

IRAQI YOUTH ENTREPRENEURSHIP BAROMETER REPORT

2023



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The International Trade Centre (ITC) is the joint agency of the World Trade Organization and the United Nations. ITC assists small and medium sized enterprises in developing and transition economies to become more competitive in global markets, thereby contributing to sustainable economic development within the frameworks of the Aid-for-Trade agenda and the United Nations' Global Goals for Sustainable Development.

The Norwegian Refugee Council (NRC) is an independent humanitarian organisation. In Iraq, NRC is continuing to shift towards early recovery programming, aiming for sustainable development and providing integrated and localised services including assistance to smallholders and MSMEs in agriculture.

This report has been produced as part of the European Union-funded Strengthening the Agriculture and Agri-Food Value Chain and Improving Trade Policy in Iraq (SAAVI) programme implemented by ITC in close collaboration with NRC. SAAVI seeks to promote inclusive economic growth and job creation, particularly for Iraqi youth, by improving agricultural competitiveness and supporting trade development. SAAVI is funded by the European Union and implemented by ITC in close collaboration with the Government of Iraq, NRC, and other implementing partners.

This report was jointly led by Abdullah Omar Yassen and Imrul Islam (NRC) and Julia Zietemann (ITC), with advice and input from David Cordobes and Karla Solis Ruiz.



The Youth Entrepreneurship Barometer survey, conducted by the International Trade Centre (ITC) and the Norwegian Refugee Council (NRC), aims to understand the needs and challenges faced by youth entrepreneurs in Iraq, particularly in the agricultural value chain.

The report presents findings from the second iteration of the survey, conducted in five governorates: Anbar, Baghdad, Basra, Kirkuk, and Ninewa. The key themes explored include inclusiveness, access to skills and education, ease of starting a business, running a business in a competitive manner, and necessary support from the business ecosystem, including business support organization, government and public stakeholders as well as financial institutions.

This iteration of the Barometer engages several important trends and findings. Firstly, while there is a strong positive perception of entrepreneurship in Iraq, women face significant barriers in accessing entrepreneurial opportunities, with no women surveyed owning their own businesses. Moreover, regional differences exist, with women in smaller towns reportedly facing additional challenges compared to those in larger cities, for example,

Sara, 24, noted that

"We often do not have the same level of support as men do and have to work twice as hard to try and balance family with career"

65 percent of all respondents from Anbar governorate echoed Sara's sentiments.

The report also finds differences across governorates — with respondents in Baghdad and Ninewa reporting more positive perceptions of access to business development support (BDS) compared to Anbar, Basra and Kirkuk. BDS means providing support for the growth of micro, small, and medium-sized enterprises through training, technical assistance, marketing assistance, improved production technologies, and other related services.

In line with the previous Barometer, access to skills and education remains crucial for youth entrepreneurship. While technical and Vocational Education and Training TVET programmes are largely perceived as offering the most support for a future career as an entrepreneur, there remains a need for more job creation or improved matchmaking between employers and job seekers, as many respondents reported difficulties in finding employment after graduating.

Regarding the ease of starting a business, the availability of communication technologies shows steady improvement, with increasing access to digital tools. However, there are still variances in physical infrastructure across different locations, impacting the use of online marketplaces and the ability to transport goods. This is most evident in Kirkuk, where over 40 percent of respondents reported poor road conditions impeding connectivity.

Barometer findings indicate an overall lack of available support networks and limited awareness of existing ecosystem support for youth entrepreneurs. There is a clear need for greater investment in ecosystem support, training, and financial assistance to enhance youth engagement and foster business development. Attention should also be given to ensuring equal access to support for both men and women looking to start their own enterprises and contribute to the economy.

Additional attention is also required to improve access to education and skills, enhance infrastructure, and strengthen support networks.

By empowering youth entrepreneurs and creating an enabling environment, Iraq can unlock their potential to contribute to economic growth and sustainable development. The identified key recommendations are presented below:

KEY RECOMMENDATIONS



- 1 Facilitate business registration for start-ups by engaging with relevant stakeholder such as the network of chambers of commerce



- 2 Ease barriers to the opening of accounts for advanced start-ups



- 3 Expand access to finances across sectors



- 4 Strengthen ecosystem collaboration amongst UN, NGOs and private sector



- 5 Ensure equitable access to resources for Iraqi women looking to start their own businesses



- 6 Facilitate youth accessibility to different levels of education to facilitate labour market entry



- 7 Enhance the visibility of available ecosystem support for the youth across the country

