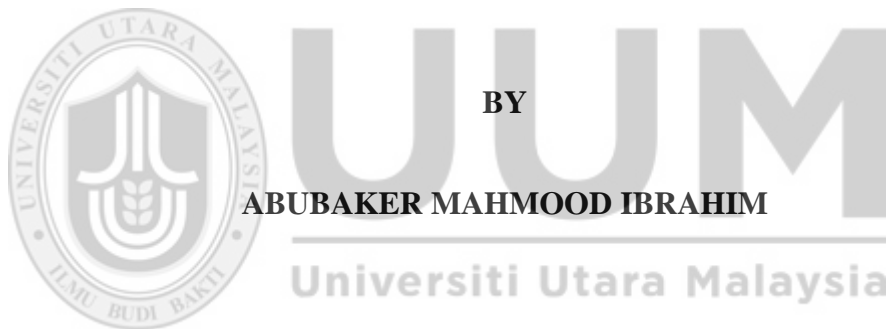


**THE IMPACT OF INVESTMENT LAW NO.(4) 2006 ON THE FOREIGN
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LABOUR MARKET IN KURDISTAN REGIONAL GOVERNMENT**



MASTER OF HUMAN RESOURCE LAW

UNIVERSITI UTARA MALAYSIA

2014

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BY



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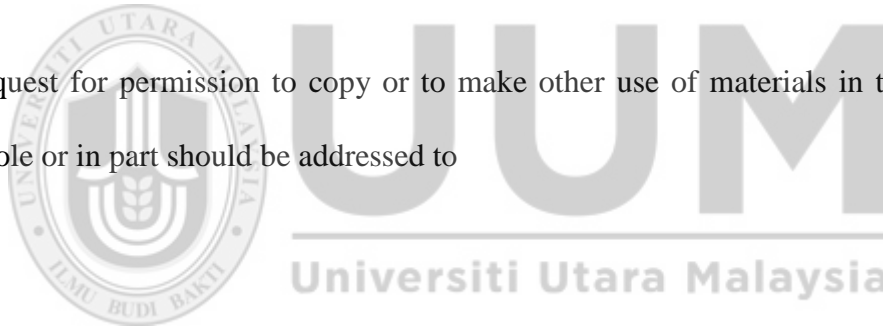
UUM
Universiti Utara Malaysia

**A Thesis submitted to the Ghazali Shafie Graduate School of Government
in fulfilment of the requirements for the master of Human Resource Law
Universiti Utara Malaysia
December 2014**

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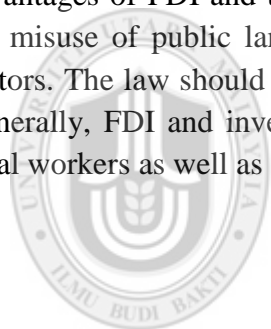
First of all, I would like to thank Almighty God for giving me good health and hope in completing this thesis. This thesis would not have been possible without supports of my supervisor, beloved wife and some friends. First and foremost, I would like to thank and appreciations to my supervisor Md Rejab Bin Md Desa who helped me to complete this study. Secondly, I would like to dedicate this humble effort to both my mother, the soul of my father, and my beloved wife Shna who were motivating me in completing this study and every aspects of my life.

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I ask God for them all the best and love.

ABSTRACT

The aim of this thesis is to analyze the impacts of Investment Law no. (4) 2006 on the foreign direct investment and the antecedent effect on the labor market in Kurdistan. The main objective of this research is to analyze the impact of FDI on labour market .This study uses qualitative approaches. Primary data were generated from officials and companies interviews and secondary data was collected from various sources of government publications. The objective of this research is to identify the roles of FDI on Kurdistan's Labour market and economic growth; also it intends to emphasize the roles of investment laws in KRG in enticing FDI and its influence on the KRG's labour market. This study finds positive relationship between FDI and labour market. The study also discovered that labour market was developed through FDI and hundreds of job opportunities created by foreign labour. This stressed that Investment Law No (4) was effective in bringing foreign investors in Kurdistan, which impacted different sectors economy and labour market. However, if the law was effective in a period of time, for now, it needs to be amended and several acts in this law should be changed in order to maximize the advantages of FDI and targeting country development vision. The law was resulted the misuse of public lands as well as the lack of diversification of investment on sectors. The law should also be amended in the way to diversify investment sectors. Generally, FDI and investment law resulted in creating a positive environment for local workers as well as overall economic growth of the country.



