HEI-ILO Research Programme on
Strengthening Employment in Response to Crises

Synthesis Report and Case Studies

Volume I

Supporting the Private Sector and Social Partners in Response to Conflicts and Natural Disasters

International Labour Office

Geneva, October 2005
Preface

This three-volume series results from a joint research programme, “Strengthening Employment in Response to Conflicts and Natural Disasters,” undertaken by the ILO Crisis Response and Reconstruction (ILO/CRIISIS) unit and the Programme for the Study of International Organization(s) of the Graduate Institute of International Studies (HEI-GIIS) in Geneva, with the generous support of the Geneva International Academic Network (GIAN-RUIG). This programme conducted research over two years in 14 countries affected by recent crises, aiming to better grasp the socio-economic and employment challenges of responding to crises. It examined best practices, refined approaches and identified new avenues for crisis response. The programme has produced 14 studies and three synthesis reports which are presented in this series.

Three thematic axes guided the research. Each volume of this series presents the case studies and synthesis report associated with one of the themes. Volume II discusses livelihoods and coping strategies of vulnerable groups in crisis contexts, while Volume III deals with strengthening early warning systems.

This volume discusses support for the private sector and social partners in response to conflicts and natural disasters. In Iraq, researchers conducted a study on the role of small and medium enterprises (SMEs) in generating income and stimulating development. SMEs, specifically ones with stakeholders of different ethnicities, are also the focus of a study on Macedonia. The role of multinational oil sector enterprises in rebuilding Angola is the topic of the third study. Finally, the last study examines social partner organizations – those representing employers and workers – in the aftermath of the 2003 earthquake in Algeria. A synthesis report cross-analyses the major analytical outputs and recommendations of these studies while examining the overarching theme.
Acknowledgements

The coordinators of the HEI-ILO research programme on “Decent Work in Response to Crises” wish to thank the academics and experts on crisis response worldwide who have contributed to this endeavour. This project is included within the programme of the Geneva International Academic Network (RUIG-GIAN), whose generous support has been essential, as has the collaboration of the Network’s staff. A special thanks goes to Randall Harbour of RUIG-GIAN, the driving force behind the HEI-ILO partnership and research programme.

The programme coordinators also wish to thank colleagues from the Crisis Response and Reconstruction unit at the ILO (ILO/CRISIS) and the Programme for the Study of International Organization(s) (PSIO) of the Graduate Institute of International Studies in Geneva (HEI). Their support and initiative in devising and managing this programme has enabled its successful completion. In addition, thanks are due to project team members and institutions for providing instrumental guidance in devising the research agenda and in the implementation of field research in the countries covered. The coordinators owe special gratitude to Luca Fedi, seconded by HEI to ILO/CRISIS, who ensured the day-to-day coordination of the project for two years.

The country case studies have benefited from the support and commitment of many local non-governmental organisations and associations. A special thanks goes to the Afghanistan Research and Evaluation Unit and the Office of the United Nations High Commissioner for Refugees (UNHCR), who completed the Afghanistan case study, and to the United Nations University for the case study on Guatemala. Jeff Crisp of UNHCR was particularly helpful to the programme. The coordinators also wish to acknowledge Cedric Herrel, who edited the material in this volume, and Charles Landow, who helped in the final stages of the project.

Finally, the coordinators wish to thank the distinguished researchers and their institutions for completing the case studies and synthesis report in this volume. A full list of authors and institutions appears here:

Abu Abbas Altimen – Baghdad Economic Research Center
Afghanistan Research and Evaluation Unit
Africa Peace Forum
Nadya Engler – Bisan Center for Research and Development
Patrick Gantès – Centre de Recherches Entreprises et Sociétés
Mustapha Hamoumou – international consultant
Hector E. Maletta – Universidad del Salvador
Jon McClin – international consultant
Hélène Morvan – international consultant
Ellen Perecman – international consultant
Krishna S. Pribadi – Institute for Research and Community Empowerment
Adriana Alejandra Ramírez Duplat – Universidad Nacional de Colombia
Reid Rossi – international consultant
Sharon Rusu – international consultant
Slavica Singer – University of Osijek
Lana Srzic – Graduate Institute of International Studies (HEI-GIIS)
Sanaa Umari – University of Baghdad
Juan Carlos Villagran de Leon – United Nations University
Takwa Zebulon Suifon – West Africa Early Warning and Response Network

Mr. Donato Kiniger-Passigli, ILO  Dr. Daniel Warner, HEI-GIIS
## Table of contents

Preface ........................................................................................................................................ iii
Acknowledgements ...................................................................................................................... v

### PART 1: SYNTHESIS REPORT

1. The Private Sector and Social Partners in Crisis Response  
   Jon McLin .................................................................................................................................. 1

### PART 2: CASE STUDIES

2. The SME sector in Iraq: A key resource to short-term income generation and longer-term development  
   Sanaa Umari and Abbas Abu Altimen ...................................................................................... 38

3. Promoting multi-ethnic stakeholder small-to-medium enterprises in the Republic of Macedonia  
   Lana Srzic .................................................................................................................................... 98

4. Le rôle du secteur privé de l’extraction pétrolière dans la reconstruction socio-économique en Angola  
   Patrick Gantès ............................................................................................................................. 138

   Mustapha Hamoumou ............................................................................................................. 161
The Private Sector and Social Partners in Crisis Response

Jon McLin

October 2005
# Table of contents

Executive summary .......................................................................................................................... 5

1. Introduction ................................................................................................................................. 7  
   1.1. Why “the private sector”? .................................................................................................... 7  
   1.2. Role of the social partners ................................................................................................. 8  
   1.3. A timely subject .................................................................................................................. 9  
   1.4. Scope and aim of paper ....................................................................................................... 10

2. Private enterprises in conflict-affected environments ............................................................... 12  
   2.1. Introduction ....................................................................................................................... 12  
   2.2. Case study: The SME sector in Iraq: a resource for short-term income generation and longer-term development .............................................................................................................. 13  
   2.3. Case study: Promoting multi-ethnic SMEs in the Republic of Macedonia ................... 16  
   2.4. Case study: The oil sector and socio-economic reconstruction in Angola ................. 17  
   2.5. Discussion ......................................................................................................................... 18  
      2.5.1. General issues ............................................................................................................. 18  
      2.5.2. SMEs ......................................................................................................................... 20  
      2.5.3. MNEs ......................................................................................................................... 21  
      2.5.4. The special case of the extractive industries ............................................................. 25

3. Private enterprises and social partners in relief and reconstruction following natural disasters ................................................................................................................................................. 28  
   3.1. Introduction ........................................................................................................................ 28  
   3.2. Case study: Response of the Corporate Sector to the Gujarat Earthquake of 2001 ........ 30  
   3.3. Response to the Algerian earthquake of 2003: the role of the social partners ............. 32  
      3.3.1. Emergency period ....................................................................................................... 33  
      3.3.2. Reconstruction Period ............................................................................................... 33  
   3.4. Discussion .......................................................................................................................... 34

4. Recommendations ....................................................................................................................... 35
Executive summary

Private enterprises of all sizes and ownership categories have a vital role to play in generating jobs and regenerating economies following situations of armed conflict and natural disasters. If allowed to do so, trade unions and employers’ organizations, like other parts of civil society, also have an important contribution to make, especially to reconciliation and peace-building. Despite the “failed state” aspects of government in many conflict situations, it is useful to examine what those who exercise effective authority there can do to enhance the private sector’s ability to play its positive role in short-term economic recovery and longer-term development.

Conflict situations, such as those in Iraq, Macedonia and Angola, present challenges and opportunities for all classes of private enterprise. Locally based micro, small and medium-sized enterprises tend to have the advantages of resiliency and flexibility. Those in effective authority need to give them positive support without stifling their creative potential to identify innovative ways to meet real needs. International enterprises bring different strengths: capital, technology, management expertise, access to international markets. Their willingness to invest in circumstances of crisis depends on many factors but can be influenced by public policies. The role of the extractive industries in situations of conflict tends to be complex. They may help cause or sustain the conflict even while they offer the material resources needed to bring effective, peaceful development. There are encouraging initiatives to make their operations more transparent and conducive to national development, and these need and deserve active support from the social partners and other parts of civil society.

Natural disasters are awful in their capricious suddenness, but their economic and social effects tend to be less widespread and durable than those of conflicts. Major contributions are needed from the private sector and the social partners to develop measures of prevention and mitigation that can substantially alleviate their harmful effects on human lives.
1. Introduction

1.1. Why “the private sector”? 

In a project on “Strengthening Employment in Response to Crisis”, singling out the private sector for special attention may seem odd. It is widely accepted in most countries today that the private sector is the engine of economic growth. Hence its role in generating post-crisis employment is central and comprehensive; it is not a special aspect requiring focused attention. In a way that public institutions by their very nature rarely possess, the private sector has the flexibility and incentive to respond productively to changes in the business environment, including situations of political conflict and natural disaster. Where allowed to operate more or less freely, private enterprises do not require outside assistance in identifying economic needs and developing efficient, commercial ways to meet them. What they do need is a supportive public policy framework.

Four interlinked factors largely account for the view held by the initiators of this project that the role of the private sector in and after crises was not self-evident and that it needed to be an explicit object of inquiry.

- As a matter of empirical fact, a high proportion of countries subject to internal conflict have had economies dominated by the public sector. There are some exceptions, such as Lebanon, whose impressive economic recovery since the end of the civil war in 1990 may have something to do with the fact that the private sector traditionally accounted for the lion’s share (some 85 per cent) of GDP.1 All four of the countries that were the subject of case studies for this segment of the project—Algeria, Angola, Iraq, Macedonia—had until recently centralized economies in which state-owned enterprises played the main role.

- In these four and many other countries experiencing crisis, the political conflict or natural disaster of recent years has coincided with a transition from a state-run to a market-oriented economy. They are thus complex crises, in the terminology of crisis analysts, i.e. they are characterized by at least two of the four sets of conditions that are grouped under the term “crisis” (post-conflict, socio-political transition, natural disaster, and economic and financial downturns). Most of these cases have been developing countries struggling to pass from the non-democratic, centralized models of their first post-independence generation to more liberal societies.

- There has been a quest in recent years, even in market economies and still more so in transitional ones, for improved performance by the bodies that carry out public policy or provide goods or services in the general interest. Even in the absence of a comprehensive commitment to privatization or liberalization, efforts have intensified to replace what are seen as under-performing state agencies by private firms, for example in building, owning and/or operating infrastructure systems such as power, water or roads. “Since 1990, over 130 developing countries have transferred the operating risk of power, water, telecommunications and transport projects to the private sector through a wide range of public-private partnerships” representing some 750 billion US$ in commitments.2

- Perhaps the most important reason for focusing on the private sector is the perception that in devising strategies for crisis response some of the main actors—governments,

---

IGOs, NGOs—tend to exclude, or at least ignore, private sector actors. There appears to be on the part of these organizations a preference or natural instinct, perhaps based on organizational culture, to take account mainly of their own skills, capacities and funds. To the extent that this perception is well-founded, mind-sets need to be changed. Perhaps the evidence in this paper of the huge contribution that private sector actors can and do make in post-crisis situations will help in that regard.

1.2. Role of the social partners

The title of this paper is ambiguous. In a narrow sense the term “social partners” refers to general associations of employers affiliated to the International Organisation of Employers (IOE), on the one hand, and trade unions affiliated to the International Confederation of Free Trade Unions, on the other. In a broader sense “social partners” may be taken to refer to all privately owned enterprises and their various general or ad hoc associations, whether or not affiliated to the IOE, and to workers and their organizations whether or not unionized. For the most part this paper uses the latter, broader concept. Given the different types of enterprises dealt with, the diversity of employer-worker relationships, and the variety of initiatives taken by different groups of enterprises and stakeholders in this field, the first definition would be too limiting.

But the social partners in a narrow sense do have an important role to play in crisis response and it needs to be acknowledged. That can be seen in the case studies discussed in the following chapters, notably in the one on Algeria. It also emerges from various reports, meetings and initiatives in the ILO or other international settings. For five consecutive years from 1999 to 2003, employer and worker delegates as well as government delegates held consultative meetings in Geneva on the roles of their affiliates in crisis response, in conjunction with sessions of the International Labour Conference.

On the workers’ side an ILO meeting on trade unions in conflict-affected countries was held in 1997. Much of the discussion concerned the vulnerability of trade unions in conflict-affected countries and their need for international support; cases in which such support was forthcoming were identified. There were also numerous examples, such as Mozambique and Sierra Leone, of the contribution that trade unions could make and had made to reconciliation and peace-building upon the cessation of internal conflicts or before.¹

On the employers’ side, in 1999 the IOE assisted with the creation of the South-Eastern European Employers’ Forum (SEEEF), which groups the national employers’ organizations of eight countries of that region: Albania, Bosnia-Herzegovina, Bulgaria, Croatia, Macedonia, Moldova, Romania, and Serbia and Montenegro. The aim has been to promote the development of employers’ organizations in these transitional countries in a region especially prone to conflict. Within the framework of the Stability Pact on the Reconstruction of South-Eastern Europe these organizations, the IOE and ILO have participated in an Initiative for Social Cohesion created by the Pact to examine issues of economic reconstruction, development and co-operation, including the subjects of employment, social dialogue, social protection, and health and housing. Jointly with the European Trade Union Confederation, the IOE has also participated in the establishment of a network of experts in labour law, which has provided technical assistance and information exchange for these countries as they were in transition to democratic states

with market economies. In parallel, the IOE has recognized the increased importance of reaching out to small and medium-sized enterprises, whose role is especially important in post-conflict societies, as will be discussed below. A significant proportion of SMEs are not members of national employers’ organizations, which sometimes see them as rivals, so their needs are not always well reflected in the IOE’s programmes and activities.

### 1.3. A timely subject

This project is one effort among many on this topic that are currently under way in IGOs and NGOs.

- In the United Nations the Global Compact has led to heightened interest in what companies can do to help alleviate the impacts of crisis. While the 10 principles that form the basis of that initiative do not include the word “conflict”, they provide a basis of ethical conduct for MNEs that can provide valuable guidance in the ambiguous or anarchic conditions that often characterize countries in conflict. Two of the principles in particular are relevant: No. 2, “Businesses should make sure that they are not complicit in human rights abuses” and No. 10, “Businesses should work against all forms of corruption, including extortion and bribery”. The labour-related principles (Nos. 3-6) are fundamental to the concept of decent work and thus to the kind of employment that is desirable in post-conflict situations and that can contribute to reconciliation and peace-building. The subject of conflict prevention is dealt with on the GC web site, where one can find the proceedings of several regional and general meetings that have been held to address topics such as the promotion of conflict-sensitive business practices in conflict-affected states, or assessing and managing risk in zones of conflict—always with the mix of participants from companies, NGOs and governmental or intergovernmental bodies that characterizes the work of the GC. The Security Council has devoted a discussion to the “role of business in conflict prevention, peacekeeping, post-conflict peace-building”.6 The World Conference on Disaster Reduction, in its Hyogo Framework for Action 2005-2015, called for the promotion of “public-private partnerships to better engage the private sector in disaster risk reduction” and related activities.7 The World Summit of September 2005 decided to establish a Peacebuilding Commission “to bring together all relevant actors to marshal resources and to advise on and propose integrated strategies for post-conflict peacebuilding and recovery.”8

- Businesses—individually, in ad hoc associations, and through established employers’ organizations affiliated to the IOE or the International Chamber of Commerce (ICC)—have multiplied initiatives directly or indirectly related to this issue in recent years; some of these will be reviewed below. The interest of business in being seen to play a positive role in conflict- and disaster-affected areas has been accentuated by the increasingly widespread currency given to the concept of “corporate social responsibility”, which (in one popular definition) refers to “the economic, legal, ethical, and philanthropic expectations placed on corporations by society”.9

---

7 www.unisdr.org
8 U.N. General Assembly document A/60/L.1
• The World Bank has created a knowledge service for private sector development, and its web site (http://rru.worldbank.org) contains a wealth of information on best practice public policy advice for private sector-led growth in developing countries; its Public Policy Journal and its thematic section on conflict-affected countries (both found on the site) are rich sources of ideas on most of the topics covered in this paper. Post-conflict countries now receive about one-fifth of the Bank’s total lending.

• Several NGOs devote much or all of their effort and resources to this cluster of issues, as will be seen later in the paper.

In addition to all of the above, initiatives are multiplying (for example in connection with the G8 meeting in Scotland and the Make Poverty History campaign) to stimulate private investment in the developing world in order to reduce poverty. These include the Investment Climate Facility for Africa, Business Action for Africa, and the activities related to the Shell Foundation’s 2005 publication Enterprise Solutions to Poverty. Given the high incidence of crises in Africa—both natural disasters and internal conflicts—much of this activity is relevant to the private sector role in crisis response even though it is not specifically focused on that issue.

For the most part, participants in this debate see it as a positive development, a “win-win” proposition, that the role of the private sector in crisis response be recognized, encouraged, and enhanced. Some observers are critical, however, especially as regards the role of large corporations, based far away from the scene of the disaster or conflict, which take advantage of their political connections to land profitable contracts funded by donor governments or IGOs. The general charge is that in some cases the international investors may shore up regimes that are responsible for the crises, as well as the inequitable socio-political structures associated with them. Criticisms also focus on issues such as non-competitive selection of contractors, excessive fees paid to contractors, discrimination against small and local enterprises, and corruption. Interestingly these charges do not only apply to the role allegedly played by multinational enterprises in crisis-affected developing countries; they are also made in regard to the role played by large American firms in the response to Hurricane Katrina in the southern U.S., where it has been alleged that local firms from the affected areas have been at a disadvantage in getting contracts for rehabilitation and reconstruction compared to large firms with well-organized lobbies in Washington.¹⁰

1.4. Scope and aim of paper

This paper summarizes and is based in large part on four country case studies that were commissioned for this project, as well as a fifth that was published previously. It also makes considerable use of information and analysis available in the literature in order to place those cases in a context and present them as part of a more comprehensive picture. Direct comparisons and collective analysis of the four studies are made difficult by the fact that they concentrate on different questions. The papers and their emphases are as follows:

• Sana Al Umari and Abbas Abu Altimen, “The SME sector in Iraq: A key resource for short-term income generation and longer-term development”, 2005. Presents statistical data on the size and composition of the country’s small and medium-sized enterprises and discusses the conditions in which they operate.

• Lana Srzic, “Promoting multiethnic stakeholder small-to-medium enterprises in the Republic of Macedonía”, 2005. Examines the role of a sample of SMEs whose

stakeholders come from different ethnic groups, in relation to the SME sector as a whole.


In this paper the term “private sector” is not limited by the size or type of enterprise or by the source of funds for its activities. It encompasses the economic activities of own-account, one-person undertakings; micro-enterprises employing only a few people, perhaps family members; small and medium-sized enterprises (SMEs); cooperatives; large privately-owned enterprises operating only within the country; and multinational enterprises (MNEs). The source of funds may be personal savings, commercial equity or loans, government funds, or loans or grants from multilateral, bilateral or NGO donors. The common element is that the activities are commercial in nature and carried out by actors not owned by the government.

The aim of the paper is to arrive at practical recommendations for action to enhance the constructive role that the private sector can play in a post-conflict or post-natural disaster situation. Constructive in terms of contribution to employment, economic growth and development and (in the case of post-conflict crises) to reconciliation and peace-building. There are already plenty of descriptions of the nature of crises and why they are difficult to deal with; it is solutions, or at the least guidelines for positive action, that are in short supply. It is paradoxical that the recommendations will be largely, although not entirely, directed at governments and intergovernmental organizations, given the premise that it is the dysfunctional or ineffective role of governments that has led to interest in a more important role for the private sector.

In view of their different characteristics, the two types of crisis covered in the four commissioned case studies (plus others available in the literature) will be treated separately. Chapter 2 will examine case studies and issues pertaining to conflict-affected countries. Chapter 3 will look in a similar way at case material and questions posed in regard to the response to natural disasters.
2. **Private enterprises in conflict-affected environments**

2.1. **Introduction**

Most armed conflicts in recent years take place within countries, although they commonly spill over borders to affect neighbouring countries as well, or draw in participants located in distant countries. They come in many sizes and shapes and last for periods ranging from some months to some decades. Most occur in weak or dysfunctional (“failed”) states and affect much of the national territory. Some are fought in more circumscribed areas, leaving the national government in a position to exercise its authority normally in the rest of the country. They may be more or less intense. They may or may not be associated with decolonization. They may have a clear beginning and end, or they may take the form of sporadic violence interspersed with more or less peaceful periods.

There are a number of factors common to many internal conflicts that significantly affect the private economic sector and those who work in it. A joint ILO-World Bank paper lists 15 factors which are common to the socio-economic context of post-conflict environments: unstable or changing population base; lack of skilled human resources; shifting gender roles; social exclusion; breakdown of trust and erosion of social capital; shifts in power structures; continued violence; growth of illegal activities; growth of the grey economy; lack of infrastructure and capital; lack of credit and investment capital; lack of information on local circumstances, opportunities and needs; weak governmental institutions; distortions to agricultural markets; and the special features of the “aid” economy.\(^\text{11}\)

Well-intended international interventions may come at various stages and have different objectives: to prevent a conflict that is looming; to mitigate one in the early stages; to bring humanitarian relief when conditions permit, whether during or shortly after the end of the conflict; rehabilitation, recovery and reconstruction in the wake of war; peace-building to solidify post-conflict situations that remain fragile; and longer-term development.\(^\text{12}\)

In most countries undergoing conflict, the economy is dominated by medium, small and micro enterprises, both formal and informal. Even in industrialized countries SMEs are increasingly seen as the main source of employment growth and economic dynamism. In the failed-state environment that often accompanies conflict-affected economies the role of all MSMEs is crucial, as they are more likely than larger enterprises including MNEs to have the flexibility and resiliency required to operate in such conditions. The ILO’s tripartite membership has acknowledged the importance of SMEs not only through the ongoing programmes of the ILO but also through the adoption in 1998 of the Job Creation in Small and Medium-Sized Enterprises Recommendation, 1998.

The following two case studies relate to the SME sectors in conflict-affected Iraq and Macedonia. The third case study, on Angola, highlights the role of international investment in the country, whose economy is largely driven by the oil sector.\(^\text{13}\) The discussion which

---


\(^{12}\) Date-Bah, op. cit.

\(^{13}\) Except where otherwise noted the three case studies, and the one in the following chapter on Algeria, are based on the commissioned papers listed in section 1.2.
follows these three sections will look at ways to promote the roles of both categories of enterprise, at how local and international firms interact, and at considerations bearing on public policies that have an impact on the private sector.

2.2. Case study: The SME sector in Iraq: a resource for short-term income generation and longer-term development

In a paper written for this project, a team of Iraqi scholars has done a profile of the Iraqi work force in 2004-5 in the private sector, based on data from the tax authorities and from complementary surveys, interviews and analysis. The raw data cover 1,341,800 self-employed persons and entrepreneurs/employers. The rough figures arrived at are as follows:

Table 1: Breakdown of Iraq’s work force

<table>
<thead>
<tr>
<th>National Population</th>
<th>28 million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dependency ratio</td>
<td>3:1</td>
</tr>
<tr>
<td>Of which SMEs (formal sector)</td>
<td>2.3 to 3.6 million</td>
</tr>
<tr>
<td>Informal sector</td>
<td>1 million</td>
</tr>
<tr>
<td>Public sector</td>
<td>1 million (of which 40 % women)</td>
</tr>
<tr>
<td>Unemployed</td>
<td>2 million</td>
</tr>
<tr>
<td>TOTAL ECONOMICALLY ACTIVE</td>
<td>6.3 TO 7.6 MILLION</td>
</tr>
</tbody>
</table>

The main sectors of activity of the SMEs were transport, construction, commerce and services. Within the SME total, the self-employed represented 53 per cent. In the industrial and construction sectors, the typical SME employed between 5 and 10 workers.

The population of 1.3 million SMEs is grouped into three categories: low employment businesses (the self-employed individuals), numbering 720,000; medium employment businesses (1-4 employees), numbering 526,000; and high employment businesses, numbering 96,000. These are represented graphically in a pyramid with high employment categories at the bottom and low employment categories at the top:
Figure 1: The Private Sector Employment Pyramid (PSEP)

The base of the pyramid (Series 1) consists overwhelmingly of taxi and cargo transport drivers (536,000 out of 720,000), with self-employed semi-skilled workers (140,000) being the next largest group. The intermediate tier (Series 2, numbering 526,000) represents mainly service and commerce activities. The tip of the pyramid (Series 3) comprises mainly the manufacturing sector. Construction-related employment is unexpectedly low, with 11,300 jobs in Series 2 and 41,000 in Series 3; this may not take adequate account of the workers engaged on an informal basis in this sector. The economic transition since 2001 can be visualized as a broadening of the base of this pyramid, as many wage earners (upper two tiers) have upon losing their jobs moved down into the base category of micro-enterprises.

In post-Saddam Iraq SMEs can be viewed in three ways.

- They are a manifestation of the transition that is under way. In view of the breakup of the state enterprises and other institutions that characterized the Baathist state, many thousands of workers deprived of their former employment (including former Army personnel) have been obliged to become own-account workers, “to revert to any profitable activity for the purpose of mere subsistence”.
- They are victims of the conditions that characterize occupied Iraq. Despite being endowed with “a good reservoir of skills, technical abilities, large national market, comparatively low cost labour, and finance ability” (one could add to this list oil wealth and a highly educated diaspora) the country’s SMEs are “in a crisis situation…operating at standstill or minimum capacity levels”. The problems from which they are suffering include:
  - Security issues. In addition to the obvious ones--such as the insurgents’ bombings, looting and petty crimes—the use of bank finance has been made difficult by the risk of kidnapping that businessmen run when they reveal their financial position in order to qualify for a loan. Open frontiers. The sudden trade liberalization has subjected the enterprises in the tradeable goods sector to intense foreign competition before they were well-equipped to withstand it.
  - Policies of the Coalition Provisional Authority and transitional government on awarding reconstruction and rehabilitation contracts, which have been mostly awarded to foreign companies which were familiar to them, with only marginal Iraqi participation in employment and profits.
  - The SMEs have derived only limited benefit from reconstruction and rehabilitation programmes as these Corruption and bureaucratic red tape. There is a lack of a legal framework to protect property rights, of a smooth government mechanism to regulate business activities, of efficient business development services and commercial credit. “Getting a license can be prohibitively difficult and discouraging to entrepreneurs”.

-
• Inadequate infrastructure. “In 2004 a survey conducted by the UN and the Iraqi government on living conditions in Iraq found that 85 per cent of Iraqi households lacked stable electricity supply, while only 54 per cent of them received potable water on a regular basis.”

• Oil country syndrome. Oil accounts for some three-quarters of GDP. Most other goods are imported. About one-quarter of the population is dependent on food rationing. The oil sector has only weak linkages upstream (to suppliers of inputs) and downstream (industries that process and add value to the crude oil) to the rest of the economy.

• Despite all these problems, SMEs are seen as the main source of future employment, growth and development—in both the short and long term—both because there is little alternative and because the transitional authorities have made a clear choice, which seems to enjoy wide popular support, for a future based on a liberal, largely privatized market economy. “Rebuilding a vibrant private sector is also important for reducing the chances of further conflicts”.

The study contains survey data on the role of two special groups of entrepreneurs: women and youth. Several factors predispose women favourably to private sector employment—income potential, low security risk, possibilities for flexible working time and arrangements that combine work with family responsibilities. However, only about one per cent of registered enterprises are run by women, despite the demographic preponderance of women in a country where the number of men has been depleted by a series of wars. In the public sector, by contrast, women account for 40 per cent of total employment. Job security and social status are the factors perceived as attractive by women as regards public sector employment. This predilection may pose problems in the future, as the trend toward privatization can be expected to reduce the number of public sector jobs.

Young people, on the other hand, show considerable interest in entrepreneurial activities, as is shown in a collection of interviews with entrepreneurs, in a sample weighted towards young people. “By and large, many of these entrepreneurs felt that owning your own business is one of the most challenging, satisfying, demanding and rewarding things in their lives, despite the real risks and difficulties experienced.” (p. 42)
Since over half of the population of the country is under 20, this indication of an incipient culture of entrepreneurship is encouraging.14

It is clear from the analysis in the paper that reducing the high rate of unemployment and achieving higher rates of growth depend critically on giving some vitality to the SME sector. The overarching recommendation for promoting this is the establishment of a government agency to serve as a “one-stop shop” for government support of SMEs at regional and local levels.

14 A well-known journalist has recently noted that in the Iraqi army, personnel in their 20s are much more prepared to take responsibility than their elders. Thomas L. Friedman, “Keeping Iraq afloat”, International Herald Tribune, 1-2 October 2005.
2.3. Case study: Promoting multi-ethnic SMEs in the Republic of Macedonia\textsuperscript{15}

The case study on Macedonia deals not only with the role of SMEs in generating employment in conflict-affected countries but on their potential to promote reconciliation between the parties in conflict. It is based on a survey of entrepreneurs of SMEs in which the partners or shareholders\textsuperscript{16} comprised members of two or more of the ethnic groups that make up the country: Macedonian Slavs (64 per cent of the population), Albanians (25 per cent), Bosnians, Turks, Serbs, Vlachs and Roma. The survey was carried out in 2002, the year after interethnic tensions between Macedonians and Albanians led to a military confrontation and conflict that destroyed some 6,700 houses and led to the displacement of about 170,000 people. The conflict was resolved through NATO intervention. Most of the enterprises surveyed had been established after Macedonia became independent as part of the break-up of the former Yugoslavia in 1991. The vast majority of the enterprises were financed from private savings and produced for the local or national market. In about half of the cases the collaboration grew out of relationships between partners of different ethnic groups who had previously worked together, and in the other half out of associations they had had as neighbors, students or friends. Such inter-ethnic enterprises had existed in the region for many decades and were a common feature of the region prior to 1912, when it was under Ottoman rule.

The main finding was that, contrary to what might have been expected, the mixed ethnicity of the enterprises in the sample did not pose a problem during the period of conflict. They not only survived through the ethnically-based conflict in which they could have been the victims of aggressive actions or boycotts. They proved to be more resilient than businesses whose workers came from only one ethnic group. Out of the 36 entrepreneur respondents, 33 perceived that the inter-ethnic character of their enterprises had been a positive factor with both business partners and clients. This perception was especially marked in service establishments such as those in restaurants and tourism. The government has generally encouraged SME development, for example through the adoption in 2003 of several measures for SME support and through cooperation with European institutions. It subscribed to the EU’s European Charter for Small and Medium Enterprises in the Western Balkans and took out several loans from the European Bank for Reconstruction and Development (EBRD). The EBRD loans supported the country’s participation in regional infrastructure projects (roads and electricity networks) and led to the establishment of a micro-finance bank that had by 2005 provided support for 3,700 SMEs. The paper calls for government support of SMEs to be strengthened. It sees such a policy as desirable in itself and also as the best means of supporting inter-ethnic enterprises, whose viability and dynamism are seen as a powerful tool for promoting reconciliation and sustainable development.

\textsuperscript{15} Lana Srzic, “Promoting multiethnic stakeholder small-to-medium enterprises in the Republic of Macedonia, 2005.

\textsuperscript{16} While the study does not define “stakeholder”, the term appears to refer to “owners” or “shareholders”. That it does not encompass the firm’s workers (as in general usage) is suggested by the statement that “enterprises run by stakeholders from different ethnic groups appear more likely to employ workers from more than one ethnicity...”
2.4. **Case study: The oil sector and socio-economic reconstruction in Angola**

Angola is a poignant case of a country rich in natural resources that has suffered from a mishandled decolonization, the 30-year civil war that ensued, and a pattern of exploitation of its petroleum resources that has contributed little to its national development, if it has not actually been deleterious. The country is well endowed with fertile land as well as with diamonds, hydro potential, fishing and forests. Before the war it was a net agricultural exporter. Today it produces only about half its requirement of grains. Some 70 per cent of the population lives on the equivalent of less than one US$ per day, and two-thirds do not have access to clean water. The natural trend of rural-urban migration was accentuated by the years of war, and over that period the population of the capital Luanda grew from a half million to more than three million. Nevertheless, some 85 per cent of the population still depends principally on subsistence agriculture and on the informal economy. Altogether, in the war perhaps three-quarters of a million were killed and five million displaced.¹⁷ The war in most of the country ended in 2002, but a rebellion in the province of Cabinda, whose offshore area contains the lion’s share of the oil, dragged on at least into 2004.

This poverty coexists uneasily with oil wealth on a major scale. Oil development took off with the discovery of offshore deposits off the province of Cabinda in the late 1960s. By 1973 it had become the main export. The country now produces over one million barrels a day of oil, a figure which is likely to double in coming years. The income from oil production, even before the sharp price increases of 2005, accounted for over half of the country’s GDP and between 80 and 90 per cent of government revenue and foreign earnings. Yet as recently as 2004 the country was obliged to take out new oil-secured loans to service its existing foreign debt.

Perhaps no country poses more vividly the question whether it is not possible to find a better way to use oil resources for development. There are intrinsic obstacles. It is a classically capital-intensive sector, and in Angola employs only about 5 per cent of the work force. Most of its inputs and professional work force are of an industrial and technological sophistication that the Angolan economy is not able to supply at present or in the near future. The location of the principal oil fields offshore serves further to isolate the oil activities from the rest of the economy. In addition to such inescapable problems there is the question of the capacity and integrity of Sonangol, the state oil company, and of the government to manage the finances in a transparent way. According to a study based in large part on IMF reports and done by Human Rights Watch, “In recent years, literally billions of US$ in oil revenues have illegally bypassed the central bank and remain unaccounted for”.¹⁸

Since 1982 the government has progressively obliged the foreign oil companies (ChevronTexaco and Total have the biggest presence) to increase the percentage of Angolans in their work force. By 2010, according to the law, 90 per cent of their personnel must be Angolan, including 100 per cent of unskilled workers, 80 per cent for semi-skilled and 70 per cent for skilled. To meet this obligation the companies have significant training programmes, including professional-level training which is done out of the country. But the problem remains of doubling titular Angolan job-holders with foreign staff who do not have the titles but who do most of the actual work. More could be done, for example through tendering procedures, to encourage and establish upstream linkages in areas such as facility management and catering. Perhaps in time there could be more local linkages


downstream, i.e. refining and distribution/marketing of petroleum products; talks have recently taken place with international oil companies concerning the construction of a major refinery. Perhaps ways can be found to use the resources of the oil sector to stimulate a recovery in agriculture. Initiatives such as Agrisud have in the past been supported by enterprises present in Angola, such as Elf-Aquitaine, but much more remains to be done, from financing landmine-clearing operations and agricultural extension services, to developing the rural road network, to favouring local produce over imports, to investing in activities for the processing of agricultural goods.

2.5. Discussion

The remainder of this chapter looks at how the policies of governments or other authorities (IGOs, occupation forces) operating in conflict-affected areas can influence the level of private sector activity and the contribution it makes to the goals of reconstruction, peace-building and reconciliation, and longer-term development.

Table 2: Doing business: Country rankings (out of 155)

<table>
<thead>
<tr>
<th>Country</th>
<th>Ease of doing business (overall)</th>
<th>Starting a business</th>
<th>Dealing with licenses</th>
<th>Hiring and firing</th>
<th>Registering property</th>
<th>Getting credit</th>
<th>Protecting investors</th>
<th>Paying taxes</th>
<th>Trading across borders</th>
<th>Enforcing contracts</th>
<th>Closing a business</th>
</tr>
</thead>
<tbody>
<tr>
<td>Macedonia</td>
<td>81</td>
<td>114</td>
<td>64</td>
<td>123</td>
<td>73</td>
<td>53</td>
<td>30</td>
<td>58</td>
<td>96</td>
<td>111</td>
<td>109</td>
</tr>
<tr>
<td>Iraq</td>
<td>114</td>
<td>117</td>
<td>70</td>
<td>102</td>
<td>44</td>
<td>133</td>
<td>85</td>
<td>3</td>
<td>155</td>
<td>74</td>
<td>148</td>
</tr>
<tr>
<td>Algeria</td>
<td>128</td>
<td>109</td>
<td>100</td>
<td>96</td>
<td>138</td>
<td>138</td>
<td>97</td>
<td>149</td>
<td>84</td>
<td>131</td>
<td>46</td>
</tr>
<tr>
<td>Angola</td>
<td>135</td>
<td>155</td>
<td>122</td>
<td>117</td>
<td>145</td>
<td>77</td>
<td>48</td>
<td>79</td>
<td>120</td>
<td>122</td>
<td>140</td>
</tr>
</tbody>
</table>


For reference the preceding table presents the assessment of the World Bank of the ease of doing business in the four countries that are the subject of case studies, as presented in its periodic “doing business” report. The first column is a composite rating on the ease of doing business in the country concerned, while the remaining columns give ratings on more specific components of that rating.

2.5.1. General issues

Before looking at the special factors related to the level and quality of SME and of MNE activity, it is worth noting some issues of a more general character.

- Throughout the intervention cycle of technical cooperation projects in crisis response there is a natural tension “between [on the one hand] achieving quick results to meet urgent needs and [on the other] engendering sustainable, equitable and inclusive community processes”, as well as growth and development.\(^{19}\) The former pole (urgency) suggests interventions with as much speed and as little red tape as possible, whereas the latter (the end objective of longer-term sustainability, development, reconciliation) implies more conditionality and a more complex (and therefore ponderous) decision process. This distinction applies with just as much force to the way in which the private sector is brought into the process as it does to other aspects of crisis response. To consolidate the peace and sustain the growth emerging from

\(^{19}\) Piet Goovaerts, Martin Gasser and Aliza Belman Inbal, op. cit. The study describes the latter, “demand-driven” approach and explores its benefits and its risks.
reconstruction it is highly desirable that the social partners and other parts of civil society should be involved in decision-making and that there be as much transparency as practicable in the way in which policy is made and carried out. It is their capacity to bring about social healing that may be the most important role that the social partners can play.

- To what extent should the de facto authorities—be they national, regional or international—relax their attempts to regulate the economy or, in other words, “get out of the way” so that private operators can conduct their business with a minimum of regulation, given that running a business is already difficult enough in a conflict-affected environment without the government being on your back? The contribution below on Somalia illustrates that when necessary the private sector can be very creative at surviving or better, even in hostile conditions, and is sometimes able to find alternatives for services that dysfunctional governments are no longer able to perform. Few would consider the state of near-anarchy that exists in that country as an ideal to be emulated. As was said in the Iraq study, “To allow free enterprise to flourish, the regulatory and legal system must do more than simply stay out of the entrepreneur’s way, it must create a structure that encourages and supports private business activity”. In a complete laissez faire environment, the risk is great that criminal elements will dominate much of the economy, or that an inequitable distribution of income or wealth among ethnic or religious groups may exacerbate the differences that led to conflict. Nevertheless, experiences such as that of Somalia, which is described below, can serve to open policymakers’ minds to the innovative possibilities of unharnessed free enterprise.

- The relation between international and local firms, between MNEs and SMEs, is important. The willingness or not of local enterprises to invest, especially their own capital, in conflict-affected situations is a factor that may influence international investors; they are unlikely to go where the locals are not willing to go. Mutually beneficial alliances with local enterprises—whether based on contracts or shareholding arrangements—represent an important modality for MNE intervention, and one with spillover benefits for the host country. The UNDP programme “Projects in Growing Sustainable Business” aims specifically at brokering partnerships between MNEs, government bodies, NGOs and small local enterprises. Other organizations, such as the Business Humanitarian Forum, have similar programmes.

- In assessing the comparative merits of different MNE bids to invest, local authorities should give preference to those which make maximum use of local firms, workers and materials. There are unfortunately many examples in which foreign contributions to conflict- or disaster-affected areas are tied to foreign suppliers of equipment and experts, as already noted in the case of Iraq. The effect is to increase the cost of the assistance and to limit the contribution that is made to the local economy. Authorities and SMEs in conflict-affected countries should also be alert to the possibility of attracting investments from intermediate-sized concerns from countries in the same region; they may see a logic for investing that is more powerful than that perceived by the very large MNEs from outside the immediate region.

2.5.2. SMEs

The ILO, the World Bank and other relevant IGOs have well-tried policy tools that are appropriate for promoting local economic development and SMEs in general.21 Suitably adapted, these are appropriate for use in crisis response, in both conflict- and disaster-affected countries. They include:

- Assistance with public employment services, which are needed as much by enterprises as by government and job-seekers, and which play a critical role in crisis response.
- Employment-intensive infrastructure reconstruction not only makes it possible for local firms and workers to capture a larger share of the reconstruction expenditure than other approaches. It can also be competitive in terms of cost and quality, and those types of projects where it excels (such as rural roads, and irrigation schemes) benefit especially rural areas, which are too frequently neglected in reconstruction programmes. It is important to pay sufficient attention to the identification, development and training of local contractors who know how to use these techniques.22 In Ghana, associations of labour-based contractors have recently been established, and they have multiplied the impact of ILO training programmes.
- The concept of Local Economic Development not only is compatible with but depends critically on the participation of the private sector. Its tools include business development services, employability enhancement, social finance schemes, the

---

21 A. Tolentino, Guidelines for the analysis of policies and programmes for small and medium enterprise development, ILO, Enterprise and Management Development Working Paper EMD/13/E.
promotion of employment-friendly investments, and social dialogue principles and techniques.\textsuperscript{23} A noteworthy feature of the concept is that entrepreneurs and social partners are fully engaged in developing the economic recovery / development strategy. The expression Local Economic Recovery is sometimes used to refer to shorter-term, more focused strategies, as is usually appropriate to post-crisis environments.

- Microfinance and other small financial institutions that can respond to the needs of informal and small formal sector enterprises are critical.\textsuperscript{24} The vital role of finance is clear in one case study of crisis-affected countries after another; the papers on Iraq and Macedonia are examples. Repeatedly, small entrepreneurs complain of the difficulty of getting credit, especially from commercial banks, and of the onerous terms on which it is offered when it is available. Recently there have been encouraging developments on this front; they are discussed in the following section.

\subsection*{2.5.3. MNEs}

MNE decisions to invest or not in areas affected by crisis—to stay in countries where they are already established, rather than leave, and to go into countries where they do not yet have a presence—are normally taken for commercial reasons. They may be influenced at the margin by broader considerations of corporate social responsibility, but where the commitment is sizable and long-term, the business case needs to be solid. This section explores the determinants of MNE investment decisions in order to better understand what policies and conditions might lead to increased levels of investment.

As regards countries still undergoing conflict, light was shed on this question by a survey of 25 MNE managers overseeing their companies’ operations in countries that were the scene of conflicts, including Algeria, Angola, Azerbaijan, Colombia, Congo, Georgia, Kazakhstan, Indonesia, UK-Northern Ireland, and Sri Lanka. Critical factors affecting the company’s willingness to continue operations in the country were found to be whether the conflict was predictably limited to a certain part of the country or could otherwise be expected to be territorially contained—for example, urban investments would be retained if the conflict took place only in rural areas; whether the government (or in some cases the company, using its own security personnel) was able to defend the investment-intensive areas; and whether the conflict was limited to occasional terrorist acts or rebel incursions into government-controlled territory, which in some sectors could be accepted as a cost of doing business.\textsuperscript{25}

In countries emerging from conflict, the first point to make is that all of the general factors that MNE managers consider when contemplating investment in non-crisis countries also apply to countries affected by crisis. These include whether the potential rewards justify the commercial risks; whether non-commercial risks such as those stemming from government regulation or political change are acceptable; whether the project fits the firm’s business model; and whether the commercial environment in the country (e.g. respect for contracts, efficient financial and judicial institutions, reasonable level of “red tape”) is satisfactory. In countries affected by crisis several of these variables are likely to give more negative readings than under normal conditions; in the case of the risk factor, the higher risk might be accompanied by higher potential reward. In addition


there will be added risks such as the security of company staff and physical assets. In some circumstances political risk insurance (PRI), such as that offered by the World Bank’s Multilateral Investment Guarantee Agency (MIGA), may help, especially when [investors] can identify a turning point in a country’s fortunes. If the risks are too high, and there are few business opportunities, then companies will simply go elsewhere. If stability has already been achieved, there is less need for insurance. However, if opportunities are evenly—or nearly evenly—matched by risks, then PRI can tip the balance.”

**Sectoral aspects**

The balance of risk and reward as perceived by foreign investors varies from one economic sector to another. A comparative analysis of the role of international companies in post-conflict reconstruction in selected sectors has brought to light significant differences. For the extractive industries—upstream oil and gas, timber, and mining—the abundance and accessibility of the natural resource in question is primordial. At the exploration stage, when the scale of required investment is modest, oil companies will tolerate a great deal of instability and insecurity in countries with good geological potential in order to position themselves for the day when significant production may be possible. “Oil and gas companies have been quick to return to war-torn countries in West Africa, the Middle East and Central Asia just as mining interests and large smelters have faced difficult environments in the Andes and Central and East Africa. Similarly, forestry concessionaires have shown resilience to political instability concerns in Southeast Asia.” However at the development and production stage, when the investments at stake have an expected life of some decades and a cost of hundreds of millions or billions of US$, then an expectation of political and regulatory stability will be important.

The construction sector has a similar concern for the security of its physical assets, although they may in general be less concentrated and vulnerable than those of the oil industry. Offsetting this is the prospect of large contracts financed by donor governments and international agencies whose capacity to pay is more or less assured. The role of this sector is extremely important, of course, since physical reconstruction is likely to have a high priority in conflict-affected as well as natural disaster situations and since this is a sector where there are likely to be local firms with a significant capacity to generate employment and economic growth. On this issue some tension may be expected between the international and local actors. Donors and international agencies may find it easier and be accustomed to dealing with the large multinational firms, and these firms may find it easier to use equipment-intensive techniques; these are more familiar to them and do not present complex issues of local labour management, which they may not feel comfortable with. On the other hand, local authorities, enterprises and workers are likely to have more to gain from the choice of more labour-intensive techniques.

Telecommunications. Mobile telephone companies are among the first to be willing to invest in conflict-affected regions. The scale of initial investment is limited and the payback begins immediately. In countries that are not well endowed with fixed-line telephony there may be profitable opportunities to gain a strong position in a fast-growing market. This is a win-win situation, since the host government and economy also benefit from the infrastructural aspects of a functioning telephone network.

Commercial banking has an important role to play in conflict-affected areas because of its role in facilitating a resumption or continuation of normal economic life. Given the risk-averse nature of bankers, and the special security concerns that affect this sector, international commercial banks cannot in general be expected to be the first outside investors to enter a post-conflict environment. However, some regional banks see niche opportunities in countries where their larger competitors may not wish to go. Examples include Standard Chartered in Africa and Asia, several Austrian banks in Bosnia-Herzegovina, ANZ which became the first foreign bank to open a branch in Timor-Leste following its independence, or Stanbic Bank from South Africa, which operates in 17 countries in sub-Saharan Africa. Bray and colleagues go on to note that:

Banks’ commercial expansion in post-conflict economies typically follows a sequence. Initially, as with ANZ in Timor-Leste and Standard Chartered in Afghanistan, they may earn most of their income from international money transfers on behalf of diplomats and aid agencies. Then, as the economy starts to recover, they begin to work on import deals, for example of reconstruction equipment for large international companies with recognized credentials. Later on, they may extend their services to high-net-worth individuals, for example successful members of an international diaspora who want to invest in their home country. Then come infrastructure finance and loans to small and medium enterprises (SMEs). Retail banking tends to come last...[although it] is a desirable long-term objective for banks who wish to establish a long-term presence in the host country.29

There have recently been indications, as referred to in the preceding section, that commercial banks’ traditional reluctance to lend to SMEs in poor countries may be changing. The rates of return are high, the lending is less vulnerable to economic downturns than corporate finance, and new technologies for cheap point-of-sale machines have brought down transaction costs. One study gave examples of corporate activities in SME finance from 18 countries. Citigroup is reported to be examining the potential for lending through the intermediary of micro-finance institutions to small entrepreneurs whom commercial banks would not consider creditworthy as direct clients.30 The Shell Foundation has a pilot project that aims to provide financing to large numbers of small enterprises in Africa, to “help bridge the gap between the millions of small-scale African entrepreneurs who already understand risk and return and the hundreds of millions of US$ in the accounts of risk-averse local banks.”31 A feature of this programme is that the financing is accompanied by mentoring, as experience has shown that often what SME managers perceive to be financial problems are, in fact, basically management problems. It is also the experience of the ILO, for example in Croatian LED programmes, that credit provision is more successful if accompanied by business development services.

Infrastructure investments are comparable to those in banking in that they are important for facilitating activity throughout the economy. Yet governments tend in the first years after conflict to confront a bitter paradox: “they can neither absorb fully reconstruction aid [i.e. public money from international agencies and government donors] nor can they attract much private investment to infrastructure sectors that could offset the state’s low absorptive capacity”.32 The challenge for policy is, first, how to provide essential services--during the interim until stability returns for a sufficiently long period for major investments to again be forthcoming (some six years on average)--and, second, how to accelerate the arrival of the major investments. On the former point, small-scale private providers of electricity and water supply do commonly emerge in conflict-affected countries, and play a critical role, even if there are irregularities in service and occasional

29 Ibid., p. 32.
inequities in pricing. “Of the 16 countries in which small private electricity providers were identified [in a 2004 literature review], 9 were in post-conflict countries and of the 46 countries with known small private water providers, about half were in post-conflict countries.”\(^{33}\) This may be a case where “get out of the way” is good advice for the authorities. On the longer term question, lessons can be learned from the countries that have had more successful experiences, i.e. that “have attracted investment in several sectors of infrastructure disproportionate to their risk ratings”. These include the Philippines, Mozambique, El Salvador and Guatemala. Some of the reasons have to do with luck, others with policy. In the case of the Philippines, private investors seem to have taken a more benign view of the country’s prospects because the conflict was mainly limited to a well-defined part of the country, Mindanao; over 13 billion US$ was invested in private infrastructure projects between 1990 and 2002, throughout which period the conflict on Mindanao continued. The experiences of other countries with geographically isolated conflicts (e.g. Colombia, Sri Lanka, Russia, Indonesia) have been similar.

For Mozambique, an important contributing factor was that the government had begun to liberalize the economy (trade policy, exchange rates, banking sector) even before the 1993 peace agreement was signed; this served to establish credibility with some investors. In the mid-1990s the government aggressively sought regional investors to anchor regional development projects and initiated sectoral reforms in all infrastructure sectors. The element of luck was that this coincided with the political transition in South Africa, which led to significant inward investment from that country in Mozambique’s transport infrastructure, especially in the Maputo corridor.

The experience of El Salvador and Guatemala in telecommunications can be contrasted with that of Nicaragua. All three countries ended their conflicts in the early 1990s and had introduced sector reform legislation by 1996. “El Salvador and Guatemala opted for rapid deregulation whereas Nicaragua chose the slower approach of staged liberalization.” The former two enjoyed significantly higher private investment and by 2002 had markedly superior telecommunications networks. While other factors contributed to this different performance, policy choices played a role. In particular, the policy lessons that the authors drew are:

- Eliminate as many regulatory risk factors and barriers to entry as possible.
- Move quickly and avoid complex bidding arrangements meant to maximize the revenues from licenses or asset acquisitions.
- Make use of a planned progression from modest forms of private participation in infrastructure—such as service or management contracts—to deeper forms—such as leases with investment contributions or long-term concessions; this can shorten the period required to gain a significant private sector role.\(^{34}\)

\(^{33}\) Ibid.

\(^{34}\) Ibid.
2.5.4. The special case of the extractive industries

It is a premise of this paper that other things being equal, in conflict-affected as well as other countries, it is better to have more than less private sector investment, whether the capital or the investing firm originates outside or inside the country. Such investment tends to create jobs, promote growth, bring technology and management expertise, and generate government revenue. However, there can be a negative side and in some countries—such as oil and gas, mining and forestry—it may be closely related to the causes of the internal conflict. The point is especially pertinent here since three of the four case-study countries (Algeria, Angola, Iraq) are major oil producers and exporters.

There are two kinds of concern, one primarily moral and human rights-based, the other related to the socio-economic effects of the natural resource exploitation. Common to the two is the evidence that resource wealth aggravates (if only in scale) the problem of corruption that is widespread in conflict-affected countries. Regarding the former concern, the argument is that quarrels over the control of the resource wealth exacerbate if they do not cause conflicts that may also originate from ethnic, territorial or other differences. The revenues that these sectors generate can fuel the conflicts, providing funds for military forces and equipment and thus prolonging the conflicts. Associated human rights abuses such as degrading labour conditions in the production sites or the impressment of children

Box 2: Resources for fighting corruption

"Many post-conflict countries figure among the most corrupt in the world, and corruption ...features among the factors that triggered political unrest or facilitated conflict escalation....The post-conflict context is often dominated by informal and sometimes criminal activities....The prioritization of private over public ownership by international agencies may unintentionally play into the hands of local corrupt elites."

The concerns in these quotations from Transparency International's (TI) Global Corruption Report 2005 are confirmed in most of the case studies summarized in this paper, and they are echoed in the rankings of the four countries concerned on the Corruption Perceptions Index.

TI Corruption Perceptions Index 2004

http://www.transparency.org

<table>
<thead>
<tr>
<th>Country</th>
<th>Position (out of 145)</th>
<th>Index (10 is least corrupt)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Algeria</td>
<td>97</td>
<td>2.7</td>
</tr>
<tr>
<td>Macedonia</td>
<td>97</td>
<td>2.7</td>
</tr>
<tr>
<td>Iraq</td>
<td>129</td>
<td>2.1</td>
</tr>
<tr>
<td>Angola</td>
<td>133</td>
<td>2.0</td>
</tr>
</tbody>
</table>

Corruption is an endemic problem in the transition from war to peace, as it is in the transition from centrally planned to market economies. In countries where it is widespread it can scare away the kind of investors whose activities create decent work, increase the costs of operations of the businesses which are present, and undermine the trust and stable business environment that are essential for a thriving SME sector to contribute its full employment-generating potential. It is particularly common in the extractive industries, which play a role in causing or sustaining conflicts, and in sectors (construction, infrastructure) which are vital to reconstruction efforts following both conflicts and natural disasters.

