

# EMPLOYMENT IN THE SOUTH OF IRAQ

## CHALLENGING PROSPECTS FOR WOMEN AND YOUTH



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This report was made with the support from the U.S. Department of State, Bureau of Population, Refugees and Migration (PRM).

Report design and layout by Whitespace – [www.whitespace.krd](http://www.whitespace.krd)

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A large part of the population in the south of Iraq express significant concerns about the underdevelopment of the region and the lack of livelihoods opportunities; these issues were reported as a top social grievance by more than half of respondents in a recent large-scale survey in Basra, Thi-Qar and Missan.<sup>1</sup> This seems to put livelihoods and related barriers at the centre of the widespread popular dissatisfaction in the region. Longstanding and new dysfunctions are affecting a labour market that poses a significant challenge for policymakers. Gendered participation in the workforce, employment polarization, and neglect of a growing population of young people are key issues that this brief explores.

This brief is part of a larger research project, A Climate of Fragility, conducted by IOM Iraq and Social Inquiry, which provides the first detailed profiling of southern governorates in Iraq in a decade, exploring population demographics, housing, access to services, socio-economic situation, agriculture, migration, wellbeing, governance, security, and social cohesion. The profiling is based on a large-scale household survey.

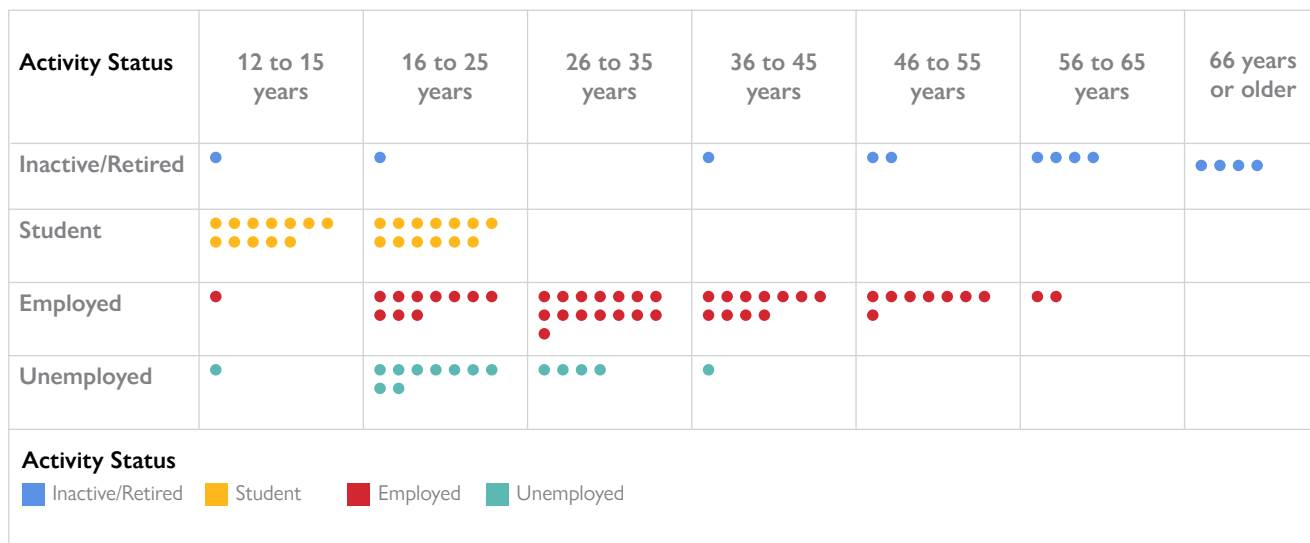
The survey included a household module (applicable to the overall household situation), a personal module (gathering perceptions of the respondent), and a roster module (collecting personal characteristics of each household member). A total of 3,904 respondents were surveyed between December 2020 and January 2021 across the 18 districts in Basra, Thi-Qar, and Missan governorates. Thus, the sample is statistically representative at the governorate and district level, with district-level sampling stratified by urbanicity and gender, generating a representative sample for both urban and rural respondents and male and female respondents. The outputs of this project also include a household profiling report of Basra, Thi-Qar, and Missan governorates, two additional thematic briefs on various forms of capital and marginalization, and an online portal that includes all reports and analysis, key findings, a dashboard, and public datasets for use.

