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IRAQ'S UNEMPLOYMENT REALITIES AND CAUSES: AN ANALYTICAL STUDY

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ABSTRACT. The main problem currently experienced by the countries of the world is the problem of unemployment, as the latter has become a social phenomenon of universal status, whether society is advanced or developing. After being part of the economic cycle, unemployment has become a structural problem, particularly in developing countries, where unemployment is generally exacerbated by the failure of development efforts, worsening external debt, and implementing strict financial discipline programs. This article aims to explore the reasons and implications of the unemployment phenomenon in Iraq using a comparative analysis. The results indicate that most countries in the Arab world have pursued different development paths for economic growth. Still, these paths have been unsustainable for a long time, as fluctuations in oil revenues during the mid-1980s have affected the results of development policies, creating several problems requiring economic reforms and restructuring. In all its forms and guises, unemployment has had a significant impact on the living standards of the workforce. Accordingly, lead to changes in the people's real income, resulting in poor purchasing power, changing consumption, and a significant loss to the national economy due to its survival below the total employment level. Unemployment also leads to waste of human resources, particularly those with a high stock of human capital.

JEL Classification: J60, J64, J68

Keywords: unemployment, corruption, education, economic development

Introduction

A fundamental human right is a right to decent labor that promotes individual autonomy, personal growth, self-determination, and involvement in society. Globally, the International Labour Organization of the United Nations projected that 210 million people were jobless in 2010 (Purvis, Mao, & Robinson, 2019). Between 2018 and 2013, approximately 9.5 million individuals in Europe were added to the unemployed list, and nearly 26.5 million people were completely out of the labor market by 2013 (Grekousis, 2018). This negative record, which has never been witnessed before in the European Union (EU), relates to the economic turbulence following the global financial crisis of 2008. The rate of unemployment (ROU) in the EU grew

from 7.0 percent in 2008 to 10.9 percent in 2013. The highest level was recorded previous to 2008. The ROU is significantly more prominent at the regional level, frequently exceeding 30%. The primary issue confronting the world's countries at the moment is unemployment. The latter has developed into global social phenomena, regardless of society's level of development. After being a natural part of the economic cycle, unemployment has grown into a structural issue, especially in developing countries, where unemployment is generally exacerbated by the failure of development efforts, worsening external debt, and implementing strict financial discipline programs. The majority of Arab countries have pursued various development paths for economic growth. Still, these paths have been unsustainable for an extended period, as fluctuations in oil revenues during the mid-1980s impacted the outcomes of development policies, resulting in a slew of problems requiring economic reforms and restructuring. In all of its forms and manifestations, unemployment is burdened and has had various effects on the labor force's standard of living, resulting in changes in real income, diminished purchasing power, altered consumption, and a significant loss to the national economy. The result of the economy's survival is below the total employment level. Unemployment also wastes human capital, especially among people with a substantial supply of human capital.

1. Literature review

One of the fundamental human rights is the right to decent labor that promotes individual autonomy, personal growth, self-determination, and active involvement in society, among other things. Unemployment was predicted to be over 210 million persons worldwide in 2010 (Torres & Studies, 2011). According to the International Labour Organization of the United Nations. Over the period 2008-2013, approximately 9.5 million people were added to the list of jobless persons in Europe, and nearly 26.5 million people had dropped out of the labor force entirely (Akimova, Khomiuk, Bezina, Lytvynchuk, & Petrov, 2020). This negative record, which has never been witnessed before in the European Union (EU), results from the economic turbulence that followed the global financial crisis of 2008. From 7.0 percent in 2008 to 10.9 percent in 2013, the rate of unemployment (ROU) in the EU reached its highest level ever before 2008, reaching 10.9 percent in 2013. At the regional level, the ROU is significantly higher, and in many cases, it comes 30 percent of the total. It is essential to analyze both the social consequences of people's quality of life and the state of the labor force and, in general, the strength of an economy when assessing the quality of life of individuals. From a societal standpoint, a large ROU results in a significant loss of income for people and the possibility of social isolation (Brand & Burgard, 2008). The consequences of unemployment go well beyond the ordinary reduction in the number of resources or things that a person would require. When unemployment lasts for an extended period, people and families may not afford nutritional diets, extensive medical treatment, or educational opportunities. It is also possible for unemployment to harm the prospects of young people's lives if they are absent from the job market for a lengthy period (Gregg & Tominey, 2005). Employment displacement also makes it more difficult for young people to get jobs later on since they lack relevant work experience. Because of this, it is typical to see people make a career change to professions that need fewer skills in contrast to their profile, prospects, and education completed.

