in nearby Barzinja, or down the valley in Said Sadiq.

Wealth group characteristics for FEA 2

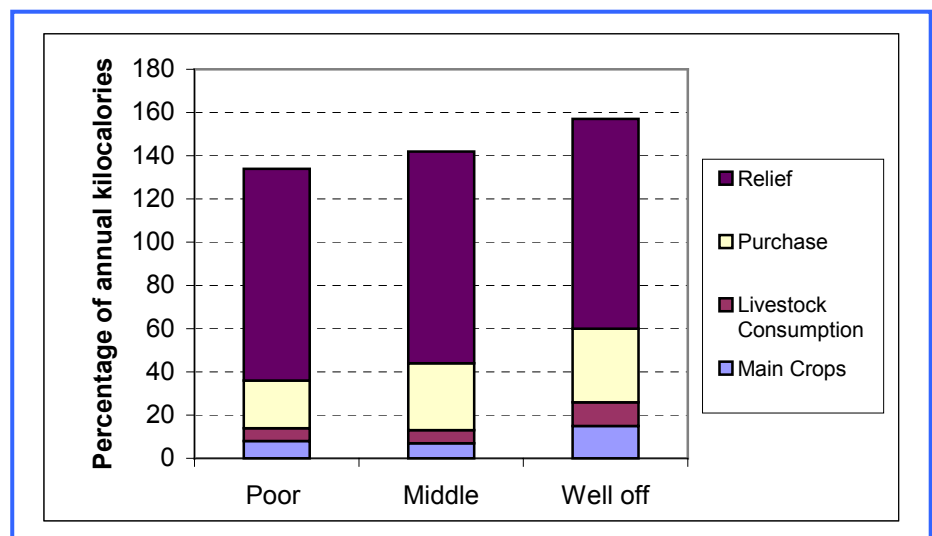
Characteristics of Wealth Group	Poor	Middle	Well off
% of total HHs	41%	35%	24%
Average size of HH	7	6	6
Average HH income (phpa)	\$ 316 5,850 OID	\$ 498 9,220 OID	\$ 927 17,145 OID
Land cultivated	4.5 donums	12 donums	30 donums
Livestock owned	Cattle: 2, Shoats: 4, Poultry: 5	Cattle: 4, Shoats: 16, Poultry: 6	Cattle: 8, Shoats: 43, Poultry: 6
Principal livelihood activities	Crop, livestock sales, casual labour and some regular employment	Crop, livestock sales, casual labour (construction) some regular employment (guards), some small trade (shopkeepers, honey)	Crop, livestock sales, service provision (tractors, taxis), traders, shop owners

Food & energy requirements:

(Figure: Food sources for FEA 2 as a percentage of WFP recommended caloric intake)

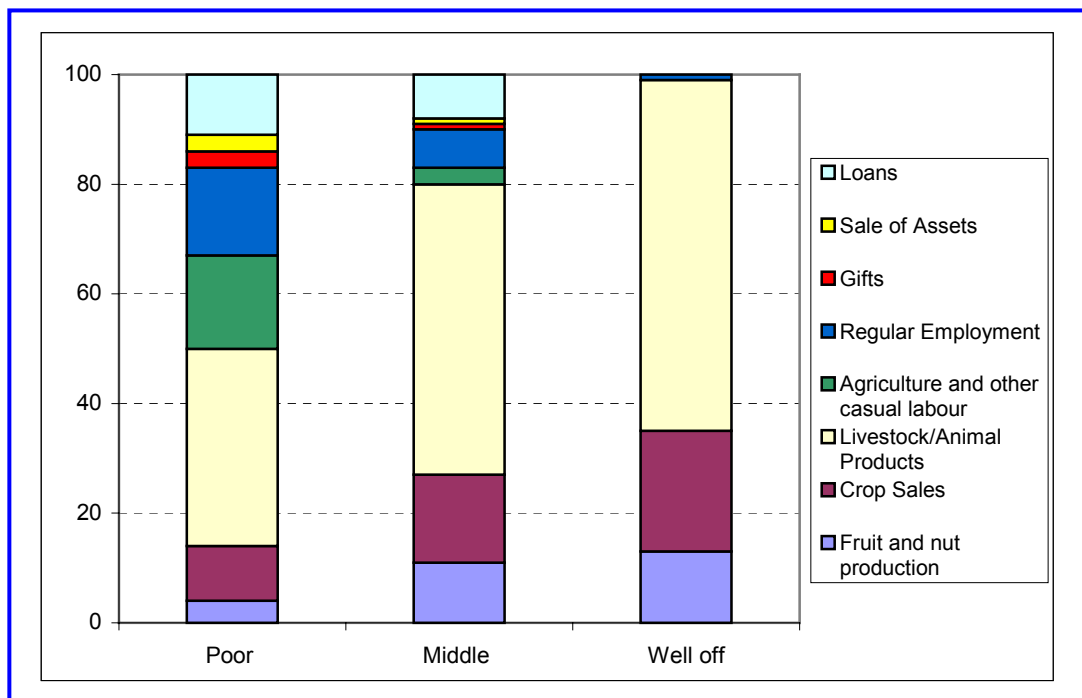
The ration makes up just over three quarters of the food intake of poorer families.

Even the poor wealth group has access to some land and livestock which improves their kilocalorie and nutritional intake.



Both the middle and rich have the least reliance on the food ration compared to the villages in the other FEAs.

FEA 2 Sources of Income



The three wealth groups consist of the poor with incomes of **5,850 OID phpa**, middle **9,220 OID phpa** and rich **17,145 OID phpa**

Livestock dominates the income sources of all wealth groups. Livestock ownership is clearly the main indicator of wealth.

Normally there would be a higher income from crop sales, but this is reduced due to a mixture of drought and crop diseases.

The largest components in the crop harvest are grapes and chick peas.

A considerable income for the poor and middle groups comes from loans, gifts and the sale of assets

Access to arable land is a major constraint due to the terrain and isolation.

There are few opportunities for regular employment and trade for all groups, except that generated in the villages themselves.