TI has developed various tools that can be useful to the authorities and to social partners in fighting corruption. In addition to the annual Corruption Report and Corruption Perceptions Index, which help to understand the problem (the Global Corruption Report 2005 focuses on post-conflict reconstruction, the mechanisms of corruption in construction, and the cost of corruption in infrastructure), it has published a useful compendium called The Corruption Fighters' Tool Kit: Civil society experiences and emerging strategies. This volume includes reports and practical documents relating to a variety of best practice experience from many countries and sectors. There is also a TI initiative on preventing corruption on construction projects, which suggests actions that can be taken by various parties—project owners, export credit agencies, guarantors and insurers, engineering and consulting firms—to limit corrupt practices.
into the armies are thereby also attributed to the resource-based industries.\textsuperscript{35} The revenues from the exploitation of the resources have been diverted in non-transparent ways for private benefit and for use by governments and rebel movements to sustain their military efforts aimed at prevailing in an internal conflict. This pattern has been seen with diamonds in Angola and Sierra Leone, gold in the Democratic Republic of Congo, and oil in a number of countries including Angola and Sudan. If monies paid by the MNEs to host governments, or to armed movements that control the territories where their operations take place, are stolen or used in illegitimate ways, then the question arises whether the company concerned has been complicit in human rights abuses. In such circumstances it is also difficult to maintain that the companies’ activities are contributing to economic recovery and peace-building.

The second concern is that the resource-based sectors generate little employment, especially for local workers, that they are often not effectively linked to the local economies, that the resulting exports lead to an over-valued real exchange rate with harmful effects on farmers and other producers of tradable goods, and that the result is likely to accentuate income and wealth disparities and aggravate the problem of poverty. In some countries with a high absorptive capacity, based on a relatively large population and somewhat developed industrial base, these negative effects may be less pronounced, so that they are offset by the undoubted positive ones, such as the contributions to government revenue and the foreign trade balance. But oil and mineral resources are commonly found in otherwise poor countries which are not populous or industrialized.\textsuperscript{36}

Both of these concerns have developed in recent years in parallel with the elaboration of the concept of corporate social responsibility, and the corporate world has initiated or participated widely in initiatives taken to respond to them, as befits their endorsement of that concept. Participants in these actions have included the companies themselves, individually or through their associations; and the associations have included both pre-existing bodies with general or sectoral mandates and ad hoc groupings of companies formed for a specific initiative. Also participating have been a wide variety of NGOs including International Alert, the Clinton Foundation and Human Rights Watch; and a number of intergovernmental organizations, including the UN, the World Bank/IFC and the IMF. While the companies are concerned to protect their reputations and their business interests, the international financial institutions are concerned to protect the integrity of their lending operations.

The initiatives are both general and specific. An example of the former is the concept of “conflict-sensitive” business practices, which has been developed in response to the experiences of countries like Angola, Sierra Leone and the Democratic Republic of Congo where, in effect if not necessarily intent, revenues derived from companies’ natural resource exploitation served to finance the armies and weapons that waged the wars and thus sustained if they did not actually cause the conflicts. This concept reflects a belief that if companies are sensitive to the ways in which their economic activities relate to the broader politico-military situation, they will be better able to conduct their affairs so as to (a) at a minimum “do no harm” and (b) play a role in preventing the conflict, assisting its


early termination, or supporting the peace-building process when that stage arrives. Several NGOs are active in this area, among them International Alert, the Prince of Wales International Business Leaders’ Forum (IBLF), CDA Collaborative Learning Projects, Saferworld, and Forum on Early Warning and Early Response (FEWER).²⁷

Some of the more notable of the specific initiatives are the following:

- **The Kimberley Process:**

  This is “a joint government, international diamond industry and civil society initiative to stem the flow of conflict diamonds – rough diamonds that are used by rebel movements to finance wars against legitimate governments. The trade in these illicit stones has contributed to devastating conflicts in countries such as Angola, the Democratic Republic of Congo and Sierra Leone. The Kimberley Process Certification Scheme is an innovative, voluntary system that imposes extensive requirements on Participants to certify that shipments of rough diamonds are free from conflict diamonds. The Kimberley Process is composed of 43 Participants, including the European Community. Kimberley Process Participants account for approximately 99.8 per cent of the global production of rough diamonds.”³⁸

- **The Extractive Industries Transparency Initiative (EITI)³⁹** and related activities. The EITI was started by the British government in 2002. It followed on earlier NGO campaigns called Global Witness (supported by George Soros and the Open Society Institute) and the Publish What You Pay (PWYP) campaign. The idea of all of these schemes is to provide a mechanism for oil and mining companies to make public information on the payments they make to host governments, as a necessary first step to make the governments accountable for what they do with the money. It has been endorsed by a large number of oil companies, governments, intergovernmental organizations and NGOs. The World Bank and IMF are collaborating in its application, which gives countries in need of their support a powerful incentive to cooperate. Azerbaijan, which is at the end of an oil pipeline financed by the World Bank, and Nigeria, as a condition of writing down its sovereign debt, are reported to have become much less opaque in the auditing of their accounts.⁴⁰ Given the range and apparent seriousness of its participants and the scale of resources involved, this initiative may have a greater potential than most others to bring about a major improvement in the contribution made by private enterprises in the natural resources sectors to the national development of the countries where they have production activities.

- **Business Partners for Development Natural Resources Cluster** This initiative, part of the World Bank’s Business Partners for Development programme, was operative from 1998 to 2002; it aimed at promoting the development of local business in countries in which oil and ore production take place. Participants included firms in the oil, gas and mining industries, together with interested governments, NGOs and the World Bank. Case studies, training materials, good practice guidance notes and other documents related to the three-way partnerships that were formed to carry out focus projects are available through the web site.⁴¹

---

3. Private enterprises and social partners in relief and reconstruction following natural disasters

Box 3: Transparency can alleviate poverty by George Soros

Countries that are rich in natural resources are often poor because exploiting those resources takes precedence over good government. Competing oil and mining companies, backed by their governments, have often been willing to deal with anyone who could assure them of a concession. This has bred corrupt and repressive governments and armed conflict. In Africa, civil wars have devastated resource-rich countries such as Congo, Angola and Sudan. In the Middle East, democracy has failed to materialise. Lifting this resource curse could make a large contribution to alleviating poverty and misery in the world, and there is an international movement aimed at doing just that. The first step is transparency; the second is accountability.

The movement started a few years ago with the Publish What You Pay campaign, which urged oil and mining companies to disclose payments to governments. In response, the British government launched the Extractive Industries Transparency Initiative (EITI). Much has been accomplished. International extractive companies are starting to acknowledge the value and necessity of greater transparency. BP has agreed to disclose disaggregated payment information on its operations in Azerbaijan, and Royal Dutch/Shell is doing the same in Nigeria. ChevronTexaco recently negotiated an agreement with Nigeria and Sõo Tomé and Principe that requires publication of company payments in the joint production zone. Investors representing nearly 7,000 billion US$ in capital have endorsed EITI and called on companies to be more transparent in the reporting of payments. But the most encouraging sign comes from the producing countries themselves. Nigeria is reorganising its state oil company, introducing transparency legislation, and launching sweeping audits of the oil and gas sector. It plans to begin publishing details of company payments to the state this summer. The Kyrgyz Republic became the first country to report under EITI, for a large gold mining project. Azerbaijan will report oil revenues later this month. Ghana and Trinidad and Tobago have also signed up. Peru, Sõo Tomé and Principe and East Timor are in negotiations to implement the initiative. Equally important, local activists are starting to use EITI as a way of demanding greater accountability for government spending. My own foundation, the Open Society Institute, has established "Revenue Watch" programmes in producing countries.

But there is a lot more to be done. Two-thirds of the world's most impoverished people live in about 60 developing countries or countries in transition to the free market that depend on oil, mining or gas revenues. The recently published transparency index from Save the Children UK, the charity, shows that transparency is the exception, not the rule. Many important producing countries have yet to make even a gesture towards disclosure. Angola, Bolivia, Mongolia, Kazakhstan, Chad, Mauritania and Gabon are among the countries outside EITI that need to be brought in. There is no reason why big Middle Eastern producers and Indonesia should not join this transparency push and embrace the EITI. It is also critical that state-owned companies, which account for the bulk of global oil and gas production, be subject to full disclosure.

Other governments need to follow the UK and help expand the EITI. France appears to have done little to encourage countries within its sphere of influence, let alone ask its own companies to disclose information. The Bush administration's recent decision to initiate a parallel anti-corruption process through the Group of Eight leading industrial nations leaves the US outside the leading international forum for addressing resource revenue transparency and reinvents the wheel. The US and Britain have not used their power in Iraq to promote transparency in the oil sector. Let us hope the new Iraqi government does better. It is difficult to see how democracy can take root if the country's most important source of income remains as veiled in secrecy as it was under Saddam.

The EITI is one of the most effective vehicles available for achieving a global standard of disclosure and accountability. Those committed to seeing the wealth generated by energy and mining finally improve the lives of ordinary people would do well to invest in the initiative at this critical stage. In concert with efforts such as Publish What You Pay, EITI promises to do a lot of good in the world.

3.1. Introduction

There are significant differences between natural disasters and situations of internal conflict that affect the roles that the private sector and the social partners can and do play; hence they are treated separately in this paper. The two types of crisis differ in their duration: in the case of natural disasters the events may last from minutes to days, while their effects may be measured in months or years. Situations of uncertainty surrounding conflict tend to last some years. In the case of natural disasters it is in most cases conceptually and politically easier than in the case of internal conflict to take preventive measures that can mitigate the negative human effects of the disastrous event: areas at greatest risk of earthquakes, volcanic eruptions, floods, avalanches and slides, and violent storms are relatively well known. Armed conflicts too can be prepared for, early warning systems devised, prevention attempted through diplomacy; organizations mandated to intervene in cases of conflict, such as the International Committee of the Red Cross, have shown themselves capable of anticipating crises so that their personnel are deployed in a timely manner. But where conflicts are concerned it is less straightforward to identify and agree on appropriate preparatory measures and the payoff is less assured. Another difference is that in cases of natural disaster it is usually clear where the responsibility lies for taking actions to prevent, mitigate and deal with the consequences of the event: the national and, depending on the country, regional or local authorities concerned. Institutions of the state and of civil society are likely to be intact in cases of natural disaster, and can even be strengthened by the feeling of solidarity that ensues. However, in situations of conflict, these institutions are typically weakened or destroyed and responsibilities are more scrambled. The response of the private sector to a natural disaster may be sizable and important. But the motivation is typically humanitarian rather than commercial and the action tends to be short-term. Natural disasters tend to be more localized. They also entail less disruption or destruction of social capital (including trust) and institutions than do situations of conflict.

In the case of natural disasters it is useful to see the disastrous occurrence as an event in a cycle that includes preventive actions and response.

Figure 2: Disaster Management Cycle

![Disaster Management Cycle Diagram]


Two natural disasters which have been analyzed by the ILO offer useful lessons for the role that the private sector and the social partners can play.

3.2. Case study: Response of the Corporate Sector to the Gujarat Earthquake of 2001

The earthquake in the Indian state of Gujarat which occurred in January 2001 measured 6.9 on the Richter scale (7.7 according to the U.S. Geological Survey). Almost 38 million people inhabited the region that it affected, and almost half of these suffered some effects. Over 20,000 people died, and about 166,000 were injured. Almost 400,000 homes were totally destroyed and almost a million more were partially destroyed. Infrastructure, livestock and health and education facilities also suffered major destruction.

Together with the government and the international community (governments, NGOs and IGOs) the corporate sector contributed major resources both to the emergency relief effort and to the reconstruction. Participating enterprises included those from cooperatives and the public sector as well as the private sector. Concerning the relief effort, corporate entities responded quickly with assistance in cash and kind in the form of critical needs equipment, machinery, vehicles, and experts and volunteers. In rescue work and in the restoration of critical infrastructure—power, communication and water supply—the role of the corporate entities was next only to that of the army and fire services and the civil defence team. They supplied diesel generating sets for power supply; skilled human resources to manage the restoration of communication supply equipment; and rescue machinery for persons trapped under the debris. They airlifted seriously injured persons to hospitals in Mumbai and Ahmedabad. The quantity of relief materials made available including household items, food grain, drinking water was considered more than adequate by the cross-section of affected people whom we met in villages and towns in Kutch [the most affected district].

Some 64 corporate entities participated in this effort. Almost all had activities in Gujarat (directly or with a business partner), although some were based in other parts of the country or abroad. Cash contributions were channeled through both the federal and the state-level relief funds. Some companies gave their assistance directly while others channeled their contributions through business federations, such as the Federation of Indian Chambers of Commerce and Industry (FICCI) and the Confederation of Indian Industry (CII), or through trusts or NGOs. Participating firms were from almost all sectors of the economy.

For the reconstruction of homes and social and physical infrastructure, the government of India developed several models for partnerships on a cost-sharing basis between the government on the one hand and corporations or NGOs on the other. One package envisaged a 50:50 cost-sharing between the two parties, for the total relocation of devastated villages to newly constructed sites; it was assumed, crucially, that the individuals affected would be willing to move. Another scheme provided for partnerships driven by private individuals who would be subsidized in the reconstruction of their homes; similar provisions were made for schools and medical facilities. Under this arrangement the partnering firm or NGO would recoup part of its investment from the indemnity paid by the government to the individual homeowner. In the end, 75 organizations actually committed their resources to these government-supported schemes. Most (64) were NGOs, religious bodies or trusts. Seven were enterprises; they worked in

---

44 Ibid., pp. 5-6
20 villages for the construction of 4,006 houses. Of these seven, one was a cooperative, the Indian Farmers’ Fertilizers Cooperative, which undertook to build 1,026 houses in five villages. One of the major players was an employers’ organization (FICCI) working jointly with an NGO; its commitment was for 2,015 houses. One was a trade union. The total commitment was to build 37,715 houses in 350 villages. By September 2001, some seven months after the earthquake, about 10,000 (37 per cent) had been completed or were near completion.

An equally large programme was undertaken for rebuilding infrastructure. It amounted to about 500 million US$ and was implemented by about 65 NGOs, 15 enterprises and state and local government units.

Overall, the assessment of the corporate contribution made by the authors of the study was that the role played by the private sector contributors in the relief effort was major, critical and fast. In the reconstruction period, the value of the enterprises turned out to be more limited than initially expected. Several of the enterprises that initially intended to engage in private house construction in devastated villages ended up withdrawing when they realized that the affected people in the villages were unlikely to hand over their damage compensation in partial payment of the new houses; that the implementation of the programmes would be slow and complex because of the need to consult with the beneficiaries and deal with inter-caste and political differences and land and property disputes. Their preference was for a smaller number of larger projects, such as the construction of new settlements, which would have been easier to manage. But it turned out that the reluctance of the individuals affected to move to new locations undermined the logic of such projects.

It also turned out that most of the enterprises used nationally reputed rather than local contractors, and equipment-intensive construction technologies based on concrete and steel. Thus the employment-creating effect of the reconstruction effort was limited. Some NGOs, by contrast, used reinforced mud blocks and ordinary bricks, a method which was more acceptable by the local people. The lessons learned were that model schemes to work with corporate partners in such situations need to be prepared and discussed with all concerned well in advance. The assumption that disaster victims can be persuaded to accept relocation packages needs to be assessed. Also the difficulty of getting corporate actors to work with villagers who are themselves divided by social, economic and other factors, has to be recognized. The “management style” of large enterprises has to be adapted to the difficult and complex situations at local level. Finally, new packages which are developed should ensure that reconstruction is employment-creating to the maximum feasible extent. Corporate actors may not stress the use of local labour and materials unless this is stipulated in the package.

---

45 IFFCO’s contribution included the construction of seven dispensaries and 11 veterinary centers in partnership with the government.
46 In its construction FICCI-CARE used cement concrete blocks which were made on site by local micro-entrepreneurs who were being supported as part of the project. They were trained in block-making and given the necessary machinery and equipment.
47 Ibid., p. 53.
Since 1980 Algeria has suffered a major earthquake (>5 Richter) approximately every five years; their total cost is estimated at about 40 billion US$. The most recent one, of 21 May 2003 in the region of Boumerdès, measured 6.7 on the Richter scale. Although a major disaster by any measure, its human dimensions were smaller than those of Gujarat by an order of magnitude: almost 2,300 killed, 11,500 injured, 11,000 homes totally and 200,000 partially destroyed. In the years before it struck, the government had embarked with IMF support on a transition to a market economy with an enlarged private sector. As part of this process, new civil society organizations emerged alongside established ones such as the Union générale des travailleurs algériens (UGTA) for the workers and the Confédération générale des entrepreneurs et opérateurs algériens (CGEOA) for the employers. With this breeze of competition, the UGTA and CGEOA, affiliated respectively to the ICFTU and the IOE, have become somewhat more independent (from the government) and dynamic organizations. The UGTA is represented on the boards of several government institutions dealing with social protection. The CGEOA has about 600

---

**Box 4: Cooperatives in crisis response**

Cooperatives and similar types of self-help organizations form a unique set of private enterprises. The positive contribution they can make in crisis response should not be overlooked. They can help build the capacity of populations affected by crisis to cope and recover, so essential to finding lasting solutions. This can be done through means such as reintroducing fair systems of distribution through consumers’ cooperatives; creating supply, credit and marketing systems through agricultural cooperatives; and creating employment and resettling ex-combatants through workers’ cooperatives and land settlement cooperatives.

They have played significant roles in the recovery from both armed conflicts and natural disasters in a number of countries. Examples of the former include activities in agriculture and credit in South Korea following the end of the Korean conflict; re-housing and resettlement of refugees in the Greek-controlled sector of Cyprus; the reintegration of ex-combatants in Mozambique; assistance in the peace process and, through the PRODERE programme, in economic regeneration in Central America; peace-building in Palestine; in cooperative micro-finance in Papua New Guinea; and in economic development in Timor-Leste. With respect to natural disasters, in Bangladesh they serve as two-way conduits for the transmission of early warnings about floods and other catastrophes; in Belize they provide warnings to their members on extreme weather conditions in coastal areas; in Japan the consumer cooperative played a key role following the Kobe earthquake in providing emergency supplies and in helping rebuild the communities where it operated. As detailed above, they made a substantial contribution to the recovery effort following the earthquake in Gujarat, India.

There are many ways cooperatives can help in crisis response. What roles are suitable will depend on the types of cooperative organizations that exist already when the crisis occurs. Unless they are already well established they are unlikely to be the most useful organizations in the immediate aftermath of natural disasters or when armed conflict is still in progress. However when the process of healing rifts between communities begins, they have a great potential for accelerating the building of trust between people.

Cooperatives can be organized around the common interests of many individual groups: farmers, consumers, fishermen, communities, taxi drivers, ex-combatants. They may serve a variety of functions such as: rebuilding through construction brigades; responding to drought through water users’ associations; rebuilding or improving homes through housing cooperatives; promoting local development through remittance services for migrant workers; supporting SMEs through sectoral cooperatives of individual artisans or other self-employed persons; assisting the resettlement of refugees and the reintegration of ex-combatants.


---

### 3.3. Response to the Algerian earthquake of 2003: the role of the social partners

Since 1980 Algeria has suffered a major earthquake (>5 Richter) approximately every five years; their total cost is estimated at about 40 billion US$. The most recent one, of 21 May 2003 in the region of Boumerdès, measured 6.7 on the Richter scale. Although a major disaster by any measure, its human dimensions were smaller than those of Gujarat by an order of magnitude: almost 2,300 killed, 11,500 injured, 11,000 homes totally and 200,000 partially destroyed. In the years before it struck, the government had embarked with IMF support on a transition to a market economy with an enlarged private sector. As part of this process, new civil society organizations emerged alongside established ones such as the Union générale des travailleurs algériens (UGTA) for the workers and the Confédération générale des entrepreneurs et opérateurs algériens (CGEOA) for the employers. With this breeze of competition, the UGTA and CGEOA, affiliated respectively to the ICFTU and the IOE, have become somewhat more independent (from the government) and dynamic organizations. The UGTA is represented on the boards of several government institutions dealing with social protection. The CGEOA has about 600

---

enterprise members located throughout the country. The earthquake also occurred at a time when, because of a rising oil price, the government was financially better able to mount a vigorous response than it would have been a few years previously.

Within the context of the vigorous and well-funded government programmes adopted in response to the earthquake, the actions of the social partners can be summarized as follows:

3.3.1. Emergency period

**CGEOA**
- Call for its members to make a contribution.
- Resulting grant of 14 cargos of food supplies.
- Loan of vehicles and other equipment by its members for cleanup operations.
- Responsibility assumed for the restoration of 28 sites that were only slightly affected.
- Support in cash and kind for 60 private enterprises which had lost production units in the affected area.

**UGTA**
- Activation of trade union solidarity committees in all districts of the country.
- Call for contributions from member unions and individual workers.
- Establishment of a national site for receiving, sorting and distributing donated materials.
- Assume responsibility for 17 sites providing assistance to victims, covering a total of 200 families.
- Financial contributions estimated at between 11 and 12 million US$.
- Psychosocial support for children and other victims of trauma.
- Support through the Commission nationale des femmes travailleuses (CNFT) of women, children and persons with disabilities having lost family members.
- Call for international aid that led to the shipment of tons of materiel and goods as well as financial support.

3.3.2. Reconstruction Period

**CGEOA**
- A project was designed for the creation of a zone hosting about 150-200 small and micro-enterprises established by unemployed young people from the affected area. The CGEOA’s members were to provide material support and mentoring for the young entrepreneurs. However, the project was not brought to fruition.
- Fourteen member companies participated in the government’s reconstruction programme.

**UGTA**
- 500 of the poorest among the young victims were recruited for a period of four months to work on the preparation of survival kits.
- A pilot construction project was started aimed at building 500 earthquake-resistant dwellings and stimulating the local economy. A call for workers to contribute one day’s wages to a solidarity fund generated sufficient resources for the construction of another 500-750 housing units.

In conclusion, it can be said that the two organizations’ contributions were similar in form: rescue operations, assistance, requests for contributions, activation of their networks. For both, the contribution to relief operations was more substantial than to reconstruction. And in both cases the activities were primarily “supply-driven”. Perhaps the most positive outcome was that, thanks to a change in the government’s attitude toward the social
partners, the tripartite cooperation was better than for previous disasters, leading to actions that were faster and more effective.

3.4. Discussion

Policy issues related to natural disasters start with the importance of preventive measures. There is a difference between the natural catastrophe and its human impact, and policies can make a big difference in the impact. Earthquakes in poor and poorly prepared areas, such as those of Gujarat 2001 or Kashmir 2005, cause many more deaths and much greater physical and economic damage than those of similar strength that occur in more developed (if comparably populous) areas, such as San Francisco 1906, Kobe 1995, or Taiwan 1999. Land- and mudslides are facts of nature, but their human impact is limited if dwellings do not lie in their path. The existence and enforcement of building codes and zoning restrictions in a country are of course correlated with its level of development; less developed countries, which are prone to some of the more cataclysmic events, are unlikely to have the financial, technical or governmental resources to put in place earthquake policies, for example, that meet Japan’s high standards. But that does not mean that nothing can be done. Some building technologies can significantly reduce risk at only a modest price premium. Selected structures such as schools and hospitals could be required to meet higher standards than general housing.

The capacity to respond to the disaster when it occurs can also be prepared for. The resources needed to transport and deploy earthmoving equipment and other rescue requirements and to provide medical care and temporary shelter can be identified in advance, and an inventory established of what is already available, and where, that could be mobilized in an emergency. Much of the resource base is likely to be found in the private sector. For national emergencies it can be mobilized for public purposes, but to do that effectively, continually updated plans are needed on what the various parties can do and provide. This is seen clearly in the Gujarat experience.

Institutional, as well as physical, capacity is needed. This is where employers’ and workers’ organizations, and other bodies forming the tissue of civil society, are crucial. Their communication networks can be vital in an operational sense, for mobilizing manpower and support within the affected area, the country at large, and internationally. Their legitimacy and mandate as representatives of the community can help to assure that employment and economic recovery are placed at the center of the reconstruction process. The gap that can be observed in many disaster-affected countries between the extent and quality of the relief effort, and the less impressive recovery and reconstruction effort, shows that this is an issue that needs addressing. It suggests that awareness raising and capacity building for the social partners is needed so that they can play the role they could and should be playing in this regard.

When international actors intervene to provide disaster relief, there is often a tension between their desire to provide from their stocks supplies of food and materiel to meet the basic needs of the affected population, and the wish and capacity of local producers and merchants to satisfy these requirements. If essential infrastructure is assured, and money is available, the local economy can often respond at prices and in a time-frame that are competitive with the international supply channels. Assistance provided in kind may have adverse effects on local producers, thus rendering more difficult the generation of employment and the establishment of a basis for sustained economic growth. Cash donations are therefore often to be preferred.
4. Recommendations

The literature on policy for countries in crisis contains many intelligent and useful recommendations that have been derived from experience and research and that are pertinent for the private sector and the social partners. For example, the joint ILO-World Bank paper referred to earlier identifies eight “operational principles” which are developed at some length and which are compatible with lessons that emerge from the present paper. The eight principles are:

- Build on what exists—start by identifying local resources and opportunities;
- support both projects to support communities and those that benefit individuals, but in the latter case get community endorsement;
- emphasize economic areas essential to postwar recovery—agriculture, fishing, construction and related services;
- seize the commercial opportunity presented by servicing the donor community;
- from the outset, prioritize credit provision;
- start with small scale projects and expand the scope progressively as resources and institutional capacities increase;
- link the local economy with other district economies and with national economic recovery strategies; and
- promote the widest possible exchange of information on jobs and economic opportunities in the affected areas.

The recommendations below are intended to complement, not replace, these and others that have been formulated by practitioners and students of the issue. They do not form an exhaustive list. Instead they comprise a small number of points that are suggested by the information and analysis in this paper, with a slight emphasis on those which are less commonly seen in the literature.

- Certain kinds of crisis, including many natural disasters, can be planned for. Where it is possible, priority should be given to taking such preparatory, proactive steps. All appropriate employers’ and workers’ organizations should be fully involved in these activities. In responding to the crisis, these and other civil society organizations should make good use of their capacity to mobilize assistance from their national members and international affiliates.
- Interventions following crises should impose a minimum of conditions in authorizing the resumption or initiation of commercial activities; market forces should be allowed to operate freely. This minimum should include, however, provision for a consultative process involving employers’ and workers’ and other civil society organizations. It should also include measures to limit the incursion of criminal elements and corrupt practices into economic decision-making.
- In meeting immediate needs in post-crisis situations, intervening agencies should never lose sight of the possible long-term effects of their actions, the likely impact on reconciliation and lasting economic recovery.
- Humanitarian interventions and donations should be managed in such a way as to minimize perverse effects on the local economy, for example by allowing food aid to undermine local agricultural production, or compensation for international workers to distort local labour markets. For meeting infrastructure needs, pending the resumption of normal investment conditions a tolerant attitude should be taken towards private (and perhaps irregular) providers of critical supplies such as electricity and water.
- When the capacity of state organs is infringed by crisis conditions, extensive use should be allowed of traditional institutions and practices that emerge through market

49 Piet Goovaerts, Martin Gasser, and Aliza Belman Inbal, op. cit.
forces and that are able to perform quasi-governmental tasks, such as enforcing contracts, adjudicating disputes, facilitating commercial transactions, and providing education and training.

- Without necessarily making decisions conditional on these factors, preference should be given to potential international investors prepared to (a) form alliances with local enterprises; (b) maximize use of local labour, firms and materials in executing contracts; and (c) use labour-intensive technologies.
- Efforts should be made to provide information and raise the awareness of international investors about the commercial possibilities, as well as the opportunity to contribute to recovery and development, that are present in post-crisis situations.
- Training programmes, based on rapid needs assessments, should be put in place early on, with emphasis on technical skills needed in the reconstruction effort; on basic managerial skills to help SMEs; and, for enterprises dealing with construction and infrastructure, on fostering an indigenous entrepreneurial capacity for using labour-intensive techniques. Appropriate training and awareness raising should also be provided to workers’ and employers’ organizations to enable them to defend their constituents’ interests more effectively during the reconstruction process.
- Attempts should be made, and support given to initiatives already under way, to mobilize commercial banking institutions to invest on more attractive conditions in micro, small and medium-sized enterprises in crisis-affected countries, and to help in channeling diaspora remittances back to these countries on reasonable terms. The possibility of using pre-existing groups, such as the financial institutions that subscribe to the EQUATOR principles, for this purpose should be investigated.
- Initiatives to promote transparency and fight corruption should be vigorously supported by the social partners and civil society organizations as well as by authorities. This applies in particular to initiatives focused on vital economic sectors such as construction, infrastructure, oil and mining.
- As a general principle, national authorities and international and non-governmental organizations which deal with crisis response should, in devising and carrying out their strategies, take full advantage of the potential contribution private actors can make to overcoming crises of various kinds. To assure that this potential is understood, the private sector and the social partners should be fully involved in the consultations and decision-making regarding crisis response. The many examples of public-private partnerships of various kinds given in this paper are only suggestive of the unlimited variety of forms of cooperation that can be devised when the will and the imagination are present and when the barriers posed by organizational cultures are broken down.
The SME sector in Iraq: A key resource to short-term income generation and longer-term development

Dr. Sana Al Umari
Dr. Abbas Abu Altimen

August 2005
Acknowledgments

The authors of this study would like to express their sincerest thanks to Mr. Luca Fedi, assistant project coordinator, who generously reviewed the study and offered commendable comments for its finalization, and to Mr. Ghassan AlSaffar, ILO, Baghdad, for his kind support and follow-up. Our thanks should also be extended to all those individuals, experts, organizations and governmental departments in Iraq who were helpful in terms of their encouragements, the data provided, their views shared in interviews, and participation in the survey questionnaires. The authors, of course, take full and complete responsibility for any errors or omissions. We would also like to thank all those involved in the production and release of this study.
Table of contents

Acknowledgments.................................................................................................................. 40
List of tables ............................................................................................................................ 43
List of acronyms ...................................................................................................................... 44
Executive summary ................................................................................................................ 46

1. Introduction ...................................................................................................................... 48

2. Country profile ................................................................................................................ 50
   2.1. Historical respective .............................................................................................. 50
       2.1.1. The Saddam Hussein Regime (1979-2003) ..................................................... 50
       2.1.2. The current context in Iraq .............................................................................. 51
   2.2. Demographic environment ..................................................................................... 52
   2.3. Social environment ............................................................................................... 53
       2.3.1. Incomes .......................................................................................................... 53
       2.3.2. Education ....................................................................................................... 53
       2.3.3. Health ........................................................................................................... 54
       2.3.4. Social security and safety nets ...................................................................... 55
       2.3.5. Vulnerable groups ......................................................................................... 55
   2.4. Economic environment assessment ........................................................................ 56
       Unemployment ........................................................................................................... 57
   2.5. Perspectives .......................................................................................................... 60
       2.5.1. Enhance the role of the private sector ......................................................... 60
       2.5.2. Develop human resources ............................................................................ 60
       2.5.3. Strengthen the capacity of governmental institutions .................................. 60

3. The rationale of SME sector development in Iraq ......................................................... 62

4. Iraq’s SME sector: A profile ......................................................................................... 64
   4.1. Data base and methodological considerations ...................................................... 64
   4.2. The size and structure of SME sector employment in Iraq .................................... 65
       4.2.1. The formal SME sector ................................................................................ 65
       4.2.2. Informal and formal employment estimates in the SME sector .................. 67

5. Small entrepreneurs profile with a focus on youth ...................................................... 69
   5.1. Methodology and data base .................................................................................. 69
   5.2. A profiling of entrepreneurs ................................................................................. 69

6. Small entrepreneur strategies in Iraq: A focus on women ......................................... 71
   6.1. Assessing female participation in the private sector ............................................. 71
       6.1.1. A focus on the industrial sector .................................................................... 71
       6.1.2. The public sector .......................................................................................... 73
6.2. Delimiters of women’s economic activity in Iraq .......................................................... 73

7. Addressing obstacles and opportunities for entrepreneurship in Iraq .................................. 75
   7.1. Addressing obstacles to SME creation and development ............................................. 75
      7.1.1. General economic recession and deprived internal demand ............................... 75
      7.1.2. Access to credit ................................................................................................. 76
      7.1.3. The abrupt lifting of trade regulations ............................................................... 77
      7.1.4. Access to production materials and equipment ................................................. 77
      7.1.5. The legal and regulatory environment ............................................................... 77
   7.2. Harnessing opportunities ............................................................................................. 78

8. Small entrepreneurs in Iraq: Stories of hopes and constraints ............................................. 80
   8.1. Enterprising in Baghdad ............................................................................................. 80
   8.2. Enterprising in Al-Najaf ............................................................................................. 83

9. Recommendations .............................................................................................................. 84
   An SME policy in Iraq: Main axes of work ................................................................. 84

Annexes ............................................................................................................................. 87

List of tables

Table 1: Net Enrolment Rates (NER) ..................................................................................... 53
Table 2: Education gender gaps ........................................................................................... 54
Table 3: Percentage contribution of production sectors in GDP ............................................ 56
Table 4: Labour force breakdown by sector of employment ................................................. 57
Table 5: Unemployment and underemployment rates in Iraq as of mid-October 2003 by governorate among the population aged 15 and above (excluding the Kurdistan governorate) .......................................................... 59
Table 6: Iraq’s private sector SMEs ..................................................................................... 65
   The Private sector employment pyramid (PSEP) ............................................................ 65
Table 7: Estimates of formal private sector employment .................................................... 67
Table 8: Estimates of total formal and informal private sector employment ......................... 68
Table 9: Percentage of female entrepreneurs in existing and under-construction enterprises registered in the Union of Industries for 2000/2004 ......................................................... 72
Table 10: Number of female entrepreneurs out of the total of current/under-construction enterprises registered in the Union of Industries for 2000-2004 .................................... 72
## List of acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>BERC</td>
<td>Baghdad Economic Research Center</td>
</tr>
<tr>
<td>CBI</td>
<td>Central Bank of Iraq</td>
</tr>
<tr>
<td>CPA</td>
<td>Coalition Provisional Authority</td>
</tr>
<tr>
<td>CSO</td>
<td>Central Statistical Office (MoPDC)</td>
</tr>
<tr>
<td>DFID</td>
<td>Department For International Development</td>
</tr>
<tr>
<td>EVTC</td>
<td>Employment and Vocational Training Centre (MoLSA)</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>GTC</td>
<td>General Taxation Commission</td>
</tr>
<tr>
<td>ID</td>
<td>Iraqi Dinar</td>
</tr>
<tr>
<td>ILO</td>
<td>International Labour Organization</td>
</tr>
<tr>
<td>IMIRA</td>
<td>Iraqi Multiple Indicator Rapid Assessment</td>
</tr>
<tr>
<td>ISX</td>
<td>Iraq Securities Exchange</td>
</tr>
<tr>
<td>MICS</td>
<td>Multiple Indicator Cluster Survey</td>
</tr>
<tr>
<td>MoE</td>
<td>Ministry of Education</td>
</tr>
<tr>
<td>MoLSA</td>
<td>Ministry of Labour and Social Affairs</td>
</tr>
<tr>
<td>MoPDC</td>
<td>Ministry of Planning and Development Cooperation</td>
</tr>
<tr>
<td>MSME</td>
<td>Micro Small to Medium-sized Enterprise</td>
</tr>
<tr>
<td>NDS</td>
<td>National Development Strategy</td>
</tr>
<tr>
<td>NER</td>
<td>Net Enrolment Rate</td>
</tr>
<tr>
<td>OFF</td>
<td>Oil For Food (UN)</td>
</tr>
<tr>
<td>POW</td>
<td>Prisoner Of War</td>
</tr>
<tr>
<td>PSEP</td>
<td>Private Sector Employment Pyramid</td>
</tr>
<tr>
<td>SME</td>
<td>Small to Medium-sized Enterprise</td>
</tr>
<tr>
<td>SOE</td>
<td>State-Owned Enterprise</td>
</tr>
<tr>
<td>UNICEF</td>
<td>United Nations International Children Educational Fund</td>
</tr>
<tr>
<td>UNESCO</td>
<td>United Nations Educational, Scientific and Cultural Organization</td>
</tr>
<tr>
<td>UN</td>
<td>United Nations</td>
</tr>
<tr>
<td>WB</td>
<td>World Bank</td>
</tr>
<tr>
<td>WFP</td>
<td>World Food Programme</td>
</tr>
</tbody>
</table>
Executive summary

Despite the rich natural and human resources that Iraq has been endowed with, the country finds itself in a multiple crisis context characterized by continuing violence and insecurity, the legacy of three major armed conflicts, economic sanctions, authoritarian rule and mismanagement, and the transition to the market economy and the labour market challenges that such a process involves.

The private sector has particularly suffered from this complex crisis and from the legacy of the Baathist regime. Today the Iraqi legal and regulatory system, inadequate physical infrastructures and a volatile security situation are continuing to pose numerous obstacles to Small to Medium-sized Enterprise (SME) development and hence contribute to a continuing labour market crisis.

Against such a background, this study aims at assessing the role of small entrepreneurs in Iraq as both a key resource to short-term income generation in the prevailing, complex crisis situation and long-term development. As a first step to alleviating such a crisis, this study focuses on the support to existing SMEs experiencing business environment, financial, product development or marketing problems. The ability for certain social groups such as youths and women to engage in self-employment and entrepreneurship could be crucial in channelling aspirations into productive and positive undertakings.

This study is based on international literature and experiences of SME development, particularly as far as its employment creation potential in both developed and developing countries. In the shorter term, supporting SME development is essential to generating new jobs, lifting households' income and reducing vulnerability. The context in Iraq is quite unique, and short-term needs and constraints of its population, its labour force and its entrepreneurs, are quite specific. Hence, there is a need for a carefully contextualized analysis of the sector in the country, based on existing information resources (particularly national statistics), and on further microeconomic surveys of entrepreneurs.

This study draws largely from the authors’ own analysis and treatment of the General Taxation Commission (GTC) data, as well as from small scale complementary surveys and interviews with relevant authorities and representatives of the civil society.

The macro and micro-level analysis of the SMEs sector in this study allows to draw a number of general, key conclusions to address its current challenges:

- Formal SME sector employment has been estimated to come to about 2.3 to 3.9 million owners and employees. In addition to this an estimate of non-agricultural informal sector employment is proposed;
- since 2003, transport, construction, commerce and services have been the most attractive segments of activity for small to medium entrepreneurs;
- in the SME sector, the self-employed represent 53 per cent of the total labour force.

Since 2003, dynamic segments of activity expected to constitute the major sources of economic growth and employment opportunities in the near to distant future have been singled-out, including sectors such as housing and construction, transport and distribution, small industries, the non-agricultural rural sector, the oil-related small industries and services and retail commerce. A well-conceived strategy to strengthen the role of SMEs in the process of market economy transition can help build around these promising segments.
Major constraints to SME creation and development besides rampant insecurity have also been recognized. The unreliable supply of production inputs including basic utilities such as power, water, and infrastructure facilities, and the lack of a legal framework to protect property rights and smooth governmental mechanisms regulating business activities, are the most salient elements. The lack of suitable and efficient business development services and commercial credit lines are also hindering private sector development.

A presentation of entrepreneurial experiences that proved capable of coping with the current situation, in the segments of activity considered most attractive and promising, is also provided.

The study reaches a number of conclusions and recommendations to strengthen the role of small entrepreneurs in a complex crisis situation as a key resource to short-term income generation and longer-term development. These recommendations are embraced within an overall strategy aiming at SME growth and development providing for the establishment of an "SME National Agency", as one-stop-shop for programmes and policies at national, regional and local levels. The proposed agency should institute support policies and programmes which would foster enterprise creation and development within a favourable economic environment.
1. Introduction

Since 1979, under the rule of Saddam Hussein, Iraq has faced three major conflicts, political mismanagement and repression, thus traumatizing the nation; debilitating physical and social infrastructure; and degrading the nation’s health, education and livelihoods. The State-led economy has dominated industry, agriculture, finance and trade activities, with prices playing a minor role in resource allocation. UN sanctions imposed on Iraq following the invasion of Kuwait in 1990 further aggravated the strain on economic and social infrastructures. The period from 1990 to 2003 was considered a prolonged economic crisis, with the per capita Gross Domestic Product (GDP) dropping to 239 US$ in 2003.

Since the occupation of the country on 9 April 2003 by an international military coalition, the economic and social situation in the country has not improved, and may be said to have worsened on several accounts. Though more than two years have elapsed since the fall of Saddam Hussein’s regime, only very modest improvements have been achieved in the efforts of generating new employment opportunities. Although available labour market data are problematic, we may consider for the purpose of this study that post-war unemployment figures range between 28 to 30 per cent of a total labour force of 7 to 8 million persons. The unemployment crisis is saddled with the slow progress in the two transition processes to a free market economy and to the rebuilding of democratic political institutions. On the other hand, acts of insurgency still seriously inhibit the outreach and effectiveness of public policies on employment and private sector development, thereby gravely affecting the larger business environment for national and international actors. Lack of employment opportunities in turn constitutes a major source of dissatisfaction and social unrest.

This study has aimed at assessing the role of small entrepreneurs in Iraq today as both a key resource to short-term income generation in the prevailing hostile context and to a sustainable longer term development process. As a first step to alleviating such a crisis, this study focuses on the support to existing SMEs experiencing business environmental, financial, product development or marketing problems. The study focuses on youth and women as strategic groups of population when considering entrepreneurship development.

This study has been conducted in the framework of a research programme aiming at improving the quality, content, relevance and impact of crisis response by national and international actors, by pursuing a more comprehensive and in-depth grasp of its theoretical and methodological dimensions. Such outcomes would go a long way towards ensuring that all actors in crisis response - national and international - are able to incorporate the employment dimension in their responses, and that a wider and more comprehensive understanding and awareness of the relationship between employment and various crisis conditions is made available within academic circles and the various actors in the crisis response field.

Knowledge and data base

This endeavour has been faced with a critical challenge on its knowledge and data base. A desk research of international and national literature and other documentation revealed that only very general or quite narrow data series (considering, for instance, only small-to-medium industries), were available in Iraq. No comprehensive assessment of the SME sector in the country existed.

A considerable effort has been devoted, therefore, to achieving and analysing data from the few sources that may be mobilized. The GTC provided the authors of this study with data on private sector taxpayers. The GTC data are divided into 800 segments of
activity, covering 1,341,800 self-employed persons and entrepreneurs. This data have been aggregated into 32 categories of activity and analysed within the model of a Private Sector Employment Pyramid (PSEP). This has allowed the authors to make broad macro estimates of the current size of private sector SMEs, their main characteristics, sectoral perspectives and the impact of the recent crisis on the sector. The data do not encapsulate informal sector SMEs, but a broad estimate is attempted.

The PSEP has been constructed as an instrument to assist in understanding the shape and characteristics of SMEs in Iraq and monitor their response to crisis conditions and to assist in planning and adopting suitable policies on employment and private sector development.

The study supplemented this data with distance surveys on a sample of 30 entrepreneurs in the cities of Baghdad and Al-Najaf respectively, as well as direct interviews with small entrepreneurs (in Baghdad). The research team also conducted interviews with directors and experts from governmental departments, State-Owned Enterprises (SOEs), social partner organizations and business associations (such as the Iraqi Industrialists Federation, the Businessmen Union and Businesswomen Association, etc.).

50 cf. Annex 2: List of interviews/visits with government departments, NGOs, experts.
2. Country profile

The Republic of Iraq is bordered by Kuwait and Saudi Arabia (South and West), Jordan and Syria (West), Turkey (North) and Iran (East). Principal cities are Baghdad, the capital; Basrah; and Mosul. Iraq stretches over 434,924 Km$^2$. It is composed of a mountainous region in the northeast and the vast western desert in the southwest; between these two geographical extremes is the heart of the country, a fertile lowland region bathed by the Tigris and Euphrates rivers. Both rivers stream from the north and converge into the Shat-al Arab waterway which in turn empties into the Persian Gulf.

2.1. Historical respective

Iraq is a country of paradoxes. Iraq possesses immense subterranean proven oil reserves, but the Iraqi people have not fully enjoyed the benefits of this wealth (at least since the 1970s): indeed, a large fraction of its population is fully dependent on food rationing. Iraq is historically known as one of the cradles of mankind, with a long tradition of rich human resources. More recently, Iraqis were known for their universal educational system and their high level of education, in particular in the scientific field; yet high unemployment rates hinder the development of this valuable human potential. Iraq is also endowed with two major rivers, the Tigris and the Euphrates, and vast fertile lands. The country, however, remains dangerously dependent on basic foodstuff imports. And the list of these paradoxes can go on.


Saddam Hussein’s rule was essentially a 25-years long period of destructive political and socio-economic policies, internal oppression and State violence, sometimes verging on genocide, and seemingly unending external armed conflicts.

Saddam seized power on 16 July 1979, with the execution of half of the Ba’ath party’s leadership. A few months later, he plunged the country into a terribly destructive conflict with Iran (from 1980 to 1988). This war cost more than a million deaths, innumerable wounded, immense damage to the country’s economic infrastructure. After the ceasefire on 8 October 1988 that ended hostilities, Saddam engineered the aggression of yet another neighbouring country; Kuwait was invaded on 2 August 1990, exposing the country to another large scale loss of human life and devastation. The resulting situation from these two large-scale conflicts was exacerbated in the nineties by the international sanctions regime.

51 Iraq is estimated to hold 115 billion barrels of proven oil reserves, and possibly much more unproven oil in unexplored areas of the country. Iraq also is estimated to contain at least 110 trillion cubic feet of natural gas.
In 2004, a survey on living conditions conducted by the UN and the Iraqi government found that 85 per cent of Iraqi households lacked stable electrical supply, while only 54 per cent received potable drinking water on a regular basis. Although the absence of data hampers analysis, it is clear that unemployment is running high, and that there is severe poverty and vulnerability. The unemployment crisis also threatens gains made by the women of Iraq - gains that had already been jeopardized by sanctions. The disastrous Iran-Iraq War caused tremendous strains on Iraq's economy and shortages of able-bodied men drew many women into the labour force. After the end of the war, women accounted for one fifth of the formal workforce.

Between 1980 and 2003, per capita GDP income fell from a level comparable to that of the Republic of Korea and well above the region's average, 3,600 US$ in 1980, to a level below the internationally recognized poverty line. The ILO Multidisciplinary Mission (MD) deployed in Iraq in April and May 2000 provided a gloomy assessment of the labour market, indicating that "the employment sector has experienced a shift from relative affluence to the borderline of minimum acceptable livelihood". Iraq's position on the International Development Index has dropped from ranking 76 in 1990 to 126 in 2000; no other country has dropped so far, so fast.

### 2.1.2. The current context in Iraq

Since April 2003, the Iraqi people continued to face multiple and interrelated political, economic and social problems. The Coalition Provisional Authority (CPA) decision to discharge the Iraqi army deprived half a million men of a stable income; massive dismissals in the ministries of Interior, Information, and Military Industrialisation added more than a million unemployed to an already-stressed labour market. Most of these recent unemployed not only had to support themselves, but also children, spouses and other relatives in extended families, with a head of household in Iraq catering to the needs of 6 relatives on average. The slow process of preparation and building of the new political and economic system, coupled with the worsening security situation, led to a state of frustration amongst Iraqis. Widespread poverty and rising unemployment levels threatened the well-being of families and weakened the social fabric, hence undermining prospects for stability.

Armed conflict causes severe socio-economic disruptions, originating with high poverty levels in rural areas. In areas where the urban economy is the main economic sector and agriculture uses mechanization and market-oriented production, conflicts bring about complex qualitative and quantitative changes:

- a change in economic activities towards traditional sectors with available provisions and less capital;
- activities that take advantage of the legal gap and minor governmental control to achieve easy profits;
- activities providing substitute services previously supplied by the government by adapting to the crisis situation;
- activities peripheral to international and regional organizations’ interventions;

---

52 William Taylor, Chief of “USA Rebuilding Iraq Programmes”, press conference, 21 May 2005  
53 Interim Strategy Note, World Bank Group for Iraq, 14 January, 2004  
• activities related to reconstruction and rehabilitation programmes.
• Overall, economic activity is gravely affected, the national product crumbles and unemployment rates soar.

In the post-April 2003 context two prominent phenomena arose. In the field of employment, new opportunities flourished in the reconstruction and rehabilitations activities, thus easing the dramatic unemployment situation. On the other hand, transformations in economic activities appeared under different forms; some arose from the deterioration of economic sectors, or the closing down of production establishments and the creation of others within the same, or other, sectors.

In the aftermath of conflicts, policy makers are confronted with a fundamental question; one can rebuild and rehabilitate the economy as quickly as possible as it was before the outbreak of war, or decide to undertake changes taking advantage of reconstruction and rehabilitation, thus reducing the costs of modernizing the economy. With the latter option, a completely new economic and industrial foundation is laid down for the future. Adopting this choice requires a clear, socially acceptable strategy.

2.2. Demographic environment

During the period that followed the Second World War, Iraq witnessed rapid population growth up to the end of the 1980s. The 1987 census indicated the population amounted to 16.3 million people, representing an increase of 35 per cent in comparison to the population level of 1977 (12 million people). Average annual population growth during this period was 3.10 per cent, and remained almost unchanged for the following 10 years. This average is considered one of the highest rates in the world.57

The population of Iraq is currently estimated to more than 27 million.58 Iraq is predominantly young: the World Bank estimates that over 50 per cent of the Iraqi population is under the age of 20. Iraqis under the age of 15 represent 44 per cent of the population, whereas those between the ages of 15 to 64, account for 52 per cent, and only four per cent are over the age of 64. Seventy-five per cent of the Iraqi population resides in urban areas. The percentage rise in the infant and young age groups will eventually lead to a rise in the dependency average. According to the last 1997 general census's figures, this dependency rate was 1 to 3.

A large number of Iraqis have emigrated abroad: this group is estimated at around 3 million, mostly highly qualified persons. Between 1987 and 1997, 6.11 per cent of Iraqis moved within Iraqi borders, mostly because of war and internal disputes (border governorates, such as Basrah, were especially affected).

---

57 In comparison to world rate during the 1990s of 1.6% for the group of middle income states, and 1.8% for group of low income countries
58 According to MoPDC official statement in April, 2005, Iraq's population is 27,962,968 million.
2.3. Social environment

Internationally, the level of human development is measured by three key indicators: health, education, and income.

2.3.1. Incomes

Rises in the consumer price index amounted to 6,943 for 2003, with an index 100 in 1993, i.e. a rise by cumulative annual rate of 53 per cent.

Current statistics claim that about 7 million people of Iraq's total population (27 million) are dependent on food-rationing. The regression in Iraqi households’ standard of living is also reflected by the large proportional increase of expenditures on foodstuffs. While this percentage does not exceed 20 per cent in the developed countries, Iraqi families currently spend more than 60 per cent of their earnings on food, compared with 45 per cent in the mid-1980s.

2.3.2. Education

The widespread deterioration that was inflicted on the educational system was reflected in student enrolment rates throughout the educational stages. Despite the increase in the number of students, this does not by all means reflect or match the population growth.59

Table 1: Net Enrolment Rates (NER)

<table>
<thead>
<tr>
<th>Year</th>
<th>Student NER</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>6 years (grade 1 primary)%</td>
</tr>
<tr>
<td>1987-1988</td>
<td>84.9</td>
</tr>
<tr>
<td>2001-2002</td>
<td>82.6</td>
</tr>
</tbody>
</table>

Primary school enrolment fell to 93 per cent in 2000,60 while secondary school enrolment dropped from 47 to 38 per cent. Furthermore a large drop in school attendance was also evidenced. A United Nations Children’s Fund-led (UNICEF) Multiple Indicator Cluster Survey (MICS) reported in 2000 that as many as 23 per cent of primary school age children were not attending school (while formally enrolled), with significantly higher rates among girls and in rural areas. This deterioration created or exacerbated inequities by gender, urban/rural areas and region.

Other sub-sectors, especially technical and vocational education, also experienced stagnation or decline. From 1987 to 2002 the number of vocational institutes declined from 248 to 235. The decrease in the number of enrolled students has been dramatic, down from 144,303 to 65,377. As for children of pre-school age, the number of kindergarten establishments fell from 594 to 566 between 1987 and 2002, and likewise the number of registered children from 76,558 to 68,179. Despite the increase in student enrolment rates

59 Primary Education (Grades 1-6); Secondary Education (Grades 7-12), the latter divided into Intermediate Education (Grades 7-9) and Preparatory Education (Grades 10-12).
for university education concerning age groups between 18 and 23 from 7.9 per cent in 1987/1988 to 10.2 per cent in 2001/2002, the percentage remains very modest.

Average enrolment rates concealed substantial regional, rural/urban and gender disparities. Regional Primary Education shows NERs ranged from 98 per cent in Baghdad and Diala to around 63 per cent in Muthanna between 1998 and 1999. These NERs largely reflected rural/urban disparities, with 98 per cent in urban areas and around 61 per cent in rural areas. The female share of Primary Education enrolment remained fairly constant at around 44 per cent throughout the period 1990/2000. The 2000 MICS survey, however, identified significant gender gaps in Primary Education attendance, especially in rural areas, where up to 51 per cent of girls (compared with 28 per cent of boys) were reported to be out of school. In Secondary Education, gender gaps became more marked, as indicated in the table below.

### Table 2: Educational gender gaps in secondary education

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>57.1</td>
<td>47.1</td>
<td>39.6</td>
</tr>
<tr>
<td>Female</td>
<td>36.4</td>
<td>29.1</td>
<td>26</td>
</tr>
<tr>
<td>Total</td>
<td>47</td>
<td>38.3</td>
<td></td>
</tr>
</tbody>
</table>

The Ministry of Education (MoE) and UNICEF estimated that at least 80 per cent of the MoE’s 13,200 establishments (including schools) needed some form of rehabilitation and repair. Overall (primary and secondary) student-classroom ratio is of 49:1. In addition, the MoE reported that more than 700 schools and institute buildings were currently beyond repair and needed to be demolished and rebuilt. The enrolment simulation and projection model used for this assessment suggested that a minimum of 4,500 new schools, in addition to the 700 institutes to be rebuilt, were required in order to cope with enrolment growth and to eliminate double and triple shifts.

### 2.3.3. Health

The previous regime’s disregard for social issues, the consecutive wars and UN economic sanctions caused a disastrous deterioration of the health system and standards reflected in the following health indicators:

- the number of hospitals and other health centres declined between 1987 and 2002 from 234 to 212 hospitals and from 1,604 to 1,078 health centres;
- the average population per doctor ratio remains considerably elevated (2,319 in 2002 compared to 1,925 in 1987);
- there were 1,013 people per available hospital bed in 2003, compared with 515 in 1987;
- the infant mortality rate was at 108 per 1,000 live births and the average death rate for children under 5 years age was 130.6 per 1000 live births during the period from 1994 to 1999, compared to 25-30 and 50 child deaths respectively from 1984 to 1989. Maternal death rates also increased, from 117 cases per 100,000 live births to 294 from 1991 to 1999;
- the Iraqi life expectancy rate has fallen from 62.5 in 1987 to 58.5 years of age in 1997.