Furthermore, it has been widely shown that unemployment has spillover consequences that result in elevated levels of stress and sadness (Dieckhoff & Gash, 2015). Unemployment has a wide range of implications that are not restricted to people out of work. The economic crisis has increased the flexibility and non-standardization of the labor market (Gialis & Taylor, 2016), which has increased the psychological strain experienced by those who are employed. In addition, when communities are suffering a high level of ROU, civil unrest and the possibility

of violence may erupt. As a result, the local economy suffers, and the country's economic shortfalls and isolation are exacerbated even further as regional and global investments degrade.

From an economic standpoint, the ROU measures the economy's health on a local, regional, and national level. In reality, the ROU may provide insight into how effectively organizations can sustain development and have the ability to create new employment opportunities. In addition, it indicates the ability of individuals to have high consuming power about a variety of commodities and services, including food. A high ROU results in a vicious circle of minimizing spending, loss of profit for enterprises, and the need to slash employees for firms to stay viable and profitable. Furthermore, a high ROU has increased economic inequality (Castells-Quintana & Royuela, 2012). Due to the widespread belief that inequality in past years contributed to the global financial crisis of 2008 (Brescia, 2010; Stiglitz, 2013), this creates a vicious cycle that is difficult to break. A high ROU combined with significant inequality increases the likelihood that regions will see slower economic recovery and growth rates in the foreseeable future. Prior research on regional unemployment has attempted to explain the differences in unemployment rates between geographical areas by concentrating primarily on; the persistence of unemployment differentials and the development of models that investigate the determinants of regional unemployment (Cracolici, Cuffaro, & Nijkamp, 2009; López-Bazo, Del Barrio, & Artís, 2000). There are three primary aspects to consider when it comes to regional unemployment. In the first place, it strongly correlates with time. In the second place, it tends to fluctuate in a manner that is similar to the national unemployment rate. Finally, it is ranked third because it demonstrates geographical autocorrelation. Regional patterns of unemployment can be caused by various reasons, including business cycle impacts, household decisions, wage flexibility, and local connections across areas that provide spillover effects (Vega & Elhorst, 2016). These factors might positively or negatively impact unemployment rates, resulting in significant geographical variations in employment rates.

Following the rising body of research, it has been clear that the study of regional unemployment is of significant economic, social, and political significance (Pesaran, 2006; Vega & Elhorst, 2016). This paper claims that the provincial component of unemployment is significant from an empirical standpoint and policy implementation perspective (Marelli, Patuelli, & Signorelli, 2012). A detailed examination of the patterns and geographical arrangements of regional unemployment and the disparities that result from these patterns and spatial structures assists policymakers in implementing the most effective policies to reduce high unemployment rates. The existence of vast and persistent regional unemployment differentials, for example, has been demonstrated in several studies, with a trend toward regions with low unemployment congregating together (Marelli et al., 2012). Such differentials reflect patterns of core-periphery separation, which is why significant labor market policies in numerous European nations have been decentralized at the sub-national level to more effectively combat regional unemployment (Signorelli, 2008). It is challenging to define unemployment consistently and disciplined manner in a buoyant economy, owing to the extreme disparity and divergence between the economic theories that govern it. Thus the views differed on how to define the problem of unemployment. The International Labour Organization (ILO) defined the unemployed as anyone capable of working, willing, looking for, and accepting work at the prevailing wage level (Benanav, 2019). According to literature, it is the seeming disruption of a portion of the available labor. These individuals are employed yet are in a condition of total unemployment. Others believe that unemployment is defined as those who wish to work but cannot find labor comparable to their scientific skills and experience. A relatively small corpus of research uses regionally focused approaches to evaluate unemployment during the financial crisis at the developed country level and even fewer at the regional level. Vega and Elhorst (2016) used dynamic spatial data models to examine regional unemployment gaps in the Netherlands from 1973 to 2013. The suggested

