

Staatendokumentation

Research paper



Iraq

**Socio-economic dynamics:
Baghdad**

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Executive Summary

In order to gain a more detailed picture of the current socio-economic situation in Baghdad - beyond broad generalizations - more comprehensive study is necessary. One of the main obstacles to this is the lack of reliable data. Nonetheless, some broad outlines of the challenges ahead are clearly discernible: The main socio-economic issue confronting Iraq is a major demographic boom, putting considerable pressure on Iraq's labour market. This pressure is felt in Baghdad, Iraq's most populous governorate and main economic hub, as much as in other parts of the country. Indeed, many of the socio-economic trends in Baghdad mirror those of other parts of Iraq; some differ, however. Thus, Baghdad's unemployment rate is lower than national average. The number of unemployed youth, however, is high, in line with the general trend, as is the low participation of women in the labour force. In line with a broad national trend is also a rise in poverty, which Baghdad has experienced over the last few years. Food security is tenuous, although Baghdad specific studies have not been available. In terms of access to water, about 18% of Baghdad's population deals with daily service interruptions. A contaminated water supply and improper disposal of sewage has led to the outbreak of waterborne diseases, forcing families to spend a significant amount of their income on bottled water. Finally, Iraq is struggling with a substantial housing deficit, a fact that manifests itself in Baghdad in a large and growing number of informal settlements and slums.

1. Introduction and background

After years of war, sanctions and conflict, Baghdad has recently begun to experience a period of relative calm and optimism, albeit in a climate of continuing political contestation and the neglect of a range of unaddressed problems—from sectarian mistrust in the wake of the defeat of ISIS, to the perception of widespread corruption and popular disenchantment with the ruling elite.¹

Any attempt to provide an accurate picture of the current socio-economic situation of the city, as well as the governorate of Baghdad, is faced with a basic, indeed, fundamental problem: a lack of reliable data.² This pertains to population figures, data regarding unemployment, labour force participation, poverty, urbanization, rural-to-urban migration, access to education and health care, housing, food security and infrastructure, including access to basic services, such as water, electricity, sewerage and waste disposal. While all of these constitute key socio-economic indicators, *accurate* figures relating to them are few and far between. Thus, existing studies of the socio-economic situation of Baghdad are by and large inadequate to provide a fully reliable picture and caution is necessary in uncritically approaching them.

In the case of macroeconomic indicators, for instance, economist Frank Gunter points out that it is often not so much a lack of data that is the problem, but the poor quality and inconsistency of them. Thus, “there is no shortage of data on Iraq’s macroeconomy. The problem is that the data available is often inconsistent. When it comes to the size of the country’s population, Gross Domestic Product (GDP), unemployment, and inflation, not only do different sources provide very different numbers but also the trend of a single variable from a single source is often unreliable.”³ This, according to Gunter, is often due to changes made

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- 1 See some of the media coverage of the 15th anniversary of the US invasion, for instance, as well as that of the elections in May 2018, of the protests that summer and various analyses of the political contestation marking the formation of the new Iraqi government under Prime Minister ‘Adil ‘Abd al-Mahdi—a process that has only recently come to completion. Public Radio International (12.3.2018): Fifteen years after the US entered Iraq, Baghdad breathes new life, <https://www.pri.org/stories/2018-03-12/fifteen-years-after-us-entered-iraq-baghdad-breathes-new-life>, accessed 15 July 2019; CGTN - China Global Television Network (26.3.2018): Baghdad: The mood on the street is guarded optimism, https://news.cgtn.com/news/34596a4e306b7a6333566d54/share_p.html, accessed 15 July 2019; Sarwar Abdullah (2.8.2018): After IS, Iraq’s Major Challenge is Corruption, <https://www.washingtoninstitute.org/fikraforum/view/after-is-iraqs-major-challenge-is-corruption>, accessed 15 July 2019; Renad Mansour (2.2019): Iraq’s 2018 Government Formation: Unpacking the friction between reform and the status quo, http://eprints.lse.ac.uk/100099/1/Mansour_Iraq_s_2018_government_formation_2019.pdf, accessed 15 July 2019; LA Times (27.1.2019): Baghdad is reemerging from 15 blood-soaked years, but the city now barely functions, <https://www.latimes.com/world/middleeast/la-fg-iraq-baghdad-revival-20190127-story.html>, accessed 15 July 2019.
 - 2 Iraq is not listed on the 2019 Index of Economic Freedom, for instance, published annually by the Heritage Foundation and The Wall Street Journal. This, according to the Heritage Foundation, is “for lack of reliable relevant data”, The Heritage Foundation (2019): 2019 Index of Economic Freedom, <https://www.heritage.org/index/country/iraq>, accessed 15 July 2019.
 - 3 Frank R. Gunter (2013): The Political Economy of Iraq: Restoring Balance in a Post-Conflict Society, Cheltenham: Edward Elgar, p. 6.

to the composition of variables or their method of estimation. Moreover, he explains, “decades of internal and external conflict have made it difficult and often dangerous to gather data.”⁴ In addition, the Government of Iraq has a vested interest, he argues, attempting “to conceal unfavorable data in order to put its operations in the best possible light.”⁵ Large-scale smuggling to and from Iran, Syria and Turkey furthermore distorts figures on international trade and investment. Indeed, the role of the informal economy—substantial and, indeed, growing—is not gauged, or only partially so, “resulting in a wide gap between economic activity reported in official statistics and the reality on the ground.”⁶ Keeping these caveats in mind, this paper will offer a synthesis of some of the literature available, with the aim to provide a preliminary view of several important aspects of the current socio-economic situation in Baghdad.