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ABSTARK

Karya ini adalah bertujuan untuk menganalisa kesan Undang-undang Pelaburan No (4) 2006 (Investment Law no. (4) 2006) ke atas Pelaburan Langsung Asing (FDI) dan kesannya ke atas pasaran buruh di Kurdistan. Objektif utama kajian ialah menganalisa impak FDI dalam pasaran buruh. Kajian ini menggunakan pendekatan kualitatif. Data primer telah dijana daripada hasil temubual yang dijalankan dengan pegawai dan temubual bersama pihak syarikat dan data sekunder telah dikumpulkan dari pelbagai sumber penerbitan kerajaan. Kajian ini bertujuan untuk mengenalpasti peranan FDI dalam pasaran buruh dan pertumbuhan ekonomi Kurdistan dan mencadangkan penekanan peranan undang-undang pelaburan di KRG dalam menarik FDI dan pengaruhnya ke atas pasaran buruh KRG ini. Penemuan kajian mendapati wujudnya hubungan positif antara FDI dan pasaran buruh. Kajian ini juga turut meliputi kajian pasaran buruh yang membangun melalui FDI dan ratusan peluang pekerjaan yang dicipta oleh buruh asing. Ini menegaskan bahawa Undang-undang Pelaburan No (4) adalah berkesan dalam membawa pelabur asing di Kurdistan yang memberi impak kepada sektor ekonomi dan pasaran buruh yang berbeza. Walau bagaimanapun , jika undang-undang yang berkuat kuasa dalam tempoh masa , buat masa ini, ianya perlu dipinda dan beberapa akta dalam undang-undang ini perlu dipinda sewajarnya untuk memaksimumkan kelebihan FDI dan mensasarkan wawasan pembangunan Negara. Undang-undang ini telah mengakibatkan penyalahgunaan tanah awam dan juga kekurangan kepelbagaian sektor pelaburan. Undang-undang juga perlu dipinda sewajarnya untuk mempelbagaikan sektor pelaburan . Secara umumnya, FDI dan undang-undang pelaburan mewujudkan persekitaran positif untuk pekerja tempatan serta pertumbuhan ekonomi secara menyeluruh di Negara ini .

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LIST OF ABBREVIATION

- ADB: Asian Development Bank
- BOI: Board of Investment
- FDI: Foreign Direct Investment
- GDP: Gross Domestic Product
- IMF: International Monetary Fund
- KR: Kurdistan Region
- KRG: Kurdistan Regional Government
- KDP: Kurdistan Democratic Party
- MENA: Middle East and North Africa
- MNCs: Multi-national Corporations
- MOP: Ministry of Planning
- OECD: The Organization for Economic Co-operation and Development
- OLI: Ownership, Location, and Internalization
- PUK: Patriotic Union of Kurdistan
- TNCs: Transnational Corporations
- UAE: United Arab Emirates
- USA: United States American
- US: United States

CHAPTER ONE

INTRODUCTION

1.1 Introduction

This thesis focuses on the impact of investment law no. (4) 2006 on the foreign direct investment and the antecedent effect on the labour market in Kurdistan Regional Government. Kurdistan Region's investment law no. (4) 2006 provide significant benefits for investors especial foreign direct investment (FDI) in all sectors and qualified projects, principally tax and customs fees and duty exemptions.

Foreign direct investment has become necessarily important determinant of economic development in the developing countries attracting inward investment is a key component in its economic development initiatives, for the potential knowledge transfer and cross fertilization to domestic operators which it can provide and FDI is one of the successful way around the world which is crucial to develop infrastructure and offering prosperity services and for having an opportunity to help people to find a jobs in all the sectors (Al-Khalifa, 2007).

Kurdistan has lately emerged as a new destination for FDI in the Region and experienced remarkable improvement in major economic sectors. After decades of economic destruction, the invasion of Iraq has given a new opportunity for economic growth and labour market in the region. The government started to rebuild and reconstruct the country and open up to the world. So, the government has implemented many programs to achieve the strategic goals to enhance the economic, social and political environment of the region. Due to the security and stabilization of the region, foreign investors soon found their interest there and then highly encouraged by Kurdistan Regional Government to invest in different economic

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