---

61 UN-WB Joint Assessment of Reconstructing and Rebuilding in Iraq, Oct.,2003
2.3.4. Social security and safety nets

In the area of social security and safety nets, law no. 39 of 1971 currently in force on Social Security applied only on private enterprises that employ 3 or more workers. In practice, the implementation of this law, like most of the other legislation, suffers from corruption and non-compliance. Revision of the law should aim at ensuring income maintenance through social schemes for all employees and self-employed Iraqis. Another piece of legislation is the law of social security no.126 of 1980, and instructions no. 98 of 2000. These are supposed to ensure basic life support for families and citizens in need with no income sources, such as the handicapped, widows, divorcees, orphans, etc. These groups receive subsidies of around 20 US$ per month (less than one US$ per day). This very modest amount of money might explain why so few people are applying for it. The total number of people eligible for this social benefit in February 2005 is 138,400 families nation-wide, according to the Department of Social Welfare (SWD) of the Ministry of Labour and Social Affairs (MoLSA). The SWD plans to increase this number to 300,000 families by the end of 2005 in Baghdad and other governorates.

There is no clear identification of a poverty line in Iraq that can secure a reasonable living standard for vulnerable groups. Therefore, this matter should be well addressed by any future legislation.

2.3.5. Vulnerable groups

Reliable data on the most vulnerable population groups proved extremely difficult to obtain. It may be said, however, that general urban/rural and regional disparities grew steadily over the 1990s. A growing gap had emerged between governorates in the southern and central regions, and those in the north. Most adult education activities and non-formal education programmes stopped in 1991, resulting in a rise of illiteracy among the youth and adults. One estimate suggests that fewer than 30 per cent of females and 60 per cent of 15 to 25 year-old males were literate in 2000. The gender distortion is exacerbated in rural areas and in more neglected southern governorates.

It proved difficult to obtain reliable figures concerning post-conflict vulnerable groups in terms of increased number of widows and women-headed households, orphans, the disabled, former soldiers with no vocational training, etc. However, estimates concerning the human toll of the wars often refer to one million orphans, more than 200,000 widowed women, and 1,500,000 wounded. The number of handicapped amounted to more than 244,659 persons - not considering Kurdistan - of which 172,765 are males.

Poverty in southern Iraq is particularly serious. The main vulnerable groups have little capacity to cope with further shocks. The WFP report on chronic poverty concluded that approximately 21 per cent of central and southern Iraq's population was chronically poor or unable to meet their basic needs over long periods of time. Within southern Iraq all districts of the Basrah governorate and most of southern Maysan have high or very high chronic poverty rates.

---

62 Interview, Director General of SWD, MoLSA, March, 2005
63 Interviews with experts of Ministry of Planning and Development Cooperation/CSO, and Ministry of Labour and Social Affairs/ Directorate of Social Welfare
64 Interview, Department of Rehabilitation and Handicap Prevention/ Ministry of Health
2.4. Economic environment assessment

After showing important annual increases during the 1970s, GDP annual growth rates were down from 25.5 to 4.5 per cent in 1990. GDP growth rate in the following decade did not show any signs of improvement as immediately after the lengthy Iran-Iraq war, the second gulf war erupted following the invasion of Kuwait, and the imposition of economic sanctions continued throughout the 1990s up to 2003. The UN Oil For Food (OFF) programme in 1996 slightly helped in the mitigation of the serious deterioration of the Iraqi economy.

During the 1990s, the traditionally strong production sectors noted a significant setback in percentage contributions to GDP, as reflected in the following table:

<table>
<thead>
<tr>
<th>Sector</th>
<th>1990 (%)</th>
<th>2000 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>8.4</td>
<td>5.5</td>
</tr>
<tr>
<td>Mining &amp; quarrying</td>
<td>62.9</td>
<td>82.1</td>
</tr>
<tr>
<td>Manufacturing industries</td>
<td>3.7</td>
<td>0.1</td>
</tr>
<tr>
<td>Electricity</td>
<td>0.4</td>
<td>0.1</td>
</tr>
<tr>
<td>Building and construction</td>
<td>3.0</td>
<td>0.2</td>
</tr>
</tbody>
</table>

Source: COSIT (COS) Ministry of Planning and Development Cooperation (MoPDC), 2003

The above indicators reflected an important degradation in the manufacturing industries sector due to sanctions and the deterioration of production sectors. Electricity, an essential utility for economic activity, deteriorated due to obsolete power generation stations, low efficiency and non-replacement.

Iraq mainly exports oil and imports nearly everything else. Since Iraq is in a reconstruction phase and still has large parts of the country under various degrees of high security threats, improving domestic production is currently proving very difficult.

Inflationary rates prior to the last conflict were estimated to range on average between 40 to 50 per cent. Inflation amounted to 23 per cent over the 12 months up to July 2003, and to 30 per cent in 2004. According to Central Bank of Iraq (CBI) estimates, inflation is being reduced in 2005 and an annual inflation of around 17 per cent was expected in May 2005.

The previous regime's policy of over-printing the Iraqi Dinar (ID) had increased the already existing hyperinflation in the economy. Establishing a stable currency was central to creating confidence in the CBI as an independent and credible institution. The CBI's central goal was to restore the stability of the ID against other currencies. In theory, the exchange rate is free-floating, dependent on supply and demand on the foreign currency market. But ID stability has been achieved through robust intervention by the CBI buying and selling US$ in order to maintain a steady exchange rate with the US$. Curbing inflation, therefore, remains the central aim of the Iraqi monetary policy.

---

65 UN-WB "needs assessment", October, 2003
66 –CBI governor Sinan al-Shabibi press conference, May, 2005
Unemployment

The unemployment situation Iraq is going through today is a legacy of the previous regime's failure to develop and diversify the heavily oil-dependent national economy, and of the diversion of almost all of the country's resources, including human capital, to military adventures.

Lack of employment opportunities, as the Oxford international opinion poll indicates, is the second foremost source of dissatisfaction in the country after insecurity. The ability particularly for the youth to engage in self-employment and entrepreneurship is therefore crucial to channelling aspirations into productive and positive undertakings.

The unemployment crisis is saddled with the slow progress of the two non-mutually exclusive transition processes: constructing a free market economy and rebuilding democratic political institutions. Furthermore, acts of insurgency still seriously hinder any sound national action plan to tackle unemployment. In the context of economic reforms and transition, the private sector has the key role in the economic recovery and the longer term sustainable development of the country.

Obtaining labour market data proved to be problematic. The latest most reliable official employment data was provided by the Central Statistical Office (CSO) in the 1997 population censuses.

Table 4: Labour force breakdown by employment sector (1997)

<table>
<thead>
<tr>
<th>Economic activity</th>
<th>thousands</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, hunting &amp; fishing</td>
<td>950</td>
<td>19.5</td>
</tr>
<tr>
<td>Mining &amp; quarrying</td>
<td>31</td>
<td>0.6</td>
</tr>
<tr>
<td>Manufacturing industries</td>
<td>219</td>
<td>4.5</td>
</tr>
<tr>
<td>Electricity &amp; water</td>
<td>28</td>
<td>0.6</td>
</tr>
<tr>
<td>Building &amp; construction</td>
<td>218</td>
<td>4.5</td>
</tr>
<tr>
<td>Transport, communication &amp; storage</td>
<td>904</td>
<td>18.6</td>
</tr>
<tr>
<td>Wholesale &amp; retail trade, hotels &amp; accommodation</td>
<td>273</td>
<td>5.6</td>
</tr>
<tr>
<td>Finance, insurance &amp; real estate</td>
<td>40</td>
<td>0.8</td>
</tr>
<tr>
<td>Social &amp; personal services</td>
<td>1373</td>
<td>28.2</td>
</tr>
<tr>
<td>Unemployed</td>
<td>812</td>
<td>16.7</td>
</tr>
<tr>
<td>Not specified</td>
<td>12</td>
<td>0.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2862</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: CSO, Censuses of Population 1997

A post-war sample survey in 2003 was carried out by the CSO in association with MoLSA to measure unemployment and under-employment in Iraq. The cohort method was used with non-survey methods to derive total employment estimates. The survey took place in October 2003 over ten days. It involved 24,900 households accounting for 153,384 people of age 6 and above. This survey covered 15 Governorates of Iraq, while Kurdistan was not included). A review of the survey results are as follows:

---

67 The Iraq Multiple Indicator Rapid Assessment (IMIRA), Amman review meeting 9/10 2004.
68 Iraq historically conducts general population censuses every 10 years on the seventh year of each decade since 1937.
Unemployment (15 years of age and above)

- In October 2003, the unemployment rate amounted to 28.1 per cent;
- unemployment figures among men rose to 30.2 per cent whereas 16.0 per cent of active women interviewed were unemployed;
- urban and rural areas registered 30.0 and 25.4 per cent unemployed respectively;
- the Thi Qar governorate registered the highest unemployment rate in Iraq, reaching 46.2 per cent. This could be attributed to the seasonality of agricultural sector activities and to the discharge of the Iraqi army by the CPA (Thi Qar was traditionally an important recruitment point). The regional supply of soldiers is also characteristic of some other governorates, such as Anbar, Baghdad, Diala and Mesan, where unemployment rates reached 33.3, 33.0, 31.2 and 30.5 per cent respectively;
- governorates that registered the lowest unemployment rates were Karbala, Basrah and Wasit, indicating 14.0, 15.5 and 16.0 per cent, respectively. This may be attributed to a stable economic setting in these areas at the time.

Underemployment (by hours worked: wage-earners and self-employed working for less than 35 hours a week)

- The overall underemployment rate reached 23.5 per cent for Iraq for both men and women;
- the highest rates were registered in Babil (56.0 per cent), followed by Thi Qar, Qadisiah and Muthana indicating 34.2, 33.9 and 33.2 per cent respectively;
- the lowest underemployment rate was registered in Baghdad (13.7 per cent), followed by Ninava and Basrah with 16.6 and 19.5 per cent;
- the overall underemployment rate for women was 40.2 per cent, while among men the rate was at 19.4 per cent. Average underemployment rates in urban areas reached 15.7 per cent, compared with 36.3 per cent in rural areas.

Underemployment (by income)

- The overall rate of underemployment, under this category, was 21.2 per cent for the country as a whole, excluding Kurdistan. The result among women reached 29.2 per cent; in contrast, among men the rate was 17.6 per cent;
- underemployment in this category registered 13.3 per cent in urban areas, and more than double this level in rural areas (32.8 per cent);
- Babil registered the highest underemployment rate (43.0 per cent), followed by Wasit and Muthana with 37.1 and 36.5 per cent, respectively;
- the lowest rates were registered in Basrah, Baghdad and Anbar, registering 12.1, 12.7 and 12.9 per cent, respectively.
Table 5: Unemployment and underemployment rates in Iraq as of mid-October 2003 by governorate among the population aged 15 and above (excluding the Kurdistan governorate)

<table>
<thead>
<tr>
<th>No</th>
<th>Governorate</th>
<th>Unemployment (%)</th>
<th>Underemployment (working hours - %)</th>
<th>Underemployment (income - %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Nainava</td>
<td>31.2</td>
<td>16.6</td>
<td>20.7</td>
</tr>
<tr>
<td>2</td>
<td>Tamim</td>
<td>19.4</td>
<td>28</td>
<td>25</td>
</tr>
<tr>
<td>3</td>
<td>Dialah</td>
<td>31.2</td>
<td>22</td>
<td>24.8</td>
</tr>
<tr>
<td>4</td>
<td>Anbar</td>
<td>33.3</td>
<td>28.1</td>
<td>12.9</td>
</tr>
<tr>
<td>5</td>
<td>Baghdad</td>
<td>33</td>
<td>13.7</td>
<td>12.7</td>
</tr>
<tr>
<td>6</td>
<td>Babil</td>
<td>21.6</td>
<td>56</td>
<td>43</td>
</tr>
<tr>
<td>7</td>
<td>Karbala</td>
<td>14</td>
<td>21.4</td>
<td>22.2</td>
</tr>
<tr>
<td>8</td>
<td>Wasit</td>
<td>16</td>
<td>25.3</td>
<td>37.1</td>
</tr>
<tr>
<td>9</td>
<td>Salah Aldeen</td>
<td>25.4</td>
<td>23.1</td>
<td>25.9</td>
</tr>
<tr>
<td>10</td>
<td>Najaf</td>
<td>18.1</td>
<td>27.5</td>
<td>24.1</td>
</tr>
<tr>
<td>11</td>
<td>Qadisiah</td>
<td>23.5</td>
<td>33.9</td>
<td>28.1</td>
</tr>
<tr>
<td>12</td>
<td>Muthana</td>
<td>28.2</td>
<td>33.2</td>
<td>36.5</td>
</tr>
<tr>
<td>13</td>
<td>Thi Qar</td>
<td>46.2</td>
<td>34.2</td>
<td>24.6</td>
</tr>
<tr>
<td>14</td>
<td>Mesan</td>
<td>30.5</td>
<td>20.9</td>
<td>19.1</td>
</tr>
<tr>
<td>15</td>
<td>Basrah</td>
<td>15.5</td>
<td>19.5</td>
<td>12.1</td>
</tr>
<tr>
<td></td>
<td>Total Iraq</td>
<td>28.1</td>
<td>23.5</td>
<td>21.2</td>
</tr>
</tbody>
</table>

Source: CSO, 2004

We may therefore consider, according to official data, that post war unemployment rates range between 28 and 30 per cent of a total labour force of 7 to 8 million people. Statistics also show a sharper increase of unemployment in urban areas due mainly to a rural-urban migration and the entry of women in the labour market.

The 15 Employment and Vocational Training Centres (EVTC) affiliated with MoLSA were reactivated during 2003. EVTCs reportedly managed to locate 223,758 job seekers out of the 650,000 unemployed registered with these centres up to February 2005.

This rise in unemployment may be linked to a number of causes:

- a sharp reduction in investment incentives and risk costs, coupled with the postponement of most of the State’s projects;
- the abolition/shutdown of labour-intensive State establishments such as the army, administrations, and many SOEs;
- the still limited benefit gained out of the reconstruction and rehabilitation programmes, mostly awarded to foreign companies with marginal Iraqi participation in terms of employment and returns;
- the corruption and misuse of the widely-scattered resources that led to disappointment and undermining of efforts to address the aforementioned problems;
- the insecurity and weak authority of law-enforcement so far, thus discouraging new investors and reducing business opportunities.

---

69 CSO, Employment and Unemployment Survey, July 2004  
70 Interview, EVTC, MoLSA, 2005
2.5. Perspectives

Despite devastation caused by the war and the relatively slow political and rebuilding processes, Iraq has embarked on a new path for political and economic transformation. A wide consensus among Iraqis has appeared for an open and competitive market-based economy, driven by the private sector. The process of recovering Iraq's historically vibrant economic life has yet to be implemented in laws, regulations, and policies.

The new direction the country has set out for the medium to longer run is articulated in the National Development Strategy (NDS) for 2005/2007, setting out the main goals of the country's economic reform policies. The NDS aims at economic reform, based on promoting the free market economy to achieve growth, while managing the social impact to ensure equity. Four main areas of work are outlined in the NDS, and presented below. 71

2.5.1. Enhance the role of the private sector

The private sector is seen as the primary engine of economic diversification in Iraq. Realizing this vision will require institutional and legal changes to create the proper environment. For the private sector to flourish, security must be established, the rule of law strengthened, and an efficient payments system and a diversified financial sector developed. All quantitative and qualitative restrictions and sanctions which hinder geographical movement among different economic sectors must be removed.

The private sector will perform a critical role in Iraq's sustainable reconstruction and development process through the initial reconstruction effort. The Government must establish a regulatory environment capable of accommodating the private provision of infrastructure, thus allowing for the provision of essential infrastructure in a fiscally sustainable manner. The Government must also ensure basic public services and utilities. Well-functioning and efficiently-priced infrastructure will enable private sector growth. A “one stop” approach to investment facilitation is being considered, which should prove beneficial in facilitating investment and reducing initial costs of setting up and doing business in Iraq. The Government will seek to streamline the process of licensing new business.

2.5.2. Develop human resources

The State must use its considerable financial resources to play a vital role in developing human resources as an investment in the present as well as in the future. Social services such as health, education and vocational training must be enhanced. Vulnerable groups in the Iraqi society expanded due to war and sanctions, with their resultant destruction and poverty. A comprehensive social aid network to protect these vulnerable groups must be put in place.

2.5.3. Strengthen the capacity of governmental institutions

The key challenge for public sector reform in Iraq is to strike a balance between emergency management and more long-term work. The strategy is aimed at diminishing the size of the government over the next three years. The Government, however, will continue playing a dominant role in economic activity over this period, and will play a key role.

role as provider of public goods thereafter. Great attention must be given to promoting administrative capacity. Governmental structure will be reconsidered, with the intent to eliminate governmental departments that compete with the private sector in economic and service activities. The State will come to rely on the private sector for some purposes, rather than attempting to internalize these functions by enlarging its departments.

An immediate need is for Iraqi institutions to strengthen systems of accountability. This will both improve the efficient use of Iraqi resources and facilitate the flow of donor funds; this is particularly important to allow Iraq to absorb a large degree of donor assistance using its own existing administrative and implementation structures and without creating parallel systems. The Government is also called upon to provide services to its citizens in a transparent, respectful, efficient and dedicated manner, free of corruption. This will require improved management to increase the efficiency of most governmental departments, and attracting and training competent young people.

A general civil service reform framework must be considered including all aspects of human resource management, but focused on fiscal sustainability and ensuring a transitional process without creating social unrest. Additional accountability institutions and anti-corruption initiatives are required, as is a system for setting priorities in public spending, a degree of fiscal decentralization, improved public procurement and stronger financial management.

Recent indications point to substantial progress in removing some of the obstacles to an open market. This progress, modest but positive, has been reflected in the standardization of currency value, checking of the inflation rate, the institutionalization of an open trade and investment regime with an emphasis on strengthening the private sector. Increase in external reserves and currency stabilization as a result of improved management of the money supply have helped in reducing inflation to 20 - 25 per cent compared to 40 - 50 per cent in 2004. Some of these achievements have been reflected in recent estimates of GDP per capita rising to about 1,200 US$ in 2004. While the exchange rate has remained largely unchanged, the CBI aims to build up its net international reserves to at least 6.0 billion US$ by end of 2005. Further, by the end of 2004, oil production, which constitutes about three quarters of the economy, had recovered. Non-oil economic activity has also been recovering, driven by reconstruction and a partial revival in the agricultural sector, although many enterprises are not yet fully operational. Commercial activity at the retail level is brisk.

However, two perilous areas, namely unemployment and security, continue to be the most challenging issues that could seriously undermine the whole economic, social and political transformation the country is undergoing. The over two million unemployed are considered as one of the major sources of instability; job creation is therefore vital to building peace and stability in Iraq. Reducing unemployment rates could make a major contribution in this regard, which could in turn help generate a recovery in investment and growth, or "at least reduce its detrimental effect on the livelihood, security and progress of Iraq,"\(^\text{75}\) A “plan of action”, which was adopted by the International Employment Conference on Jobs for the Future of Iraq, organised by the ILO in December 2004 in Amman, focused on the optimal means to capitalize on the reconstruction drive in Iraq and how it can create jobs.\(^\text{76}\)

\(^{72}\) Mr. Senan Al Shabibi Governor of the CBI
\(^{73}\) Dr Mehdi AlHafidh, former Minister of Planning and Development Cooperation, Speaking at a Conference on Rebuilding Iraq, Amman, 2005
\(^{74}\) IMF Country Report no.04/325, September, 2004
\(^{75}\) Former Iraqi Labour and Social Affairs Minister Leila Abdul Latif statement to the ILO Amman Conference, December, 2004
\(^{76}\) International Employment Conference Jobs for the Future of Iraq, Amman, 12 to 13 December, 2004
3. **The rationale of SME sector development in Iraq**

Small to medium-sized private businesses are widely recognized in contemporary economic and development literature and policy-making as an essential source of employment-intensive growth and as a key to poverty reduction. This applies to both industrialized and developing countries.

In many countries, at different development stages, SMEs constitute a high percentage of industrial businesses. In Egypt, SMEs represent around 90 per cent of all enterprises; they represent 42 per cent in Tunisia and 50 per cent in Morocco. While 90 per cent of Malaysia's 53,553 manufacturing enterprises are small-scale operations, in Japan, the ratio is a heady 99.7 per cent, almost matched in Taiwan with 98 per cent and Germany's 99 per cent of the total manufactured output. A 1998 study showed that Micro, Small, and Medium-sized Enterprises (MSMEs) accounted for 45 per cent of employment in the United Kingdom (UK) and 40 per cent of sales turnover out of all UK firms.

SMEs also play an important role in economic development strategies, representing large proportions of the production sector in many countries. In India, for example, SMEs numbered more than 3 million and contributed to 35 per cent of India's production volume and 11.3 per cent of the annual growth of this sector, surpassing rates achieved by the heavy industries sector for the same year of 2003. They employ 17 million employees producing 10 per cent of the GDP. Furthermore, SMEs satisfy local demand for many products and contribute to export promotion, thus saving hard currency. Numerous governments of both developed and developing States alike have been recognizing the vital role played by SMEs in their economies and instituted support policies and programmes that enable these enterprises to thrive in a conducive economic environment.

The specific strength of SMEs is linked to their flexibility, their ability to adapt rapidly and to find niche markets. Low start-up capital and simple organizational requirements give them a degree of independence from public establishments, may promote job creation in a relatively short period, and ensure a certain degree of flexibility to withstand crises' impact.

SMEs are critical actors in economic recovery while ensuring employment and growth in the long term. Small entrepreneurs are certainly one of the country’s key sources of potential.

The transition process to a market economy is a comprehensive social transformation. The process involves redefining the mutual roles of the State and the private sector in the economy. Adopting market forces, free trade, and private property enforcement are all requisites to this end.

The first policy initiatives taken to date in the course of the transition have focused on:

- fully-fledged free trade;
- facilitating private company, office, and agency establishment;

---

77 Abu Altimen, Abbas, "SMEs as Nation's Competitive Advantage" working paper presented to the first economic conference of the Iraqi National Accord Movement, 15 to 16 April, 2004.
78 Gallina, Andrea "SME contribution to the creation of the Euro-Mediterranean Region", ERF working paper no.0106, Cairo, Economic Research Forum for Arab Countries, Iran and Turkey (ERF).
• allowing foreign investment and patents;
• restructuring financial, administrative and judicial systems;
• redefining the role of public sector enterprises, SOEs and initiation of privatization.

Trade is playing a central role in promoting economic activity during this period. The private sector witnessed the establishment of tens of thousands of private companies, offices and agencies. There is an obvious transfer in private sector activities from sectors that became unresponsive to investment (namely major labour-intensive production sectors, such as agriculture and industry) to the construction sector and others that require less labour such as commerce, transport, and services. The agriculture and industry sectors are suffering from competitive imported goods. On the other hand, agriculture infrastructure suffered severely from the lack of basic supplies such as seeds, fertilizers, water, etc. This situation was worsened by shortages of power and other services, and by security constraints.
4. **Iraq’s SME sector: A profile**

4.1. **Data base and methodological considerations**

In an attempt to provide a broad profile of the private sector in Iraq in terms of individual, small and medium establishments, the study adopted raw data from the income tax eligible system made available by the GTC. This macro-economic analysis particularly focuses on private sector employment.

The authors worked on the assumption that all private enterprises apparent in this data were SMEs, simply because under the previous regime there was no such thing as a large private enterprise. It may be noted here that though there is no common agreement on an SME definition in Iraq, small enterprises are often considered in Iraq and in the region as those employing 49 or less workers, and medium enterprises those numbering up to 100.

In practice the observation of the GTC data has revealed that virtually all private enterprises in Iraq would be considered as small under this definition.

The 2004 raw data covers 1,478,037 individuals classified into 800 categories of activities (including the self-employed, liberal professions and entrepreneurs) on the governorate level, according to GTC classification.

The authors of this study aggregated this data into 30 major economic activities groups. An estimate of the employment intensity of each one of these activities is attempted, and three categories were established regrouping all segments of activity: *low employment-intensive* segments of activity refer to the self-employed, *medium employment-intensive* enterprises hire 1 to 4 employees while *high employment-intensive* businesses hire 5 or more (for a detailed description of the segments of activity included in each of these categories, please refer to Annex 1: Classification and sub-categories adopted by the study).

While GTC data can offer a representative image of the private sector in Iraq, with its diversified categories and its wide and disaggregated format, the data is subject to several discrepancies and exaggerations. Many small and medium projects remain unregistered with GTC departments. Obviously, the informal sector is not accounted for. This implies in particular that with the increase in the informal sector acknowledged since 9 April 2003 as a result of the situation in the country, these data fail to measure an important dimension of enterprise creation in the new Iraqi context. Disparities in the registration shares sectorally also occasion some alterations in the accurateness of this data. Other issues such as inefficiencies in the registration and cancellation of businesses in the GTC need to be considered.

---

In accordance with Income Tax Law No. (113) of 1982 amended, Para (2).
4.2. The size and structure of SME sector employment in Iraq

4.2.1. The formal SME sector

The following table presents an overview of the SME sector based on GTC data. A classification on the basis of employment intensity and segments of activity is provided. A total number of 1,341,800\(^8\) SMEs is herafter accounted for as emanating from the GTC data.\(^8\)

Table 6: Iraq’s private sector SMEs

<table>
<thead>
<tr>
<th>Individual businesses</th>
<th>Taxpayers (1000)s</th>
<th>Medium employment-intensity (1 to 4 employees)</th>
<th>Taxpayers (1000)s</th>
<th>High employment intensity (5 and more employees)</th>
<th>Taxpayers (1000)s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxi and transport owners</td>
<td>536.0</td>
<td>Transport and car repair services and equipment</td>
<td>209.5</td>
<td>Food factories</td>
<td>10.7</td>
</tr>
<tr>
<td>Semiskilled income earners</td>
<td>139.8</td>
<td>Construction related trade and services</td>
<td>11.3</td>
<td>Agricultural related factories</td>
<td>2.7</td>
</tr>
<tr>
<td>Ungrouped professions</td>
<td>44.0</td>
<td>Miscellaneous services</td>
<td>81.0</td>
<td>Textiles factories</td>
<td>2.4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Specialized services</td>
<td>26.2</td>
<td>Carpentry factories</td>
<td>1.3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Health services</td>
<td>24.1</td>
<td>Paper factories</td>
<td>1.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Industrial services</td>
<td>15.0</td>
<td>Automobile related factories</td>
<td>0.9</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Art and literature</td>
<td>8.4</td>
<td>Rubber and plastic factories</td>
<td>0.6</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Agricultural related services</td>
<td>4.8</td>
<td>Leather work factories</td>
<td>0.6</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Furniture and carpentry</td>
<td>4.6</td>
<td>Construction related factories</td>
<td>41.0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fuel</td>
<td>0.8</td>
<td>Construction</td>
<td>34.5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Food supplies</td>
<td>65.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>General trading</td>
<td>32.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Clothing and accessories</td>
<td>18.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Spare parts and tools</td>
<td>13.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Domestic furnishing</td>
<td>6.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>House appliances</td>
<td>3.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Games and sports needs</td>
<td>0.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>719.8</strong></td>
<td><strong>526.3</strong></td>
<td><strong>95.7</strong></td>
<td></td>
</tr>
</tbody>
</table>

Based on data provided by the GTC, the authors of the study have constructed the Iraq’s private sector employment pyramid below. The PSEP has at its base micro and small enterprises, and at its top the owners and workers of larger enterprises. Medium-sized projects, specialized services and professions are in the middle. PSEPs provide are sensitive to labour market evolutions as a result of economic crises that a country may face.

---

\(^8\) The various categories of income sources (72,600) and temporary cases of 495,000 taxpayers are not included in this table.

\(^8\) See for further detail Annex 1: Classification and sub categories adopted by the study.
The Private sector employment pyramid (PSEP)

The pyramid's base is composed of taxi and cargo transport vehicle drivers making up for 500,000 taxpayers, followed by simple professions and wage earners (139,000) and the ungrouped professions (44,000). According to our estimates, the total amount of taxpayers accounted for at the base of the pyramid should be 719,000 people, a number equivalent to more than 50 per cent of taxpayers registered with the GTC. The medium employment-intensive range of businesses is substantial, regrouping 526,000 registered businesses, while at the pyramid's summit these registered taxpayers amount to less than 100,000.

**Regional disparities**

It may be noted that private economic activities in Baghdad accounted for 50 per cent of the total eligible taxpayer population in the country, followed by Basrah, Anbar and Ninava, respectively registering 5.8, 5.7 and 5.4 per cent. Such large regional disparities between the capital and the rest of the country may be explained partly in terms of Baghdad's demographic and economic dominance in the country, but also by the limited coverage of the taxation commission outside the capital.

**Trends since 2003**

In the face of the crisis, the SME sector has been characterized by a flexibility that permits its expansion and spontaneously augmenting more businesses as the country's economy flourishes. As the aggregate demand rises, the private sector will eventually absorb more employment and when demand is decreasing, business owners will resort to dismissing some of their assistants (many of which would prefer working as self-employed rather than sharing the decreasing earnings). They may opt to do without the workplace, and work from home. Furthermore, they may also change the type of their work and move to a different activity of less comparable cost. By making this adjustment, the economic status of these entrepreneurs' changes from employer to employee or self-employed, and more often their new activity earns fewer payoffs.

Since 2003, the Iraqi private sector has been witnessing a transfer from sectors that became irresponsive to investment to more attractive ones. Labour-intensive sectors such as agriculture and others experienced a contraction and transfer towards the labour-intensive sectors of trade and services. Many industrial entrepreneurs could not cope with competition or overcome obstacles and were forced to shut their factories and transfer to trade or services, thus dropping from 6 to 20 employees to not more than 2 to 3, and hence
moving down the pyramid. In agriculture, much of the labour force gave up working as farmers and became taxi or pick-up drivers, or sold vegetables with less employment generation, also stepping down the pyramid.

The pyramid's base has increased since 2003, as many persons were drawn downwards to lower levels of economic activity. This indicates the response of the private sector to crisis.

More specifically, data indicated that transport and auto services have attracted a larger number of small projects and self-employed businesses since 2003, amounting currently to 536,000 taxpayers.

The significant increase in self-employment incomes reflects both the strategic importance of micro and small enterprises as a source of income in the new Iraqi market economy, as well as the severe lack of wage employment opportunities and the tendency to resort to any profitable activity for the purpose, sometimes, of mere subsistence.

4.2.2. Informal and formal employment estimates in the SME sector

Three options are proposed below to calculate total formal sector employment in Iraq, on the basis of conservative, medium and maximum assumptions on the number of employees likely to be employed in the three categories described above.

Table 7: Estimates of formal private sector employment

<table>
<thead>
<tr>
<th>Sector</th>
<th>Minimum estimate</th>
<th>Medium estimate</th>
<th>Maximum estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low employment-intensive sector</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxpayers</td>
<td>719.8</td>
<td>719.8</td>
<td>719.8</td>
</tr>
<tr>
<td>Workers</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Medium employment-intensive sector</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxpayers</td>
<td>526.3</td>
<td>526.3</td>
<td>526.3</td>
</tr>
<tr>
<td>Workers</td>
<td>1578.9</td>
<td>1052.6</td>
<td>526.3</td>
</tr>
<tr>
<td>High employment-intensive sector</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxpayers</td>
<td>95.7</td>
<td>95.7</td>
<td>95.7</td>
</tr>
<tr>
<td>Workers</td>
<td>669.9</td>
<td>574.2</td>
<td>478.5</td>
</tr>
<tr>
<td>Total private sector SMEs</td>
<td>3590.0</td>
<td>2968.6</td>
<td>2346.6</td>
</tr>
</tbody>
</table>

A conservative estimate of 2.3 million people can be drawn for formal private sector employment if one considers that average enterprises in the second hire one employee and those in the third category five. A more optimistic estimate, considering that enterprises in the second category hire three employees and those in the third category seven, would arrive at a number of 3.6 million persons working in the formal sector.

On the basis of the medium assumption of formal employment holding that are employees are likely to be hired fpr each enterprise in the intermediate employment-intensive sector and six in the more intensive sector, the authors derive a total informal employment estimate, based on a simple assumtion.

This study makes an assumption that in the micro and smaller businesses the informal sector is likely to represent the same size as the formal sector in the individual businesses: 50 per cent in the medium ranges and not more than 20 per cent in the larger businesses.\textsuperscript{83}

\textsuperscript{83} Based on discussions with GTC and other experts.
<table>
<thead>
<tr>
<th>Employment Sector</th>
<th>Taxpayers</th>
<th>Informal</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low employment sector: 50%</td>
<td>719.8</td>
<td>719.8</td>
<td>1439.6</td>
</tr>
<tr>
<td>Medium employment sector: 25%</td>
<td>526.3</td>
<td>263.1</td>
<td>2368.2</td>
</tr>
<tr>
<td>High employment sector: 20%</td>
<td>95.7</td>
<td>19.1</td>
<td>803.6</td>
</tr>
<tr>
<td>Total</td>
<td>4611.4</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

According to the broad estimates above, the SME sector in Iraq is composed of a total of 4.6 million self-employed entrepreneurs and employees in both the informal and the formal sectors.
5. Small entrepreneurs profile with a focus on youth

5.1. Methodology and data base

This section is based on three small surveys of small project entrepreneurs (cf. Annex 3: Questionnaires). An extensive questionnaire was distributed to obtain basic information on small private activity. A brief questionnaire was also distributed along with a checklist of “traditional” work fields for women to explore popular areas of activity among women and traditional segments of women’s private sector participation, in order to acquire an understanding on women’s social inclinations as far as employment. A last questionnaire explored men’s and women’s stance towards women’s economic activity.

The SME samples were randomly selected from across many economic sectors without bias to the most successful ones. According to the objectives of the survey, 75 per cent of the sample was 20-to-30 years old. Twenty-eight per cent of the respondents were university graduates and 20 per cent had intermediate and primary school education; the remaining percentages can be attributed to those respondents with institute and high school education.

A total number of 50 extensive survey questionnaires were received from Baghdad and 30 from Al-Najaf. 30 questionnaires for women’s activity and 20 table forms exploring additional types of labour activity were collected.

The majority of respondents were also interviewed for further details and closer insights on the environment, difficulties and nature of their projects. Further interviews and discussions with civil society government authorities were also conducted. Over one hundred interviews were held during the course of this study over the period from December 2004 to April 2005.

A number of difficulties were encountered during the distribution of questionnaires and in the interviews. Some respondents were hesitant to disclose information related to the nature of their work and income out of fear that leaks of this information nature might lead to criminal acts against themselves or their enterprises, a fact that in itself is revealing of the environment in which entrepreneurs operate today in Iraq.

5.2. A profiling of entrepreneurs

The surveys attempted to outline small entrepreneurs’ general conceptions as far as entrepreneurship, their qualifications, the origins of their projects and their family and social backgrounds. The surveys also attempted to highlight major difficulties they face(d) and their success stories.

The main findings are synthesised below:

Business idea: when asked about the source of their project idea, 50 per cent of respondents indicated that it was their own, while the others were taken from successful projects they had learned about.
Feasibility study: almost all respondents had performed very basic feasibility studies by themselves.

Access to start-up and development capital: the majority of respondents mentioned that the money required to start their own project was from personal or family savings. Forty per cent of respondents borrowed from friends or merchants, and 10 per cent declined to explain the source of their finance. Only 10 per cent said they had access to bank loans and services. Thirty-five per cent of respondents used commercial banks for savings and commercial transactions. All respondents agreed on the excessive cost of loans, guarantees and procedures being major finance barriers.

Employees: respondents indicated that their employees were generally family members or personal relations. The actual management of the business was generally exercised by the respondents (with an exception of 5 per cent).

Materials: the origin of materials was local or national, except in 5 per cent of cases (imported goods).

Business skills: 20 per cent of respondents stated that personal experience stemmed from previous work, 60 per cent had personal and home experience, and only 20 per cent acquired their expertise through training and information workshops.

Major operation difficulties: 60 per cent stated violence as the major difficulty and obstacle, followed by economic sanctions, insecurity conditions, machine obsolescence and failures. Fifty per cent of interviewees stated that they managed to overcome these difficulties and launching their businesses with no external support.

Definition of business success: the majority of respondents evaluate projects’ success by gaining more customers and benefiting from social standing. Some respondents measure success by project sustainability, while the remaining 20 per cent equated project success with profits. Eighty per cent of respondents answered “yes” to the question on whether their own project had achieved its aim.

Relationship with regulating authorities: 90 per cent of respondents suffer from dealing with Tax and Customs offices because of heavy and complex procedural requests, as well as widespread corruption.

Gender aspects: the majority of entrepreneurs stated they did not discriminate against women’s participation in the private sector; however, the same majority did not approve their access to all fields of activity.

Other needs expressed: all respondents expressed their interest in taking part in business management and basic business skills (including computer skills) training workshops. Business partnership endeavours with enterprises in the Arab region or and beyond were also mentioned repeatedly.
6. Small entrepreneur strategies in Iraq: A focus on women

6.1. Assessing female participation in the private sector

6.1.1. A focus on the industrial sector

Women have seen themselves limited to only a few sectors of economic activity in Iraq, notably in the textile and leatherwear, food and chemical industries. According to a 1983 study, female participation rates accounted for 42, 26 and 8 per cent respectively of the total work force in these sectors. Most women are semi-skilled workers (51 per cent), while 28 per cent are skilled. In the late 1970s, the mainstream of private industry in Iraq shifted in focus to metal industries, chemicals, chinaware, woodworking, and construction, replacing the precedence of food industries, textile and leatherwear that prevailed until then. Clearly, therefore, those industries where women predominated in private enterprises have lost ground.

Trends illustrate that female entrepreneurship is limited to a large extent to the sectors where high numbers of women are employed. Women have established and/or owned industrial enterprises in a limited number of fields mainly in the production of pasta, cosmetics, perfumes, and shampoo (by trademark franchising), as well as knitting workshops and a few similar businesses.

Statistics from the Iraqi Union of Industries for 2000/2004, as presented in the following tables, show, however, that enterprises registered by women barely represent more than 1 per cent of the current enterprises (230 out of 21,798). One-hundred-fifty-five of these are located in Baghdad. Textile industries come first in the list of enterprises registered as industries, followed by metal and food industries; these total about 73 per cent of women’s enterprises. Construction and chemicals come next.

Data on enterprises under construction, which are interesting since they reflect post-2003 trends, shows that enterprises registered by women total 916 out of 11,258. Industries accounted for 8 per cent of these. Textile industries still lead in numbers, counting as many as 386, followed by metal industries (204), and manufacturing (178). They make up 84 per cent of total projects (tallying 768 out of 916). A large number of industries are registered in Baghdad (390 or 43 per cent of the total). It should still be noted that there are a few women entrepreneurs in almost all industrial branches, with women participating in as many as 124 types of small enterprises.

84 Most enterprises are registered in the central governorates, then Northern and Southern governorates. This could be accounted for by the distances, which divide the headquarters of the Union of Industries and its members. It should be noted that not all current industries are registered in the Union of Industries since registration is voluntary on a need basis, especially for small industries.
Table 9: Percentage of female entrepreneurs in existing and under-construction enterprises registered in the Union of Industries for 2000/2004

<table>
<thead>
<tr>
<th>Type</th>
<th>Existing enterprises</th>
<th>Enterprises under construction</th>
<th>Current and under-construction Enterprises</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of SSIs</td>
<td>Gross shares</td>
<td>No. of SSIs</td>
</tr>
<tr>
<td>Foodstuff</td>
<td>35</td>
<td>1.2%</td>
<td>45</td>
</tr>
<tr>
<td>Textile</td>
<td>80</td>
<td>1.9%</td>
<td>386</td>
</tr>
<tr>
<td>Carpentry/Furniture</td>
<td>6</td>
<td>0.3%</td>
<td>8</td>
</tr>
<tr>
<td>Papermaking</td>
<td>8</td>
<td>1.5%</td>
<td>4</td>
</tr>
<tr>
<td>Chemical</td>
<td>13</td>
<td>0.7%</td>
<td>85</td>
</tr>
<tr>
<td>Construction</td>
<td>29</td>
<td>0.6%</td>
<td>4</td>
</tr>
<tr>
<td>Metal</td>
<td>52</td>
<td>1.3%</td>
<td>204</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>2</td>
<td>1.6%</td>
<td>178</td>
</tr>
<tr>
<td>Services</td>
<td>5</td>
<td>0.6%</td>
<td>2</td>
</tr>
<tr>
<td>Extraction</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>230</td>
<td>1%</td>
<td>916</td>
</tr>
</tbody>
</table>

Table 10: Number of female entrepreneurs out of the total of current/under-construction enterprises registered in the Union of Industries for 2000-2004

<table>
<thead>
<tr>
<th>Type</th>
<th>Current enterprises</th>
<th>Enterprises under construction</th>
<th>Current and under-construction Enterprises</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of SSIs</td>
<td>Gross total</td>
<td>No. of SSIs</td>
</tr>
<tr>
<td>Foodstuff</td>
<td>35</td>
<td>2,848</td>
<td>45</td>
</tr>
<tr>
<td>Textile</td>
<td>80</td>
<td>4,278</td>
<td>386</td>
</tr>
<tr>
<td>Carpentry/Furniture</td>
<td>6</td>
<td>2,065</td>
<td>8</td>
</tr>
<tr>
<td>Papermaking</td>
<td>8</td>
<td>525</td>
<td>4</td>
</tr>
<tr>
<td>Chemical</td>
<td>13</td>
<td>1,947</td>
<td>85</td>
</tr>
<tr>
<td>Construction</td>
<td>29</td>
<td>4,688</td>
<td>4</td>
</tr>
<tr>
<td>Metal</td>
<td>52</td>
<td>4,057</td>
<td>204</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>2</td>
<td>122</td>
<td>178</td>
</tr>
<tr>
<td>Services</td>
<td>5</td>
<td>858</td>
<td>2</td>
</tr>
<tr>
<td>Extraction</td>
<td>-</td>
<td>410</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>230</td>
<td>21,798</td>
<td>916</td>
</tr>
</tbody>
</table>
6.1.2. The public sector

According to 2002 statistics, 364,000 women were employed in the public sector, of whom 48 per cent pursued education higher than post-preparatory schools. In the late 1970s, women occupied 20 per cent of all public jobs. From 1980 to 1987 with the war against Iran, female participation increased to more than 30 per cent of all public sector jobs, and to 47 per cent of higher level posts. By the year 2001, women occupied more than 50 per cent of higher public sector employment and 40 per cent of all public sector jobs.

Needless to say, this success underlines women's own capabilities and the broad social acceptance they have come to enjoy for their economically active role in Iraq. Female economic participation in Iraq (and entrepreneurial role) is characterized, therefore, primarily by a differential between a high participation in the public sector and quite a low participation in the private sector and entrepreneurial roles.

This situation is particularly disconcerting in the face of the transition to the market economy, as the public sector is expected to be downsized significantly in the coming years. It is, therefore, crucial that women increase their participation in the private sector: the alternative will be rising unemployment and decreasing participation in the labour market for women.

6.2. Delimiters of women’s economic activity in Iraq

The following section analyses entrepreneurship and private sector participation as a function of a choice by women between public and private sector participation. A categorization of the factors that determine public or private participation in the economy is attempted in order to outline main determinants of female participation in economic activity. This section is largely based on the surveys and interviews conducted with women entrepreneurs and employees for the purpose of this study.

Factors for private sector preference

- **Incomes**: relative purchasing power and future prospects offered by salaries in the public sector and profits/wages in the private sector.
- **Family income**: household financial needs drive women to try to compensate for deficits by undertaking untraditional private enterprise initiatives.
- **Availability of Capital**: the availability of sufficient capital to start a private enterprise, either from family savings or soft loans, is a major determinant for women to start a private enterprise. Family men have a higher priority in this regard. Women use mostly their own money or soft loans if available.
- **Non-economic benefits for private enterprise**: some women prefer private enterprises owing to flexible time tables, conditions, the possibility to reconcile work and family responsibilities and independence in decision-making.

---

**Factors for public sector preference**

- The public sector can symbolize prestige and grants women social standing;
- working in the public sector offers women more efficient legal protection, as in the private sector regulations are rarely enforced and largely depend on employers’ preferences;
- the social stance towards women is different from one social class to another;
- the civil service environment is traditionally the domain of economically active women, whereas the private sector and entrepreneurship remains a hostile environment; an underlying reason is not segregation of women, but rather the avoidance of the possibility of being singled out;
- single women or women heads of household typically sense a stronger urge for financial stability than for initiative and risk-taking in the labour market. The outlook of a pension and a minimum fixed income both serve as major motivations for women to keep their civil service posts despite low earnings;
- women seek more security in the workplace than men in volatile security conditions. The government has the responsibility to provide protection to its civil servants at their place of work; private sector enterprises on the other hand do not always have this obligation or the means to carry it out. Security constraints are obviously even more severe in the case of self-employed women. Security risks, therefore, in an unstable context such as today’s Iraq, remain a major limitation for women’s economic empowerment.

The table below summarises the factors that drive women to work in private enterprise or in the public sector:

<table>
<thead>
<tr>
<th>Factors for private enterprise preference</th>
<th>Factors for public sector preference</th>
</tr>
</thead>
<tbody>
<tr>
<td>High ROI/earnings</td>
<td>Governmental security</td>
</tr>
<tr>
<td>Promising prospects</td>
<td>High social position</td>
</tr>
<tr>
<td>Non-economic private enterprise benefits</td>
<td>Job stability &amp; security</td>
</tr>
<tr>
<td>Low financial risk (Low loss potential)</td>
<td>Pension security</td>
</tr>
<tr>
<td>Low security risk</td>
<td>Work amidst other female workmates</td>
</tr>
<tr>
<td>Information on private enterprises</td>
<td>Sufficient information (access to opportunities, conditions of work, incomes)</td>
</tr>
<tr>
<td>Knowledge of available investment</td>
<td>Safer work conditions for which the state is accountable</td>
</tr>
<tr>
<td>opportunities and various alternatives</td>
<td></td>
</tr>
<tr>
<td>Relatively low income offered by the</td>
<td>Unavailability of suitable job/investment opportunities in private enterprise</td>
</tr>
<tr>
<td>public sector for the level of education</td>
<td></td>
</tr>
<tr>
<td>Unavailability of job opportunities in</td>
<td>Unavailability of soft loan</td>
</tr>
<tr>
<td>the public sector</td>
<td>opportunities for investment</td>
</tr>
</tbody>
</table>
7. Addressing obstacles and opportunities for entrepreneurship in Iraq

SMEs can play an important role in the transitional phase towards a market economy, marked by security problems and related difficulties for the business environment. They can also alleviate the unemployment crisis, considering the flexibility and responsiveness of the sector to crisis trends. The full potential of the sector lies, in the medium to longer term, in the creation of a wide and efficient Iraqi private sector grounded on a rich network of SMEs.

In order for SMEs to play such a vital role in the economic reconstruction of Iraq, particularly during the transition to a market economy, policies and public programmes should focus on addressing the major obstacles that the sector is currently facing, and on supporting Iraqis as they harness new opportunities in the new context.

This section provides an analysis of obstacles and opportunities for small entrepreneurs in Iraq in the short-to-medium turn, building on the surveys and interviews conducted for this study and further available literature.

7.1. Addressing obstacles to SME creation and development

7.1.1. General economic recession and deprived internal demand

Iraqi SMEs are currently experiencing a crisis situation; a high percentage of them are either at a standstill or operating at minimum capacity levels. Important investment shifts from the industrial sector to those such as trade and services have occurred, leading to a downturn in the PSEP.

The sensitive nature and flexibility of the private sector must be taken into consideration, features that make it responsive to changes in the demand and business levels. As the expansion of small projects is more difficult in a situation of decreasing demand, this expansion should be accompanied by fiscal and monetary policies that increase expenditure. These developments can lead to a certain increase in employment in the existing projects and more promising opportunities for new projects, as well as allowing positive transformation within the current private sector.

There are indications of a business recession in Iraq in a context of rising prices since 2003; this situation may be termed stagflation. This situation is mainly linked to increasing production costs and to direct or indirect effects of the prevailing state of insecurity.
The recessionary indication of business activities and declining sales can be explained by the following:

- exaggeration and shortcomings that characterize the estimation of market demand;
- shut-down, suspension or withdrawal of many companies due to poor security and an adverse business environment;
- slow process of governmental and international expenditure due to security restrictions, and non-materialization of pledges made by donor countries and international bodies;
- prevalence of pessimistic expectations negatively overshadowing investment incentives.

There is a need today for positive measures aimed at revitalizing internal market demand and investments (particularly international and private pledges).

7.1.2. Access to credit

One of the major barriers to business development is the underdeveloped, inadequate and underutilized banking system in Iraq. Access to credit and availability of capital are of high concern to SMEs.\(^{86}\) Findings from questionnaires and interviews show a very limited use of banking and financial services by SMEs and the self-employed.

Historically, the banking system in Iraq was unable to cater to the financial needs of private sector development due to the inherent weak capital base of its constituents, and limitations on the banking system’s capacity to meet market needs. Credit activities were limited to traditional services such as short and medium term loans, credit letters and bill discounting. Major factors behind this failure were the backward and limited legal and commercial institutional framework and the exaggerated governmental constraints controlling banking activities.

Finance and lending polices adopted by banks are still exclusively commercial, requesting high interest rates and remaining limited to short-term loans against exaggerated guarantees. Security issues are currently exacerbating these limitations. Several cases of kidnapping were reported among industrialists as a result of information leaks on their enterprises’ financial capabilities: investors and entrepreneurs are forced to keep a low profile in their business activities and financial standing.

The banking system and capital markets are witnessing major restructuring and development. Nineteen private banks have been founded since 2003, alongside new governmental, commercial and specialized banks (industrial, agricultural, socialist and housing) and development funds. The latter include the economic-social fund of the MoPDC, the industrial development fund of the Ministry of Industry (MoI), and the export support fund of the Ministry of Trade (MoT). Another critical development is the establishment of the Iraq Securities Exchange (ISX), replacing the former Baghdad stock exchange.\(^{87}\)

---


7.1.3. The abrupt lifting of trade regulations

Most SMEs have suddenly been faced with external competition and large-scale imports of goods. The Iraqi market is flooded today with various imported goods: many small-scale Iraqi goods and even services face fierce competition. It is crucial to note, however, that Iraq is not doomed in the regional and international markets: Iraq commands a substantial pool of skills, technical abilities, large national markets, comparatively low labour costs and finance availability.

It is noteworthy to state that the “Dutch disease” is not applicable to a country like Iraq. This problem is related to a small population, high standard of living, and high prices and wages, which make products expensive to produce and uncompetitive, as in such Gulf countries as Brunei and, to some extent, the Libyan Arab Jamahiriya and Saudi Arabia, but not Algeria, Iran or Iraq. The problem in Dutch disease cases is how to diversify the economy and generate efficient employment.

This does not apply to the case of Iraq, where the work force is efficient, wages moderate and resources to develop diverse. Oil provides only needed capital for development. Furthermore, the support for establishing labour-intensive small projects essentially leads to industries that may not find buyers for their produce, hence increasing the number of disappointed entrepreneurs, which in turn leads to more unemployment.

7.1.4. Access to production materials and equipment

A widespread opinion among those surveyed or interviewed was that one of the most serious obstacles facing them was the lack and high cost of production inputs. Currently, the majority of imports are final goods. Many factories are not working or only partly working, so according to importers’ estimates they tend to shift to importing final goods. Assembly lines are put under pressure as prices of materials and component parts rise, and expenditures are high and production centres close. With persistant competition from imported goods, old machinery, decaying equipment, a lack of security and insufficient infrastructure, we can safely assume that industry in Iraq is facing grave problems.

The formation of associations and cooperatives of SMEs with similar import needs for production would help overcome this obstacle by grouping imports. Existing employers’ organisations and associations of the private sector community could initiate this process.

7.1.5. The legal and regulatory environment

The costs (financial, information requirements, time) of obtaining a license in Iraq today are discouraging. Once obtained, business licenses must undergo additional burdensome modification processes in the event of innovations or expansion. A legal system that discourages individual enterprises in this manner ultimately dampens economic growth and drives potential entrepreneurs into the informal sector. Bureaucratic barriers such as registration and licensing requirements should be kept to a minimum. The general aim of these regulations should be to encourage people to take action at their own initiative, and for their own benefit. In order to permit free enterprises to flourish, the regulatory and legal system must encourage and support private business activity; this is of particular importance in Iraq in order to reverse the historical private sector distrust of the State's intentions and regulatory policies.

88 Measured by the country area and population size.
Special investment legislation and regulations cannot succeed in motivating the creation and development of entrepreneurial if they impose overly burdensome administrative requirements on investments. Hence the need for enabling legislation to provide enterprises with the flexibility they require, while safeguarding workers and the society from abuses.

7.2. Harnessing opportunities

The new Iraqi social, political and economic context brings with it opportunities for entrepreneurship and enterprise development. This section highlights the most economically dynamic segments of activity for Iraqi small enterprises today and in the medium term.

The **reconstruction sector** attracts the largest bulk of the expenditures and investments in Iraq, and this will continue to be so over the medium term. According to the UN-World Bank joint assessment needs assembly which took place in October 2003, estimates of overall reconstruction needs over the period 2003 to 2007 will be in the order of 36 billion US$. 89 However, reconstruction activity has so far concentrated on industries such as oil production and public utilities, thereby creating few jobs, and actual investments have not matched expectations to date. If Iraqi SMEs were more closely involved in this process one could expect immediate success for SMEs, leading to private sector prosperity, growth and, most importantly, the generation of hundreds of thousands of jobs. Reconstruction programs can offer the economy the chance to regain its vitality.

The **oil sector** is the main economic vein in Iraq. However, it has been isolated from other sectors of the economy as pertaining exclusively to the State domain. Hence, the expansion in oil sector’s upstream and downstream dealings with other segments of the economy, including SMEs, to provide inputs and services that are needed may represent a rewarding, stable and profitable source of future development, investment and employment opportunities to the private sector.

