

# Multidimensional Poverty Analysis Iraq 2020

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## Executive Summary

The aim of this Multidimensional Poverty Analysis (MDPA) is to contribute to an understanding of poverty as it is experienced in Iraq and provide the ground upon which development contributions in Iraq can be based. This involves gaining an understanding of the Iraqi context and in so doing identifying vulnerability to poverty within different societal dimensions. The assessment follows Sida's MDPA framework and definition of poverty, which involves defining multidimensional poverty across four dimensions; resources, human security, power and voice, and opportunity and choice.

### Main Conclusions and Poverty trends in Iraq

- Data on poverty measurements in Iraq are largely outdated. In 2012, **extreme resource poverty** in Iraq was relatively low.<sup>1</sup> Based on the international measurement 1.9 USD per day, around 800 000 people (2.5 percent) out of then almost 32 million Iraqis lived in extreme poverty in 2012. **In accordance with the 5.5 USD poverty measurement, 57 percent of Iraqis lived in resource poverty (approx. 18.2 million people) in 2012, and almost 19 percent of Iraqis (approx. six million people) lived under Iraq's national poverty line and on less than 3.20 USD per day.**
- Since then, Iraq has one through a series of crises including the war against Daesh which led to mass displacement of people, environmental crises also causing forced displacements, unemployment and disruption to education, as well as the global COVID-19 pandemic, which has exacerbated the already ongoing crises. In November 2019, approximately 4.1 million people in Iraq still required some form of humanitarian assistance due to difficulties of reintegrating into their home communities. Following recent years of armed conflict and the COVID-19 crisis, **the amount of people in resource poverty is estimated to have increased with 20–40 percent within the different poverty measurements.**
- **Iraqis suffering from resource deprivation are often also subject to multidimensional poverty due to societal insecurities, gendered norms and traditions, together with a lack of sufficient public investments in social services, education, and work opportunities.** Most people classified as monetarily poor are therefore also regarded as multidimensionally poor, since they often lack either adequate power and voice or the opportunities and choice to change their situation.
- **The main sources of household poverty** can be viewed as linked to poor economic opportunities, highly affected by public investments, the structure of the economy and by head of households' educational access. The main sources of **child poverty deprivations** are seemingly linked to poor living conditions and health, which correlates with head of households' lack of access to formal and secure work opportunities. Several factors, such as lack of adequate investment and an uncompetitive and non-diversified economy, make the job-creation process in Iraq slow. Recent conflict patterns and crises have caused limited government investments in job-growth

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<sup>1</sup> The latest poverty measurement by the World Bank is from 2012.

and institutional barriers and a lack of social provisions in Iraq's private sector has created a large socio-economic divide between those with access to public employment and those who lack such access.

- **The most vulnerable groups identified in this MDPA are IDPs, refugees and single-headed households.** Within these groups, **women and girls are particularly vulnerable to poverty** since their access to power, voice, opportunities, and choice, is not only hindered by conflicts, corruption, environmental degradation and a lack of public and private investments, but also by discriminatory social norms and gendered legal frameworks. This vulnerability is furthermore magnified by intersectional forms of discrimination based on nationality (and lack thereof), ethno-sectarian belonging, age, disabilities, political beliefs, and perceived affiliations.
- **Iraq's economy hinges upon its crude oil production and is therefore highly affected by oil price fluctuations.** While the relatively improved security situation in 2019 provided Iraq with a growth trajectory, recent falls in oil prices have compromised the government's ability to attend to public investments, since more than 90 percent of the government budget is based on oil trades set at 56 USD per barrel. Considering the urgent global need for climate action, Iraq is in great need of diversifying its fossil fuel-based energy reliance and economy by adapting to a green economy to not exacerbate its already stressing environmental degradation and climate change implications.
- **The drawn-out process of constructing a new government due to disputes between ethno-sectarian divides in Parliament has hampered government responses to public demands and reconstruction.** After 5 months of deadlock following the resignation of Adel Abdul Mahdi in November 2019, a new interim government was voted in by the Iraqi Parliament in May 2020. The new government faces a series of challenges including the COVID-19 pandemic, an economic crisis relating to falling oil prices, and reforms needed to respond to protestors' demands. Following the COVID-19 crisis, Iraq's GDP is estimated to decrease with 4.7–9.7 percent.
- **Although the territorial war against Daesh is officially over, Iraqis continue to suffer from attacks on smaller scales by Daesh and other armed groups.** This, together with confrontations between external actors in and around Iraq and the violent state backlashes against protestors form threats to human security. Should the government fail to respond adequately to protestors' demands and ensure economic opportunities for its growing population, renewed enlistments to Daesh or other violent extremist movements may become an increasingly occurring negative coping-mechanism, particularly among men and boys.
- **The democratic space in Iraq is limited.** The popular protests that grew larger in October 2019 brought back to the surface the wide-spread popular political, social and economic discontent evident in Iraqi society, that was brought to world-wide attention at the start of the Arab Spring in 2010–2011. The violent responses by the state and non-state militias to shut down demonstrations have shown the continued limited democratic space for the population to exercise their human rights.

# 1. Background and Approach

## 1.1 Introduction

The aim of this paper is to contribute to an understanding of the different dimensions of poverty in Iraq. Poverty measurements can take a multitude of different forms, and have major implications for policies, and henceforth upon people living in poverty. Sida uses a multidimensional poverty model as a conceptual framework to understand and analyse poverty in different contexts. The underlying understanding is that poverty is complex. Multiple causes interplay to push people into situations of poverty—and keep them there. Knowledge about this complexity and how it is manifested for different groups of people is fundamental to be able to define effective policy measures and approaches to reduce poverty.

### Multidimensional Poverty



Sida's model identifies four dimensions of poverty (resources, human security, opportunities and choice, and power and voice). The four dimensions—captured in the inner circle—help identify the main ways in which poverty manifests itself, and how it is experienced by people living in poverty. The outer circle displays the development context, in which poor people live and act. Sida analyses the development context along four aspects—the conflict context, political and institutional context, social and economic context, and the environmental and climate context. Gender and human rights perspectives permeates all these contexts and dimensions. To be defined by Sida as living in multidimensional poverty, a person needs to be resource poor and poor in at least one other dimension. This framework explains the degree and dimensions of poverty and contains the main elements of a development analysis that explains opportunities and constraints for sustainable and inclusive development, as well as the opportunities for people living in poverty to change their situation.

This MDPA was initiated in the Autumn of 2019 and has been developed through a continuous process involving a series of internal meetings, field trips, and meetings with partners. A draft MDPA was made in 2017 and has been used as a point of departure for this paper. Nonetheless, much has happened in Iraq since 2017. This paper is updated with the latest statistics where possible, and the analysis is based on the concurrent Iraqi context ongoing development contributions interact with. In this sense, this MDPA is a useful tool for understanding poverty and the development context and assessing development contributions and their possible interactions in a conflict sensitive manner.

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## 1.2 The Scope and Limitations of this Study

Existing statistics on poverty in Iraq are mostly outdated. The last National Household Survey in Iraq was conducted in 2012 and does not include gender disaggregated data.<sup>2</sup> The available data from the World Bank covers the period up to 2012, and the years thereafter are based on estimations. While there exist reports published later, many rely on earlier data sets.

This paper uses the latest statistics from the World Bank together with data from development reports produced by the United Nations Office for the Coordination of Humanitarian Affairs (OCHA), UN Women, Oxfam and others. However, currently, no existing data set on poverty captures satisfactorily all the dimensions that form Sida's multidimensional poverty framework. Even if multidimensional poverty analyses are becoming more common, the dimensions of human security, power and voice, as well as opportunity and choice, are often neglected. This MDPA therefore triangulates the quantitative multidimensional poverty assessments carried out by OPHI and United Nations Economic and Social Commission for Western Asia (UNESCWA), with other data sets and qualitative analyses capturing the other dimensions. This MDPA assesses poverty on the national, provincial, household, and individual levels, taking into consideration different causes and effects.

In terms of definitions, Sida follows to some degree, definitions set out by the United Nations (UN) and the World Bank in order to make possible comparisons. The World Bank utilises monetary measurements varying from extreme poverty level (1.9 USD per day), to poverty based on 3.2 USD per day and 5.5 USD per day, depending on the contextual level of economic development—GDP per capita. Due to its relatively high GDP stemming from its oil production, Iraq is considered an upper-middle-income country. According to World Bank measurements, this would imply an application of the higher level of measurement (5.5 USD per day) to assess resource poverty. Due to the lack of updated statistics, we assume that people who are dependent on humanitarian assistance are being considered extreme poor.

## 1.3 Consequences of COVID-19

At the time of writing, the COVID-19 continues to spread in and around Iraq, with alarming short-term consequences, and potentially devastating long-term effects. Due to already dire capacity of hospitals resulting from the series of crises Iraq has experienced, the ability to deal with a large amount of cases simultaneously is limited. To limit the amount of infections, both the Iraqi Government and the Kurdish Regional Government have ordered strict curfews affecting the whole population. The lockdown has forced people to stay at home, which has brought a halt to smaller businesses except food shops and pharmacies, causing many people to lose their jobs, and hence their financial security. The increasing prices and declines in household incomes amid the lockdown has hindered people from earning enough money to purchase the food needed to feed their families.<sup>3</sup> As a consequence, the proportion of people in

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<sup>2</sup> World Bank, Household Socio-Economic Survey 2012, Second Round, 4<sup>th</sup> October 2017. Available at: <https://microdata.worldbank.org/index.php/catalog/2334/related-materials>

<sup>3</sup> World Food Programme (WFP), Iraq Market Monitor Report, April 2020, p. 5.

Iraq living under the national poverty line risks increasing from almost 20 percent to 34–39 percent now in the short-term, and up to 60 percent by the end of 2020.<sup>4</sup>

Due to the global COVID-19 outbreak, the demand for oil exports has dropped dramatically, and has resulted in oil being traded at around 26 USD per barrel in April-June 2020.<sup>5</sup> This is the lowest traded price in 18 years, and only funds about half of the needs for Iraq's (2019) state budget, which is based on a price of 56 USD per barrel. Should this crisis be prolonged, the government in Baghdad would struggle to deliver basic social services and pay public sector employees, which accounts for about 60 percent of those employed in the formal Iraqi workforce.<sup>6</sup> The IMF projects that Iraq's GDP will decrease with 4.7 percent this year, whereas the World Bank estimates the decrease to be around 9.7 percent.<sup>7</sup> A prolonged economic standstill could therefore potentially double Iraq's already 40 billion USD budget deficit, and further inhibit investments needed to address poverty.

Once the situation improves, Iraq's economy will need to be stimulated to counter these developments. Iraq has not been dependent on Official Development Assistance (ODA) since it has funded most of its state budget on oil revenues. The ability for Iraq to stimulate the economy in the aftermath of the current lockdown will therefore be closely tied to an increase in the price of crude Brent oil, and on an increased demand amongst Iraq's export partners, China, India, South Korea, and Japan—all highly affected by the global economic decline. If the demand amongst Iraq's export countries increases, the OPEC+ production cut agreement signed in April this year could provide support to an increase in oil prices.<sup>8</sup> Nonetheless, considering the direct effects of environmental degradation and climate change in Iraq, causing water stress, food insecurity, and loss of farming livelihoods, economic stimulation and livelihood policies following the COVID-19 crisis will need to be closely linked to economic diversification and environmental adaptation. The question remains whether this can be funded without increased oil revenues and hence, whether Iraq will become more dependent on ODA. Foreign Direct Investment (FDI) in Iraq was low already before the COVID-19 crisis—negative 4.8 billion USD in 2018—indicating that investors took more funds out of Iraq than what was flowing into the country.<sup>9</sup> Considering the world-wide economic stagnation, it is likely that FDI to Iraq will remain low in light of the COVID-19 crisis, yet with crises also comes opportunities: Depending on the economic outlook in Iraq, international investors may take on new opportunities should they open up, which can have both positive and negative socio-economic implications for people living in poverty.