Figure 1 displays the age and employment situation of men above the age of 12 in the southern governorates of Basra, Thi-Qar and Missan, with each dot representing 1 per cent of the sample. Similarly, Figure 2 shows the same distribution for the female population. These graphs help illuminate, in one glance, the context access to livelihoods, both weaknesses and strengths. It points to a significant presence of men in the workforce, but that this declines for younger generations who are facing increasing unemployment. This puts into question opportunities the youth cohort may have in terms of upward mobility should the public sector remain the main employer in the country (as discussed further below). These figures also show how the situation appears radically different for women and men, with women having a superficial presence in employment, in spite of their increasing educational attainment. From this quick glance, multiple narratives emerge about livelihoods in these governorates and their trends. The following sections present key findings impacting different population groups and offer potential solutions for overcoming the growing challenges for people in accessing sustainable livelihoods.



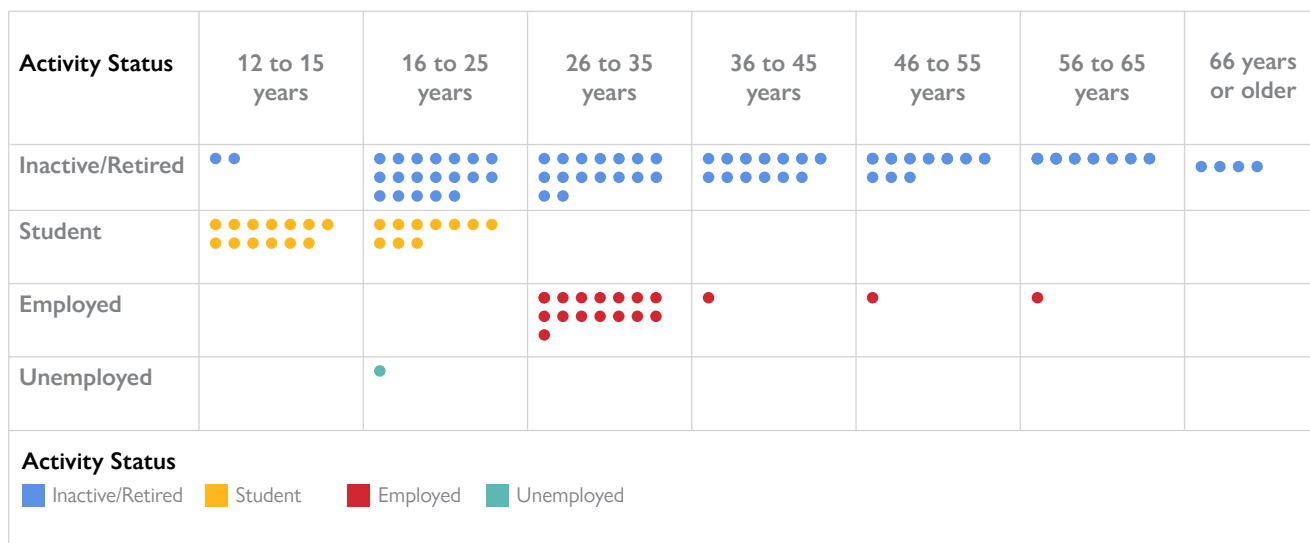
<sup>1</sup> IOM and Social Inquiry, A Climate of Fragility: Household Profiling in the South of Iraq Basra, Thi-Qar, and Missan (Baghdad: IOM, 2022).

Figure 1. Distribution of the male population older than 12 years old, by age and work status



Note: The figure contains 100 dots, with each equivalent to 1% of the male population above 12 years old in Basra, Thi-Qar and Missan.