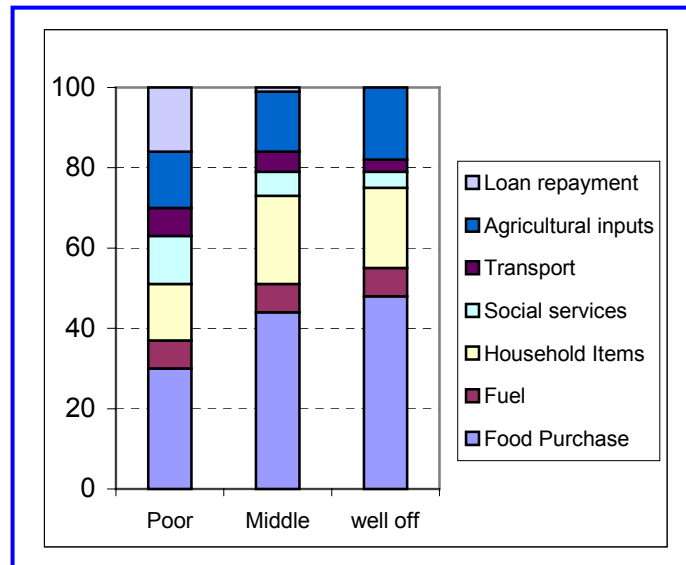
Expenditure Patterns

Because of their isolated location, the villages of Barzinja have to spend a relatively high amount on transport, which especially affects the poor.

The poor live in a system of circular loans. During the winter and spring they borrow money to provide for their families. This is paid back annually after the sale of their livestock and crops.

Access to good quality land is limited due to the terrain; thus there is a higher cost for agricultural inputs to cultivate on marginal land.

FEA 2 expenditure patterns



4.3 FEA 3 SEMI-ARID STEPPE



Map of part of the Germian region, south of Sangaw, (Source UNOPS)

The name “Germian” comes from the Kurdish word for hot (germ) and is used to denote the area west and south of the main mountain belts; most of the area is contained within the old administrative boundary of Kirkuk Governorate. The area has the least rainfall of the Kurdish region with a mean annual rainfall of below 400 mm; however, in the last three years the rains have been considerably below average. The landscape is hummocky with small wadis dissecting it, providing small flows of water at times during the winter months. Most of the villages were totally destroyed in the Anfal campaign and although the many villages have been resettled during the 1990s, the population living in the area has decreased. The villages tend to be small, built in mudbrick and are accessed on sub-base roads. They are very isolated with the main market of Chamchamal about 2 hours drive north and although they have more land per capita, it is much less productive. The primary income source comes from animal production.

Wealth group characteristics for FEA 3

Characteristics of Wealth Group	Poor	Middle	Well off
% of total HHs	41%	35%	24%
Average size of HH	6	7	7
Average HH income (phpa)	\$ 190 3,520 OID per annum	\$ 238 4,400 OID per annum	\$ 522 9,650 OID per annum
Land cultivated	7 donums	17 donums	35 donums
Livestock owned	Cattle: 1, Shoats: 12,(+9 in shared arrangements) Poultry: 10	Cattle: 2, Shoats: 13, (+30 in shared arrangements) Poultry: 8	Cattle: 5, Shoats: 43 (+30 in shared arrangements) Poultry: 13
Principal livelihood activities	Livestock sales, casual and agriculture labour, small amount of regular employment, significant reliance on loans	Livestock sales, agriculture and casual labour, small trade, some crop sales,	Own livestock sales, animal trade, service provision, small trade, some casual labour

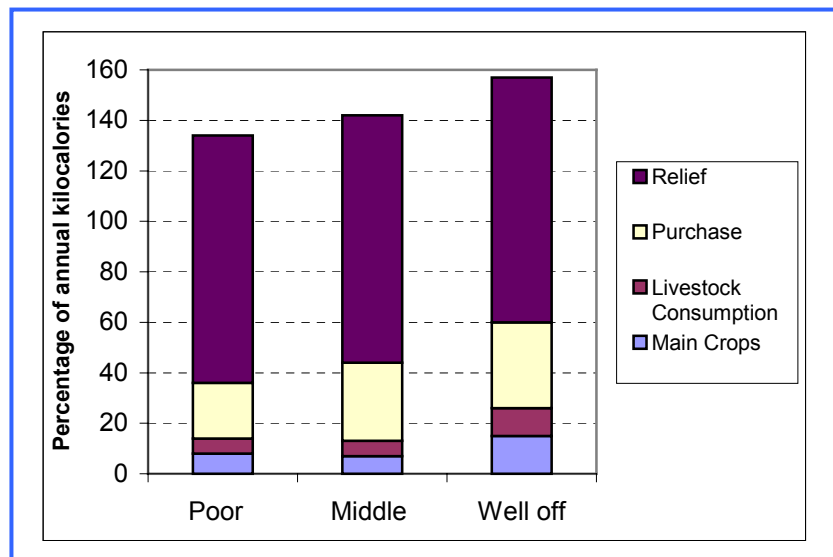
Food and energy requirements:

(Figure: Food sources for FEA 3 as a percentage of WFP recommended calorific intake)