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<sup>4</sup> World Bank, Iraq Economic Monitor Report, Spring 2020, p. 14. The measurements from the latest World Bank Indicators data collection in 2012 located 2.5 percent of Iraq's population in extreme poverty (1.90 USD per day measurement), 17.9 percent of the population falling under the 3.20 USD per day measurement, and 57 percent of Iraqis living under 5.50 USD per day.

<sup>5</sup> Adul-Zahra, Q. and Kullab, S., "One-two punch of new virus, falling oil prices threaten Iraq" in *AP News*, 20<sup>th</sup> March 2020. Available at: <https://apnews.com/8cae321c29f093660fb0b0765c476b17>

<sup>6</sup> *Ibid.*

<sup>7</sup> IMF, Accessed 10<sup>th</sup> March 2020, Available at: <https://www.imf.org/en/Countries/IRQ>

<sup>8</sup> IMF, World Economic and Financial Surveys: Regional Economic Outlook Update, April 2020, p. 2.

<sup>9</sup> World Bank, World Development Indicators, 2018.

The nation-wide lockdown and spread of the pandemic have implications on all societal dimensions. As a result of people being forced to stay at home and the loss of financial security, gender-based violence has been reported to be increasing.<sup>10</sup> In response to this, civil society organisations, as well as the UN, have urged the Iraqi Parliament to speed up the endorsement of the Anti-Domestic Violence Law drafted prior to the crisis.

Large risks also exist with relation to the dissemination of false information regarding the virus and prevention from it. Reports have stated that pro-government media outlets spread government propaganda without question, while pro-Iranian outlets have attempted to disseminate conspiracy theories to steer public perception into resentment of the US and in favour of Iran and China.<sup>11</sup> The lack of factual and impartial information has meant that information and theories people can make sense of can latch on, which can lead to increased tensions between groups and to an initiation of harmful practices.<sup>12</sup> In light of the crisis, there has been an increased demand for impartial and factual information accessible by all, and an emphasis amongst activists on the vital role the media plays in societies.<sup>13</sup>

The COVID-19 crisis could potentially also provide an opportunity for Daesh fighters in sleeper-cells to remerge. With a decrease in economic opportunities and financial security increases the vulnerability to poverty and thus also the risk of enactments of harmful coping-mechanisms, including an increase in Daesh enlistment as a consequence of a lack of other options. In light of the lockdown, as well as in relation to the first quarter last year, the frequency of insurgencies has reportedly increased.<sup>14</sup>

## 2. The Outer Circle: Underlying Development Contexts

### 2.1 Peace and Conflict Context

The peace and conflict context refer to the factors of peace, conflict, justice, social cohesion and trust, as well as the existence of violence, tensions, grievances and conflicting interests that affect poverty.

Iraq has endured a series of conflicts in recent decades, involving both domestic and international actors, which has deeply affected the Iraqi economy, internal social cohesion and peoples' vulnerability to multidimensional poverty. Daesh was territorially defeated in 2017, yet asymmetrical terrorist attacks have continued to injure, kidnap and kill civilians, community leaders, and Iraqi armed forces.<sup>15</sup> The international coalition, the Iraqi Security Forces and the Popular Mobilization Forces (PMF), consisting primarily of Shiite militias, some of whom are backed by Iran, have remained active in operations to suppress terrorist activity and the latter

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<sup>10</sup> Sida, Gender Implications due to Covid-19, April 2020.

<sup>11</sup> Available at: <https://www.mediasupport.org/cv19-iraq/>

<sup>12</sup> International Media support (IMS),

<sup>13</sup> IMS, "THE PARADOX: RECORD AUDIENCES, SHRINKING REVENUES", 2020. Available at: <https://www.mediasupport.org/covid19/>

<sup>14</sup> SIPRI, "The resurgence of the Islamic State in Iraq: Political and military responses", 9 June 2020. Available at: <https://sipri.org/commentary/essay/2020/resurgence-islamic-state-iraq-political-and-military-responses>

<sup>15</sup> Human Rights Watch, Iraq Events of 2018.



has gained an enhanced position in society to uphold security.<sup>16</sup> The PMF has also actively suppressed peaceful protestors seeking reform, and militias falling under the PMF have attempted to capture increased budget expenditures and maintain influence, which has contributed to the populations' contempt with the states' security services.<sup>17</sup>

The growth of Daesh also needs to be viewed in relation to social and political conditions at the time, particularly within the Sunni community, stemming from decades of political disillusionment and distrust in Iraqi society. Prior to 2013, Sunni Arabs declared a confluence of motivations to why they opposed the political leadership in Baghdad, including rejection of the post-2003 political order along ethno-sectarian lines, Iranian influence, and the violent treatment by security services.<sup>18</sup> The disillusionment felt by many Iraqis today, not only Sunnis, due to the lack of practical change risks once again sway marginalised groups towards non-democratic political actors.<sup>19</sup>

The atrocities committed during the war against Daesh also deepened social divides, which has made reconciliation difficult, and retaliation based on perceived affiliations a reoccurring phenomenon. The war crimes committed by Daesh furthermore places Iraq, and the wider region, in a difficult political situation with regards to transitional justice and social cohesion, with risks of perpetuating ethno-sectarian divides and conflicts if not dealt with aptly. Iraq lacks legislation integrating war crimes and crimes against humanity into specific offences under Iraqi law, thus Iraq's anti-terrorist legislation remains the main prosecutable offence.<sup>20</sup> The anti-terrorism legislation mainly focuses on 'membership' of terrorist organisations, without distinguishing between those who perpetrated violence and committed international crimes, and those who were coerced to join for survival. Sentences for terrorist crimes are typically life sentences or execution.<sup>21</sup> Within these procedures human rights observers have raised concerns about unfair trials, with defendants acquiring ineffective legal representation, and limited opportunities to present and challenge evidence.<sup>22</sup> The trials have indicated deficiencies in the Iraqi justice system and application of the rule of law, which risks fuelling social and political discontent.<sup>23</sup>

While there have been some attempts of strengthening social cohesion on the basis of an Iraqi state identity, most attempts have been either linked to larger ideas of pan-Arabism or closely connected to ethno-sectarian belonging. Iraq's Baathist regime 1968–2003 was a decisive

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<sup>16</sup> The Middle East Institute, "What's next for coalitions forces in Iraq?", 10 March 2020. Available at: <https://www.mei.edu/publications/whats-next-coalition-forces-iraq>

<sup>17</sup> The Middle East Institute, "What's next for coalitions forces in Iraq?", 10 March 2020. Available at: <https://www.mei.edu/publications/whats-next-coalition-forces-iraq>; The Middle East Institute, "What's next for coalitions forces in Iraq?", 10 March 2020.

<sup>18</sup> International Crisis Group, p. 9; Hammargren 2020.

<sup>19</sup> Saferworld, Conflict Analysis 2019, p. 11.

<sup>20</sup> Human Rights Watch, Flawed Justice: Accountability for ISIS Crimes in Iraq, 2019. Available at: <https://www.hrw.org/report/2017/12/05/flawed-justice/accountability-isis-crimes-iraq>

<sup>21</sup> *Ibid.*

<sup>22</sup> *Ibid.*

<sup>23</sup> UNAMI, Iraq: UN report on ISIL trials recognizes efforts and raises concerns, 28-01-2020. Available at: [https://www.uniraq.org/index.php?option=com\\_k2&view=item&id=12306:iraq-un-report-on-isil-trials-recognizes-efforts-and-raises-concerns&Itemid=605&lang=en](https://www.uniraq.org/index.php?option=com_k2&view=item&id=12306:iraq-un-report-on-isil-trials-recognizes-efforts-and-raises-concerns&Itemid=605&lang=en)

creator of the identity crisis in present-day Iraq.<sup>24</sup> During Saddam Hussein's time in power, Iraq went through a comprehensive Arabisation programme, with extensive displacement, deportation and systematic killing of various population groups in order to alter the demographic composition in favour of Saddam Hussein's own Sunni support base.<sup>25</sup> The legacy of the Hussein regime, including the policy of Arabisation and subsequent Anfal campaign 1987–1988, led to profound political cleavages which continue to affect relations between Iraq's Kurds and (particularly Sunni) Arabs.<sup>26</sup>

The relations between Iraq's different ethnic and religious groups remain fragile. However, the widespread protests that grew larger in October 2019 were represented by people across ethno-sectarian lines which indicated signs of shared political aspirations concerning the need for political reform in order to acquire social justice.<sup>27</sup> The popular protests initially mainly consisted of graduate students who brought to attention that, even after having pursued higher education, they were left with no better job opportunities.<sup>28</sup> Since then, protests have grown, represented by women and men across classes and ethno-sectarian groups, although mainly in Baghdad and the southern provinces.<sup>29</sup> The Iraqi youth has been viewed as a particular driver for change in the demonstrations, demanding political, economic and social reform and an end to foreign political and security interference. Young women's involvement in the protests may as a result be able to influence an increased inclusion of women in future decision-making processes.<sup>30</sup> The large proportion of protestors from Iraq's Shia majority has moreover indicated that the Shiite population also has grown a large disapproval of the Shia-led political coalitions and the PMF.

Likewise, Iraqi security forces have used excessive force in response to recent protests in order to curtail demonstrations by setting tents on fire and firing live bullets.<sup>31</sup> The state's violent responses in the name of survival, and the fight against terrorism, has provided yet another layer of conflict, and has perpetuated already existing conflicts between different ethno-sectarian groups, causing large problems for reintegration and social cohesion.<sup>32</sup>

Geopolitically, Iraq's political development is also greatly affected by Iran through influences on politicians in power, funding of Shiite paramilitary militias, and since the beginning of 2020, escalating tensions between Iran and the US. On the other hand, Saudi Arabia has reportedly countered Iranian influence by supporting Sunni groups and militias.<sup>33</sup> Turkish military interventions in North-eastern Syria and attacks against the Kurdish Security Forces fighting

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<sup>24</sup> Marr, P., in *Writing the Modern History of Iraq : Historiographical and Political Challenges*, (2012), World Scientific Publishing: Singapore, p. 26.

<sup>25</sup> "The Clash of Identities in Iraq", in *Iraq Between Occupations*, p. 52.

<sup>26</sup> Bengio, O., "On the Brink: State and Nation in Iraqi Kurdistan", in *Iraq Between Occupations*, p. 62.

<sup>27</sup> Saferworld, Updated Iraq Conflict Analysis.

<sup>28</sup> Saferworld, p. 16.

<sup>29</sup> *Ibid.*

<sup>30</sup> UNAMI, Common Country Analysis 2020, p. 8.