Figure 2. Distribution of the female population older than 12 years old, by age and work status

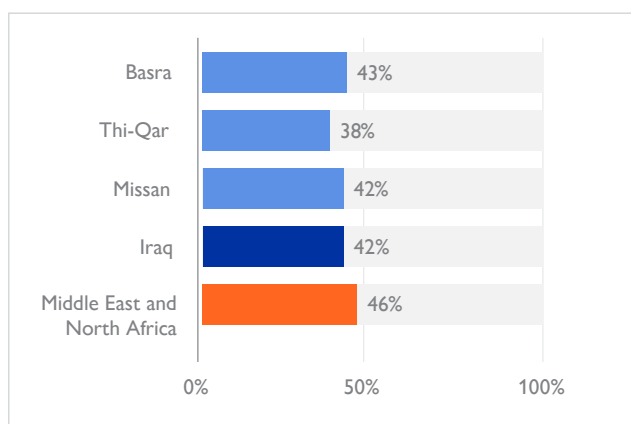


Note: The figure contains 100 dots, with each equivalent to 1% of the female population above 12 years old in Basra, Thi-Qar and Missan.

### 1. AVERAGE LEVELS OF WORKFORCE PARTICIPATION IN THE SOUTH OF IRAQ ARE COMPARABLE TO THOSE ACROSS THE MIDDLE EAST AND NORTH AFRICA BUT THERE IS POTENTIAL TO IMPROVE

The workforce, also referred to as the economically active population, refers to both the employed and unemployed in Figures 1 and 2 above. It includes any individual above the age of 16 who participates in the labour market, covering those who are employed formally or informally, self-employed, or unemployed but actively seeking work. Individuals who are not in the workforce include students, homemakers, retired people, those unable to work (for other reasons than not finding a job), and those unwilling to work. This latter group forms the first and second rows in Figure 1 and 2.

Figure 3. Labour force participation rate for the working-age population (16 years and older)



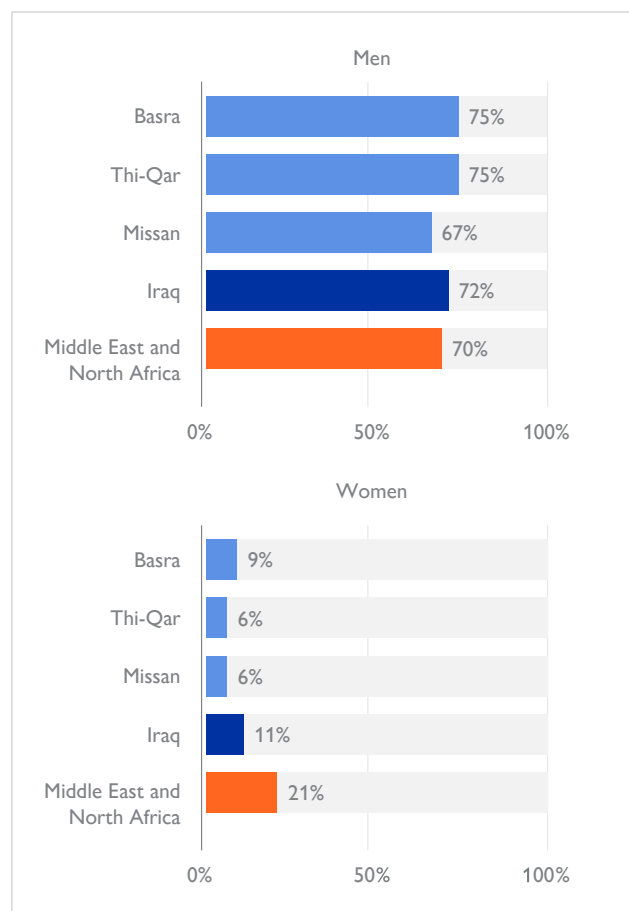
Note: Population above 16 years old out of the labour force is in grey.

Approximately 41% of the working-age population is economically active across the three governorates in southern Iraq (Figure 3). This figure is broadly consistent with national rate for Iraq, which was estimated at 42% for 2017, the most recent year in which these data are available.<sup>2</sup> However, this labour force participation rate is slightly lower than that observed across the Middle East and North Africa (MENA) region, estimated at 46% in 2017.<sup>3</sup> Overall, this indicates that the south of Iraq is not performing differently from the rest of the country; however, Iraq is four percentage points lower than the wider region, which implies an amount of untapped economic potential. This underperformance links to women’s workforce participation, as discussed in the following section.