**Transport and distribution** is another promising segment of future expansion prospects in Iraq. Neighbouring-country companies of this sort are currently relied upon to fill the supply deficiency in this sector. The transport sector was previously in the hands of an SOE, and small companies were subcontracted. Following the war in Iraq many of these companies liquidated their business. 90 The private transport sector remains a good business opportunity to establish private companies for internal and external transport of cargo and passengers, including taxi services.

Another wide and attractive economic segment is **commerce**. Simplifying import procedures and establishing quick profit opportunities are major driving forces behind the expansion of this segment. Commercial businesses range from floor-shop vendors and wholesalers to relatively developed import/export companies. Therefore, one would imagine that there are commercial sections that may be overcrowded, such as sole trading, while other active traders can still secure semi-monopolistic positions in wholesale and import trading. The depreciated Iraqi currency promotes exports. Also, the nullification of previous legislation that restricted exports presents new opportunities. Effective export support must give a fair chance to Iraqi products. It is worth mentioning here that entrepreneurs should be aware that the MoT has actively restructured the “Export support fund” with the aim of offering support and loans to SMEs in this regard.

---

89 The UN-World Bank “Joint needs assessment” (October 2003).
90 Interview with Raad Al-Umari, transport expert, former DG of Transport Establishment.
Major market opportunities for service businesses are:

- services related to the communications industry, especially computers;
- industrial services, such as repair and maintenance;
- internal, external (mainly religious), archaeological and recreational tourism.

The fact is that most of the Iraqi industries, SMEs and, to a lesser extent, large enterprises are in a disadvantaged position vis-à-vis external competition. New international investors are needed to accompany a wide transformation process of the SME sector to meet the challenge. Joint ventures and partnerships for industrial enterprises with foreign companies can be successful and promising.

Industrial producers of final goods, such as clothing and textiles, can successfully be established through patents and licensing of international trademarks. Traditionally, Iraq holds a highly-skilled carpentry labour force; industrial enterprises such as furniture and door manufacturing can utilize this comparative asset more efficiently by modernizing local industries and satisfy a high internal demand in Iraq.
8. Small entrepreneurs in Iraq: Stories of hopes and constraints

This section builds on interviews performed with entrepreneurs of successful and promising projects in Baghdad and Al-Najaf. This section presents concrete examples of successful SMEs in these two areas, which have witnessed the most severe security difficulties in the country. These entrepreneurship stories are an account of the resilience of the sector, and represent the lifeline of the strong private sector that Iraqis hope will drive growth and propel their country forward.

The sample of successful and promising businesses is composed of projects that survived the ongoing crises and operate in economically dynamic segments of activity. Enterprises active since 2003 were randomly selected within each dynamic segment of activity. Semi-structured and unstructured discussions lasted an hour or two.

Many interviewees found the potential independence and financial rewards that emanate from owning a small business very appealing. For some, owning their own business has been the fulfillment of a life-long dream. A number of interviewees have been hesitant at some junctures to pursue this dream, because they did not have enough money, experience, or courage. Their main concerns were the prevailing situation of insecurity and the lack or shortage of important utilities such as electricity. Another group felt that creating a business of their own was a necessity as they had lost their job, or simply because there were not any other readily available ways to earn a living.

These two attitudes towards entrepreneurship reveal its ambivalent reality: a sign of vitality and an enormous potential for the country’s economy, as well as an indicator of a distressed labour market. The majority of the interviewees, however, felt that owning their own business was one of the most challenging, satisfying, and rewarding things in their lives, despite the serious risks and the difficulties experienced.

8.1. Enterprising in Baghdad

Omar (male): 33 years old, third-year student in science college, gave up studies in order to work because of family conditions. His father was a merchant but could not work due to a road accident. Thanks to his abilities in handling electric devices, he chose to start his project in the field of electrical maintenance and repair (his skill was developed through self-experience). He managed to obtain a financial supplement from his family and opened his private workshop for coil maintenance in Al-Baya’a in 1998. The work was at first of a seasonal nature (mostly during summer). The project expanded to generator maintenance due to electricity deterioration after the war, thus overcoming the seasonal problem. He is currently employing 3 workers (friends), offering him a degree of independence and reasonable income compared to that offered in a civil servant post. He favoured his work to working with the government, though he is not able to save money from his revenue. The important cost factors of his project are rent and equipment. He also shares the feeling that spare parts are too expensive due to monopoly practices. He calls for import expansion, and hopes to have a factory of his own manufacturing air-cooler engines, water pumps, and electrical generator needs. He doesn’t suffer from competition in his work fields; neither has he dealt with the bank. He complained he was taxed even when he was not working.
Najat (female): 29 year-old university graduate. She did not wish to apply for a civil servant post because of low wages, and thus thought of starting her own private project. She has good skills in the cosmetic and coiffeur fields. As she is talented, she opened a women’s coiffeur salon in her own home, after a simple feasibility study about the area and needs for this service. Her project was successful and has gained a good reputation and provides her with a reasonable income. She employed two women with the hope for future expansion to a larger coiffeur salon and more opportunities to develop her skills.

Ziena (female): 33 year-old business diploma holder. She started working as a manager in a shop owned by a relative in 1998. After acquiring some experience she decided to set up her own project in 2001: a shop selling gifts, stationary, photocopying and typing services. She strongly believes she has the necessary skills and abilities to achieve her goals; she can also rely on the help and support of her family. Though the project was her idea, she chose to have a partner to shoulder the financial burden with her. While the project achieved her aims in terms of stability, reasonable income and independence, it failed to expand. Employing two workers, she hopes to expand the shop into a larger supermarket, or buy out the partner share. Finance is a major problem, particularly when banks are charging high interest rates, and this discourages Ziena from dealing with them.

Akram (male): 26 years old with a BA in business administration. With financial (loan) and moral support from his father, he set up a tourist project in 2000. He still considers his project as preferable to working for the government as he earns a reasonable income and independence. He faced a shortage of tourists because of the 2003 war; however, religious tourism provides a continuous flow of pilgrims and visitors. The business flourished again following the change of regime. He managed to expand his business by including a transportation service. With security stabilizing, Akram is hoping to expand the business. Although competition is high, he remains confident he is competent enough to keep up. His main difficulties lie with high interest rates on financial needs, discouraging him from dealing with banks.

Ali (male): After completing university education, Ali established his own metal tool and domestic appliance factory. His skills are drawn from family experience in these fields. The source of finance was past family savings as well as loans. Factory needs were mostly covered by local market supply and partial imports. As in many others enterprises, the war caused the factory to halt production. Ali managed to expand his project by diversifying some product lines, which helped sustain the project to this time. Currently employing 12 workers, Ali hopes to develop his business into an export-oriented venture as the situation improves. Competition in this industry is quite strong, particularly because of foreign product imports. Ali believes competition can be checked by modernizing production lines and developing new product ideas as well as markets. As finance is a major obstacle in this regard, he hopes funding will be activated and facilitated to this end.

Dalal (female): 46 year-old university graduate architect. She started her project after the war in July 2003. Her project is of human-commercial nature as she describes it: a sewing factory producing various types of children’s clothing for orphans. The project was partly financed by own past savings and donations. Her main problem is marketing and competition from similar imported products. As the project is providing her reasonable income, independence, as well as personal pride and satisfaction, she hopes to expand into other market segments. She currently employs 10 workers, mostly women, and hopes to recruit more once she expands.

Nadia (female): 35 year-old pharmacy college graduate with the right to set up her own pharmacy. After deciding to work with a partner and arranging safe transportation, she opened her pharmacy in a familiar area because of the security conditions. The financing she needed was provided by past savings. She feels the project provides her with
a reasonable income and independence compared to her previous job with the government. She tried expanding her project by offering cosmetics and other beauty products. She is currently employing one worker and hopes to expand to laboratory services with a partner. Her major obstacle is the location’s rather high rent.

**Firas (male):** 32 years old with high school education and good experience and skills in carpentry. In 1999 he managed to obtain a loan to set up a carpentry workshop specialized in furniture. He currently employs 10 workers after expanding his project. The project faced difficulties during the war, especially with continuous power shortages (overcome by the purchase of a generator). The workshop generates a good income, but not enough to finance the expansion he has in mind. Firas has a detailed plan of development to modernize machines and outputs, but lacks the finance needed to implement it. He confessed high interest rates were very discouraging.

**Basheer (male):** a 43 year-old industry school graduate, with more than 10 years practical experience in a governmental industrial project. He resigned in 1996 to set up his private project producing sweets and candy, which he then sold in order to move into the field of mechanical appliances. He obtained a government contract supplying license plates. The economic sanction periods caused much hardship to production needs. The current project, which employs 8 people, is expanding in size and product range.

**Thamer (male):** a 40 year-old with primary school education. He has been working in carpentry workshops since a young age. In 1985 he worked as a partner with his brother, before establishing his own project in 1989 after borrowing enough capital. He started with simple equipment. Out of his creative ideas he was successful in offering high-quality furniture in a nicely located furniture showroom in the Al Mansur area. Although he has a special targeted segment of the market, the overall market suffers from cheaper, ready-made foreign products. His major obstacle was the high costs of imported wood during the period of economic sanctions.

**Ibrahim (male):** 63 year-old university professor with a PhD in economics. Ibrahim is running a private office offering economic feasibility study services and finance consultations, as well as printing and stationary. He opened his business with the help of past savings. In 2004 he conducted an economic and financial feasibility study to establish a press and publishing company with a partner importing the required equipment from Germany. He relied on local staff with experience in this field. Since its establishment, the project has suffered from the prevailing insecurity conditions and power shortages, despite market potential. However, he considers the project worthwhile as it generates reasonable income, and he prefers it to his former governmental job. The project is currently employing more than 12 workers, using modern printing equipment. The partners are planning to develop the project with additional machines that are yet to be imported, but finance remains their major obstacle in this regard.

**Ali Shaker (male):** a 44 year-old with a BA in economics and business administration. He has accumulated business experience in trade of more than 18 years. In August 2004, he established a general trading company. The company was his own idea after conducting a simple feasibility study. However, business has lost momentum since last year due to security conditions, but he hopes the situation will improve to let the business stay in the market. The company is earning less than he would have hoped. While he is awaiting an improved security situation he would like to expand his business and dismisses the idea of converting to another field. He deals with banks and considers it as an additional source of finance, particularly in emergency cases. He complained of customs regulations, inefficiency and corruption. He is currently employing 4 men.

**Alaa (male):** a 40 year-old, with a high school education in agriculture. He started working in 1990 in the trading field of construction materials with his father, then inherited a business after his father died in 1995. He decided to expand his business after a
feasibility study performed by specialists demonstrated the situation was in his favour. The familiarity he gained with Arab and foreign companies during convention shows gave him useful insights on this sector and access to construction material markets, particularly needed for government rebuilding projects. He is currently employing 8 workers and has faced some difficulties during the war, but believes that this sector is a very prosperous one and will continue to be for many years to come. The project generates substantial returns, he does not suffer from competition and he deals with banks only if there is an emergency need for investment. However, he considers interest rates very high. Alaa expressed his willingness to develop the mass-building of houses and businesses.

8.2. Enterprising in Al-Najaf

Wisam (male): a 22 year-old industry high-school graduate. He started work as an employee in February 2002, and after a few months he established his own private project. He asked for a loan from a relative, rented a workshop and bought materials needed from a local market. Al-Najaf is renowned for its painted and printed verses from the Qura'an. He managed to implement innovations in the field of embroidery and reproduced his most popular motifs in painting. He is employing 4 workers and has adopted some modern production devices. The project faced some difficulties during political disorders in Al-Najaf, but prospered by late March 2003. Wisam hopes to expand to a larger embroidery company with more advanced computerized equipment as he believes this sector has high market potential.

Mohammed (male): a 29 year-old technical institute graduate. Relatives and friends offered him a loan in order for him to set up his own carpentry workshop (Mohammed gained experience in this sector after working for a few years in the carpentry business). He did not face difficult problems and earned himself a good reputation, securing independance and satisfactory wages. He would like to develop and expand into a modern carpentry factory. He hopes competent governmental departments and local authorities have plans to promote entrepreneurs like him. According to Mohammed one of these projects should be the “allocation of land with nominal prices to them”.

Ahmed (male): a 33 year-old with intermediate school education who worked as a clothing merchant’s assistant. As he developed experience he asked for a loan from relatives and rented a shop selling clothing material in July 1999. He managed to develop his business by introducing new types of clothing and curtains. The shop is generating a reasonable income, making him hope to open a clothing factory. Although he was once robbed, he managed to overcome this difficulty with help from friends in the same profession.

Mohand (male): a 25 year-old industry high-school graduate who worked for a few years selling auto spare parts in a shop. After gaining experience and market knowledge he asked for a loan from a relative in order to set up his own shop. He employs his brother as an assistant. He doesn’t suffer from business problems and the project sustains him with a reasonable income. Mohand hopes to establish an import company in this field.

Wardia (female): declined to tell us her age and has high-school education. Opened her own Arabic aba-sewing workshop (a traditional gown reserved to women in especially religious cities such as Al-Najaf). Relatives provided her with the the start-up capital. She started employing women only after demand rose (she currently employs three). The workshop offers her reasonable income and independence, which in turn fuels her plans of expanding the project.
9. Recommendations

SME-development strategies should be based on a comprehensive cooperation operation in which all governmental agencies, social partners and civil organizations take an active role with the support of international agencies and donors. As such, SMEs should be considered the focal point for boosting economic development and creating employment opportunities.

The overall approach of many governmental departments towards the strengthening of the private sector remains contradictory in Iraq. Besides isolated initiatives, the wider policy and legal and regulatory environment is not geared towards unleashing the potential of this sector. It is crucial for any sound policy to build upon a clear picture of the current environment within which SMEs currently operate. Policies at the central and local levels should be coherent in the legal, policy, regulatory and programme/project areas.

The study's recommendations can be summarized in a single key proposal: the establishment of an SME national agency as a one-stop-shop for programmes and policies at the national, regional and local levels.

An SME policy in Iraq: Main axes of work

Facilitation of fund supplies to SMEs and encouraging competitive development

Almost all entrepreneurs interviewed placed finance among their major problems.

Facilitation of fund supply

The present situation reveals that ensuring access to credit (and perhaps grants) is critical to SMEs in the short term, in consideration of the limitations of the market and the unattractiveness of SMEs for financial institutions. SME development can not be successful without:

- pooling the already existing funds of the various governmental departments in this field into one stop-shop for SMEs;
- strengthening functions of governmental financial funds, developing credit enhancement projects, promoting adequate SME-lending schemes for private sector financial institutions, and adopting necessary measures/mechanisms including low-interest loans and supplementary credit capability for SMEs;
- extending special loans with advantageous conditions such as reduced interest rates and flexible demand for collateral and guarantees where the market is deficient.

Special SME taxation regulations

The taxation system has been one of the main impediments for SME development in Iraq. Concrete improvements would involve:

- reducing company income tax and other taxes and tariffs imposed on imports of production provisions;
- an increase in entrepreneurial income tax allowances and exemptions;
- encouraging new development investments aimed at equipment and replacement and/or new product lines through special incentive programmes;
• introducing a system of specified tax exemptions aimed at facilitating and encouraging new projects (based on a sound feasibility study);
• helping formalize micro enterprises and SMEs to comply with State regulations. Formalization will ultimately favour both the enterprise and its workers, as employers will benefit from better access to credit and to the market, while workers will typically earn more and enjoy more decent standards of protection. Hence, public authorities should facilitate the compliance of SMEs with registration and other key regulations. Simplifying procedures, eliminating unnecessary steps and providing specific relevant information and counselling for business registration and other formalities are essential.

**Innovation**

Promoting research and development to enhance the quality and productivity of products and services, and to develop new business areas, is critical to meet internal and international market requirements. This can be achieved through special grants for equipment enhancement and related training. The expansion of the scope covered by the credit guarantee system can help to sustain the commercialization of new businesses.

Funding is not enough, however. Innovation will require technical support, particularly in finance and marketing and capacity building programmes for business management skills and for the introduction of new methods of production and marketing.

**Regional development and promotion of local specialization**

The Government can drive SME development by orienting and promoting regional specialization in collaboration with local authorities and stakeholders. Promotion of local industries requires necessary subsidies for SME projects and associations to build human resources and develop new products and services.

Regional development schemes to promote SMEs within economically-deprived areas, such as the south, would also be needed. This may be achieved by providing incentives over a certain period with tax exemptions or financial rewards as a kick-starting strategy for local development schemes.

**Social security and labour legislation**

The reform of social security and safety net systems will play an important role in smoothing the transition of large segments of the labour market to the private sector. Social security measures may be designed to foster participation in the labour market and subsidize to some extent the most vulnerable segments of the workforce.

A new labour code should include new provisions related to pensions in the private sector as compared to the public; this would further extend social insurance schemes for all employees and self-employed Iraqi with respect to the contingencies of retirement, disability, unemployment and the death of a breadwinner, as well as ensure access to adequate healthcare.
**Longer-term SME development**

Besides the above priority areas for the short to medium term, clearly private sector development strategies need to be considered in a long-term perspective. The following axes of work need to be considered in this respect:

- build up an entrepreneurship culture in the educational curriculums;
- improve the functioning of employment service centers in terms of registration procedures, job-matching and vocational counseling;
- develop labour market information systems and needs assessment surveys;
- upgrade educational, training and vocational programmes based on a demand-driven strategies at national and local levels;
- promote collaboration among industry, academia, and public departments for SME development;
- implement managerial reform projects (consultation and advice on general matters of management such as finance and accounting, labour administration, and technology), and infrastructure facilities projects (establishment and operation of facilities that contribute to joint business management in commerce and industry).
Annexes

1. Classification and sub-categories of business activities adopted by the study

Low employment-intensive services
- Taxi drivers and drivers of all types of transportation vehicles. The largest categories are taxi drivers with 414,500 taxpayers and pick-up drivers accounting for 121,500. These two categories are somehow exaggerated. This may be due to non-cancellation of tax files when the ownership of vehicles is transferred. The GTC keeps files of tax-eligible persons, not items (in this case, vehicles);
- simple professions and freelance income (16 categories): income earners, workers, carpenters, application request authors, shoe repairmen, fishermen, coppersmiths, porters, bakers, knitters, craftsmen, undertakers, professional workers, etc. The largest category is freelance income earners (88,693 taxpayers), followed by private workers (43,686). The total number of taxpayers in this segment is 139,800 people;
- ungrouped professions, containing other simple uncategories professions.

Medium employment-intensive services
- Transport vehicle and car repair services (55 categories): tire and battery trading shops, passenger and cargo transportation contractors; and a large variety of automobile repair and maintenance activities such as machinists, electricians, plumbers, smiths, air conditioner and refrigeration technicians, automobile show workers, and employees of auto-rental agencies, garages and automobile body workshops;
- construction-related trades and services (19 categories): electrical tool workshops, smiths, construction tool makers, cement, iron, glass and paint suppliers, construction workers, engineers and carpenters, etc.;
- miscellaneous services (33 categories, containing 71,000 taxpayers):
  - catering-related services: restaurants, general contractors, hotels, cafeterias, clubs, cafés, etc. The largest category is general food supply contractors, which includes 13,544 taxpayers, followed by restaurants with 13,322;
  - clothing and accessory-related services: coiffeurs, sewing shops, laundry shops, wedding car services, etc. The largest of these categories is men’s barber shops with 11,400 taxpayers, followed by women’s hairdressing salons (3,500) and sewing shops (1,500);
  - real-estate and financial services (14 categories): real-estate agencies, property brokerage services, mortgage lenders, auction houses, commission and insurance agents, etc. The largest category is real-estate brokerage offices;
- specialized services (43 categories): lawyers, legal profession offices, customs agents, accountants, institutions of tuition typing and computer skills, institutions of sewing skills, typing and copying establishments, insurance companies, nursery schools, bookshop staff managers, directors, technicians, etc. The largest categories are lawyers (8,300 people), staff employees (7,900) and typing establishments (4,100). The sum of taxpayers is 26,248;
- health–related services (43 categories): physicians, pharmacists, laboratories, dentists, x-ray staff, medical devices suppliers, drug stores, opticians, private hospitals, midwives, nurses, bandage specialists, etc.; the largest categories are physicians (9,400), pharmacists (5,700), midwives (2,500), bandage specialists (2,000). The sum of taxpayers is 24,167 persons;
- industrial and crafts industry services (43 categories): goldsmiths, silversmiths, jewelry shops, engravers, tool repairmen, devices and miscellaneous machine suppliers, scrap shops, and contracting offices for industrial services. The total of registered is 10,500;
- literature and artistic services (69 categories): photographers, recording studios, video cassette shops, artists, actors, cinemas, advertising agencies, music schools, musical instrument rental shops, etc. amount to 8,400 taxpayers;
- agricultural-related activities (18 categories): poultry and chicken-feed shops, wool suppliers, butchers, grocers, agricultural material suppliers, dairy companies, harvesters, date-processing machines, slaughter-houses, live bird-selling shops, etc. The largest category is agricultural material suppliers with 1,300 taxpayers. The total number of taxpayers in this segment is 2,800;
- furniture manufacturing and carpentry services (11 categories): furniture expositions, shops selling carpentry needs, carpentry workshops, shops of coverings. The largest categories are carpentry workshops and expositions, accounting for 1,900 and 1,100 taxpayers respectively. The total number of taxpayers in this segment is 4,600;
- fuel services (includes 6 categories): gas and oil agents, petrol station rental, gas and coal shops, etc. The total number of taxpayers in this segment is 886;
- food supply services (includes 7 categories): groceries, vegetable shops, butchers, etc.;
- trade services (includes 16 categories): importers, exporters, import & export agencies, trade agencies, merchants, shops and peddlers/salesmen. Importers represent the largest proportion of taxpayers, accounting for 21,600 individuals, followed by peddlers/salesmen (2,600 people) and merchants (2,700). The total number of taxpayers in this segment is 32,600 people;
- clothing and accessories services (includes 27 categories): shops selling clothing material, shoes, accessories, sewing requirements, bags, clocks, perfumes, sunglasses, etc. The total number of taxpayers comes to 18,000;
- spare parts, machine, industrial tools and requirements services: automobile spare parts vendors, machinery, bicycle and machine vendors, etc. The largest category is spare parts shops, accounting for 10,000 shops. The total number of taxpayers in this segment is 13,900;
- clothing material and linens (includes 13 categories): clothing material shops, curtain and carpet suppliers and mercers; these total 6,600 taxpayers;
- domestic appliance and accessory services (includes 14 categories): domestic appliance vendors, gift shops, plastic items shops, flower shops, basic drugstores, etc. The total number of taxpayers comes to 3,700;
- leisure services (includes 7 categories): toy shops, sport shops and fitness centers; these categories amount to 475 taxpayers.

High employment-intensive services–Industry and construction

Covers 12 categories of industries that are not registered with the Directorate of Industrial Development or the Iraqi Industries Union. This section covers only 475 taxpayers:

- foodstuffs industry services (includes 36 categories): ice factories, mineral water suppliers, bakeries, dairy product suppliers, vinegar, flour, salt, sweets and candy, ice cream, spirits and canned food suppliers, etc. Bakeries represent the largest category with 8,000 taxpayers. The total number of taxpayers is 10,700;
- construction industry services (includes 42 categories): tile and concrete block suppliers, smiths, stone and sand mining/quarrying, brick factories, aluminum factories, grout, glass and tank suppliers, etc. Taxpayers in these services total 41,000;
- agricultural industry services (includes 11 categories): livestock farmers, poultry-feed suppliers, hatcheries, agricultural companies, agricultural engineering, etc. The total amount of taxpayers is 2,700;
- textile industry services (includes 33 categories): sewing factories, textile suppliers, knitting, dye houses, threads, zipper factories, weaving, carpet manufacturing, textile printing, cloth and clothing painting workshops, etc. Taxpayers total 2,400 individuals;
- carpentry factories and their needs (includes 11 categories): 950 carpentry factories accounting for 1,300 taxpayers;
• Paper-related industrial services (includes 25 categories): printing presses, carton, bindings, cigarette paper and handkerchief manufacturers, copybook and newspaper factories, etc. The largest category is printing presses and taxpayers total 1,000 in all;
• metal and automobile/vehicle-related industries (includes 14 categories): turning factories, plumbing, smithing, automobile body workshops and artificial jewels. The largest category is molding factories, representing 856 taxpayers;
• plastic and rubber industrial services (includes 14 categories): plastic material, pipe, nylon thread, hose and sponge manufacturers, etc. This category amounts to 594 taxpayers;
• Leather-related services (includes 10 categories): shoe, basting, tanning and belt manufacturers, etc. The largest category is shoe factories and the total number of taxpayers is 598;
• chemical-industry services (includes 34 categories): paint, detergent, hydrogen peroxide, soap, glass paste, cosmetic, pesticide, medical preparation and antidote factories. The largest categories are paint and detergent factories; taxpayers total 331;
• domestic commodities industry (includes 16 categories): air vents, boilers, cooking stoves, heaters, televisions, radios and lamp factories, accounting for 140 taxpayers;
• ceramic and reed-related industries (14 categories): small factories for ceramic, baskets, rope, etc. This industry totals 53 taxpayers;
• construction services; this category contains contractors of all types and contracting companies.

The following two segments are not listed in the classified sectors:
• Other income resources include taxes imposed on the following: shops, factories, offices, workshops, companies, stands, suppliers, etc. The largest category is shops, which contains 33,000 taxpayers. (Other income resources) has 15 articles that regroup 72,600 taxpayers;
• temporary segment (covers those tax-eligible persons no longer engaged in the profession of their economic activities). Their tax files are not canceled only after years provided that they can prove so: the unemployed, unknown job, housewives and the deceased. The largest, is the unknown job category amounting to 44,300 taxpayers, the total number of taxpayers in this segment comes up to 49,500 individuals.
2. **List of interviews with government officials, social partners and civil society organisations, and academics**

<table>
<thead>
<tr>
<th><strong>MoLSA</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Directorate of Social Welfare (MoLSA)</td>
</tr>
<tr>
<td>Directorate of Rehabilitation and Vocational Training Centers (MoLSA)</td>
</tr>
<tr>
<td><strong>Ministry of Industry and Minerals (MoIM)</strong></td>
</tr>
<tr>
<td>Directorate of Industrial Development (MoIM)</td>
</tr>
<tr>
<td>Department of Industrial Development, Quality, and Competitiveness (MoIM)</td>
</tr>
<tr>
<td><strong>MoPDC</strong></td>
</tr>
<tr>
<td>Central Statistics Office- Industrial Statistics (MoPDC)</td>
</tr>
<tr>
<td>Economic and Social Fund (MoPDC)</td>
</tr>
<tr>
<td><strong>Ministry of Trade / department of Private Sector Development</strong></td>
</tr>
<tr>
<td><strong>CBI</strong></td>
</tr>
<tr>
<td><strong>ISX</strong></td>
</tr>
<tr>
<td>Iraqi Industrialists Union</td>
</tr>
<tr>
<td>Iraqi Businessmen Union</td>
</tr>
<tr>
<td>Iraqi Businesswomen Association</td>
</tr>
<tr>
<td><strong>Baghdad University/ Faculty of Economics and Business Administration</strong></td>
</tr>
</tbody>
</table>
3. Questionnaires

Annex 3.1: Small and medium projects of active economic women and men in Baghdad

1. Name:
2. Age:
3. Academic qualification:
4. Area:
5. Name of project:
6. Type of project:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial</td>
<td></td>
</tr>
<tr>
<td>Service</td>
<td></td>
</tr>
<tr>
<td>Industrial</td>
<td></td>
</tr>
<tr>
<td>Occupational</td>
<td></td>
</tr>
<tr>
<td>Professional</td>
<td></td>
</tr>
<tr>
<td>Household</td>
<td></td>
</tr>
<tr>
<td>Agriculture</td>
<td></td>
</tr>
</tbody>
</table>

7. Activity segment:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Food</td>
<td></td>
</tr>
<tr>
<td>Female clothing</td>
<td></td>
</tr>
<tr>
<td>Children clothing</td>
<td></td>
</tr>
<tr>
<td>Newly-born needs</td>
<td></td>
</tr>
<tr>
<td>Children games</td>
<td></td>
</tr>
<tr>
<td>Gifts</td>
<td></td>
</tr>
<tr>
<td>Health sector</td>
<td></td>
</tr>
<tr>
<td>Legal</td>
<td></td>
</tr>
<tr>
<td>Accounting</td>
<td></td>
</tr>
<tr>
<td>Communication and computers</td>
<td></td>
</tr>
<tr>
<td>Libraries and stationary</td>
<td></td>
</tr>
<tr>
<td>Educational activities</td>
<td></td>
</tr>
<tr>
<td>Cosmetics</td>
<td></td>
</tr>
<tr>
<td>Sewing needs</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td></td>
</tr>
</tbody>
</table>

8. Summary introduction of your projects:

9. Date of starting work in private sector:

10. Date of project’s start:
11. Why did you decide establishing a private project? Is it because of – please tick one or more of the following:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>You have efficiency and specific advantages</td>
<td></td>
</tr>
<tr>
<td>You have financial ability</td>
<td></td>
</tr>
<tr>
<td>Help availability of encouragement</td>
<td></td>
</tr>
<tr>
<td>Substitute better than previous job</td>
<td></td>
</tr>
<tr>
<td>Others, please specify</td>
<td></td>
</tr>
</tbody>
</table>

12. How did you formulate your project idea?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Your own idea</td>
<td></td>
</tr>
<tr>
<td>Inspiration from another success</td>
<td></td>
</tr>
<tr>
<td>Advised from experts</td>
<td></td>
</tr>
</tbody>
</table>

13. Did you have a feasibility study about your project? How?
14. Have you executed an invented idea in your work field?
15. How did you collect /obtain your project’s factors?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Work</td>
<td></td>
</tr>
<tr>
<td>Finance</td>
<td></td>
</tr>
<tr>
<td>Administration</td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td></td>
</tr>
<tr>
<td>Location</td>
<td></td>
</tr>
<tr>
<td>Information and experience</td>
<td></td>
</tr>
</tbody>
</table>

16. Has your project faced difficulties? When? How?
17. How did you overcome these difficulties?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Adaptation adjusting the project</td>
<td></td>
</tr>
<tr>
<td>Changing project</td>
<td></td>
</tr>
<tr>
<td>Getting a technical or financial support</td>
<td></td>
</tr>
<tr>
<td>Tolerance for period of time</td>
<td></td>
</tr>
<tr>
<td>Have you thought of quitting your project and how did you come back?</td>
<td></td>
</tr>
</tbody>
</table>

18. Has your project declined? Why?
19. Have you developed your project in terms of?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Size</td>
<td></td>
</tr>
<tr>
<td>Type</td>
<td></td>
</tr>
<tr>
<td>Diversification</td>
<td></td>
</tr>
<tr>
<td>Others, please specify</td>
<td></td>
</tr>
</tbody>
</table>

20. Has the project achieved what you expected?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>More</td>
<td></td>
</tr>
<tr>
<td>Less</td>
<td></td>
</tr>
</tbody>
</table>
21. How do you evaluate your project success?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit</td>
<td></td>
</tr>
<tr>
<td>Business expansion</td>
<td></td>
</tr>
<tr>
<td>Stability and more customers</td>
<td></td>
</tr>
<tr>
<td>Good reputation</td>
<td></td>
</tr>
<tr>
<td>sustainability</td>
<td></td>
</tr>
<tr>
<td>Other matters</td>
<td></td>
</tr>
</tbody>
</table>

22. What is your future project you wish to achieve?

23. Do you prefer to move to a new level of more developed private work?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>What is it?</td>
<td></td>
</tr>
<tr>
<td>What are its requirements?</td>
<td></td>
</tr>
<tr>
<td>How are you planning to obtain it?</td>
<td></td>
</tr>
</tbody>
</table>

24. Are you employing workers in your project? How many?

25. Are you using modern equipment in your private project? What are they?

26. What is the project providing you with?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Reasonable income</td>
<td></td>
</tr>
<tr>
<td>Independence and simple income</td>
<td></td>
</tr>
<tr>
<td>Reasonable income and some savings</td>
<td></td>
</tr>
<tr>
<td>Good profit, moral benefits</td>
<td></td>
</tr>
<tr>
<td>Promising future expectation, loss</td>
<td></td>
</tr>
</tbody>
</table>

27. If this offered reasonable income, would the amount be equivalent to income from a civil servant post?

Yes  No

28. Do you prefer your project to a job with the government? why?

29. If your project is generating some savings, Do you use these savings to expand your project, or to other purposes?

30. If your project were achieving good profits would you invest in other projects or fields?

31. If your project were not not achieving anything, what would be your stance toward the project? And why would you hold on to it

32. What is your stance towards competition?
- Your project faces dangerous competition because there are men who are more able to deal with the work of field?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>More efficient than you</td>
<td></td>
</tr>
<tr>
<td>Because of import easiness</td>
<td></td>
</tr>
<tr>
<td>New entry to work field</td>
<td></td>
</tr>
<tr>
<td>Other reasons</td>
<td></td>
</tr>
</tbody>
</table>
33. What are the cost components of your project?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment</td>
<td></td>
</tr>
<tr>
<td>Rent</td>
<td></td>
</tr>
<tr>
<td>Labour cost</td>
<td></td>
</tr>
<tr>
<td>Working capital</td>
<td></td>
</tr>
<tr>
<td>Rates of interest</td>
<td></td>
</tr>
<tr>
<td>Partner shares</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td></td>
</tr>
</tbody>
</table>

34. Which of the cost components do you consider exaggerated?
35. Do you have suggestions on how to lessen cost components?
36. On which of the following do you depend more to increase project profitability?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Price increase</td>
<td></td>
</tr>
<tr>
<td>Sales increase</td>
<td></td>
</tr>
<tr>
<td>Cost reduction</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td></td>
</tr>
</tbody>
</table>

37. What is your stance towards banks?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>You do not deal with them</td>
<td>You work with them to achieve some dealings, money depositing</td>
</tr>
<tr>
<td></td>
<td>You consider them as a source of capital finance, or part of it</td>
</tr>
<tr>
<td></td>
<td>Additional finance resource, or, when there is an unexpected investment opportunity</td>
</tr>
<tr>
<td></td>
<td>You don’t depend on banks as a finance resource, why?</td>
</tr>
</tbody>
</table>

38. What are the important constraints in dealing with banks?
39. Do you (as woman) notice any discrimination against you when dealing with banks?
40. Which of the State departments you think that represents a problem dealing with?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Customs</td>
<td></td>
</tr>
<tr>
<td>Taxation</td>
<td></td>
</tr>
<tr>
<td>Employment</td>
<td></td>
</tr>
<tr>
<td>Municipality</td>
<td></td>
</tr>
</tbody>
</table>

If yes, what is your problem with it?

41. Do you encourage more women to work in private projects?
42. What are your important suggestions to encourage this?
43. What is your opinion about important suitable work fields for women as a private enterprise?
44. What are the fields you think women are able to achieve success, but they do not work in yet, or just small number of them?
45. Do you get support in your work field as a woman from certain entities, and how?
46. Were you able to benefit from support in your work field?
What type of support do you think you can benefit from?
47. Which type of support do you think will help you work in new or non-traditional work fields?
Please list some of these
48. Which types of training fields do you think you might benefit from?

<table>
<thead>
<tr>
<th>Computers</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Business administration</td>
<td></td>
</tr>
<tr>
<td>Accounting</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td></td>
</tr>
</tbody>
</table>

Did you take part in any?

Yes  No

49. Do you think that cooperation with businesswomen is possible?

<table>
<thead>
<tr>
<th>Possible</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Useful</td>
<td></td>
</tr>
<tr>
<td>Not possible</td>
<td></td>
</tr>
</tbody>
</table>

50. Do you prefer to work with other businesswomen?

<table>
<thead>
<tr>
<th>Within the district</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Within the city</td>
<td></td>
</tr>
<tr>
<td>At country level</td>
<td></td>
</tr>
<tr>
<td>Arab cooperation</td>
<td></td>
</tr>
<tr>
<td>Regional</td>
<td></td>
</tr>
<tr>
<td>International</td>
<td></td>
</tr>
</tbody>
</table>

51. What are the important fields of cooperation you think can achieve positive results for you and other women?

52. Do you consider the project your own, or as a family project?

53. What is your family stance towards your project?

<table>
<thead>
<tr>
<th>Do they prefer to control it and make decisions</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cooperate with you</td>
<td></td>
</tr>
<tr>
<td>Neutral</td>
<td></td>
</tr>
<tr>
<td>Hostile situation</td>
<td></td>
</tr>
</tbody>
</table>

54. What is your degree of independence in decision-making?

<table>
<thead>
<tr>
<th>Full independence</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Partial</td>
<td></td>
</tr>
</tbody>
</table>

Family makes the important decisions

55. What is the following party’s stance toward your work?

<table>
<thead>
<tr>
<th>Relatives</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Friends</td>
<td></td>
</tr>
<tr>
<td>Social environment</td>
<td></td>
</tr>
<tr>
<td>Works environment</td>
<td></td>
</tr>
</tbody>
</table>

56. What major problems of work are you facing now?

57. Are you able to be creative in your work field, and do you have creative ideas in this field?

58. Do you think you have creative ideas and abilities in other work fields? What prevents you to move to it?
59. Are you working on a project, or on a combination of more than one now, and are you planning to do so in the future?

60. Have you moved from one work field to another? Which was it? Why?

61. Have you abandoned your private project? Why?

<table>
<thead>
<tr>
<th>Left your work definitely</th>
<th>Moved to another job? Why?</th>
<th>Wishing or planning to go back to private work? When?</th>
</tr>
</thead>
</table>

**Annex 3.2: Questionnaire on women economic activity**

1. Name (optional):
2. Age:
3. Academic qualification:
4. What is your opinion about women’s work, and their economic independence?
5. What is your opinion about the economic activity of women in private projects?
6. Are you thinking of establishing a private project?
7. Do you prefer your own project than a job with the government?
8. What is the project you are thinking about?
9. What is your specific advantage(s) that makes you feel able to succeed in your project?
10. What do you need in order to get the project started?
11. What is the opinion of your family about this project?
12. Do you prefer to get knowledge that helps you establishing your private project?
13. Do you prefer taking part in sessions, readings, visits or associate with real projects for some time?
14. Do you prefer this inside, or outside Iraq?
15. Do you consider yourself as having personal entrepreneurial qualities which enable you to administer your project?
16. Do you have an invented idea of private project? Do you think you are able to execute it? What is your problem(s) that may not enable you in doing so?
   1.
   2.
   3.
17. List 5 projects you consider promising and profitable.
   1.
   2.
   3.
   4.
   5.
Annex 3.3 : Questionnaire for women entrepreneurs

Please suggest activity areas in addition to the list below for businesswomen to engage in:

1. General trading.
2. Trade agencies.
3. Wholesale trade
4. Contractor.
5. Retail trading.
a. Female clothing.
b. Children clothing.
c. Newly-born needs.
d. Children games

e. Libraries and stationary
f. Gifts
g. Artistic goods (ceramic, painting)
6. Educational activities (training, private teaching, computers, etc.)
8. Celebrations commitment.
9. Wedding requirements.
10. Flower and plant shops.
11. Tourist agencies.
13. Sonar and x-ray clinics.
14. Laboratories.
15. Pharmacies, drug stores
16. Clinical appliances
17. Dental workshops.
18. Sewing shops.
19. Tricot, embroidering.
20. Legal services.
21. Accounting offices.
22. Kindergartens and nursery schools.
23. Schools for the disabled.
24. Sports (slimming, massage)
25. Take away, sweets.
26. Restaurants.
27. Ceramic workshops.
28. Sewing factory, Tricot, socks
29. Shampoo factories, perfumes, and cosmetic material.
30. Agricultural projects.
31. Farming.
32. Gardening.
33. Pet shops.
34. Honey.
35. Veterinary clinics.
36. Architecture offices.
Promoting multi-ethnic stakeholder small-to-medium enterprises in the Republic of Macedonia

Lana Srzic

August 2005
Acknowledgements

This study was conceived and the field research led by Professor Norman Scott of the Graduate Institute of International Studies. The fieldwork was undertaken under his guidance in 2001 by the Regional Institute for Development Studies in Skopje (RIDS) and its local counterparts. Professor Scott passed away on 10 March, 2004, leaving the data collected, and segments of the analysis developed. The project has subsequently been finalized within the “Strengthening employment in response to crisis research programme”.

Tribute must be paid to the following members of the Project team that conceived and implemented the field and desk research work in 2001:

Prof. Norman Scott, Graduate Institute of International Studies, Geneva; Dr. Lucas Assunciao, University for Peace of the United Nations (UPEACE), Geneva; Mr. Branislav Gosovic, South Centre, Headquarters in Geneva; Dr. Kiro Gligorov, former President of the Republic of Macedonia (1991-1999), RIDS, Skopje, Macedonia; Dr. Dimitar Vlahov, RIDS; Mr. Negoslav Ostojic, Executive Director, European Centre for Peace and Development (ECPD), Belgrade.

At the request of the RUIG-GIAN, the project has been brought to completion by the research team of the “Strengthening the employment dimension in response to crisis contexts” research programme, building on the knowledge base, survey outputs and partial analysis that had been produced within the project of Prof. Scott. Mr. Luca Fedi, Graduate Institute of International Studies - International Labour Organization (GIIS-ILO), Dr. Daniel Warner (GIIS) and Mr. Donato Kiniger-Passigli (ILO) have coordinated and directed the research from September 2004 to July 2005, when this study has been completed.
# Table of contents

Acknowledgements .................................................................................................................................................. 100  
Note on key lexical issues .................................................................................................................................. 104  
List of acronyms ................................................................................................................................................ 106  
Executive summary ............................................................................................................................................. 108  
1. Introduction ..................................................................................................................................................... 110  
   2. Context analysis: A profile of the FYROM .................................................................................................. 112  
      2.1. Historical perspective ............................................................................................................................ 112  
         2.1.1. The 2001 crisis .................................................................................................................................. 113  
         2.1.2. Recent developments ...................................................................................................................... 113  
      2.2. Demographic and social environment ................................................................................................. 114  
         2.2.1. Ethnicity .......................................................................................................................................... 114  
         2.2.2. Poverty .......................................................................................................................................... 115  
         2.2.3. The gender dimension .................................................................................................................... 115  
      2.3. Economic environment .......................................................................................................................... 115  
         2.3.1. The transition .................................................................................................................................. 116  
      2.3.2. Recent developments ........................................................................................................................ 116  
3. Multi-ethnic stakeholder SMEs in the FYROM: A profile ............................................................................. 118  
   3.1. Survey methodology .................................................................................................................................. 118  
   3.2. Profiling of multi-ethnic stakeholder SMEs ............................................................................................ 118  
4. Inter-community crises and the SME sector: The case of inter-ethnic stakeholder SMEs ............................ 122  
   4.1. SMEs as social actors .................................................................................................................................. 122  
   4.2. The economic resilience of inter-ethnic stakeholder enterprises ............................................................ 123  
   4.3. Policy implications ..................................................................................................................................... 123  
5. Supporting the SMEs sector in the FYROM: Generic problematics and contextualized priority areas ...... 124  
   5.1. The development of the SME sector in the FYROM in the context of the transition to the market economy ........................................................................................................................................... 124  
      5.1.1. A flourishing private sector ................................................................................................................. 124  
      5.1.2. Structural challenges ........................................................................................................................ 125  
      5.1.3. The policy framework for the support of the SME sector ................................................................. 126  
   5.2. Addressing constraints for SME development ......................................................................................... 127  
   5.3. Access to credit for the SME sector ......................................................................................................... 127  
   5.4. Support to local initiatives ....................................................................................................................... 129  
   5.5. Supporting business education and an entrepreneurial culture ............................................................... 130  
Conclusion ........................................................................................................................................................... 131  
Annexes ............................................................................................................................................................... 132
The new Republic emerging from the implosion of the Socialist Federal Republic of Yugoslavia, declared independence in 1991 under the denomination “Republic of Macedonia”, but official protestation by Greece deterred international recognition of the new country under this denomination. In 1993 a compromise was struck as the UN recognized the state under the name of ‘the Former Yugoslav Republic of Macedonia’ (FYROM). By 2005, more than 20 countries recognized the country by its constitutional name - the Republic of Macedonia. This study will use the denominations of FYROM and Republic of Macedonia (or Macedonia) undifferentiatedly.

The definition of Small to Medium-sized Enterprises (SMEs) is primarily based on the size of their workforce, and may also be related to their turnover. The workforce and turnover ceilings characterizing SMEs vary considerably according to the country. For the purpose of this study, reference will be made to the classification applied in the Republic of Macedonia. A ‘Small enterprise’, therefore, is an establishment that falls under the following two characteristics: it employs less than 50 employees for either maximum monthly turnover of 8,000 Macedonian Dinar (MD) or balance sheet total of 6,000 MD per month. While there is no official definition of medium-sized enterprises in the country, the United Nations Economic Commission for Europe (UNECE) defines small enterprises and medium enterprises in Central and Eastern European countries as those employing between 1 to 49 workers and 50 to 250 workers respectively.\(^{91}\)

\(^{91}\) UNECE: http://www.unece.org/indust/sme/def-cit.htm
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>DCAF</td>
<td>Democratic Control of Armed Forces</td>
</tr>
<tr>
<td>EBRD</td>
<td>European Bank for Reconstruction and Development</td>
</tr>
<tr>
<td>ECPD</td>
<td>European Centre for Peace and Development</td>
</tr>
<tr>
<td>ESA</td>
<td>Enterprise Support Agency</td>
</tr>
<tr>
<td>FDI</td>
<td>Foreign Direct Investment</td>
</tr>
<tr>
<td>FYROM</td>
<td>Former Yugoslav Republic of Macedonia</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>ILO</td>
<td>International Labour Organization</td>
</tr>
<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
</tr>
<tr>
<td>MD</td>
<td>Macedonian Dinar</td>
</tr>
<tr>
<td>NATO</td>
<td>North Atlantic Treaty Organization</td>
</tr>
<tr>
<td>RIDS</td>
<td>Regional Institute for Development Studies</td>
</tr>
<tr>
<td>SME</td>
<td>Small to Medium-sized Enterprise</td>
</tr>
<tr>
<td>SOE</td>
<td>State-Owned Enterprise</td>
</tr>
<tr>
<td>UNECE</td>
<td>United Nations Economic Commission for Europe</td>
</tr>
<tr>
<td>UNHCR</td>
<td>United Nations High Commission for Refugees</td>
</tr>
<tr>
<td>UPEACE</td>
<td>University for Peace of the United Nations</td>
</tr>
</tbody>
</table>
Executive summary

The goal of the project was to show how the creation of successful SMEs in which the partners originate from different ethnic groups (chiefly Slavs and Albanians, but also others including Turks and Vlachs) could make a signal contribution to economic progress and social harmony by demonstrating that stakeholders in successful enterprises become ipso facto stakeholders in a society at peace with itself. Economic growth, employment promotion and community reconciliation should rightly be considered twin goals for SME development policies and programmes. The primary aim of the proposed research project was to ascertain what policies and policy instruments, both national and international, could be most effective in promoting the sustainable development of inter-ethnic enterprise partnerships in Macedonia.

This study is grounded on the assertion that SMEs are to be seen as both economic and social actors of the community-level civil society. The analysis conducted on the basis of a survey of economically successful small to medium-sized multi-ethnic enterprises in Macedonia highlights the positive side-effects of these specific types of establishments on inter-community dialogue and cohesion. Furthermore, the inter-ethnic nature of the enterprises has been shown to be positive for business operation, chiefly by attracting customers of different ethnicities. By prospering, inter-ethnic small businesses strengthen inter-ethnic dialogue and reconciliation, which in turn, benefits to a more investment-prone and business-friendly context.

Promoting inter-ethnic SMEs is, essentially, promoting the SME sector at large. An analysis on the basis of the features and limitations of the sample SMEs, and at the light of further desk research is proposed, to further the efforts of the FYROM in support to this crucial sector for the economy in terms of growth and employment. Private sector development and SME sector promotion are thematics that gained considerable proeminence in contemporary economic agendas (and across the North-South divide). Such an analysis is compounded, in the case of Macedonia, by the intertwined challenges of inter-community (and security) crisis, the breakdown of the regional political and economic order and the (consequent) transition to the market economy. The analysis provided addresses the twin objectives (social and economic) of SME development at the light of this complex crisis context.
1. Introduction

The research objective of this project was to study inter-ethnic stakeholder enterprises in Macedonia in the context of the inter-ethnic tensions, the 2001 security crisis in particular and the transition to the market economy. Primary challenges facing Macedonia are the restoration of peaceful inter-ethnic relations, which had deteriorated in the context of the 2001 crisis and the aftermath of the Balkan crises of the 1990s. The aim is to launch a programme of economic development enabling and encouraging ethnic minorities to play a full and equal part, and will be both sustainable and participatory.

Against this backdrop, this study focuses on the case of successful SMEs in which the partners originate from different ethnic groups (chiefly Slavs and Albanians, but also others including Turks and Vlachs). The study looks at the signal contribution to economic progress and social harmony that these economic, yet also social actors, can play by demonstrating that stakeholders in successful enterprises become *ipso facto* stakeholders in a society at peace with itself. The team is aware that inter-ethnic joint enterprises have existed in the region for many decades, and were even a quite common feature of Macedonian society while the Ottoman Empire held sway until 1912, when the last Turkish garrison withdrew from the capital, Skopje. It is also aware, however, that this promising tradition, which could serve as a point of departure for a broadly based programme of policy encouragement for a critically important sector of the economy, is now at risk of being swept away in a flood of inter-ethnic mistrust. Indeed, in the crisis aftermath there have been indications that inter-ethnic intolerance and tension obliged some such joint enterprises to scale down their operation or even to close down. The investigation will examine whether such initial observations were correct.

While socio-political stability and economic developments are considered as interrelated goals, the study will start with analyzing the social impact of the enterprises with regard to the security crisis. First, the effects of inter-ethnic nature of enterprises in relation to the crisis will be examined, second, the positive impact of civil society institutions and broader social and cultural structures on creation and operation of inter-ethnic enterprises will be attempted.

The second part of the study will deal with economic factors that affect SMEs at large, and are not necessarily related solely to inter-ethnic enterprises. This includes broader economic trends in the country and their effects on policies regarding SMEs. International standards of best practices and relevant experience of SMEs in other countries will be used. The structural constraints and broader economic environment will be examined in the context of current practices of the government. Drawing on the data from this particular research, in combination with more general studies of best practices, key areas of improvement for governmental and international promotional measures will be identified, which include primarily greater access to appropriate financing, support of grassroots initiatives and development of entrepreneurial culture.
Research methodology

The research team has undertaken a detailed survey of a sample of inter-ethnic joint enterprises which have been judged successful according to a set of conventional economic and financial performance criteria. An interview approach based on standard questionnaires was used with the aim of better seizing the characteristics of joint enterprises. The regional Enterprise Support Agency\(^\text{92}\) (ESA) in regions where such enterprises exist conducted interviews with local firms which agreed to participate in the project, asking relevant questions regarding the nature of their firm, its business operation faced with the security crisis and suggestions for the improvement of SME-conducive policies. This primary data was analyzed in combination with the study of the broader economic situation and current governmental policies in order to identify the policy lessons to be obtained from the experience of governmental and non-governmental programmes in favour of SMEs.

The primary data used in the following study was collected in 2002, that is in the immediate aftermath of the inter-ethnic crisis that Macedonia faced in 2001. The analysis of the data, as well as a desk research on the SME sector and its environment in the country, were implemented in 2004/2005. This gap between the collection and the analysis of the data, may pose the methodological difficulty of discussing 2002 findings in the recent Macedonian context. However, the analysis of the interaction between inter-ethnic SMEs operation and inter-ethnic conflict is still arguably pertinent, to an understanding of this interaction in the Macedonia context and beyond.

\(^{92}\) ESAs are self-financing organizations who sell their services to SMEs, local and national authorities, as well as international donors.
2. Context analysis: A profile of the FYROM

2.1. Historical perspective

In 1945, Macedonia became one of the six founding republics of the Yugoslav Socialist Federation, with Jozip Broz Tito as president. Major nationalist surges appeared among the federation's constituent republics following the Yugoslav leaders' death in 1980. Macedonia did not escape the general trend, as a majority of voters supported independence in the 1991 referendum, and a new constitution was enacted in the face of opposition by ethnic Albanian deputies. The FYROM was the only former republic to have peacefully gained its independence in 1991 from the Socialist Federal Republic of Yugoslavia. Nonetheless latent tensions between the ethnic Albanian community (roughly one-quarter to one-third of the total population) and ethnic Macedonians contained the

Estimates vary - with the official governmental reports often accused by the minorities of ethnic Albanians and Roma to have their numbers downplayed.
possibility of conflict. In 1992, an unofficial referendum among ethnic Albanians was conducted and reflected an overwhelming wish for their own territorial autonomy. Subsequently, the UN dispatched troops to monitor inter-ethnic tensions. The country gained UN membership in 1993 under the denomination of the Former Yugoslav Republic of Macedonia, yet was not initially recognized by Greece, who imposed trade restrictions until 1995.

2.1.1. The 2001 crisis

In March 1999, Serbian mass expulsions and killings of Kosovo Albanians led them to exodus into neighbouring countries, primarily into the FYROM. In June, as the Former Yugoslavia accepted the proposed peace plan, refugees headed back to their homelands. However, these events marked a surge in inter-ethnic tensions within Macedonia. Instead, in the beginning of 2001, tensions and sporadic violence rapidly increased. The National Liberation Army emerged in the national political scene, demanding equal rights for ethnic Albanians.

In March 2001 ethnic Albanian guerrillas took up positions in the hills above the small western Macedonian town of Tetovo. Macedonian police units responded with a shelling of the houses where they believed the rebels were hiding. The following month, inter-ethnic violence spread across a string of villages around the northern Macedonian town of Kumanovo and later in the village of Aracinovo, near Skopje. In villages controlled by ethnic albanian guerrillas, houses were confiscated and declared property of ethnic Albanians. The escalation of fighting and violence in Macedonia reached a climax on 26 June when the Macedonian government was driven to allow NATO troops to escort ethnic Albanian guerrillas out of their base in Aracinovo. This caused great unrest among the civilian population as anti-government and anti-Western rioting broke out in the capital.\(^\text{94}\)

As far as the political process, the principal Macedonian parties formed a government of national unity in May of the same year under Prime Minister Ljubco Georgievski. The Government pledged to address minority grievances and tensions began to ease with the Western-backed Ohrid peace agreement (13 August 2001) involving greater recognition of ethnic Albanian rights in exchange for rebel groups’ promise to hand-over their weapons to NATO. The reforms were incorporated as part of the new constitution in November 2001, recognizing Albanian as an official language and increasing access for ethnic Albanians to public sector jobs, such as the police.