<sup>31</sup> UNAMI, "Human Rights Special Report – Demonstrations in Iraq: 3<sup>rd</sup> update". Available at: <https://www.uniraq.org/index.php?lang=en>

<sup>32</sup> MENA Conflict Analysis, p. 9; Human Rights Watch, Iraq Events of 2018, 2019.

<sup>33</sup> Saferworld, MENA Conflict Analysis, p. 17.

Daesh in these areas (YPG and YPJ) pose new risks of insecurity in Iraq.<sup>34</sup> This has large implications for Daesh's capability of resurgence, and thus upon Iraq's security, political and development trajectory.

## 2.2 Political and Institutional context

The political and institutional context constitutes formal and informal political institutions, rule of law, norms present and how these factors affect multidimensional poverty.

Due to Iraq's vast oil resources, politicians have been less dependent on taxes as a source for state revenues and have been able to distribute material benefits and appease demands for political representation. Throughout Iraq's modern history, politicians have selectively extended and withdrawn benefits and political rights, pitting groups in society against each other.<sup>35</sup> In this way, Iraq's national oil production has affected regime stability, state conflict proneness, democratisation, and political accountability.

Iraq's government structure has historically based on centralisation, where all financial and administrative functions have been performed by national ministries with delegated responsibility to governorates, districts and sub-districts.<sup>36</sup> This has given way to a series of overlapping functions between ministries on different levels, resulting in inefficient bureaucratic procedures, high public expenditures with an overemployment of public staff, and profoundly embedded corruption.<sup>37</sup> Since 2013, responsibility for administrative and financial functions and public services has been gradually transferred to governorates, although not always with the necessary resources or differentiation of functions across Government. Decentralisation efforts risk being derailed by the struggle over power and resources not only between the central government and the governorates but also between governorates, as well as by the opaqueness of the legal framework set out in the Constitution concerning the governorates' mandates.<sup>38</sup> As a result, institutions at province level have remained relatively weak, which has translated into a lack of ability to deliver basic public services and security, and in that sense, accountability vis-à-vis the populace.<sup>39</sup> Simultaneously, this has undermined the state's presence on the ground, giving way to increased political disillusionment with the state.<sup>40</sup>

Iraq's ethno-sectarian political system, *muhassassa*, permeates all political and public institutions.<sup>41</sup> The *muhassassa* assumes religious differences as the primary markers of modern

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<sup>34</sup> International Crisis Group, p. 20.

<sup>35</sup> Hinnebusch et al., (2019) *Handbook on Middle East Security*, London, Routledge.

<sup>36</sup> UNAMI, Common Country Analysis, April 2020, p. 95.

<sup>37</sup> *Ibid.*

<sup>38</sup> UNESCWA, Revisiting decentralization in Iraq: Challenges and policy recommendations, working paper 2017, pp. 26-28, 36.

<sup>39</sup> UNESCWA, Revisiting decentralization in Iraq: Challenges and policy recommendations, working paper 2017, p. 22.

<sup>40</sup> *Ibid.*

<sup>41</sup> Marr, P., (2010) "One Iraq or Many: What Has Happened to Iraqi Identity?" in *Iraq Between Occupations: Perspectives from 1920 to the Present*, Palgrave Macmillan: New York, p. 24.

political identities, and divides power between Shia Arabs, Sunni Arabs, and Kurds, making secular national formations impossible. It stipulates that the premiership should be held by a Shia Arab, the Presidency by a Kurd, and the Speaker of Parliament position by a Sunni Arab. The Prime Minister selects the heads of Ministries and presents the cabinet to a vote by the Council of Representatives, headed by the Speaker of Parliament. Due to Iraq's majority Shia population, government posts have been dominated by Shia politicians, whose pursuit of sectarian interests has left many minorities feeling marginalised and alienated.<sup>42</sup> This power-sharing arrangement among Kurds, Shiites, and Sunnis has thus served to reinforce the political salience of ethnic identities and has inhibited the formation of political representation based on other issues or priorities.<sup>43</sup>

Since Iraq's Shiite population forms a demographic majority, a coalition of Shiite parties and blocs have been able to establish a majority in Parliament.<sup>44</sup> The Kurdish KDP and PUK won 25 and 19 seats respectively in the 2018 election, and the rest were divided among Sunni-led coalitions, smaller parties and independents. To ensure minimum representation for minorities, a system of reservation ensures seats for Christians (5), Fayli Kurds (1, added in 2018), Yazidis (1), Sabeen Mandaeans (1), and Shabaks (1).<sup>45</sup> The Iraqi parliament has 329 seats in total with a 25 percent quota for women. The quota has ensured women are represented in parliament yet has not translated into any gender mainstreaming in the overall political agenda, or to any substantial increase of women on government posts. In the new interim government sworn in in May-June 2020, only two women attained Minister posts—Kurdish Nazanin Mohammed as Minister of Reconstruction, Housing and Municipality, and Christian Ifan Faeq Yaqoubi as Minister of Migration and Displacement. The parliamentary quotas ensure minimal representation from minorities and women, yet there is no assurance of representation for women from minorities.<sup>46</sup>

Calls for a technocratic government, away from identity-based divisions, arose throughout the Arab Spring and grew louder in 2018. The 2018 elections however saw the lowest voter turnout since 2003.<sup>47</sup> The new interim government formed under PM Mustafa Kadhimi in May 2020 was beset with similar ethno-sectarian disagreements of key minister posts, which hampered a rapid response to the ongoing protests and limited reconstruction efforts and other reforms need to address structural problems of poverty.

The Kurdish regional Parliament reserves seats for Turkmen (5), Christians (5), and Armenians (1), and 30 percent of the seats for women.<sup>48</sup> The Kurdish government has established a Special Directory and the High Council of Women's Affairs with the tasks to follow-up on cases of violence against women in all three Kurdish governorates, and support gender mainstreaming in policy-making.<sup>49</sup> The political status of women has therefore been considered slightly and

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<sup>42</sup> Saferworld, MENA Conflict Analysis, p. 19.

<sup>43</sup> Freedom House, Country Report Iraq, 2016.

<sup>44</sup> *Ibid.*

<sup>45</sup> *Ibid.*

<sup>46</sup> Oxfam & UN Women, GENDER PROFILE – IRAQ, 2018, p. 12.

<sup>47</sup> Freedom House, Country Report Iraq 2019, p. 12.

<sup>48</sup> Freedom House, Country Report Iraq, 2016.

<sup>49</sup> Oxfam & UN Women, GENDER PROFILE – IRAQ, 2018, p. 16.

relatively more equal in Kurdistan compared to the provinces solely adhering to the federal Iraqi and local religious legislatures.

Following Iraq's Supreme Court ruling of Kurdistan's secession referendum as unconstitutional and the subsequent military attempt to seize control of Kirkuk, the disputed oil-rich region in Kurdistan, the relationships between Kurdistan and Baghdad, and between rival Kurdish parties and the KDP and PUK have intensified.<sup>50</sup> These tensions have particularly affected people living in the contested areas where politicians have politicised the environment along ethno-sectarian lines.

Historically unaddressed political instability and economic grievances can henceforth be viewed as both drivers of conflict as well as drivers of widespread corruption and ethno-sectarian political elitism.<sup>51</sup> As a result, there is a lack of political accountability and democratic governance fuelling these factors in a reinforcing fashion.

In 2014, Iraq was the first country in the MENA region to launch a National Action Plan on UNSC Resolution 1325. The development of the Iraqi National Action Plan (INAP) to implement the UNSCR 1325 was a significant step towards enabling women's participation and protection in conflict resolution and peace-building in Iraq.<sup>52</sup> However, even with such developments, women have continued to be under-represented in decision-making and peace-building fora. The INAP 1325 has been largely underfunded, and has lacked implementation, monitoring and follow-up mechanisms. A new INAP 1325 is currently being developed.

Political norms in Iraq can be characterised as gendered and systemically discriminatory, which deprive women across ethno-sectarian groups of political voices and representation. The Constitution refers to Islam as a foundational source of legislation and prohibits the passing of legislature that contradicts its established rulings and authorises local religious groups to govern Personal Status Law.<sup>53</sup> Consequently, women's situation in Iraq depends on local interpretations and implementations of Islamic law and custom.<sup>54</sup> Although Iraq adopted the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) in 1986, the Iraqi Penal Code fails to enforce gender equality. The Constitution states that all forms of violence and abuse in the family, society and the state are prohibited, yet the Penal Code's stipulation of a husband's legal right to exercise discipline has meant that marital rape and domestic violence are not criminalised.<sup>55</sup> This has made it possible to override rape offenses if the perpetrator legally marries the rape victim, which has become a manner to deal with rape cases, particularly applied upon younger women, in order to 'save the family honour' related to perceptions of women's sexuality and appropriate behaviour. The use of the anti-terrorist legislation to deal with Daesh war crimes has also meant that perpetrators of forced marriage, rape, and sexual slavery as weapons of warfare have not been convicted for those violations of

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<sup>50</sup> MENA Conflict Analysis, pp. 19-20.

<sup>51</sup> Freedom House, Country Report Iraq, p. 13.

<sup>52</sup> Oxfam & UN Women, p. 18.

<sup>53</sup> Oxfam & UN Women, GENDER PROFILE – IRAQ, 2018, p. 5.

<sup>54</sup> Oxfam & UN Women, p. 5.

<sup>55</sup> UNFPA, Gender Justice & the Law: Iraq.

international law.<sup>56</sup> In the aftermath of the atrocities committed against Yazidi women and girls, including the use of rape as a weapon of warfare, women and children have been ostracised from their communities, and have been provided little power and voice to attain justice.

Traditional gender norms contribute to the iteration of gender roles which often associate decision-making with male domains. In an Arab Barometer survey conducted in 2019, around 70 percent of both women and men across ages indicated they believe men are better political leaders.<sup>57</sup> In the same survey, 75 percent of men and 65 percent of women agreed that husbands should have the final say in all decisions concerning the family.<sup>58</sup> Yet, on the other hand, 78 percent of men and women indicated that they think it would be acceptable to use gender quotas to give women fairer political representation, suggesting there may be will for reform among the population.<sup>59</sup>

## 2.3 Social and Economic Context

The economic and social context includes the size and growth of the economy, fiscal policy, structure of the economy, demography, labour market, health care system and dependencies on natural resources.

Iraq's oil-based economy makes it the fifth-largest economy in the MENA region, with a GDP of 17 659 USD per capita (2011 PPP).<sup>60</sup> As such, Iraq is, by and large, classified as an upper-middle-income country.<sup>61</sup> Harboursing the fifth largest known oil reserve in the world, Iraqi oil revenues make up about 65 percent of its GDP, yet employs only about one percent of the country's total labour force.<sup>62</sup> Iraq's non-diversified economy has meant that its whole economy is highly dependent on exports of crude Brent oil and other raw materials to global economies such as China, India, South Korea and Japan to fund its public administration.<sup>63</sup> The outbreak of COVID-19 globally has led to a substantial decrease in oil prices, which will have severe consequences for the Iraqi economy in the long term, and henceforth for the ability to provide social services to the population.<sup>64</sup> Likewise, due to poor investments and environmental adaptation in the agricultural sector and private sector more generally, Iraq imports most of its food, textiles and machineries, which makes it highly dependent on its foreign relations.<sup>65</sup>

Following years of conflict, Iraq is in a fragile state, with reconstruction and recovery needs of core infrastructure and public health services estimated at 88.2 billion USD.<sup>66</sup> At the same time,

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<sup>56</sup> Human Rights Watch, 2019.