### 2. GENDER BIASES: THE LACK OF FEMALE INCLUSION IN THE WORKFORCE

The starkest difference between Basra, Thi-Qar and Missan versus the national and, especially, regional trends relates to women’s participation in the labour force (Figure 4). None of the three governorates reach the Iraq national rate of 11% of women above the age of 16 either working or seeking work. The rate is even lower in rural areas in the south of Iraq, with only 3% of women economically active. The fact that Iraq’s national female participation rate is similar to the rate in the governorates denotes that this is a characteristic of the national context, although pronounced in the assessed southern governorates; notably, the national rate for female participation in the labour market is nearly twice as low as the MENA average.

Figure 4. Labour force participation rate for the working-age population by gender (16 years and older)



Note: Population above 16 years old out of the labour force is in grey.

<sup>2</sup> See, World Bank Open Data, available from: <https://data.worldbank.org/>. A recent study by ILO for Iraq establishes the workforce participation rate in 2021 at 41%, similar to the 2017 data from the World Bank records. See ILO, Iraq Labour Force Survey 2021 (Baghdad: ILO, 2021).

<sup>3</sup> Ibid.

Among women who are currently working, most are employed in the public sector: 63% of employed women in urban areas and 38% in rural areas are government employees. Within the public sector, women are frequently employed in education.<sup>4</sup> However, there is also a relatively strong presence of working women in small businesses and services (22% in urban areas and 26% in rural areas). Additionally, in rural areas, 23% of employed women are engaged in agricultural activities, which partially explains the lower predominance of public sector employment compared to women in urban areas.

Despite women's low levels of workforce participation, their educational attainment has increased over time, including in rural southern governorates such as Missan and Thi-Qar. For women younger than 35 years old, access to schooling is almost on par with their male counterparts; this did not occur among older cohorts, when only around half of the women or less completed at least basic education. However, increased access to education has not translated into increased participation in the workforce for women. Instead, their reported activities were largely linked to domestic responsibilities at home. Returning to Figure 2, among the 16- to 25-year-old cohort, while a sizeable proportion of women are students, the majority are inactive and the few who have tried to enter the labour force are mostly unemployed.

The lack of equal access to employment opportunities remains a long-standing priority of policymakers in Iraq. The World Bank recently estimated that bringing women's participation in the labour force to MENA regional levels would increase Iraq's GDP per capita by almost 31%.<sup>5</sup> Within an environment of scarce job opportunities, however, enacting measures aimed at bridging the gender divide can be challenging. The World Bank points to market interventions aimed at influencing the social norms surrounding women's access to work, such as greater access to dedicated skills training programs, childcare, and culturally acceptable income-generation opportunities for women. On this latter point, national and international organizations have implemented such programs in communities affected by the ISIL conflict in the northern half of the country. These programs may provide insight into elements of success and opportunities for improvement that could be applied and adapted to the context in the south.<sup>6</sup>

### 3. ISSUE OF SOCIAL MOBILITY: THE LOOMING CRISIS OF UNEMPLOYMENT AMONG THE YOUTH

The unemployment rate in the south of Iraq is situated at 24% with nearly no variation between the governorates' average rates. However, district-level disaggregation sheds further light on areas facing critical challenges (Table 1). Some key hotspots emerge: the district of Basra (which encompasses Basra city boundaries) has one of the largest unemployment rates across all districts – this is significant given the relative size of its population. This points to important clusters of socio-economic vulnerability within the city's neighbourhoods. In addition, relatively isolated and sparsely populated rural districts in Missan, namely Kahla'a, Qalat Saleh and Ali al-Gharbi, have an unemployment rate above 30%, pointing also to the critical situation there.

Beyond geography, one key aspect from Figure 1 above is that unemployment does not affect every age group equally. Young men are particularly overrepresented in the pool of the unemployed. More than half of the unemployed segment in Figure 1 is less than 25 years old. More specifically, unemployment among those older than 25 is 14% while, for those 25 and younger, the rate is almost four times higher at 45%.



<sup>4</sup> IOM and Social Inquiry, "Between Fragility and Resilience: An Exploration of Human, Social, Natural, Physical, and Financial Capitals in the South of Iraq." A Climate of Fragility Research Brief (Bagdad: IOM, 2022).