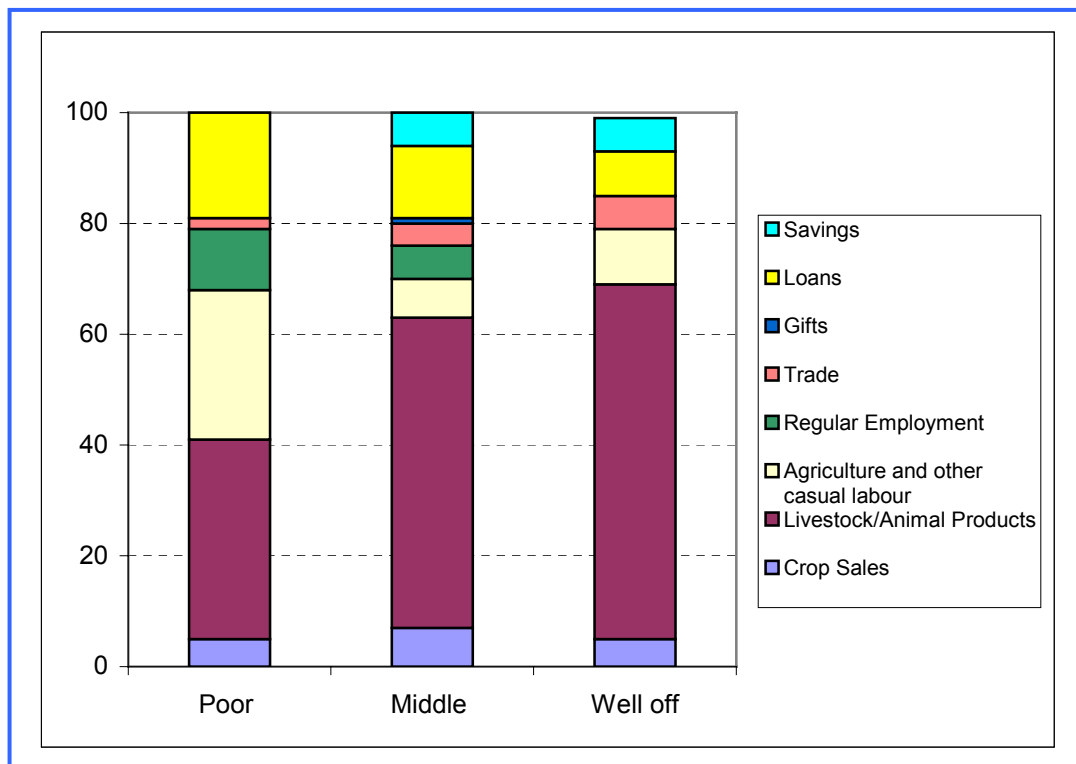
All the wealth groups have similar patterns of food sources. From the poor to the rich there is a significant reliance on their own production. This is attributable to the lack of markets in the area.

Similar to other FEA's, the 22% of bought food in the rich group

is only different in its quality. There is a concentration on fruit and vegetables rather than high calorific foods such as extra wheat flour and rice.



FEA 3 Sources of Income



The three wealth groups consist of: the poor with incomes of **3,520 OId phpa**, middle with **4,400 OId** and rich with **9,650 OId**

Livestock dominates the income sources of all wealth groups. Once again, access to livestock is a clear indicator of wealth.

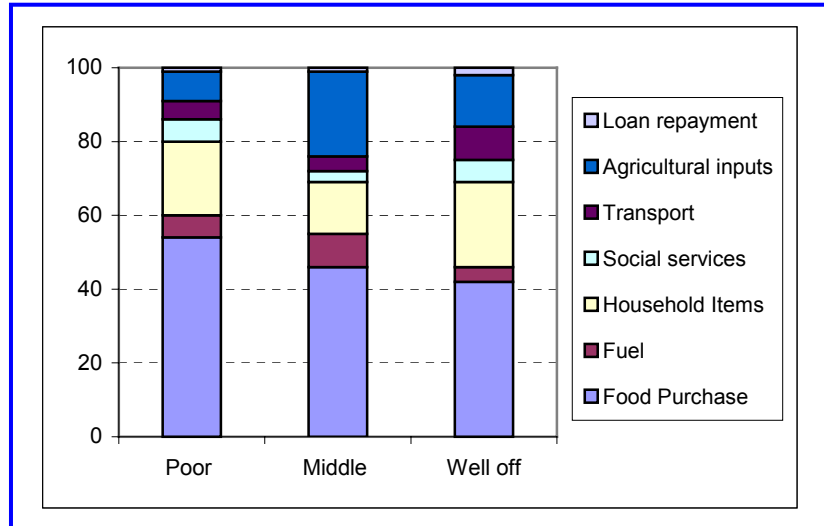
All wealth groups have access to land, but the quality of land is poor. In comparison to the other FEA's, overall production levels are low, which is due to continuous drought conditions over the past few years.

The middle wealth group maintains its higher income by a significant proportion of gifts, savings and loans, which amount to a total of 21% of its annual income.

Expenditure Patterns

(Figure: FEA 3 expenditure patterns)

As noted, access to good quality land is limited due to the terrain, which means that more agricultural inputs are needed to cultivate on more marginal and drought-affected land.



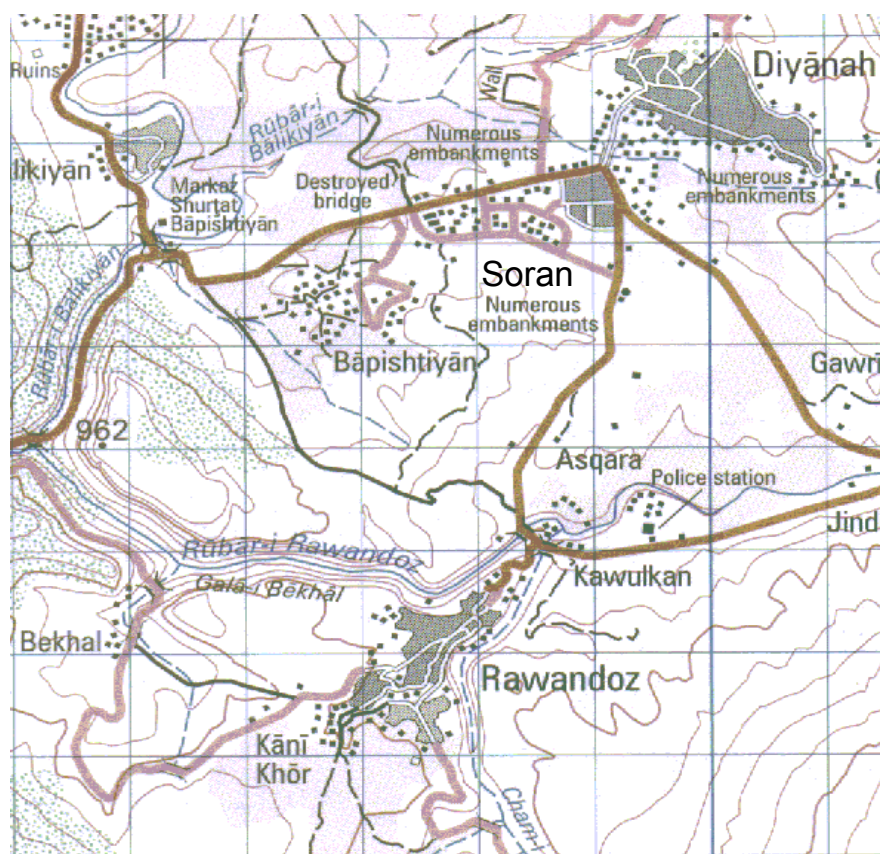
Transport costs are also quite high because of the isolated position of many of the villages in German.