<sup>57</sup> Oxfam & UN Women, p. 9.

<sup>58</sup> Arab Barometer, Women's rights in the Middle East and North Africa, August 2019.

<sup>59</sup> Arab Barometer, p. 10.

<sup>60</sup> Statistics from IMF 2020

<sup>61</sup> OCHA, Humanitarian Response, Humanitarian Needs Overview Iraq, November 2019, p. 4.

<sup>62</sup> Oxfam & UN Women, p. 5.

<sup>63</sup> Ibid.

<sup>64</sup> NRT, "Iraq's PM-designate outlines priorities for his prospective government", 28 March 2020, [Accessed on 30 March 2020] Available at: <http://nrttv.com/En/News.aspx?id=20383&MapID=2>

<sup>65</sup> European Commission, EUROSTAT, 2020.

<sup>66</sup> UNAMI, UN Common Country Analysis 2020, March 2020, p. 20.

Iraq's population has rapidly increased in recent decades, and is expected to double over the next 25 years.<sup>67</sup> In 2020, the Iraqi population is estimated at 38.4 million.<sup>68</sup> Women constitute 49.5 percent of the population.<sup>69</sup> Almost 60 percent of the population is under the age of 25, and the median age is 21 years old.<sup>70</sup> This puts substantial pressure on the government to keep up with providing basic public services, education, housing, and job opportunities.

Due to decades of conflict during which political priority has been given to security and defence, the growing needs amongst the population have been largely unmet. Whilst the 2018 federal budget allocated 21 percent of the total public expenditure to security and defence, only four and 9.5 percent was allocated to health and education respectively, situating Iraq as the country that spends the least on public education in the region.<sup>71</sup> This has resulted in poor quality of education and health for the population, and has deepened socio-political cleavages since it means only those who can afford private education can gain access to adequate education.

In 2019, the Iraqi parliament adopted one of the country's largest ever spending bills—a 111.8 billion USD budget in spite of its already high public debt of 48 percent of Iraq's total GDP.<sup>72</sup> This presented a significant increase in spending on public sector wage bills and subsidies, but did not manage to substantially tackle reconstruction of social services and produce enough work opportunities for its growing population.<sup>73</sup> The 2019 budget itself, funded to 90 percent on projected oil revenues above the price of 56 USD per barrel, risks bringing the Iraqi economy to a critical state should the oil prices remain below projections.<sup>74</sup> It is therefore likely that the COVID-19 crisis will have detrimental long-term effects for Iraq, considering the plummeted oil prices to around 30 USD per barrel. This makes it monumentally difficult to fund the state budget, since state revenues will be almost halved. Consequently, the Government of Iraq will not only struggle to create new jobs and tackle reconstruction needs, but also to pay a substantial proportion of its public employees. The lower levels of state revenues due to low oil prices will therefore affect the financial security of a large proportion of Iraq's labour force, and henceforth increase the amount of people vulnerable to poverty.

The public sector represents around 60 percent of those who are formally employed, with the Government of Iraq providing 40 percent of those jobs.<sup>75</sup> Gender disaggregated data is largely unavailable when it comes to public-sector work participation. An estimation however locates

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<sup>67</sup> UN, World Population Prospects, 2019.

<sup>68</sup> UNDP, Iraq Country Profile, Accessed February 2020. Available at: <http://hdr.undp.org/en/countries/profiles/IRQ>

<sup>69</sup> World Bank, World Development Indicators, 2018.

<sup>70</sup> UNAMI, Common Country Analysis 2020, March 2020, p. 50.

<sup>71</sup> UNAMI, Common Country Analysis 2020, March 2020, p. 41; Oxfam & UN Women, p. 34.

<sup>72</sup> Overview of economy of Iraq and statistics from IMF on debt level

<sup>73</sup> World Bank, The World Bank in Iraq, 1 October 2019.

<sup>74</sup> Adul-Zahra, Q. and Kullab, S., "One-two punch of new virus, falling oil prices threaten Iraq" in *AP News*, 20 March 2020.

<sup>75</sup> UNAMI, Country Profile. Available at:

[http://www.uniraq.com/index.php?option=com\\_k2&view=item&layout=item&id=941&lang=en](http://www.uniraq.com/index.php?option=com_k2&view=item&layout=item&id=941&lang=en)



about 60 percent of women employed in the formal workforce in the public sector because of its previously associated financial security, labour law rights and higher wages.<sup>76</sup>

Until 2016, only public-sector employees qualified for social protection, which disincentivised private sector employment. Iraq now has a social insurance system that covers people in the private sector, which includes social protection related to old age, illness, invalidity and disability, employment injury and maternity leave.<sup>77</sup> However, even if about 56 percent of people above statutory pensionable age receive a pension, only three percent of private sector employees qualify.<sup>78</sup> The current private sector social insurance system does not cover medical care, which has meant that catastrophic health expenditures remains a critical factor to vulnerability and poverty. Approximately 96 percent of Iraqis are without health insurance, and therefore most Iraqis rely on the central government-run public health care system, with poor funding and low diversity of treatment options.<sup>79</sup> The existing social protection schemes fail to cover the unemployed, refugees, IDPs, and those without access to their civil documentation.<sup>80</sup> Existing social protection thus fails to cover some of the most vulnerable groups in Iraqi society.

In 2017, labour force participation measured 72 percent for working age men, compared to 11 percent for working age women.<sup>81</sup> Unemployment grows even wider amongst people with disabilities, where labour force participation among men is 43 percent and five percent among women with disabilities.<sup>82</sup> In 2017, youth (15–24 years) unemployment was at 18 percent for men and women combined, however unemployment for female youth was higher than that of male youth, at 27 percent and 17 percent respectively.<sup>83</sup> In comparison to men, women have larger difficulties finding employment in the formal economy, suggested by the larger unemployment rates amongst women actively searching for work opportunities (30 percent for women, 10 percent for men).<sup>84</sup> The relatively few women actively looking for work opportunities together with the few women already active in the labour force also suggests there are other barriers to women's labour force participation than *solely* the lack of work opportunities. In other words, around 59 percent of women of working age are neither in formal employment nor searching for formal employment. This can relate to the prevalence of traditional gender roles, which locates women's role in the household, while the role as head-of-household and bread-winner often is taken on by a male family member. Another explanation relates to the existence of the informal sector, within which labour participation data is largely unavailable. Iraq's low formal private sector participation is a reflection of the

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<sup>76</sup> Oxfam & UN Women, p. 25.

<sup>77</sup> ILO, World Social Protection Report 2017–19: Universal social protection to achieve the Sustainable Development Goals, 2017, pp. 52, 140.

<sup>78</sup> World Bank, Iraq Economic Monitor: From War to Reconstruction and Economic Recovery, 2018, p. 8.; ILO, World Social Protection Report 2017–19: Universal social protection to achieve the Sustainable Development Goals, 2017, p. 143.

<sup>79</sup> IRFAD, Healthcare in Iraq, 2014. Available at: <http://www.irfad.org/healthcare-in-iraq/>

<sup>80</sup> UNAMI, Iraq Common Country Analysis 2020, March 2020, p. 23.

<sup>81</sup> International Labour Organization (ILO), Iraq Statistics, 2017.

<sup>82</sup> UNAMI, Common Country Analysis 2020, March 2020, p. 72.

<sup>83</sup> *Ibid.*, p. 25.

<sup>84</sup> Oxfam & UN Women, p. 25.



large informal sector existing alongside formal employment, which may be accounting for up to 75 percent of private sector activity.<sup>85</sup>

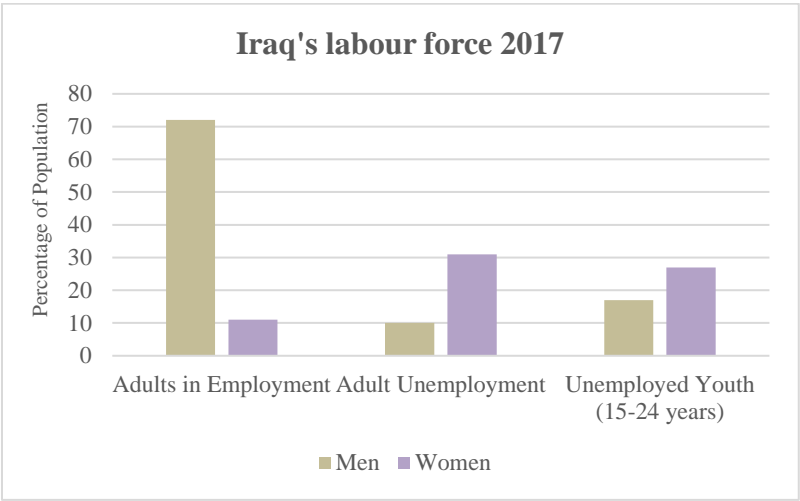


FIGURE 1, DATA FROM ILO, OXFAM AND UN WOMEN

Bureaucracy has been reported to be a barrier to entrepreneurship in the formal private sector, where only about 20 percent declare that it is easy to register a business.<sup>86</sup> This, together with institutional regulations, most likely contribute to the difficulties of moving from the informal into the formal private sector.

Earlier episodes of liberalisation with support of international financial institutions ended up transferring state ownership to crony-capitalistic monopolies not seldom dependent on imports, which has limited domestic production and competition in certain sectors.<sup>87</sup> A market competition law was enacted in 2010, but Iraq still lacks an authoritative body that can ensure neutral competition between businesses. This has been a contributing factor to the distortion of market incentives together with the lack of social security, since there today exists no law-enforcing mechanism preventing large companies from eliminating smaller rivals, furthermore causing higher prices for traded goods.<sup>88</sup> The ability to move a business from the informal sector into the formal thus comes with certain risks concerning the lack of market regulations, not to mention the already unstable investment environment due to risks associated with reemerging conflicts.

## 2.4 Environmental and Climate Context

The environmental and climate context refers to the causes and drivers of environmental degradation and the situation, trends, and consequences of climate change, pollution, water

<sup>85</sup> UNAMI, Common Country Analysis 2020, March 2020, p. 60.

<sup>86</sup> Arab Barometer, 2019, p. 6.

<sup>87</sup> World Bank, MENA ECONOMIC UPDATE OCTOBER 2019: Reaching New Heights: Promoting Fair Competition in the Middle East and North Africa, pp. 15-16.

<sup>88</sup> World Bank, MENA ECONOMIC UPDATE OCTOBER 2019: Reaching New Heights: Promoting Fair Competition in the Middle East and North Africa, October 2019, pp. 15-17.

quality, loss of biodiversity that affect people in poverty. This is also closely related to the other contexts, since conflict and fossil fuel dependence have large impacts on the environment.