INTRODUCTION

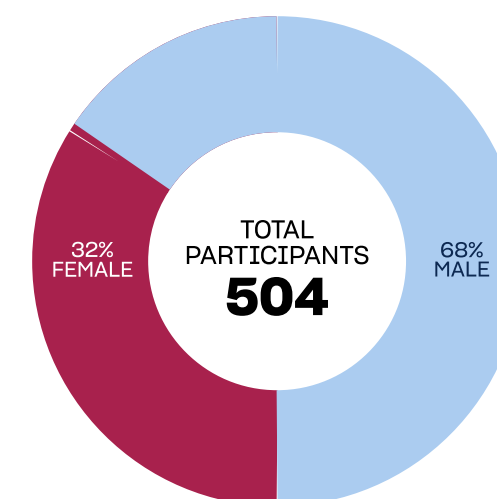
To identify and understand the needs and concerns of youth entrepreneurs in Iraq, especially those impeding their successful participation in the agricultural value chain, the International Trade Centre (ITC) and the Norwegian Refugee Council (NRC) conduct a nationwide Youth Entrepreneurship Barometer survey twice a year. The Barometer serves as a means of understanding and amplifying the views of young people in Iraq who are looking to start their own businesses and contribute to the economy, and barriers that require coordinated action. As Iraq's systems and citizens rebuild after decades of conflict and instability, the Barometer seeks to track progress, identify challenges, and provide empirical evidence to engage stakeholders across private and public sectors to better support youth innovation and opportunity.

Previous reports by UNDP and ILO on Iraq have discussed existing barriers facing Iraqis in their pursuit to employment. Other reports have explored the difficulties facing youth to access formal financial services in various regions, not Iraq. The ITC-NRC barometer survey reinforces many of these findings and goes a step further by engaging youth from five governorates across eight thematic areas, as well as presenting actionable recommendations to improve the current ecosystem collaboration and service provision.

The survey is comprised of questions addressing key themes that influence Iraqi youth perceptions: Inclusiveness, gender and social norms (culture and social norms), access to skills and education relevant to the job market (education and training), opening a business easily (market, business environment, infrastructure), running a business on a daily basis in a competitive manner (energy, renting premises, trading), accessing necessary finance (financial support), necessary support from business ecosystem and connected services (ecosystem support).

METHODOLOGY

This Barometer was conducted across five governorates, Anbar, Baghdad, Basra, Kirkuk and Ninawa. 504 youth between 15 and 34 years of age were surveyed, of whom 32 percent were women and 68 percent men. Additional focus group discussions in all governorates were held with 60 participants in total to triangulate initial findings. Participants were identified through snowball sampling.



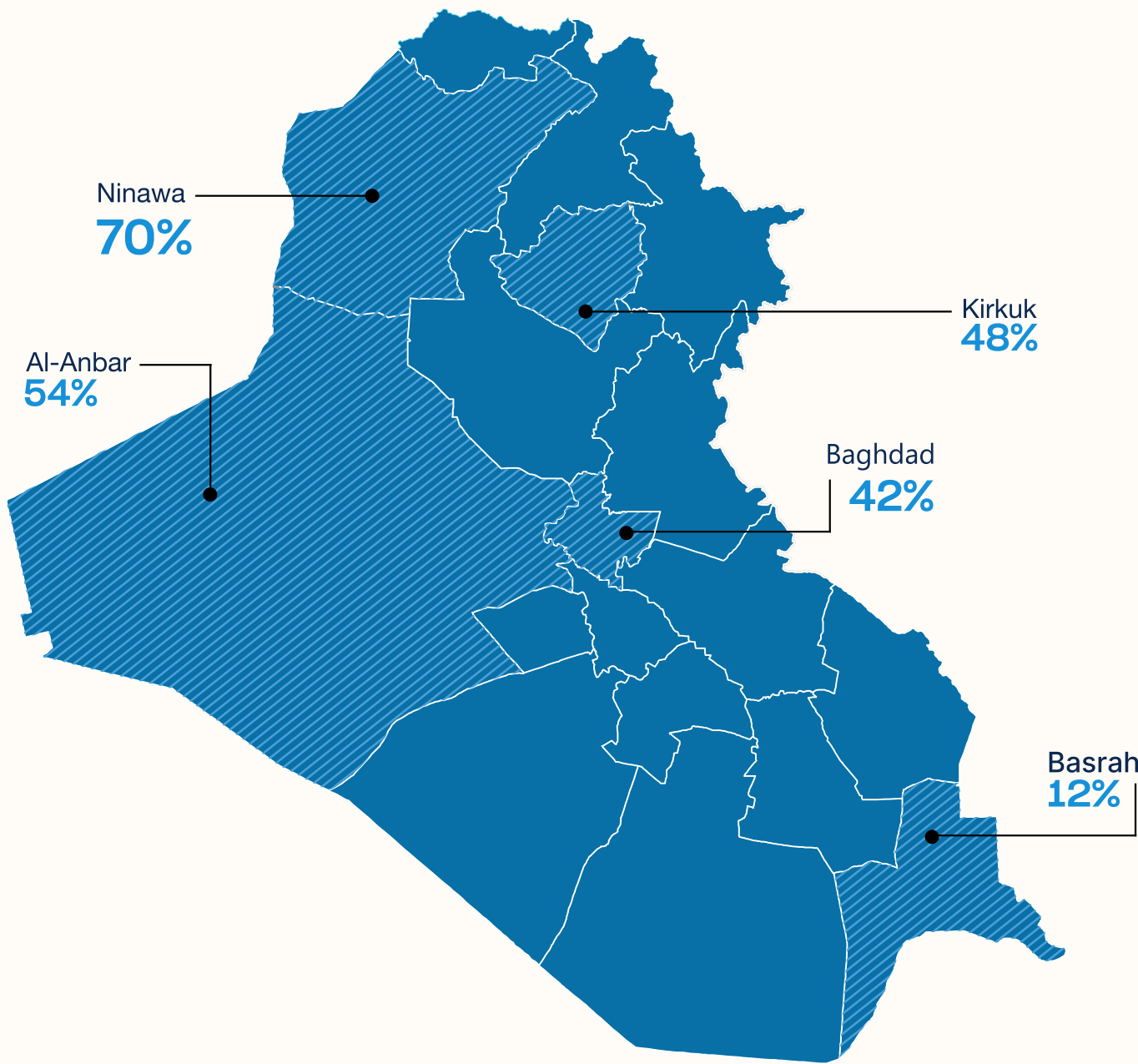
The educational background of participants varied: 2 in 3 participants (74 percent) held a Bachelor degree while 6 percent held vocational or technical degree. Academic specialization was also diverse: 49 percent had a degree in agriculture; 18 percent in (business) administration and finance, while 33 percent studied other fields. Almost half of the participants (48 percent) were unemployed, and only 2 percent of respondents owned their own enterprises.