As a result of the conflict, by late July 2001 about 170,000 persons, according to United Nations High Commission for Refugees (UNHCR) estimates, fled their homes and became displaced within the FYROM or in neighbouring countries. The UNHCR estimates 6,700 homes were damaged during the crisis.

2.1.2. Recent developments

In the first months of 2004, following the death of President Boris Trajkovski in a plane crash, Branko Crvenkovski was elected president with Hari Kostov as Prime Minister. The continuation of ethnic tensions to the present day manifested itself once again in the June 2004 mass protest against proposals to redraw municipal borders and give minority Albanians more power in certain areas, such changes being required to further implementation of the 2001 Ohrid peace agreement. However, in November 2004,

\(^{94}\) British Helsinki Human Rights Group. Macedonia in Crisis
the Referendum on the possible repeal of August legislation on local autonomy for Albanians failed due to low turnout of voters, leading to Hari Kostov’s resignation.\textsuperscript{95}

In March 2004 Macedonia submitted an application towards joining the EU.

\subsection*{2.2. Demographic and social environment}

According to a July 2004 survey, the total population of the Republic of Macedonia amounts to 2,071,210 individuals.\textsuperscript{96} 21.5 per cent of the population is under 14 years old, the 15 to 60 age group lies at 67.8 per cent and 10.7 per cent of the population is 65 and older. The population growth rate is 0.39 per cent with a net migration rate of -1.45 migrants per 1,000 people.

\subsubsection*{2.2.1. Ethnicity}

The main ethnic affiliations in the FYROM are Macedonian (64.2 per cent), Albanian (25.2 per cent), Turkish (3.8 per cent), Roma (2.7 per cent), Serb (1.8 per cent) and others (2.3 per cent). 68 per cent of the population speaks Macedonian and 25 speak Albanian. Predominant religions are Macedonian Orthodox Catholics (70 per cent), and Muslims (29 per cent).

It should be noted that most non-Macedonian ethnic communities question this data. A census organized by two Albanian political parties in 1993, found that ethnic Albanians in Macedonia accounted for 35 per cent of the total population, while the political representatives of the Turkish and Roma communities claim that their communities constitute 8 and 10 per cent of the general population respectively.

In the survey conducted for this project, attention has been paid to the representation of all ethnic groups composing the Macedonian population, including ethnic Macedonians and Albanians, ethnic Bosnians, Serbs, Montenegrins, Germans, Vlachs, Turks and Roma.

Most ethnic Albanians live in western Macedonia (including Debar, Gostivar, Kicevo, Resen, Struga and Tetovo) where they represent the numerical majority and more than 20 per cent of the population of the capital Skopje is Albanian. In eastern Macedonia, there are few Albanians, but significant numbers of Roma and Turks.\textsuperscript{97} The ethnic Albanian community represents roughly one-quarter to one-third of the population depending on different data. The core problem of the social division between ethnic groups, particularly although not exclusively between Macedonians and Albanians, remains the polarization of opinions between groups on nearly every issue, for example minority rights. A public survey carried out by the Institute of Sociological, Political and Legal Research in October 2001 found polarization of opinion between ethnic Macedonians and Albanians on nearly every issue except EU adherence. By observing the geographical dissemination of ethnic groups living in the FYROM we can assume there exists a significant risk of geographic polarization. Thus the key challenge to governments at all levels is to bridge the ethnic division and encourage people to work constructively together.

\textsuperscript{95} Information from \url{http://news.bbc.co.uk/go/pr/fr/-/1/hi/world/europe/country_profiles/1410364.stm}

\textsuperscript{96} The World Factbook, \url{http://www.cia.gov/cia/publications/factbook/geos/mk.html}

\textsuperscript{97} ‘Macedonia: Micro-credit, Poverty and Returning Ethnic Minorities’, \url{www.minorityrights.org/Dev/mrg-dev_title_3}
2.2.2. Poverty

After the break-up of the Yugoslav federation, the FYROM has emerged as a country with high poverty and unemployment rates. According to the official poverty line, approximately 20 per cent of the population is poor and the poor live mainly in rural areas. This social group may be related to three categories: the traditional poor (mainly the rural poor), the new poor (those affected by the transition, mainly non-agricultural households) and the chronic poor comprising the elderly, the disabled, the aged non-pensioners and other disadvantaged groups. Poverty characteristics include low level of ownership, large household size and low access to education, health and social services. Another characteristic of poverty is its regional distribution. The south-western and south-eastern Poloski and Skopski regions recorded high levels of poverty, while rates in other regions were below the national average. Living conditions of the poor are badly affected by the run-down state of the country’s economic services, primarily school, health facilities, water supplies, sanitation and neighbourhood access roads.

2.2.3. The gender dimension

Generally, women are well represented in public sector activities in urban areas, reflecting the provisions for gender equality in Article 9 of the Constitution of the FYROM which includes a special provision for protecting mothers. Gender equality is also embedded in a number of other laws such as those linked to labour relations, trade unions and defence. In the public administration, for example, one of every two posts is covered by a woman.

However, gender disparities are still strong in the private sector and other areas of the economy. A recent labour survey showed women hired in the private sector accounted for less than 30 per cent of the total workforce. In rural areas, more women engage in household activities than their urban counterparts, and are far less represented in employment in the broader activities of their communities as well as in local government. Another significant feature is that ethnic Albanian and Roma women lag behind their ethnic Macedonian counterparts in education attainment levels, participation in the labour market and social activities.

2.3. Economic environment

The economy has partly recovered from the steep depression of the 1990s linked to the break-up of the Former Yugoslavia, the subsequent conflict and the embargo (including the Greek blockade in the early 1990s).

Gross Domestic Product (GDP) estimates for 2003 stood at 13.81 billion US$ and the GDP growth rate for the same year stood at 2.8 per cent. The composition of GDP per sector is agriculture- 11.3 per cent, industry- 32.1 per cent and services- 56.6 per cent, whereas Investment (gross fixed) represented 16.13 per cent of the GDP. The extremely high unemployment rate (approx. 32 per cent) is one of the most pressing socio-economic problems facing Macedonia. Unemployment figures have stagnated over the past decade due to a recession following the implosion of The Socialist Federal Republic of Yugoslavia in 1991, and a transition process that is yet to reap the full benefits of the market economy. There is a heavy concentration of unemployment among the Roma, Albanian and Turkish

99 For more detailed and comparative data see Annex 4.
communities, reflecting in part their lower levels of education. Unemployment is also high in some predominantly ethnically Macedonian areas following the closure of large textile factories.

In the break-up of the Yugoslav Federation the FYROM lost its protected market for its industrial products, key transport routes, large transfers from the federal government and foreign currency savings of more than 1.2 billion US$. The industrial sector in Macedonia was to a large extent suited to the needs of the large Former Yugoslavia market, a country with a population of 22 million people. Following the dissolution of Former Yugoslavia and especially as a result of the war, the international sanctions against Former Yugoslavia and the unilateral blockades of Greece towards Macedonia, many of these enterprises saw themselves forced to stop production. Reviving these enterprises has been laborious because of the difficulties encountered in reaching external markets, particularly those of Former Yugoslavia.

2.3.1. The transition

From 1991 to 1995 the disruption of markets, sources of supply, trade routes and transit traffic triggered a brutal contraction of the economy by 36 per cent in real terms. The downwards trend came to an end in 1996 when GDP registered a 1 per cent increase, gathering pace thereafter, up to an annual 2.8 per cent in 1998. 1999 brought a new external shock with the outbreak of the Kosovo crisis and a flow of refugees to the country. Declining industrial output and stagnating agricultural production were compensated by a surge in the services and transportation sectors, associated with NATO military operations in Kosovo. In 2000 the country’s economy returned to growth; government revenue registered a substantial surplus for the first time, inflation was held in check and exports rose by 6 per cent. However, the Government had inherited a weak banking sector, numerous heavily indebted and loss-making socially-owned enterprises, dubious privatization methods, an extensive 'grey' economy yielding poor tax revenues and widespread public distrust of governmental management. Unfortunately, 2001 brought again an acute security crisis with strongly negative economic effects (uncertainty, armed clashes in some areas, closure of transit routes and a refugee crisis), thus frightening off many foreign investors and seriously undermining exports. Increased governmental expenditures put a new stain on the fiscal deficit additionally to those caused by reduced tax revenue due to depressed economic activity. The combining effects of the 1999 and 2001 setbacks have deeply destabilized governmental economic reform programmes.

2.3.2. Recent developments

The key areas requiring reform include fiscal discipline and a balanced budget, reduced unemployment, alleviation of poverty, industrial restructuring and export diversification, active attraction of Foreign Direct Investment (FDI), SME development and further reform and strengthening of the public administration. The Government is faced with the dilemma of accepting or rejecting the cost of additional job losses as the inevitable consequences of restructuring or closing down unsustainable State-Owned Enterprises (SOEs) which no longer have sheltered markets. The problem of slimming down public administration and trying to hold the line on public sector incomes is also present.

Progress has been made in implementing banking sector reforms, with conditions in the financial sector improving and the central bank taking a more active role in supervision. The privatization of major banks as part of the banking system reform (notably of the country’s largest bank, Stopanska banka), brought in exceptional revenue
of almost 10 per cent of GDP, yet instead of drawing down foreign debt, funding the pension reform and financing new investment projects, much of the sum was spent on other objects of expenditures, such as security operations. A treasury system was established, key legislation was passed to reform labour regulations and also towards a new banking law. The regime for private enterprise, foreign investment and creditors' rights has been improved. Such a process in economic reform along with maintenance of macroeconomic stability allowed the government to secure a 3-year agreement with the International Monetary Fund (IMF) and the World Bank Second Financial and Enterprise Sector Adjustment Loan. Yet, a significant agenda of structural reforms remains to be implemented, with the difficult process of resolution of loss-making SOEs. Moreover, while the overall progress in transition has been steady but slow, the pace of structural reforms has been influenced by political uncertainty and change.

The Government of Macedonia is now committed to a decentralization of its public administration, part of the Framework Agreement, and has made clear provisions to this effect in the country's Constitution. The Law on Local Government adopted in January 2002 has a number of important provisions that will impact local government finance and service delivery. Significant institutional building will be needed in order for municipalities to carry out their new functions, such as revenue generation and financial management as well as in public services management. New independent enterprises find it very difficult to access adequate support from commercial banks, and allegations of corruption in the banking system abound. Many of the privatized banks’ shareholders are reported to have close links to government officials, while the paucity of Albanians among the senior management does little to increase the confidence of some Albanians in banks. Good progress was registered in privatization as the private sector represented 60 per cent of GDP in 2003. Price and trade liberalization and banking sector supervision standards are well advanced, but the regulatory framework for non-bank financial institutions remains weak.\footnote{FYR Macedonia Strategy Overview’, \url{http://www.ebrd.com/about/strategy/country/mace}}
3. Multi-ethnic stakeholder SMEs in the FYROM: A profile

In this section a profile of economically successful multi-ethnic stakeholder SMEs is drawn on the basis of the survey of establishments conducted by the project team in various regions of Macedonia.

3.1. Survey methodology

The SME sample has been established in collaboration with the RIDS, on the basis of the ethnic origin of their stakeholders and the economic and financial performance of their establishment. A short questionnaire was prepared and used within individual interviews implemented from July to October 2002, one year after the security crisis of 2001. The survey produced 36 valid interviews of multi-ethnic SME stakeholders.

Respondents were selected to represent all major ethnic groups residing in the FYROM. The survey took place in the regions of Skopje, Ohrid, Ohrid-Resen, Gostivar and Tetovo, selected for the presence of several ethnic communities in the territory.

In broad terms, 75 per cent of the respondents were running small enterprises (less than 50 employees and 50,000 Euro in capital) and 32 out of the 36 respondents established their enterprise following Macedonia’s independence and the break-up of Former Yougoslavia in 1991. For a detailed presentation of the selected sample, see Annex 3.

The fieldwork, under the overall coordination and direction of the GIIS, was implemented by the ECPD and the RIDS under the responsibility of Dr. Dimitar Vlahov and in cooperation with the ESAs and their field offices in Skopje, Tetovo, Ohrid, Gostivar and Resen. The ESAs and their local offices followed a standardized approach for data collection. The identification of multi-ethnic companies in the respective regions was provided thanks to the kind collaboration of local authorities.

3.2. Profiling of multi-ethnic stakeholder SMEs

Type of product or service (branch of economy)

The enterprises under review fall into the following sectors of industry:

- finished textile goods, import-export, oil and batteries, wholesale food products (two enterprises), wood industry, IT technology and production of application software (two enterprises), retail business (four enterprises), production of metal and plastic objects, textile industry, intellectual services (two enterprises), tourism (three enterprises), transport, sale of construction material, publishing and consulting, production of building material (two enterprises), butter industry, leather industry, taxi services (two enterprises).

101 Please confer to Annex 2
102 The Regional Institute for Development Studies (RIDS) of Skopje, and the European Centre for Peace and Development (ECPD) in Belgrade.
Source of initial financing: private savings or loans, or bank credits. If the last-named, was the bank willing to extend micro-finance on acceptable conditions (e.g. Level of interest rates and period of repayment):

Table 1

<table>
<thead>
<tr>
<th>Source of initial financing</th>
<th>Skopje</th>
<th>Ohrid</th>
<th>Ohrid-Resen</th>
<th>Gostivar</th>
<th>Tetovo</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private savings</td>
<td>4</td>
<td>11</td>
<td>2</td>
<td>9</td>
<td>4</td>
<td>30</td>
</tr>
<tr>
<td>Private savings and loans</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Private savings, loans and credits</td>
<td></td>
<td></td>
<td></td>
<td>2</td>
<td>2</td>
<td></td>
</tr>
</tbody>
</table>

In the two cases of bank loans, overly high interest rates were mentioned.

In what circumstances did the partners from different ethnic groups meet (e.g. Youth, sports or cultural clubs, activities, etc.) and decide to go into business together:

Table 2

<table>
<thead>
<tr>
<th>Circumstances of meeting</th>
<th>Skopje</th>
<th>Ohrid</th>
<th>Ohrid-Resen</th>
<th>Gostivar</th>
<th>Tetovo</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family business</td>
<td>1</td>
<td>1</td>
<td></td>
<td>1</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Working together previously on a project or some other business cooperation</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>4</td>
<td>4</td>
<td>14</td>
</tr>
<tr>
<td>Working together abroad</td>
<td>1</td>
<td></td>
<td>1</td>
<td>2</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Neighbours, friendship, studies</td>
<td>7</td>
<td>2</td>
<td>5</td>
<td>2</td>
<td></td>
<td>16</td>
</tr>
<tr>
<td>Mediated by a foreigner</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Did not know each other previously</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td></td>
<td>1</td>
</tr>
</tbody>
</table>

Has the inter-ethnic character of the enterprise negatively affected its operations in any way? If yes, please explain:

Table 3

<table>
<thead>
<tr>
<th>Effect of inter-ethnic character</th>
<th>Skopje</th>
<th>Ohrid</th>
<th>Ohrid-Resen</th>
<th>Gostivar</th>
<th>Tetovo</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes – the firms do not work as well as they used to before the crises</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>No – in fact, it has very positive influence among partners and clients</td>
<td>4</td>
<td>12</td>
<td>3</td>
<td>9</td>
<td>5</td>
<td>33</td>
</tr>
<tr>
<td>Some think it is positive, some think it is negative</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td></td>
<td>1</td>
</tr>
</tbody>
</table>
Have the social tensions experienced over the past eighteen months adversely affected the operations or performance of the enterprise? If yes, please explain:

Table 4

<table>
<thead>
<tr>
<th></th>
<th>Skopje</th>
<th>Ohrid</th>
<th>Ohrid-Resen</th>
<th>Gostivar</th>
<th>Tetovo</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes – only financial influence</td>
<td>2</td>
<td>9</td>
<td>3</td>
<td>10</td>
<td>3</td>
<td>27</td>
</tr>
<tr>
<td>Yes – financial influence and less confidence among some clients</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>No</td>
<td>2</td>
<td>2</td>
<td></td>
<td>1</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Others</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td>3</td>
<td>3</td>
</tr>
</tbody>
</table>

If applicable, how much of the production or the trade goes to export?

Table 5

<table>
<thead>
<tr>
<th></th>
<th>Skopje</th>
<th>Ohrid</th>
<th>Ohrid-Resen</th>
<th>Gostivar</th>
<th>Tetovo</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>100 %</td>
<td>50 %</td>
<td>70 %</td>
<td>95 %</td>
<td></td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>60 %</td>
<td></td>
<td>70 %</td>
<td>100 %</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No</td>
<td>4</td>
<td>9</td>
<td>2</td>
<td>7</td>
<td>5</td>
<td>27</td>
</tr>
</tbody>
</table>

What is the annual growth on the productivity from the moment of start-up?

Most of the respondents mentioned growth, one enterprise said the rate of productivity was constant, while one reported decline. On the rate of growth, the answers varied from 3 to 225 per cent, with most of the answers remaining between 10 to 70 per cent.

A space was offered finally for respondents to assert specific comments on the purpose of the questionnaire.

Some individual answers representative of the total are proposed and synthesised here. The respondents focused primarily at the accessibility of credit at “reasonable” cost for the development of their establishment. Basic skill development needs to assist SMEs in their familiarization with the market economy came as a strong second, in terms of acquiring greater exposure to international practices and accessing technical support for marketing, management skills or computer skills.

‘The credits offered at the moment have an unfavourable (too high) interest rate.’

‘Interested in the possibility of credits for this kind of enterprises, as this enterprise is considering a project for a new industrial object, however lacking the means necessary.’

‘Would be useful for this kind of firm to get together in some kind of a seminar to share their experience.’

‘Communication through working together can help inter-ethnic communication in general.’

‘Our needs [are mainly related to] favourable credits for technological modernization and training of experts.’
'It is important to point out that mixed ethnic composition contributes significantly to increases in sale, a greater investment capital, etc.'

'Our goal is to] invest capital in enterprise for the purpose of modernization of objects and information and other technical support.'

'Our enterprise could benefit from participation in a seminar on international managing standards, supply of business literature, computer equipment and additional help that would be useful for operations.'
4. **Inter-community crises and the SME sector:**
The case of inter-ethnic stakeholder SMEs

An analysis of the survey outputs is provided below on the relationship between SME operation and inter-community tensions, as illustrated by the 2001 crisis in the FYROM, a question that continues to threaten the economy and the society of the country within the still unstable context of the Southern Balkans.

4.1. **SMEs as social actors**

This investigation has been generated from a firm belief, shared between the members of the project team, that successful SMEs in which business partners are from different ethnic groups, can make a signal contribution to economic progress and social harmony in the FYROM (as well as, for that matter, in other comparable contexts of ethnic problematics), by demonstrating that stakeholders in successful enterprises become *ipso facto* stakeholders in a society at peace with itself. Such an assertion belongs, in the first place, to the domain of symbols and representations. The literature on ethnic conflict has stressed, to a large extent, the importance of collective symbols and representations in the escalation of inter-community violence. Multi-ethnic stakeholder enterprises represent a vivid symbol, integrated within the social fabric of communities and territories, of the possibility and benefits of inter-ethnic collaboration and solidarity.

The outputs of the survey shed new light and provide concrete grounding to the issue of the social impact of SMEs, and more precisely on the impact on inter-community relations of successful inter-ethnic stakeholder establishments. At the stakeholder level, they represent a concrete platform for inter-community dialogue and solidarity by promoting common activity and shared opportunities between business partners. As mentioned throughout the questionnaires, and to quote but one respondent, ‘*working together can help inter-ethnic communication in general*’. Furthermore, enterprises run by stakeholders from different ethnic groups appear more likely to employ workers from more than one ethnicity, further enhancing cooperation through working together. And finally, it has been reported that multi-stakeholder enterprises succeed in bringing together customers from different ethnic groups. This is particularly true for the case of retail services, bars and restaurants. These services constitute, furthermore, a key space for dialogue within communities to take place.

On the other hand, and as indicated by Table 2, most of the partners in the enterprises have met through common civil society institutions, from previous work together, or from living in the same neighbourhood or town. This suggests that while doing business together can have an impact on strengthening inter-community cohesion and cooperation, common schools and other social platforms (clubs and associations, or simply bars and other commercial services) play a crucial role for the formation and operation of inter-ethnic enterprises.
4.2. The economic resilience of inter-ethnic stakeholder enterprises

Another key output of the investigation, which runs counter to preconceived ideas, appears to be the resilience of inter-ethnic enterprises in the face of inter-community rising tensions. The geographic scope of the sample covers regions with overlapping ethnic maps. The sample is also representative of regions with a visible presence of the ethnic Albanian community, which in the light of the crisis in 2001 and the tensions that pit ethnic Albanians against the larger society, is particularly pertinent to assessing the linkage between community tension and SME operation. Ethnic stakeholders within these enterprises correspond, to a very large extent, to the ethnic map of their regions.

Enterprise operations are adversely affected by social unrest, and particularly in the case of ethnic tensions that have demonstrated their potential destructive impact in the Balkans. Investment environment uncertainty and dropping consumer confidence in these contexts affect enterprise operation negatively. It would be expected that inter-ethnic stakeholder enterprises would suffer from such a context even more acutely, as they may be the object of formal or implicit boycotts, or even aggression. The conclusions the survey lead to are quite in contrast with these expectations: inter-ethnic stakeholderness has proven more of an asset than a vulnerability in the face of the 2001 inter-community crisis. Indeed, asked in a straightforward manner whether ‘the inter-ethnic character of the enterprise affected its operations in any way’, 33 respondents out of 36 (see Table 3) answered that the inter-ethnic nature of their establishment has had a positive influence among business partners and clients, therefore compensating the adverse effects of the security crisis on business operation and performance (as confirmed by Table 4). This beneficial effect was particularly evident with the enterprises operating in the services sector, such as in the restaurant and tourism industry. In the context of the 2001 crisis in Macedonia therefore, inter-ethnic stakeholder SMEs have proven more resilient to inter-community tensions, than other “mono-ethnic” establishments of comparable size and sector.

4.3. Policy implications

Social and political stability and a sustainable economic development are mutually reinforcing preconditions for each other. By analysing inter-community tensions, and their potential impact on the economic climate, this study finds that SME development, and particularly, multi-ethnic stakeholder SMEs, are an instrument in promoting social sustainability and community reconciliation. This type of SMEs has proven economically more resilient to inter-community tensions; they promote inter-community dialogue by their own operation and represent by their own existence and success a vivid demonstration of the merits of dialogue and solidarity over exclusionary tendencies.

SME development as an economic policy objective for the FYROM should therefore be considered as striking two goals with one stone, allowing to promote key economic objectives against a backdrop of incomplete transition, massive poverty and unemployment, while promoting dialogue and reconciliation between the numerous ethnic communities (chiefly between ethnic Albanians and ethnic Macedonians) composing its population, which in turn is a key element in the sustainability of economic policies in the volatile security context of the Southern Balkans.

Promoting inter-ethnic stakeholder SMEs in the FYROM can best be done by promoting the SME sector at large. The following section builds on the SME profiling of Section 2 at the light of desk research, to outline the key elements of a policy support to the SME sector in the FYROM, aiming at promoting the social and economic potentials of SMEs in the contexts of inter-community tensions and of transition to the market economy.
5. Supporting the SMEs sector in the FYROM: Generic problematics and contextualized priority areas

Economic literature and international development agendas have unanimously recognized the development of the SME sector as a condition for sustainable economic development, and a ‘backbone and driving force for a sustainable economy’,\(^{103}\) in the developed as well as in the developing world. Private sector development, and particularly the strengthening of the SME sector, now appears prominently in international and national development strategies as a means to: promote full employment; improve access to income earning opportunities; increase economic participation of disadvantaged and marginalized groups; balance regional and local development; provide suitable goods and services to local markets; improve job quality, working conditions and access to social protection.\(^{104}\)

The analysis below builds on an action-oriented interpretation of the field research to draw broad conclusions as far as the key constraints to be addressed for the development of the sector.\(^{105}\) Main directions of an SME policy are proposed, building on the considerable experience acquired internationally for an upstream effort at consolidating and developing the sector. Such a discussion is relevant to the promotion of employment-intensive and sustainable growth for any country in the developed, transition or developing worlds. In the FYROM, the relevance of such discussion is compounded by the double context of transition to the market economy (with the development of the private sector and tackling of the social impacts of the transition) and the continuing inter-community instability.

Following an overview of the SME sector in the FYROM, policy recommendations are proposed on the general policy and regulatory framework, the access to credit, local-level initiatives and the issue of the dissemination of entrepreneurial skills and culture.

5.1. The development of the SME sector in the FYROM in the context of the transition to the market economy

5.1.1. A flourishing private sector

The privatization process in the Republic of Macedonia started in the early 1990s with the Law on Social Capital (June 1993), under which 450 (mostly large) establishments underwent owner-restructuring. In parallel to this voluntarist approach, the transition has been marked by the development of private enterprise initiatives, with a dramatic development of the SME sector.

As a result, in 2001 the number of active companies in Macedonia was 34,716, employing 292,526 people. 98.3 per cent of these companies were small companies (10 to 49 employees), employing 40.8 per cent of the total workforce, and 1.4 per cent were

---


\(^{105}\) This analysis, conducted in 2004/2005 builds here on a profile of the SME sector as emerging from the survey conducted in 2001. This limitation, linked to the history of this particular study, was mitigated by a recent desk research that allowed to focus on the pertinent and up-to-date challenges of the sector in 2005.
medium-sized companies employing 24.8 per cent of the workforce. Only 0.3 per cent of the active companies were large (over 250 employees), but still employed 34.3 per cent of the total workforce. The largely nascent feature of the SME sector in the country also transpires in the sample considered in our survey, whereby 33 out of 36 enterprises were founded in the 1990s.

The SME sector accounts for 43 per cent of the national revenue. SMEs are concentrated principally in the trade sector (52 per cent), followed by the mechanized industry sector (13 per cent), 6 per cent are involved in craft production and 4 per cent in the tourism industry. The SME sector in the country is characterized by low risk and low capital-intensive operations. To the eyes of several commentators, this rapid development of the sector has yet to be consolidated, as a large number of businesses are barely surviving and bankruptcy rates remain high as compared to European standards.

5.1.2. Structural challenges

The macro-economic context in the FYROM is marked, to date, by limitations and constraints typical of transition economies. Two features are discussed below as pertinent to SME sector development.

Firstly, the establishment of a market-oriented system of governance is still a challenge. While the body of laws is now largely in place, the negative effects of an inadequately and poorly implemented legal and regulatory framework still impair the development of formal private sector activity, and has engendered a rise in the informal sector. Such a rapid and large growth of the private sector calls for a solid legal, regulatory and policy framework, that is implemented and enforced transparently. Furthermore, policies are often designed without a clear strategy of implementation, with a lack of transparency and with insufficient coordination between various governmental agencies, a state of affairs that communicates unclear or contradicting signals to the SME sector.

The financial infrastructure in Macedonia, as in other transition economies, is another element hindering the development and consolidation of the SME sector. The majority of banks still experience difficulties in guiding savings toward investment in the private sector, and especially towards small businesses, resulting in high costs for productive loans. The extension of credits to small businesses has also been hampered by the fact that newly-created or privatized banks often face liquidity constraints, resulting from insufficient equity capital provision, inherited liabilities from the central planning era and/or from massive repayment delays. In addition, banks have typically followed conservative strategies with respect to the financing of private enterprises (see Section 4.3 of this study). As far as non-intermediated access to capital, other limitations do exist. The stock exchange in Macedonia is a recent institution founded in 1995. There are reported problems in non-disclosure of all relevant data and unreliability of financial reports. The problem of financial report accuracy is a direct result of the low level of institutional infrastructure, disregard of international accounting standards and non-existence of rating agencies. Such a situation obviously hampers attractiveness of the country to foreign investments.

---

108 ibid
109 ibid
5.1.3. The policy framework for the support of the SME sector

In the context of the growing importance of SMEs in the economy, several strategic orientation and policy documents have been prepared and adopted by the Government to support and improve the environment of the SME sector, including: the Strategy for Development of SME, the Law on Realisation of Handicraft activities, the National Policy for Development of Technology, and the Program for Measures and Activities for Support of Entrepreneurship and Creation of Competitiveness of SMEs in the Republic of Macedonia.\(^{111}\)

As far as the institutional environment, the National Council for Competitiveness and Entrepreneurship was established in 2003 to assist and provide guidance to the Government to improve the environment for entrepreneurship, specifically by working through public-private partnerships. In July 2003, the ProBiznis Bank was established to provide financial services to micro and small entrepreneurs. A law on the Macedonian Guarantee Fund and a law on an Agency for Entrepreneurship are currently under preparation along this same effort of improving the institutional infrastructure for the SME sector.

The FYROM has also actively pursued collaboration with key international stakeholders in its private sector development policy, in particular with the European Bank for Reconstruction and Development (EBRD). The EBRD has considerably intensified its support programme to the FYROM in the biennial strategy of mid-2002 through mid-2004 with nine new loan commitments agreed for a total of 126 million EUR, representing a 62 per cent increase of the total cumulative business volume to date. It is particularly encouraging that three projects were signed with foreign sponsors, a tentative sign of renewed investors’ confidence after the 2001 conflict. The EBRD has supported the access to credit segments by establishing a micro-finance bank which has already provided finance for over 3,700 SMEs, and regional integration efforts through infrastructure development (e.g. roads and regional electricity interconnection).\(^{112}\)

The Republic of Macedonia has demonstrated progress in accepting and implementing the provisions from the European Charter for Small and Medium Enterprises in the Western Balkans but further simplification and improved information on the registration process, better information on regulations and standards to be respected by small companies, a new programme on enhancing business skills and introduction of a national guarantee fund are also expected, as stated in the report on the implementation of the European Charter for Small Enterprises. These will be quite welcome instruments.\(^{113}\)

---

5.2. Addressing constraints for SME development

Despite such efforts, further implementation and following through of reforms is necessary in terms of creating a conducive environment for SME development by lifting main constraints to their creation and operation. The sector is still faced with consolidation and further development constraints, that would need to be addressed by public authorities, in collaboration with key stakeholders.

It is possible to distinguish main constraints to the SME sector by stages of operation. Input constraints include the insufficient supply of skilled workers, access to information and technology which limit innovation and competitiveness, the quality of raw materials (since they are usually exported or are available only to larger firms), and inadequate infrastructure and services such as transportation, energy, urban planning and production. Output constraints refer to the nature of domestic markets, a limited access to public contracts and subcontracts, inefficient distribution channels and their control by large firms, the external competition of international markets and SMEs’ limited international marketing experience, poor quality control and product standardization, limited access to transnational business partnerships and constraints in consulting services (ranging from the lack of adequate technical support services in certain areas or sectors, their high unit cost, the lack of cost-effective management solutions for the scale of SMEs and scarce awareness of the existing services). Considering the regional political and security disorders, entrepreneurs are faced with the loss of the main export market in Former Yugoslavia, the loss of confidence of external business partners and the closing of transit routes. Finally, respondents point at a general restrictiveness of regulatory, management and institutional frameworks. Regulations such as tariff and non-tariff barriers favour larger firms, labour codes do not integrate the specificities of SME operations, start-up costs of business are often discouraging (including licensing and registration requirements) and the antitrust legislation is weak.

In consideration of such constraints, which are and have been experienced by the SME sector in several other countries, support strategies and experiences to the SME sector have been elaborated and studied by international organizations to focus on key bottlenecks at the micro and macro-economic levels. At the micro-economic level, support strategies include promoting technology dissemination, business skills training and the improvement of businesses development services. Potential macro-economic avenues to support entrepreneurship and SME development include improvement in legal regulations, simplification of administrative procedures, improvement of financial services for SMEs, and integrating SMEs into regional and global markets. SMEs’ capacity to defend their collective interests and their effective participation in civil society also need to be strengthened. A consideration of key avenues to support the sector is provided below.

5.3. Access to credit for the SME sector

The problem of appropriate access to financing appeared in the questionnaires as the first priority for SMEs. The start-up capital of each of the businesses came almost exclusively from private savings (cf Table 1), and the stakeholders interviewed indicated in their individual comments the inadequacy of the financial services received from the banking system, starting from inadequate interest rates. It has been noted, furthermore, that banks have adopted quite strict, sometimes excessively rigid, loan policies and when

requests for corporate loans are granted approval, the process appears to be time-consuming and procedurally burdensome. For example, only one budget line is approved per request, meaning that an entrepreneur has to submit two separate requests for the purchasing of equipment and for an upgrading of his infrastructure for the same project.\footnote{ECPD-RIRS Analysis of micro financing in the Republic of Macedonia.}

Such a context, besides representing a considerable hurdle to entrepreneurship and SME creation, also constrains the development and consolidation of the establishments. Inadequate infrastructure and equipment was also a prevalent feature of SMEs as surfaced in the surveys (individual comments). Besides banking services, the SME sector also suffers from its limited access to both international and local capital markets, because of the relatively higher costs for smaller projects, misperceptions in terms of financial risks and information barriers. Access to credit is also critical to allow enterprises to overcome short-term financial difficulties, for example in the face of a security crisis or a sudden regional shock.

It should be noted, against this background, that while financial services for SMEs (as for other economic actors of the economy) should be offered under normal circumstances by the market, some assistance to the financial sector by the public authorities may be considered in the face of “special circumstances”, such as in the first stages of the transition to the market economy. In these stages, the lack of effective demand and high transaction costs prevent the optimal provision of financial services by the market. In such cases, direct support should be limited in scope, transparent in its application, targeted to an identified need, and gradually decreasing over time.\footnote{‘Impact assessment/evaluation paper on ILO technical cooperation: Projects and programmes on the development of micro-enterprises, including cooperatives’ ILO Committee on Technical Cooperation, Geneva March, 1998 \url{http://www.ilo/public/english/standards/relm/gb/docs/gb271/tc-3.htm}.} A strong support from the central bank and financial authorities of the country would also be needed to allow the commercial banking system to cushion the impact of sudden internal or regional security crises.

In particular, such assistance may include a provision of services in cases of market failures, not on full-grant bases but rather on a cost-sharing basis, such as partial grants, contingent recovery or favourable loan tenor for the access to business services.\footnote{Ibid.} Micro-credit schemes or specific criteria for lending within the commercial banking system can be promoted to give priority to micro-enterprises in marginal areas and to improve the access to credit of micro-enterprises and low-income women.\footnote{Ibid.} These criteria could even be expanded to include a special priority to enterprises with inter-ethnic stakeholders, in consideration of their specific positive social impact at the local level. Taking into account the higher unit costs of providing services to smaller firms (due to large fixed costs and the absence of economies of scale), financial institutions should also be assisted and incited for them to offer more flexible conditions in terms of repayments, guarantees and interest rates through regulatory and positive fiscal measures.\footnote{Ibid.} Finally, financial institutions and public authorities may consider to invest in the re-training of bank personnel (in particular, investment banking).
5.4. Support to local initiatives

SMEs are the key players in the local economy, but as stressed in this study, they are also key social actors, and inter-ethnic establishments participate in bringing together ethnic groups within their communities.

SME business environments vary greatly across regions and central policies may prove too rigid or too broad to assess some of the challenges of the sector. As a part of governmental decentralization efforts, functional linkages with all civil society stakeholders and private sector participation through the establishment of public-private partnerships should be supported. The relevance of a sound participatory development framework at the local level is compounded by the imperative of building inter-community cohesion and dialogue to ensure a development process that is inclusive, regionally balanced, gender-sensitive and responsive to community priorities. Obviously, a special emphasis on strengthening the SME sector within this framework would be advisable. The focus should be in particular on strengthening the institutional capacity of the national and decentralized public sector to support effective and efficient decentralization, as well as to set up the necessary institutional/regulatory structures for the inclusion of private and civil society representatives at the local level, with an effort at supporting the capacity of these organizations and associations to become effective partners in local development discussions.

More particularly, the SME department under the Ministry of Economy would need to be strengthened to act as an intermediary between policy level and implementing level nationally. Strengthening decentralized public authorities is crucial, to improve linkages between governments and the private sector, encourage knowledge sharing and to develop knowledge and recommendations on SME development locally. Building and strengthening alliances and networks among grass-roots organizations and social partners representing SME sector entrepreneurs at the national and regional level should also be considered. Alliances of micro- and small entrepreneurs at the national and regional level, enhancing their capacity to negotiate with policy-makers, should be promoted. As far as informal-sector SMEs, the institutionalization of temporary programmes to develop networking among informal sector producers and workers, and with governmental and non-governmental institutions concerned with the informal sector is an option to be examined. The primary functions of such networks are coordination, the exchange and dissemination of information, the consolidation of experience and the harmonization of concepts, strategies and methodologies. The enterprises interviewed offered broad support to initiatives that could formulate networks of enterprises, and disseminate knowledge locally. This discussion on decentralized and participatory development is also intimately linked with the above question of the access to credit. It appears crucial that support is offered for the development of a network of territorial investment banks to support the SME sector.
5.5. Supporting business education and an entrepreneurial culture

Enterprise initiative is as much an economic as a social-cultural fact. Entrepreneurship, and ultimately the strength of the SME sector, rest upon a society where personal initiative and wealth creation are valued positively in the public opinion, where wealth and income are perceived as stemming from the capacity to individually generate wealth, to master its future, and to seize opportunities.

While public advocacy campaigns may contribute to promoting entrepreneurship in the social value-system, enterprise initiative will be most crucially influenced in the medium to long term by the adopted curricula and methods of teaching in the education system at all levels. In a formerly State-run economy and society such as that of Macedonia, it is important that education and human resource management policies foster an innovative and entrepreneurial culture through specific modules offered in the schools, continuous training and lifelong learning.

Skills development and knowledge sharing needs as suited to the SME sector appear prominently in the survey. Major needs expressed are management and administration with a view to a modernization of those segments, Information Technology and Communication skills for technology improvements and marketing/product development skills.

Many such needs may be met by the market, but specific public efforts would also prove fruitful. Specialized, public higher education schools do have a great role to play, in many occurrences. The key point is an adequate matching of skills supply and labour market demand, with a sensitivity to both local and national dimensions, as well as to the rapidly evolving trends of the transition process. The market is responsive only to some extent to these trends, and experiences from other transition countries have shown how the private sector has tended to a short-sighted focus only on a limited number of most glaring skill gaps, ultimately leading in the medium term to an excess of skill supply in certain specific areas at the detriment of others. Some degree of intermediation may therefore be advisable, through the establishment of institutionalized tripartite dialogue (involving representatives of employers, workers and public authorities in the education field). The consideration of international experiences in skills development for the transition process, as well as associative initiatives to organize knowledge sharing, or national and regional seminars and workshops, may also prove beneficial and need to be supported.

120 The Bologna Charter on SME policies (adopted 15 June, 2002), www.coherentabologna.ipi.it/Eng/dopo_la_conferenza.
Conclusion

Considering the actual and potential importance of the sector for growth and employment and considering the contribution of SMEs, and multi-stakeholder SMEs, to sustainable community dialogue in the country, SME development should figure prominently in the development agenda of the country. Such an objective involves not only a specific “SME policy”, but also mainstreaming support to the sector within economic policies.

The remaining obstacles to SME development that can be addressed by government policy include the lack of relevant institutions and infrastructure, a lack of experience and expertise needed to successfully operate in a competitive market economy and policy inconsistencies and incoherence as far as their impact on the SME sector. Promotion of practices of proper governance, greater accountability in public administration and transparent rule of law are necessary preconditions. Moreover, the creation of a legal and regulatory environment conducive to entrepreneurship and to the development of SMEs including an equitable, transparent, stable and non-discriminatory taxation system and assistance in gaining access to technical, trade and financial infrastructures is another necessary feature. The government should also provide technical assistance services on legal, tax and licensing requirements as well as access to information on market data and trade and investment opportunity, while pursuing a fair and transparent competition policy and implementing effective anti-corruption measures.

Annexes

1. Bibliography

The Bologna Charter on SME policies (adopted 15 June, 2002), www.coferentabologna.ipi.it/Eng/dopo_la_conferenza


‘FYR Macedonia Strategy Overview’

http://ebrd.com/about/strategy/country/mace/comment.pdf


Reinecke, Gerhard and Simon White, Simon: *Policies for small enterprises. Creating the right environment for good jobs*, (Geneva, ILO, 2004),


<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Real GDP</td>
<td>-0.5 a</td>
<td>0.1</td>
<td>3.0</td>
<td>4.0</td>
</tr>
<tr>
<td>Consumer prices</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Real wages, period average</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unemployment rate (average)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>General government balance (including grants)</td>
<td>-1.7</td>
<td>0.0</td>
<td>2.5</td>
</tr>
<tr>
<td>General government balance (excluding grants)</td>
<td>-1.7</td>
<td>0.0</td>
<td>2.5</td>
</tr>
<tr>
<td>Total expenditures</td>
<td>35.0</td>
<td>35.4</td>
<td>34.2</td>
</tr>
<tr>
<td>Policy measures (to be identified)</td>
<td>...</td>
<td>...</td>
<td>-1.7</td>
</tr>
<tr>
<td>Central government balance</td>
<td>-0.8</td>
<td>0.8</td>
<td>2.7</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross</td>
<td>52.0</td>
<td>57.4</td>
<td>53.2</td>
</tr>
<tr>
<td>Net</td>
<td>52.0</td>
<td>53.8</td>
<td>46.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Broad money (M3)</td>
<td>14.9</td>
<td>29.7</td>
<td>25.6</td>
</tr>
<tr>
<td>Total credit to private sector</td>
<td>10.4</td>
<td>9.4</td>
<td>17.2</td>
</tr>
<tr>
<td>Short-term lending rate (per cent)</td>
<td>20.5</td>
<td>20.0</td>
<td>19.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Exports</td>
<td>1,292</td>
<td>1,190</td>
<td>1,321</td>
</tr>
<tr>
<td>Imports</td>
<td>1,807</td>
<td>1,686</td>
<td>2,011</td>
</tr>
<tr>
<td>Trade balance</td>
<td>-515</td>
<td>-496</td>
<td>-690</td>
</tr>
<tr>
<td>Current account balance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>excluding grants</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(in percentage of GDP)</td>
<td>-8.6</td>
<td>-2.9</td>
<td>-5.8</td>
</tr>
<tr>
<td>Including grants</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(in percentage of GDP)</td>
<td>-269</td>
<td>-32</td>
<td>-75</td>
</tr>
<tr>
<td>Overall balance</td>
<td>43</td>
<td>148</td>
<td>208</td>
</tr>
</tbody>
</table>

### Main features of the multi-stakeholder SME sample

1. Number of respondents as distributed by sub-region.

<table>
<thead>
<tr>
<th>Skopje</th>
<th>Ohrid</th>
<th>Ohrid-Resen</th>
<th>Gostivar</th>
<th>Tetovo</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>12</td>
<td>3</td>
<td>10</td>
<td>7</td>
<td>36</td>
</tr>
</tbody>
</table>

2. Number of employees.

<table>
<thead>
<tr>
<th>Skopje</th>
<th>Ohrid</th>
<th>Ohrid-Resen</th>
<th>Gostivar</th>
<th>Tetovo</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5-10</td>
<td>10-50</td>
<td>50-100</td>
<td>100-250</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>1</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>3</td>
<td>1</td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>14</td>
<td>7</td>
<td>7</td>
<td>4</td>
<td>3</td>
</tr>
</tbody>
</table>

3. Foundation year.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Skopje</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ohrid</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ohrid-Resen</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Gostivar</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Tetovo</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>
4. Ethnic profile of the enterprise (i.e. to which ethnic groups do the entrepreneurs belong).

<table>
<thead>
<tr>
<th>Ethnicity</th>
<th>Skopje</th>
<th>Ohrid</th>
<th>Ohrid-Resen</th>
<th>Gostivar</th>
<th>Tetovo</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mac./Serb</td>
<td>1</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>Mac./Alb.</td>
<td>1</td>
<td>4</td>
<td>5</td>
<td>4</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>Mac./Alb./Serb</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Mac./Bosniac/Serb</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Mac./Montenegro</td>
<td></td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mac./German</td>
<td></td>
<td>1</td>
<td></td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Mac./Alb./Vlach</td>
<td></td>
<td>1</td>
<td></td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Mac./Turk</td>
<td>1</td>
<td>2</td>
<td></td>
<td></td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Mac./Vlach</td>
<td></td>
<td>1</td>
<td></td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Mac./Rom.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Alb./Turk</td>
<td></td>
<td></td>
<td></td>
<td>5</td>
<td>3</td>
<td>8</td>
</tr>
</tbody>
</table>

5. Nominal value of start-up capital of enterprise.

<table>
<thead>
<tr>
<th>Euro</th>
<th>Skopje</th>
<th>Ohrid</th>
<th>Ohrid-Resen</th>
<th>Gostivar</th>
<th>Tetovo</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,500-5,500</td>
<td>3</td>
<td>8</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>16</td>
</tr>
<tr>
<td>6,000-10,000</td>
<td>1</td>
<td></td>
<td>1</td>
<td></td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>20,000-50,000</td>
<td>1</td>
<td></td>
<td>4</td>
<td>2</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>60,000-80,000</td>
<td>1</td>
<td>1</td>
<td></td>
<td>1</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>100,000-500,000</td>
<td></td>
<td>1</td>
<td></td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>900,000-3,000,000</td>
<td>1</td>
<td>1</td>
<td>4</td>
<td></td>
<td>6</td>
<td></td>
</tr>
</tbody>
</table>

6. Annual gross turnover.

<table>
<thead>
<tr>
<th>Euro</th>
<th>Skopje</th>
<th>Ohrid</th>
<th>Ohrid-Resen</th>
<th>Gostivar</th>
<th>Tetovo</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,500-10,000</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>15,000-50,000</td>
<td>6</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>50,000-90,000</td>
<td>1</td>
<td></td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>90,000-500,000</td>
<td>3</td>
<td>3</td>
<td>1</td>
<td>3</td>
<td>3</td>
<td>13</td>
</tr>
<tr>
<td>500,000-2,000,000</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>7</td>
<td></td>
</tr>
</tbody>
</table>
4. Survey questionnaire

1. Name of the company.
2. Names of stakeholders.
3. Address.
4. Number of employees.
5. Foundation year.
6. Ethnic profile of enterprise- to which groups do the entrepreneurs belong.
7. Nominal value of the start-up capital of enterprise, type of production or service (the sector of economy).
8. Source of the initial financing: private savings or loan, or bank credit.
9. Were the bank credits for the purpose of expansion of micro financing, and were they given under favourable conditions (level of interest rates and period of repayment)?
10. In what circumstances did you meet your business partners from different ethnic groups (cultural, youth, sport or other clubs, activities and other), and how did you decide to start a business together?
11. Has the mixed ethnic character affected the operations? And if yes, explain how.
12. Have the social tensions experienced over the past eighteen months adversely affected the operations or the performance of the enterprise? If yes, please explain.
13. Is your production aimed towards export, and if yes, to what extent?
What is the annual growth on the productivity or from the moment of start-up?
15. We invite you to give your comment on the purpose and methods of our investigation project, and to participate with your suggestion and opinion on how to improve it.
Le rôle du secteur privé de l’extraction pétrolière dans la reconstruction socio-économique en Angola

Centre de Recherche Entreprises et Sociétés (CRES)

Août 2005
Table des matières

Table des matières .................................................................................................................. 140
Liste des acronymes .............................................................................................................. 142
1. Introduction ......................................................................................................................... 144
2. Le contexte .......................................................................................................................... 145
   2.1. Le paradoxe angolais ................................................................................................. 145
   2.2. Le paysage socio-politique ....................................................................................... 146
3. Industrie pétrolière et développement : La question du « local content » ................. 152
   3.1. Industrie pétrolière et emploi en Angola ................................................................. 152
   3.2. La question du « local content » ............................................................................. 153
   3.3. Sortir du cercle vicieux : vieux serpents de mer et nouveaux contextes .......... 155
4. Recommandations : Donner un sens au « local content » ............................................. 156
Annexes .................................................................................................................................. 157
### Liste des acronymes

<table>
<thead>
<tr>
<th>Acronyme</th>
<th>Signification</th>
</tr>
</thead>
<tbody>
<tr>
<td>AIA</td>
<td>Association industrielle d’Angola</td>
</tr>
<tr>
<td>BIT</td>
<td>Bureau international du travail</td>
</tr>
<tr>
<td>CCIA</td>
<td>Chambre de commerce et d’industrie d’Angola</td>
</tr>
<tr>
<td>CPPA</td>
<td>Corps de police populaire d’Angola</td>
</tr>
<tr>
<td>FAA</td>
<td>Forces armées angolaises</td>
</tr>
<tr>
<td>FAO</td>
<td>Food and Agriculture Organization</td>
</tr>
<tr>
<td>FLEC</td>
<td>Front de libération de l’enclave de Cabinda</td>
</tr>
<tr>
<td>IFP</td>
<td>Institut français du pétrole</td>
</tr>
<tr>
<td>MPLA</td>
<td>Mouvement populaire pour la libération de l’Angola</td>
</tr>
<tr>
<td>OCDE</td>
<td>Organisation de coopération et de développement économiques</td>
</tr>
<tr>
<td>ONG</td>
<td>Organisation non-gouvernementale</td>
</tr>
<tr>
<td>PIB</td>
<td>Produit intérieur brut</td>
</tr>
<tr>
<td>PMA</td>
<td>Pays les moins avancés</td>
</tr>
<tr>
<td>PME</td>
<td>Petite et moyenne entreprise</td>
</tr>
<tr>
<td>PNB</td>
<td>Produit national brut</td>
</tr>
<tr>
<td>SINPROF</td>
<td>Syndicat national des professeurs</td>
</tr>
<tr>
<td>SJA</td>
<td>Syndicat des journalistes angolais</td>
</tr>
<tr>
<td>UNITA</td>
<td>Union nationale pour l’indépendance totale de l’Angola</td>
</tr>
<tr>
<td>UNTA</td>
<td>Union nationale des travailleurs angolais</td>
</tr>
</tbody>
</table>
1. Introduction

En octobre 2003, le programme focal de réponse aux crises et de la reconstruction du Bureau international du travail (BIT) (IFP/CRISIS) et l’Institut universitaire de hautes études internationales de Genève (IUHEI) ont lancé un programme de recherche intitulé « Renforcer l’emploi et les dimensions socio-économiques relatives en réponse aux situations de conflit et de catastrophe naturelle ».

Un des axes de recherche prioritaires développés au sein de ce projet concerne le rôle du secteur privé dans la reconstruction et la réconciliation de sociétés affectées par des conflits armés ou des catastrophes naturelles. Les coordinateurs du projet ont, dans ce contexte, confié au CRES la tâche de traiter le cas de l’Angola. En effet, travaillant depuis plus de dix ans sur ce pays, le CRES a accumulé une connaissance approfondie sur la situation politique et socio-économique de l’Angola.

Avant la guerre, l’Angola était exportateur de produits agricoles et l’un des pays les plus industrialisés de l’Afrique subsaharienne. Une décolonisation bâclée, suivie par trente années de conflit civil, ont conduit le pays à la ruine, avec son cortège habituel de victimes, de populations déplacées et d’infrastructures détruites. Seule l’industrie pétrolière, grâce à sa localisation offshore, a été en mesure de se développer. Deux ans après la signature des accords de paix c’est encore le secteur pétrolier qui assure la quasi-totalité des recettes extérieures du pays.

L’un des problèmes majeurs que connaît l’Angola depuis la fin des affrontements revient à comment assurer le recyclage de la rente pétrolière vers les secteurs productifs de la société tout en favorisant la création d’emplois, le développement des Petites et moyennes entreprises (PMEs) et l’investissement étranger.
2. Le contexte

2.1. Le paradoxe angolais

La plupart des observateurs font le même le constat : l’Angola est potentiellement l’un des pays le plus riches d’Afrique. Couvrant une superficie de 1 247 000 Km², le pays est en majeure partie situé sur un plateau d’une altitude moyenne d’environ 1 200 mètres. Outre les réserves pétrolières substantielles, ce pays possède de nombreuses autres ressources, telles que le diamant, la pêche, le bois, l’hydroélectricité. Doté d’une grande variété climatique, l’Angola est un pays extrêmement fertile. Avant la guerre, il était même exportateur net de produits agricoles. Son économie était relativement diversifiée et si l’on tient compte des critères africains, le niveau des infrastructures était plus qu’acceptable : aéroports, quelques voies ferrées et 70 000 kilomètres de routes, dont 15 000 goudronnés.

En 1975, une décolonisation bâclée provoquant le départ subit de plus de 300 000 citoyens portugais et le déclenchement d’une longue guerre civile conduit le pays à la ruine. La facture est lourde : quatre millions de personnes, soit le quart de la population, ont été déplacés, les infrastructures sont en grande partie détruites et le coût du déminage atteint un montant de 3 à 4 milliards USD. Près de 65 pour cent de la population n’a pas accès à une eau propre et 70 pour cent de la population vit avec moins de 1 USD par jour. La moitié des enfants (7 à 8 millions) souffrent de malnutrition, tandis que la mortalité infantile est de 150 pour mille.

La guerre à pris fin en 2002. Si la progression des indicateurs macro-économiques est réelle, elle ne saurait faire illusion. Avec une production d’un million de baril/jour, le pétrole continue à représenter de 80 à 90 pour cent des exportations et des recettes gouvernementales.

L’économie angolaise est profondément déséquilibrée en faveur du secteur pétrolier. L’agriculture et le secteur des hydrocarbures représentent 8 et 54 pour cent du Produit intérieur brut (PIB), mais n’emploient que 25 et 5 pour cent de la population respectivement, alors que 60 pour cent de la population active est au chômage, vivant pour une grande partie de l’aide internationale ou d’activités « informelles ». Le poids de l’industrie pétrolière, dont les capitaux sont exclusivement d’origine étrangère, se trouve également dans la différence entre le Produit national brut (PNB) par habitant (460 USD) et le PIB par habitant (950 USD). En parité de pouvoir d’achat (18 milliards USD), le pays dispose de près de 1 300 USD par personne, ce qui ne classe plus l’Angola parmi les PMA. A Koestler écrivait que les « statistiques ne saignent pas ».