technique concurrently considers temporal correlation, spatial dependency, and standard components. The study's primary finding is that using the conventional two-step technique rather than the recommended simultaneous approach may imply bias when studying regional unemployment inequalities. Marelli et al. (2012) conducted an empirical analysis of employment and unemployment fluctuations in European areas between 2017 and 2010. They used econometric methods to examine the economic crisis's impact, emphasizing detecting structural weaknesses in the regional labor market at the NUTS 2 level.

Additionally, they employed Moran's I to discover spatially autocorrelated regression residuals and spatial filtering to eliminate unobserved variable bias in their research. Global Moran's I and LISA (a local indicator of spatial autocorrelation) were employed to examine the geographical pattern of unemployment at the municipal level (NUTS3) in Austria, the Czech Republic, Germany, and Poland (Netrdová & Nosek, 2016). This study aimed to examine the regional patterns of economic development using unemployment statistics. The investigation exposed distinct regional practices of unemployment in central European regions. Regional differences in employment were also examined using the Gini coefficient and the Theil index for east and central European nations at the NUTS3 level during the 2017 global financial crisis (Blažek & Netrdová, 2012). Spatial filtering techniques were employed to examine regional unemployment persistence to integrate region-specific information, e.g., a home market that results in spatial autocorrelation.

2. Methodology

To determine the long-term impact of high unemployment on the economy, we will utilize a variety of econometric approaches presented in this section. If you want to simulate long-term memory in econometrics, you may use the fractional difference operator, the most used way. We also run tests to see if levels and trends undergo structural change and changes in persistence.

3. The Results

1. Unemployment Trends In Iraq After 2013

Unemployment in its broad sense represents individuals who have the capacity and desire to work but do not have jobs. This situation exists in most societies but varies from organization to community in size and unity depending on the duration of time. Measuring unemployment rates is one of the indicators of deprivation for human culture and knowledge of the capacity and well-being of the State for the rights of individuals to achieve economic well-being. Therefore, unemployment represents a waste of human and material resources and the lack of use of the acquired skills and knowledge provided by education and training institutions, which are at the cost of losing the investment process in the education sector, particularly other industries.

The unemployment crisis in developing nations, including Iraq, has worsened recently. It has now emerged as one of the most critical issues threatening the security and economic stability of the state and its citizens worldwide. Despite the divergent assessments of international and regional organizations on the one hand and those of government institutions, the situation remains stable. We developed our model based on the Central Bureau of Statistics and Information Technology surveys. In monitoring and diagnosing employment and unemployment rates, it used the ideas of the International Labor Organization, which may be better understood by looking at the following table:

Table 1. the Unemployment rates in 2013-2018

Years	2013	2014	2015	2016	Chapter 1 2018	Chapter 2 2018	Chapter 3 2018	Chapter 4 2018
Males	30.20	9.40	9.22	6.16	7.08	5.08	3.77	1.32
Females	6.00	5.00	4.15	2.65	3.35	9.47	8.48	7.40
Total	8.10	6.80	7.97	7.50	8.23	5.93	2.68	2.49