Perceptions of entrepreneurship opportunities were gauged on a Likert scale across eight thematic areas: culture and social norms; education and training; infrastructure; market systems; business ecosystem; environment and sustainability; government policy and programming; and financial support. Quantitative findings were triangulated through focus-group discussions, individual case studies, and desk research. For each theme except Education, a mean score has been calculated to indicate positive, neutral, or negative perception. The mean score for Education was not calculated since questions were designed to understand specific education and/or training pathways that are conducive to entrepreneurship, and did not necessarily gauge the perception of available avenues.

To share initial findings and engage public and private stakeholders to identify opportunities addressing existing challenges, a Youth Policy Dialogue was conducted in Baghdad in May 2023 - insights from which have informed recommendations.

MAP OF GOVERNORATES WHERE STUDY WAS CONDUCTED

Youth Barometer 2023



05 KEY FINDINGS

Youth Barometer 2023

1. Inclusiveness, gender and social norms (culture & social norms)

Cultural and social norms and conventions influence how young people can access— or are encouraged to engage in— the labour market, particularly in the agribusiness sector in both rural and urban areas of Iraq. In many ways, community perceptions toward entrepreneurship influence how male and female youth are included in the economic sphere and provided support to launch or join a business.

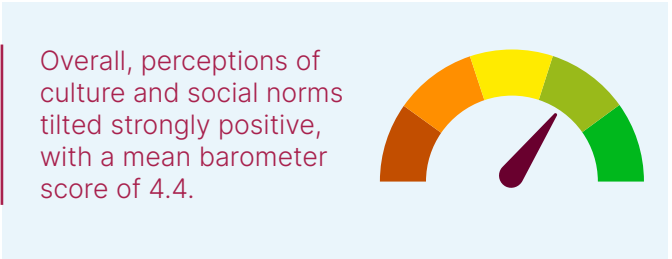
The first Barometer study identified two key social and cultural trends mediating entrepreneurship choices for youth in Iraq. First, community perceptions were found to be a significant driver of decision making, correlating strongly with youth choosing to start their own businesses. Second, gender — which surfaces across other themes as well — was of particular importance; men reported higher access to entrepreneurship opportunities compared to women.

For this iteration of the Barometer, survey data continued to indicate **strongly positive perceptions** of entrepreneurship in Iraq. 95 percent of surveyed youth across five governorates believed society valued youth who choose to enter the business sector. In Basra, not a single respondent disagreed with the value of those youth in the society who are involved in the business environment, while in Kirkuk 18 percent was either not sure or disagreed with this view. 91 percent of youth across the country believed that entrepreneurship was a desirable career choice.