Addressing the socio-economic challenges Iraq faces is, in fact, one of the major tests of the current government under Prime Minister ‘Adil ‘Abd al-Mahdi. Thus, as political scientist Harith Hasan has argued in a 2018 policy brief for the Atlantic Council, “finding political and legal frameworks to improve governance and make the government more inclusive, as well as preventing discrimination along ethnic and sectarian lines, are necessary to stabilize Iraq in the short- and mid-term. But to maintain peace, prevent further radicalization, and avoid the emergence of another insurgent group, it is important to address the economic and social challenges in Iraq in order to avert further turmoil and instability.”⁷

These challenges consist of, first and foremost, a major demographic boom. The country’s population—currently estimated at around 40 million⁸—is reckoned to be growing at a rate of 2,6% to 3% a year.⁹ That is to say, the population of Iraq is expected to increase to 53 million by 2030;¹⁰ according to an estimate of the Pew Research Forum, it will have reached 80 million by 2050.¹¹ The median age of Iraq’s population, according to the CIA, is currently 20

4 Frank R. Gunter (2013): *The Political Economy of Iraq: Restoring Balance in a Post-Conflict Society*, Cheltenham: Edward Elgar, p. 6.

5 *Ibid.*

6 *Ibid.*, p. 7.

7 Atlantic Council (7.2018): *Beyond Security: Stabilization, Governance, and Socioeconomic Challenges in Iraq*, https://www.atlanticcouncil.org/images/publications/Beyond_Security-_Stabilization_Governance_and_Economic_Challenges.pdf, p. 1, accessed 11 July 2019.

8 CIA Factbook (7.7.2019): *Iraq - People and Society*, <https://www.cia.gov/library/publications/the-world-factbook/geos/iz.html>, accessed 12 July 2019.

9 ‘Abd al-Jabbār al-‘Atābī (2017): *Sukkān al-‘irāq izdādū ilā 37 milyūnan wa-l-namū mā zāla murtafi’an*, <https://elaph.com/Web/News/2017/12/1181801.html>, cited in Atlantic Council, p. 4, accessed 12 July 2019.

10 Atlantic Council (7.2018).

11 Pew Research Forum (2.4.2015): *10 Countries With the Largest Muslim Populations, 2010 and 2050*, http://www.pewforum.org/2015/04/02/muslims/pf_15-04-02_projectionstable74/, accessed 15 July 2019. This calculation must have had a lower base population in view than the current 40 million. On the basis of those, the population of Iraq will be 88 million by 2050. That is with an annual growth rate of 2,6%. If an annual growth rate of 3% is assumed and the current CIA estimate of 40 million is the basis, then the population of Iraq will be 100 million by 2050.

years-of-age.¹² That makes for an extremely young society. Indeed, “almost 40% of the population is under 14 years old, 20% is between the age of 14 and 24.”¹³ Coupled with continuing growth, this has grave repercussions not only on the sustainability of Iraq’s resource base, which finds itself under increasing pressure, but also on social relations, security and migration.¹⁴

The effects of these demographic trends on the country’s labour market are likewise serious. According to Gunter, “Iraqis aged less than 15 years account for almost 43% of the population.”¹⁵ “Providing productive employment for each cohort of young persons is the most important challenge facing Iraq. Each year about 850 000 Iraqis become old enough to work. Adjusting for each year’s retirements and deaths among the working population, as well as the very low labor force participation rate among women, means that the nation must create about 250 000 additional jobs each year. In other words, in any year when the country fails to create a quarter of a million net new jobs, there will be an increase in the pool of mostly male, mostly uneducated, unemployed. This growing pool of unemployed discouraged young men without any expectation of finding a good job [...] is a major source of instability.”¹⁶

While the World Bank has pointed to a number of positive economic developments in its latest country update on Iraq, such as a growth in real GDP by 0.6% in 2018 (as opposed to the 2017 contraction of 1.7%), it also notes a range of challenges the country faces.¹⁷ These include one of the lowest labour force participation rates in the world with only 48.7%—a figure even lower in the cases of youth (26%) and women (12%). The World Bank further notes an increase in official unemployment to 9.9%, i.e. beyond the level of 2012, with high numbers of youth unemployment and women’s unemployment. It also highlights a general labour force underutilization, especially among certain segments of society, such as internally displaced persons (IDPs). The country’s official underemployment rate, according to World Bank figures, is at 17%.¹⁸ Among the positives, the World Bank explains Iraq’s growth in real GDP by improved security, following the defeat of ISIS, and a pick-up in oil prices. It also notes a growth by 4% of the non-oil economy¹⁹—a sector the state wants and needs to

12 CIA Factbook (7.7.2019).

13 Atlantic Council (7.2018), p. 4 and 13, The estimated rate of unemployment among the youth is 30 percent and this number is likely to increase in the coming years.”