Loans are repaid with casual and agricultural labour.

5 MAIN FINDINGS: THE URBAN SETTLEMENTS

5.1. RAWANDUZ

Rawanduz is one of the oldest towns in the mountains of Northern Iraq and has a current population of approximately 10,000. It lies in a highly strategic position between the two gorges of the Rawanduz and Jindian rivers and commands views of the important valleys which lead from the highlands of Turkey and Iran. Historically the town was ideally placed to protect and control these trade routes which lead southwards across the mountain passes to the Iraqi plains. It was a centre for local markets and trade was the main activity of the inhabitants. It continued to be a prominent town until the 1990s and had grown to the extent of incorporating a couple of nearby villages, such as Kani Qur, within its municipal boundary. During the last decade its status declined because of its location on the front-line between the PUK and KDP held territories. The establishment and growth of the town of Soran in the plains below Rawanduz has meant that the markets in Rawanduz have become relatively inaccessible. Concurrently Rawanduz, which has traditionally held allegiance to the PUK, has come under the control of the KDP, which has meant that investment has been limited. In conclusion Rawanduz has suffered inertia because it has become politically and economically detached, while Soran and Diana have taken over much of its markets and trading.



Map of Rawanduz

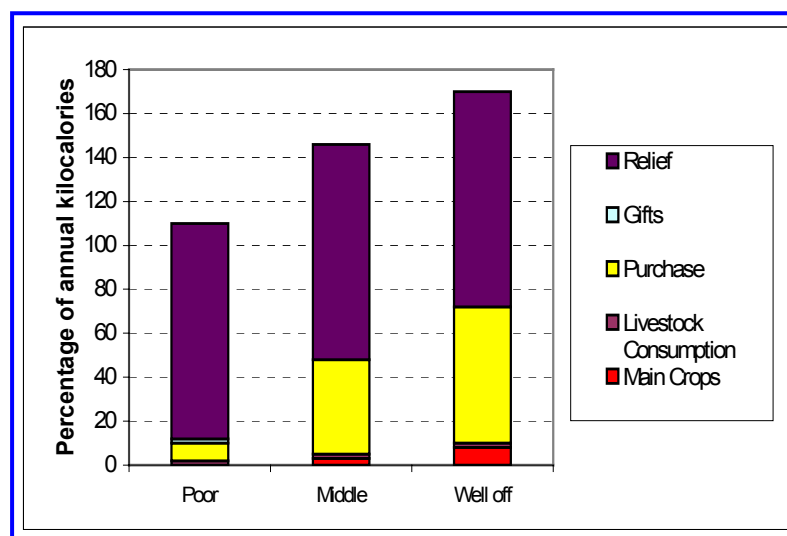
Wealth group characteristics for Rawanduz

Characteristics of Wealth Group	Very poor ¹²	Poor	Middle	Well off
% of total HHs	20%	45%	25%	10%
Number in the HH	Na	8	7	7
Average HH income (phpa)	\$ 135 2,500 OID	\$ 238 4,400 OID	\$ 486 9,000 OID	\$ 966 17,875 OID
Land cultivated	None	2 donums	3.5 donums	None
Livestock owned	None	Cattle: 1, Shoats: 0, Poultry: 5	Cattle: 1, Shoats: 0 Poultry: 3	Cattle: 1, Shoats:0 Poultry: 3
Principal livelihood activities	Almost negligible income from casual work, but highly reliant on loans and gifts.	Types of regular employment, casual labour, petty trade, gifts and loans	Regular employment, loans and use of savings, casual labour, fruit sales	Trade, Regular employment, use of savings, renting land, remittance,

Food and energy requirements:

(Figure: Food sources for Rawanduz as a percentage of WFP recommended calorific intake)

In the town of Rawanduz, a very poor wealth-group representing 20% of the total population was identified during a verification exercise, using house to house checks. This group was comprised mostly of widows, disabled, elderly and war- affected. They have marginal financial resources.