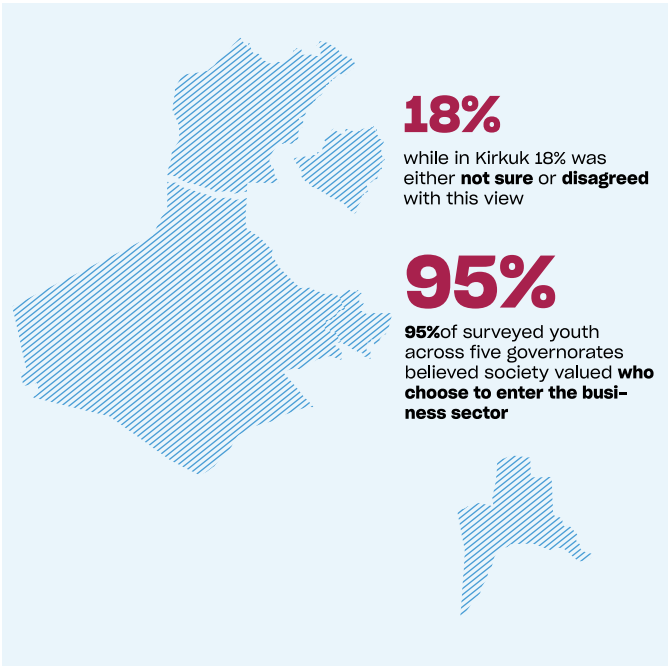
Men and women, however, reported vastly unequal access to available opportunities. According to Sara, 24, it is much harder for women to build their own businesses. “We often do not have the same level of support as men do and have to work twice as hard to try and balance family with career.” staggering 65 percent of all respondents from Anbar governorate echoed Sara’s sentiments, while 28 percent in Kirkuk reported such inequality, and of the 504 people engaged for this study, **not a single respondent was a woman who owned her own business.**

markets that are specific to each governorate. this trend, of unequal opportunities for women, of course is not isolated to just Iraq. Interestingly, focus group discussions, just like the survey, also indicated

“the experience of being a woman differs in Baghdad and Erbil, and between cities and smaller towns. It is easier to move around, and to be treated as equal, if living in a big town.”



The percentage of surveyed youth across five governorates who believe society values youth in the business sector and the desirability of entrepreneurship as a career choice.



2. Access to skills and education relevant to the job market (education and training)

The knowledge gained and life skills obtained in school, at university and participation in technical in the vocational education and training (TVET) directly impact youth's preparedness to secure employment and succeed in the labour market. Access to skills and education not only facilitate lifelong learning and career development but also can play a vital role in supporting economic growth and development at both the individual and community level. 81 percent of the youth surveyed as part of the first Barometer reported that a university degree prepared them with the skills needed for employment and entrepreneurship activities compared to solely completing secondary education. Additionally, the need for investment in skills building was highlighted across all surveyed governorates.

Findings for this iteration of the report remained largely constant. 1 in 3 respondents believed university education was a prerequisite to enter the business sector, and over half reported that universities offered the soft skills needed to manage individual initiatives. When youth were asked which education track offered the most support for a future career as an entrepreneur, 52 percent identified Technical and Vocational Education and Training (TVET). However, 53 percent youth from Ninewa governorate identified high school education more important than TVET education (41percent) to find employment. This might be due to the lack of awareness of the important contribution TVET training has on developing people's skills. Provision of these training is imperative to prepare youth for the job market.

Available data indicates first time entrepreneurs often start off working for other companies, where they are acquainted with the particulars of running a business. Perceptions of entry into the business were assessed at two levels: youth were asked how long it took them to find their first job, while employers were asked how long they had to search to hire for open positions.

Approximately **2 in 3 (73 percent)** said it took at least one year after graduating to find a job. This figure is even higher in Anbar and Basra 90 percent and 93 percent respectively. Yet, almost 42 percent

of employers surveyed said it is relatively easy to find someone qualified for jobs. At the same time, **42 percent employers in Baghdad and 50 percent in Basra were not sure if they would be able to identify youth that matches their needs.** This may show lack of awareness among employers of the youth market. **Additionally, these findings indicate a pressing need for more job creation across Iraq.** From the respondents of the five governorates, unemployment among females was the highest (96 percent) in Ninewa governorate. Employers were also asked to rank the most desirable skills in an employee: 26 percent said finance; 14 percent said marketing; and 13 percent said business development. Consequently, more research is needed on the type of employment opportunities available in each area, and on emerging



