

Investments build Jobs - Jobs build futures

Private Sector Development and Employment Promotion in Iraq

Challenge

Private sector development and employment promotion are the highest priorities for the Iraqi Government. A volatile oil price diminishes the country's prime source of income with more than 90% of the state budget depending on petroleum revenues (2018). Around 60% of the working population works in the public sector. 670,000 Iraqis are employed in state-owned enterprises; around only a dozen of them are profitable, the remaining 75% depend on state subsidies (according to the World Bank).

Participation in the labour force in Iraq is low compared with the rest of the region. According to the UN, it is 69% among men and only 14% among women. With a population increase of around 1 Mio. annually, a swelling stream of young people enters the labour market with no perspectives to gain traditional employment in the overextended public sector. The precarious situation on the labour market is exacerbated by an increased influx of returning refugees.

The Iraqi Government aspires to relieve the state budget, diversify the commodity-based economy, and create employment in the private sector. Within this strategic framework, the project supports measures to promote return and rehabilitation through economic reforms and contributes to stabilisation by offering perspectives for young women and men.

The approach

1. Investments build jobs: We strengthen the capabilities of the Government of Iraq to develop fact-based economic policies and strategies to stimulate private sector activities and investments.
2. Jobs build futures: We support local education providers, businesses, and civil society groups in providing young people, especially women, and returning refugees with employment opportunities to give them a long-term perspective and liveable future in their home country. The project uses

job trainings, which are adjusted to the needs of the labour market, job placements, business development support, entrepreneurship competitions and psycho-social counselling measures to achieve this objective.

Project Name	Private Sector Development and Employment Promotion /(Re)Integration of Young People and Returnees
Commissioned by	German Federal Ministry for Economic Cooperation and Development (BMZ)
Project Region	Baghdad, Basra, Erbil, Diwaniya
National Partner	Deputy Prime Minister for Economic Affairs, Iraq; Office of the Prime Minister, Iraq; Ministry of Planning, Iraq
Duration	12/2017 – 11/2021

Our services

In support of the Cabinet Committee for Economic Affairs, the project provides data, analyses and expert advice to the Office of the Deputy Prime Minister for Economic Affairs and the Economic Reform Unit in the Prime Minister's Office, so they can develop a fact-based economic strategy. A sustainable university network for economic analysis provision is being created and linked into the top decision-making ranks of the government.

The project supports the set-up of government run Public-Private Dialogues to strengthen the abilities of the public sector to identify business bottlenecks and investment barriers. Capabilities on both sides are strengthened to achieve a constructive and effective exchange with substantial impacts for the business environment. Topics such as anti-corruption, private sector empowerment and privatisation, tax and customs regimes, as well as the ease and speed of investments are on the current agenda.

Young people and returnees between 16 and 30 years are targeted for employment promotion and economic integration. Especially women are addressed to benefit from the activities.



Photos: Examples of start-up competitions at universities in Iraq.

Hands-on results are achieved through an integrated approach of skill development, based on the needs of the labour market, and job placement measures. For this, the project supports the cooperation of businesses and state-owned training providers to develop trainings and qualifications evidently needed on the market. Qualification measures range from hairdressing to welding, from phone repair to skills used in high-quality construction. Together with German companies such as Knauf or Vaillant, young technicians and specialists are trained.

Job fairs, job centres for women, internships, and innovative job skill competitions bring business owners and young people together and the latter successfully into employment. A country-wide entrepreneurship competition called "INTILAQ!" ("Start!") educates students on how to develop innovative business ideas and how to realize them in a competitive market.

The project further supports business organisations in developing consulting services for their members to increase their profits and consequently create jobs. These consulting services include qualifications such as marketing, book-keeping and cost control, loan

application and management. To vitalise the business environment, the project assists business associations to introduce market innovations to allow for new business opportunities to be created. Products and methods in the areas of solar power, construction material recycling and green-housing are already garnering promising results.

To allow traumatized or displaced young people to reintegrate in society and the labour market, psycho-social counselling is offered and cultural activities are supported to help young people (re-) discover their own abilities and widen their networks. Particularly youth groups active in the arts, journalism, business and life skill development are close partners. They offer activities such as therapeutic yoga, art therapy, and life-skill-creating football clubs, which are popular with young women and men alike.

Published by	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH Registered offices: Bonn and Eschborn, Germany GIZ Office Iraq World Trade Center, Erbil, Iraq	Photo credits	Fabian Schwan-Brandt/Regina Tauschek
Contact person	Marcel Venhofen marcel.venhofen@giz.de	Text	Marcel Venhofen
As at	January 2020	On behalf of	Federal Ministry for Economic Cooperation and Development (BMZ)

GIZ is responsible for the content of this publication.

In cooperation with Office of the Deputy Prime Minister for Economic Affairs,
Office of the Prime Minister, Ministry of Planning, Iraq