

Towards An Optimal Model For Fighting Unemployment In Iraq

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Abstract

The aim of the current study is to try to come out with an optimal model to confront unemployment in Iraq during the period (1990-2018) by diagnosing unemployment in the context of monitoring the performance of the Iraqi labor market and through the analytical approach, the study concluded that the Iraqi economy suffers from two types of unemployment, namely, explicit unemployment and underemployment, their effects differed, as each exerts a negative impact on the development in Iraq.

At a time when the employment-to-population ratio is still recorded at 39.2 percent in 2018, and the participation of women in work is one of the major gaps that the Iraqi economy suffers from as the percentage of female workers does not exceed a barrier of 12.5%. The study showed that the unemployment rate decreased from 1991 by approximately 10.35 percent to 7.93 percent in 2018.

Despite this decline, however, unemployment still has a severe impact on Iraqi society, as it represents a waste of the human resource, which is the most important productive element as a whole, and its effects extend to include economic, social, political and cultural aspects as well.

The study concluded by presenting a number of mechanisms that would address the problem of unemployment, foremost of which is the redevelopment towards its sustainable path. Is the first mechanism that must be followed on its way to reduce unemployment rates, enhance employment levels in any country, recycle financial surpluses, and pay attention to the human capital component by prioritizing spending, paying more attention to the education and health sectors, and encouraging the private sector to generate job opportunities.

Keywords : labor market, unemployment, development, Iraq.

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Introduction

Unemployment has become a familiar phenomenon in any economy until its coexistence has become normal thing and because it is difficult to reach the level of full employment among the members of the working force, as the classics believes. Unemployment is defined according to this concept as the state in which the society does not use the labor force in a full or optimal use, and then the actual outcome in this society is less than

the potential outcome¹, which leads to a lower level of well-being for members of the community than what could have been accessed.

Unemployment is the most important challenge facing the various economic systems, and its impact on the standard of living, productivity and

The potential outcome : it is the maximum output ¹ that can be achieved when the resources of the society are fully and optimally used, or in other words it represents the non-inflationary full employment product.

social cohesion is not hidden (World Bank, 2013). structuralists believe that the high unemployment rate is due to weak growth, which lies in insufficient demand, which the government should seek to stimulate through expansive monetary policy and financial activation, while the structuralists believe that the high unemployment is not only due to weak growth, but rather to a set of structural problems in the labor market (International Monetary Fund, 2015). The problem of unemployment has become a major development obstacle in many countries of the developed and developing world alike and has become major cause in threatening the stability of many regimes and governments (Ismail, 2017)

All over the country, we hear about factory closures and large layoffs. If there were disturbances or the economy entered a recession, companies would lay off the worker and plunge them into the circle of the unemployed, and despite the presence of many studies that conducted a study of unemployment, few of them that concerned and addressed to confront it as affecting Various social, political, and cultural aspects in addition to the economic aspect (Mohammad, 2018), foremost of which is the study (Al-Jawadi and Kamal Al-Din, 2006). However, unemployment is one of the most problems facing Arab countries, as there are the highest rates in the world. As the study (Shaban, 2013) went, the Arab world, with its population of about 420 million people, cannot be considered a unified economic entity.

In order to study issues related to the labor market in the Arab world, it is necessary to start by recognizing the social and economic diversity in this world and surrounding it to make it a factor covered by the study.

The first thing that this research paper proposes is that labor market issues in Arab regions can be analyzed in an understandable and clear way by classifying Arab countries into six economic categories.

These categories are formed through the interaction between hydrocarbon material (oil and gas) and the characteristics of the labor market and this applies to the case of the Iraqi economy, in

which providing a job opportunity can be described as sailing in difficult waters.

The study Problem

There is no doubt that the existence of some degree of unemployment in any economy is a natural thing, but if unemployment exceeds certain limits, it becomes a serious problem, as its negative effects do not stop only in the economic aspects, but also social and political aspects. Unemployment has become one of the problems that the Iraqi economy suffers from it, and it expresses a deficit in the infrastructure and a decline in economic performance, and as a result of the decline of the state's role, its withdrawal from the field of production, its adoption of privatization programs, its preoccupation with covering military expenditures and its neglect of the rest of the economic sectors. In addition to imposing the economic blockade and the measures taken by the occupation authorities after the regime change, represented in the abolition of the structure of the Iraqi state, which exacerbated the problem of unemployment, which has become a concern to politicians and economists, and as a fear obsession for the Iraqis, as it increases poverty rates and pushes youth towards crime and terrorism, as well as its other social implications.

The aim of the study: The present study aims to try to come up with an optimal model for facing unemployment in Iraq during the period (1990-2018), by diagnosing the issue of unemployment in the context of monitoring the performance of the Iraqi labor market.

Study Boundaries: The objective limits of the study are confined to the study of unemployment in Iraq during the period (1990-2018), by diagnosing the issue of unemployment in the context of monitoring the performance of the Iraqi labor market

Study methodology: In order to test its hypotheses and achieve its objectives, it depends on the analytical approach, starting with examining the conceptual and theoretical frameworks for unemployment, then extrapolating the general situation of the Iraqi labor market along with diagnosing the causes and effects of unemployment and its developments, and then

coming up with mechanisms that will help to find optimal model for facing unemployment and achieving full employment.

Study

Hypotheses

-The development performance of the Iraqi state was not sufficient to face unemployment, despite it being an issue that bears various roles, which exacerbated unemployment rates and deepened its repercussions.