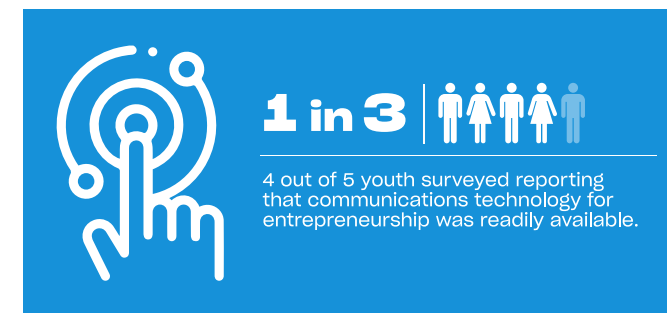
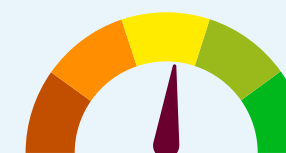
3. Ease of starting a business (market, business environment, infrastructure)

Basic facilities, structures, and services related to communication technology, utilities, roads, and digital technology are central to building and strengthening businesses and is also vital for connecting rural communities to local and metropolitan markets. In the first Barometer report, the lack of emerging technological infrastructure was identified as a significant impediment to the success of youth-owned enterprises. **One in five respondents in Kirkuk and Ninewa stated that digital technology was not available.** In addition, one-third of youth reported that utilities, including water and electricity are not affordable, which has inhibited the growth of businesses, particularly in agribusiness.

This edition of the Barometer presents a slightly different landscape, **with 4 out of 5 youth surveyed reporting that communications technology for entrepreneurship was readily available.** This statistic is indicative of the increasing access to digital tools such as smartphones, computers, and internet connectivity, and might suggest positive steps made toward greater access to digital services. Affordability also plays a key role, and findings tilt overwhelmingly positive, **with nearly half of the respondents agreeing that communication technologies are relatively affordable,** making them accessible to a broader segment of the youth population. This is not the case in Kirkuk where half of the youth either disagreed or strongly disagreed that communication technologies are affordable. Interestingly, over half of respondents in Ninewa were unsure if communication technologies were affordable. While additional insights were unavailable, this initial finding will be engaged in more depth in the next report.

Perceptions of physical infrastructure varied across locations. **While 74 percent of youth in Ninewa reported satisfaction with road infrastructure in the governorate, 1 in 3 youth in Kirkuk reported that adequate road infrastructure was not available when transporting goods or services across the country.** This variance translates to use of online marketplaces as well. 70 percent of respondents in Anbar and 69 percent of youth in Basra said online platforms are used to purchase goods in the governorate, compared to only 27 percent in Kirkuk. These findings may indicate both gaps in available services; and the impact of concerted public, private and non-governmental efforts in governorates like Anbar and Basra.

Overall, perceptions of enabling infrastructure titled positive (mean score of 3.4), although overall score was impacted by differences in perceptions across governorates.