The series of conflicts Iraq has endured in recent decades have had series impacts on the country's land, water, air and general health levels. Toxicants still contaminate soils in some areas, such as around Mosul and Baghdad, affected by chemical weapons used in the eight-year-war with Iran in the 1980s, and by depleted uranium from the Gulf Wars. This has led to still recorded increased incidents of cancer and birth defects and has made some agricultural land unsafe for cultivation.<sup>89</sup> The presence of explosive remnants of war in the ground in various locations moreover poses another difficult challenge to reconstruction and make it difficult for IDPs to return and resettle.<sup>90</sup>

Iraq's environment is also greatly affected by neighboring countries, and is prone to a variety of natural disasters, including earthquakes, draught and flooding. Concurrently, Iraq experiences serious environmental degradation and climate change impacts, which only risk becoming more acute in the years to come. Amid rising temperatures in 2018, water shortages in the Tigris and the Euphrates rivers fell to the lowest levels hitherto, giving rise to increased tensions between Iraq, Turkey, and Iran.<sup>91</sup> The absence of transboundary agreements between Iran, Turkey, Syria and Iraq, all highly impacted by the developments in the river flows, has limited cooperation and international responses despite its regional implications. Even though Iraq has bilateral riparian agreements with both Turkey and Syria, these have not been implemented in practice.<sup>92</sup> As a result of dam constructions in Turkey and Iran, the water levels in the Tigris and the Euphrates rivers have declined with more than 60 percent in the last 20 years.<sup>93</sup> The Iraqi Government predicts a 35 percent reduction in the amount of water flowing into Iraq by 2035 compared to 2015 levels.<sup>94</sup> This has large implications upon the available water supply in downstream Iraq, and will give rise to an increase in environmentally forced displacement amongst people in the south of Iraq.<sup>95</sup> The scarce water resources lead to competing needs between farmers, industries and domestic users, which risks giving rise to, or exacerbating already existent, local disputes. Nearly 80 percent of the national water resources are meant to satisfy agricultural demand, yet leakages and salt infiltration has meant that only 30–40 percent of the water actually reaches farmers.<sup>96</sup> Simultaneously, 82 percent of waste water is not recycled, which could otherwise provide some leverage to the currently stringent water supply.<sup>97</sup> Poor water recycling and high water demands may therefore be viewed as large

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<sup>89</sup> Abdullah Fathi et al., "Environmental pollution by depleted uranium in Iraq with special reference to Mosul and possible effects on cancer and birth defect rates", 2013.

<sup>90</sup> OCHA, Humanitarian Needs Overview Iraq, November 2019, p. 8.

<sup>91</sup> MENA Conflict Analysis, p. 15.

<sup>92</sup> Social Inquiry, When the Canals Run Dry: Displacement triggered by water stress in the South of Iraq, February 2020, p. 12.

<sup>93</sup> Oxfam & UN Women, p. 27.

<sup>94</sup> Social Inquiry, When the Canals Run Dry: Displacement triggered by water stress in the South of Iraq, February 2020.

<sup>95</sup> The International Center for Biosaline Agriculture (ICBA), Collaborative Programme in Euphrates and Tigris Region, Final Synthesis Report, May 2019, p. 38.

<sup>96</sup> Social Inquiry, p. 12.

<sup>97</sup> World Bank, Beyond Scarcity : Water Security in the Middle East and North Africa, 2018.

obstacles to sustainable production and consumption in Iraq, giving rise to competition for existing resources.

Climate change is one of the main factors causing increased temperatures and changes in rainfall patterns in Iraq and is projected to have a large impact on the already challenging situation regarding water scarcity. Iraq's marshlands suffer from water stress, seawater intrusion and pollution, as well as by municipality effluents, and oil and pesticides contamination, which risks leading to drought, desertification, increased dust storms, loss of biodiversity, and the spread of waterborne diseases.<sup>98</sup> About 70 percent of agricultural land has suffered reduced crop yields due to high soil salinity.<sup>99</sup> Likewise, the number of fish species in the marshlands have reportedly declined from 70 to 10 in recent years.<sup>100</sup> Subsequently, this has large health and socio-economic impacts on both farming communities and those who depend on fish in the marshlands, since it diminishes the productivity and quality of yields.

In places where local water shortages have been intricate, food imports from Iran, Turkey and Jordan have kept food markets stocked, and have provided cheaper options than local produce.<sup>101</sup> Although the state has implemented some purchasing programmes that pay above market prices for locally produced goods, low priced imported produce may discourage local productions in the long term, and increase the dependency on imported goods.<sup>102</sup> The COVID-19 crisis has however caused food prices to increase significantly. In Basra and Kirkuk some local markets have increased prices with 25 percent and 20 percent respectively, which risk moving more people into poverty should the crisis be prolonged.<sup>103</sup>

Due to its vast oil resources, Iraq's fossil fuel consumption makes up 96 percent of its total energy consumption.<sup>104</sup> The basins in the Euphrates and Tigris have been developed to host hydropower generation facilities close to maximum potential, yet these have been poorly used due to recent conflicts.<sup>105</sup> Solar power provides another renewable energy source with great potential in Iraq. Due to its high average solar potential (2,000 kWh/m<sup>2</sup>/year), Iraq ranks one of the most productive locations for solar power in the world.<sup>106</sup> Solar energy investments have however remained low hitherto due to recent conflicts yet provide a significant opportunity for Iraq in terms of climate change adaptation and decreasing oil reliance as both the primary domestic energy source and export. Hence, solar energy can provide a potential pathway towards a more sustainable and diversified economy.

Regional energy integration and bilateral electricity trade through interconnected electricity grid connections pose both opportunities and challenges to Iraq. The electricity grid connections

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<sup>98</sup> ICBA, pp. 42–43.

<sup>99</sup> UNAMI, Common Country Analysis 2020, March 2020, p. 83.

<sup>100</sup> Social Inquiry, 43.

<sup>101</sup> Ibid., p. 18.

<sup>102</sup> Social Inquiry, When the Canals Run Dry, Displacement triggered by water stress in the South of Iraq, February 2020, p. 11.

<sup>103</sup> World Food Programme (WFP), Iraq Market Monitor Report, April 2020.

<sup>104</sup> UNDP, Iraq Country Profile, Human Development Indicators,

<sup>105</sup> The International Center for Biosaline Agriculture (ICBA), Collaborative Programme in Euphrates and Tigris Region, Final Synthesis Report, May 2019, pp. 32–34.

<sup>106</sup> ICBA, p. 32–34.

make it possible for Iraq to trade electricity with Iran and Syria to meet electricity needs in energy deficit areas, but it also involves a potential risk of lack of electricity in certain areas if neighboring countries refuse to cooperate.<sup>107</sup> Iraq is therefore highly dependent on good foreign relations with its neighbors since its electricity supply concurrently relies on their cooperation.

### 3. The Inner Circle: Four Dimensions of Multidimensional Poverty in Iraq

#### 3.1 Resources

The previous sections have looked at how different institutional contexts give way to multidimensional poverty deprivations in Iraq. The following sections look closer into different dimensions of poverty in order to analyse who is affected and how the deprivations are manifested. In doing so, the analysis will establish who is subject to multidimensional poverty, and to the degree possible, map where poverty deprivations are more prominent. According to Sida's framework, being resource poor means not having access to power over resources needed to sustain a decent living standard or to meet basic needs and improve one's life. In this sense, resources can be both material and non-material, and involve a decent income or human capital, such as education, health, professional skills, agricultural tools or transportation.

In 2012, measurements relating to the World Bank's International monetary poverty line 1.90 USD per day located 2.5 percent of Iraq's population in extreme poverty.<sup>108</sup> The 3.20 USD per day measurement situated 17.9 percent of the population of people in monetary poverty.<sup>109</sup> By comparison, the 5.50 USD per day measurement indicated that 57 percent of the Iraqi population live in poverty.<sup>110</sup> This shows that although a relatively low number of Iraqis lived in extreme poverty in 2012 (approximately 2.5 percent), a large proportion of Iraqis lived in resource poverty relative to national measures (57 percent of the population). In line with Iraq's national poverty line, based on average national income, consumption and expenditure poverty measures, 18.9 percent of Iraqis were regarded as resource poor.<sup>111</sup>

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<sup>107</sup> ICBA, p. 35.

<sup>108</sup> World Bank, World Bank Indicators, Iraq, 2012. Available at: <https://data.worldbank.org/indicator/SI.POV.DDAY?locations=IQ>

<sup>109</sup> World Bank, World Bank Indicators, Iraq, 2012. Available at: <https://data.worldbank.org/indicator/SI.POV.UMIC?end=2012&locations=IQ&start=2006&view=chart>.

<sup>110</sup> World Bank, Poverty & Equity Brief Middle East & North Africa, October 2019.

<sup>111</sup> OPHI, Global MPI Country Briefing 2019: Iraq (Arab States), p. 1.

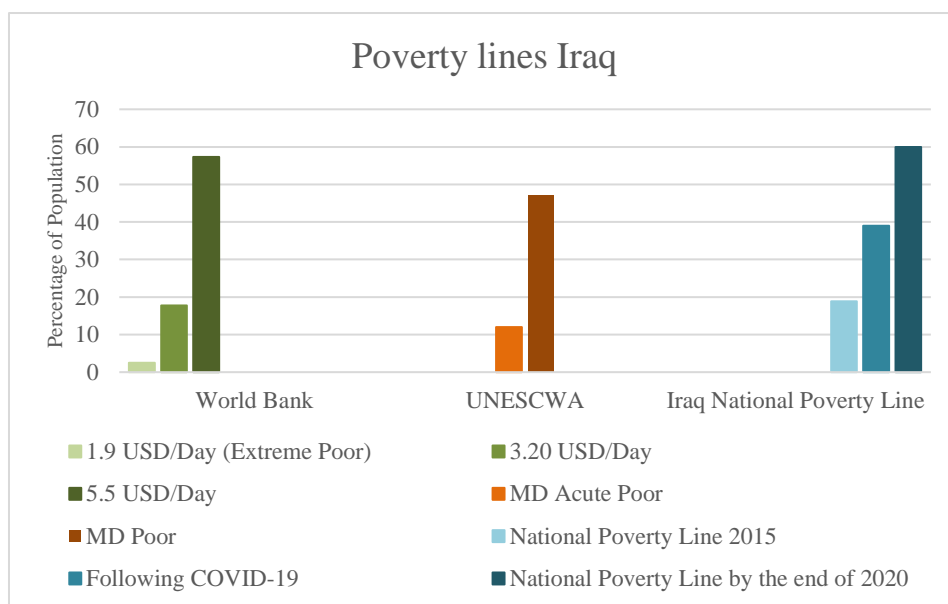


FIGURE 2 DATA FROM WORLD BANK AND UNESCWA

The UNESCWA’s multidimensional Arab poverty analysis is presented on household level and furthermore includes root causes of deprivations. From a regional perspective, UNESCWA estimates acute poverty to be relatively low (12 percent), whilst there is a medium level of poverty in Iraq (47 percent).<sup>112</sup> About half of Iraq’s population can therefore be regarded as living in multidimensional poverty. The report also underlines the widespread occurrence of child poverty. Even though acute levels of child poverty are relatively low, most children in Iraq suffer from at least one poverty deprivation, and as the report notes, children are more affected by overlapping forms of deprivations than adults.<sup>113</sup>

The report shows that children in families with low, or no educational backgrounds, are more than twice as likely to experience acute poverty than children in families where one head of household has received at least primary education.<sup>114</sup> As such, lack of education is reported to be the largest contributor to household poverty, resulting in lower wages, and henceforth poorer housing conditions and nutrition for children in such families, which become the main sources of child poverty deprivations.<sup>115</sup> The report also makes it possible to draw the conclusion that in relation to local geographies, people in rural areas are more likely to be poor. The Arab Multidimensional Poverty Report estimates multidimensional household poverty to be just under 20 percent in urban areas, and just over 30 percent in rural areas.<sup>116</sup>

The poverty line data is however largely outdated. The data from the Arab Multidimensional Poverty Report was compiled between 2011–2014, and the data from the World Bank is from 2012. It is therefore unlikely that they have appropriately captured the deprivations following the economic stagnation and increased levels of poverty under Daesh’s rule. The war caused food insecurity for more than 7 million people, and reintegration and unemployment remain

<sup>112</sup> UNESCWA, Arab Multidimensional Poverty Report, 2017, p. 18.