-The responsibility to confront unemployment - as a shared responsibility - rests on the interaction between economic and social policies, and the first steps of this interaction begin with concern for the human element, culturally and educationally, as well as linking education systems.

Study Sections;

Section One : The general framework of unemployment and its determinants in economic theory.

Section Two : Labor market indicators and unemployment in Iraq during the period (1990-2018)

Section Three : The necessary mechanisms to reach full employment in Iraq.

Section One

General framework of unemployment and its determinants in economic theory

1/1 Unemployment: Concept, Dimensions and Measurement;

Unemployment is one of the most important problems facing all societies - to varying degrees - because of its dangerous effects on the stability of society, whether from an economic, social or political perspective. Ramzi Zaki agrees with the international Labor Office (Zaki, 1998) in defining unemployment as including "everyone who is able and willing to work, searches for, and accepts it at the prevailing wage level, but to no avail." This definition applies to the unemployed who enter the labor market for the first time, or those who have previously left work for any reason. Paul

Samuelson and Nord House also define unemployment as "the unemployed who express a group of unemployed individuals, who actively search for a job opportunity or wait to return to work" (Samuelson & Nord House, 2006)

There are many dimensions of unemployment, where the first dimension is the lack of full use of the available labor force in the two cases of outright unemployment and partial unemployment. The second dimension: This dimension is the ineffective use of the labor force, which implies that the average productivity of the individual is less than a certain minimum level. Hence, this type of unemployment is achieved when the per capita productivity is lower than the recognized average productivity and at the level of unemployment measurement, the size of unemployment or the number of unemployed in a country is a weak indicator of the relative seriousness of the unemployment problem, especially in countries where the number of unemployed is growing at a faster rate than employment growth rate. To facilitate comparison across or between countries, a so-called "unemployment rate" is calculated.

1/2 Unemployment in Economic Theory and Thought:

The classical theory presented a number of basic assumptions, the most important of which are: the prevalence of conditions for perfect competition in all markets, and the flexibility of wages and prices. Classical thought believed in the supremacy of the full employment of all factors of production, including labor. The classics were not interested in studying the issue of unemployment, but rather focused their primary concern on how to achieve capital accumulation in the long term, as it is the main determinant of the level of economic activity performance and growth. The reason for this is that leaving the labor market free without external interference gives flexibility in both wages and prices, in a way that ensures balance in the labor market at the level of full employment, considering that every individual is able to work and desires to find a job at the wage of balance, and therefore unemployment represents A temporary exceptional case, which occurs if the real wages of workers rise above the level of the equilibrium wage, which reduces the profits of businessmen, and then, the required quantity of

labor decreases, and at the same time, the quantity supplied of it increases. But this situation represents a temporary situation whereby the spread of unemployment among workers leads to a decrease in real wages until they return to the stable equilibrium level, which guarantees full employment, and therefore the flexibility of real wages always guarantees the elimination of unemployment according to classical thought. The classics decide that the main reason for the persistence of unemployment in the labor market is the interference of the government or trade unions to impose a minimum wage that exceeds the balance wage, which leads to stagnation of wages. Accordingly, the classical thought went that there is no need for government intervention, to address the problem of unemployment, that the existence of compulsory unemployment is a temporary existence that quickly leads to a reduction in real wages, which results in the occurrence of the balance automatically at the level of full employment, or what may be called the automatic equilibrium mechanism, thus the classics placing on the responsibility of the existence of unemployment for long periods on the shoulders of workers and trade unions.

(Zaki, Previous reference, p. 255)

On the same path, the modernists or neoclassical thinkers walked at the end of the nineteenth century and the beginning of the twentieth century, considering that labor markets are like commodity markets and applied the tools of marginal analysis to the dealers in the labor market, and the analysis is based on several basic assumptions, namely that individual decisions are made on the basis of seeking The establishments aim to maximize their profits, and the workers 'desire for what they obtain from the total benefit, and when conditions of perfect competition prevail in the markets, one

wage prevails in the labor market, as individual actions have no effect on the free interaction between the forces of demand and supply. The neoclassical model stipulates that the labor market is dominated by perfect competition, and that the labor component is homogeneous and has full mobility. And that all individuals in this market are equal and fully aware of market conditions. Wage rates are characterized by an infinite ability to respond to changes in both sides of the market, in order to ensure the optimal distribution of the

workforce between different economic activities and different geographical regions.

While Keynesian thought contradicted all of these previous theses, initiating a sharp attack on classical ideas and what followed, Keynes rejected the classical logic that the solution to the unemployment problem was to let wages go down. Keynes believed that this solution advocated by classics and neoclassic is equivalent in theory and in terms of its consequences, to a decrease in the interest rate, and that what can be achieved through lower wages is done better by lowering the interest rate. On the other hand, Keynes revealed an important fact that must result in lower wages that were not mentioned by classics or neoclassics, despite their impact on the economic activity. Keynes viewed wages not only as a cost item, but also as an income that generates demand for various goods and services. Keynes rejected the sayings of classical economists regarding the causes of unemployment and means for its treatment, and emphasized that the state of full employment, which he called by classics and neoclassics as the normal and familiar state of the national economy, is nothing but a very special case, and that equilibrium can be achieved at different levels below the level full employment.