4. Running a business daily in a competitive manner (market, business environment, infrastructure)

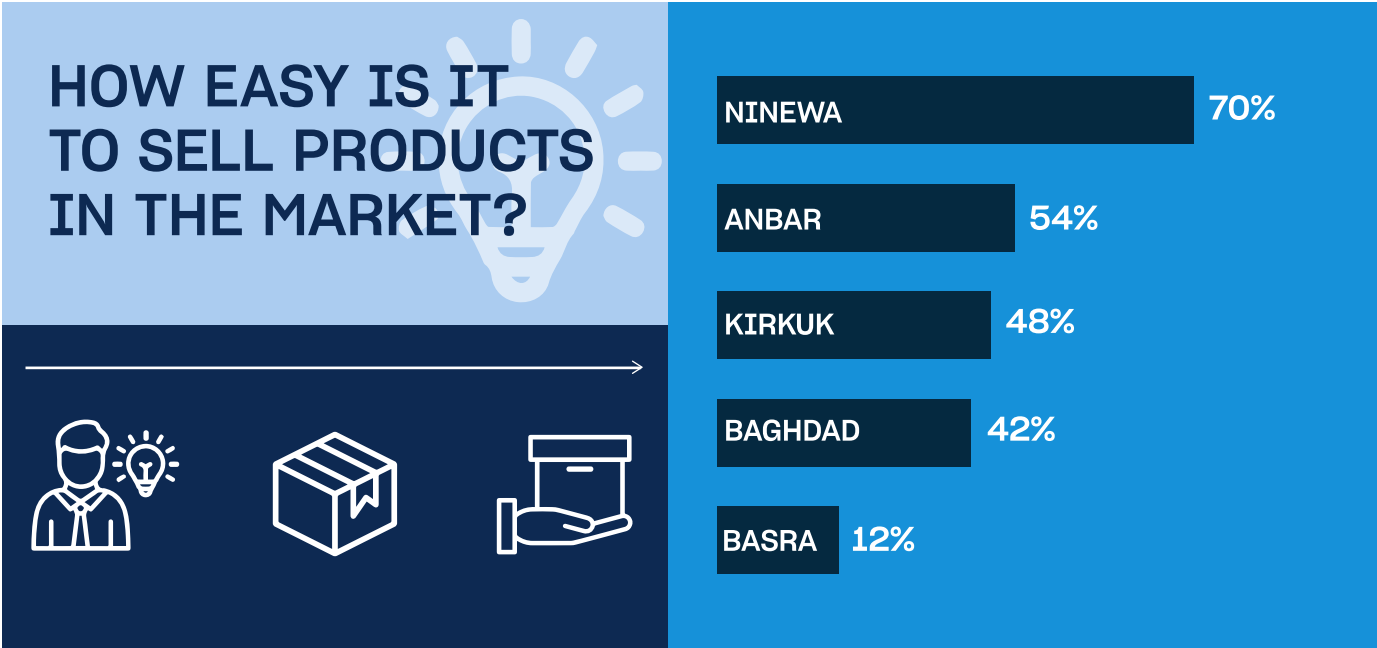
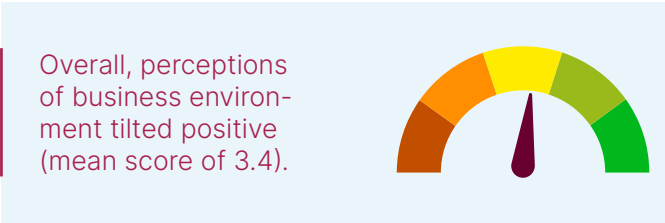
Running a business daily in a competitive manner (market, business environment, infrastructure)

A fair environment for business includes one where youth can access markets equitably, leading to job creation, affordable consumer goods, and sustainable growth. In the first Barometer survey, equitable access to markets was a key issue of interest and concern. **Half of all respondents stated that market entry with a new business was challenging, while one-third added that the Iraqi market was neither fair nor competitive**, which has hindered small business owners from pricing local items. There were also early indications of gender mediating equitable access, with women overwhelmingly reporting that they found it harder to sell their products in local economies due to structural and societal reasons.

This year's survey strengthened some of these trends while adding nuance to others. Access emerged as highly specific to location. **While almost half (43 percent) of women in Kirkuk reported unequal access to markets, only 9 percent of women in Ninewa said this was the case, and this percentage dropped to just 25 percent nationwide.** In individual discussions with respondents in Kirkuk indicated that some of these barriers may be related to wider safety and security issues in the governorate. Additionally, across all five governorates, women reported facing additional barriers to physically travelling alone, and feeling unsafe in settings dominated largely by men.

Physically accessing markets is important, but not necessarily an indication of meaningful economic engagement. **56 percent of youth nationwide said products were easy to sell in the market, but this percentage dropped to just 12 percent in Basra, and shot up to 70 percent in Ninewa.** Future reports should further engage the issue of location, taking into account emerging markets, safety and security, and availability of resources and capital—all of which remain highly localised.

Despite these challenges, 60 percent of surveyed youth believed that local markets were fairly competitive. But, while this perception may be interpreted as being conducive to entrepreneurship, there is a preliminary indication of at least one barrier. 82 percent of respondents said politics is affecting the business environment, relating to broader themes of transparency and accountability, market independence and stable exchange rates. If left unaddressed, interference may impact value chain strengthening between local and national markets.



Fatima Muhammad is a 26-year-old native of Basra. A participant of ITC's SAAVI programme, Fatima graduated from the Department of Horticulture and Landscape Engineering at Basra University.

"The SAAVI Tadreeb e-learning and related training has been immensely helpful," Fatima says. "Since graduating, I have been thinking of how I can contribute to the economy, and what demands in the agricultural sector I can meet with my own business."

A key component of the SAAVI programme in Iraq is to facilitate sustainable job creation through the development of human capital and the enhancement of private sector's competitiveness in the agri value chain.

Fatima has always wanted to start her own business and had tried previously to get it off the ground.

"I grow seasonal flowers because Basra needs more colour."

Sustaining a small business also comes with challenges, and entrepreneurs like Fatima often struggle to build a business plan specific to context and need.

"When you go to a nursery and buy something, they are not able to provide you with all information necessary to take good care of plants."