14 *Ibid.*, p. 4. For an in-depth analysis of the effects of a growing population on resources, security, social relations and migration, see Georgakis Abbott and Stivachtis (28.5.2019): Demography, Migration and Security in the Middle East, <https://www.e-ir.info/2019/05/28/demography-migration-and-security-in-the-middle-east/>, accessed 12 July 2019.

15 Gunter (2013), p. 9.

16 *Ibid.*, p. 10.

17 World Bank (1.4.2019): Iraq—Overview, <https://www.worldbank.org/en/country/iraq/overview>, accessed 12 July 2019.

18 *Ibid.*

19 *Ibid.*

expand.²⁰ Moreover, in 2018 the Iraqi government was able to secure a positive fiscal balance, an achievement most likely to be reversed in 2019, with a significant increase in government spending foreseen in the new budget.²¹

Conclusion

In order to gain a more detailed picture of the current socio-economic situation in Baghdad - beyond broad generalizations - more comprehensive study is necessary. One of the main obstacles to this is the lack of reliable data. Nonetheless, some broad outlines of the challenges ahead are clearly discernible: The main socio-economic issue confronting Iraq is a major demographic boom, putting considerable pressure on Iraq's labour market. This pressure is felt in Baghdad, Iraq's most populous governorate and main economic hub, as much as in other parts of the country. Indeed, many of the socio-economic trends in Baghdad mirror those of other parts of Iraq; some differ, however. Thus, Baghdad's unemployment rate is lower than national average. The number of unemployed youth, however, is high, in line with the general trend, as is the low participation of women in the labour force. In line with a broad national trend is also a rise in poverty, which Baghdad has experienced over the last few years. Food security is tenuous, although Baghdad specific studies have not been available. In terms of access to water, about 18% of Baghdad's population deals with daily service interruptions. A contaminated water supply and improper disposal of sewage has led to the outbreak of waterborne diseases, forcing families to spend a significant amount of their income on bottled water. Finally, Iraq is struggling with a substantial housing deficit, a fact that manifests itself in Baghdad in a large and growing number of informal settlements and slums.

20 Aljazeera (10.5.2019): Can Iraq rebuild its economy?, <https://www.aljazeera.com/programmes/talktojazeera/2019/05/iraq-rebuild-economy-190510124906515.html>, accessed 12 July 2019.

21 World Bank (1.4.2019): Iraq—Overview, <https://www.worldbank.org/en/country/iraq/overview>, accessed 12 July 2019; cf. also France24 (24.1.2019): Iraq parliament approves 2019 budget, one of largest ever, <https://www.france24.com/en/20190124-iraq-parliament-approves-2019-budget-one-largest-ever>, accessed 12 July 2019; Iraq Energy Institute (29.10.2018): Iraq's 2019 Draft Budget Law Analysis, <https://iraqenergy.org/product/iraqs-2019-draft-budget-law-analysis-report/>, accessed 12 July 2019

2. Baghdad – Geography, History and Economy

The governorate of Baghdad is Iraq's smallest, yet most populous governorate, comprising the city of Baghdad—Iraq's largest city, the capital of both the governorate of Baghdad and the federal republic of Iraq.²² Located on the river Tigris, about 530 km from the headwaters of the Persian Gulf, Baghdad city is situated on a flat alluvial plain, where the Diyala River joins the Tigris, about 40 km east of the Euphrates.²³ It is made up of eight districts: al-A'zamiyya, al-Karkh, al-Ka'zimiyya, al-Mansur, Sadr City, al-Rashid, al-Rusafa and 9th of Nisan. The rest of the governorate of Baghdad includes the districts of al-Mada'in, Taji, Tarmiya, Mahmudiyya and Abu Ghraib.²⁴



Baghdad Governorate administrative divisions

Source: UN IAU – United Nations Inter-Agency Information Analysis Unit (2010): Baghdad Governorate Profile, https://reliefweb.int/sites/reliefweb.int/files/resources/491E9B6DAE8F5A24C12577EB004D275D-Full_Report.pdf, accessed July 18 2019

With the creation of the modern state of Iraq in 1920, following the First World War, the former provincial capital of the Ottomans, began to rise to renewed prominence. The new Hashimite

22 NCCI - NGO Coordination Committee for Iraq (12.2015): Baghdad Governorate Profile, https://www.ncciraq.org/images/infobygov/NCCI_Baghdad_Governorate_Profile.pdf, accessed 11 July 2019.