Keynes was not satisfied with opposing modern classics in their calls for reducing money wages as a way to treat unemployment, but on the contrary he demanded an increase in wages as a successful way to solve this problem, considering that wages are part of effective total demand, the problem for Keynes was how to save the capitalist system from unemployment and ensure that it reached a state of full employment, in light of the Great Depression that the capitalist system was exposed to in 1929. And he presented to economic thought compelling reasons for the emergence of the phenomenon of chronic unemployment, which can be summed up in two things: the lack of investment opportunities when the rich and developed countries reach the stage of economic maturity. The decrease in the marginal trend to consumption in these countries, or what Keynes calls the over-saving, which means that the ratio of the change in consumption to the change in income (the marginal trend to consumption) tends to decrease with the increase in income .

(Al-Beblawy, 1995).

The solution to the problem of Compulsory unemployment from Keynes's viewpoint is the necessity of government intervention to influence on the size of effective demand, so that it can be raised to a sufficient level to achieve full employment by applying some fiscal and monetary policies. Hence the importance of government intervention in economic activity from Keynes' view.

After the Second World War, the classical, neoclassical and Keynesian theories were no longer able to explain the high unemployment rates that had spread since the early seventies, and modern theories appeared that explain this phenomenon, as more realistic assumptions were introduced in order to become more able to explain it, and perhaps the importance of these theories such as the research theory of work, this theory arose as a result of attempts to use components of microeconomic theory to understand and analyze macro variables. This theory is based on dropping the imposition of complete knowledge, which is a fundamental assumption of the traditional model of the labor market, as this theory confirms the difficulty of the abundance of complete information on the labor market, which leads to an increase in the degree of uncertainty when making decisions, which leads individuals to seek to know these information.

The process of searching for this information has two basic features: The first is that it is a financially costly process for both workers and institutions and requires costs related to research and transportation by workers, and the expenses for testing by businessmen. The second is that it is a process that requires a long time and that individuals can devote themselves to collect this information. This theory is based on these two characteristics in explaining the existence of a large number of unemployed side by side with the existence of vacant job opportunities as well as the explanation of the difference in wages related to the same skill categories (Fouad, 1996)

Hence, according to this theory, the prevailing unemployment in the economy - frictional unemployment - is a voluntary behavior that results from the workers pursuit of higher wages and more appropriate job opportunities, as they are necessary in order to reach the optimal distribution

of the labor force among activities and different use.

On the other hand, businessmen prefer vacant jobs for some time rather than filling them with the first applicants, in order to ensure that the best suitable elements are found to fill their vacancies. Thus, according to this theory, the job seeker benefits from this search process as it enables him to get the right job and wage. The search process is linked to two types of costs, the first being the direct costs, such as: job search advertising costs, operating office fees and transportation costs. The second is the indirect costs which are represented in alternative opportunity cost - the sacrificed wage during the sabbatical period in search of the suitable job (Naja, 2005, 50-53)

The theory of fragmentation of the labor market concluded by dropping the imposition of homogeneity of the units of the labor component, which is one of the basic assumptions in the traditional theories, and aimed at explaining the causes of high unemployment rates, as well as the reasons for the simultaneous existence of high rates of unemployment in certain sectors at a time when there are deficits in other sectors. This theory assumes the existence of two types of markets according to the criterion of the degree of stability enjoyed by the labor market, namely: a primary market and a secondary market (Adrioche, 2013)

Section Two

Labor market indicators and unemployment in Iraq during the period (1990-2018)

The Iraqi economy suffered from three wars, the least of which was described as fatal. Its beginning was in 1980 with Iran and lasted for eight years, and it resulted in great damage to the infrastructure and major production sectors such as agriculture and industry, especially the oil sector, leaving the Iraqi economy burdened with debts estimated in the hundreds of billions of dollars.

Then came the second Gulf War in 1991, followed by the economic sanctions of (1991-2003), and after that came the American and British aggression, destroying what remained of the Iraqi economy's structure, and what the war did not destroy destroyed by looting and burning. And in light of underdevelopment in the main

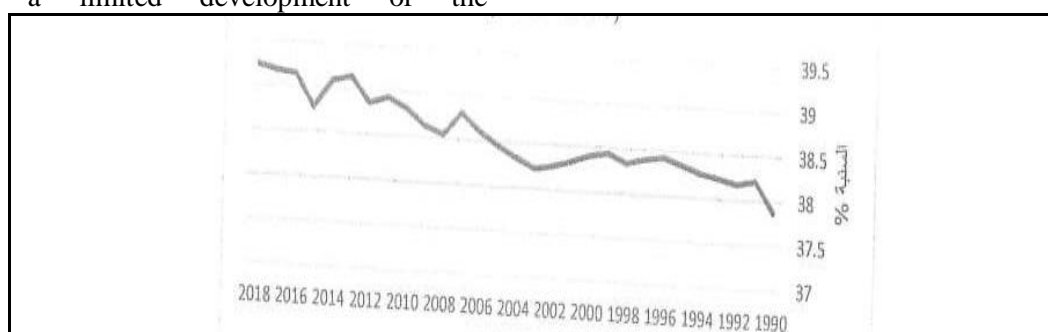
economic sectors such as the agricultural and industrial sector and the imbalance

of productive sectors, the Iraqi economy suffered from high rates of unemployment and a large disparity in the distribution of incomes (Al-Saadawi, 2012)

2/1The most important developments in the labor market during the period (1980-2018)