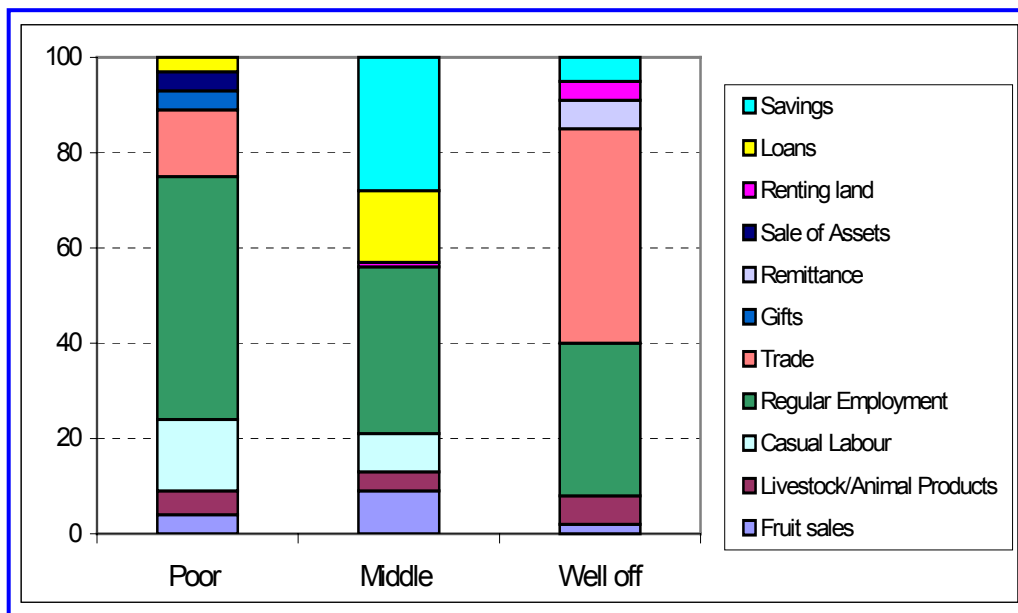


None of the wealth groups has access to livestock or crop production. They are reliant upon their own income and the food from the ration.

The poor group has over 90% of its food provided, either through the ration or gifts.

¹² See page 18 for note on the very poor wealth group

Rawanduz sources of Income



Four wealth-groups were measured. The very poor had incomes in the range **2500 to 3000 OID phpa**. Poor incomes are approximately **4400 OID phpa**, the middle wealth group had about **9000 OID phpa** and the rich have incomes of **17, 875 OID phpa**.

One of the main differences between poor and middle wealth groups is the reliance of the middle groups upon past savings and loans (43%).

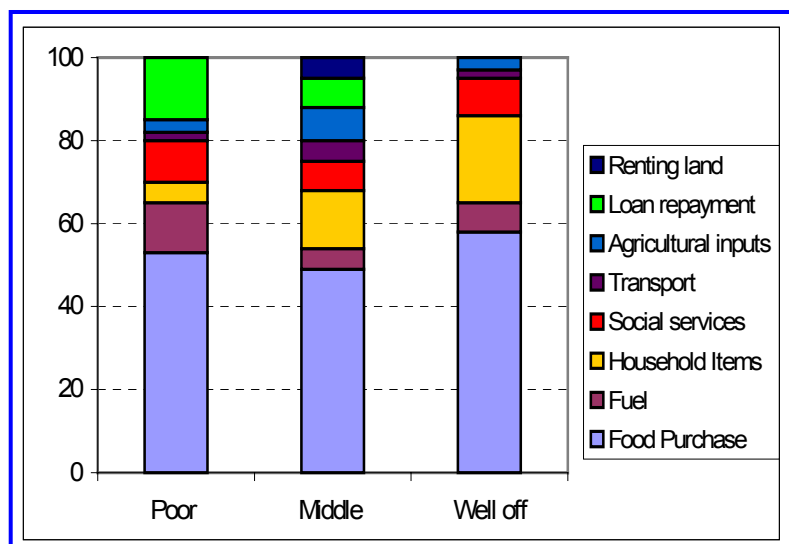
Regular employment makes up the majority of income sources, especially for the poorer wealth groups. The poor also have secondary sources of casual work, (e.g. construction, petty trade, etc).

The rich groups are often traders, but still gain over 10% of their income from past savings and remittance

Expenditure Patterns (Figure: Rawanduz expenditure patterns)

Only small amounts of food are produced by families in Rawanduz and consequently expenditure on food is high for all wealth groups.

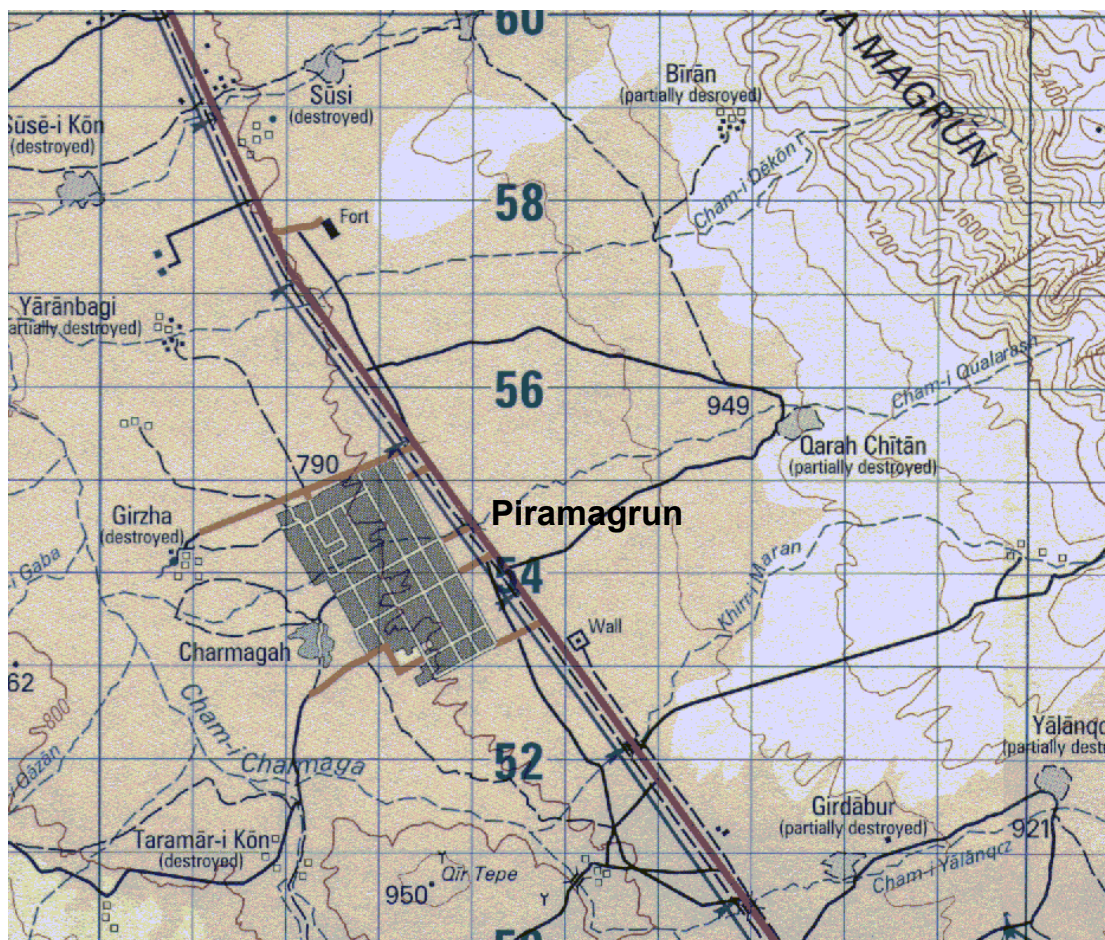
The poor and very poor wealth groups spend very little on household items and are



under a significant burden of debt.