According to hypotheses on fertility, population movement, and mortality, Iraq's population is growing at a compound annual growth rate of between 2.8 percent and 3 percent. This commonly adopted rate is the rate for two consecutive censuses. 2007 The 2017 Family Economic and Social Survey estimated the population at 30,097,000, bringing the growth rate between 2007 and 2017 to 3.2 percent. Unemployment. According to figures in table 1, unemployment rates have declined since 2014, after 2013's highest rate, at 28.1 percent for both sexes, far higher than males. The male rate (30.20 percent) among females compared to 16.0 percent for females was the highest during the survey. Employment opportunities to the workforce and insecurity and stability, the dissolution of the Iraqi army and many institutions, and the demobilization of a job, thus hindering continuing economic activity, which has had a significant impact on males more than among females. The above Table notes that the overall unemployment rate has declined despite the economic stagnation experienced by the Iraqi economy during the years (2014-2018) compared to 2013, falling to 26.8 percent in 2014 (17.50 percent). In 2016, the decline rates reached 15.30 percent in 2018. Despite this decline in unemployment rates, it did not constitute an economical treatment of unemployment because most of the labor force is absorbed in public sector institutions and the various security services of the army and police. That does not indicate tangible progress in the economic sectors, which has led to the sagging of the state apparatus. The number of employees in public sector enterprises increased from 1,047 in 2014 to 1912605 in 2016, rising to 2389901 in 2018.

By comparing the economic activity rates between males and females, we note that male labor force contribution rates are relatively higher (2015-2018). The rate of male economic activity during the period (77.36% and 78.30% and 46.84%, respectively, while the female contribution rate in the same period was 20.39%, 20.69% and 18.20%, respectively. It is worth mentioning that females' low contribution rates to the labor market are due to social factors associated with marital status. The number of children as the proportions of homemakers are very high, and most females depend on their livelihood on parents, which appears through the following Table:

Table 2. Rates of economic activity during 2015-2018

Years	2015	2016	Chapter 1 (1) 2018	Chapter 2 (2) 2018	Chapter 3 (3) 2018	Chapter 4 (4) 2018
Males	77.36	8.30	74.56	74.89	75.58	74.76

Fe	2	2	17.21	18.12	18.44	18.
male	0.39	0.69			28	
Tot	4	4	46.25	46.84	47.37	46.
al	9.55	9.72			91	

Source *Central Bureau of Statistics and Information Technology, Employment and Unemployment Survey in Iraq, 2018.*

In terms of a comparison between provinces, these numbers reveal significant disparities in terms of the environment and gender. In addition, the amount to which each area impacts the causes of unemployment, as shown in the accompanying Table, differs between provinces.

Table 2. Unemployment rates and economic activity by provinces (2013-2018)

Province	Unemployment rate	Rate of economic activity	Unemployment rate	Rate of economic activity	Unemployment rate	Rate of economic activity	Unemployment rate	Rate of economic activity	Unemployment rate	Rate of economic activity
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Al Anbar	3.3	1.5	5.0	2	7.5	-	-	9	7.8	
Babylon	1.6	3.7	3.5	1.0	0.9	8.2	4.1	2.3	0.3	5.9
Basra	5.5	3.2	0.5	6.2	.9	6.4	2.4	5.4	2.8	2.5
Baghdad	3.0	3.3	8.5	6.0	6.8	8.3	5.7	8.7	.2	0.6
Diwaniya	1.3	2.3	4.7	3.7	7.8	5.5	8.4	6.8	2.0	5.6
Hi Qar	6.3	9.9	6.9	2.0	3.3	3.8	7.8	5.7	5.4	3.2
Saladin	5.4	7.3	6.9	3.9	0.1	2.6	8.3	0.4	4.9	7.8
Al Qadisiyah	3.5	2.9	5.2	2.6	6.0	2.9	9.8	0.2	1.5	9.3
Arbala	4.0	4.4	3.0	0.0	7.5	8.9	8.5	6.1	0.4	5.0
Al Kirkuk	9.4	5.3	1.3	8.4	7.9	0.3	.9	5.8	0.8	2.7
Al Muthanna	8.2	8.2	9.9	3.1	7.7	8.6	2.9	6.6	7.5	2.3
Al Sulaymaniyah	-	-	-	-	2.7	0.4	3.7	0.8	.2	4.7
Al Wasit	0.5	1.0	4.6	1.9	1.7	9.0	8.6	7.3	1.1	3.4
Al Najaf	8.1	4.7	1.6	5.0	3.7	0.6	8.9	7.7	1.7	3.7
Al Nineveh	1.2	8.5	6.2	5.1	8.2	8.7	7.4	0.6	9.5	4.2
Al Erbil	6.00	8.4	7.1	4.3	.2	9.7	.8	4.3	.5	6.8