Labor market conditions are a natural result and mirror of the reality of economic, political and demographic changes in terms of the level of imbalances in it, or in terms of the nature of its path, whether towards recovery or deflation. Employment policies play an important role in providing job opportunities and reducing unemployment. Unemployment is a problem of economic and social dimensions, and in Iraq has become a structurally rooted problem because of the great challenges faced by the development policies adopted by the government, not to its levels are somewhat high, but because it appeared in multiple forms, some of which are underemployment and others are incomplete. In this section, we try to present the unemployment problem, starting by monitoring the most important developments in the labor market during the period (1980-2018) by presenting the development of the following indicators;

1-Employment-to-population ratio, Fig. (1) indicates a limited development of the



Source: Prepared by researchers based on the World Bank database

Fig.2 The rate of participation in the labor force as a percentage of the population in Iraq during the period 1990-2018

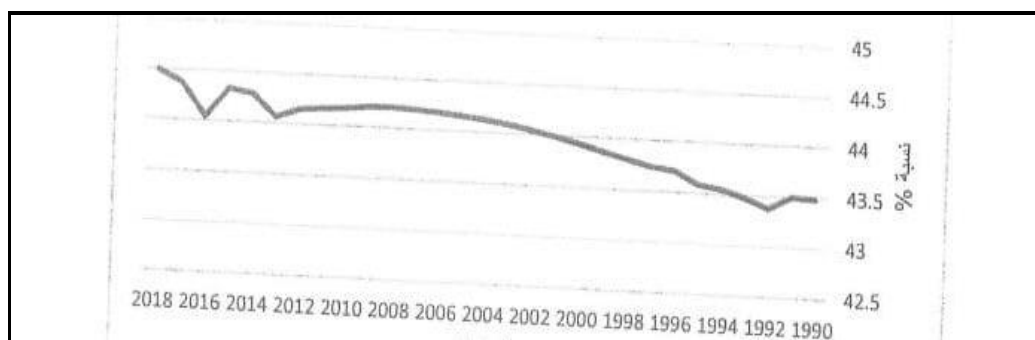
employment-to-population ratio in Iraq during the period (1990-2018). During nearly three decades, this ratio did not increase by more than 2% only, it grew from 37.8 per cent in 1990 to 39.2 percent in 2018, which roughly means that this percentage remains stable during the mentioned period.

2-The rate of participation in the labor force as a ratio of the population, as shown in Fig. (2), which was characterized by slow growth, as it increased by only 1%, from 43.5% in 1990 to 44.5% in 2018.

3-The female labor force participation rate, which is one of the major gaps that the Iraqi economy suffers from, as the ratio of female workers has not exceeded the barrier of 12.5%, which is thus one of the major challenges related to gender equality, and the provision of opportunities for women to participate in the economy As illustrated in Fig. (3)

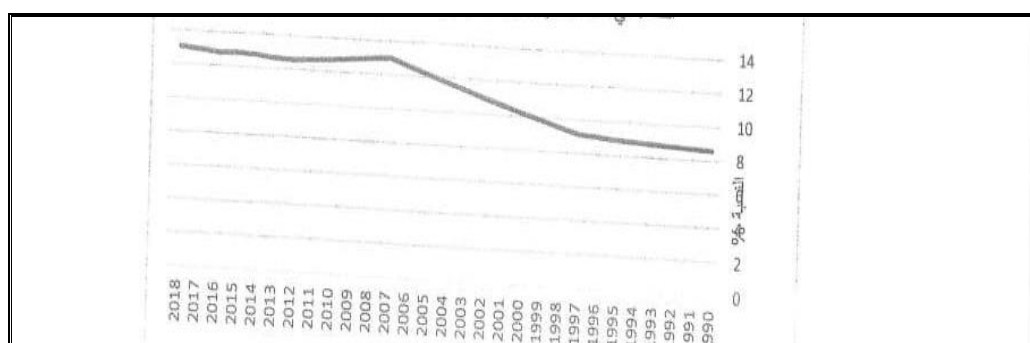
4-The age dependency rate, Fig. (4) indicates a decline in the age dependency rate as a percentage of the population from 98.5% to 71.5% between 1990 and 2018, and despite of this decline is still very high compared to a global average of 54.36%

Fig. 1: The total employment to population ratio in Iraq for the period (1990-2018)



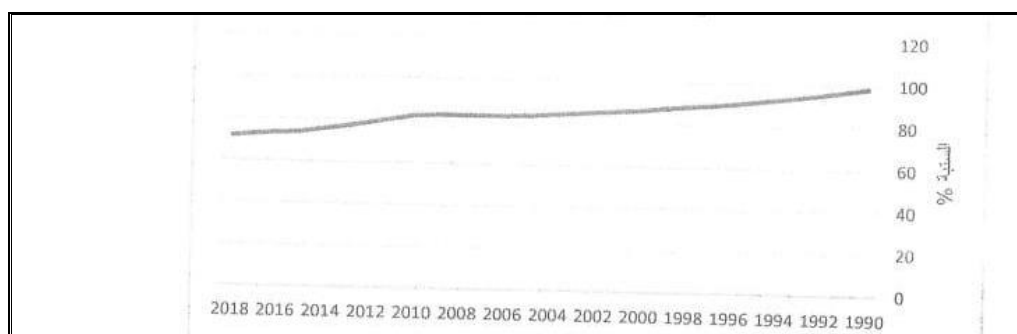
Source: Prepared by researchers based on the World Bank database