The rich wealth group spends most on food and has access to many more luxury food items.

5.2 PIRAMAGRUN COLLECTIVE



Map of Piramagrun collective town

Piramagrun collective was established in 1988 in order to house people from the Dokan, Surdash and Jaffayaty regions after their displacement during the Anfal campaign. It is situated about half way between the city of Sulaimany and the small market town of Dokan. It lies in a wide flat valley in the shadow of one of Iraq's most spectacular mountains, Piramagrun (2611 m). It is divided into 8 quarters and has a population of about 17,000. A couple of the big quarters have as many as 500 households, while the quarters 6-8, which were added on to the southern end of the settlement, have populations of between 75 and 200 households. These smaller quarters have very few services and are not linked up to the main water supply. In February 2001 there were only three private generators (2 in the second quarter and one in the sixth) which gave electricity for an hour in the evening. This has improved slightly and most households have access to about one ampere for a few hours in the day. There are 8 primary schools housed in 5 separate buildings, mainly located in the larger quarters, and there are two secondary schools (one for male and one for female students). There is little access to firewood, so most people have to use kerosene and there is limited access to the villages

that people originally came from because of the cost of travel. Many of the people who were able to return to their villages have returned, leaving a sizeable remnant who cannot afford to go back and a better-off community who stay because of the better access to services.

Wealth group characteristics for Piramagrun

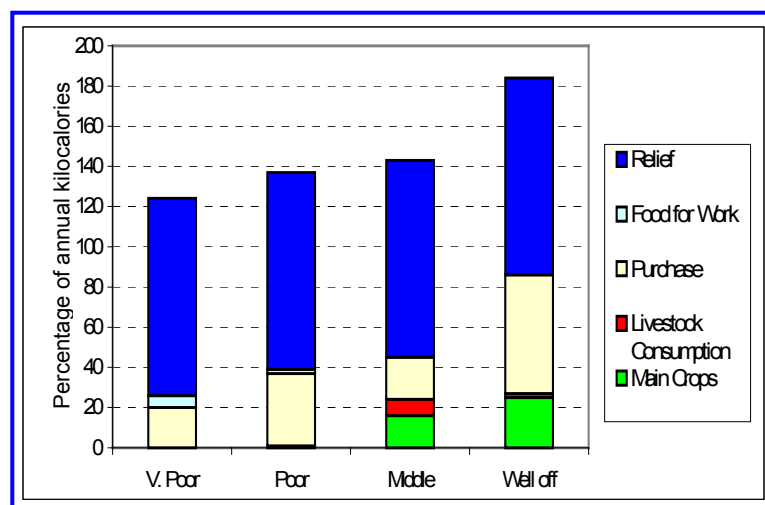
Characteristics of Wealth Group	Very poor	Poor	Middle	Well off
% of total HHs	18%	42%	29%	11%
Number in the HH	4	6	7	6
Average HH income (phpa)	\$ 108 2,000 OID	\$ 308 5,700 OID	\$ 398 7,360 OID	\$ 1081 20,000 OID
Land cultivated	None	None	5 donums	21 donums
Livestock owned	None	Poultry: 1	Cattle: 1, Shoats: 0 Poultry: 5	Cattle: 8, Shoats: 16 Poultry: 15
Principal livelihood activities	Very poor have marginal access to any income sources, mostly gifts and loans	Poor: casual & agricultural labour, regular employment, loans & gifts, petty trade	Crop sales, livestock, regular employment, agric and casual labour loans & sale of assets	Trade, regular employment, remittance & loans, crop & livestock sales

Food and energy requirements:

(Figure: Food sources for Piramagrun as a percentage of WFP recommended calorific intake)

Similar to the urban settings there is a substantial portion of the poor population which can be described as very poor, bordering on destitute.

Although historically the inhabitants had access to land in their villages in Dokan, the poorer wealth groups are now unable to access this land because of lack of money and support.



The poor groups have to purchase a much larger proportion of their food intake.

The middle group, on the other hand, consume a considerable amount of their own production.

The rich have much more disposable income so that they do not have to rely on their own production.