23 Encyclopaedia Britannica (17.1.2019): Baghdad, <https://www.britannica.com/place/Baghdad>, accessed 16 July 2019.

24 EASO - European Asylum Support Office (22019): COI Report Iraq: Key socio-economic indicators, <https://www.easo.europa.eu/sites/default/files/publications/Iraq-key-socio-economic-indicators.pdf>, accessed 11 July 2019.

Kingdom gained independence from the British in 1932 and, “over the next half century, the city grew prodigiously and took on all the characteristics of a modern metropolis.”²⁵

Baghdad used to witness periodic floods up until 1956, when the Samarra’ Barrage was completed on the Tigris, 130 km north of the city. Once the floods were halted, the city began to spread beyond its earlier confines. Indeed, “from a built-up area of about 10 km² at the beginning of the 20th century, Baghdad has expanded into a bustling metropolis with suburbs spreading north and south along the river and east and west onto the surrounding plains.”²⁶

From the 1958 coup, which turned Iraq into a Republic, through the 60’s and the coming to power of the Ba’th Party, Baghdad witnessed much turbulence and transformation, politically as well as in socio-economic terms. The Ba’thist government, would soon achieve “relative stability and internal development,” however, “particularly after 1973, when a rise in world oil prices greatly increased revenues to the government and the populace. It was during this period that Baghdad underwent its greatest expansion and development.”²⁷

This urban flourishing and socio-economic development came to a halt in the 1980’s and 90’s, when first the Iran-Iraq War (1980-88), then the invasion of Kuwait and the Gulf War (1990-91), followed by the UN sanctions regime (1990-2003) not only ended economic growth, but lead to large-scale devastation. Indeed, Baghdad was heavily bombed during the Gulf War as well as during the 2003 invasion. Sectarian violence following the invasion, in particular between 2005 and 2007, further exacerbated the situation. Thus, a destroyed infrastructure, paired with neglect and recurring violent upheaval, was punctuated with periodic rebuilding and development.²⁸ Chronic financial constraints, corruption, a political system hampered by clientilism, as well as crony capitalist networks in government and bureaucracy have continued to impede advances.²⁹

The importance of Baghdad city as “Iraq’s main economic hub”, however, cannot be overestimated.³⁰ According to the NCCI, Baghdad “is the center for commerce, banking and the financial sector.”³¹ It is “the undisputed commercial, manufacturing, and service capital of Iraq.”³² Moreover, next to Basra and Kirkuk, Baghdad is “a crucial location for the petroleum industry. The governorate’s eastern Baghdad oil field is Iraq’s largest proven reserve of crude

25 *Encyclopaedia Britannica* (17.1.2019)

26 *Ibid.*

27 *Ibid.*

28 Phebe Marr and Ibrahim Marashi (2017): *The History of Modern Iraq*, London: Taylor and Francis.

29 Atlantic Council (7.2018); K4D (21.8.2018): *Governance and Development in Iraq*, https://assets.publishing.service.gov.uk/media/5b4328c4e5274a3764524d48/Governance_and_Development_in_Iraq.pdf, accessed 17 July, 2019.

30 NCCI (12.2015).

31 *Ibid.*

32 *Encyclopaedia Britannica* (17.1.2019).

oil. Other industries like leather, cement and tobacco are also found in the governorate.”³³ Indeed, “most of Iraq’s manufacturing [...] is concentrated in and around Baghdad. At least half of the country’s large-scale manufacturing and much of its smaller manufacturing is located in the Baghdad governorate.”³⁴ Baghdad is also “well connected to other parts of the country by both road and rail, and is home to the Baghdad International Airport [...]. The capital also hosts four universities and a large number of primary and secondary schools, and technical institutions for research and education.”³⁵ In fact, the city is host to a rich cultural life and has “long been an active cultural centre for the Arab world.”³⁶

3. Baghdad – Population, Demography and Ethnic Composition

Population figures for Baghdad vary considerably, depending upon source, and it is often not clear whether a given figure refers to the estimated population of the governorate or the city of Baghdad. According to a recent article in The Guardian, for instance, “the population of Iraq’s capital nears 10 million and the city prepares to join the ranks of the world’s megacities.”³⁷ According to the CIA Factbook, Baghdad has a population of 6,6 million.³⁸ The World Population Review presents Baghdad’s population as 7,2 million;³⁹ according to the website Populationof2019, that figure is 9,7 million.⁴⁰

According to Frank Gunter, “in the absence of a recent census, current population estimates—regardless of the source—are based on multi-decade extrapolations of old census data adjusted by estimates of deaths, international refugees, the results of a variety of smaller surveys, and rules of thumb.”⁴¹ This applies to Baghdad as much as it does to other cities and governorates, as well as to the overall population figures for the country. What’s more, “uncertainty about the actual population of Iraq reduces the usefulness of most other data [...]”⁴² That is to say, data calculated on the basis of population figures that are uncertain, must by necessity, be treated with caution.