Fig.3 Female labor force participation rate as a percentage of the population in the age group (15-64) in Iraq (1990-2018)



Source: Prepared by researchers based on the World Bank database

Fig. 4: Age dependency ratio to total population in Iraq during the period (1990-2018)



Source: Prepared by researchers based on the World Bank database

2/2 Unemployment in Iraq; development, causes and effects

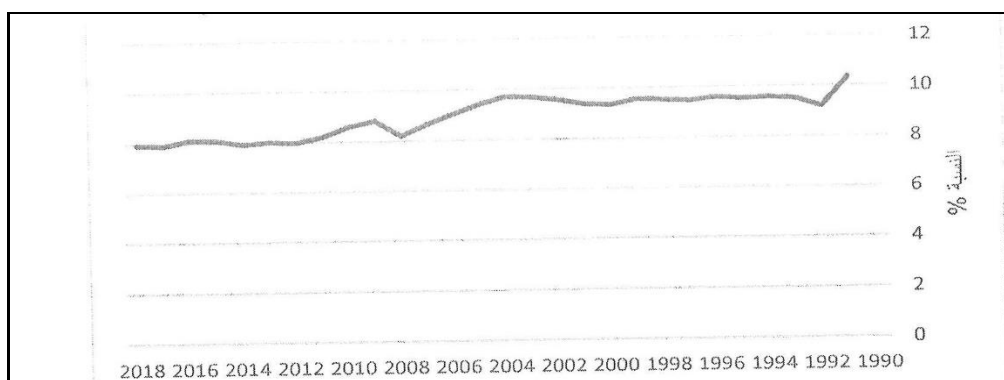
The unemployment rate in 1991 was approximately 10.35 percent, then it soon declined to 9.39 percent in 2001, that is, nearly a decade. Unemployment decreased only by less than 1 percent. This decline continued until 2011, recording 8.19 percent, which means that the decline this time was more than 1%, and this

decline continued to reach 7.93% in 2018, and this is due to Iraq's commitment to social goals during the implementation of development plans, the most prominent of which was providing full use of the work force. That goal, which the state considered as a direct responsibility to it when it took administrative measures to distribute the work force to the economic sectors centrally away from market factors and the efficiency of managing the

national economy and productivity, and through these measures the state provided job opportunities for everyone who qualified for that from the working age throughout the seventies until 1987. However, achieving employment does not mean the unit of optimal use of resources, as such measures may have negative consequences represented by the underemployment that is spreading in the state and public sector departments in addition to the deterioration of fairness in the distribution of employment among the public sector, which suffers from inflation and an overabundance in employment that leads to the low level of productivity and the private sector, which suffers from a shortage of workers and cannot fill its vacancies due to the attractiveness of the public sector (Falih, 1999). To look to the

unemployment after 2003, this era has witnessed of radical changes in the reality of society due to the political events that the Iraqi arena experienced, and what followed. of the tremendous repercussions on the whole joints of life in the country, including the economic life. With regard to the Iraqi labor market, it has witnessed the emergence of an apparent increase in the supply of employment, which is mainly caused by, and despite the decline that we referred to in advance, according to World Bank data, unemployment in Iraq is still one of the important problems, if not the most important one at all that it is going through the Iraqi society in the present time, because the labor element is the least scarce production element among the production elements in the Iraqi society.

Fig.5: The unemployment rate in Iraq during the period (1990-2018)



Source: Prepared by researchers based on the World Bank database

Hence, the emergence of the unemployment problem is a waste of the most important resources available to society. The problem of unemployment in the Iraqi economy during the period under study (1990-2018) is due to many reasons, some of which are related to the structure of the labor market and its mechanisms, and some of the others are related to the economic blockade during the nineties in addition to the fact that the Iraqi economy is a rentier economy that depends on oil, which is constantly exposed to the fluctuations of the global market, as the Iraqi economy is very open, as the ratio of trade to output is approximately 81%, the majority of which depend on oil, more than 90%, and accordingly, the causes of unemployment in the Iraqi economy are multiple. Some of them are economic, social, political and population, including technical, organizational and administrative causes (Hassan, 2016;20). All this

has negative effects on the local economy, and this has led to the inability of the Iraqi economy to provide adequate job opportunities for new entrants to the labor market, and so on. The problem becomes more complex due to the absence of clear employment policies that increase job opportunities, and to ensure that these opportunities are decent and in light of the above we present the most important causes of unemployment according to the following division;

First: The difference in spending priorities, as military spending has increased, the state's role in investment has declined and its direction towards increasing military expenditures, which has led to the depletion of many financial returns, and deprived the rest of the economic sectors of the necessary financial allocations and development, which has generated structural imbalances in the

Iraqi economy, as it has increased the cost of the war against terrorism and led to the war priorities being crowded with development and reconstruction priorities and the general development and social spending. The 2017 Federal Budget Law included military spending on armaments of about 5 \$ billion, and about 19 \$ billion spending on security and defense, which constitutes about 22.6 percent of total public spending, compared to 9.3% on education, and about 3.8% on health (Ministry of Planning, 2018)

Second: The destruction of the basic infrastructure of the Iraqi economy, the destruction of bridges, industrial facilities, electric power generation stations, water purification stations, service facilities and others as a result of Iraq fighting the first and second Gulf War, the US-British aggression and entering a war with ISIS in 2014, as well as the economic sanctions imposed on Iraq, which It lasted 13year that led to

depriving Iraq of oil revenues, which led to the cessation of about 192 governmental industrial companies from production, which used to accommodate (500) thousand workers, as well as power cuts, fuel shortages, the ban on importing production requirements, and the ban imposed on Iraq's oil and non-oil exports increased production costs for private sector projects, which led to the cessation of (59413) industrial unites from work and dispensing with the services of its workers .