"I used to work in a nursery and quickly realised that we were not just selling products but we could also be selling information. People do not always know how to take care of the plants they purchase. As I plan to open my own store, I will fill this gap. To be successful with my business plan, I will apply what I have learned about planning, budgeting and marketing through the training offered by ITC and NRC."

Training courses are designed to support the development of business plans, which are then evaluated and if approved, given a start-up grant. Fatima hopes she will be one of the recipients and remains committed to her vision of a more colourful Basra.

"Climate change is a serious issue here, and Basra feels like it is turning into a desert. We need more youth to step up and take charge, to lead afforestation efforts and direct attention and funding to climate-smart innovations."

5 Necessary support from business ecosystem and connected services (ecosystem support)

In addition to the business environment, laws, and infrastructure that impact young entrepreneurs in Iraq, the availability and access to support networks such as business associations and incubation hubs are critical to entrepreneurship development and growth.

The first Barometer report highlighted the importance of youth access to business support networks. One third of all respondents noted that such support has not been available to them, and this figure was higher amongst surveyed youth in remote areas. Almost half of the respondents reported that business development support is not even affordable.

This trajectory has remained the same in this Barometer. A majority of respondents still do not believe that there is a business support network available. 9 out of 10 youth surveyed reported having never received support from any organisations to start their businesses. Even when support is available, women reported having less access: 3 percent in comparison to 7 percent for men. This is not the case in Baghdad and Basra, where half of the youth participated in this Barometer reported that there is a strong business network available and accessible in both governorates.

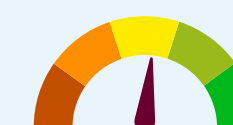
Awareness also emerged as a concern, with respondents indicating they were not aware of any available ecosystem support for youth. Zahraa, 31, noted that "many don't have any idea about trainings that may be available. I am sure if they knew, they would love to participate". Enhancing the visibility of available support remains a pressing issue.



Involvement of youth in business and youth associations has remained similar since the last study, with 86 percent reporting not belonging to any associations. This is even higher in Anbar, Baghdad and Ninewa with 95 percent, 92 percent and 93 percent, respectively.

Data indicates a clear need for greater investment in ecosystem support to enable youth to develop their business ideas and potential ventures. There is also much need for training, support and even financial support in emergent fields so that youth build up their knowledge and enable them to start their own business. Attention is also needed to ensure support is equally accessible to men and women, who demonstrate eagerness to engage, connect and

Overall, perceptions of ecosystem support remained neutral (mean score of 3.2). While findings identified specific areas of progress and concern, the landscape can be considered to have remained largely unchanged from the first survey.



ARE YOU INVOLVED IN ANY BUSINESS OR YOUTH ASSOCIATIONS?

Anbar 95%

Ninewa 93%

Ninewa 92%

NOT BELONGING TO ANY ASSOCIATIONS.

6. Environment and sustainability

The broader impacts of climate change, namely rising temperatures and water scarcity, have tangible impact on agribusiness, as well as the growth of many businesses that buy and sell agricultural products or utilise hydropower. Previous reports by NRC have linked Iraq's deteriorating climate to loss of income, food insecurity, reduced yield, and onward migration to cities.

While the previous Barometer provided a comprehensive overview of the broader impact of environmental impact in the country, the most recent survey sought to gauge perceptions to, and awareness of, climate regulation and mitigation measures.

The first report showed minimal awareness of environmental laws and regulations throughout the country. However, in the most recent survey, **awareness indicates an increase** from 38 percent to 45 percent. In Ninewa, the highest level of awareness of environmental laws and regulations (57 percent was reported), while in Kirkuk, 31 percent reported being unaware, while 24 percent were unsure if such laws and regulations exist.

While encouraging, these findings require context in a country at the forefront of a rapidly changing climate. Zahraa, 31, highlights the need for conservation, "Shatt Al-Arab is the most famous town of palm trees. After the Iraq- Iran war in the late 1980s, the palm trees started to vanish. Cultivating palm trees will help the environment; trees clean the air, and palms are resilient to increased salinity".

What is a somewhat surprising finding is that just over half of the respondents (55 percent) believe that businesses that have operated do so in compliance with environmental regulations. Arguably, these findings contradict prevalent trends, and may indicate lack of awareness around climate regulations, adaptation, and mitigation. This is not the case in Kirkuk governorate where 75 percent of youth reported perceptions that business predominantly do not comply with environmental laws and regulations.

Overall, perceptions toward the environment and sustainability tilted positive (mean score of 3.1), although results should be contextualised to reflect levels of awareness and information.

7. Accessing necessary finance (financial support)

Providing young people with financial services—whether saving, or an appropriately structured loan for investment in an enterprise or education — can promote entrepreneurship and asset building and emphasise sustainable livelihoods. Financial support remains strongly related to the ability of youth to start and/or maintain businesses.