33 NCCI (12.2015).

34 Encyclopaedia Britannica (17.1.2019).

35 NCCI (12.2015).

36 Encyclopaedia Britannica (17.1.2019).

37 The Guardian (7.1.2019): Baghdad at 10 million: fragile dreams of normality as megacity status beckons, <https://www.theguardian.com/cities/2019/jan/07/baghdad-at-10-million-fragile-dreams-of-normality-as-megacity-status-beckons>, accessed 11 July 2019.

38 CIA Factbook (7.7.2019).

39 World Population Review (2019): Population of Cities in Iraq – 2019, <http://worldpopulationreview.com/countries/iraq-population/cities/>, accessed 15 July 2019

40 Population of 2019 (2019): Population Of Baghdad 2019, <https://populationof2019.com/population-of-baghdad-2019.html>, accessed 15 July 2019

41 Gunter (2013), pp. 7-8.

42 Gunter (2013), p. 9.

As Phebe Marr has pointed out, “the population of greater Baghdad grew tremendously after WWII.”⁴³ It is composed, for the most part, of Arab Muslims, both Shi’i—the majority—and Sunni.⁴⁴ Kurds and Christians (Chaldeans, Assyrians, Armenians, etc.) also form substantial communities, although the numbers of both are reported to have declined since 2003.⁴⁵ Migrants from other parts of Iraq, especially rural migrants, have been particularly drawn to the city,⁴⁶ as have—in recent years—foreign workers from South Asia, such as from Bangladesh and India, supplying cheap labour in the construction or restaurant industries.⁴⁷

4. Socio-economic indicators⁴⁸

4.1. Employment and the labour market

According to the NCCI, Baghdad’s unemployment rate is lower than the national average. This is despite the large numbers of unemployed youth in the city.⁴⁸ Thus, according to a 2014 UNDP survey, only a total of 22.2% of youth were employed in Baghdad (34,3% of males and 6,6% of females).⁴⁹ Labour force participation of women in Baghdad is particularly low;⁵⁰ the same goes for IDPs.⁵¹ But again, as far as unemployment figures go, Frank Gunter cautions that “one should have little confidence in the accuracy of any given estimate.”⁵²

The public sector is Iraq’s largest employer and in Baghdad, too, “hundreds of thousands of citizens work for the government, directly or indirectly, in the civil service, in government-run educational institutions, and in government-owned industrial and commercial enterprises.”⁵³

43 Encyclopaedia Britannica (17.1.2019).

44 Michael Izady (2015): Baghdad: Ethnic Composition in 2015 – The metropolitan area and the province, http://gulf2000.columbia.edu/images/maps/Baghdad_Ethnic_2015_lg.png, accessed 18 July 2019.

45 UNHCR - United Nations High Commissioner for Refugees (15.1.2018): Situation of Christians in Baghdad, <https://www.refworld.org/pdfid/5a66f80e4.pdf>, accessed 18 July 2019. For Kurds, see Rudaw (9.4.2016): Baghdad’s Kurdish population sees dramatic decline, official data shows, <https://www.rudaw.net/english/middleeast/iraq/090420162>, accessed 18 July 2019.

46 Encyclopaedia Britannica (17.1.2019).

47 The Wall Street Journal (2.7.2014): South Asian Migrant Workers Stuck in Wartorn Iraq, <https://www.wsj.com/articles/south-asian-migrant-workers-stuck-in-wartorn-iraq-1404317860>, accessed 18 July 2019; The Arab Weekly (18.2.2018): Foreign workers seeking jobs in Iraq despite perils, <https://thearabweekly.com/foreign-workers-seeking-jobs-iraq-despite-perils>, accessed 18 July 2019.

48 NCCI (12.2015): Baghdad Governorate Profile, https://www.ncciraq.org/images/infobygov/NCCI_Baghdad_Governorate_Profile.pdf, accessed 16 July 2019; European Asylum Support Office (EASO) (22019), p. 43,.

49 UNDP - United Nations Development Programme (2014): Iraq Human Development Report: Iraqi Youth Challenges and Opportunities, p. 164, http://hdr.undp.org/sites/default/files/undp-iq_iraqnhdr2014-english.pdf, accessed 18 July 2019.

50 World Bank (9.1.2018): Baghdad Water Supply and Sewerage Improvement Project, p. 9, <http://documents.worldbank.org/curated/en/947941487509910477/pdf/ITM00184-P162094-02-19-2017-1487509904633.pdf>, accessed 22 July 2019.

