

To fight off unemployment, Iraqi youth plant start-up seeds

February 17 2019, by Sarah Benhaida With Waleed Al-Khaled In Mosul



Iraqi youth at computers in "The Station", Baghdad's incubator for would-be entrepreneurs

Stuck between an endless waitlist for a government job and a frail private sector, Iraqi entrepreneurs are taking on staggering unemployment by establishing their own start-ups.

The first murmurs of this creative spirit were felt in 2013, but the Islamic State group's sweep across a third of the country the following year put many projects on hold.

Now, with IS defeated, co-working spaces and incubators are flourishing in a country whose unemployment rate hovers around 10 percent but whose public sector is too bloated to hire.

Many self-starters begin their journey at an aptly named glass building in central Baghdad: The Station.

There, they sip on coffee, peruse floor-to-ceiling bookshelves for ideas and grab a seat at clusters of desks where other stylish Iraqis click away at their laptops.

"We're trying to create a [new generation](#) with a different state of mind," said executive director Haidar Hamzoz.

"We want to tell youth that they can start their own project, achieve their dreams and not just be happy in a government job they didn't even want," he told AFP.

Youth make up around 60 percent of Iraq's nearly 40 million people.

After graduating from university, many spend years waiting to be appointed to a job in the government, Iraq's biggest employer.



The building in central Baghdad called "The Station" is where self-starters begin to create their own project in a country with high youth unemployment

Four out of five jobs created in Iraq in recent years are in the public sector, according to the World Bank.

And in its 2019 budget, the government proposed \$52 billion in salaries, pensions, and [social security](#) for its workers—a 15 percent jump from 2018 and more than half the total budget.

But with graduates entering the workforce faster than jobs are created, many still wait indefinitely for work.

Among youth, 17 percent of men and a whopping 27 percent of women are unemployed, the World Bank says.

After IS, innovation reigns

When IS declared Mosul its seat of power in Iraq back in 2014, resident Saleh Mahmud was forced to shutter the city's incubator for would-be entrepreneurs.



Among Iraqi youth, 17 percent of men and 27 percent of women are unemployed, according to the World Bank

With Mosul now cautiously rebuilding after the jihadists were ousted in 2017, Mahmud is back in business.

"Around 600-700 youth have already passed by Mosul Space" to attend a seminar or seek out resources as they start their own ventures, said the 23-year-old.

He was inspired after watching fellow Mosul University graduates hopelessly "try to hunt down a connection to get a job in the public sphere."

"A university education isn't something that gets you a fulfilling job," he said.

Another start-up, Dakkakena, is capitalising on Mosul's rebuilding spirit, too.

The online shopping service delivers a lorry-full of home goods every day to at least a dozen families refurnishing after the war.



Iraqi youth are also participating in the "Mosul Space", that city's incubator for would-be entrepreneurs in northern Iraq

"On the web, we can sell things for cheaper than stores because we have fewer costs, like no showrooms," said founder Yussef al-Noaime, 27.

Noaime fled IS to the Netherlands, where he was introduced to e-commerce. When he returned home, the computer engineer partnered with another local to found their venture.

A similar service, Miswag, was set-up in the capital Baghdad in 2014 and last year reported hundreds of thousands of dollars in profits.

Banks and big dreams

On an autumn day, some 70 young Iraqi innovators converged for a three-day workshop in Baghdad on founding start-ups.

They flitted among round tables planning projects, their Arabic conversations sprinkled with English terms.



Some 70 young Iraqi innovators attended a recent three-day workshop in Baghdad on founding start-ups

"What we're doing is showing youth what entrepreneurship is—not

necessarily so they succeed, but so they at least try," said organiser Ibrahim al-Zarari.

He said attendees should understand two things: first, that the public sector is saturated. And second, that oil isn't the only resource on which Iraq—OPEC's second-largest producer—should capitalise.

More than 65 percent of Iraq's GDP and nearly 90 percent of state revenues hail from the oil sector. Many youth turn to it for work, but it only employs one percent of the workforce.

Widespread corruption and bureaucracy also weaken Iraq's appeal for private investors. The World Bank ranks it 168th out of 190 for states with a good business environment.

Under current legislation, private sector employees are not offered the same labour protections or social benefits as those in the public sector.

And Iraq's stuttering banking industry appears too cautious to dive in, said Tamara Raad, 26, who researches start-ups.



After graduating from university, many Iraqi youths spend years waiting to be appointed to a job in the government, Iraq's biggest employer.

"The banks have a role to play. They must make loans without interest and help young entrepreneurs," she said.

Banks or no banks, Mahmud in Mosul is already planning how he'll grow his business in 2019.

"We will open a new, larger space for new gatherings," he said excitedly, to bring together returning designers, developers and other inventors.

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