<sup>113</sup> UNESCWA, Arab Multidimensional Poverty Report, 2017, p. 21.

<sup>114</sup> UNESCWA, p. 27.

<sup>115</sup> UNESCWA, p. 27, 33.

<sup>116</sup> UNESCWA, Arab Multidimensional Poverty Report, 2017, p. 25.

obstacles to many in 2020, not to mention due to the COVID-19 crisis.<sup>117</sup> In 2018, around 60 percent of Iraqi households suffered from the lack of either access to clean water and adequate sanitation, food security, and daily 12 hours of electricity.<sup>118</sup> The number of people living in poverty today is therefore likely to be significantly higher than when the last official data was collected.

Considering conflicts' disruption to education also means that the effects of the loss of education is a consequence difficult to measure in the short-term, yet with potentially the highest impact in the long term.<sup>119</sup> The COVID-19 pandemic, as a result of enforced lockdowns, may therefore also have detrimental effects on children's education.

While people in the informal economy, and moreover the private sector, have been most likely to be living in poverty in Iraq hitherto due to the associated lack of social security nets, the COVID-19 crisis is now also increasing the vulnerability to poverty amongst people with employment in the public sector, since the government is now struggling to pay public employees' salaries. The World Bank has estimated that the proportion of people living under the national poverty lines in Iraq has increased from almost 19 percent to 34–39 percent.<sup>120</sup> Projections have furthermore indicated that up to 60 percent of Iraqis may live under the national poverty line by the end of 2020 due to the crises associated with the COVID-19 pandemic.

As indicated within the Economic and Social Context above, a relatively large part of the population struggles to get access to secure economic opportunities. The degree to which people become vulnerable to poverty, however, is related to the possibility to rely on the financial capability of a spouse or other family members. Already before the COVID-19 crisis, farmers in the southern and western Iraq has been a group particularly vulnerable to poverty since many not only lack adequate long-term education but are also at increasing risk of losing their food security and livelihoods due to environmental degradation. This vulnerability risks becoming even more acute following the COVID-19 crisis, since environmental adaptation has been poor, and government subsidies may decrease following decreasing state revenues. Since the educational level typically is lower in this group, rural workers often struggle to gain access to public sector employment. The Public Distribution System (PDS), the government's food distribution system, provides basket of foods including wheat flour, rice, sugar and oil, to all Iraqis, but this has simultaneously made productions of certain goods unprofitable for farmers since they are sold at a set rate to the government.<sup>121</sup> While some farmers have been able to sustain themselves by selling their produce, some of the most vulnerable farmers (often those without access to their own land, livestock or machinery) only manage to generate around 40 percent of their own income, while the rest is supplemented by social transfers and loans, while

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<sup>117</sup> UNESCWA, p. 33.

<sup>118</sup> Oxfam & UN Women, p. 5.

<sup>119</sup> UNESCWA, p. 34.

<sup>120</sup> World Bank, Iraq Economic Monitor Report, Spring 2020, p. 14.

<sup>121</sup> Oxfam, Household Economic Analysis - Baseline Assessment for Building Resilience, March 2019, p. 16.

relying on food consumption from the PDS.<sup>122</sup> Debt levels amongst vulnerable households are thus increasing as loans is a commonly resorted to coping-mechanism.

Single-headed households are, due to their lower income levels, at greater risk of poverty. A large proportion of women of working age in previously Daesh occupied areas are either widowed, divorced, separated or caring for a sick spouse, which situates these women in one the most vulnerable segments of the population. Female head-of-households represent 10 percent of Iraqi households, and 13 percent of IDP and returnee households, out of which 80 percent are widows.<sup>123</sup>

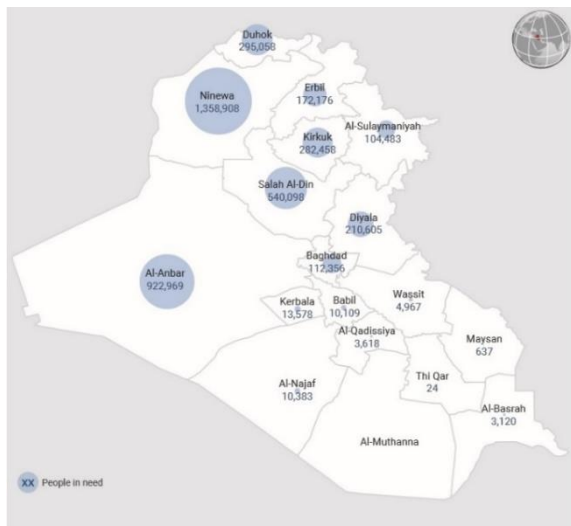


FIGURE 3, DISPLACEMENTS BY GOVERNORATES, OCHA 2019

Extreme resource poverty is particularly prevalent among IDPs, refugees, and returnees. In November 2019, OCHA reported that approximately 4.5 out of 6 million IDPs had returned home, following regained access to land after the end of the territorial conflict with Daesh.<sup>124</sup> Nevertheless, although some people have been able to return, about 1.5 million are still displaced and face large challenges to return, reintegrate, and finding durable work opportunities. Many returnees who departed camps in 2019 have become secondarily displaced because of the lack of reintegration solutions, or due to prevalent insecurity in their place of origin.<sup>125</sup> Approximately 1.77 million people were therefore still in acute need of humanitarian assistance in November 2019, and around 4.1 million required some form of humanitarian assistance.<sup>126</sup> Out of those in acute humanitarian need, about 50 percent were located in two governorates—Ninewa and Anbar.<sup>127</sup>

<sup>122</sup> *Ibid.*, p. 18.

<sup>123</sup> UNAMI, Common Country Analysis 2020, p. 7, 62.

<sup>124</sup> OCHA, Humanitarian Needs Overview Iraq, November 2019, p. 11.

<sup>125</sup> OCHA, Humanitarian Needs Overview Iraq, November 2019, p. 11.

<sup>126</sup> OCHA, Humanitarian Needs Overview Iraq, November 2019, p. 5.

<sup>127</sup> OCHA, Humanitarian Needs Overview Iraq, November 2019, p. 5.

## 3.2 Human Security

In accordance with Sida's framework, being poor in terms of human security means that violence and insecurity are constraints to collective groups' and individuals' possibilities to exercise their human rights and find paths out of poverty.

Although Daesh has been territorially defeated, terrorist attacks, kidnappings, and threats continue to affect civilians as well as political officials, and the organisation's presence within society remains a large obstacle to societal reconstruction, reintegration, and social cohesion. The use of rape as a weapon of war against other ethno-sectarian minorities, where Yazidi women and girls were particularly targeted, have not only caused Yazidis to fear for their lives, but have also given way to ostracization of women and girls from their home communities because of the gender-based violence used against them. Shaming and banishment of Yazidi women and girls, as well as of potential children born from situations of rape thus situates these groups in poverty with regards to human security, since it means they often are discriminated against in finding work opportunities and because they often lack the security previously provided by their families.

People with *perceived* affiliation with Daesh are also at particular risk of violence and public punishment from their home communities due to stigma and retribution.<sup>128</sup> Sunni men have been subject to arbitrary detention and torture, where some instances have led to deaths of detainees in jails controlled by the Ministry of Interior.<sup>129</sup> Reports have stated that detainees not seldom are arrested without court orders or arrest warrants, suggesting that there are several instances where the authorities have systematically violated the justice system and have used irregular methods to extract confessions.<sup>130</sup>

Aside from consequences of recent conflicts, Gender-based Violence (GBV) continues to affect the lives of many Iraqis. Sex trafficking, labour exploitation, and patriarchal practices are largely present within society, and affect individuals differently depending on their intersectional identities. Domestic violence, early enforced marriages and sexual and honour-related crimes threaten women and girls' lives and enjoyment of their human rights, sometimes with support in legislation.<sup>131</sup> Female Genital Mutilation (FGM) is a prevalent danger to the lives of many girls in Iraq since it is not only a practice associated with gendered violence attempting to control women's sexuality, but also with serious health effects including reoccurring infections, infertility, complications during child birth and neonatal death.<sup>132</sup> The practice may henceforth not only lead to serious health issues, but also involve high costs because of expensive treatments, leading to increased vulnerability to resource poverty.

Other harmful coping strategies have been reported as other obstacles to women and girls' exercise of their human rights. The increase in sexual exploitation and forced child marriages

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<sup>128</sup> International Crisis Group, p. 15.

<sup>129</sup> Human Rights Watch.

<sup>130</sup> Swedish Ministry for Foreign Affairs, "Irak – Mänskliga rättigheter, demokrati och rättsstatens principer: situationen per den 30 juni 2019".

<sup>131</sup> Swedish Ministry for Foreign Affairs, Irak – Mänskliga rättigheter, demokrati och rättsstatens principer: situationen per den 30 juni 2019, p. 2.

<sup>132</sup> UNESCWA, Arab Multidimensional Poverty Report, 2017, p. 12.



to settle tribal conflicts is one such example, made possible by Iraq’s delegation of Personal Status matters to local religious authorities and lack of national law enforcements. Personal Status law has set the legal age of marriage to 18, but child marriage is allowed in practice for children above the age of 15 in federal Iraq with the guardian’s consent, and the age of 16 in Kurdistan, despite Iraq’s ratification of the Convention of the Right of the Child (CRC).<sup>133</sup> In Iraq, almost 25 percent of marriages involve early enforced marriages of girls under the age 18, and the prevalence of child pregnancy (mothers younger than 18 years) is 23 percent.<sup>134</sup> About 34 percent of marriages are arranged outside of Iraqi courts, with 22 percent involving early enforced marriages of girls under the age of 14.<sup>135</sup> This has large consequences for girls’ school attendance, and henceforth upon women’s and children’s vulnerability to resource poverty as well as multidimensional poverty.

Another coping strategy is reflected in the increase in men’ violence against women and children to reassert lost power and a sense of masculinity. The increase is arguably linked to the societal and economic standoff following Daesh’s occupation, which significantly inhibited men from performing their societal roles, such as protecting and providing for their families.<sup>136</sup> In light of the COVID-19 crisis, there are indications that domestic violence against women and children have increased, with up to 94 percent of reported incidents during lockdown relating to domestic violence.<sup>137</sup>

From a regional perspective, Iraq also stands out with regards to sexual harassment, where more men than women answered that they experience reoccurring instances of sexual harassment. This indicates that sexual violence forms a human security issue for both men and women in Iraq.