51 European Asylum Support Office (EASO) (2.2019), p. 44,.

52 Gunter, p. 14.

53 Encyclopaedia Britannica (17.1.2019).

Nonetheless, according to IOM, private sector jobs constitute the source of income for 44% of the population of Baghdad.⁵⁴

According to Hanaa Abdul Jabbar Saleh, “the percentage of informal labour in urban areas reached 51,6%.”⁵⁵ In Baghdad, as in other urban areas of the country, informal labour plays a significant role in the economy.⁵⁶

4.2. Poverty

In 2012 the overall poverty rate in Iraq was 18.9%,⁵⁷ that in Baghdad 12%.⁵⁸ The overall poverty rate increased to an estimated 22,5% in 2014, but is expected to decline, according to the World Bank.⁵⁹ UNAMI puts the country’s overall poverty rate at 23%.⁶⁰ The poverty rate in Baghdad is thought to have increased significantly since 2012. No recent figures have been available, however.⁶¹

Since poverty rates are usually higher in rural areas, the outer districts of Baghdad governorate might be more affected by it. Moreover, women-headed households and IDPs are especially vulnerable. Child poverty also represents a serious issue, with roughly a fifth of Iraqi children said to be poor.⁶² Exact figures for Baghdad could not be established, however.

According to EASO, “shantytowns and beggars have become widespread across Baghdad.”⁶³ Deputy Director of Baghdad provincial council, Atwan al-Atwani, for instance, stated in a 2016 interview that local authorities did not have “data on the numbers of beggars and street children although this phenomenon has increased in an unusual and alarming way lately.”

54 IOM (3.2017): Integrated Location Assessment—Part II: Governorate Profiles, p. 11, https://reliefweb.int/sites/reliefweb.int/files/resources/DTM%20Integrated%20Location%20Assessment_Part%20II_Governorate%20Profiles_March%202017_0.pdf, accessed 18 July 2019, as cited by EASO (2.2019), p. 43, fn. 323.

55 Arab NGO Network for Development (2016): Informal Labour Iraq, <http://www.annd.org/cd/arabwatch2016/pdf/english/12.pdf>, accessed 18 July 2019.

56 UNESCO - United Nations Educational, Scientific and Cultural Organization (20.2.2019): Assessment of the Labour Market & Skills Analysis: Iraq and Kurdistan Region-Iraq: Informal Sector, http://cosit.gov.iq/documents/population/demographic/reports/UNESCO-EU%20LMS%20Report_Informal_20022019.pdf, accessed 21 July 2019.

57 EASO (2.2019).

58 World Bank (9.1.2018): Project Appraisal: Baghdad Water Supply and Sewerage Improvement Project, p. 9, <http://documents.worldbank.org/curated/en/869811517626846051/pdf/BAGHDAD-NEWPAD-01112018.pdf>, accessed 21 July 2019.

59 World Bank (1.4.2019): Iraq—Overview, <https://www.worldbank.org/en/country/iraq/overview>, accessed 21 July 2019.

60 UNAMI - United Nations Assistance Mission for Iraq (2019): Country Profile, http://www.uniraq.com/index.php?option=com_k2&view=item&layout=item&id=941&Itemid=472&lang=en, accessed 22 July 2019.

61 EASO (2.2019), p. 53, .

62 EASO (2.2019): , pp. 45-48.

63 EASO (2.2019), p. 53.

“According to Baghdad’s provincial council, as of 2016, there were more than 249 complexes occupied by squatters, each hosting between 17 500 and 20 000 people living in poverty.”⁶⁴

4.3. Food security

The UN Office for the Coordination of Humanitarian Affairs (OCHA) reported in February 2019 that nearly 2.4 million people in Iraq were susceptible to food insecurity.⁶⁵ Drought has been an increasing problem for the agriculture sector, including in areas near Baghdad. Thus, “increasingly dry seasons have not only resulted in reduced rainfall, but also made the water that is available salty and unsuitable for farming.”⁶⁶ This, in its turn, has negatively impacted wheat production, for instance, leading to sharp decreases in yield, increased imports and with it, sharp increases in the price for this sort of food commodity.⁶⁷

According to an assessment of the World Food Programme from 2015 of domestic Iraqi food production, as well as imported commodities, there was “low yield and production rates, despite the size of the area planted with crops, vegetables and fruits.”⁶⁸ The study found “high rates of import dependency for a number of food commodities. For example, import dependency reached 99,86% for sugar, 82,96% for oils, 15,60% for rice, 50,31% for dairy products, and 2,73% for wheat flour. This clearly indicated that, after accounting for domestic food production, the availability of sufficient aggregate food supply in Iraq depended substantially on its ability to finance food imports to cover the gap, which in 2015 saw a 2,1% ratio of food exports to imports. The demand for imported food has continued to grow, with local agricultural production failing to keep pace with population growth [...] This situation could be further aggravated in the future, due to factors such as continued drought and the noticeable impact of climate change.”⁶⁹ No specific studies on Baghdad were available. Significantly, “the nominal prices of all food commodities show an increasing trend.”⁷⁰

64 The Arab Weekly (4.3.2016): Poverty in Iraq dramatiially rises, <https://the arabweekly.com/poverty-iraq-dramatically-rises>, accessed 21 July 2019

65 UNOCHA – United Nations Office for the Coordination of Humanitarian Affairs (26.2.2019): Iraq: 2019 Humanitarian Response Plan - Jan to Dec 2019, p. 7, https://www.humanitarianresponse.info/sites/www.humanitarianresponse.info/files/documents/files/iraq_2019_hrp_26_02_2019final_english.pdf, accessed 21 July 2019.