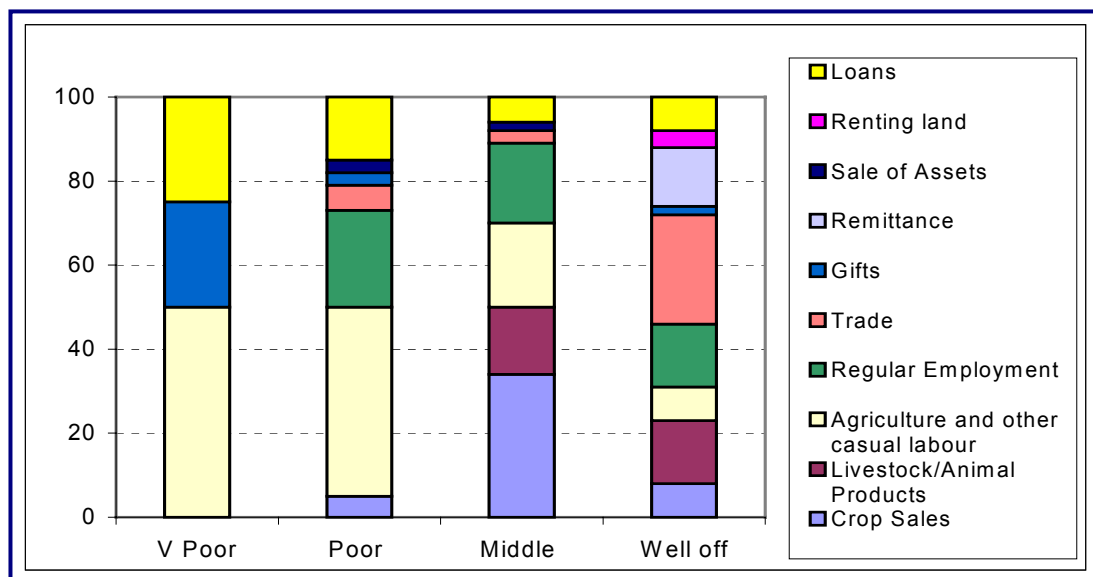
Sources of Income

18% of the population of Piramagrún collective is very poor with annual incomes of approximately **2000 OI D phpa**. In addition, a further 42% are poor with annual incomes of approximately **5750 OI D phpa**.

The very poor are mainly ‘Anfal widows’, disabled-headed households and the elderly and infirm. They have little labour opportunities and over half of their meagre income comes through gifts and loans.

The poor wealth group survives mainly by obtaining casual work, often carried out by children and women in the family. Over 20% of their income comes through gifts, loans and the sale of assets.

Piramagrún sources of Income



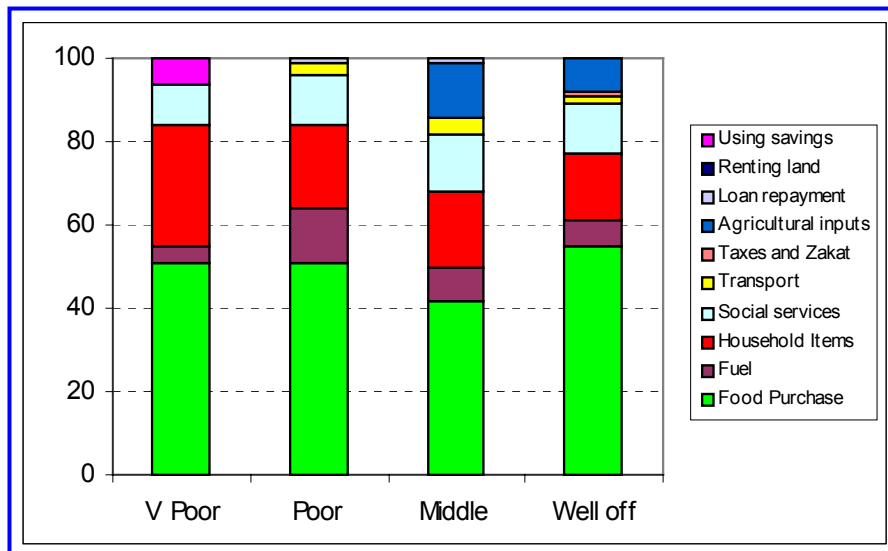
The middle wealth group has access to an income of about **7360 OI D phpa** and the rich have incomes of around **20,000 OI D phpa**.

Expenditure Patterns

A much higher amount is spent on household items in the Pirmagrun than in Rawanduz; however, in real terms it is probably consistent throughout the wealth groups. The very poor probably have little heating in the winter and the transition upward towards the poor wealth group is marked by an increase in expenditure on fuel for heating and cooking.

Only the middle and rich groups have access to land which is why they spend money on agricultural inputs.

Pirmagrun expenditure patterns



6. MAIN FINDINGS AND CONCLUSIONS

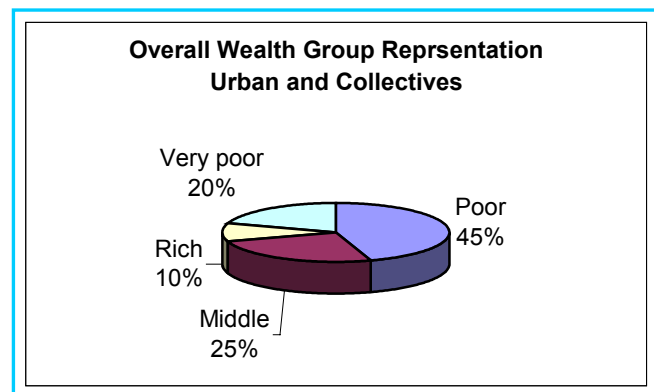
MAIN FINDINGS:

60% of the population of Northern Iraq is poor, and a significant number of people are destitute

20% live in extreme poverty, defined as under \$150 per household per annum

20% of the total population of Northern Iraq is living in extreme poverty, bordering on destitution, with incomes of US \$120 to \$200 per household per annum (phpa).

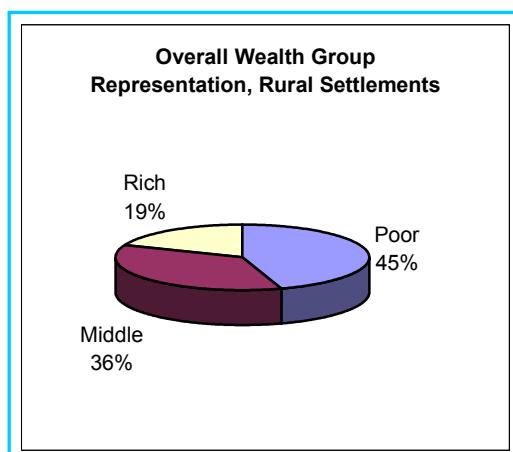
Most of the very poor live in the households of widows, the disabled and the elderly, living in towns and collectives. They are entirely reliant on the WFP food ration and have virtually no other access to income, with the exception of casual labour and internal gifts from their respective communities.



40% live in poverty, defined as under \$300 phpa.

In addition to the 20% in extreme poverty, 40% of the total population of Northern Iraq is living in poverty. There is a slight increase in income of US \$250 to \$300 phpa. Income is generated from agricultural production, agricultural and casual labour, regular low-paid employment and access to small amounts of often rented land (1 to 4 donums).