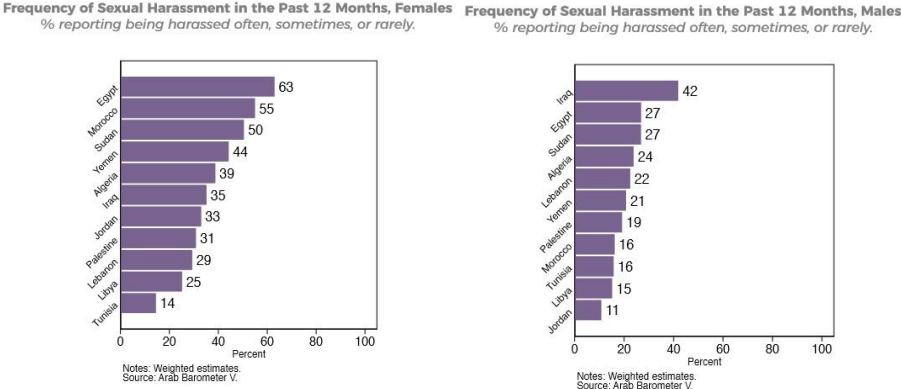


FIGURE 4 AND 5, ARAB BAROMETER, 2019

Same-sex sexual relations are not illegal in Iraq, but LGBTQI (lesbian, gay, bisexual, transgender, queer/questioning and intersex) persons risk violence and ostracism if they organise or are open about their sexual identities. The institutional issues relating to public

<sup>133</sup> UNDP, Iraq: Gender Justice and the Law, December 2019, p. 2.  
<sup>134</sup> UNAMI, Common Country Analysis 2020, p. 69; UNESCWA, Arab Multidimensional Poverty Report, 2017, p. 13.  
<sup>135</sup> UNAMI, Common Country Analysis 2020, p. 69.  
<sup>136</sup> Oxfam & UN Women, p. 28.  
<sup>137</sup> UNFPA, “How many more women should suffer before there is a law to protect them?”, 3 June 2020. Available at: <https://iraq.unfpa.org/en/news/how-many-more-women-should-suffer-there-law-protect-them>

morality nevertheless make homosexuality legally disputed, and LBTQI persons have been subject to attacks by Daesh, Shiite militias as well as their home communities, consequently making them more likely to be subject to multidimensional poverty.<sup>138</sup>

As stated above, being multidimensionally poor according to Sida means being resource poor as well as deprived in at least one other dimension. Amongst those who are resource poor, this paper finds that many IDPs, refugees, returnees and people who lack civil documentation or citizenship may be regarded as multidimensionally poor since many struggle to gain access to financial security as well as human security. This also applies to female-headed-households, women and girls, people from minorities and LBTQI persons due to the prevalence of discrimination against these groups, gender-based violence and associated harmful coping mechanisms such as early enforced marriages.

### 3.3 Power and Voice

Being poor in terms of power and voice relates to people's ability to articulate their needs, concerns, and rights, and to partake in decision-making affecting those concerns.

As indicated the political and institutional context, most political parties in Iraq are dominated by one ethnic or religious group. This has meant that Iraqis often are forced to vote for representatives from their sects rather than upon a basis of political concerns, which often disenfranchise minority groups and concerns predominantly affecting them. Iraq's political system, *muhassassa*, moreover makes it more difficult for the political positions of President, Prime Minister and Speaker of Parliament to be held by any other than representatives from Iraq's largest ethno-sectarian groups (Shia, Sunni and Kurds), which marginalises people of other ethnic and religious descent. People from minority groups are therefore in the light of discrimination on the labour market, and deprivation in political power and voice regarded as multidimensionally poor.

Iraq's Constitution stipulates that all Iraqis are equal before the law and prohibits discrimination based on gender, race, ethnicity, origin, colour, religion, sect, belief, opinion, or economic and social status.<sup>139</sup> Nonetheless, the Iraqi government has a limited capability to prevent and punish violations to ensure this in practice.<sup>140</sup> In response to the protests 2019–2020, unidentified armed groups have responded with violence to shut down demonstrations and target demonstrators and activists with impunity.<sup>141</sup> This has deprived protestors, out of which Iraq's youth form a large part, from their right to, and exercise of, their political voice, but also of the access to economic opportunities and adequate education their demands have been calling for. Considering the lack of economic opportunities for Iraq's growing youth and their limited ability to power and voice situates this group in multidimensional poverty. This vulnerability is however subject to intersectional forms of deprivations linked to for instance gender, nationality, ethnicity, and other social identities as well as the socio-economic situation of their

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<sup>138</sup> UNAMI, Common Country Analysis 2020, March 2020, p. 66.

<sup>139</sup> UNFPA, Gender Justice & the Law: Iraq, 2019.

<sup>140</sup> Freedom House, Iraq 2019.

<sup>141</sup> UNAMI, Human Rights Special Report: Demonstrations in Iraq – 2nd update, 9<sup>th</sup> December 2019, p. 2.

families, and thus young people's ability to rely on the financial security of their family members.

Although Iraqi law stipulates that all children born on Iraqi soil to Iraqi parents acquire Iraqi citizenship, children born outside of marriage, and particularly in situations of rape, are in practice sometimes denied this right. Iraqi law stipulates that children are automatically registered as Muslims if one of the parents are Muslim.<sup>142</sup> Consequently, children born to mothers whom have been subject to rape by a man from another ethnicity or religion may be denied registration in the local community and may not acquire citizenship and civil documentation. This diminishes the child's ability to exercise their rights, access political power, status before the law, and freedom of movement in the long term. The lack of legal identity and civil documentation may also restrict the right of an individual to social services including healthcare, pursuing a court case, work opportunities and education. Anyone lacking such documentation is thus at increased risk of multidimensional poverty.

Freedom of expression and the media are guaranteed in Iraq's constitution, so long as they do not violate public order or morality. Given a lack of public funding few media outlets are truly independent. Many subject their outlets to self-censorship to limit risks of repercussions from the authorities or non-state actors. Most publications, radio and tv stations owned or controlled by political parties or the state, which tend to slant coverage and sway opinions to the interest of the group or patrons.<sup>143</sup> Both during the protests and the COVID-19 crisis, there have been examples of increases of violations against civil society organisations, journalists and media outlets due to the politicised context. Since 2019, at least six journalists have been killed in Iraq.<sup>144</sup>

Women in Iraq are increasingly more likely to be multidimensionally deprived than men, which is furthermore amplified by intersectional factors such as nationality, ethno-sectarian belonging, age, disability, beliefs, and perceived affiliations. Women engaged in public affairs are not seldom subject to harassment and personal attacks, with insults to their person, family and 'honour', resulting in women fearing for their own safety and reputation.<sup>145</sup> This limits women's engagement in politics, and hence, their power and voice in policy-making fora.

The highly politicised media landscape has shaped an environment of limited available democratic space to exercise freedom of speech, where bloggers, activists and others who disseminate information online criticising authorities in society are at risk of targeted violence. This is furthermore a gendered space where women, the youth, girls and boys, ethnic and religious minorities and socio-economically vulnerable groups are at increased risk of multidimensional poverty.

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<sup>142</sup> Ministry for Foreign Affairs, p. 9.

<sup>143</sup> Ministry for Foreign Affairs, p. 7.

<sup>144</sup> UNESCO Iraq Office, "UNESCO and Iraqi journalists celebrate World Press Freedom Day", 4 May 2020.

<sup>145</sup> Oxfam & UN Women, p. 24.

### 3.4 Opportunities and Choice

Being poor in terms of opportunities and choice relates to an individual's possibility to develop and use resources to move out of poverty. This includes acquiring productive employment, education, gaining access to health clinics and information to act upon the choices and opportunities available to escape poverty.

The government's lack of investments in education, private-sector job opportunities and efforts to counter climate crises are large drivers of poverty in Iraq today. This has large gendered implications moreover affected by intersecting identities based on age, ethnicity and other socio-political factors. Wide-spread discrimination has posed difficult challenges for Christians, Yazidis and Shabaks, amongst other minority groups, to gain access to social services, housing, adequate and formal work opportunities, which has given rise to forced displacements.<sup>146</sup>

In a survey published in 2019, 53 percent of Iraqis said it was necessary to pay a bribe to gain access to better education, 56 percent to receive better health care, and 94 percent that it was frequently used to get employed.<sup>147</sup> People's opportunities to gain access to adequate education, health care and productive employment is therefore limited by structural corruption.

The access to education is one of the main factors determining women and girls' as well as men and boys' future economic and political participation, or conversely, vulnerability to poverty. UNICEF has estimated that the last decades of conflict and under investments in education has led to 3.2 million children in primary school age lacking access to education, and 355 000 internally displaced children (48 percent) remain out of school.<sup>148</sup> Large drop-outs and repetition rates exist among those enrolled, with evident gender gaps.<sup>149</sup> In primary education, girls represent the largest out-of-school rate at 11 percent, compared to five percent for boys. The drop-out rate grows larger in secondary school, where 60 percent of girls between the ages of 14–18 are reported not to be attending school, compared to 43 percent for boys.<sup>150</sup>

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<sup>146</sup> UN, Common Country Analysis 2020, March 2020, pp. 65-66.

<sup>147</sup> Arab Barometer, Arab Barometer V: Iraq Country report, 2019, p. 2.

<sup>148</sup> Oxfam & UN Women, p. 33.

<sup>149</sup> Oxfam & UN Women, p. 33.

<sup>150</sup> Oxfam & UN Women, p. 34.

Girls reportedly have a lack of control over their pursuit of education throughout educational levels, where family and social norms impact the development trajectory of many girls, which is moreover exacerbated by Iraq’s deteriorating economy.<sup>151</sup> Girls’ dropout rates are often closely tied to taking on household duties, either in their family, or in a new household through marriage. Child marriage has large consequences on poverty including health as early pregnancies involve greater health risks for both mother and child and on the economic status of the household. As established above, child poverty is mainly expressed in poor nutrition and housing conditions, and closely tied to the households’ socio-economic status and the head-of-households’ educational levels. There is therefore a strong correlation between early school drop-out rates, early enforced marriages and poverty.