<sup>5</sup> World Bank, Iraq Economic Monitor: Seizing the opportunity for reforms and managing volatility (Baghdad: World Bank, 2021).

<sup>6</sup> See for example, Alexia Pretari and Filippo Artuso, Resilience in Iraq: Impact Evaluation of the 'Safe Access to Resilient Livelihoods Opportunities for Vulnerable Conflict-Affected Women in Kirkuk' Project, Effectiveness Review Series 2019/20 (Oxford: Oxfam GB, 2022).

Table 1. Unemployment rate by district in southern Iraq

Governorate	District	Unemployment rate
Basra Governorate	Basra	27%
	Zubair	26%
	Midaina	23%
	Qurna	23%
	Faw	22%
	Abu al-Khaseeb	19%
	Shat al-Arab	17%
Thi-Qar Governorate	Chibaysh	24%
	Nassiriya	23%
	Suq al-Shyukh	23%
	Shatra	21%
	Rifa'ai	18%
Missan Governorate	Kahla'a	32%
	Qalat Saleh	31%
	Ali al-Gharbi	30%
	Maimouna	25%
	Majir al-Kabir	25%
	Amara	23%

Table 2. Educational attainment for unemployed and employed individuals below 30 years old

	Unemployment youth	Employed youth
No schooling	16%	18%
Elementary school	45%	40%
Middle school	16%	17%
High school	5%	7%
Diploma	5%	6%
University	12%	13%
<b>Total</b>	<b>100%</b>	<b>100%</b>

Part of the reason that unemployment is disproportionately affecting youth lies in the weakness of the private sector and the saturation of the public sector, as discussed in greater detail below. In Iraq, 40% of the population is below 15, and with younger cohorts larger than the previous ones, the number of people entering the labour market increases every year.<sup>7</sup> This growing 'youth bulge' is competing for increasingly scarce employment opportunities – particularly for public sector jobs.

Unlike gender, educational attainment does not appear to be influencing access to livelihood opportunities for young people.

Younger cohorts have enjoyed better access to education and tend to have a higher educational attainment than older ones. Almost 15 per cent of people between 20 and 30 years old are already engaged in tertiary studies (university degree or higher). Additionally, educational outcomes do not differ between employed and unemployed youth (Table 2). The distribution of education attainment between these two groups is similar, in that being more educated does not mean a higher likelihood of employment. Thus, **promoting greater educational attainment as a means to promote social mobility may not be effective without significant changes in the labour market.**



<sup>7</sup> UN Population Fund, "World Population Prospects: Iraq," (2017).

#### 4. A POLARIZED EMPLOYMENT LANDSCAPE: DIFFERENT PROSPECTS FOR DIFFERENT GENERATIONS

A key explanation for the generational gap in unemployment lies in the bifurcation of the job market. Younger people have different livelihoods opportunities than older population groups. Critically, youth have significantly limited access to highly valued and stable employment which, in the context of Iraq, is commonly found in the public sector (and, in exclusively economic terms, in security forces). This polarization is shown in Table 3: there is an overrepresentation of youth employed in daily labour – containing almost half of those currently working – while there is barely a presence of youth in the public sector. The situation is reversed for older age cohorts.

Table 3. Sector of employment for individuals who are currently working, disaggregated by age group

Employment by sector	Younger than 30 years old	Older than 30 years old
Public sector – salaried	13%	33%
Security forces	6%	14%
Private sector – salaried	5%	3%
Daily labour	46%	18%
Own business / services	22%	24%
Agriculture / livestock	7%	7%
Informal commerce	1%	1%
<b>Total</b>	<b>100%</b>	<b>100%</b>

Most, if not all, of daily labour is informal. This work is characterised by low stability and increased fragility; work is not guaranteed every day, commonly pays less than formal jobs, and is less protected, especially in terms of labour and human rights. Daily-labour workers are commonly characterized by a significant degree of underemployment – employed individuals working less than they would like to. (This assessment did not capture indicators on job stability, work in specific sectors of activity, and average remunerations.) This is a critical area in need of further research and exploration.<sup>8</sup>

<sup>8</sup> In its 2021 assessment, ILO found that half of the individuals employed were working less than 40 hours per week (what would be considered full-time). However, only a minority of these were looking to work more than what they currently do, which would then count as being underemployed. See ILO, Iraq Labour Force Survey 2021 (Baghdad: ILO, 2021).