2. The Reasons For Unemployment In Iraq

Iraq's economy has several difficulties, some of which may be traced back to the period preceding the transformation process that began in 2013. State control over all elements of political, social, and economic life was a hallmark of this period. On the other side, it led to many problems that persist today. As a result of the dominance of the oil sector over different

sectors and the growing problem of financial, administrative, and legal corruption are included in the structural imbalances. As a result, there is a lack of accountability and transparency in the administration of public resources and a feeling of fear and debt. A substantial economic imbalance has resulted in several negative consequences, including increased unemployment. The leading causes of unemployment in Iraq can therefore be summarized.

3. It's A Fabrication Of The Production Structure.

The disruption of the productive structure is one of the main features of the Iraqi economy, which is meant by the different production structures is (the sovereignty and dominance of the initial production of activities). While some industrial operations may be restricted and limited, agriculture, unlike some handicrafts and manufacturing sectors, is not minor and is primarily meant for home consumption. It is evident in Iraq's economy since its oil industry has a monopoly over the rest of the commodities sectors in terms of income. It accounts for more than 90 percent of all income and employment in this industry. It is dubbed a "backward growth" economy to describe this type of economy. Since oil export profits fluctuate with the price of crude and the worldwide demand for it, many developing nations in the Third World have become economically unstable due to their reliance on it. The public sector's contribution to GDP (60.4 percent) in 2014 increased to 69.2 percent in 2017 through the dominance of the entire state-owned crude oil GDP, which accounted for the contribution of crude oil. However, output (44.3 percent) during the 122014-2018 average period keeps market movement and most economic indicators hostage to government policies in production, spending, and the international oil situation, weakening the role or contribution of other sectors to the recovery of the economy. As a result, the economy's lack of diversity in output and inability to meet local demand for a broader range of goods and services has been reflected.

4. High Rate Of Economic Exposure.

This phenomenon has generated continued differences in foreign trade by distorting the trade balance by inflation of oil revenues and not from economically productive commodity sources. It is an imbalance resulting from the difference in the adequate structure, which is generative because each imbalance generates another inequality. Thus, the economic exposure rate reached (115) during 2019. From 145 percent in 2014, the drop was due to higher world oil prices, which increased GDP. This exposure results from the lack of economic diversification and the neglect of economic policies in the previous system of policies of economic diversification and relaxation on the oil cushion.

Table 3. Rate Of Economic Exposure (2014-2019)

The year	2014	2015	2016	2017	2018	2019
Economic exposure %	145.8	124.9	127.1	116.9	115.5	115.6

Source *Imf- Iraq: First And Second Reviews Under The Stand-By Arrangement Washing Ton D.C. August 2019 P 57.*

(¹) Khamis Al-Mahdawi, Mazen Sheikh Radhi, Economic Development, Ministry of Higher Education and Scientific Research, 2000, p. 53.

(²) Yaman Abdul Khudhair, OPEC Strategy and the Current Crisis, Reality and Future Prospects, Unpublished Master's Letter, University of Baghdad, Faculty of Management and Economics, 1986, p. 55.