Third: The government, since 1987, has followed the privatization program for state sector projects, whether through cancellation, merger, rent or sale during the period between (1987-1994), but the economic blockade during the nineties led to the suspension of thousands of small factories and private sector factories due to inability on the provision of raw materials, and because of that, the projects also stopped. Workers were laid off, and a large number of them turned into sellers of sidewalks.

Fourth: The political administration of the country, and it fell into the hands of the occupation forces in (2003) through the leadership of the American (Paul Bremer), who had wide powers in executive and legislative issues, instead of issuing decisions that help in addressing the deteriorating economic and social situation, he issued decisions that had a direct role in

exacerbating the unemployment problem, including the dissolution of the Iraqi army, which used to accommodate more than 400 thousand volunteers in addition to about 150 thousand of assigned soldiers that would absorb them for a period of two years or more than delay this category annually to enter the labor market for the period they serve in the army. Dissolving other security institutions, and civil institutions such as the Ministry of Information and its bodies that used to employ large numbers. As well as dissolving the Military Industrialization Organization and laying off many of its employees without any serious alternative to absorb this workforce, which is mostly a young workforce .

(Al-Fayyad: 19)

Fifth: The existence of a system of shares after 2003 based on the criteria of affiliation and currently in force in state agencies has negatively affected the workforce and led to an exacerbation of the unemployment crisis and an increase in the number of unemployed, especially due to the abolition of the national central recruitment system on the basis of certification and competence, and the weakness of the private sector, because it does not possess the large financial capabilities and specialized technical expertise.

Sixth: The problem of the availability of electric power that led to the suspension of the operation of factories and workshops of the private sector and the industrial, agricultural and service public sectors (health, educational, commercial and tourism) as this led to a reduction in job opportunities to employ the able and willing workers, and unemployment rates increased in Iraq (Jamali and Suhaila, 2015)

Seventh: The limited role of the private sector in generating job opportunities, as the expansion in the size of the state resulting from its acquisition of oil revenues has led to the transfer of a large part of productive economic activities to the public sector and competition with the private sector in the distribution and service activities, which led to a diminishing importance of this sector and, its decline in intermediary activities and trade, and its weak administrative and financial capacity, thus its activity has become marginal, dependent on the state, and ready to meet its demands when its need for it arises. As for the private activity in the light

industry and agricultural sectors, it was based on total or partial protection policies to prevent imports in whole or in part, through administrative orders or the arbitrary use of customs duties for the purpose of protecting some governmental and private industrial activities, even if that is at the expense of the final consumer and the national

economy by burdening it with poor industries, uneven production lines and unskilled labor.

Eighth-continuation of the phenomenon of violence, which hinders the establishment of any development or service projects that attract (absorb) the unemployed, and in light of the turbulent climate, companies and foreign investors are reluctant to participate in the reconstruction of Iraq, which is just as the government relied on it to reduce unemployment, so the gap of options available to governments to pursue has narrowed to follow the policies to confront the great challenge posed by the unemployment problem, and the government has nothing left to deal with unemployment but traditional measures.

Ninth - Lack of coordination between education and training and the labor market, because the duration of education and then training requires many costs that the individual and society together bear, and these costs are justified by the private return from the individual's point of view to get the best wage, as well as the social return from the community's point of view, which is the increase in the productivity of qualified workers. As a whole and there is a lack of proportionality between education and employment leads to a decline in the return of education and this is

a result of obtaining work positions without taking into account the educational specializations that are typical and not developed, which led to an increase in the number of graduates, especially intermediate qualifications, and then this led to an increase in the supply of graduates from the need of the labor market and a lack of homogeneity in its structure, as there is a deficit in some specializations in return for a surplus in other specialties, with the absence of a similar demand for them, and this is due to the lack of educational policy and the failure to keep pace with the requirements of the labor market (Bunyan and Kamel, 2013)

Tenth, High population growth, the population of Iraq reached 6.299 million, according to the 1965 census, and it rose to 22 million according to the last census conducted in 1997, but it was estimated at 29 million in 2007, with a compound annual growth rate of 2.4% in 2017, the population of Iraq reached to 38.27 million people, with a growth rate of 2.5 percent, as indicated by fig. (6)

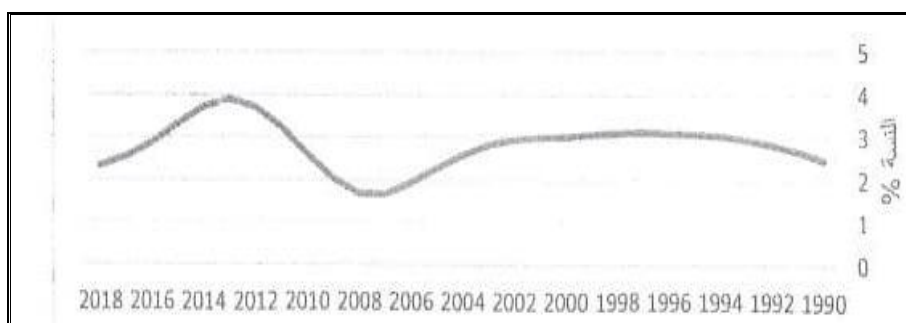
While the growth of the workforce reached 5.5%, and the most important characteristic of the population is the predominance of the age group less than 15 years, which amounted to 43.1% of the total population, and the decrease in the age group over 65 years, which amounted to 2.8%. This indicates the high age dependency rate, which reached 45.9%. It generates pressure on the work market.