Although it is prohibited to discriminate against women, traditional gender roles still permeate legislation and its practical implementation, as well as people’s views on work-related issues. Women have the right to equal pay for work of equal value in accordance with Iraqi labour

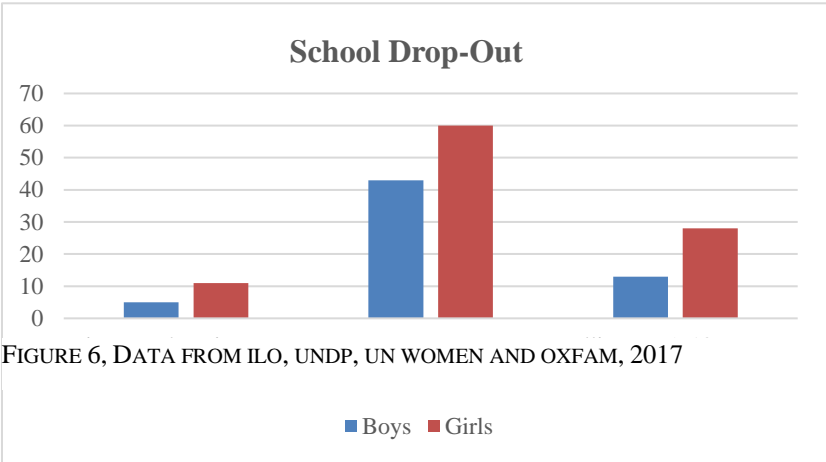


FIGURE 6, DATA FROM ILO, UNDP, UN WOMEN AND OXFAM, 2017

laws, yet there is a lack of legal provisions prohibiting termination of employment based on pregnancy. When employing women, labour laws require employers to provide childcare services, but there is no enforcement of this in practice which inadvertently contributes to disincentivising the employment of women.<sup>152</sup> Women are not allowed to be recruited to do ‘arduous work’, or to work at night, unless in cases of unforeseen circumstances.<sup>153</sup>

Gender roles and the concept of men as breadwinners and head of households has implied that men should make most house-related decisions, including decisions on behalf of the women in the household and about their economic participation.<sup>154</sup> Women’s roles are still perceived as traditionally linked to the role of housekeeping and child-care, although a shift in attitudes can be perceived amongst younger generations, particularly amongst younger women.<sup>155</sup> In a survey, 66 percent of the youth taking part responded they support women’s right to work, compared to 42 percent of the older population.<sup>156</sup>

<sup>151</sup> Oxfam & UN Women, p. 34.  
<sup>152</sup> UNAMI, Common Country Analysis, 2020, March 2020, p. 68.  
<sup>153</sup> UNAMI, Common Country Analysis 2020, March 2020, p. 68; Oxfam & UN Women, 2018 p. 26.  
<sup>154</sup> Oxfam & UN Women pp. 27–28.  
<sup>155</sup> *Ibid.*  
<sup>156</sup> Oxfam & UN Women., p. 26.

In rural areas, logistical and security concerns form barriers for women to access education, health services, and non-agricultural job opportunities.<sup>157</sup> Women in agricultural work seldom have control of the resources and financial transactions related to the work, such as setting prices, sales and purchases, and managing the finances in the business, often in spite of loans having targeted women specifically.<sup>158</sup> An effect of recent conflicts has however been that women have taken on new roles in business and finances when men have been absent due to the conflict. This has paved the way for increased female agency and re-negotiations of gender roles and responsibilities.<sup>159</sup>

Women and girls are thus at increased risk of multidimensional poverty since they have limited opportunities and choice to pursue long-term education, which affects their ability to be financially independent. Some men and boys experience similar limitations, but this is not unusually linked to the socio-economic situation of their families, rather than intersecting deprivations based on gender. Discrimination based on ethnic and religious belonging make certain ethno-sectarian groups more vulnerable to multidimensional poverty. Iraq's structural political and economic issues relating to its non-diversified economy and conflicts however situate a large proportion of Iraqis in multidimensional poverty since many lack adequate opportunities and choice to move themselves out of poverty.

## 4. Conclusions

A large proportion (**57 percent**) of the Iraqi population was regarded as resource poor in 2012 and lived of less than 5.5 USD per day, while approximately **2.5 percent of Iraqis lived in extreme poverty** (on 1.9 USD per day) in 2012. These measurements are however outdated and plausibly misrepresentative of poverty developments since Iraq has experiences a series of crises since that data collection. A somewhat updated account can be provided by Iraq's national poverty line which measured up to almost 20 percent in 2012, but now point to nearly 40 percent with a continuous increase due the COVID-19 pandemic.

Previously financial security, including social security nets, childcare provisions, and pensions, was closely tied to employment in the public sector. This located vulnerability to poverty primarily amongst those without access to public sector employment. The COVID-19 pandemic restrictions risks causing people already in poverty and those vulnerable to poverty further deprivations since many have been inhibited from attending work and searching for new economic opportunities. The COVID-19 crisis has also brought a steep drop in oil revenues for the Iraqi government, which makes it difficult for the government to pay salaries and pensions. The economic crisis thus also risks pushing people employed in the public sector into poverty. Resource poverty in Iraq may as a result potentially rise to involve 60 percent of the population (approximately 20.9 million people) by the end of 2020.

The main reason for resource poverty in Iraq is the lack of work opportunities for its growing population. Factors such as armed conflict, political instability, and environmental degradation

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<sup>157</sup> Oxfam & UN Women, p. 27.

<sup>158</sup> Oxfam & UN Women, p. 27.

<sup>159</sup> Oxfam & UN Women, p. 28.

have given rise to a poor investment climate associated with high risks, which has limited work opportunities in the private sector. At the same time, poor public investments in social services such as health, education and social security nets have deprived people of ways out of poverty.

Social and gender norms have structurally and systematically disenfranchised **women and girls** as well as **ethno-sectarian minorities, IDPs, refugees, returnees, and LGBTQI persons** in search of financial security. This vulnerability is moreover amplified by intersectional forms of discriminations based on gender, nationality (and lack thereof), ethno-sectarian belonging, disabilities, age, political beliefs, and perceived affiliations. **Single-headed-households** have been reportedly more vulnerable to resource poverty due to their inability to rely on another financial income, and **female-headed-households** particularly vulnerable because they are forced to interact with men in male-dominated spheres as well as taking on household duties, leading to women taking on ‘double burdens’.

In accordance with Sida’s poverty framework, those who also suffer from intersecting deprivations relating to human security, power and voice, and opportunities and choice are regarded as multidimensionally poor. In Iraq, this includes a large proportion of those who are resource poor, since many Iraqis lack access to adequate education and economic opportunities, and hence the ability to change their situation. **Iraq’s youth** represents a large proportion of the population which are deprived of opportunities and choice as well as power and voice to change their situation. This group is nevertheless not monolithic, but rather, their deprivations should be viewed through an intersectional perspective where factors relating to socio-economic situations of families, gender, nationality, ethnicity, religious belonging and sexuality intersect and affect individuals differently and to different degrees within the different poverty dimensions. Many **women and girls are living in multidimensional poverty**, because their deprivations are not only linked to resource deprivation, environmental degradation, and limited economic prospects, but also to social norms, and gendered legal restrictions that deprive them of their right and ability to lead their own lives.

Environmental challenges remain a source of tensions and conflicts in the region, not least through the transboundary water crisis around the Tigris and Euphrates rivers, which are extensive drivers of poverty and displacement in Iraq. Water scarcity and food insecurity risk becoming a larger problem in the years to come, and risk exacerbate already existing domestic and international conflicts. **Rural farmers** in Iraq’s north-western and southern provinces, dependent on farming, fishing or cattle livelihoods, are increasingly vulnerable to poverty and displacement.

Iraq’s institutional and political contexts are saturated with mistrust, not only between political leaders and the population, but also between public officials. The lack of political transparency and accountability has spurred on ethno-sectarian elitism and mistrust in a mutually reinforcing fashion, which has deprived Iraqis of transparent and accountable political representation that can provide the power and voice and hence the opportunities and choice to move out of poverty. This has resulted in entrenched political disillusionment amongst the Iraqi population, largely reflected in the reoccurrence of popular protests demanding decent social services, adequate education and work opportunities.



## Implications for development

- Iraq's already dire economic state, highly dependent on its oil revenues, risks stagnating further following the COVID-19 crisis. This would mean deferring Iraq to a new position characterised by increased dependence on international loans and ODA to meet the growing state budget deficit and the needs of the population. Consequently, the COVID-19 pandemic will not only exacerbate the situation for people already living in poverty but will also bring people into poverty who were not financially vulnerable before the pandemic.
- Internal and international conflicts risks derailing ongoing popular political movements demanding social justice, transparency and democracy, and risks pushing people further into poverty. Adopting a conflict sensitive and gender sensitive approach, with a well-founded understanding for tensions and power dynamics and how these are manifested within different societal spheres, is therefore important when assessing contributions in order not to do any harm or support a particular side in conflict, and moreover to possibly identify opportunities for peace. Conducting actor mappings and stakeholder analyses can help identify risks including aiding and sponsoring certain stakeholders which can agitate local or regional hierarchies and conflict dynamics as well as it can help identify sources of cohesion amongst actors that could benefit from closer cooperation in their work.
- Iraq, and the wider region, will be characterised with insecurity and fragility if the roots of instability are not addressed. Corruption, political clientelism and lack of public investment in social services deprive people of social justice and equal opportunities. This gives rise to deepened multidimensional poverty and political disillusionment which makes it possible for violent groups and militias to co-opt popular movements to further other agendas. Considering that enlistments to terrorist organisations can be viewed as a negative coping-mechanisms related to poverty implies that reducing the risks of Daesh's resurgence may also have to involve combating poverty and addressing the motivations that make enlistment to such organisations seem like a rational choice. Making sure people have equal opportunities *as well as* making sure that the population acquires information about their rights and opportunities and furthermore *feel* that they can gain access to such opportunities are important aspects in countering terrorism and violent political movements.
- Iraq's increasing younger population is both a challenge and a historic window of opportunity. The series of conflicts in the recent decades has made it challenging for the Iraqi government to provide adequate education, social services and work opportunities for its fast-growing population. Investing in the population, and particularly in youth, would not only provide Iraqis with the right and opportunity to lead their own life, but also provide great potential for long term poverty elimination and moreover for Iraq's future economic outlook.
- Iraq's environmental challenges need to be addressed to decrease food insecurity, protect livelihoods, and sustain and diversify economic growth and energy production.



Since the causes for water stress and environmental degradation are multiple, development contributions within this sector needs to incorporate an environmental perspective into contributions to limit the risks of increasing environmental distress, but also to maximise positive change. Some environmental adaptation strategies may have to involve creating resilience by increasing local, provincial and national capacities to manage water, waste, pollution, and sewage. Other environmental strategies may have to be transboundary since causes and environmental impacts are international. Since climate change will have far-reaching consequences and implications on all life and work in Iraq, all contributions should include environmental analyses and planning to limit increased environmental distress but also, where possible, involve environmental adaptation.

- Since social gender norms saturate societal relations and Iraq's institutional body, contributions for gender equality need to be multifaceted so that women and girls also can benefit from development. This means identifying the needs, risks and vulnerabilities experienced by women in relevant sectors, viewing women and girls as active agents of change, as well as engaging men and boys, political and religious leaders in addressing normative change to make changes in practice possible and to be able to mitigate potential backlashes.
- Where financial investing has focused on women specifically, gender norms have sometimes inferred delegation of responsibility to male partners, because men have traditionally dealt with decision-making. Making sure contributions include technical assistance and capacity-building measures could enhance the ability for women to benefit from, for instance Micro, Small, and Medium sized Enterprise (MSME) projects. Likewise, working with regional institutions to influence increased financial accessibility for women could put pressure on banks and financial institutions to be more inclusive of women.
- Incentivising productive investment in the private sector have potential institutional barriers. Considering Iraq's general lack of enforcement of market competition law, new small and medium sized companies may struggle to compete with current market beneficiaries who can undercut new rivals by imposing predatory pricing or exclusive requirements on distributors to eliminate new competition. The impact of institutional change could in this regard potentially be challenged by current beneficiaries, and any contribution would as such benefit from a stakeholder and context analysis to identify institutional limitations.
- When opportunities for increased investments in Iraq open, risk analyses need to include the risks involving institutional regulative frameworks and the potential social, political and economic impacts upon people living in poverty. Although investments can lead to increased work opportunities and socio-economic development, a lack of regulations and neutral competition can simultaneously increase corruption and crony-capitalism, which can exacerbate intra- and interstate social hierarchies, and enhance popular political discontent with the state.

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