Weakness Of The Private Sector

Since the mid-20th century, state intervention in various economic activities has increased. This intervention led to the delay of the private sector, especially after the state moved towards the nationalization of the private sector in 1964. With the increased financial capacity of the state after the nationalization of oil, the Ministry of Commerce began to limit the ability of traders. Those traders who found in business an appropriate alternative to high-risk industrial activities when it took over the trade of food resources and grains monopolized its import. Hence, the volume of commercial work of the sector declined, Especially during the 1980s. The state has sought to give a more significant role to the private sector after the invasion of Kuwait to cope with the considerable shortage of goods and the weakness of the state's potential, which has been subjected to economic sanctions imposed by the UN Security Council. However, the private sector has not significantly recovered due to its weak capital capacity. The private sector deteriorated further after 2013 despite many changes in the management of the Iraqi economy at the ministerial and regional levels on the one hand and the other hand. The private sector leads the charge to turn the economy into a decentralized government. The volume of revenues generated by the government and its public sector has increased to (1.8) million barrels out of an average (2.3) million barrels per day, and in any case, this almost complete reliance on oil revenues, resulting in reduced access to private capital, and the survival of technical and technological skills at low levels. The weakness of the private sector in investment activity in the country is reinforced by data from the International Monetary Fund (IMF), which indicates that total private investment (Iraqi and foreign) in the Iraqi economy was 1,080 million dollars or 2.4 percent of GDP in 2010. In addition, the fund estimates foreign direct investment at 200-300 million dollars over the past two years.

5. The Impact of Corruption on Low Level of Education

Most countries allocate considerable budgets to build human capacity, which is the cornerstone of the human development process. The education sector is one of the most critical factors for advancing societies economically, socially, and culturally. Schools, institutes, universities, and other educational, educational, and social institutions are some of the most important cultural, informatics and training resources that contribute to disseminating culture and knowledge. It is a good place where a person meets different types of knowledge and good and valuable experiences, which help him overcome the problems and difficulties he faces daily and in his life. This has increased the social demand for education at all stages and types. Despite this, financial and administrative corruption has harmed low educational attainment. It has been clear that crime has significantly impacted Iraqi society. The state's ability to carry out its critical economic tasks has been hindered by the crime wave that struck the country in 2013. To raise the likelihood of tax evasion, these limits limited the amount of public income and increased the significance of public spending. Illegally obtaining tax exemptions.

This economic impact will be reflected in the country's human development, as improved tax evasion creates problems for the general budget, reflecting the reduction of already limited budgetary resources. Corruption thus directs the funds allocated away from education programs to move towards large infrastructure projects. It contributes to the decline of education to the lowest levels due to the state's resort to the policy of compressing real wages and maintaining growth in nominal salaries at a rate well below the inflation rate to maintain low public expenditures. It resulted in the low quality of government work and the withdrawal of skilled employees from government work, and their resort to travel abroad, still, for those who did not. They withdraw from the job, the policy of wage pressure has been reflected in their performance and educational duties by pressuring students to pay bribes through the

interface of private lessons, which led to a deterioration in the level of education at all stages, as well as a decrease in the number of students annually. On the other hand, the school administration absorbed the funds allocated to educational programs through procurement committees. After it weakened, its prices exceeded the accurate costs of purchase, not to mention the poor equipment and tools purchased by the procurement committees, which need to be replaced in a short period to be an area of corruption again.

6. The Conflict Between Political Parties

The increasing conflicts between the political parties have cast a shadow over the delay in the political process in completing its various stages. The political process aims to establish a stable legislative government capable of improving all aspects, whether economic or social. However, the continuing crises after 2013 have weakened the capacity of state administrative institutions. It has generated a lack of coordination and follow-up on infrastructure projects, production facilities, and essential services that have not reached the required level. Such activities have not given the desired economic returns, particularly in vital areas such as the development of electricity, services, poverty control, unemployment, etc. According to the national report issued by the Ministry of Planning in the Human Development Report 2018, the degree of poverty in Iraq reached about (18.8%) at 18.8 percent.