66 Aljazeera (3.8.2018): Iraq's farmers hit hard by water shortages, <https://www.aljazeera.com/news/middleeast/2018/08/iraq-farmers-hit-hard-water-shortages-180802193258236.html>, accessed 21 July 2019.

67 EASO (2.2019), p. 60.

68 World Food Programme (WFP) (10.2018): National Strategic Review of Food Security and Nutrition in Iraq, p. 24, <https://docs.wfp.org/api/documents/WFP-0000102716/download/>, accessed 21 July 2019.

69 *Ibid.*

70 *Ibid.*, p. 27.

4.4. Water

According to a 2018 loan proposal by the World Bank, “About 18% of the population [of Baghdad] deals with daily service interruptions, and in the hot summer months, service interruptions are even more frequent. Leakage from sewer pipes contaminates potable water networks and groundwater aquifers, which aggravates health and environmental problems.”⁷¹ Baghdad is also “one of the governorates impacted by outbreaks of waterborne diseases. [...] Contaminated water supply and improper disposal of sewage force families to spend a significant fraction of their income on medical treatment and to purchase bottled water.”⁷²

According to the US non-profit organization EPIC, Iraqi drinking water and agricultural water are “often of poor quality, helping spread waterborne illnesses like Typhoid, Dysentery, Hepatitis B, and Cholera. In major urban centers, including Baghdad and Basra, Iraq’s Biochemical Oxygen Demand (BOD) – which measures the degree of organic material pollution in water – reached 36,2 mg/L, more than three times the national limit of 10 mg/L outlined by both Iraqi government and World Health Organization standards. Alarming, these figures represent a significant increase in drinking water pollution after 2005, when the BOD measured 1,04-12,12 mg/L. By 2012, Iraqi hospitals were reporting sharp increases in the number of patients suffering from waterborne diseases. For example, the total number of diarrhea cases (an effective indicator of water pollution) reached 1,058,217, with 350 fatalities. In Baghdad’s Sadr City, for example, the only source of clean water is bottled – an impossible expense for many of the poorer residents there.”⁷³

Indeed, “Baghdad is one of the governorates most impacted by outbreaks of waterborne diseases. About 14% of diarrhea cases registered in 2011 occurred in Baghdad, which also topped the governorates in terms of number of deaths from diarrhea. Similarly, the incidence of typhoid and other waterborne diseases is higher in Baghdad compared to national averages.”⁷⁴

71 World Bank (9.1.2018): Project Appraisal: Baghdad Water Supply and Sewerage Improvement Project, p. 12, <http://documents.worldbank.org/curated/en/869811517626846051/pdf/BAGHDAD-NEWPAD-01112018.pdf>, accessed 22 July 2019.

72 World Bank (31.1.2018): Iraq: 5 Million Residents in Baghdad to Benefit from Improved Water Supply and Wastewater Services, <https://reliefweb.int/report/iraq/iraq-5-million-residents-baghdad-benefit-improved-water-supply-and-wastewater-services>, 22 July 2019.

73 EPIC - Enabling Peace in Iraq Center (18.7.2017): Drought in the land between two rives, <https://www.epic-usa.org/iraq-water/>, accessed 22 July 2019

74 World Bank (10.1.2016): Baghdad Water and Sewerage Improvement Project: Project Information Document, p. 5, <http://documents.worldbank.org/curated/en/947941487509910477/pdf/ITM00184-P162094-02-19-2017-1487509904633.pdf>, accessed 22 July 2019.

In its 2017 Integrated Location Assessment II, IOM noted that inefficient sewerage overall affected 30% of the population [of IDPs of the Baghdad districts of Mahmudiyya and Abu Ghraib].⁷⁵

4.5. Housing

According to the World Bank, “Iraq has a large and growing housing deficit following decades of sanctions, conflict, and substantial under-investment in new formal housing, which has been exacerbated by rapid population growth, ongoing urbanization, and large inflows of displaced people. [...] The rapidly growing demand for housing has been fueled by population growth [...] and will likely further accelerate as the average household size continues to decrease. [...] The existing housing stock is of low quality, partly because substandard informal housing has been growing rapidly, with nearly 2,4 million people living in slums.”⁷⁶ Estimates from 2014 indicated that “30 to 40% of the population lives in very poor housing conditions and that at least 10% of housing units are overcrowded and lack proper maintenance [...]. Up to 90% of homes built in the last 30 years are self-constructed and likely to be informal. In Baghdad alone, more than 740,000 people were living in slums in 2013, most of whom had no access to water, sanitation, or other basic public services.”⁷⁷