Many middle income groups have incomes under \$400 phpa, and may be at risk



There is a further 25% of the urban population which was defined as having medium wealth. Significant income is gained through regular employment as civil servants, teachers, drivers, etc. A large amount of income is gained through taking loans and using past savings. For the 36% of villagers in this medium group, the main income sources come from crop and livestock production. However a proportion of the middle groups are also at risk (half the

communities visited had average incomes of less than \$400 phpa.)

Better off households have incomes of under \$1000 ppha

10% of the urban population of Northern Iraq is classified as rich. The people gain income through a variety of sources, but particularly trade and official employment. They often receive remittances from outside. 19% of the rural population can be classified as better off; they have considerable access to land and livestock and gain almost all of their income from these sources. Average incomes are under \$1000 ppha

CONCLUSIONS:**Most households are extremely vulnerable to external shocks, including unplanned changes in the sanctions system**

The poorest population makes up 60% of the total population of Northern Iraq. It is extremely vulnerable to external 'shocks'. These shocks include droughts, price increases, external or internal conflict, and natural disasters. They also include any unplanned changes to the ration system created by UN Security Council Resolution 986. They have little (if any) capacity to expand to other coping strategies and economic activities.

Many poor people are reliant on the economic activity of the richest groups, and are vulnerable to changes in their income.

Approximately 60% of the urban population (the poor and the very poor) rely on the better off wealth group for their income. There is a high level of potential vulnerability for them and by extension the whole community. If there were some kind of shock which reduced the income of the rich, they would tend to rely on their own production and their assets and stop employing others, reducing gifts/zakat etc., which would have a considerable knock-on effect on the poorer wealth groups.

The sanctions and ration regime created by the UN Security Council has undermined and distorted markets and livelihoods and destroyed normal economic life for the vast majority.

Before SCR986, Northern Iraq was able to respond to its extreme isolation by developing an agricultural economy. SCR986, which was implemented in 1997, played havoc with those markets. It crippled the self-initiative and hindered the promotion of self-reliance of the population.

The rations system instituted by UN Security Council Resolution 986 has created unprecedented levels of dependency.

Sanctions have undoubtedly impoverished the Iraqi population: the SCR986 Programme, however, has not overcome that impoverishment, but rather has raised dependency to

internationally unprecedented levels. In the many near-destitute households, up to 90% of food comes from the SCR986 ration.

Poor people could not afford to feed themselves if the SCR986 ration was suddenly removed

If one could put a value on the food portion of the SCR986 ration, using current prices, the monthly ration would cost just below \$20 per family per month. Almost half of the village populations and 65% of the urban populations do not have the ability even to afford the food in the monthly ration. In the worst cases, some households were using 53% of income to buy 7% of food needs – these households could not exist if the ration were taken away. After four and a half years of SCR986 at least half of the population of Iraqi-Kurdistan is so poor that the people would have no way of affording basic food, required for an active and healthy life.

Product	Amount per person (Kg)	Amount per family (Kg)	Cost per month (OID)	Cost per month (\$)
Wheat flour	9	63	126	6.8
Rice	3	21	84	4.5
Tea	0.15	1.05	15	0.8
Oil	1.25	8.75	57	3.1
Sugar	2	14	70	3.8
Dried whole milk	0.5	3.5	14	0.75
Total			366 OID	\$19.8

The value of the food component of the ration at current prices

There are two important issues which are worth noting from the table above. First is the issue of prices. The fact is that if the ration were not in operation, then prices would be much higher than the current ones (as witnessed in the early 1990s. See Figure 3). In a market without the suppressed prices due to the ration, the ability to buy food would be vastly reduced with the current levels of income. This would especially affect the urban populations, who have no access to their own production and therefore source of food.

The other issue is that the cost per month of \$20 only includes the basic food commodities in the ration. It does not include the irregular provision of lentils and chickpeas which are important for protein levels in the diet. It also fails to take into account the non-food items which are at present given free or highly subsidised; these include soap and detergent as well as kerosene and gas. So the value of the 'livelihood' basket as a whole is actually well over \$20 per month per household even at current prices.

SCR986 rations have destroyed the livelihoods of most people, and diminished their capability to develop new livelihoods

Chronic poverty is embedded and to a certain degree entrenched – methods of support have eroded almost completely. Asset bases that could have been used to support households through periods of economic change and shock were depleted by the impoverishing and comprehensive sanctions system that preceded SCR986. While the SCR986 system has kept people alive, it has undermined the production and market systems necessary for people to grow food to eat or find work to pay for food. The SCR986 embargo on Iraqi trade undermines people’s capability to use foreign trade to develop economic self sufficiency.

The SCR986 ration system has facilitated state domination of food supply

Before the Iraqi wars of the 1980s and 1990s, the GOI played a dominant role in Iraqi food markets. Oil profits enhanced the GOI’s economic detachment from Iraqi society. Oil profits also allowed the GOI to develop a food distribution system based on subsidised imports, rather than developing local agricultural production and markets. The embargo on Iraq that began in 1990 had a devastating effect on Iraqi nutrition because the population had become accustomed to cheap imported food. But in Northern Iraq, the pre-SCR986 embargo allowed for some development of agricultural production in a fertile mountain zone. SCR986 relief rations have allowed the GOI to reassert its dominance over food systems, and seriously undermined the development of sustainable agriculture in Northern Iraq. Although rations in Kurdistan are distributed by the UN’s World Food Programme (WFP), the GOI is responsible for importing most staples and milling flour. That means the GOI is able to control the content of the ration; carbohydrate staples and tea and sugar instead of protein – both in Northern Iraq as well as in the south. Fixed rations inhibit the WFP’s ability to target rations at vulnerable groups. In Northern Iraq, the ration undermines the agricultural market, and reduces the price of some staples to below production cost, helping to create an internationally unprecedented level of dependency. Dependency rates, and GOI dominance of food systems, are probably even greater in the territory directly administered by the GOI.

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