

INFORMAL LABOR



IRAQ

Hanaa Abdul Jabbar Saleh
National Accounts Expert, Iraq

PART ONE: DEMOGRAPHIC INDICATORS, LABOR FORCE AND ECONOMIC INDICATORS

-1 Demographic Indicators

First – Population and Growth Rates

The population of Iraq reached 36.9 million in 2015 with an urban population of %69.9. Iraq's population growth rate is considered one of the highest in the region, ranging between %2.6 and %2.8. Based on these indicators, this rate reached %2.2 in rural areas and %2.8 in urban areas.

Second – Population's age structure

The Iraqi society is composed of a majority of young people. Iraq's population pyramid shows that the age group under 15 years old constitutes %40.5 of the total population, while the age group (15 to 29 years old), which is categorized as the young population according to the Iraqi national population census, constitutes the second category in population numbers, scoring %27.4 of the total population according to the pyramid. The age group 30 to 44 years old, the main engine of the working age population, comes third with %17.8 of the total population. It is noteworthy to mention that the drop in these two categories is due to high mortality rates, and immigration, be it for work, study or because of lack of security in the country.

The age group 45 to 64 years old constitutes %11.2 of the total population, while the age group over 65 constitutes %3.1 of the total population.

Third – Working-age Population

The size of the working-age population reached in 2015 is 20.9 million, or %56.6 of the total population, of which %50.1 were males and %49.9 were females.

Fourth – Labor Force and participation rates

The size of the work force reached 9 million workers while the participation of men accounts for %84.6 and women %15.4 of the total work force in 2014.

Fifth – The rate of economic activity in 2014

Economic activity rate reached %42.7, with men scoring %72.4 and women %13.5. The highest rate of economic activity was scored by the age group 35 to 39 years old, reaching %56.7. Men scored %95.5 and women %19.8. The rate of economic activity in rural areas reached %41.9, with %72.8 for men and %11.2 for women.

Sixth – Unemployment rate

In 2014, the unemployment rate reached %8.4 (%10.6 among men and %21.9 among women), and %8.1 in rural areas, with men scoring %7.3 and women %21.9. The rate in urban areas reached %8.9 (%11.5 for men and %24.8 for women). The highest unemployment rate was scored by the age group 15 to 19 years old, reaching %24.5, of which %8.9 were men and %29.9 women. The lowest unemployment rate was scored by the age group 60 to 64 years old, scoring %2.9, with %3.4 for men and %6.7 for women.

Seventh – Youth unemployment

The young population reached 7.3 million in 2014, constituting %20 of the total population and %35.1 of the working age population. The economic activity rate of the young category reached %37 in 2008, with men scoring %57 and women %14.6. This percentage dropped in 2014 due to the frustration felt by this particular group and the sociopolitical circumstances surrounding Iraq. As such, %30.3 were

unemployed, of which %52.4 were men. Perhaps this decrease was clearer among women(%6.3).

Eighth – Migration

a. Immigration

There are no official statistics on the number of Iraqi immigrants. However, UN reports indicate that the number of immigrants exceeded 2 million Iraqis. Immigration is considered a dangerous phenomenon that threatens Iraq, although it was somehow limited. However, today it constitutes a worrying problem because of the rising numbers of immigrants, immigration's forms and repercussions, and its threat to Iraqi demography.

b. Internal migration

The rural population constituted %64 of the total population in 1947. This percentage decreased to %31 in 2009 due to the pronounced differences in the living conditions between rural and urban regions. All economic development plans did not take into consideration rural development. In addition, this form of migration created economic, social and environmental pressures as well as a shortage of services in areas of high population density on one hand, while regions left by migrants suffered from the loss of their human resources on the other.

-2 Economic Indicators

First – The Iraqi economy is characterized by the following:

- Iraq has a rentier economy, since the national accounts indicators of 2013 noted that the crude oil sector contributes to %46 of the Gross Domestic Product (GDP).
- Crude oil revenues contribute to %91.4 of total revenues to the budget.
- Oil exports constitute %99.5 of total exports.
- The economy largely relies on imports.
- The private sector's contribution to economic activity is limited since it only constituted %35 of the GDP in 2013.
- The poverty rate reached %23 in 2014 and increased to %35 in 2016.

Second

d – Informal Sector

The informal sector's contribution in 2014 reached %19.4 of the GDP.

-3 Labor Force Informal labor

The number of informal workers reached 188 091 4 million workers (men and women confounded), and constituted %53.7 of the total number of workers. The percentage of informal workers reached %55 of the total number of male workers %47.8 of the total of female workers.

- a. Informal labor based on the environment
The percentage of informal labor in urban areas reached %51.6 of the total number of workers in urban areas, and %60.4 of the total number of workers in rural areas.
- b. Informal labor based on the activity
The highest percentage of informal labor was registered in the construction sector, reaching %95.4.
- c. Informal labor based on the profession
The highest percentage was scored by workers practicing primary occupations, and reached %91.7.
- d. Informal labor based on work conditions and sectors
The percentage of informal workers reached around %70 %85 of whom work in informal facilities and %15 in the family sector. The percentage of informal employers reached %53, working in the informal sector facilities. As for contributing family workers, %20 of them work at formal sector facilities,