



مركز البيان للدراسات والتخطيط
Al-Bayan Center for Planning and Studies

Iraqi Women: Fears of a New Economic Crisis

By: Raghad Qasim



Al-Bayan Center Studies Series

About

Al-Bayan Center for Planning and Studies is an independent, nonprofit think tank based in Baghdad, Iraq. Its primary mission is to offer an authentic perspective on public and foreign policy issues related to Iraq and the region.

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Iraqi Women: Fears of a New Economic Crisis

By Raghad Qasim*

The current policies may cause an economic crisis equal to what happened in Lebanon after the sharp drop in oil prices, the budget deficit, and the delay in paying salaries.

The current government has been working on immediate economic reform to push the financial crisis for some time. It has started some changes, including the deductions of double salaries, seeking borrowing internally and externally. However, all these measures may not help the current or future government avoid a real economic crisis that pushes the country to collapse. There is not yet a concrete strategic plan that can help to overcome this crisis.

Iraqis have always faced crises in different periods like what happened after the United Nations Security Council issued economic sanctions against Iraq in 1990, which lasted for years. They have adapted to a way of life to interact smoothly with the crisis. The situation is different now. The economy is still rentier, and the public budget suffers from many problems due to sluggish employment, massive government spending, and high population growth. Getting used to a different lifestyle than before will mean the increase in the payment of other bills, including water, electricity, and housing expenses.

Iraqis are watching the current economic crisis that Lebanon is going through after the latter faced an economic collapse. It resulted in financial restrictions, the increase of commodities prices, and the closure of many projects and banks, which some have branches in Iraq.

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Iraqis express this fear by withdrawing their money deposited from banks. They don't trust banks and compare Iraq's situation to what has happened in Lebanon's banks after the collapse of the Lebanese pound. Therefore, many fear the collapse of the Iraqi dinar exchange rate against the dollar, and many are keen to keep the foreign currency instead of the local one.

A worker in the private sector says: "We do not have confidence in the financial policies of the country, the crises are close, and the political and economic conditions of the two countries are similar. The economic difficulties, the specter of the government's bankruptcy, and the issue of internal and external borrowing all make the citizen afraid of dealings with banks.

The economic downturn is not new, but it got worse after the government took measures to limit the coronavirus outbreak in mid-March 2020. These measures have reduced trade and the government's ability to cover the needs of the Iraqi people.

Many owners of small and medium-sized enterprises and workers who depend on daily earnings were affected by the security measures taken after the October's protest last year, and the outbreak of coronavirus this year.

In a recent evaluation by the Iraqi Ministry of Planning, the UNICEF, the World Bank, and the Oxford Poverty and Human Development Initiative, the review found out that 4.5 million Iraqis (or nearly 11.7%) were at risk of falling below the poverty line due to the socio-economic impact of the Corona pandemic. This sharp increase will raise the national poverty rate from 20% in 2018 to 31.7%, and the total number of poor to 11.4 million¹.

1. Children make up the majority of up to 4.5 million Iraqis at risk of falling into poverty and deprivation due to the impact of covid-19 [EN/AR]
<https://reliefweb.int/report/iraq/children-make-majority-45-million-iraqis-risk-falling-poverty-and-deprivation-due-impact>

The evaluation shows that 42% of the population is vulnerable since they may face a higher risk of being deprived of education, health, living conditions, and financial security.²

Iraq's economic problems accumulate as it is a rentier economy. It depends only on "oil," which its revenues make about 95% of the budget.

Diversification of income sources has become a slogan circulating through the programs of successive governments. However, resources have not been appropriately used to overcome the crises and provide a good life to the citizens, instead of increasing the external debt.

All public budgets after 2004 have been prepared with a planned deficit and ended with a real surplus, an example of poor planning and implementation. Budgets have made the same previous mistakes. Instead of diversifying the sources of income and developing real reform plans, it has become an image of corruption.

Iraq is considered one of the most corrupt countries. The country is ranked 162 out of 180 globally in 2019, according to the Transparency International³. Iraq got 20 points out of 100 in the corruption index.

Economic crises and political responses affect men and women differently. Women are the most vulnerable to these financial shocks. In times of economic crises, women suffer from high unemployment rates. Low job opportunities for women increase the rate of exploitation because they are forced to work in bad conditions. Also, it increases the exposure to human trafficking, immigration from the home country, high rates of early marriage and unsafe reproduction, and the corresponding increase in divorce rates and school dropouts. They are the first ones who sacrifice their food and medical needs, and they are also the most exposed to violence in their homes.

2 . Children make up the majority of up to 4.5 million Iraqis at risk of falling into poverty and deprivation due to the impact of covid-19 [EN/AR]

<https://reliefweb.int/report/iraq/children-make-majority-45-million-iraqis-risk-falling-poverty-and-deprivation-due-impact>

3 <https://www.transparency.org/en/countries/iraq#>

The prevention measures the government took to limit the outbreak of coronavirus increased domestic violence in Iraq. Reports on social media showed an increase in domestic violence. The Iraqi authorities confirmed this after contacting them by phone, but accurate statistics were not provided on the number of reported cases.