In general, the unemployment problem is attributed to the absence and failure of development programs and strategies in Iraq, in addition to work in non-productive service areas, as the state has not been able to overcome the cases of underdevelopment and change the distorted production structures, and because of the failure of development programs in Iraq, the lack of attention to the social aspect to the appropriate extent, and the decline in the ability of incentive laws to generate adequate employment opportunities for the unemployed and adoption of industrial and service activities on capital density instead of labor intensity is due to the relative importance of the agricultural sector, which can usually absorb a large proportion of the workforce (Al-Adly and Abbas 2016 ; 175)

In terms of the effects of unemployment, it represents a waste of the human resource, the most important of the productive elements as a whole, and its effects extend to include economic, social, political and cultural aspects as well, where the high unemployment leads to the loss of income for individuals and the reduction of tax collection on governments, which affects on progress and increased spending

on unemployment benefits and social benefits. Long-term unemployment can also affect social cohesion and rapid cross-border migration that threatens the economy of trading partners. At the level of economic impacts, unemployment has led to the following;

Fig. 6: Population growth rate in Iraq during the period (1990-2018)



Source: Prepared by researchers based on the World Bank database

1-The marginalization of an important part of the Iraqi workforce and placing it outside the economic process and this is a waste of one of the sources of wealth in Iraq. This waste represents the loss of production and income that could be achieved if these capabilities were exploited as well as a decline or erosion in the value of human capital as a result of the loss of knowledge and skills, which gained throughout the study period, the weak level of investment and productive activity, the decline in growth in the sectors of industry, agriculture, trade and services, and the lagging economic and production structures.

2-The extreme poverty rate increased to 70% of the total population during the 1990s and then it fell in half after that due to the deterioration of the standard of living, which led to a decline in the level of economic welfare and the existence of an inverse relationship between the level of welfare and unemployment rates.

3-The scientific sources, the International Labor Organization and the Arab Labor Organization confirm that unemployment rates have risen by 1%, resulting in a loss in the gross domestic product at a rate of 2.5%, or about 23 billion Iraqi dinars, which means that the unemployment rate of 28.1 will increase the losses to the Iraqi economy by an amount 254 billion Iraqi dinars, and this amount could provide a job opportunity for about 1.016 million Iraqis.

4-The effect of unemployment on the increase of immigrants outside the country to work in Arab and foreign countries, and this represents a

waste of Iraqi competencies for not contributing to the work to achieve economic development inside the country and despite that, job opportunities increased from 36% in 2005 to 67% in 2011 of the total population due to the high oil prices.

5-Putting an important segment of the active population outside the economic process and thus it is considered a waste of one of the sources of wealth in Iraq, which is possible to exploit them in the process of developing the Iraqi economy

(Ahmad, previous reference, page; 9)

In terms of social impacts, unemployment represented a fertile environment for the growth of crime, extremism, acts of violence and the increase in celibacy among men and spinsterhood among young women as a result of the unavailability of marriage supplies, including the high costs of marriage and housing. This is a phenomenon that began in 1980 at the outbreak of the Iraq-Iran war and increased in intensity in the following years in addition to high rates of psychological depression, anxiety, fear of the unknown and frustration, as it appeared in the employment and unemployment survey that there are a number of frustrated people who are unemployed and are not looking for work because they believe that there are no job opportunities or because of the abundance of research, as the percentage of these reached 3.1% of the size of the workforce in 2006. Unemployment increases the perverted conditions of drug abuse, robbery, rape and murder. (Hashim

& Al Kadhimi; 2005; 196) (Al Shammari; 2014)

Section Three

The necessary mechanisms to confront unemployment in Iraqi economy

In order to restore the prosperity of labor markets in Iraq, it will thus require a return to stronger growth in addition to more targeted measures to address the barriers to creating jobs in the private sector. In particular, it would be beneficial to provide assistance to job seekers through a combination of employment services, retraining - and in some cases - subsidies to encourage employment in the formal sector. This can be done by proposing a vision for adopted employment policies during the reconstruction period, which will create job opportunities directly through public works, and improve non-agricultural rural opportunities through infrastructure, credit and technology projects, and to address some inequalities, such policies must be met the most disadvantaged regions and groups were targeted, with the focus on the necessary mechanisms to combat unemployment, as follows;

The first mechanism: re-development towards its sustainable path. The first mechanism that must be followed on its way to reduce unemployment rates and enhance employment levels in any country is development, which is the first guarantee for the sustainability of job opportunities creation, which is one of the major difficulties in the Iraqi economy today. The most important victim during these decades, , was the absence of a long-term outlook and the appropriate development policies and strategies accompanying them, which resulted in the Iraqi economy becoming a crisis economy rather than an economy of performance and sustainable development. And this contributed to the faltering of the governmental administrative and planning apparatus, which should have been the most important manifestations of the national trend in achieving sustainable development and progress.