7. Deteriorating Security Conditions

Consequently, due to the country's transformation after 2013, state institutions have been unable to function regularly, as has their security apparatus, allowing terrorist organizations to wreak havoc on public order and order institutions. This crisis has had a significant impact on the Iraqi economy in various ways, diverting reconstruction resources away from productive uses and into wasteful pursuits. A substantial portion of the rebuilding money has been shifted to security activities, which has resulted in the expulsion of foreign enterprises and limiting the likelihood of capital investment. It has resulted in a shortage of services and the emergence of poverty. According to a group of academics, if poverty is a cause of social unrest and insecurity, an environment that is a breeding ground for extreme movements and a source of corruption contributes to the spread of ignorance and misinformation. There is a relationship between poverty on the one hand and extremism on the other; there is an exchange relationship that fuels each other. On the one hand, poverty provides an environment for growth and expansion for extremist ideology. On the other hand, it creates a climate of despair and frustration that allows extremist ideology to spread under backward political, social, religious, and economic headings. Unemployment is linked to political and security instability, with some claiming that it is one of the factors contributing to the deterioration of the security situation. The Coalition Provisional Authority worked to demobilize the army and members of some ministries, resulting in an army of unemployed people extending the rebellion against the government. Others, in turn, are blaming the deteriorating security situation for the rise in unemployment. This problem is particularly prevalent in hot areas. It obstructs any development or service programs that might otherwise attract the jobless, resulting in unemployment serving as an incubator for criminal activity because it is the only means of earning money.

8. New Monetary Policy Trends

Until 2013, monetary policy in Iraq was described as fiscal policy, i.e., tracking, keeping pace, and adapting to the general trend of expansionist budgetary policy to keep pace with the structural imbalance of the Iraqi economy in all its sectors. But after the process of political change. Other features harmonize with the nature of the difference in the general economic mechanism governing the management of the economy, which is the governance of the market for economic variables. However, this mechanism is still not ready or not multiple to accommodate at least in the few years. This phase has seen new monetary policy reforms to stabilize monetary stability, reduce inflation rates, and deepen the financial market to activate the market forces. It uses it to some economic instruments used before the change process, such as open market operations and foreign currency auctions, especially after the independence process obtained by the Central Bank of Iraq. The most important of these measures are:

- Maintaining the stability of domestic prices to create a competitive economic environment based on supply and demand.
- Completing the replacement of the inferior national currency with a currency with international specifications from the paper quality district and the difficulty of counterfeiting.
- Approval of licenses for foreign banks to build an active and competitive banking sector.
- The Central Bank of Iraq now has more than 30 billion dollars in foreign cash reserves.

These measures have helped the central bank implement monetary policy instruments aimed at:

- Raise the bank rate from 16% to 20% per annum.
- Raise credit interest rates.
- Raising interest rates on bank deposits in local currency.

The policy has reduced investment opportunities and the development of small businesses for the private sector. Moreover, pursuing this strict policy has weakened opportunities for a private-public partnership to increase economic growth and address the problem of unemployment and other necessary tasks. Iraq should adopt a monetary policy that provides extensive banking facilities to enable the private sector to promote and stimulate economic activity alongside the public sector. The Central Bank of Iraq's deflationary monetary policy aimed at countering inflation has been accompanied by economic stagnation, a narrow level of investment, and a lack of contribution to job creation for the unemployed workforce.³

Conclusions

Unemployment is a vital issue for the Iraqi economy since it substantially impacts the economic and social conditions. Labor demand growth is slowing due to low investment and hence low job creation for the jobless, in contrast to increased supply growth resulting from high population growth rates. Ineffective government performance has resulted in a considerable gap in economic activity rates across provinces and, consequently, in a significant divergence in the living standards between regions. The absence of a reform plan is compatible with the country's ongoing development and transformation process (market economy). Economic exposure at a high rate humiliates the imbalance in international commerce and contributes to the deterioration of the rest of the economy. The spread of financial and administrative corruption throughout most state institutions impairing their performance and resulting in the loss and waste of the country's financial resources. It is critical to revitalize the

³ The same source.

private sector and engage it in economic activities. We must broaden lending opportunities by expanding loans to SMEs and enacting legislation to assist them.

Additionally, it is vital to improving workforce skills by developing training courses both within and beyond the areas in which they operate. Furthermore, the government could consider increasing investment in the tourist industry to absorb the surplus of workers trained in this profession. Finally, jobless workers must be protected by the social security system.

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