In these circumstances, we also notice the increase in work pressure at home due to housework, the lack of a safe space to talk and share their concerns, movement restrictions, mobility, stagnation in the sale of products to those engaged in craftwork, and the limited sale of goods through delivery service.

A large group of working women was affected. In addition to the private sector's failure to break the stereotype "embedding the idea of women working in the government sector," after many private employers were forced to reduce or lay off workers, women still find the public sector more attractive than the private sector.

Obtaining digital jobs may help overcome these barriers. However, it creates more obstacles for young women with low educational attainments or rural women due to the weak digital infrastructure in Iraq. In Iraq, it is estimated that 72 women for 100 men use the Internet, which is equivalent to 28%, while 89 women for 100 men use mobile phones, equal to 11%.⁴

An economic crisis can reduce the opportunities for both sexes' social and economic empowerment, and women lose jobs and salaries cut for women working in the private sector or those with daily wages. Women still experience additional barriers related to society, legal restrictions, and market needs, which increases women's financial dependence on men.

A World Bank study confirms that women who want to participate in the labor market in Eastern countries face high unemployment rates

and lower wages for similar work. Unemployment rates for women are twice that of men. Women usually work in specific sectors for less pay, while men earn more in return for the same work. The gender gap in wages between women and men working in similar occupations and having similar educational attainment and similar experience is about 22% for all workers in Iraq. It is likely that high unemployment rates on the one hand and low wages on the other constitute an element of frustration for some women and prevent them from looking for work.⁵

Gender-based violence, especially domestic violence, is likely to increase when unemployment opportunities decrease for women. Imposed societal restrictions limit survivors' ability to protect themselves from perpetrators and restrict their ability to obtain adequate support to protect themselves from violence.

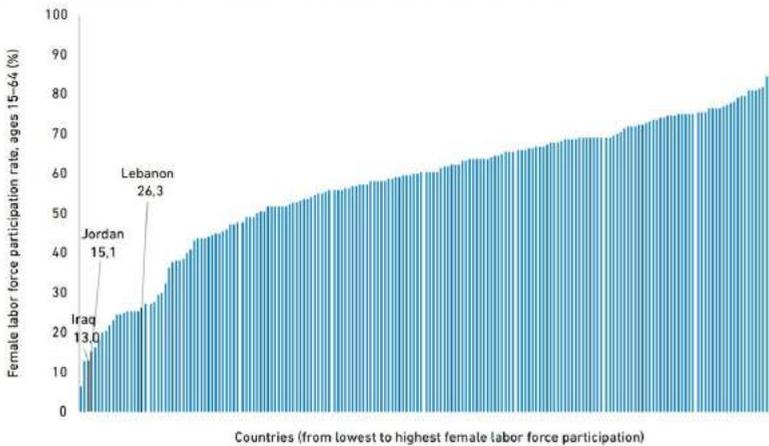
The levels of women's participation in the labor market in Iraq, Jordan, and Lebanon are among the lowest in the world. In Iraq and Jordan, women's participation is less than 15%, while in Lebanon, this percentage reaches 26%.⁶

5 - حالة المرأة في المشرق،

<https://www.albankaldawli.org/ar/country/lebanon/publication/state-of-the-mashreq-women>

6 Ibid.

Female labor force participation rates, selected Mashreq countries compared to rest of the world



Source: Based on modeled International Labour Organization data from the World Development Indicators.

The economic empowerment of women makes the difference in lifting and upgrading societies from poverty. In increasing job opportunities for women, there will be a steady increase in improving the living conditions of families: increased educational opportunities, low rates of early marriage, low domestic violence, women supporting themselves and their families. This will enable them to participate in making decisions inside or outside their homes.

In light of the foregoing, the current, and the future challenges facing women in the labor market, the efforts of policymakers and domestic and international advocacy groups interested in developing policies and recommendations for economic reforms must be combined to respond quickly and reduce the aggravation of the financial situation by respecting the rights of women and work to include them in the strategies of economic development and the workforce:

1. Establishing policies concerned with increasing the level of female enrollment in education, especially university education.
2. Eliminating digital illiteracy among females.
3. Formulating a strategy to develop a female workforce to meet

market needs.

4. Reforming legal policies and regulations to ensure that women work in the private sector.
5. Intensifying business training and development programs and networking opportunities.
6. Incorporating the dimension of female entrepreneurship into the policies of encouraging small and medium enterprises and paying attention to increasing their levels of access to finance.
7. Providing job opportunities for women in the various governmental and non-governmental sectors that are limited to men.
8. Promoting legal services that support women in defending their labor and property rights.
9. Focusing on adopting policies to provide more job opportunities for females in remote areas who are divorced and have special needs due to the high burden on this group of society and the difficulty of accessing the labor market.
10. Creating opportunities for women to lead the economic recovery.
11. Creating opportunities for women to be policymakers in the economic sector.

In conclusion, many women who graduate and seek jobs face a great family and societal pressure to marry and give birth to children if they cannot find a job. They cannot wait for a job opportunity due to the social norms that minimize the importance of the woman's need to work to support the family.

The economic empowerment of women is one of the most important possibilities for alleviating poverty and violence. Therefore, the participation of women in economic activity and the labor market will push economic development forward.