The second mechanism: recycling of oil surpluses in the interest of the work component, so the financial resources that oil generate must be reconsidered and harnessed in establishing infrastructure that helps stimulate the local investment,

which in turn helps to generate job opportunities, absorb the current unemployed population. Surpluses can also be managed in a parallel way through the establishment of funds for developing workers' skills, and spending them on means of research and development of the work component.

The third mechanism: rearranging the spending priorities, considering it a priority for those economies that want to maximize the returns of human capital. Spending on education and health sectors at the present time is more returnable than other sectors, and therefore the priority of public spending in Iraq must be directed towards the goal of spending on these two sectors do not depend on directing this spending, but rather the efficiency of this spending must be monitored.

The fourth mechanism: Encouraging the private sector to generate job opportunities. Here, government policies practice their role in assigning a role to the private sector in the development process, while it bears part of the responsibility for generating sustainable and equitable job opportunities, as one of the elements of decent work. This can be done by providing investment incentives and establishing the needed infrastructure for the private sector to play its role in job-generating investment.

The Fifth Mechanism: Investing in Human Capital and Building Social Capital, Focusing on soft skills: Soft skills such as creativity, collaboration, and complex problem solving are central to the digital age. Executive education programs, such as the Performance Development Program, focus on these types of capabilities, instilling a work ethic and motivation that enables young people to excel in high-performing teams (Fox, 2017)

The sixth mechanism: Linking the education system to training and the requirements of the labor market, the fact remains that an effective and enlightened administration of education and work policies is necessary for the development of economically emerging countries and economically well-established countries. Given the increasing pace of change in the world, current university students are told that the job and profession in which they work

at the end , may not have been invented yet. Even for current occupations, the practice of this occupation will likely be significantly different in the coming decades from now.

It is very important that the educational policy and the labor policy are closely linked. It is better to do so in a planned manner.

The seventh mechanism: remedying and confronting corruption. Corruption works in an opposite way towards development issues, and consequently, expanding its circle means the loss of a part not easy in this development, and the waste of society's resources. Consequently, combating corruption is one of the steps towards a transparent and fair employment policy that relies on competencies, not favoritism and mediation.

The eighth mechanism: Incorporation of informal sectors into the formal context. Informal jobs represent more than half of employment in the emerging market and the developing economy and are associated with lower productivity than formal jobs. By merging them into formal entities, the share of informal jobs in employment has decreased since the early 2000s. However, it is still around 55%. However, market and developing economy characteristics differ greatly between countries. Therefore, the existence of legislations that work to integrate informal employment, which helps to increase productivity and ensure the sustainability of wages on one hand, and to ensure the existence of taxes collected by the state as a result of salaries, which means financing the budget on the other hand.

The ninth mechanism: bridging the gender gap works to provide job opportunities. Poor labor market results for young people can be partly attributed to the large and persistent gender gaps. The rate of inactivity of young women is about 30 per cent in the average of emerging market and developing economy, and twice the rate of youth, and some of this can be explained by the effects of marriage and children on young women's work opportunities. Correct policies can make a difference (JaeBin Ahn, et al, 2019)

The tenth mechanism: the balance between the two sides of the labor market and supply and demand through skills, as it is assumed in any economy that is expanding that it invests in the establishment of a workforce to provide the necessary skills and thus can avoid an employment crisis related to (skills mismatch or structural unemployment). Policies emphasize stimulating labor demand without neglecting supply management. It is expected that following this two-pronged approach will minimize the changes that occur from time to time in the labor market. (Seth & Sachs,2015)

Results

The aim of the current study is to try to come up with an optimal model to confront unemployment in Iraq during the period (1990-2018) by diagnosing the issue of unemployment in the context of monitoring the performance of the Iraqi labor market. And through the analytical approach and the hypothesis that "the development performance of the Iraqi state was not sufficient to confront the

unemployment, despite being an issue that carries various roles, which exacerbated unemployment rates and deepened its repercussions. The study showed that the Iraqi economy suffers from two types of unemployment, namely, outright unemployment and underemployment, and although their effects differ, each of them exerts a negative impact on development in Iraq. While the employment-to-population ratio is still recorded at 39.2 per cent in 2018, which roughly means the stability of this ratio during the aforementioned period, the Iraqi economy still faces a major challenge with regard to the participation of women in work, which can be classified as one of the major gaps , that the Iraqi economy suffers from., as the percentage of employed females did not exceed the barrier of 12.5%, and the age dependency rate reached 71.5% between 1990 and 2018, and despite the decline from 91%, this percentage is still very high compared to a global average of 54.36%.

The study showed that the unemployment rate declined from 1991 by nearly 10.35 percent, then it soon fell to 9.39 percent in 2001, that is, nearly a decade ago, unemployment only decreased by less than 1 percent, and this decline continued to reach 7.93 percent in 2018. . Despite this decline, unemployment is still a heavy burden

on Iraqi society, and it represents a waste of human resources, the most important element of production as a whole, and its effects extend to include economic, social, political and cultural aspects as well, as high unemployment leads to loss of income for individuals and a reduction in tax collection for governments, which It affects progress and the increase in spending on unemployment benefits and social benefits. Long-term unemployment can also affect social cohesion.

The study concluded by presenting a number of mechanisms that would address the problem of unemployment, foremost of which is the redevelopment towards its sustainable path.

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