<sup>9</sup> Ali Al-Mawlawi, Public Payroll Expansion in Iraq: Causes and Consequences (London: LSE Middle East Centre, 2019).

<sup>10</sup> Authorities are cognizant of this situation, and in the face of large-scale protests (including in the south), have promised new economic measures that also include promises to hire youth in the public sector to placate them.

<sup>11</sup> Roger Guiu, When Canals Run Dry: Displacement Triggered by Water Stress in the South of Iraq (Geneva: IDMC, 2020).

It is possible, however, to discuss the causes of this bifurcation in livelihoods. For two decades, Iraq's public sector has been a relatively stable source of income for a large proportion of families; opportunities to become part of the public payroll blossomed since 2003, financed in large part by the influx of oil revenues. These public jobs were a mechanism to indirectly distribute wealth and generate patronage networks.<sup>9</sup> This paradigm explains the comparatively higher proportion of the older generations employed in public sector posts. The state, however, has been increasingly unable to absorb the growing number of people entering the labour market, especially since the economic crisis of 2014-2015. This saturation in the public payroll is likely to continue as Iraqi state finances become increasingly unsustainable.<sup>10</sup> This dynamic has played a significant role in the increasing lack of livelihoods opportunities for the youngest generations.

The issues in the public sector put a spotlight on the limitations of other economic sectors, beyond daily labour. The formal private sector remains weak, as can be seen in the meagre percentage of people employed within it – including for both age groups (Table 3). In addition, the ability of the agricultural sector to serve as a buffer against unemployment in rural areas is also limited, due to the impacts of environmental degradation and reduction of activities.<sup>11</sup> Nevertheless, part of the solution in overcoming youth unemployment likely passes through these two sectors. Indeed, a more dynamic business environment as well as a more sustainable agriculture sector are indeed key priorities for the Iraqi government.

Linked to this latter point, it is positive to see a relatively high percentage of individuals engaged in small businesses (e.g., shops, workshops, restaurants, etc.) and self-employed services (e.g., drivers, barbers, tailors, mechanics, etc.). These are the types of jobs that can more immediately offer an alternative to a public sector post, daily labour, or unemployment given the diversity of sectors and activities that can be developed. Here, young individuals also seem to present the necessary skills to thrive and would certainly benefit from continued or expanded tailored livelihoods interventions to support them in these endeavours.



**FINAL NOTE: LIVELIHOODS ARE A MATTER OF PROSPECTS, MOBILITY, AND DIGNITY, AND NOT NECESSARILY ABOUT AFFLUENCE**

One indirect positive aspect of the high employment rate for older adults is that it guarantees that, for most households, there is at least one income earner - usually the head of the household. In other words, only 12% of the households in these southern governorates have no individual currently employed and thus nobody bringing home revenue.<sup>12</sup> Having at least one income earner in the household acts as a positive buffer for families to avoid falling into poverty, though it is less effective in this regard for those depending on daily labour revenue, as would be expected.

If this situation continues, however, young people in these households will be left with little room for prosperity and upward mobility, impacting their agency, their ability to start their own families, and their rootedness to the territory. These barriers are even higher for women in this sense given their near absence from the economy. The ability to lead lives of meaning and value on one's own terms, and to enable more opportunities for future generations to do so, is a key aspect of social development. Given this context, it is not surprising that many analyses link pervasive youth unemployment with a stronger push for social change.<sup>13</sup>



<sup>12</sup> A significant proportion of these households are female-headed, whose income needs are commonly supplemented by governmental safety nets and support from relatives or the community.

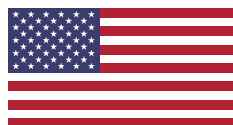
<sup>13</sup> International Crisis Group, Iraq's Tishreen Uprising: From Barricades to Ballot Box, Middle East Report No. 223 (Brussels: ICG, 2021).

## IOM IRAQ

 [iraq.iom.int](http://iraq.iom.int)  
 [iomiraq@iom.int](mailto:iomiraq@iom.int)

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

     
@IOMIraq



This report was made with the support from the U.S. Department of State,  
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