Dans ce contexte, il est évident que la croissance du PNB est directement liée à l’augmentation du prix du baril. De fait, l’économie angolaise repose quasi-exclusivement sur cette seule ressource.

En 2004, le montant des échanges aura dépassé 19 milliards USD et l’excédent commercial a atteint 7 milliards USD. Les exportations de l’ordre de 14 milliards USD sont constituées à 90 pour cent de pétrole, le reste étant la vente de diamants expédiés en Israël et en Belgique. 90 pour cent des investissements bénéficient à l’industrie pétrolière et à ses activités annexes. Le décollage des investissements n’a pas eu lieu et l’industrialisation du pays tarde, car trop d’intérêts sont fixés sur les circuits d’importation de biens de consommation et de commodités.
2.2.  Le paysage socio-politique

Dix-sept segments socio-politiques peuvent être identifiés représentant les principaux acteurs politiques dans le pays. Ces segments sont des groupes homogènes sur les plans social, économique, culturel ou ethnique.

Le Président de la République

José Eduardo Santos a succédé à A. Neto en 1979. Avant d’occuper la fonction suprême, il détenait le portefeuille des Affaires Etrangères. Militant de la première heure, il a reçu une formation d’ingénieur pétrolier en ancienne Union Soviétique. D’un tempérament réservé, manœuvrier habile, il a montré qu’il n’était pas seulement un dirigeant d’appareil mais aussi un incontestable leader politique. Ainsi le « charisme » d’un Jonas Savimbi ne l’a pas empêché de remporter les élections de 1992. En Angola, nombreux sont ceux qui déclarent que tout se fait dans le dos du Président. Lui-même, soucieux de conserver une part de mystère à sa fonction, tend aussi à jouer sur ce registre. Pourtant, il reste sans nul doute le pouvoir numéro 1 majeur en Angola. Pour cela, il dispose de prérogatives politiques, juridiques et financières importantes. C’est sur ce dernier point que se situe l’enjeu du conflit qui oppose le gouvernement angolais aux ONG de type Global Witness. Le fait de céder totalement sur ce point, équivaudrait à une baisse sensible de son influence politique. En effet, les atouts politiques et financiers dont il dispose, lui permettent de diviser, d’opposer et d’arbitrer les litiges entre les différents segments de la coalition qui poursuivent leurs intérêts particuliers.

Les Futunguistes

Ce groupe désigne les membres influents de l’Administration présidentielle dont les rouages essentiels sont la Casa Civil, la Casa Militar et le Secrétariat du Conseil des ministres. Leur proximité avec le sommet leur procure une influence souvent supérieure à celle des ministres du gouvernement.
Composition et description des Futunguistes

<table>
<thead>
<tr>
<th>Poste</th>
<th>Responsable du poste en question</th>
<th>Commentaires</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chef de la Casa Civil</td>
<td>Américo Maria de Morais Garcai (rang de Ministre)</td>
<td>Il s'agit d'une fonction sensible traitant notamment des affaires juridiques et administratives. Le précédent titulaire de ce poste, (Carlos Feijô) n'est resté en place qu'une année.</td>
</tr>
<tr>
<td>Chef de la Casa Militar</td>
<td>Manuel Hélder Vieira Dias « Kopelipa » (rang de Ministre)</td>
<td>Le général Kopelipa est également directeur du Bureau de Reconstruction Nationale.</td>
</tr>
<tr>
<td>Secrétaire Général des services d'appui</td>
<td>José Mateus Peixoto</td>
<td></td>
</tr>
<tr>
<td>Chef de Cabinet du président de la République</td>
<td>Manuel Paulo da Cunha Neto</td>
<td></td>
</tr>
<tr>
<td>Conseiller Economique</td>
<td>Archer Mangueira</td>
<td>Le poste a été tenu auparavant par Carlos Feijô</td>
</tr>
<tr>
<td>Conseiller Diplomatique</td>
<td>Carlos Alberto Fonseca</td>
<td></td>
</tr>
<tr>
<td>Conseiller de presse</td>
<td>José Mena Abrantes</td>
<td></td>
</tr>
<tr>
<td>Conseiller spécial pour les affaires politiques</td>
<td>Santa André Pitra « Petroff ».</td>
<td></td>
</tr>
<tr>
<td>Conseiller spécial pour l'intégration Economique et Régionale</td>
<td>Albina Faria de Assis Pereira Africano</td>
<td></td>
</tr>
<tr>
<td>Conseiller pour les anciens combattants</td>
<td>Luis Neto « Kiambata »</td>
<td></td>
</tr>
<tr>
<td>Porte-parole du Président</td>
<td>Aldemiro Vaz</td>
<td></td>
</tr>
</tbody>
</table>

Le Mouvement populaire pour la libération de l’Angola (MPLA)


La Police et les forces d’intervention

Le Corps de police populaire d’Angola (CPPA), qui a donné naissance à l’actuelle Police nationale, a été fondé en 1976. La police nationale forte d’environ 20 000 effectifs, est dirigée par un commandant général détenteur du rang de de vice-ministre de l’intérieur. Mieux entraîné et mieux équipé que l’armée, ce corps est incontestablement l’un des soutiens majeurs du pouvoir actuel.
Le groupe business

Certains cadres du MPLA, tout en maintenant leurs liens avec le MPLA, ont su «jouer l’évolution du système» et profiter directement ou indirectement de la manne pétrolière. Ils sont présents dans l’importation, le transport. On citera des personnalités comme A. de Mosquito ou M. Javier.

Les associations industrielles

La Chambre de commerce et d’industrie d’Angola (CCIA), fondée en 1988 et présidée par António João dos Santos, compte aujourd’hui plus de 500 entreprises et organisations affiliées. Elle a pour objectif de promouvoir l’activité économique et d’établir et développer les relations de coopération avec les entreprises commerciales et industrielles, ainsi que les organisations économiques à caractère non gouvernemental tout en offrant un appui technique et juridique à ses membres. Il existe aussi une Association industrielle d’Angola (AIA) pour la promotion et le développement de l’industrie, présidée par José Ludovico Severino de Vasconcelos. L’ « angolanisation » et le « local content » imposés par la loi, devraient permettre à ces groupes de jouer un rôle plus influent.

La SONANGOL

Fondée en 1976, la compagnie pétrolière angolaise, contrôlée à 100 pour cent par l’Etat, est depuis 1978 le seul concessionnaire du pétrole angolais. Les compagnies et multinationales étrangères doivent former des joint-ventures avec la Sonangol. Grâce à la manne pétrolière, Sonangol est devenue une compagnie de portée et d’influence internationale, possédant plus d’une trentaine de filiales dans des secteurs aussi divers que l’industrie, les transports, les télécommunications ou la banque. Manuel Vicente, le président et directeur de la société est l’un des personnages les plus puissants et influents du pays. Il a su placer ou maintenir des hommes de confiance aux postes-clés : Carlos Saturnino aux Affaires nouvelles, José Lemos aux Finances, Jose Paiva comme directeur de la Sonangol Ltd. (Londres). Il entretient d’étroites relations avec le Ministre du Pétrole, Desiderio Costa, un fidèle de longue date de José Eduardo dos Santos.

Comme dans toute organisation, la Sonangol comporte plusieurs groupes d’intérêts. Celui de Sianga Abilio, directeur de l’exploration-production, doit être également pris en considération. Originaire de la province du Zaïre, il possède de bonnes connections au sein de Futungu et du MPLA. On suppose que le président Dos Santos est à même d’utiliser la rivalité entre Vicente et Abilio, comme il le fait avec les responsables des différents services de sécurité.

La Sonangol contrôle étroitement le secteur du pétrole angolais par le biais des associations dans le secteur exploration-production ; le trading avec les structures de Londres, Houston et Singapour ; les joint-ventures qu’elle passe avec les différents sous-traitants. Sur le plan financier, elle joue un rôle fondamental en gageant la plupart des prêts qui sont accordés à l’Angola.

Les généraux des Forces armées angolaises (FAA)

L’Angola est une puissance militaire régionale ; bien que les effectifs aient été réduits depuis la fin du conflit, les FAA compriaient encore 120 000 hommes en 2004. Les généraux, qu’ils soient en activité ou à la retraite, jouent un rôle actif dans l’économie, participant dans le secteur de l’extraction de diamants ainsi que dans des compagnies de sécurité. Ils entretiennent des relations étroites avec l’ancienne puissance coloniale qui les a formés et qui s’appuie ainsi sur un réseau de relations politiques et techniques.

124 Manuel Vicente est également Vice-président de la Fondation Eduardo Dos Santos
Les généraux angolais sont présents dans les affaires, notamment très influents dans le secteur du diamant dont ils assurent la sécurité. Celui-ci rapporte environ 700 millions USD par an à l’Etat angolais. Les partenaires étrangers (la Russie, le Brésil, Israël et le Portugal) opérant dans ce domaine, coopèrent également avec les FAA. Les généraux sont aussi très actifs dans les sociétés de sécurité, dont aux dires de certains observateurs, le personnel est mieux payé et mieux équipé que dans l’armée.

L’Église

L’Église angolaise a activement participé aux campagnes de la société civile en faveur de la fin du conflit et occupe une place importante dans le paysage médiatique angolais grâce à Radio Ecclesia et le journal et site web Apostolado fournissant ainsi une information plus impartiale que les médias officiels. Jugée trop critique, Radio Ecclesia, s’est vue refusée par le gouvernement l’autorisation d’émettre en ondes courtes ce qui lui aurait permis, outre la couverture de la capitale, d’atteindre les provinces. Francisco da Mata Mourisca, qui préside le mouvement « Pro Pace » a annoncé que l’Église Catholique contribuera à la sensibilisation de la société pour sa participation active aux prochaines élections prévues en 2006.

Le prolétariat de Luanda

Lors des affrontements de la guerre civile, de nombreux Angolais ont fui les combats qui ravageaient l’arrière pays en se réfugiant dans la capitale. Ce flux de réfugiés est la cause de l’explosion de la population Luandaise (passant ainsi de 500 000 à plus de 3 millions d’habitants en 30 ans). Malheureusement, la majorité des habitants de Luanda aujourd’hui sont confrontés au chômage ou vivent de petits emplois leur rapportant de maigres revenus (moins d’un Euro par jour). Cette population se voit obligée de survivre dans des bidonvilles (les musseques) surpeuplés, s’étendant sur des dizaines de kilomètres au nord vers Cacuaco, à l’est vers Viana, au sud vers Samba, Morro Bento et Futungo.

Les paysans

L’agriculture de subsistance constitue la principale source de revenus pour 85 pour cent de la population. Lorsque l’on évoque le potentiel de l’Angola, on songe en premier lieu à l’agriculture, qui, si les conditions étaient réunies, offrirait de meilleures perspectives que le Zimbabwe (d’avant la politique récente de Robert Mugabe), traditionnel grenier d’Afrique australe. Sous la période coloniale, l’Angola était non seulement exportateur de denrées, mais était aussi parvenu à l’autosuffisance alimentaire. En 1974, le pays était le quatrième producteur mondial de café.

Parmi les conséquences de la guerre (destructions, mines anti-personnels, etc.), il faut également tenir compte de la perte du savoir-faire due au non transfert des usages traditionnels d’une génération à l’autre.

L’équilibre alimentaire à l’horizon 2010 implique un taux de croissance annuel de l’ordre de 15 pour cent, un horizon qui semble aujourd’hui bien lointain. En milieu rural, le revenu mensuel par habitant est inférieur à 45 USD et ne représente que 9 pour cent du PIB. Le déficit céréalier 2003/2004 est de 650 000 tonnes soit 47 pour cent du manque des produits de base constituifs du régime alimentaire de la population.

Certaines régions (Plateau central, Huila, Benguela) génèrent des excédents qui, faute de réseaux de transport et de commercialisation, ne peuvent être acheminés vers les zones de consommation. La relance du secteur implique de lourds investissements pour réhabiliter les infrastructures (irrigation, routes, équipements).
L’avenir du secteur n’incite guère à l’optimisme ; faute d’une « révolution verte » et d’un engagement résolu des responsables gouvernementaux, le président de la République en premier lieu, il sera difficile d’inciter une partie de la population rurale à reprendre des activités agricoles. Les jeunes réfugiés à Luanda ne semblent disposés à reprendre leur place dans un univers agricole aussi peu motivant.

**L’UNITA**


**La société civile**

La reprise en 1998 des hostilités entre l’UNITA et le MPLA, après quelques années de trêve précaire, a créé une rupture entre le gouvernement et la société civile angolaise qui s’est alors mobilisée pour réagir contre une guerre où les belligérants ne semblaient avoir pour seul objectif qu’une victoire militaire à tout prix. Les mouvements angolais de la société civile, appuyés par l’Eglise et des ONG étrangères, ont fait ouvertement campagne pour tenter de trouver une solution négociée au conflit. Mais sans réel succès puisque c’est finalement la défaite militaire de l’UNITA qui a permis de mettre fin au conflit. Le retour à la paix, n’a pas comblé le fossé entre le gouvernement et une société civile de plus en plus critique et bénéficiant d’un meilleur accès aux médias que lors des années de guerre où le gouvernement pouvait invoquer des motifs sécuritaires pour censurer la presse. Les criantes inégalités sociales et la corruption sont régulièrement dénoncées par les ONG angolaises et étrangères.

**Le Front de libération de l’enclave de Cabinda (FLEC)**

Le FLEC est un mouvement armé qui lutte pour obtenir la sécession de la province de Cabinda qui produit plus de 60 pour cent du pétrole angolais. Depuis que l’UNITA a déposé les armes en 2002 et que la paix s’est instaurée dans le reste du pays, l’armée angolaise a lancé une offensive au Cabinda infligeant de sérieux revers à la rébellion séparatiste déjà très affaiblie par des divisions entre ses différentes branches armées. Le FLEC compterait quelques centaines de combattants.

**Autres partis politiques**

Dans un paysage politique dominé depuis des décennies par le MPLA et l’UNITA, les petits partis ont de la peine à émerger et restent souvent cantonnés à des bastions régionaux comme le FNLA dans le nord-ouest ou le PRS dans les Lundas. Quelques-uns avaient obtenu des sièges aux dernières élections, élections de 1992 : FNLA, PRS, PLD. Ne pouvant bénéficier des réseaux et de la visibilité des deux grands partis, les petites formations tentent de s’allier avec les mouvements de la société civile et les factions minoritaires ou dissidentes du MPLA et de l’UNITA, et cherchent à capitaliser sur le désenchantement des angolais envers les deux formations historiques.
Les syndicats officiels

L'Union nationale des travailleurs angolais (UNTA) est la principale centrale syndicale et sert de courroie de transmission au MPLA. En son sein, elle réunit des syndicats nationaux par branche et province ainsi que des unions par province. Très docile envers le régime, ses rares préavis de grève restent sans suite même lorsque ses revendications demeurent sans réponse.

Les nouveaux syndicats

Parmi les syndicats libres, non liés à la centrale officielle, on trouve : celui des journalistes ayant rompu avec le syndicat officiel et ont fondé le Syndicat des journalistes angolais (SJA), le très actif Syndicat national des professeurs (SINPROF) apparu en dehors de l’UNTA au cours d’une longue grève, et finalement le Syndicat des Infirmiers qui a fait preuve d’une forte vitalité revendicative lors des grèves de 1995 et 1996.
3. Industrie pétrolière et développement : La question du « local content »

Au printemps 2003, le CRES réunissait des responsables politiques et économiques angolais avec un certain nombre d’experts avec pour but le repérage et l’analyse de cas où le recyclage de la rente était partiellement réussi. C’est l’exemple de l’Indonésie, avant la crise de ces dernières années, qui était parvenue à une quasi autosuffisance alimentaire.

Lors de cette rencontre, la plupart des participants ont admis l’idée que l’amélioration de la situation de l’emploi est étroitement liée à la relance progressive de l’agriculture et un développement suffisant du tissu des PME.

Dans un pays comme l’Angola, la création d’entreprises dépend essentiellement de l’investissement international, autrement dit pétrolier. Or depuis longtemps, les économistes ont montré que les effets induits de l’industrie des hydrocarbures sur les autres secteurs économiques sont loin d’être évidents. Le recyclage de la rente n’est pas une entreprise aisée et suppose un certain niveau de collaboration entre les secteurs privés et publics. C’est pourquoi un certain nombre d’États (la Norvège, l’Alaska, l’Alberta, le Koweit, Oman, le Venezuela et la Colombie) ont mis en place des mécanismes comme les Fonds pétroliers.

Toutefois, des observateurs font remarquer que ces systèmes sont réellement efficaces dans la mesure où le pétrole n’est pas trop dominant et que ces pays ou régions possèdent une tradition de bonne gouvernance et de transparence dans l’utilisation des fonds publics. La question du « local content » est récemment apparue dans ce débat, comme nouvel outil d’une politique étatique volontariste visant à « forcer » certains linkages. C’est la question que nous nous proposons de discuter dans le cadre de l’Angola.

3.1. Industrie pétrolière et emploi en Angola

Depuis la fin de la guerre, la plupart des rapports réalisés par des ONG ont décrit avec un luxe de détails, les interactions entre le monde politique angolais et l’industrie pétrolière. C’est tout le problème de la « transparence » et de la « gouvernance » qui s’est trouvé ainsi posé. Si cet aspect ne rentre pas dans l’objet de notre démarche, nous le mentionnons car il a rendu méfiants nos interlocuteurs. À plusieurs reprises, nous avons tenté d’interroger le directeur Afrique de Total qui nous a fait parvenir une photocopie du site web de son groupe. Il est donc difficile d’aller au-delà des discours officiels et des manifestations de bonnes intentions. Nous avons tenté de surmonter ces obstacles.


À l’heure actuelle, l’Angola produit environ un million de barils de pétrole par jour et grâce aux développements en cours ou qui sont décidés, la production devrait doubler dans les années à venir. Cette augmentation nécessite des investissements très importants : 25 milliards USD répartis sur une décennie. Ce montant n’inclut pas les investissements downstream, comme les raffineries ou le LNG.
Une étude réalisée en 2003 pour le séminaire CRES montre qu’avec un prix du brut à 20 USD le baril, le surplus des recettes courantes sur les dépenses courantes pourrait atteindre 3 milliards USD dès 2007. La moitié de ce surplus permettrait de financer la dette et le reste pourrait être consacré à l’investissement, soit près de 14 milliards USD pendant dix ans. Pour une population de 14 millions d’habitants, le potentiel est énorme et pourtant…


L’industrie pétrolière est une activité à haute intensité capitalistique, en termes d’emploi, son rôle est fatalement limité. Cette caractéristique implique une dimension psychologique qu’il importe de prendre en compte dans les domaines qui touchent à la diversification et au développement : l’ordre de grandeur des investissements. Dans une entreprise comme Total, l’unité comptable pour le reporting est le million de USD, avec un chiffre après la virgule. Au niveau des filiales, on travaille par unité de 1 000 USD. Les préoccupations d’un responsable pétrolier sont loin d’être les mêmes que celles du dirigeant de PME.

Autre caractéristique importante : c’est une entreprise qui sous-traite largement. Environ 50 pour cent de ses coûts viennent de l’outsourcing. C’est une variable très surveillée par la direction des grandes compagnies. Soucieux de rationalité, la tendance chez les responsables est d’instaurer un système de partenariat « stratégique » avec leurs principaux sous-traitants. Cette pratique trouve naturellement ses limites en raison de la spécificité des gisements et des limites imposées par les règles de l’indigénisation et du local content. On cite volontiers l’exemple de Girassol sur le bloc 17 opéré par Total, dont les principaux contrats de sous-traitance (FSOP, FUR, équipement sous-marin) représentaient avec 1,5 milliards USD, environ 60 pour cent des coûts de développement. L’incidence sur l’emploi est faible car à l’exception de la partie local content du FUR, toute la construction se fait à l’étranger. En ce qui concerne le FUR, l’appareil de forage appartient à la Sonangol, la bouée125 et les risers126 ont été réalisés par la Sonamet. Le yard de Lobito emploie quelques 500 personnes. On notera également que ce sont des contremaîtres indiens qui ont formé le personnel angolais aux techniques de soudure.

### 3.2. La question du « local content »

Depuis 1982, le gouvernement angolais a édicté une série de mesures concernant l’emploi de personnel local par les compagnies étrangères. Entre 2002 et 2010, le personnel doit passer de 70 à 90 pour cent. Cette progression doit se faire selon l’échelle suivante : 100 pour cent pour les travailleurs non qualifiés, 80 pour cent pour les travailleurs de niveau intermédiaires, 70 pour cent pour le niveau supérieur. Cette approche reste toutefois théorique. Un ingénieur de Total nous a fait remarquer que « le problème de l’Angola, c’est de ne pas y trouver un IFP (Institut Français du Pétrole) à chaque coin de rue ». C’est pourquoi certaines compagnies (Total, Chevron, Statoil) envoient certains

---

125 Bouée : Engin flottant destiné à contenir des charges en mer.
126 Riser : Tube-guide de protection qui part de la surface jusqu’au fond de la mer.
cadres locaux recevoir une formation à l’étranger. Se pose alors la question du retour au pays et celle de la loyauté à l’égard de l’entreprise.

Afin d’avoir un ordre de grandeur approximatif, on compte un expatrié pour cinq travailleurs locaux. À Cabinda, Chevron emploie environ 300 expatriés.

Le recours au local sourcing reste donc limité : 80 pour cent des Angolais travaillent dans le secteur informel et la plupart des PME n’ont pas accès au capital et ne possèdent pas de capacités techniques suffisantes leur permettant de jouer des rôles significatifs au niveau de la sous-traitance. Les mesures d’« angolanisation » qui, la plupart du temps, se font par le biais des joint-ventures portent sur la détention du capital et ne concernent qu’un nombre restreint de personnes privilégiées.

Autrement dit, l’incidence directe de l’industrie pétrolière reste limitée. D’autant qu’étant donnée la structure du domaine minier angolais (taille des blocs, type d’exploitation), il n’est pas attractif pour les compagnies indépendantes.

L’Angola reste une économie « prisonnière » de la rente pétrolière. Cette situation entraîne plusieurs conséquences sur le reste de l’économie locale :

- des effets induits (linkages) limités qui favorisent la progression de la bureaucratie et de la corruption ;
- le « mal hollandais » qui favorise les exportations au détriment des autres secteurs locaux ;
- des décideurs conditionnés par la recherche de rente ;
- un système où la rente façonne l’organisation et non l’inverse ainsi que la logique économique le voudrait.


Il est donc souhaitable de forcer certains effets induits et de travailler plus précisément sur certains acteurs de la sous-traitance dont l’intensité capitalistique reste relativement faible : facility management, catering, gestion des bases vies. Nos sommes convaincus qu’une meilleure interaction entre les différents partenaires pourrait déboucher sur des solutions intéressantes et significatives.

Ceci est vrai en particulier pour le secteur agricole et agro-industriel. L’agriculture emploie les deux tiers de la population active, mais ne représente que 6 pour cent du PNB contre 18 pour cent en 1990. Le secteur ne reçoit que 1 pour cent des dépenses gouvernementales. 5 pour cent des terres arables sont cultivées. Là encore, il ne s’agit pas de réinventer la roue. Les organisations internationales comme la FAO collectent régulièrement les données nécessaires et font des recommandations intéressantes.

Dans le passé, des entreprises comme Elf-Aquitaine ont mis en place des structures comme Agricongo ou Agrisud ayant donné des résultats intéressants au niveau de l’expérience agronomique, mais n’ont guère eu d’impact quant à l’amélioration des marchés et la commercialisation des denrées. C’est pourquoi, il nous paraît important de travailler là encore sur la sous-traitance et d’observer comment une action concertée entre les différents partenaires pourrait permettre de donner une consistance réelle au local content. C’est, en particulier, un facteur qui pourrait être pris en compte au moment des appels d’offre.
3.3. Sortir du cercle vicieux : vieux serpents de mer et nouveaux contextes

Pour réduire la pauvreté, la communauté internationale a défini les « Objectifs du millénaire pour le développement » qui doivent être atteints d’ici 2015. Cette démarche a certes l’avantage de mettre l’accent sur les handicaps de base des pays en développement, mais elle pêche toutefois par un manque de méthode. Sur ce plan, une économiste, Esther Duflo, fait justement remarquer qu’« on s’est fixé un calendrier sans savoir qu’elle était la bonne façon pour l’atteindre ». Elle ajoute également que la communauté du développement fonctionne très souvent par effet de mode, citant le cas du micro-crédit souvent présenté comme une solution miracle sans qu’aucune évaluation approfondie soit réalisée, ou l’appropriation des politiques par les populations locales, notion à la base des programmes de réduction de la pauvreté promus par les organisations internationales.

Il en est de même pour le cas qui nous intéresse et qui prend l’allure d’un serpent de mer : le pétrole peut-il être le moteur du développement, ou comment recycler la rente pétrolière vers les autres secteurs productifs de l’économie ? Si les économistes ont depuis longtemps mis en évidence les vicissitudes du système (effets induits, mal hollandais), le problème attend toujours sa ou ses solutions. La plupart sont souvent complémentaires. Certaines préconisent la mise en place d’une gouvernance effective et de mécanismes assurant une réelle transparence des flux financiers. D’autres proposent une voie passant par l’adoption de politiques étatiques volontaristes fondées en partie sur la création de fonds de développement et l’élaboration de codes de « local content ».

4. **Recommandations : Donner un sens au « local content »**

Le *local content* est un enjeu majeur des négociations pétrolières. Les législations nationales contraignent de plus en plus l’entreprise étrangère à utiliser les compétences locales, soit comme employeur, soit comme utilisateur de la sous-traitance. Dans ce contexte, le discours des uns se radicalise et devient de plus en plus idéologique, les autres se réfugiant dans un credo libéral et un catalogue de bonnes intentions. Outre les conclusions ci-dessus auxquelles nous sommes parvenus nous avons constaté que l’approche du local content restait fragmentée et parcellaire. D’où l’intérêt d’entreprendre un projet qui apprehende le phénomène de façon aussi large et systématique que possible.

En prolongement logique de la présente étude, il serait ainsi utile de réaliser un tour de table visant à une étude comparative du local dans un certains nombre de pays pétroliers : Angola, Algérie, Libye, Nigeria, Brésil, Venezuela, Iran, Azerbaïdjan, Kazakhstan, Indonésie, Malaisie, Norvège, Canada. Cette étude devrait parcourir les étapes suivantes :

- recensement de la documentation disponible et des législations existantes ;
- évaluation de l’industrie pétrolière actuelle (avenir des grandes compagnies, les nouveaux opérateurs, les compagnies nationales et régionales) ;
- enquête sur la base d’un questionnaire et d’entretiens des acteurs concernés (gouvernements, compagnies nationales, compagnies internationales, organisations internationales, centres d’étude).

Cette étude viserait à valider les conclusions préliminaires que la présente étude a pu désigner et aboutir à des recommandations spécifiques en vue de donner un sens, c’est-à-dire un réel impact social, au « *local content* ». 
Annexes

1. Morceaux choisis : le « local content »

Angolanization: Since 1982, and consistently through the years, the GoA [Government of Angola] has passed legislation to set targets for the hiring of local labor to which the foreign oil companies must adhere. Between 2002 and 2010, oil companies will be required to increase their Angolan staffing from 70% to 90% of their workforce operating in Angola. This process is referred to as “Angolanization”. The staffing targets are based on worker grades: (1) 100% Angolanization will be required for unskilled workers, e.g., drivers, janitors, etc., (2) 80% Angolanization will be required for mid-level workers, e.g., travel agents, machinists, etc., and (3) 70% Angolanization will be required for higher level staff, e.g. managers, geologists, engineers, etc…
(SADC, CSR No. 1: “Angola content”)

« Le problème du local content en Angola, c’est que les Instituts Français du Pétrole sont plutôt rare ».

(Un ingénieur d’une compagnie pétrolière. Citation recueillie lors de l’enquête menée pour cette étude)

« Finalement le local content, c’est la somme d’une grande série d’intérêts particuliers… »

(Un directeur d’une grande compagnie pétrolière. Citation recueillie lors de l’enquête menée pour cette étude)

The Nigerian government is to raise indigenous participation in the upstream petroleum sector from 15% now to 70% in 2010 to enable local companies to play a significant role in the development of the nation’s oil industry (…)” Whereas the nation welcomed foreign investment, it has to increase the production capacity of the local people and their participation in economic development”.

(Philip Chukwu, NNIMS)

« Le local content c’est une boîte noire, une sorte de boîte de Pandore »

(Un architecte pétrolier. Citation recueillie lors de l’enquête menée pour cette étude)

Compass Group has announced an agreement with the oil giant Chevron Texaco Corp. to provide catering and facility management services that may be the largest such deal ever signed. The 10-year contract, which covers Chevron Texaco facilities, offshore platforms, refineries and offices worldwide, is expected to yield 200 million US$ in the first year and double that by 2004 following a 21-month mobilization period. The expanded figures are based on expectations that most TexacoChevron operations in North America and South America, Australasia, Asia, Europe, the Middle East and…
2. Extraits du document: Les entreprises multinationales dans des situations de conflits violents et de violations généralisées des droits de l’homme

L’enquête réalisée par l’OCDE a été faite à partir des seules déclarations des entreprises ou responsables d’entreprises qui sont à la disposition du public et, spécialement, de celles qui sont affichées sur les sites web des entreprises.


« L’enquête tend à démontrer que les grandes entreprises se préoccupent beaucoup plus que les petites de dégager une ligne de conduite quant à leurs relations avec le gouvernement hôte. Ce qui frappe peut-être le plus, parmi les constatations auxquelles cette enquête a abouti, c'est la vive insistance avec laquelle ces entreprises mentionnent les services sociaux qu'ils fournissent au pays hôte — le développement des communautés locales est souvent cité, l'éducation et les services et infrastructures de santé étant les activités les plus fréquemment mentionnées. Cette intense activité dans le domaine des services sociaux — qui ne relève normalement pas des compétences des entreprises du secteur des industries extractives — porte à penser que ces entreprises ressentent le besoin de jouer dans certains pays hôtes un rôle différent de celui qu'elles joueraient dans leur pays d'origine. Nombreuses sont aussi celles qui considèrent que les sommes qu'elles versent aux gouvernements — taxes, redevances et autres paiements — comptent parmi les contributions les plus importantes qu'elles leur apportent. Quelques-unes seulement des grandes entreprises interrogées dans l'enquête ont fait état d'une préoccupation [...] à savoir que dans certains pays hôtes, une faible partie de ces sommes parvient finalement à la population. Enfin, certaines entreprises informent le public de ce qu'elles pensent et de ce qu'elles font à propos de questions dont on traitera dans le présent document, à savoir la gestion des forces de sécurité et la réinstallation des populations locales. »

127 Document préparé par Kathryn Gordon, économiste principale de la Division des Mouvements de capitaux de l’investissement international et des services de l’OCDE.
### Tableau 1. Pratiques budgétaires dans certains pays ou régions de production de gaz et de pétrole

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OCDE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alaska, États-Unis</td>
<td>Non</td>
<td>Non</td>
<td>Oui</td>
<td>Pas de classement</td>
</tr>
<tr>
<td>Alberte, Canada</td>
<td>Non</td>
<td>Non</td>
<td>Oui</td>
<td>Pas de classement</td>
</tr>
<tr>
<td>Norvège</td>
<td>Non</td>
<td>Oui (structure de propriété mixte avec participation réduite de capitaux privés)</td>
<td>Oui</td>
<td>Liberté (totalité de la période)</td>
</tr>
<tr>
<td>Royaume-Uni</td>
<td>Non</td>
<td>Non</td>
<td>Oui</td>
<td>Liberté (totalité de la période)</td>
</tr>
<tr>
<td><strong>Non-OCDE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Angola</td>
<td>Oui</td>
<td>Oui</td>
<td>Non (“plus de 2/3 des dépenses exposées hors système budgétaire formel et sans comptabilisation satisfaisante” FMI 1997, page 7)</td>
<td>Absence de liberté (totalité de la période)</td>
</tr>
<tr>
<td>Myanmar</td>
<td>Oui</td>
<td>Oui</td>
<td>Non (flux extra-budgétaires suffisamment importants pour que l’on puisse douter de la validité de la comptabilité officielle des dépenses; FMI 1999, page 17)</td>
<td>Absence de liberté (totalité de la période)</td>
</tr>
<tr>
<td>Nigeria</td>
<td>Oui</td>
<td>Oui</td>
<td>Contrôle de dépenses encore faible mais effort de réforme en cours (FMI 2001; page 23-24)</td>
<td>Liberté (1979-84) ; absence de liberté pendant le reste de la période hormis une amélioration récente dans le sens d'une liberté partielle (1999-2001)</td>
</tr>
</tbody>
</table>

1. Source: Contact du Secrétariat de l'OCDE avec la Banque mondiale pour la zone hors OCDE et avec des fonctionnaires des trésors nationaux et régionaux pour la zone OCDE.

2. Source: Pour les pays, différents rapports par pays du FMI ; voir bibliographie. Pour les pays de l'OCDE la réponse est « oui » parce qu’il n’est pas fait mention dans les rapports du FMI les concernant de problèmes « d'intégrité budgétaire » ou de dépenses extrabudgétaires. Pour les gouvernements régionaux, la source est le Trésor régional.


Mustapha Hamoumou

Mars 2005
Table des matières

Table des matières........................................................................................................... 163
Remerciements.................................................................................................................. 165
Liste des acronymes ......................................................................................................... 167
Glossaire ............................................................................................................................. 169
Résumé exécutif ................................................................................................................... 171
1. Introduction ................................................................................................................... 173
2. Profil pays ...................................................................................................................... 176
   2.1. Profil de vulnérabilité .............................................................................................. 176
       2.1.1. Vulnérabilité du pays face aux catastrophes naturelles.............................. 176
       2.1.2. Vulnérabilité du pays face à l'aléa sismique .............................................. 176
       2.1.3. Vulnérabilité des populations ..................................................................... 178
   2.2. Profil géographique et humain .............................................................................. 178
       2.2.1. Aspects géographiques ............................................................................... 178
       2.2.2. Aspects démographiques ......................................................................... 179
   2.3. Contexte social ....................................................................................................... 179
       2.3.1. Santé et sécurité sociale ............................................................................ 179
       2.3.2. Pauvreté ..................................................................................................... 180
       2.3.3. Education ................................................................................................. 181
   2.4. Profil économique .................................................................................................. 181
       2.4.1. La stratégie du développement en Algérie ............................................... 181
       2.4.2. Croissance et profil sectoriel de l'économie algérienne............................. 182
       2.4.3. Emploi et chômage ................................................................................. 183
3. Analyse des formes de réponse : Etat, organisations internationales et non-
gouvernementales, et partenaires sociaux ...................................................................... 185
   3.1. Cadre de réponse mis en place par le Gouvernement ........................................ 185
       3.1.1. Le processus d’urgence ............................................................................ 185
       3.1.2. Le processus de reconstruction ............................................................... 186
       3.1.3. Les mesures de reconstitution du tissu de la petite et moyenne
              entreprise/industrie .................................................................................... 187
       3.1.4. Dangers d’une reconstruction hâtive ......................................................... 188
       3.1.5. Stratégie nationale d’atténuation adoptée par le Gouvernement suite au
              séisme ........................................................................................................... 188
   3.2. Analyse du champ d'intervention des organisations internationales et non-
gouvernementales ......................................................................................................... 189
       3.2.1. L’apport des ONG nationales et du secteur privé .................................... 189
       3.2.2. L’apport des agences des Nations Unies et du BIT .................................. 190
3.3. La réponse des organisations syndicales et patronales……………………………191
   3.3.1. Les opérations d’urgence ………………………………………………………………192
   3.3.2. Les apports en matière de reconstruction et de redressement économique 196
   3.3.3. Conclusions……………………………………………………………………………197
4. Bonnes pratiques …………………………………………………………………………198
5. Recommandations …………………………………………………………………………200
   Conclusion …………………………………………………………………………………203
   Annexes…………………………………………………………………………………..204
Remerciements

Qu’il me soit permis de remercier chaleureusement toutes les personnes qui ont aidé à la réalisation de ce document. Je pense tout naturellement à M. Abdelmadjid Sidi Said, Secrétaire général de l’Union générale des travailleurs algériens (UGTA) et Hadid Said Said Président de la commission de solidarité de l’UGTA, pour le soutien et l’intérêt qu’ils ont manifestés pour le présent travail.

Mes remerciements vont également et tout aussi naturellement à toutes les personnes que j’ai rencontré, pour ce qu’elles m’ont permis d’apprendre et de partager avec elles. Je citerais en particulier M. Mahfoud Megalti, Secrétaire général de la Confédération générale des entrepreneurs et opérateurs algériens (CGEOA), M. Benhassine Hadj, directeur du bureau de l’Organisation international du travail (OIT) à Alger, M. Reda Ameur, Responsable de programmes de l’OIT à Alger, Mlle Amel Benachour, chargée d’études au Ministère de l’Habitat et Dr Nadia Bellal, consultant stratégie au bureau du Programme des nations unies pour le développement (PNUD) à Alger. Je ne saurais par ailleurs oublier ici les représentants de l’administration locale de la Wilaya de Boumerdès.

Que ces personnes trouvent ici la marque de ma gratitude, ainsi que les nombreuses autres personnes qui de près ou de loin, m’ont soutenu, écouté et informé dans mes recherches.
Liste des acronymes

AFASPA  Association française d’amitié et de solidarité avec les peuples d’Afrique et méditerranéenne
ALE  Association loisir/échanges
ANEA  Association nationale des économistes algériens
ANSEJ  Agence nationale de soutien à l’emploi des jeunes
BIT  Bureau international du travail
BTP  Bâtiment et travaux publics
CACOBATP  Caisse des congés du bâtiment et travaux publics
CEITP  Coordination de l’entente internationale des travailleurs et des peuples
CES  Confédération européenne des syndicats
CFDT  Confédération française des travailleurs
CGEOA  Confédération générale des entrepreneurs et opérateurs algériens
CGIT  Confédération générale italienne des travailleurs
CISL  Confédération internationale des syndicats libres
CNAC  Caisse nationale de l’allocation chômage
CNAS  Caisse nationale des assurances sociales des travailleurs salariés
CNES  Conseil national économique et social
CNFT  Commission nationale des femmes travailleuses
CNR  Caisse nationale des retraites
CNT  Confédération norvégienne du travail
CNTS  Confédération nationale des travailleurs du Sénégal
CPE  Confédération panafricaine des employeurs
CSOE  Confédération syndicale ouvrière d’Espagne
CSOT  Confédération des syndicats d’ouvriers de Turquie
DA  Dinars algériens
ESIL  Emploi salarié d’initiation locale
FMI  Fonds monétaire international
FNPOS  Fonds national de promotion des œuvres sociales
FNUAP  Fonds des nations unies pour la population
FO  Force ouvrière
FTQ  Fédération des travailleurs du Québec
IAIG  Indemnité d’activités d’intérêt général
ICATU  International Confederation of Arab Trade Unions
IFP/CRISIS  Programme focal de réponse aux crises et reconstruction
IUHEI  Institut universitaire des hautes études internationales
OCHA  Office de la coordination des affaires humanitaires
OIE  Organisation internationale des employeurs
OIT  Organisation internationale du travail
OMS  Organisation mondiale de la santé
ONAAPH  Office national d’appareillage et accessoires pour handicapés
ONG  Organisation non gouvernementale
ONUDI  Organisation des nations unies pour le développement industriel
ORAF–CISL  Organisation régionale africaine de la confédération internationale des syndicats libres
ORSEC  Plan national d’organisation des secours
OUSA  Organisation de l’unité syndicale africaine
PAM  Programme alimentaire mondial
PCH  Pharmacie centrale des hôpitaux
PIB  Produit intérieur brut
PMI-PME  Petite et moyenne industrie/petite et moyenne entreprise
PNDA  Plan national de développement agricole
PNUD  Programme des nations unies pour le développement
PSRE  Plan de soutien à la relance économique
SNTF  Société nationale des transports ferroviaires
STS  Syndicat des travailleurs syriens
TUP-HIMO  Travaux d’utilité publique à haute intensité de main-d’œuvre
UCAP  Union de la communauté algérienne à Paris
UGSE  Union générale des syndicats égyptiens
UGSTY  Union générale des syndicats des travailleurs du Yémen
UGTA  Union générale des travailleurs algériens
UGTL  Union générale des travailleurs du Liban
UIS  Union internationale des syndicats
UISTA  Union internationale des syndicats des travailleurs arabes
UMCE  Union méditerranéenne des confédérations d’entreprises
UMT  Union marocaine du travail
UNESCO  United Nations Educational, Scientific and Cultural Organization
UNICEF  Fonds des nations unies pour l’enfance
USD  Dollars des États-Unis d’Amérique
USTMA  Union syndicale du Maghreb arabe
### Glossaire

<table>
<thead>
<tr>
<th>Mots clés</th>
<th>Définition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aide d’urgence</td>
<td>Aide humanitaire fournie à court terme pour sauver et préserver les victimes de catastrophes naturelles ou causées par l’homme. Son champ d’application comporte les opérations de secours, d’aide d’urgence et de protection sur une base de non-discrimination.</td>
</tr>
<tr>
<td>Aléa</td>
<td>Situation potentielle ou existante qui peut affecter les populations, détériorer les biens ou l’environnement.</td>
</tr>
<tr>
<td>Atténuation (Mitigation)</td>
<td>Mesure visant à réduire ou à éliminer les effets de catastrophes sur la société et l’environnement. Ces mesures réduisent la vulnérabilité physique des infrastructures existantes.</td>
</tr>
<tr>
<td>Capacités</td>
<td>Ensemble des atouts et des ressources dont dispose une communauté, une population ou une organisation, pouvant réduire le niveau des risques ou l’impact d’un désastre.</td>
</tr>
<tr>
<td>Catastrophe</td>
<td>Événement d’origine naturelle provocant des dommages sur les plans humains, matériels, économiques ou environnementaux et des perturbations dans le fonctionnement d’une communauté ou d’une société.</td>
</tr>
<tr>
<td>Désastre</td>
<td>Catastrophe provoquant des pertes considérables auxquelles la communauté ou la société concernée n’est pas en mesure de faire face avec ses propres ressources.</td>
</tr>
<tr>
<td>Gestion des risques</td>
<td>Gestion systématique des décisions administratives, de l’organisation, des compétences opérationnelles et des responsabilités nécessaires à l’application des politiques, stratégies et méthodes de réduction des risques de catastrophes.</td>
</tr>
<tr>
<td>Impact des catastrophes</td>
<td>Correspond aux effets de la rencontre entre une catastrophe et un ensemble de vulnérabilités.</td>
</tr>
<tr>
<td>Menace</td>
<td>Événement physique, phénomène et/ou activité humaine susceptible de provoquer des dommages humains, matériels, des perturbations sociales et économiques ou une détérioration de l’environnement.</td>
</tr>
<tr>
<td>Préparation</td>
<td>Ensemble des dispositions garantissant que les systèmes, les procédures et les ressources nécessaires pour faire face à une menace sont en place pour venir en aide aux personnes touchées en utilisant des mécanismes existants (formation, sensibilisation, plans d’urgence, systèmes d’alerte rapide).</td>
</tr>
<tr>
<td>Prévention</td>
<td>Activités conçues pour assurer une protection permanente contre les catastrophes grâce à l’amélioration et au renforcement des infrastructures et à l’utilisation d’instruments de planification (normes de construction, cartographie des risques) pour soutenir des pratiques de développement durable.</td>
</tr>
<tr>
<td>État</td>
<td>Définition</td>
</tr>
<tr>
<td>--------------</td>
<td>--------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Reconstruction</td>
<td>Récupération totale des infrastructures physiques et institutionnelles de l’avant-catastrophe. Sa durée peut varier de quelques mois à plusieurs années.</td>
</tr>
<tr>
<td>Réhabilitation</td>
<td>Restauration des fonctions essentielles de la société, durée de l’ordre de quelques semaines à quelques mois.</td>
</tr>
<tr>
<td>Remise en état</td>
<td>Décisions et initiatives prises après une catastrophe en vue de rétablir les conditions de vie de la communauté frappée tout en encourageant et en facilitant les ajustements nécessaires pour réduire les risques de catastrophe.</td>
</tr>
<tr>
<td>Réponse</td>
<td>Ensemble de décisions et d’actions engagées pendant et après une catastrophe y compris les secours immédiats, la réhabilitation et la reconstruction.</td>
</tr>
<tr>
<td>Résolution</td>
<td>Procédure globale qui consiste à soutenir les communautés affectées par une catastrophe dans leurs efforts pour reconstruire des infrastructures physiques et restaurer un bien-être social, émotionnel, économique et physique.</td>
</tr>
<tr>
<td>Secours/Réaction</td>
<td>Fourniture d’une assistance et/ou intervention pendant ou immédiatement après une catastrophe pour préserver des vies et répondre aux besoins essentiels de subsistance des personnes touchées.</td>
</tr>
<tr>
<td>Réduction des risques</td>
<td>Elaboration et mise en œuvre systématique de politiques, stratégies et pratiques permettant de réduire au minimum les vulnérabilités et les risques de catastrophe dans l’ensemble d’une société en vue d’éviter ou de limiter les effets préjudiciables des menaces dans le cadre du développement durable.</td>
</tr>
<tr>
<td>Risque</td>
<td>Conjonction d’une menace et du niveau de vulnérabilité à cette menace.</td>
</tr>
<tr>
<td>Vulnérabilité</td>
<td>Ensemble de conditions et de processus résultant de facteurs physiques, administratifs et organisationnels, sociaux, économiques et environnementaux qui augmentent l’impact humain, social et économique d’une communauté face à une catastrophe.</td>
</tr>
</tbody>
</table>
Résumé exécutif

Au cours des dix dernières années, l’Algérie a connu plusieurs crises et catastrophes naturelles désastreuses qui ont coûté selon les estimations officielles près de 40 milliards USD. Le dernier séisme du 23 mai 2003 qui a touché la région de Boumerdès outre le nombre de victimes qui s’élève à 2 278 morts, 11 450 blessés et 250 000 personnes sinistrées, a provoqué des dégâts matériels estimés à 5 milliards USD. La zone touchée étant considérée comme un important pôle de concentration économique et administratif, les dégâts matériels subis par les infrastructures économiques et industrielles sont par conséquent assez importants (estimés à 2,8 milliards DA\(^{128}\) soit 36 000 000 USD\(^{129}\)).

Depuis l’amorce du passage de l’économie administrée à l’économie de marché en Algérie, le secteur privé et les partenaires sociaux ont acquis une place importante en matière d’appui au développement et d’actions humanitaires. En situation de crise, ils sont des acteurs importants de la solidarité étant donné leur capacité à mobiliser ( moyens humains, matériels et financiers), à informer et sensibiliser l’opinion publique. Ces acteurs ne semblent cependant pas fortement impliqués dans la définition et la mise en œuvre des politiques de prévention face aux situations d’urgence, de reconstruction et de restauration des lieux.

Les partenaires sociaux en Algérie ont indéniablement apporté une contribution non négligeable au processus de relèvement suite au séisme du 21 mai 2003. Cependant, la complexité des problèmes à traiter en situation de crise majeure aujourd’hui souligne la nécessité pour l’ensemble de la communauté syndicale de stimuler un front commun avec le gouvernement, les acteurs de la communauté internationale et les populations concernées par ces catastrophes afin de favoriser la promotion d’une stratégie d’atténuation de la vulnérabilité aux catastrophes naturelles en Algérie. Renforcer cet échange, le faire vivre et l’optimiser, est une des missions que les partenaires sociaux sont appelés à reconsidérer à l’avenir. Il s’agit principalement de :

- développer les rapports, de diffuser l’information et d’encourager les synergies avec les populations touchées en tant que co-acteur de tout programme de relèvement viable et durable ;
- promouvoir l’approche participative qui favorise la multiplication des acteurs ;
- encourager et miser sur les initiatives émanant de la communauté syndicale en vue de focaliser les énergies et mobiliser les ressources pour la récupération et la promotion de l’emploi en situation de crise.

Dans ce cadre, le Bureau international du travail (BIT) peut jouer un rôle déterminant dans l’animation et l’accompagnement stratégique des acteurs nationaux, en favorisant le rapprochement entre les partenaires sociaux, et en renforçant l’aptitude des partenaires sociaux à concevoir et à mettre en œuvre des plans d’intervention plus efficaces, plaçant la dimension de l’emploi à leur centre. La conjoncture est aujourd’hui favorable en Algérie à ce modèle d’orientation, car il existe une volonté politique forte affichée par le gouvernement, pour trouver des solutions durables à l’aléas sismique (a en juger par le contenu du discours de M le président de la république lors des travaux du conseil des ministres du 29 mai 2003, consacré exclusivement à la réponse à donner à la catastrophe).


\(^{129}\) Le taux de 1USD=76DA (moyenne année 2004) sera utilisé pour toutes les conversions présentées dans ce document.
1. Introduction


Problématique de la recherche

Remédier aux séquelles et reconstruire nécessitent beaucoup de temps, de moyens et d’efforts conjugués par les communautés locales, nationales et internationales. La leçon semble avoir été comprise par l’Algérie à en juger par le contenu du discours de M. le président de la république lors des travaux du conseil des ministres du 29 mai 2003. Depuis l’amorce du passage de l’économie administrée à l’économie de marché en Algérie, le secteur privé et les partenaires sociaux ont acquis une place importante en matière d’appui au développement et d’actions humanitaires. En situation de crise ils sont considérés comme des acteurs importants de la solidarité compte-tenu de leur capacité à mobiliser (moyens humains, matériels et financiers), à informer et à sensibiliser l’opinion publique.

But de l’étude

L’étude a pour but de tenter de restituer une image du séisme du 21 mai 2003, les causes à l’origine du drame, les conséquences au développement ainsi que la nature et la qualité de la réponse préconisée et effectivement mise en place. Nous cernons à travers l’analyse certains des mécanismes saillants de l’intervention des partenaires sociaux, notamment le syndicat de l’UGTA et le secteur économique privé. Enfin, des recommandations seront proposées en vue de la consolidation des stratégies d’intervention des partenaires sociaux pour une meilleure gestion de l’impact des crises, indépendamment ou en collaboration avec les organismes internationaux participant à cet effort.
**Objectifs de l’étude**

La recherche se propose d’atteindre les objectifs suivants :

- fournir des éléments sur le contexte et le fond de la crise qui a touché l’Algérie pour enrichir le débat et l’action en matière de prévention et de gestion des crises, en Algérie et dans le monde ;
- passer en revue les différentes actions réalisées jusqu’ici par les principaux acteurs de la réponse, y compris et tout particulièrement les partenaires sociaux, dans la mise en œuvre de leur stratégie d’intervention dans la phase d’urgence, ainsi que les objectifs affichés dans le processus de reconstruction ;
- indiquer quels processus peuvent améliorer la contribution des partenaires sociaux en terme de renforcement de capacités à partir de leurs expériences.

**Méthodologie de recherche**

Le travail de recherche a été mené sur la base de :

- la collecte d’informations secondaires actualisées sur le profil du pays et la zone affectée à partir de la documentation existante au niveau des structures et institutions tant gouvernementales que non-gouvernementales ;
- d’entrevues avec les acteurs institutionnels impliqués dans la réponse à apporter à la crise, tant au point de vue de l’urgence que de la reconstruction, acteurs gouvernementaux (locaux et nationaux), organisations non-gouvernementales et internationales, et partenaires sociaux de l’UGTA et de la CGEOA.

Cette recherche s’est fondée sur les postulats suivants :

- la nature du projet de recherche, du contexte de la crise et de son degré de complexité par rapport à la multitude d’intervenants dans ce type de situation ;
- les impératifs de réduction des vulnérabilités des populations les plus pauvres par le biais d’actions favorables à la récupération, la préservation de l’emploi et du relèvement économique durable.

Dans une première partie, cette étude s’attellera à rappeler les circonstances du séisme du 21 mai 2003 et les conséquences désastreuses qui en ont découlées, l’évolution historique des séismes en Algérie, les caractéristiques de la zone touchée, ainsi que les types de réponses apportées. Pour ce travail de synthèse, il a été largement fait appel aux travaux effectués et publiés par différents organismes.

Dans une deuxième partie, l’étude abordera la portée de la contribution des principaux acteurs à la crise, en procédant d’une démarche de développement qui s’inscrit dans le court, moyen et long terme. L’attention se portera plus spécialement sur le rôle occupé par les partenaires sociaux et en particulier sur les processus d’apprentissage et d’innovation, dans les stratégies et programmes de reconstruction issus de la crise pour la maîtrise des dynamiques de crises.

Dans sa dernière partie, l’étude tentera d’indiquer des pistes de réflexions susceptibles de contribuer à l’amélioration des mécanismes de réponse face aux catastrophes naturelles en Algérie d’une manière générale, afin de matérialiser tout le potentiel d’une participation des principaux partenaires sociaux au centre d’un tel dispositif de réponse, tant au niveau de gestion de la crise que dans la reconstruction.
Limites de l’étude

Avant de procéder à l’analyse de « La contribution des partenaires sociaux au processus de prise en charge de l’urgence et de la reconstruction suite au séisme du 21 mai 2003 en Algérie », nous exposons ci-dessous les limites potentielles intrinsèques à cet exercice :

- aux fins de ce travail la dimension de l’emploi a été privilégée, mais la situation de crise ne peut se prêter à la simplification car elle se présente sous de multiples facettes ;
- la crise suppose du jugement stratégique plus que des réponses définies à priori. Comment dès lors produire un guide de conduite s’inspirant de l’expérience des partenaires sociaux algériens qui, eux, ont avant tout réagi par élan de solidarité très peu planifié et codifié ? Le présent outil serait certainement insuffisant pour qui chercherait, en situation semblable, un recueil de règles précises.

Aussi nous tenons à préciser que pour le présent cas d’étude, nous ne visons pas l’exhaustivité : l’essentiel est de fournir des moyens de jugement pour des stratégies futures efficaces d’atténuation des risques de vulnérabilité aux aléas naturels en Algérie et de par le monde visant à intégrer dans le dispositif de réponse, national et international, des acteurs majeurs de la société civile tels que les organisations syndicales et patronales.