According to UNAMI, the UN assistance mission in Iraq, “71% of Iraqis currently live in urban areas. More than half of the urban population lives in slum-like conditions.”⁷⁸

In Baghdad, “larger dwellings have been divided and subdivided by families to deal with the growing housing crisis, largely illegally. Squatter neighbourhoods have taken over old army bases from the Saddam Hussein era [...]. Districts once designed as utopian low-income housing projects have been built over.”⁷⁹ According to Reuters, “power outages are commonplace and heavy-duty generators spew dark fumes, adding to some of the worst pollution in a smog-heavy region. Raw untreated sewage is still dumped into the Tigris and there are few accessible riverbanks and open spaces for children to play.”⁸⁰

75 IOM (10.2017): Integrated Location Assessment II, http://iraqdtm.iom.int/Downloads/DTM%20Special%20Reports/DTM%20Integrated%20Location%20Assessment%20II/ILA%20II_PART2%20Governorate%20Profiles.pdf, accessed 22 July 2019.

76 World Bank (3.2.2017): Iraq: Systematic Country Diagnostic, p. 44, <http://documents.worldbank.org/curated/en/54281148727729890/pdf/IRAQ-SCD-FINAL-cleared-02132017.pdf>, accessed 22 July 2019.

77 *Ibid.*

78 UNAMI - United Nations Assistance Mission for Iraq (2019): Country Profile, http://www.uniraq.com/index.php?option=com_k2&view=item&layout=item&id=941&Itemid=472&lang=en, accessed 22 July 2019.

79 The Guardian (7.1.2019): Baghdad at 10 million: fragile dreams of normality as megacity status beckons, <https://www.theguardian.com/cities/2019/jan/07/baghdad-at-10-million-fragile-dreams-of-normality-as-megacity-status-beckons>, accessed 22 July 2019.

80 Reuters (9.4.2018): As Baghdad life improves, some still seek refuge in its past, <https://www.reuters.com/article/us-mideast-crisis-iraq-anniversary/as-baghdad-life-improves-some-still-seek->

Informal settlements constitute a substantial part of the Baghdad housing stock, although in the literature no common definition of the term exists. In 2017, for instance, the government of Iraq stated in its report to the UN Committee for the Elimination of Racial Discrimination (CERD) that there were 250 informal housing settlements in Baghdad.⁸¹ However, a mapping exercise carried out by the Iraqi Ministry of Planning, in collaboration with UN-Habitat, in 2017 found that there were 1,022 informal settlements in Baghdad, out of 3,687 informal settlements recorded in 12 governorates overall, inhabited by about 3.2 million persons.⁸² This raises the question of definitions and - again - comparability: What constitutes an “informal” settlement? And what to make of the great discrepancy in the data provided by different sources?

5. Conclusion

In order to gain a more detailed picture of the current socio-economic situation in Baghdad - beyond broad generalizations - more comprehensive study is necessary. One of the main obstacles to this is the lack of reliable data. Nonetheless, some broad outlines of the challenges ahead are clearly discernible: The main socio-economic issue confronting Iraq is a major demographic boom, putting considerable pressure on Iraq's labour market. This pressure is felt in Baghdad, Iraq's most populous governorate and main economic hub, as much as in other parts of the country. Indeed, many of the socio-economic trends in Baghdad mirror those of other parts of Iraq; some differ, however. Thus, Baghdad's unemployment rate is lower than national average. The number of unemployed youth, however, is high, in line with the general trend, as is the low participation of women in the labour force. In line with a broad national trend is also a rise in poverty, which Baghdad has experienced over the last few years. Food security is tenuous, although Baghdad specific studies have not been available. In terms of access to water, about 18% of Baghdad's population deals with daily service interruptions. A contaminated water supply and improper disposal of sewage has led to the outbreak of waterborne diseases, forcing families to spend a significant amount of their income on bottled water. Finally, Iraq is struggling with a substantial housing deficit, a fact that manifests itself in Baghdad in a large and growing number of informal settlements and slums.

[refuge-in-its-past-idUSKBN1HG0YP](#), accessed 22 July 2019.

- 81 UN CERD – United Nations Committee on the Elimination of Racial Discrimination (22.11.2017): Combined twenty-second to twenty-fifth periodic reports submitted by Iraq under article 9 of the Convention, due in 2017, p. 34, https://digitallibrary.un.org/record/1483048/files/CERD_C_IRQ_22-25-EN.pdf, accessed 22 July 2019.
- 82 UN Habitat - United Nations Human Settlements Programme (19.9.2017): New research finds 3.2 million Iraqis living in informal settlements, <https://reliefweb.int/report/iraq/new-research-finds-32-million-iraqis-living-informal-settlements>, accessed 22 July 2019.