Enfin nous signalons que le contenu du présent document, ses insuffisances et ses erreurs éventuelles sont de la seule responsabilité de l’auteur.
2. **Profil pays**

Un séisme est une crise complexe, qu’il n’est pas aisé de circonscrire précisément. Tout au long de ses ramifications, sur chacune de ses facettes, la crise va entrer en interaction avec son environnement. Ce contexte dans lequel la crise prend place détermine ses caractéristiques et son impact. Un certain nombre de paramètres contextuels sont donc à prendre en compte si l’on veut cerner, tant bien que mal, ses conséquences : facteurs géographiques, historiques, politiques, socio-économiques et culturels, etc. Tous ces facteurs « extérieurs » vont donner forme à l’événement et peuvent se révéler pour certains comme des facteurs de vulnérabilité.

2.1. **Profil de vulnérabilité**

2.1.1. **Vulnérabilité du pays face aux catastrophes naturelles**

M. le président de la république algérienne a indiqué, devant les corps constitués, les membres du gouvernement à Blida au mois de juin 2003 que :

« les dégâts du séisme du 21 mai 2003 se chiffraient à 5 milliards de dollars. Les tremblements de terre de Mascara et de Ain Témouchent et les inondations de Bab El-Oued ont coûté 5 milliards de dollars, la sécheresse a nécessité une prise en charge de 10 milliards de dollars. Alors que les dégâts matériels du terrorisme sont estimés à pas moins de 20 milliards de dollars. En tout, ce sont 40 milliards de dollars que l’Algérie a consenti cette dernière décennie pour prendre en charge les dégâts des multiples crises qui l’ont secouée et ce aux dépens de son propre développement, ce montants auraient pu servir au renforcement et à l’accélération du processus de développement national. »

Les ressources disponibles et les infrastructures du pays se trouvent menacées par les catastrophes naturelles qui se manifestent de façon récurrente, particulièrement dans la partie Nord du pays. Parmi les risques majeurs les plus fréquents et dévastateurs en Algérie, on peut citer la désertification, les sécheresses, les tempêtes et les inondations, les invasions acridiennes et l’aléa sismique.

2.1.2. **Vulnérabilité du pays face à l’aléa sismique**

L’Algérie connaît une activité sismique permanente, résultant de la nature géologique de la région et de ses caractéristiques tectoniques. C’est un territoire en proie à l’aléa sismique dans sa partie la plus peuplée. Les études géologiques montrent que le Nord du pays est soumis en grande partie à l’activité sismique et se trouve traversé d’Est en Ouest par une ligne de faille entre les villes d’Oran et Constantine en passant par Alger.

Au cours de ces 20 dernières années, l’Algérie a connu un séisme important de 5 à 6 degrés sur l’échelle de Richter, tous les 5 ans en moyenne, se concentrant sur le nord du pays. Parmi les séismes récents les plus dommageables citons :

- El Asnam (Chlef) : survenu le 10 octobre 1980, d’une magnitude de 7,5 sur l’échelle de Richter, le séisme a touché l’ensemble de la région et notamment le chef-lieu de la wilaya. Le bilan des dégâts enregistrés s’élève à 3 500 morts, 8 400 blessés, 350 disparus, 29 000 logements détruits et 478 950 sinistrés. Le coût des dommages a été
évalué à plus de deux milliards DA. Ce séisme figure parmi les plus meurtriers au monde dans l’histoire contemporaine.

- **Constantine** : survenu le 25 octobre 1985, d’une magnitude de 5,9 ; il a occasionné 5 morts et 300 blessés. Il convient de signaler que le risque sismique à Constantine-ville, même de faible amplitude, peut constituer un facteur d’accélération de glissement de terrains.
- **Tipaza** : survenu le 29 octobre 1989, d’une magnitude de 6, il a occasionné 35 morts, 700 blessés et 5 000 sinistrés.
- **Mascara** : survenu le 18 août 1994, d’une magnitude de 5,4. Il a provoqué 171 morts, 290 blessés et 1 000 habitations détruites.
- **Ain Témouchent** : survenu le 22 décembre 1999, d’une magnitude de 5,8, il a provoqué la mort de 28 personnes et a occasionné 25 000 sinistrés.

Le dernier tremblement de terre frappant l’Est d’Alger (l’épicentre du séisme se situait près de la ville côtière de Boumerdès), le 21 mai 2003 était d’une magnitude de 6,7 sur l’échelle de Richter, une magnitude importante pour le pays. Au plan humain le nombre de victimes s’élève selon le dernier bilan à 2 278 morts, 11 450 blessés et 250 000 personnes sinistrées (40 000 familles). La zone touchée abrite d’importants centres urbains comme Rouiba, Reghaïa, Thenia, Boumerdès, des villes moyennes comme Ain Taya, Zemmouri, Delys et Tizgirt mais aussi des zones rurales et montagneuses avec des populations éparses, peuplées par 2 112 600 habitants (estimation au 31/12/2003), qui comptent 52 communes déclarées sinistrées.

Les dégâts matériels subis par les infrastructures économiques et industrielles sont importants :

- 320 000 logements endommagés dont 78 000 à Alger, 43 000 à Boumerdès, 7 000 à Tizi Ouzou, 4 600 à Bouira, 2 500 à Blida, 1 700 à Tipaza, 850 à Béjaïa et 150 à Médéa ;
- 11 300 constructions entièrement détruites, dont 7 000 à Alger, 6 000 à Boumerdès, 150 à Bouira, 90 à Blida, 90 à Tizi Ouzou ;
- 4 400 entreprises endommagées dont 300 complètement détruites ;
- 360 établissements scolaires détruits, 45 instituts endommagés dont 5 perdus, 28 centres de formation touchés, dont trois irrécupérables, et 31 centres hospitaliers endommagés, dont 10 également irrécupérables.

L’évaluation financière des dégâts matériels a été estimée à 2,8 milliards DA (soit environ 36,8 millions USD). Répartis par wilaya, les dégâts sont de l’ordre de 1 930 millions DA (25,4 millions USD) pour Alger, 906,4 millions DA (11 millions USD) pour Boumerdès et 5 millions DA (66 000 USD) pour Blida. La seule zone industrielle de Rouiba, en raison de la concentration des entreprises, a subi des dommages estimés à hauteur de 1220 millions DA (16 millions USD).

---

130 Cf. Historique de la sismicité de Boumerdes Table 1.
132 Cf. Liste détaillée des communes déclarée sinistrées Table 2.
134 Source : discours de M. le Président de la République à Blida juin 2003.
135 Estimation de L'enquête conduite par le CENEAP (Centre national d'études et d'analyses pour la population et le développement), à la demande du ministère de la Petite et Moyenne Entreprise et de l’Artisanat sur 209 entreprises situées dans 26 communes sinistrées, dont 17 à Boumerdès et 9 à Alger.
2.1.3. Vulnérabilité des populations

Tous les événements naturels graves ne se transforment pas en catastrophes, ni n’affectent de façon égale toutes les personnes qui vivent dans la zone concernée. La vulnérabilité peut recouvrir des formes très variées : physiques, sociales/organisationnelles, économiques, culturelles, etc.. Les groupes de population les plus vulnérables face au séisme du 21 mai 2003 furent :

• les populations tirant leurs moyens de subsistances du secteur non-organisé formellement, secteur où l’impact réel de la catastrophe est inconnu. Les pertes subies par ces populations incluent la perte de leurs maisons qui peuvent servir de lieu de travail, la perte du domicile résultant par conséquent à la perte d’un emploi et d’un revenu ;
• les femmes chefs de famille, particulièrement celles qui le sont devenu suite au séisme (perte de l’époux). La vulnérabilité de cette catégorie de population tient aussi du rôle social dévolu à la femme et qui la place en marge des décisions prises par la communauté. Cantonnées dans un rôle domestique, les femmes peuvent rarement réquisitionner des denrées de secours ou dire leur mot dans la réadaptation qui suit la catastrophe ;
• les jeunes orphelins suite à la catastrophe ;
• les personnes handicapées ;
• les enfants et les personnes âgées.

2.2. Profil géographique et humain

2.2.1. Aspects géographiques

L’Algérie est le deuxième plus grand pays d’Afrique et le dixième dans le monde. Sa superficie est de 2 381 741 Km2. Elle offre une façade maritime de 1 200 Km bordant la mer Méditerranée. Son territoire pénètre le continent africain à travers le Sahara, jusqu’aux frontières du Mali et du Niger. Deux chaînes montagneuses importantes, l’Atlas Tellien au Nord et l’Atlas Saharien au Sud, séparent le pays en trois types de milieux qui se distinguent par leur relief et leur morphologie, donnant lieu à une importante diversité biologique. On distingue du Nord au Sud, le Système Tellien, les Hautes Plaines steppiques et le Sahara. La concentration de la population dans le Nord du pays est de loin plus importante que dans les zones du Sud, avec une densité de 235 habitants/ Km2 au Nord contre 1,35 habitant/Km2 au Sud. 60 pour cent des communes d’Algérie sont situées au Nord regroupant une population de 19 millions de personnes sur 4,3 pour cent du territoire national, alors que seulement 10 pour cent de la population vit sur près de 83 pour cent de l’espace national constitué de régions désertiques. La répartition des habitants du Nord accuse, elle aussi, une certaine disparité puisque 44 pour cent de la population de cette région est regroupée sur le littoral, qui concentre, en outre, près de la moitié de la population agglomérée dont l’essentiel est localisée dans les grandes métropoles. La région des Hauts Plateaux connaît, pour sa part, une population estimée en 1998 à 7,7 millions d’habitants, soit le quart de la population globale. La surpopulation en zones agglomérées a été intensifiée ces dernières années par le terrorisme qui a sévi en Algérie affectant surtout le monde rural, contraint à la fuite vers des endroits mieux sécurisés, généralement près des villes. Cet exode se termine souvent dans les logements précaires ou insalubres en banlieue des grandes villes.
2.2.2. Aspects démographiques

Les premières décennies de l’indépendance ont été caractérisées par une croissance très rapide de la population. De l’ordre de 10 millions d’habitants, elle a atteint le chiffre de 12 millions en 1966, date du premier Recensement Général de la Population. Entre 1966 et 1987, elle a ensuite enregistré un doublement de ses effectifs, puisqu’elle a été évaluée à plus de 23 millions d’habitants en fin de période pour atteindre 32,08 millions d’habitants au 1er janvier 2004.\(^\text{137}\)

Le taux de croissance démographique qui était l’un des plus élevés au monde (3,4 pour cent), a considérablement fléchi pour atteindre 1,53 pour cent fin 2003. L’espérance de vie se situe aux alentours de 73,4 ans. Le nombre de ménages est de 4,5 millions environ. Un ménage moyen compte 6 à 8 personnes.

Les forts taux de croissance de la population enregistrés au cours des trois premières décennies de l’indépendance, déterminent une structure par âges caractérisée par un poids important des catégories jeunes. Les moins de 15 ans comptent selon le dernier recensement de 1998 un effectif de 10 531 352 de personnes soit 36,2 pour cent de la population. Cette frange déclinera légèrement dans les années à venir : les projections démographiques pour 2020 estiment que cette catégorie représentera 24,03 pour cent, soit un effectif de 9 390 924 de personnes. Cette jeunesse de la population explique l’importance du niveau de la demande sociale d’éducation, de santé et d’emploi, que les politiques économiques et sociales devront satisfaire.\(^\text{138}\)

Une dernière caractéristique de la population qu’il convient de mentionner est son urbanisation croissante et particulièrement rapide. Le taux d’urbanisation est ainsi passé de 31,4 pour cent en 1966 à 40 pour cent en 1977 puis à 49,6 pour cent en 1987, pour dépasser les 50 pour cent à la fin des années 80, et atteindre un taux qui actuellement avoisine les 60 pour cent. Ce processus d’urbanisation entraîne également une forte augmentation de la demande de logements et de services publics. Si des progrès sensibles ont été réalisés en ce qui concerne l’offre de services publics (électrification, raccordement des logements à l’eau potable, aux réseaux d’assainissement), le degré de satisfaction de la demande en matière d’habitat s’est en revanche largement détérioré (le taux d’occupation par logement est passé de 5,3 au début des années 60 à 7,2 depuis la fin des années 80).

2.3. Contexte social

2.3.1. Santé et sécurité sociale

La couverture sanitaire de la population, très faible au cours des années 60, s’est rapidement étendue, en particulier dans les populations des zones rurales. Ainsi selon le Conseil national économique et social (CNES) « le droit à la sécurité sociale, est accordé à près de 5 767 000 assurés. La couverture sociale bénéficierait à environ 26,403 millions de personnes à raison de 4 ayants droit par assuré. Ainsi, sur une population totale qui

\(^{137}\) Source : Office national des statistiques (ONS 2004).

avoirsine les 30 millions, le taux de personnes couvertes aurait été de 87,4 pour cent en 1999.

De nombreuses infrastructures sanitaires ont été réalisées et la formation de médecins et de personnels paramédicaux s’est rapidement développée. La dépense nationale de santé, selon le ministère de la Santé de la Population et de la Reforme Hospitalière, a atteint en termes courants 174,23 milliards DA (2,3 milliards USD) en 2001, et représente 5,4 fois le niveau de 1991 où elle était estimée à 32,31 milliards DA (0,43 milliards USD). En termes relatifs cependant, la dépense nationale de santé ne représente que 4,1 pour cent du Produit intérieur brut (PIB) en 2001 contre 6 pour cent dans les années 80.

Pendant longtemps la situation sanitaire en Algérie a été dominée par les maladies transmissibles. Depuis une vingtaine d’années, on assiste à une modification des problèmes de santé avec une place de plus en plus grande occupée par les maladies non transmissibles, notamment les affections chroniques (maladies cardio-vasculaires, cancers, etc.). Cette modification du paysage sanitaire, connue sous l’appellation de « transition épidémiologique », se caractérise par une situation où se superposent les maladies liées à la pauvreté et au manque d’hygiène, et celles liées au développement (urbanisation, mode de vie, mode d’alimentation, stress, etc.).

2.3.2. Pauvreté

Les indicateurs sociaux de l’Algérie se sont améliorés depuis la dernière décennie, quoique très modérément. Alors qu’en 1995, 14 pour cent de la population était pauvre (environ 4 millions d’habitants), en 2000 le taux a probablement baissé grâce à l’augmentation des dépenses publiques et des transferts sociaux, et grâce aux recouvrements réalisés par le secteur privé (hormis secteur pétrolier) : tous ces facteurs ont contribué à l’augmentation des revenus. L’incidence de la pauvreté est plus visible en zones rurales qu’en zones urbaines. En Algérie, l’analyse de la pauvreté n’a pas fait l’objet d’études systématiques et précises. La seule étude disponible est celle relative aux niveaux de vie des populations, réalisée conjointement par l’Office national des statistiques (ONS) et la banque mondiale en 1995. Les résultats de l’enquête de 1995 permettent, en outre, d’estimer le nombre de pauvres en Algérie à 1,6 millions de personnes souffrant de pauvreté alimentaire (dont plus d’un million dans les campagnes), à près de quatre millions de personnes dont le revenu n’atteint pas le seuil de pauvreté global inférieur (dont 2,7 millions de ruraux) et à plus de 6,3 millions d’habitants vivant en deçà du seuil de pauvreté globale supérieur (dont 4,2 millions de ruraux). La fraction de la population affectée par la pauvreté, vivant d’un revenu inférieur à 1,6 USD par jour, représentait ainsi en 1995, 23 pour cent de la population globale. La pauvreté touche relativement plus les femmes chefs de ménage et les personnes à faible niveau d’instruction. Enfin, elle est étroitement liée à l’accroissement du chômage, par crise aiguë du logement, et est aggravée par les effets du terrorisme.

139 Conseil national économique et social (CNES) 18ème Session Plénière 22/23 juillet 2001.
140 Algérie, Banque mondiale région MENA, avril 2004.
2.3.3. Education

Dès l’indépendance, le droit à l’éducation a été l’un des premiers objectifs que le système éducatif s’est efforcé de concrétiser. C’est ainsi que la scolarisation a connu un développement spectaculaire dans ses effectifs, ses capacités et son encadrement. Le pays héritant d’un taux d’analphabétisme très élevé ainsi que d’un taux de scolarisation très bas, l’accès des enfants à l’instruction a représenté une demande forte de leurs parents. Les taux de scolarisation ont rapidement augmenté sous l’effet d’une politique de scolarisation massive qui s’est appuyée sur la multiplication des écoles et un recrutement massif d’enseignants. Le taux de scolarisation des 6-15 ans en 2002 est estimé à 92,69 pour cent (91,24 pour cent pour les filles et 93,84 pour cent pour les garçons). Le taux de scolarisation des 16-19 ans est de 36,86 pour cent (38,98 pour cent filles et 34,75 pour cent garçons). Les taux de réussite restent faibles, voire en recul : le taux de réussite au BEF est de 37,66 pour cent en 2002 contre 41,59 pour cent en 2001. Les déperditions scolaires restent fortes et s’élèvent à 486 582 en 2002 dont près de 58 pour cent sont des garçons. Le taux d’analphabétisme a diminué de 74,6 pour cent en 1966 à 37 pour cent actuellement (femmes : 46 pour cent, hommes : 27 pour cent). Toutefois, de sérieuses insuffisances persistent en termes de disparités entre milieux rural et urbain, entre les sexes, ainsi que selon les régions du pays. Pour la rentrée scolaire 2004/2005 il est prévu d’accueillir 7 805 000 élèves. Les effectifs dans l’enseignement primaire seront de l’ordre de 4 398 000 d’élèves, l’enseignement moyen en accueillera 2 249 000, tandis que l’enseignement secondaire en accueillera 1 158 000. S’agissant des infrastructures d’accueil, il est prévu de réceptionner pour la rentrée scolaire 2004-2005 329 écoles primaires, 127 écoles fondamentales, 58 lycées, 372 cantines scolaires, 114 demi-pensions et 36 internats. Cette année scolaire sera assurée avec 489 000 fonctionnaires dont 336 000 enseignants répartis entre l’enseignement primaire (171 000), moyen (105 000) et secondaire (60 000).

2.4. Profil économique

2.4.1. La stratégie du développement en Algérie


Dans ce dernier champ d’action, on relèvera l’attention portée au devoir national de solidarité envers les plus démunis, au renforcement de la participation des citoyens à la prise en charge des affaires locales, à la promotion de l’investissement et appui aux entreprises (ce qui inclut le concept de Guichet unique, de Fonds de garantie, la formalisation de l’informel et la mise en cohérence des textes réglementaires). La stratégie aujourd’hui se matérialise particulièrement à travers le Plan de soutien à la relance économique (PSRE) 2001-2004.

142 4ème rapport national Algérie sur le développement humain 2002 du CNES.
Un effort important se chiffrant à 525 milliards DA (7 milliards USD) a été dégagé par les autorités à cet effet. Ces fonds se répartissent à hauteur de 210,5 milliards DA (2,77 milliards USD) pour les grands travaux d’infrastructures, 114 milliards DA (1,5 milliards USD) pour l’appui au développement local, 90,2 milliards DA (1,19 milliards USD) pour le développement des ressources humaines, 65,3 milliards DA (860 millions USD) pour l’agriculture et la pêche et 45 milliards DA (600 millions USD) pour l’appui aux réformes. Ce nouveau programme d’investissement a permis de mobiliser plus de 13 pour cent du PIB en plus des dépenses budgétaires normales. À la fin de décembre 2003, moins de 1 pour cent des quelque 16 000 projets était encore en gestation, la plupart des initiatives étant déjà achevées ou en cours de réalisation : près de 730 000 emplois permanents et saisonniers ont ainsi été créés. 

Le prochain «Programme de soutien à la croissance économique» devrait être doté d’un budget avoisinant les 4 000 milliards DA (52,6 milliards USD) pour les cinq prochaines années, dont 2 000 milliards DA (26,3 milliards USD) pour de nouveaux projets de développement. Ce programme s’inscrit dans le projet de loi de finances pour l’année 2005. Le projet de loi de finances table sur un prix de référence très prudent du baril de pétrole, à savoir 19 USD, une croissance économique de 5,3 pour cent et un taux de change stabilisé à hauteur de 76 dinars pour un USD.

2.4.2. Croissance et profil sectoriel de l’économie algérienne

Négatif ou très faible depuis le début des années 1990, le taux de croissance économique est redevenu positif depuis 1995. De l’ordre de -2,2 et -0,9 pour cent en 1993 et 1994 respectivement, le taux de croissance est passé à 3,8 pour cent en 1995 et en 1996. En 1997, ce même taux redevient négatif (-1 pour cent) malgré la bonne tenue des prix des hydrocarbures. Ceci peut être expliqué par les conséquences de larges réformes visant la transformation du système économique à gestion centralisée en système à régulation par le marché, par une mauvaise année agricole ainsi que par les effets du terrorisme qui sévissait dans le pays. La conjoncture s’est largement inversée ensuite avec en 2003 un taux de croissance économique atteignant 6,8 pour cent, une croissance exceptionnelle comparativement aux résultats enregistrés ces dix dernières années, pouvant être imputée, en partie, à la politique de stimulation économique décrite plus haut. En dépit de la faiblesse du secteur de l’industrie (1,2 pour cent), la croissance du PIB hors hydrocarbures et agriculture est appréciable avec un taux de 4,4 pour cent, résultat de l’évolution des secteurs du Bâtiment et travaux publics (BTP) (5,8 pour cent) ainsi que des services (5,7 pour cent).

Principal bénéficiaire du PSRE, le secteur agricole a connu une croissance de 17 pour cent en 2003 grâce aux effets conjugués des bonnes conditions climatiques et des investissements publics consentis au titre du Plan national de développement agricole (PNDA). Le secteur de l’énergie (excluant la pétrochimie) a connu une évolution positive en termes de volume, de l’ordre de + 8,8 pour cent pour les hydrocarbures. L’Algérie a enregistré un record en matière de recette pétrolière pour l’année 2003. Les exportations d’hydrocarbures ont rapporté 24 milliards USD, alors qu’en 2002 ces recettes s’élevaient à 18,1 milliards USD, soit une augmentation de plus de 6 milliards USD ou 21 pour cent. La balance commerciale a ainsi enregistré un excédent de près de 11 milliards USD en 2003, soit une augmentation de 59 pour cent. Cet afflux de devises a été affecté, d’une part, à la reconstitution des réserves de changes qui sont passées de 4,6 mois d’importations en 1999 à 18 mois en 2001, et à plus de trois ans en 2004 (32,9 milliards USD) et, d’autre part, à la

143 Source : Chefferie du gouvernement
144 Rapport sur la situation économique et financière en 2003 ministère des Finances - direction générale des études et de la prévision (publié en mars 2004).
création de fonds de stabilisation des recettes (525 milliards DA soit 7 milliards USD) début 2004.

Le niveau de croissance enregistré au début des années 2000 a eu pour effet d’accroître tant le revenu (de 12 pour cent) et la consommation par habitant (de 2,5 pour cent) que l’épargne des ménages : la part de l’épargne dans le revenu disponible des ménages est passée de 10,3 pour cent en l’an 2000 à 13,7 pour cent en 2001. Le PIB par habitant est passé de 142 083 dinars algériens (1 869 USD) en 2002 à 160 930 DA (2 117 USD) en 2003, soit une progression de 13,3 pour cent.

L’inflation a pu être maîtrisée depuis 1995 (0,34 pour cent en 2000 contre 30 pour cent en 1995), une nette reprise a été constatée au début de l’année 2001, puis contournée à 2,6 pour cent en 2003, niveau jugé satisfaisant dans le contexte du lancement des programmes publics d’investissement, la variation moyenne annuelle entre décembre 2002 et novembre 2003 s’établissant à 2,12 pour cent.

2.4.3. Emploi et chômage


La population active au sens du BIT était estimée à 8,762 millions de personnes en septembre 2003, soit 27,8 pour cent de la population totale. La population occupée est de l’ordre de 6,7 millions de personnes, soit un taux d’occupation de 21,2 pour cent. La proportion des femmes occupées (933 024) demeure très faible comparée à celle des hommes (5 751 032).

En 2003, on comptait 7 276 000 de personnes actives occupées, dont 83 pour cent dans le secteur structuré et 17 pour cent dans l’informel (on notera cependant la difficulté du chiffrage statistique de l’emploi dans ce dernier secteur).

Dans le cadre du PSRE, de nombreux projets ont été lancés dans plusieurs secteurs, notamment l’habitat et l’urbanisme, l’hydraulique et les travaux publics. Au total, les sept milliards USD injectés dans le PSRE ont permis la création de plus de 750 000 emplois entre septembre 2001 et décembre 2003, selon les résultats officiels. Le secteur agricole a été le principal pourvoyeur d’emploi avec 259 423 emplois, l’habitat arrivant en deuxième position avec la création de 83 805 postes, 48 166 dans l’hydraulique et 36 033 dans le secteur des travaux publics.

145 Série statistique ONS.
146 Répartition de la population occupée selon la situation dans la profession et le sexe, Table 11.
Le poids du secteur informel en Algérie s’est considérablement accru dans tout le pays. Le marché informel qui occupait auparavant un rôle économique marginal de subsistance pour une fraction négligeable de la population, s’est développé, dans une proportion inquiétante, estimée aujourd’hui autour de 25 pour cent de la valeur du PIB.\textsuperscript{147} Du fait de sa flexibilité, il joue un rôle d’atténuation du chômage ouvert à tous les exclus du marché du travail.\textsuperscript{148}

L’éradication de la pauvreté nécessite la création de postes d’emploi, tant cette variable économique et sociale reste intimement liée au problème de la pauvreté. 84,8 pour cent des personnes appartenant à des ménages avec plus de 3 chômeurs vivent au-dessous du seuil de pauvreté. Les populations rurales constituent 68 pour cent des ménages pauvres. C’est dans cette optique que le Gouvernement a créé le 19 janvier 2005 un Observatoire national de l’emploi et de la lutte contre la pauvreté. Regroupant les représentants de 18 ministères, 6 institutions d’études et de recherche, 5 agences spécialisées et 2 partenaires sociaux ainsi que représentants de la société civile, cet instrument compte impliquer l’ensemble des intervenants et secteurs créateurs d’emplois ; cet observatoire se veut un organe consultatif. Il aura ainsi pour mission de coordonner la concertation autour d’actions novatrices visant à promouvoir l’emploi et l’amélioration de la vie des strates sociales le plus démunies. Cet organisme aura également à mener des études sur la préservation de l’emploi et à participer à l’établissement des bilans sociaux et de l’emploi.

\textsuperscript{147} Selon les estimations faites par les études menées par la banque mondiale.
\textsuperscript{148} Le secteur informel est essentiellement composé de personnes vulnérables : femmes, enfants et personnes âgées.
3. Analyse des formes de réponse : Etat, organisations internationales et non-gouvernementales, et partenaires sociaux

Le secteur privé et les partenaires sociaux ont acquis une place importante en matière d’appui au développement et d’actions humanitaires. En situation de crise, ils sont des acteurs importants de la solidarité étant donné leur capacité à mobiliser (moyens humains, matériels et financiers), informer et sensibiliser l’opinion publique. C’est du moins ce qui a été constaté dans l’analyse de la réponse au dernier séisme qui a secoué la région de Boumerdès le 21 mai 2003.

Nous envisageons dans cette partie les rôles et contributions des différents intervenants au processus de réponse, gouvernementaux, internationaux, et émanant de la société civile, tant au niveau de l’urgence que de la reconstruction. L’analyse s’attardera tout particulièrement sur la réponse apportée par les partenaires sociaux à cette crise d’envergure nationale, et de leur interaction avec les autres acteurs impliqués.

3.1. Cadre de réponse mis en place par le Gouvernement

Le séisme du 21 mai 2003 qui a ravagé la région de Boumerdès n’a eu qu’un impact limité sur la croissance globale. Le programme de reconstruction absorbe néanmoins 3,5 pour cent du PIB.\textsuperscript{149} La situation financière favorable, émanant des cours des hydrocarbures a permis de consentir à cet effort sans trop peser sur les postes budgétaires à plus long terme des politiques publiques.

3.1.1. Le processus d’urgence\textsuperscript{150}

Dès les premières heures ayant suivi le séisme, un dispositif impressionnant a été mis en route par le gouvernement dans le but de venir en aide aux populations affectées. Face à la crise, des Postes de commandement opérationnels (PCO) ont été constitués dans les wilayas d’Alger et de Boumerdès. Une cellule de crise chargée de la coordination a été mise en place au niveau gouvernemental. Chaque ministère concerné a constitué sa propre cellule de crise sectorielle. Les principales mesures d’urgence mises en place au niveau gouvernemental furent les suivantes:

- le déploiement des secours a mobilisé plus de 47 000 éléments civils et militaires. Cette mobilisation de toutes les structures de l’Etat a été également renforcée par un élan de mobilisation spontanée de la population ;
- pour l’hébergement des sinistrés, près de 31 000 tentes équipées ont été installées pour recevoir plus de 180 000 personnes, réparties sur 270 sites ;
- la prise en charge médicale des familles sinistrées a été assurée par des équipes médicales installées au niveau de chaque site et dont le nombre a connu une évolution significative pour dépasser un effectif de 5 000 agents du secteur de la santé, auxquels s’ajoutèrent 113 médecins et 1 553 secouristes étrangers ;

\textsuperscript{149} Etude préparée par la Direction générale des affaires économiques et financières de la commission européenne 2003.
\textsuperscript{150} Chiffres tirés du communiqué du Conseil des ministres du 23 juin 2003.
l’alimentation en eau potable et en énergie électrique des camps fut assurée et la
distribution de repas chauds (près de 5 millions de repas chauds ont été distribués
depuis le 23 mai 2003 au 31 décembre 2003) ainsi que près de 44 000 paniers
alimentaires hebdomadaires ont été distribués aux sinistrés ;
la mobilisation de près de 1 350 ingénieurs et architectes, organisés en 243 brigades
pour les opérations d’expertise ;
la mise en place d’un dispositif exceptionnel pour la réhabilitation des habitations
endommagées ; c’est ainsi que 1 256 entreprises et artisans et 673 bureaux d’études ont
été mobilisés au niveau de 42 wilayas, venant s’ajouter aux capacités disponibles au
niveau des wilayas d’Alger et de Boumerdès ;
le versement d’une aide de 700 000 DA (environ 9 000 USD) par personne décédée au
profit des familles des victimes, ainsi que d’autres aides supplémentaires aux sinistrés,
 selon leur condition sociale, et l’assistance aux sans-abri ;
le lancement d’un programme de regroupement provisoire des sinistrés dans des chalets
préfabriqués.

3.1.2. Le processus de reconstruction

Au lendemain de la catastrophe, le Gouvernement a approuvé un programme spécial
de reconstruction et de réhabilitation des infrastructures, équipements, et logements
détruits ou endommagés par le séisme, ainsi qu’un projet de loi de finances
complémentaire destinée à son financement. Cette loi de finances ne prévoyait aucune taxe
ou impôt supplémentaires mais se limitait à dégager le budget nécessaire au programme de
reconstruction et de réhabilitation. Ce programme spécial représente un montant global de
144,3 milliards DA (environ 1,9 milliards USD) sur une durée de réalisation de deux
années, dont 100 milliards DA dégagés en crédits de paiements pour les six derniers mois

Le secteur de l’Habitat est le principal bénéficiaire de ce programme avec un montant
total de près de 47 milliards DA - dont 32,5 milliards DA disponibles pour le restant de
l’année 2003. Les crédits ainsi mobilisés permettront la construction de 20 000 nouveaux
logements sociaux en deux années, destinés à accueillir les sinistrés. Ils permettront
également, d’apporter une aide de l’Etat au coût de réparation et de réhabilitation de
dizaines de milliers d’habitations individuelles. Pour la reconstruction des habitations
individuelles détruites, l’Etat apportera également un soutien aux propriétaires par le biais
 de la bonification des intérêts des crédits bancaires. Dans le cadre de ce programme
d’urgence, le fonds de solidarité nationale se voit, pour sa part, doté d’une enveloppe de 8
milliards DA, ce qui portera ses avoirs de l’année 2003 à plus de 10 milliards DA. Ceci
pour faire face, à la fois, au versement d’une aide de 700 000 DA par personne décédée au
profit des familles des victimes, à des aides supplémentaires aux sinistrés selon leur
condition sociale, ainsi qu’à l’assistance aux sans-abri.

L’aide de l’Etat pour reconstruire et réparer les structures touchées par le séisme dans
d’autres secteurs se présente comme suit :

le secteur de l’Education nationale bénéficiera d’un financement d’un montant de 6,2
milliards DA, dont 5,2 milliards DA pour l’année 2003 ;
le secteur de l’Enseignement supérieur et de la recherche scientifique bénéficiera d’un
montant de 1,9 milliards DA, dont 1 milliard DA de crédits pour l’année 2003 ;
le secteur de la Formation et de l’Enseignement professionnel se voit doté d’un
montant de 1,33 milliards DA, dont 570 millions DA pour 2003 ;
le secteur de la Santé est bénéficiaire d’un montant global de 4,80 milliards DA, dont 1
milliard DA en 2003 ;
• le secteur de l’Eau sera destinataire d’un montant de 8,10 milliards DA, dont 1,9 milliards pour l’exercice budgétaire 2003 ;
• les secteurs des Infrastructures se voient alloués, respectivement, 2,1 milliards DA (dont 1,9 milliards disponibles pour 2003) pour les travaux publics, 760 millions DA pour les transports, et 100 millions DA pour 2003 pour les postes et télécommunications.

Au 31 décembre 2003, le bilan de la prise en charge se présentait ainsi : 

• logements réhabilités : 116 000 ;
• logements à démolir : 17 000 ;
• personnes sinistrées : 250 000 (40 000 familles) ;
• infrastructures publiques endommagées : 6 000 ;
• chalets construits : 23 000 ;
• familles ayant regagné leurs habitations : 24 000 ;
• familles relogées dans des chalets : 14 243 ;
• familles relogées dans des appartements : 4 352 ;
• familles ayant bénéficié de l’aide au loyer : 1 528 ;
• logements en phase de lancement : 17 000 sur 20 000.

3.1.3. Les mesures de reconstitution du tissu de la petite et moyenne entreprise/industrie

Dans une situation de sortie de crise, le relèvement de l’économie est fortement tributaire de la réussite de la phase de transition entre l’urgence et la restauration et la reconstruction. Si l’infrastructure sociale dans le cas du séisme de Boumerdès a été rapidement restaurée, le redémarrage économique nécessité une attention soutenue des pouvoirs publics. C’est ainsi qu’une enveloppe de 1 milliard DA a été mobilisée pour la bonification des taux d’intérêts en faveur des sinistres, y compris pour les entreprises économiques privées, au titre de l’aide que l’Etat leur apporte dans le cadre de leur recours au crédit bancaire pour le financement des réparations.

En terme de perspectives de création de revenus et d’absorption de la population à la recherche d’un emploi cependant, aucun programme spécifique n’a été mis en œuvre à notre connaissance par le gouvernement. Ce lien séisme-réactivation de l’emploi n’a pas été considéré, la promotion de l’emploi demeurant intégrée au dispositif stratégique national de lutte contre le chômage, qui prévoit la création de deux millions d’emplois, un objectif que s’est assigné le Président de la République pour son second mandat fera baisser le taux du chômage de 23,6, à 10,5 pour cent en 2009.

Le ministre de l’emploi et de la solidarité a retracé la problématique de l’emploi des dernières années et exposé des chiffres pouvant être atteints grâce aux différents dispositifs créateurs d’emplois. Le ministre a soutenu que les dispositifs de l’Agence nationale de soutien à l’emploi des jeunes (ANSEJ) et le micro crédit peuvent générer quelque 380 000 emplois durables. D’autre part l’Indemnité d’activités d’intérêt général (IAIG), les Travaux d’utilité publique à Haute intensité de la main-d’œuvre (TUP-HIMO) et l’Emploi salarié d’initiation locale (ESIL), tous financés par l’Etat, pourront créer un total de 1 900 000

\(^{151}\) Communication Conseil des ministres du 19 décembre 2003.

\(^{152}\) Cet avantage est difficilement mis en œuvre par les banques au regard du retard dans la promulgation des textes d’application.

\(^{153}\) Discours du ministre de l’Emploi et de la Solidarité nationale au colloque international sur le « Rôle des ressources humaines dans le développement économique et social », organisé en 2005 à Alger par l’Association nationale des économistes algériens (ANEA) en collaboration avec la fondation allemande Konrad Adenauer.
emplois, dont 1 230 000 durables. Un total de 1 610 000 postes durables serait ainsi anticipé d’ici à 5 ans. Le dispositif de l’ANSEJ a été élargi aux 35-50 ans. Il a été créé, à cet effet, un dispositif particulier adossé à la Caisse nationale de l’allocation chômage (CNAC), qui prévoit un prêt de l’ordre de 5 millions DA pour chaque demandeur. Il ne faut pas oublier que les secteurs de l’Habitat, des Travaux publics, de la Pêche et des PMI et PME pourrait être générateurs d’autres postes d’emploi.\footnote{Source quotidien el WATAN du 20 juillet 2004.}

3.1.4. Dangers d’une reconstruction hâtive

Il est à signaler que le dispositif global d’intervention mis en place par l’État lors du séisme du 21 mai 2003 a relevé des réussites exemplaires liées notamment à la rapidité et au volume de la réaction, mais aussi des insuffisances comme l’absence de représentation des acteurs non gouvernementaux au niveau de la cellule centrale de gestion de la crise.

La reconstruction suite au séisme, largement financée par l’État, se fait dans un contexte d’aisance financière favorable qui a permis de réduire considérablement la vulnérabilité des populations au moment de la crise et d’amorcer rapidement le processus de relèvement et de reconstruction. Cette position avantageuse risque cependant d’entraîner les décideurs vers des processus de planification et de reconstruction hâtifs.

Le programme de reconstruction a été planifié et exécuté dans l’urgence, dans un souci de recouvrer les conditions de la « normalité » dans les plus brefs délais. Le processus de planification n’a pas assuré, cependant, la participation des partenaires sociaux à la planification d’une reconstruction durable. Il est à déplorer que sans une planification et un processus de concertation incluant des acteurs importants de la société civile dans la réponse à la crise, le potentiel important de développement à long terme de tels programmes de reconstruction ne pourra être exploité de manière optimale.

3.1.5. Stratégie nationale d’atténuation adoptée par le Gouvernement suite au séisme

Les nouvelles orientations politiques de prévention et de gestion du risque sismique portent sur les domaines d’amélioration ci-après :

- mieux connaître le phénomène sismique et ses incidences en Algérie ;
- sensibiliser et informer les populations sur les risques les concernant et sur les moyens de s’en protéger ;
- prendre en compte le risque sismique dans les décisions d’aménagement du territoire ;
- adapter et protéger les installations actuelles et futures au phénomène sismique ;
- tirer les leçons des catastrophes naturelles qui se sont produites.

Ces orientations se sont à ce jour matérialisées à travers un certain nombre de mesures susceptibles d’atténuer à l’avenir l’impact de ces catastrophes en Algérie, à savoir :\footnote{Communication du conseil des ministres du 29 mai 2003.}

- le lancement d’une étude de fond et une politique appropriée d’occupation de l’espace et de prévention des risques, selon les instructions présentées récemment par le Président de la République ;\footnote{« Ce chantier est une grande œuvre nationale qui s’étalera au fil des années et même des décennies. Il s’agira, en fait, de redresser des dérives enregistrées au long des décennies en matière d’aménagement du territoire et d’une répartition équilibrée de l’espace. »}

\footnote{154 Source quotidien el WATAN du 20 juillet 2004.}
\footnote{155 Communication du conseil des ministres du 29 mai 2003.}
\footnote{156 « Ce chantier est une grande œuvre nationale qui s’étalera au fil des années et même des décennies. Il s’agira, en fait, de redresser des dérives enregistrées au long des décennies en matière d’aménagement du territoire et d’une répartition équilibrée de l’espace. »}
• la révision de la législation relative aux assurances pour rendre obligatoire la contractualisation de polices d’assurances contre les catastrophes naturelles, notamment les séismes ;
• la révision du plan d’Organisation des secours (ORSEC) national afin de l’adapter à la lumière des leçons qui doivent être tirées de cette catastrophe nationale et, dans le même temps, de dégager un nouveau mécanisme de soutien à l’intervention des secours, dès lors que le dispositif en place doit tenir compte de l’évolution des réalités nationales et de l’impossibilité de réquisitionner massivement les moyens du secteur économique public comme cela se faisait auparavant (ces moyens étant détenus actuellement par le secteur économique privé) ;
• la révision des normes parasismiques appliquées dans la construction et leur stricte application future. La loi n°04-05 du 14 août 2004 publiée récemment, a modifié et complété la loi 90-29 du 1er décembre 1990 relative à l’aménagement et à l’urbanisme. Elle impose aux instruments d’aménagement et d’urbanisme d’identifier dorénavant les terrains exposés aux risques de catastrophes naturelles, aux risques technologiques et les zones sismiques. L’autre nouveauté est l’obligation pour tout projet de construction d’être élaboré conjointement par un architecte et un ingénieur agréés, dans le cadre d’un contrat de gestion du projet, qui comprendra, outre les plans d’architecture, les études techniques de génie civil et des corps d’état secondaires ;
• la création d’un fonds national de catastrophes doté d’une mobilisation financière de 10 milliards DA.

3.2. Analyse du champ d’intervention des organisations internationales et non-gouvernementales

La solidarité nationale et internationale s’est rapidement manifestée. C’est ainsi que dès les premières heures qui ont suivi le séisme, les dons de sang et expéditions de denrées et moyens de secours ne cessaient d’affluer de toutes les régions du pays. Cette aide s’est naturellement élargie à la communauté algérienne à l’étranger dont les dons et le concours parvenaient encore en Algérie début 2005. Les versements en DA effectués depuis le 24 mai 2003 par les donateurs au profit des victimes du séisme du 21 mai 2003 s’élèvent, à la date du 10 mai 2004, à la somme de 199 080 320,12 (en DA) soit 2,7 millions USD.

3.2.1. L’apport des ONG nationales et du secteur privé

Malgré une présence sur le terrain de la catastrophe les ONG nationales semblent ne pas avoir trouvé les voies et moyens pour s’engager de manière effective et plus visible dans la prévention et réponse aux catastrophes. En effet, sur les 60 000 ONG actives sur le territoire national, un nombre très limité d’entre elles (dont les contributions du Croissant Rouge algérien et des Scouts Musulmans algériens) auront réellement marqué le processus de réponse. Bien qu’une multitude d’organisations plus ou moins actives ait ainsi été constatée dans le cadre de cette recherche, leur intervention n’a que très rarement été issue d’une démarche stratégique coordonnée.

d’urbanisme dans notre pays qui doit cesser de vivre uniquement sous la pression des urgences. L’Algérie doit aboutir à une carte de développement et de peuplement adaptée à la carte des risques sismiques qui menacent le pays. Les indications de la science, les leçons de l’histoire et les drames des tragédies qui nous ont frappé doivent guider de manière continue notre pays à faire face au risque sismique, au fil des équipes dirigeantes et même au fil des générations. Il nous revient de jeter les fondements de cette nouvelle approche, d’œuvrer à la mettre en route et d’espérer que l’Algérie saura conserver le cap ».[0]

157 Source : ministère des Finances.
Le secteur privé en Algérie joue un rôle de plus en plus important dans le cadre du développement général du pays, mais il n’a occupé qu’un rôle secondaire en matière de relèvement et de reconstruction suite au séisme, outre aux gestes de solidarité spontanés des chefs d’entreprises privées.

3.2.2. L’apport des agences des Nations Unies et du BIT

Il est à rappeler que 63 pays et 14 organisations internationales et non-gouvernementales étrangères ont exprimé leur solidarité et leur soutien sous des formes très diverses. Outre des contributions financières, cette aide étrangère a pris la forme de la mise en place de cinq hôpitaux de campagne, de matériel et d’équipements de secours et de recherche, des produits alimentaires, du matériel de sauvetage, des produits pharmaceutiques et d’hygiène, du matériel d’assistance d’urgence, des effets domestiques, des tentes, des couvertures, des équipements et produits hydrauliques, notamment, des stations d’épuration d’eau, des équipements et matériels électriques divers, etc.

La participation des Nations Unies domiciliées en Algérie en collaboration avec une multitude d’intervenants gouvernementaux et non gouvernementaux était visible dès les premiers instants de la catastrophe. L’Office de la coordination des affaires humanitaires (OCHA) à Genève, a dépêché une équipe de coordination et d’évaluation composée de neuf experts internationaux, spécialisés dans le domaine de mise en place de plans d’urgences en cas de catastrophes naturelles. Le PNUD, le Fonds des nations unies pour la population (FNUAP), le Fonds des nations unies pour l’enfance (UNICEF), l’Organisation mondiale de la santé (OMS), l’Organisation des nations unies pour le développement industriel (ONUDI), et le Programme alimentaire mondial (PAM) ont pris en charge la réponse d’urgence dans leurs secteurs de compétence.

Ces actions d’urgence sont accompagnées de programmes et projets spécifiques à chaque agence. L’action du BIT s’est concentrée principalement sur les aspects liés à la sauvegarde de l’emploi et à sa promotion dans le cadre du processus de reconstruction, ainsi que sur la mise à disposition d’une assistance technique liée à la réhabilitation de PME/PMI touchées par le séisme.

Au lendemain du séisme, le bureau de l’Office international du travail (OIT) à Alger a contacté la direction à Genève et le programme focal de réponse aux crises et reconstruction (IFP/CRISIS) afin de coordonner un plan d’action stratégique pour déterminer la réponse de l’organisation dans le sens de la sauvegarde et de la promotion de l’emploi dans les zones les plus touchées. C’est ainsi qu’une mission multi-sectorielle du BIT coordonnée par le directeur du bureau de l’OIT d’Alger en collaboration avec le ministère du Travail et de la Sécurité sociale s’est rendue dans les wilayas d’Alger et de Boumerdès du 24 au 30 juin 2003 afin d’évaluer les besoins urgents et de proposer une stratégie de réponse. Les premiers éléments de cette stratégie peuvent ainsi être recensés :

- élaboration en collaboration avec le PNUD et l’Université de Genève d’un document portant sur la stratégie et le programme de réponse BIT/PNUD (programme de coopération sur l’articulation PME-HIMO- construction parasismique). Cette stratégie est agencée autour de deux projets majeurs : un projet pilote d’aide à la réhabilitation et au redressement des micros et petites entreprises, ainsi qu’un projet pilote de reconstruction de logements utilisant des méthodes et des pratiques à fort coefficient

---

de main-d’œuvre, encourageant la formation qualifiante et le développement de la petite entreprise ;
• et organisation d’un séminaire atelier à Alger les 1 et 2 décembre 2003 sur le thème de la formulation d’un programme de coopération sur l’articulation PME- HIMO-construction parasismique.

3.3. La réponse des organisations syndicales et patronales

Depuis une quinzaine d’années en Algérie, le paysage des acteurs sociaux s’est métamorphosé. A côté d’organisations syndicales anciennes, comme l’UGTA ou patronales comme la CGEOA, de nombreuses organisations sont apparues, avec un statut syndical ou associatif. Cette affirmation de la communauté syndicale \(^{160}\) et de la société civile d’une manière générale en Algérie. Ces acteurs sociaux représentent de plus en plus une alternative à un gouvernement qui se désengage des domaines économiques et sociaux et se découpent ainsi un espace toujours plus vaste de participation au développement du pays orienté sur l’économie de marché.

En ce qui concerne l’événement qui nous intéresse ici, l’UGTA et la CGEOA furent les organisations syndicales et patronales qui se sont engagées le plus intensément dans le secours humanitaire ainsi que dans le processus de mise en œuvre de la reconstruction. Ceci, tant au travers de l’action menée sur le terrain par leurs différentes branches et adhérents, que par la mobilisation du soutien de leur différents partenaires.

**L’Union générale des travailleurs algériens**

De syndicat unique des travailleurs salariés partie intégrante du pouvoir dans les années 70, l’UGTA est devenue un syndicat indépendant. La Centrale syndicale a acquis une préménnce que justifient à la fois sa réelle représentativité dans le monde du travail et le caractère réaliste et constructif de ses propositions. L’UGTA est en rapport direct avec le gouvernement, au plus haut niveau, lorsque la situation sociale l’exige (dégradation des conditions de vie et de travail des salariés, menace sur leurs emplois, fermeture d’entreprises, tentatives de privatisations sauvages). Elle participe aux conseils d’administration des institutions de protection et de sécurité sociale : Caisse nationale des assurances sociales des travailleurs salariés (CNAS) Caisse nationale des retraites (CNR) Caisse nationale d’assurance chômage (CNAC), Caisse des congés payés du secteur du bâtiment (CACOBATP), Fonds national de promotion des œuvres sociales (FNPO) où ses représentants ont un rôle non négligeable d’orientation stratégique encadrant les programmes et plans d’action développés par ces institutions.\(^{161}\)

**La Confédération générale des entrepreneurs et opérateurs algériens**

La CGEOA est la première organisation patronale en Algérie. Crée en 1990, elle est membre de l’Organisation internationale des employeurs (OIE), de la Confédération panafricaine des employeurs (CPE), de l’Union méditerranéenne des confédérations d’entreprises (UMCE), et se fonde sur des représentations qui couvrent l’ensemble du territoire national (environ 600 entreprises membres).

---

\(^{160}\) Ce terme est utilisé dans le document pour désigner les organisations syndicales et patronales.

\(^{161}\) site : [www.ugta.dz](http://www.ugta.dz)
Nous aborderons la participation des partenaires sociaux algériens à la réponse au séisme du 21 mai en distinguant la réponse d’urgence (de nature humanitaire) et les efforts mis en place dans une perspective de reconstruction, de réduction des vulnérabilités et de relance économique des zones affectées. Nous tenterons à travers cette recherche d’analyser et l’engagement du syndicat de l’UGTA, seule organisation à avoir mis en œuvre une stratégie d’intervention globale, et de la CGEOA parmi les organisations patronales les plus visibles sur le terrain.

3.3.1. Les opérations d’urgence

Les principales actions de solidarité entreprises par la CGEOA en termes d’assistance logistique et financière se sont exprimées sous diverses formes, et notamment à travers:

- un appel à contribution des membres adhérents de l’organisation ;
- le don de 14 wagons de produits alimentaires fruit de la mobilisation des adhérents ;
- la mise à disposition des moyens matériels (véhicules de transport, engins, etc.) des entreprises membres pour les opérations de déblaiement ;
- la prise en charge de la consolidation et réfection de 28 sites légèrement touchés ;
- la solidarité matérielle avec les entrepreneurs de la zone touchée ayant perdu leurs unités de production (au profit de 60 entreprises privées).

Au lendemain du séisme, l’UGTA pour sa part a mis en veille toutes ses activités pour consacrer toutes ses forces exclusivement à l’action de solidarité avec les sinistrés, et ce jusqu’à la fin du mois d’août 2003. A cet effet, la commission exécutive nationale s’est réunie en urgence le 22 mai 2003 où il a été décidé de :

- réactiver et dynamiser les commissions syndicales de solidarité dans toutes les wilayas du pays et mettre en place des programmes de solidarité ;
- appeler à contribution les travailleurs et les organisations syndicales partenaires ;
- faire l’évaluation de la situation d’urgence et établir un inventaire rapide des besoins effectués sur place aux premières heures de la catastrophe par les principaux responsables du syndicat UGTA ;
- définir et mettre en place un dispositif de solidarité nationale à partir du siège national ;
- créer la cellule nationale de suivi de la crise.

D’autres mesures complémentaires définissant les modalités pratiques d’action et de coordination ont été entérinées suite à la réunion de coordination qui a regroupé les membres représentants des fédérations de l’UGTA et des membres de la commission exécutive nationale le 25 mai 2003, et en particulier :

- la mobilisation de l’ensemble des structures de l’UGTA dans leurs secteurs respectifs ;
- la mise en place d’un site national de réception de tri et de redistribution ;
- la mise en place d’un site au niveau de la zone sinistrée.

En outre, l’UGTA a été chargée par les autorités d’assurer des services quotidiens de distribution de secours et d’administration de 17 sites d’accueil de sinistrés totalisant 200 familles. Dans la pratique, l’organisation syndicale avait la responsabilité d’organiser la réception, l’acheminement et la distribution des produits de première nécessité, l’équipement des sites d’accueil, la coordination et le soutien des équipes chargées. Des équipes de volontaires se sont relayés pour assurer ces services. Ces volontaires étaient coordonnés par le centre opérationnel de l’UGTA installé dans la ville de Zemmouri, qui

162 Cf. Dispositif d’intervention UGTA : Table 4.
163 Cf. Liste des fédérations affiliées à l’UGTA : Table 3.
leur fournissait les équipements et instructions nécessaires, et qui assurait leur transfert dans les sites auxquels ils ont été affectés. Ceux-ci assuraient la distribution des secours, des services d’approvisionnement en eau et d’assainissement, la gestion des services sociaux, et un soutien aux organes gouvernementaux comme le ministère de la Santé.

S’agissant de la contribution financière, nous ne disposons pas d’une estimation précise des fonds importants mobilisés par l’UGTA car ceux-ci furent versés directement dans le compte spécial ouvert par le Gouvernement. Il est certain, en tout état de cause, qu’une grande partie des montants récoltés et publiés ont pour origine l’appel lancé par l’UGTA. Les montants adressés directement à la centrale sont estimés à 24 948 000 DA (328 263 USD). La totalité de l’apport monétaire identifiée par la présente recherche et consacré par l’UGTA comme contribution au processus de relèvement est estimée à 845 millions de DA (11,1 millions USD), ce qui représente une contribution substantielle au processus de réponse national. Ces fonds proviennent notamment de l’élan de solidarité qui a fait suite à l’appel fait par l’UGTA aux travailleurs de faire don d’une journée de salaire au bénéfice des populations sinistrées. A noter enfin, que pour l’UGTA, « il était indispensable de préserver la confiance des donateurs ainsi que le crédit de l’organisation en veillant particulièrement à tenir une comptabilité rigoureuse sur les dons et leur affectation ». C’est ainsi qu’il a été fait appel aux services d’un bureau de comptabilité privé chargé de tenir à jour les écritures détaillées des flux des produits récoltés et distribués par l’UGTA.

Par ailleurs, il est possible en se référant à la Table 5 en annexe de cerner le volume total des dons gérés et redistribués par l’UGTA, tel qu’il ressort des conclusions comptables, un volume qui est également considérable.

L’ensemble de ces ressources mobilisées par l’UGTA a été mis au profit de différentes formes d’intervention dans le processus d’urgence et de reconstruction. Il est fait état ci-dessous des grandes lignes de l’intervention en matière humanitaire.

**Assistance psychologique**

Il est certain qu’une grande partie de la population touchée par le séisme présente des troubles psychiques en rapport à l’événement. Ces troubles relèvent d’une prise en charge à court, moyen et long terme. L’accompagnement psychosocial des personnes au moment où elles seront confrontées à la tâche de reconstruire leurs vies s’est vite imposé à la commission de solidarité de l’UGTA.

La situation des enfants a fait l’objet d’une attention particulière. Un projet sur une année a été mis en œuvre en partenariat avec l’association Union de la communauté des algériens à Paris (UCAP), le ministère de la Santé, le ministère de l’Éducation nationale et le ministère de la Jeunesse et des sports. Le projet se proposait d’atteindre comme objectif l’accompagnement des enfants sinistrés au retour à l’école par le développement d’actions éducatives et sanitaires. L’UGTA a assuré la prise en charge de l’ensemble de la logistique du projet ainsi que la coordination générale des activités du projet avec les différents partenaires. Les activités prévues et réalisées dans ce cadre consistaient en :

---

164 Estimatif réalisé par le consultant sur la base de la documentation mise à sa disposition par l’UGTA.
165 M. Abdelmadjid Sidi Said, Secrétaire général de l’UGTA.
166 Cf. état global des dons distribués par la Cellule Nationale de Solidarité de l’UGTA : Table 5.
168 A financé le projet à hauteur de 63 145 Euros.
• l’identification des traumatisms psychiques et de leur impact sur la vie de l’enfant et son environnement ;
• la mise en place de permanences psychologiques en milieu scolaire et l’orientation des enfants et des familles vers les structures de prise en charge sanitaires les mieux adaptés ;
• l’amorce d’un travail en réseau entre les établissements scolaires, les centres de loisirs et le secteur médico psychosocial de la wilaya de Boumerdès ;
• la formation des professionnels intervenants en milieu scolaire ;
• l’aide à la reconstruction d’aires de jeux et loisirs et la constitution d’un centre documentaire pour les professionnels.

Les jeunes sinistrés en classe d’examen, au nombre de 1 100 ont bénéficié de l’organisation par l’UGTA de 7 camps de vacances (2 sessions de 15 jours), et de soutien scolaire, en collaboration avec le ministère de l’Education nationale et du ministère de la Solidarité nationale et de l’emploi et ce, en vertu d’une convention signée le 28 juin 2003. Les coûts de l’opération représentant l’équipement des camps, les frais d’assurance des participants, les indemnités du personnel pédagogique et administratif pris en charge par l’UGTA ont été arrêtés à 47 532 735 DA (625 000 USD).

Assistance aux populations vulnérables et promotion de l’emploi local dans la réponse d’urgence

La Commission nationale des femmes travailleuses (CNFT), créée lors des assises d’octobre 2000, a pour objectif de prendre en charge les questions spécifiques à la condition de la femme. La CNFT est composée de 91 membres représentant les travailleuses des 48 wilayas du pays. Dans le cadre de la crise, cette structure a apporté une contribution non-négligeable au processus de prise en charge de l’urgence, au-delà de ses prérogatives sur la question de la femme. La Commission fut chargée de prendre en charge les besoins des populations les plus vulnérables à savoir les femmes, les enfants et les handicapés, son rôle fut de rester à l’écoute attentive des besoins des femmes et des enfants qui se sont retrouvés seuls après avoir perdu leurs familles, les accompagner dans leurs démarches administratives, leur assurer l’approvisionnement en produits vitaux, les orienter, les conseiller, etc. La commission s’est mobilisée durant 3 mois (mai, juin, juillet 2003) sur le terrain de la catastrophe, confectionnant et distribuant plus de 21 mille colis sur 64 sites, prenant en charge une colonie de vacances pour une soixantaine d’enfants et organisant des cours de soutien scolaire pour les élèves sinistrés qui préparaient le baccalauréat et le brevet.

Coordination et relation avec les autres acteurs

Conscients que l’action de chacun peut être décuplée par la constitution d’alliances finalisées autour d’une démarche coopérative, l’UGTA a inscrit son action d’embrée dans le cadre d’une mobilisation plus générale avec les différents partenaires nationaux et internationaux.

En Algérie, les cadres de dialogue bipartite, Gouvernement-mouvement syndical, et tripartite associant également le patronat, ont permis d’instaurer une tradition de concertation sur la gestion des affaires du pays. Ce cadre de dialogue s’est transformé en véritable partenariat entre le Gouvernement et l’UGTA pour offrir une réponse au séisme. L’UGTA s’est vue chargée, et a assumé dans ce cadre un rôle crucial de soutien aux pouvoirs publics en assurant aux sinistrés des services sociaux essentiels et une assistance

169 500 cas repérés et récupérés.
170 Détachement d’enseignants.
171 Apport en fournitures scolaires.
matérielle sous des formes diverses, tant à l’intérieur qu’à l’extérieur des sites d’accueil dont elle assurait la charge.

A l’international, différents syndicats ou fédérations syndicales ont adressé des messages de solidarité à la centrale syndicale algérienne UGTA. Dans leurs messages ces organisations syndicales en plus des condoléances se proposaient de soutenir l’action de l’UGTA en apportant une solidarité concrète. Dans ce cadre l’UGTA a lancé un appel qui a suscité une large réponse du mouvement ouvrier et syndical international,\(^{172}\) et qui s’est traduite concrètement par l’envoi de tonnes de produits et matériels destinés à l’aide d’urgence et des soutiens financiers pour l’aide à la reconstruction.

L’UGTA a entrepris des partenariats avec diverses ONG nationales et internationales.\(^ {173}\) Ce partenariat a pris des formes aussi variées que des services de relais à des ONG internationales pour la réception et la distribution de dons, l’organisation de camps de vacances au profit d’enfants sinistrés, l’organisation de cours de soutien scolaire pour les enfants et jeunes sinistrés et le soutien matériel à des ONG locales désireuses d’apporter leur contribution à la prise en charge des sinistrés.

Des activités de mobilisation ont été menées par l’UGTA en partenariat avec des représentants de la communauté algérienne établie à l’étranger, c’est ainsi que l’UGTA a servi de relais et de contact pour les dons récoltés par l’association de la communauté algérienne en Ecosse, et l’Union de la communauté algérienne de Paris et de partenaire pour un projet de renforcement de capacité avec cette dernière.\(^ {174}\)

Le résumé du partenariat avec les entreprises tel qu’il ressort de la revue de la documentation de l’UGTA est présenté ci-après :

<table>
<thead>
<tr>
<th>Dénomination de l’entreprise</th>
<th>Nature de la collaboration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Société nationale des transports ferroviaires (SNTF)</td>
<td>Transport des dons.</td>
</tr>
<tr>
<td>Entreprise city 1ere édition</td>
<td>Remise cheque de 500 000 DA</td>
</tr>
<tr>
<td>La Pharmacie centrale des hôpitaux (PCH)</td>
<td>Remise des dons de médicaments</td>
</tr>
<tr>
<td>Office national d’appareillage et accessoires pour handicapés (ONAPH)</td>
<td>Remise de dons spécifiques notamment des fauteuils roulants</td>
</tr>
<tr>
<td>Le groupe Blanky</td>
<td>Mise à disposition de magasin de stockage et personnel de l’entreprise (tri, contrôle, rangement)</td>
</tr>
</tbody>
</table>

La participation des populations sinistrées à la gestion des affaires des camps (participation aux travaux d’aménagement, distribution des kits aux contacts et discussion avec les différents intervenants à l’extérieur des camps) fut également entreprise de manière planifiée. Dans les zones rurales, l’intervention de l’UGTA se faisait en étroite collaboration avec les représentants communautaires (djamai).

\(^{172}\) Cf. Liste des syndicats internationaux ayant soutenu l’action de l’UGTA : Table 6.

\(^{173}\) Cf. Etat de la collaboration de l’UGTA avec les ONG : Table 7.

\(^{174}\) Section « Assistance psychologique ». 
3.3.2. Les apports en matière de reconstruction et de redressement économique

**La CGEOA**

Dans le cadre du *Projet d’aide à la réinsertion socio économique* et afin de promouvoir le renforcement de l’emploi dans le processus de reconstruction, la CGEOA a pris l’initiative de la création d’une micro zone d’activité destinée à abriter des petites et micro entreprises productives de biens et de services (150 à 200 unités) pour des jeunes sans emploi issus de la zone touchée par le séisme. Les micro entreprises seront parrainées par des entrepreneurs et opérateurs confirmés membres de la CGEOA qui apporteront, non seulement des moyens matériels sous forme de dons de machines d’occasion, mais aussi et surtout leur expérience professionnelle. L’encadrement et l’organisation de cette zone sera assuré par la CGEOA. Il est à signaler que les responsables de la CGEOA ont soumis le projet au premier responsable de la wilaya de Boumerdès qui a manifesté sa disponibilité à dégager une assiette de terrain pour le projet. Ce projet pourrait s’avérer une contribution intéressante à la résorption des effets d’une crise par la promotion de l’entrepreneuriat privé. Ce projet n’a pourtant pas encore été lancé (du fait de l’absence d’une bonne planification et de financement pour la construction et l’aménagement de la zone).

Il est également à noter que quatorze entreprises affiliées à la CGEOA participent au programme de reconstruction lancé par le gouvernement.

**L’UGTA**

Suite au séisme de Boumerdès, et dans le cadre même du dispositif d’urgence, l’UGTA a procédé au recrutement de 500 jeunes sinistrés les plus démunis pour la confection des kits de survie. Cette action, qui a duré 4 mois, a nécessité une enveloppe financière de l’ordre de 24 millions de DA (316 000 USD). Il a en plus été fait appel pour la location des moyens de transport, aux services des coopératives de jeunes de la zone pour un montant total de 720 000 DA (9 500 USD) à raison de 180 000 DA/mois.

Dans le cadre d’une action de réintégration économique et sociale et de la réduction de la vulnérabilité des travailleurs les plus touchés par la catastrophe décidée par le conseil national de l’UGTA, l’aide à la reconstruction pour les familles des travailleurs et retraités sinistrés, s’est illustrée par le lancement d’un premier projet pilote de construction de 500 logements, combinant une approche de réduction des risques para-sismiques et de dynamisation de l’économie locale. La première pierre a été déposée le 1er mai 2004 dans la ville de Zemmouri sur une assiette de 6 hectares, dégagée par les pouvoirs publics. Le projet a été financé par le fonds de péréquation des œuvres sociales à hauteur de 750 millions de DA (9,9 millions USD), dont l’UGTA est membre. Parallèlement à cet engagement, l’UGTA a appelé les travailleurs algériens à verser une journée de salaire en signe de solidarité. La somme ainsi récoltée servira à construire une nouvelle tranche de 500 à 750 logements sociaux (en plus des 500 déjà décidés).

A ce sujet, il est à rappeler que le secteur économique de la construction est évidemment stratégique pour le processus de la reconstruction et doit donc être placé au

---

175 Le projet n’existe sous aucune forme écrite.
176 Au prix de 400 DA personne/jour.
177 Limite du choix : l’assiette est une terre a haut potentiel agricole et se situe hors plan d’aménagement et d’urbanisme.
centre de l’attention des partenaires sociaux, dans le cadre notamment du projet de construction des 500 logements pour les travailleurs à Boumerdès. La contractation des PME-PMI, entreprises provenant des zones touchées par le séisme devrait être promue, de manière à injecter les ressources affectées à la reconstruction dans l’économie locale affectée. Cela permettra une revitalisation partielle de l’économie locale par l’utilisation des matériaux et de services locaux liés au secteur de la construction, l’utilisation de main-d’œuvre locale, en considérant une éventuelle formation professionnelle de base pour la main-d’œuvre non qualifiée, ainsi qu’une formation ad hoc pour élever le niveau de la main-d’œuvre qualifiée. Lorsque des contrats sont noués avec de grandes entreprises, la sous-contractation de petites entreprises locales serait également à promouvoir.

3.3.3. Conclusions

En ce qui concerne le cadre de réponse et les activités engagées à cet effet par les partenaires sociaux, les conclusions suivantes se détachent de l’analyse :

- la première observation est que les données disponibles, qu’il s’agisse des organisations syndicales ou patronales, montrent que le profil des activités est presque le même (secours, assistance, récolte de dons, mobilisations). Ceci met en avant un certain défaut d’innovation dans l’approche des activités.
- En second lieu, la majorité de ces activités revêtent généralement un caractère d’urgence, c’est-à-dire déployées à l’occasion de la survenue de la catastrophe et donc limitées dans le temps ; ce qui ne favorise pas la recherche de durabilité des interventions associées à un processus de reconstruction.
- Enfin, les activités développées sont à qualifier dans le cadre d’une « démarche d’offre », et ne prennent que rarement la forme d’une réponse à un besoin exprimé des populations bénéficiaires.

Néanmoins, et malgré ces insuffisances, il reste à signaler que nombre d’actions entreprises par les partenaires sociaux ont apporté des acquis appréciables à la population.

Pour ce qui est des interactions entre acteurs sociaux et autres acteurs dans la réponse à la crise, il nous est apparu que la convergence de l’engagement et des objectifs entre les différents acteurs gouvernementaux et non gouvernementaux a conduit presque spontanément à la mise en place d’un cadre d’intervention coopératif et complémentaire. C’est par conséquent, dans le cadre de l’action concertée des différentes cellules de crise mises en place par les intervenants que les modalités opérationnelles dans lesquelles s’articulent les différents types d’assistance sont adoptées.

La collaboration des pouvoirs publics algériens avec l’ensemble des partenaires sociaux semble avoir gagné en efficacité et en promptitude, en tout cas, en nette amélioration par rapport aux catastrophes antérieures. Cette évolution positive est le fait d’un changement remarqué de la position du gouvernement, qui a cessé de relativiser l’apport des partenaires sociaux et autres ONG et leur utilité dans les stratégies de prise en charge des catastrophes naturelles en Algérie. Cette volonté politique a été accompagnée par un ensemble d’interventions mises en place par les différents départements et institutions de l’Etat (ministères, communes, wilayas), associant l’ensemble des acteurs sociaux dans la gestion de la catastrophe.
4. Bonnes pratiques

Nous avons exposé plus haut l’état des lieux concernant la crise en présentant ses manifestations, son ampleur et son envergure. La CGEOA et l’UGTA ont montré à travers leurs contributions respectives dans la prise en charge des retombées du séisme du 21 mai 2003 des capacités évidentes. C’est un acquis capital qui mérite d’être valorisé au mieux. A cet égard, les principales observations relevées dans cette recherche pour affiner et développer la contribution des partenaires sociaux à la prise en charge de l’urgence et leur participation au processus de reconstruction sont présentées ci-après :

- l’analyse de la gestion des urgences et de la reconstruction par le Gouvernement algérien suite au séisme montre que cette gestion a sensiblement gagné en rapidité et en efficacité ;
- sur le terrain, il a été constaté une capacité des services gouvernementaux à jouer la carte de la complémentarité et de l’intégration des compétences. L’administration a su faire appel aux compétences associatives et privées pour favoriser des réponses rapides en matière d’alimentation et de secours (Croissant Rouge, Scouts, Handicap International, UGTA, etc.). Outre une participation aux premiers secours, elles ont pu participer à toute la chaîne de solidarité ;
- l’UGTA a apporté une contribution précieuse, parfois même essentielle, au processus de relèvement. Elle dispose d’une capacité de mobilisation rapide à l’apparition d’une crise. De plus, la diversité de ses profils, missions et compétences font que l’UGTA peut proposer de nombreuses formes de soutien s’intégrant à une démarche stratégique aux populations touchées par les crises. La chaîne de solidarité mise en place par la centrale syndicale était prête à l’engagement en quelques heures et a opéré jusqu’à la fin du mois de décembre 2003, date à laquelle le dispositif d’urgence a été levé ;
- le gouvernement a expressément reconnu les capacités de l’UGTA en lui confiant des missions de gestion et de coordination de 17 sites regroupant 200 familles sinistrées. Les conditions de l’exercice d’une telle responsabilité par un syndicat demandent à être diffusées notamment les organisations patronales afin de mutualiser l’expérience. Ce retour d’expérience suite au séisme peut permettre d’orienter les stratégies futures d’intervention des partenaires sociaux ;
- l’UGTA a institutionnalisé l’intervention d’urgence à travers la décision de la commission exécutive nationale de doter la cellule nationale de solidarité (crée à la suite du séisme) d’un statut de structure permanente ;
- le développement de capacités locales de définition et de mise en œuvre de processus de création d’emploi dans une relation de proximité avec les populations sinistrées en situation d’urgence, tel qu’initié par l’UGTA lors du dernier séisme, est une évolution majeure. Elle peut ouvrir une voie aux organismes donateurs qui interviennent en situation de crise similaire de sous-traiter des projets générateurs d’emploi en partenariat direct avec la structure permanente de solidarité de l’UGTA ;
- les actions combinées avec des petites ONG entreprises par l’UGTA revêtent une portée stratégique à laquelle il y à lieu de s’intéresser, car généralement les impératifs de l’urgence conduisent à privilégier les grandes ONG très organisées et particulièrement réactives par rapport aux ONG de petite ou moyenne taille. Or ces dernières jouent un rôle essentiel de soutien moral et social de par leur connaissance des populations et de l’environnement local. Ces ONG sont bien placées pour intégrer également une stratégie de récupération de l’emploi de proximité (notamment l’emploi informel) et de sa promotion dans le cadre de la reconstruction ;
• le rôle dévolu à la commission des femmes travailleuses illustre bien cette situation. Par sa contribution, elle a notamment permis à l’UGTA de contourner les restrictions d’ordre culturel et social qui font que les besoins et capacités des femmes soient bien souvent sous-estimés et négligés pendant la période de crise et ainsi de mieux cibler l’aide en direction de cette catégorie de population, ainsi qu’en direction des populations les plus vulnérables.
5. Recommandations

Les diverses décisions prises par le gouvernement, la société civile et la communauté syndicale et patronale, et la communauté internationale suite au séisme de Boumerdès ont permis d’entrevoir un certain nombre de besoins ou de priorités formulées ci-après en terme de recommandations susceptibles de renforcer la future implication des acteurs sociaux, et particulièrement des partenaires sociaux, dans la gestion des catastrophes naturelles en Algérie.

Cette partie vise aussi à fournir aux promoteurs de la présente recherche un tableau de bord pour l’élaboration et la conduite de l’action stratégique du BIT en réponse aux crises notamment au niveau du pays. Rappelons que nous visons à apporter ici des outils de réflexion, non des solutions clés en main. Les éléments fournis ne sont bien sûr ni exhaustifs, ni exactement adaptés à tout cas spécifique.

Rendre plus performantes l’intervention des partenaires sociaux

Il parait indispensable de renforcer l’aptitude des partenaires sociaux et des réseaux pour leur permettre d’améliorer leurs intégration dans le dispositif national de réponse à la crise et de mise en place de partenariats, leurs opérations de récolte de fonds, leurs approches et processus de réponse. Dans cette optique les organisations internationales, et le BIT en particulier, pourraient s’attacher à :

- soutenir et renforcer des organisations comme la commission de solidarité de l’UGTA, afin qu’elles jouent pleinement leur rôle d’aide à la décision en matière d’opération, de planification des secours et de la reconstruction. Pour cela, il conviendrait de les aider à clarifier leurs missions (élaboration d’un plan stratégique), et de leur permettre en particulier de participer à l’élaboration et la mise en pratique de politiques de récupération et de promotion de l’emploi en situation de catastrophe. Ces formations pourraient être organisées en commun entre le personnel des administrations de l’État et ceux des autres partenaires sociaux ;
- aider à la mise en place de mécanismes de consultation et de dialogue entre les partenaires sociaux et les institutions gouvernementales. Ces mécanismes peuvent prendre la forme d’ateliers regroupant des représentants du gouvernement, des principaux syndicats des travailleurs et des représentants d’organisations patronales sur les apports possibles des partenaires sociaux dans le processus de relèvement suite aux catastrophes naturelles. On explorera systématiquement les opportunités de création de plate-formes de coopération, de constitution de réseaux et d’échanges d’expériences.
- Mener une étude monographique de la situation des organisations syndicales et patronales dans le pays constitue à notre sens un premier pas pour le lancement d’un processus planifié et participatif pour arrêter le cadre d’implication éventuel des partenaires sociaux dans les processus de réduction de vulnérabilité suite à des catastrophes naturelles. Cette étude permettra particulièrement de donner un aperçu des réseaux et des organisations syndicales et patronales actives en Algérie et d’évaluer leurs capacités ainsi que le rôle qu’elles ont pu jouer dans le processus de réduction de vulnérabilité lors de catastrophes naturelles précédentes ;
- constituer des comités et registres d’experts nationaux pouvant se muer en cellules de crise en cas de catastrophe naturelle, afin que le BIT puisse disposer de capacités d’expertise lui permettant de cerner la situation et ses diverses dimensions socio-économiques.
**Renforcer le rôle de solidarité des partenaires sociaux**

Les partenaires sociaux peuvent avoir un rôle capital à jouer dans le cadre de la mobilisation de la solidarité nationale des travailleurs et employeurs, en vue de faciliter la réalisation d’une dynamique de solidarité sociale, et ce de part :

- leur expérience de la solidarité, leur implantation sociale et leurs moyens considérables ;
- l’importance prépondérante que l’UGTA et les organisations patronales attachent à la protection de l’emploi et à la promotion des conditions sociales des populations qui s’y rapportent ;
- leur action en faveur d’un développement équitable sur le plan social et économique.

Grâce aux réseaux qu’elle a tissée entre ses adhérents et diverses institutions gouvernementales et non-gouvernementales nationales et internationales, l’UGTA représente un moyen important de promouvoir une stratégie de prévention des risques et de sauvegarde et de promotion de l’emploi en situation de crise et d’en soutenir la mise en pratique. Dans ce cadre, le rôle des organisations internationales (et du BIT) serait de :

- soutenir l’organisation de séminaires de capitalisation d’expérience. Il s’agit à travers de telles rencontres de faire revivre l’événement aux principaux intervenants en les invitant à échanger leurs expériences (qualité de l’apport, insuffisances constatées, difficultés rencontrées, améliorations possibles, etc.). Ces mises en situation permettront aux participants de revivre en groupe les différentes situations et de réfléchir sur les possibilités de mise en œuvre d’un processus d’action commun ayant notamment pour finalité d’encourager les dynamiques de relèvement économique existantes en suscitant l’intérêt de tous les opérateurs économiques publics et privés, les administrations et les organisations syndicales, à la dimension de l’emploi comme facteur de réduction de la vulnérabilité des populations ;
- aider au renforcement et à l’encouragement des partenariats entre des associations locales et des organisations non-gouvernementales (ONG) nationales, lesquelles par leur souplesse, leur mobilité et leur présence sur le terrain, en font des partenaires idéaux pour la mise en place des divers programmes à dimension locale, notamment celles fragilisées et handicapées.

**Accorder une attention soutenue à la place des femmes**

Les femmes peuvent remplir des rôles divers pendant et après les catastrophes naturelles. Elles sont certes elles-mêmes des victimes de la catastrophe, mais elles sont aussi des agents de la solidarité qu’il y a lieu de prendre en considération.

A cet égard, les organisations internationales pourraient notamment se focaliser sur l’amélioration de leur cadre d’évaluation des besoins et de formulation des stratégies en veillant à ce que toutes les missions d’enquête et d’évaluation puissent intégrer réellement la situation, les besoins et les capacités des femmes, afin d’amener les consultants, experts et chercheurs à prendre en compte les questions liées à la problématique genre et les questions concernant les femmes.

La promotion de l’emploi féminin est un autre élément méritant une attention toute particulière. La faible participation et occupation des femmes sur le marché de l’emploi dans un pays tel que l’Algérie s’accentue encore plus en situation de crise. Ceci est particulièrement problématique lorsque l’on considère que cette catégorie de population est confrontée à une situation de vulnérabilité extrême (veuves chef de ménage en particulier). Il conviendra donc d’encourager la promotion d’actions spécifiques de création d’activités productives ou à intérêt social, individuelles, coopératives ou communautaires, à cet égard.
Il est encore à noter que les associations de femmes ont un rôle important lors du processus de relèvement : les organisations féminines sont souvent bien placées pour lancer des programmes de réduction de la vulnérabilité. Les soutenir dans leur action peut être un moyen efficace d’atteindre rapidement les communautés plus vulnérables.

**Fournir une aide au renforcement des capacités**

Le renforcement des capacités est essentiel pour permettre aux partenaires sociaux de réaliser le potentiel de leurs organisations dans le processus national et local de relèvement suite à une catastrophe naturelle comme le séisme. Les besoins de capacitation pouvant être recensés sont nombreux, du fait du caractère largement novateur de la participation stratégique des partenaires sociaux dans la réponse aux catastrophes. Dans le cas de l’Algérie, les organisations internationales peuvent apporter un soutien au renforcement des capacités notamment dans les secteurs suivants:

- le développement de stratégies de prévention et de gestion des catastrophes, insistant en particulier sur le volet récupération de l’emploi ;
- l’amélioration de la structure et l’organisation de l’intervention des partenaires sociaux, ainsi que des compétences de gestion en situation de crise ;
- le développement de partenariats ;
- l’amélioration des capacités des partenaires sociaux à agir en tant que prestataires de services d’urgence ;
- la mise en œuvre de campagnes d’information et de sensibilisation collectives, territoriales, grand public.
Conclusion

La dimension de la tâche en vue de la réponse à apporter aux dimensions humaines, sociales, économiques, organisationnelles d’une catastrophe naturelle, conduit à une remise en cause permanente des approches traditionnelles de réponse nationales et internationales. Il convient de s’interroger et de se concerter à long terme pour une démarche d’innovation et d’apprentissage mutuelle.

Une implication plus étendue et plus efficace des partenaires sociaux dans ces dispositifs nous est apparue essentielle à cet égard. Ce qui est réconfortant au lendemain du séisme du 21 mai 2003, c’est l’émergence d’un mouvement de solidarité sociale que les partenaires sociaux (syndicats et patronat) ont pour partie à la fois suscité, géré et matérialisé, au plus grand profit des populations affectées. Ce précédent est un gage pour l’avenir d’une prise en charge concertée de tels défis dans la société algérienne.

Cette participation à un processus de réponse global exigera, pour s’élargir et s’affiner, un processus d’apprentissage de la part des partenaires sociaux. Atteindre cet objectif suppose, au-delà de la reconnaissance du rôle potentiel de ces acteurs suite à une crise, un effort de capacitation, une intensification des contacts et des échanges d’expériences entre organisations au niveau local, national et international.

Les pouvoirs publics, les organisations internationales et les bailleurs de fonds internationaux doivent encourager et permettre à la communauté syndicale de jouer un rôle actif dans l’élaboration et la mise en œuvre de stratégies de réduction de la vulnérabilité, et notamment dans les actions visant à la récupération et à la promotion de l’emploi.
Annexes

1. Bibliographie


--- : « Rapport national sur le développement humain 2002. »


Fédération internationale des sociétés de la croix rouge et du croissant rouge; Rapport de situation N° 04 du 16 février 2004 Algérie séisme.

ILO InFocus Programme on Crisis Response and Reconstruction 3 to 5 May 2000: The High Level Research Consultation report.


Ministère de la santé, de la population et de la réforme hospitalière : « Projection du développement du secteur de la santé Perspective décennale juillet 2003 ».


Ministère des finances – Direction générale des études et de la prévision : Rapport de conjoncture « La situation économique et financière en 2003 en Algérie ».

Ministère des finances – Direction générale des études et de la prévision : Rapport de conjoncture « La situation économique et financière à mars 2003 en Algérie ».

OCDE : Rapport sur « Perspectives économiques en Afrique Algérie 2004 ».

ONUDI : 10\textsuperscript{ème} session de la conférence générale 1\textsuperscript{er} au 5 décembre 2003 Vienne, Autriche : Table ronde 4 : Étude analytique « Le relèvement et la reconstruction de l’industrie en sortie de Crise ».


PNUD/Bureau pour la prévention des crises et du relèvement : Rapport Mondial 2004 « La réduction des risques de catastrophes: Un défi pour le développement ».


2. Séries statistiques

Table 8 : Evolution des principaux indicateurs démographiques

<table>
<thead>
<tr>
<th>Années</th>
<th>Taux brut de natalité</th>
<th>Taux brut de mortalité</th>
<th>Taux d'accroissement naturel</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>30,94</td>
<td>6,03</td>
<td>2.494</td>
</tr>
<tr>
<td>1991</td>
<td>30,14</td>
<td>6,04</td>
<td>2.410</td>
</tr>
<tr>
<td>1992</td>
<td>30,41</td>
<td>6,09</td>
<td>2.432</td>
</tr>
<tr>
<td>1993</td>
<td>28,22</td>
<td>6,25</td>
<td>2.257</td>
</tr>
<tr>
<td>1994</td>
<td>28,24</td>
<td>6,56</td>
<td>2.168</td>
</tr>
<tr>
<td>1995</td>
<td>25,33</td>
<td>6,43</td>
<td>1.890</td>
</tr>
<tr>
<td>1996</td>
<td>22,91</td>
<td>6,03</td>
<td>1.688</td>
</tr>
<tr>
<td>1997</td>
<td>22,51</td>
<td>6,12</td>
<td>1.639</td>
</tr>
<tr>
<td>1998</td>
<td>20,58</td>
<td>4,87</td>
<td>1.57</td>
</tr>
<tr>
<td>1999</td>
<td>19,82</td>
<td>4,72</td>
<td>1.51</td>
</tr>
<tr>
<td>2000</td>
<td>19,36</td>
<td>4,59</td>
<td>1.48</td>
</tr>
<tr>
<td>2001</td>
<td>20,03</td>
<td>4,56</td>
<td>1.55</td>
</tr>
<tr>
<td>2002</td>
<td>19,68</td>
<td>4,41</td>
<td>1.53</td>
</tr>
</tbody>
</table>

(Source : ONS 2003)
### Table 9 : Evolution récente des principaux indicateurs économiques (2001-2003)

<table>
<thead>
<tr>
<th>Indicateurs Économiques</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Milliards DA (GDA) Milliards USD</td>
<td>4 235 54,8</td>
<td>4 455 55,9</td>
<td>5 149 65,1</td>
</tr>
<tr>
<td>PIB par habitant (USD)</td>
<td>1 775 1 783</td>
<td>2 093</td>
<td></td>
</tr>
<tr>
<td>Volume global des échanges (USD)</td>
<td>Import : 12,22 milliards Export : 20,00 milliards</td>
<td>Import : 14,49 milliards Export : 20,01 milliards</td>
<td>Import : 16,24 milliards Export : 26,03 milliards</td>
</tr>
<tr>
<td>Excédent commercial (USD)</td>
<td>7,78 milliards 5,52 milliards</td>
<td>9,79 milliards</td>
<td></td>
</tr>
<tr>
<td>Excédent de la balance courante (USD)</td>
<td>6,76 milliards (12,3 % PNB)</td>
<td>4,36 milliards (7,8 % PNB)</td>
<td>8,90 milliards (13,7 % PNB)</td>
</tr>
<tr>
<td>Solde du compte de capital (USD)</td>
<td>- 0,87 milliards</td>
<td>- 0,71 milliards</td>
<td>- 1,31 milliards</td>
</tr>
<tr>
<td>Inflation (en moyenne annuelle)</td>
<td>4,2 % 1,4 % 2,5 %</td>
<td>6,1 %</td>
<td></td>
</tr>
<tr>
<td>Croissance du PIB</td>
<td>2,1 % 4,1 % 6,8 %</td>
<td>6,1 %</td>
<td></td>
</tr>
<tr>
<td>Croissance du PIB (hors hydrocarbures)</td>
<td>4,6 % 4,2 %</td>
<td>6,1 %</td>
<td></td>
</tr>
<tr>
<td>Encours de la dette au 31/12 (USD)</td>
<td>22,57 milliards</td>
<td>22,64 milliards</td>
<td>23,20 milliards</td>
</tr>
<tr>
<td>Service de la dette</td>
<td>22,3 % des Exports 20,07 % des Exports</td>
<td>18,2 % des Exports</td>
<td></td>
</tr>
<tr>
<td>Réserves de changes au 31/12 (USD)</td>
<td>17,96 milliards (18 Mois d'importations)</td>
<td>23,10 milliards (23 Mois d'importations)</td>
<td>32,94 milliards (33 Mois d'importations)</td>
</tr>
</tbody>
</table>

(Source : Présidence de la République, Mars 2004)

### Table 10 : Répartition de la Population Active et Occupée par groupe d’âge et strate

<table>
<thead>
<tr>
<th></th>
<th>Population Active</th>
<th></th>
<th>Population Occupée</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Urbain Rural Total</td>
<td></td>
<td>Urbain Rural Total</td>
<td></td>
</tr>
<tr>
<td>- de 20 ans</td>
<td>289 348 381 326 670 674</td>
<td>136 413 205 125 341 538</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20 – 24 ans</td>
<td>784 483 733 752 1 518 235</td>
<td>390 949 460 414 851 363</td>
<td></td>
<td></td>
</tr>
<tr>
<td>25 – 29 ans</td>
<td>923 099 622 651 1 545 750</td>
<td>593 656 442 804 1 036 461</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30 – 34 ans</td>
<td>793 267 493 310 1 286 577</td>
<td>642 771 398 238 1 041 010</td>
<td></td>
<td></td>
</tr>
<tr>
<td>35 – 39 ans</td>
<td>728 766 382 321 1 111 088</td>
<td>640 679 336 877 977 556</td>
<td></td>
<td></td>
</tr>
<tr>
<td>40 – 44 ans</td>
<td>561 408 321 289 882 697</td>
<td>517 323 290 267 807 590</td>
<td></td>
<td></td>
</tr>
<tr>
<td>45 – 49 ans</td>
<td>445 475 268 502 713 977</td>
<td>411 138 240 323 651 461</td>
<td></td>
<td></td>
</tr>
<tr>
<td>50 – 54 ans</td>
<td>329 152 207 101 536 253</td>
<td>307 432 188 525 495 958</td>
<td></td>
<td></td>
</tr>
<tr>
<td>55 – 59 ans</td>
<td>143 686 115 845 259 531</td>
<td>135 204 108 373 243 577</td>
<td></td>
<td></td>
</tr>
<tr>
<td>60 &amp; +</td>
<td>110 723 126 820 237 543</td>
<td>110 723 126 820 237 543</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>5 109 407 3 652 918 8 762 326</td>
<td>3 886 288 2 797 768 6 684 056</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(Source : ONS, janvier 2004)
Table 11 : Répartition de la population occupée selon la situation dans la profession et le sexe

<table>
<thead>
<tr>
<th>Population occupée</th>
<th>Masculin</th>
<th>Féminin</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employeurs &amp; Indépendants</td>
<td>1 607 193</td>
<td>248 168</td>
<td>1 855 361</td>
</tr>
<tr>
<td>Salaris Permanents</td>
<td>2 350 678</td>
<td>478 519</td>
<td>2 829 197</td>
</tr>
<tr>
<td>Salaris non perm.+ apprentis+ autres</td>
<td>1 376 478</td>
<td>138 964</td>
<td>1 515 442</td>
</tr>
<tr>
<td>Aides Familiaux</td>
<td>416 683</td>
<td>67 374</td>
<td>484 057</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>5 751 032</td>
<td>933 024</td>
<td>6 684 056</td>
</tr>
</tbody>
</table>

(Source : ONS, Janvier 2004)

Table 12 : Répartition de la population occupée selon le secteur d’activité de l’établissement et la strate

<table>
<thead>
<tr>
<th>Population Occupée</th>
<th>Urbain</th>
<th>Rural</th>
<th>Ensemble</th>
<th>En %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>307 150</td>
<td>1 105 191</td>
<td>1 412 340</td>
<td>21.13</td>
</tr>
<tr>
<td>Industrie</td>
<td>593 615</td>
<td>210 538</td>
<td>804 152</td>
<td>12.03</td>
</tr>
<tr>
<td>B.T.P.</td>
<td>410 139</td>
<td>389 775</td>
<td>799 914</td>
<td>11.97</td>
</tr>
<tr>
<td>Commerce &amp; Services</td>
<td>2 575 385</td>
<td>1 092 265</td>
<td>3 667 650</td>
<td>54.87</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>3 886 288</td>
<td>2 797 768</td>
<td>6 684 056</td>
<td>100</td>
</tr>
</tbody>
</table>

(Source : ONS, Janvier 2004)

Table 13 : Répartition des chômeurs par sexe et strate

<table>
<thead>
<tr>
<th>Population en Chômage</th>
<th>Urbain</th>
<th>Rural</th>
<th>Ensemble</th>
</tr>
</thead>
<tbody>
<tr>
<td>Masculin</td>
<td>995 969</td>
<td>763 964</td>
<td>1 759 933</td>
</tr>
<tr>
<td>% en ligne</td>
<td>56.59</td>
<td>43.41</td>
<td>100</td>
</tr>
<tr>
<td>% en colonne</td>
<td>81.43</td>
<td>89.34</td>
<td>84.68</td>
</tr>
<tr>
<td>Féminin</td>
<td>227 150</td>
<td>91 187</td>
<td>318 337</td>
</tr>
<tr>
<td>% en ligne</td>
<td>71.36</td>
<td>28.64</td>
<td>100</td>
</tr>
<tr>
<td>% en colonne</td>
<td>18.57</td>
<td>10.66</td>
<td>15.32</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1 223 119</td>
<td>855 151</td>
<td>2 078 270</td>
</tr>
<tr>
<td>% en ligne</td>
<td>58.85</td>
<td>41.15</td>
<td>100</td>
</tr>
<tr>
<td>% en colonne</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

(Source : ONS, Janvier 2004)
3. Sismicité en Algérie

Carte 2. Séismes majeurs en Algérie

Table 1 : Sismicité historique de la région de Boumerdès

<table>
<thead>
<tr>
<th>Date</th>
<th>HH MM SS</th>
<th>Latitude Longitude</th>
<th>Mg.</th>
<th>Intensité</th>
</tr>
</thead>
<tbody>
<tr>
<td>23/11/1922</td>
<td>12 3439</td>
<td>36.70°N 03.40°E</td>
<td>--</td>
<td>V</td>
</tr>
<tr>
<td>01/03/1953</td>
<td>04 3241</td>
<td>36.80°N 03.40°E</td>
<td>4.1</td>
<td>V</td>
</tr>
<tr>
<td>22/07/1965</td>
<td>11 4704</td>
<td>36.70°N 03.70°E</td>
<td>4.6</td>
<td>VI</td>
</tr>
<tr>
<td>25/04/1972</td>
<td>02 1400</td>
<td>36.75°N 03.23°E</td>
<td>2.9</td>
<td>III</td>
</tr>
<tr>
<td>23/05/1982</td>
<td>13 1700</td>
<td>36.69°N 03.70°E</td>
<td>4.6-5.2</td>
<td>VI - VII</td>
</tr>
<tr>
<td>16/09/1987</td>
<td>22 0000</td>
<td>36.69°N 03.50°E</td>
<td>4.6</td>
<td>VI</td>
</tr>
<tr>
<td>31/07/1992</td>
<td>16 0637</td>
<td>36.92°N 03.56°E</td>
<td>2.7</td>
<td>--</td>
</tr>
<tr>
<td>20/01/1994</td>
<td>02 0402</td>
<td>36.66°N 03.33°E</td>
<td>3.7</td>
<td>IV</td>
</tr>
<tr>
<td>26/03/1995</td>
<td>19 3125</td>
<td>37.02°N 03.65°E</td>
<td>2.8</td>
<td>--</td>
</tr>
<tr>
<td>03/01/1999</td>
<td>05 2125</td>
<td>36.67°N 03.50°E</td>
<td>2.9</td>
<td>--</td>
</tr>
<tr>
<td>13/02/1999</td>
<td>04 3400</td>
<td>36.85°N 03.50°E</td>
<td>2.9</td>
<td>--</td>
</tr>
<tr>
<td>13/02/1999</td>
<td>10 0735</td>
<td>36.73°N 03.68°E</td>
<td>2.5</td>
<td>--</td>
</tr>
<tr>
<td>14/02/1999</td>
<td>19 5300</td>
<td>36.80°N 03.83°E</td>
<td>3.9</td>
<td>IV</td>
</tr>
<tr>
<td>09/11/1999</td>
<td>01 4811</td>
<td>36.68°N 03.47°E</td>
<td>2.8</td>
<td>--</td>
</tr>
<tr>
<td>29/01/2003</td>
<td>06 1813</td>
<td>36.90°N 03.57°E</td>
<td>3.6</td>
<td>IV</td>
</tr>
</tbody>
</table>

(Source : http://www.craag.edu.dz/ess/events_seismes/histo21052003.htm)
Table 2 : Liste détaillée des communes déclarées sinistrées

<table>
<thead>
<tr>
<th>Wilayas</th>
<th>Communes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wilaya de Tizi-Ouzou</td>
<td>Les communes de Sidi Naamane, Tigzirt et Tadmaït.</td>
</tr>
</tbody>
</table>

(Source : arrêté interministériel du 24 MAI 2003)
4. L’UGTA et le séisme du 21 mai 2003

Table 3 : Liste des fédérations affiliées à l’UGTA

<table>
<thead>
<tr>
<th>Fédération</th>
<th>E. mail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fédération de l’administration et des collectivités Locales</td>
<td>« <a href="mailto:fed_acl@ugta.dz">fed_acl@ugta.dz</a> »</td>
</tr>
<tr>
<td>Fédération de la Métallurgie Mécanique et Electronique</td>
<td>« <a href="mailto:fed_mme@ugta.dz">fed_mme@ugta.dz</a> »</td>
</tr>
<tr>
<td>Fédération des Postes et Télécommunications</td>
<td>« <a href="mailto:fed_ptt@ugta.dz">fed_ptt@ugta.dz</a> »</td>
</tr>
<tr>
<td>Fédération de la Formation Professionnel Jeunesse et Sport</td>
<td>« <a href="mailto:fed_fpjs@ugta.dz">fed_fpjs@ugta.dz</a> »</td>
</tr>
<tr>
<td>Fédération de la Santé et de la Protection Sociale</td>
<td>« <a href="mailto:fed_sps@ugta.dz">fed_sps@ugta.dz</a> »</td>
</tr>
<tr>
<td>Fédération de l’Enseignement Supérieur Culture et Information</td>
<td>« <a href="mailto:fed_esci@ugta.dz">fed_esci@ugta.dz</a> »</td>
</tr>
<tr>
<td>Fédération de l’Agro – Alimentaire</td>
<td>« <a href="mailto:fed_agro@ugta.dz">fed_agro@ugta.dz</a> »</td>
</tr>
<tr>
<td>Fédération des Retraités</td>
<td>« <a href="mailto:fed_retrait@ugta.dz">fed_retrait@ugta.dz</a> »</td>
</tr>
<tr>
<td>Fédération des Mines</td>
<td>« <a href="mailto:fed_mines@ugta.dz">fed_mines@ugta.dz</a> »</td>
</tr>
<tr>
<td>Fédération des Finances</td>
<td>« <a href="mailto:fed_finance@ugta.dz">fed_finance@ugta.dz</a> »</td>
</tr>
<tr>
<td>Fédération de l’Education</td>
<td>« <a href="mailto:fed_educat@ugta.dz">fed_educat@ugta.dz</a> »</td>
</tr>
<tr>
<td>Fédération de Sécurité Sociale</td>
<td>« <a href="mailto:fed_social@ugta.dz">fed_social@ugta.dz</a> »</td>
</tr>
<tr>
<td>Fédération des Matériaux de Construction Bois-Lièges</td>
<td>« <a href="mailto:fed_mclbl@ugta.dz">fed_mclbl@ugta.dz</a> »</td>
</tr>
<tr>
<td>Fédération du Bâtiment Travaux Public et Hydraulique</td>
<td>« <a href="mailto:fed_btph@ugta.dz">fed_btph@ugta.dz</a> »</td>
</tr>
<tr>
<td>Fédération du Commerce et Tourisme</td>
<td>« <a href="mailto:fed_ct@ugta.dz">fed_ct@ugta.dz</a> »</td>
</tr>
<tr>
<td>Fédération des Transports</td>
<td>« <a href="mailto:fed_transp@ugta.dz">fed_transp@ugta.dz</a> »</td>
</tr>
<tr>
<td>Fédération des Pétroles et Chimie</td>
<td>« <a href="mailto:fed_pchimie@ugta.dz">fed_pchimie@ugta.dz</a> »</td>
</tr>
<tr>
<td>Fédération des Textiles et Cuirs</td>
<td>« <a href="mailto:fed_tec@ugta.dz">fed_tec@ugta.dz</a> »</td>
</tr>
</tbody>
</table>

(Source : www.ugta.dz, 2004)
Table 4 : Dispositif d'intervention UGTA

<table>
<thead>
<tr>
<th>Cellule nationale de solidarité</th>
<th>Instances et structures de l'UGTA</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dons nationaux et internationaux</strong></td>
<td><strong>Dispositifs de réception, organisation et suivi</strong></td>
</tr>
<tr>
<td><strong>Dépots site central de l'UGTA</strong></td>
<td><strong>Dépots auxiliaires</strong></td>
</tr>
<tr>
<td><strong>Coordination des sites</strong></td>
<td><strong>Dépots de proximité</strong></td>
</tr>
<tr>
<td><strong>Cellule d’écoute, d’organisation de toute opération de prise en charge</strong></td>
<td><strong>Sites</strong>*</td>
</tr>
<tr>
<td><strong>Hors Sites</strong>**</td>
<td></td>
</tr>
</tbody>
</table>

- Réponse au fonds spécial de solidarité
  - Collecte des dons
  - Organisation des moyens et acheminement des dons
- Appel aux organisations internationales amies
  - Communauté algérienne et ONG.
- Régulation, acheminement et distribution
  - Suivi administratif et comptable
- Dépot temporaire contre saturation
  - Organisation par famille de produits
- Organisation de stockage de batterie de confection de kits de vie transport, distribution et régulation

Nature des dons:
- Equipements (tentes)
- Produits pharmaceutiques
- Equipement médical d’urgence
- Denrées alimentaires
  - Littère
  - Habillage
- Produits d’hygiène
  - Détectants
- Autres lots: fournitures scolaires...

*: sites gérés administrativement par le dispositif d’urgence
**: population retirée et enclavée en zone rurale

(source : cellule de solidarité UGTA, juillet 2004)
Table 5 : Etat global des dons distribués par la Cellule Nationale de Solidarité de l'UGTA

<table>
<thead>
<tr>
<th>Nature du produit</th>
<th>Quantité</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Produits médicaux</strong></td>
<td></td>
</tr>
<tr>
<td>Médicaments : 81 tonnes</td>
<td></td>
</tr>
<tr>
<td>Fauteuils roulants : 20 unités</td>
<td></td>
</tr>
<tr>
<td>Béquilles : 9 unités</td>
<td></td>
</tr>
<tr>
<td>Fauteuil roulant motorisé : 1 unité</td>
<td></td>
</tr>
<tr>
<td>Matériel médical d'urgence : 15 valises</td>
<td></td>
</tr>
<tr>
<td><strong>Equipements</strong></td>
<td></td>
</tr>
<tr>
<td>Tentes : 5 511</td>
<td></td>
</tr>
<tr>
<td>Autres produits : 1 430</td>
<td></td>
</tr>
<tr>
<td><strong>Denrées alimentaires</strong></td>
<td>862,320 tonnes</td>
</tr>
<tr>
<td><strong>Lots divers</strong></td>
<td>Produits d'hygiène : 342 tonnes</td>
</tr>
<tr>
<td><strong>Habitation</strong></td>
<td>1 lot de 100 tonnes</td>
</tr>
<tr>
<td></td>
<td>152 437 unités</td>
</tr>
<tr>
<td><strong>Literie</strong></td>
<td>19 347 unités</td>
</tr>
<tr>
<td><strong>Produits d'entretien</strong></td>
<td>96 604 unités</td>
</tr>
<tr>
<td><strong>Vaisselle</strong></td>
<td>5 627 unités</td>
</tr>
</tbody>
</table>

(Source : Cellule de solidarité UGTA, 2004)

Table 6 : Liste des syndicats internationaux ayant soutenu l’action de l’UGTA

<table>
<thead>
<tr>
<th>Syndicat internationnal</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Confédération internationale des syndicats libres (CISL)</td>
<td></td>
</tr>
<tr>
<td>Organisation régionale africaine du CISL (ORAF-CISL)</td>
<td></td>
</tr>
<tr>
<td>Confédération nationale des travailleurs du Sénégal (CNTS)</td>
<td></td>
</tr>
<tr>
<td>Confédération française des travailleurs (CFDT) France</td>
<td></td>
</tr>
<tr>
<td>Force ouvrière (FO) France</td>
<td></td>
</tr>
<tr>
<td>Coordination de l’entente internationale des travailleurs et des peuples (CEITP) France</td>
<td></td>
</tr>
<tr>
<td>Union syndicale du Maghreb arabe (USTMA)</td>
<td></td>
</tr>
<tr>
<td>Syndicat des travailleurs syriens (STS)</td>
<td></td>
</tr>
<tr>
<td>Union internationale des syndicats des travailleurs arabes (UISTA)</td>
<td></td>
</tr>
<tr>
<td>International Confederation of Arab Trade Unions (ICATU)</td>
<td></td>
</tr>
<tr>
<td>Fédération arabe des travailleurs du secteur hydrocarbure, mine et chimie</td>
<td></td>
</tr>
<tr>
<td>Union marocaine du travail (UMT)</td>
<td></td>
</tr>
<tr>
<td>Confédération syndicale ouvrière d’Espagne (CSOE)</td>
<td></td>
</tr>
<tr>
<td>Confédération norvégienne du travail (CNT)</td>
<td></td>
</tr>
<tr>
<td>Confédération générale italienne des travailleurs (CGIT)</td>
<td></td>
</tr>
<tr>
<td>Union générale des syndicats égyptiens (UGSE)</td>
<td></td>
</tr>
<tr>
<td>Union internationale des syndicats (UIS)</td>
<td></td>
</tr>
<tr>
<td>Fédération des travailleurs du Québec (FTQ)</td>
<td></td>
</tr>
</tbody>
</table>
Organisation de l'unité syndicale africaine (OUSA)
Union générale des travailleurs du Liban (UGTL)
Confédération des syndicats d'ouvriers de Turquie (CSOT)
Confédération européenne des syndicats (CES)
Union générale des syndicats des travailleurs du Yémen (UGSTY)
Fédération américaine du travail - congrès des organisations industrielles

(Source : Cellule de solidarité UGTA, 2004)

Table 7 : Etat de la collaboration de l'UGTA avec les ONG

<table>
<thead>
<tr>
<th>Dénomination de l'ONG</th>
<th>Nature de la collaboration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Association nationale horizon de la femme algérienne.</td>
<td>Aide matérielle.</td>
</tr>
<tr>
<td>Association pour la protection maternelle et infantile (vie- espoir) tiaret.</td>
<td>Aide de l'UGTA pour l'organisation d'un camp de vacances pour 200 enfants.</td>
</tr>
<tr>
<td>Association logements accueil.</td>
<td>Apport matériel de l’UGTA.</td>
</tr>
<tr>
<td>Association loisir/échanges (ALE).</td>
<td>Soutien de l’UGTA à l’organisation de chantiers culturels d’été et classe de soutien à la préparation aux examens des enfants sinistrés BEF/BAC.</td>
</tr>
</tbody>
</table>

(Source : Cellule de solidarité UGTA, 2004)
5. **Sites Internet**

- **4.1 Agences des nations unies et institutions internationales.**
  - www.unesco.org
  - www.ilo.org
  - http://ochaonline.un.org/
  - http://www2.unesco.org/wef/countryreports/algéria/rapport_2_1.html
  - www.dz.undp.org
  - Centre d’information des nations unies en Algérie
  - International crisis group
  - www.icg.org
  - Centre sismologique euro méditerranéen.
  - http://www.emsc-csem.org/
  - Institut de physique du globe.
  - http://www.ipgp.jussieu.fr/index2.html

- **4.2 Institutions gouvernementales**
  - Présidence de la république
  - http://www.el-mouradia.dz/
  - Assemblée populaire nationale
  - www.apn-dz.org
  - Chefferie du Gouvernement
  - http://www.cg.org.dz/
  - Ministère de la Santé et de la population et de la réforme hospitalière
  - http://www.ands.dz/
  - Ministère des Affaires étrangères
  - http://www.mac.dz/
  - Ministère des Finances
  - www.finances-algeria.org
  - Ministère de l’éducation nationale
  - http://www.medducation.edu.dz/
  - Ministère de l’Habitat et de l’urbanisme
  - http://www.mhu.gov.dz/
  - Ministère du Travail et de la sécurité sociale
  - http://www.mtss.gov.dz/
  - Ministère de l’industrie
  - http://www.mir-algeria.org/
  - Ministère de la Petite et moyenne entreprise et de l’artisanat
  - http://www.pmeart-dz.org/
  - Journal officiel
  - http://www.joradp.dz/

- **4.3 Institutions nationales spécialisées**
  - Centre de Recherche en Astronomie, Astrophysique et Géologique
  - http://www.craag.edu.dz/
  - Centre de génie sismique
- Centre technique de construction.  
- Conseil National Économique et social.  
  http://www.cnes.dz/
- Office National des Statistiques.  
  http://www.ons.dz/
- Chambre de commerce et d’industrie d’Alger et Boumerdès  
  http://www.cci-sahel.com.dz/

  - 4.4 Presse
  - Le quotidien d’Oran  
  - El-moudjahid  
    http://www.elmoudjahid.com/
  - Le matin  
    http://www.lematin-dz.com/
  - Le monde  
    http://www.lemonde.fr/article/0,5987,3212--321035-.00html

  - 4.5 Sites thématiques
  - Présentation wilaya de Boumerdès.  
    http://www.Boumerdès.com/
  - Séisme Boumerdès.  
    http://www.seismealgerie2003.dz/
  - Prévention des catastrophes naturelles.  
    www.prevention2000.org/
  - Magnitude  
    http://www.gps.caltech.edu/~polet/recfd.html
  - Echelle de Richter  
    http://www.la-terre.net/article.php3?id_article=7
  - École et observatoire des risques de la terre de Strasbourg  
    http://eost.u-strasbg.fr/pedago/Accueil.html
6. Localisation cartographique


(Source : http://www-geoazur.unice.fr/EQUIPES/DRO/seisme_algerie_25_05_03/index.html)