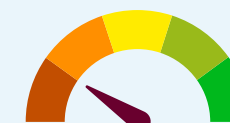
Previous Barometer data indicates that there were significant obstacles in obtaining financial support. The availability and accessibility to formal and informal financing options such as government subsidies, banking services. Islamic finance, grants, debts remain challenging indicated by more than one third of the respondents. This data has remained largely unchanged to the previous version. Interest rates **remain the most significant barrier preventing the youth from taking out small loans**. Alarming, in the Basra governorate 88 percent reported a high interest rate as main obstacle in accessing financing. Closely linked to this, in Ninewa governorate more than 70 percent **identified finance as the major factor for them not being able to start, sustain or grow their businesses**. These figures are less pronounced in Baghdad, where 44 percent identified access to finance as the primary barrier. This might be due to fact that Baghdad is the capital city and there are more microfinance institutions represented.

Overall, the lack of institutional support points many youth towards the use of informal and unregulated sources of financing such as personal loans, money from family and friends as well as savings groups seem to be relatively easier to access, as indicated by 58 percent of all respondents.

Moreover, 45 percent indicate that private funders are supportive of small businesses and entrepreneurship and supporting financially their growth. **In Anbar governorate, more than half of the youth that participated in the survey reported that private individuals supported their business, and this positive trend is replicated in the other four governorates**. While informal financing is important for entrepreneurship, growing and/or maintaining businesses often requires more formal, long-term support.

Importantly, while financial support is one of the building blocks of entrepreneurship, access to finance by itself is not a guarantee that a business will be successful. As participants in ITC-NRC programmes noted, "I definitely need money to start my business, but I also need someone to help me with the project, someone who has been in this field for longer than I am and has more skills and is willing to share their knowledge".

Overall, findings indicate largely negative perceptions (mean score less than 2.0) to accessibility and availability of finance, and reinforce insights from the first Barometer.



8. Enforcing contracts and business environment (government programmes & policies)

Government policies play a key role in creating inclusive business opportunities on a national scale, particularly in supporting and engaging youth. Regulatory frameworks and inclusive policies from government that are both youth friendly and protective of youth rights increase youth inclusion in the business environment.

While the government has a vital role to play in incorporating youth perspectives into national and sub-national policies, survey data indicates that only 45 percent of respondents believe that youth concerns are adequately engaged. Although this figure is slightly lower than the previous Barometer survey, which recorded 57 percent, findings indicate a pressing need to involve youth in a country where 64 percent of the population is under the age of 24.

Perceptions toward key government interlocutors are more positive, with **60 percent of respondents expressing favourable opinions about institutions**

like the Chamber of Commerce in terms of their ability to provide business support. This percentage is higher than the 41 percent reported in the previous Barometer survey. Leveraging the Chamber of Commerce as a platform to engage and connect with youth remains vital.

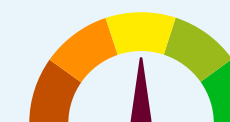
However, there are still challenges to be addressed. For instance, many respondents believe that government intervention in the business environment lacks



fairness and may appear arbitrary. Unlike the four other governorates, in Ninewa, there was variance in perception of whether governments interventions in the business are fair (almost equal split between agreement and disagreement). One possible reason might be a lack of awareness of government policies.

Furthermore, only half of the survey respondents believed that the process of business registration and obtaining the necessary permits, certificates, and licenses is accessible and transparent. Similarly, only half of the respondents reported the registration process to be clear and understandable. It remains crucial to provide clear and precise information to avoid bureaucratic delays and expensive procedures and encourage youth to formalize their businesses. Additionally, nearly half of the respondents indicated that tax regulations are clear, although only about one third believe that tax rates are fair across all businesses. These figures show a slight decline compared to the findings of the initial Barometer survey.

Overall, findings remained neutral. Although perceptions of policies were found to be positive, respondents identified business registration processes to be arduous and complicated.



Zahraa Abdulsattar is a 31-year-old native of Basra and a participant of ITC's SAAVI programme. She graduated from the Faculty of Agriculture, Department of Soil and Water Resources Science at Basra University.

Inspired by Basra's renowned palm trees, she envisions a project on tissue cultivation to revive Basra's greenery.

"Before I will start my business, I plan on conducting a feasibility study first, and then I have to seek the guidance and expertise of someone who is a professional in palm cultivation, preferably a professor well-versed in the field."

Zahraa is aware of other entrepreneurs from the Mesopotamian Marshes who have embarked on a similar venture, although employing slightly different cultivation techniques. While numerous individuals are dedicated to the revival of palm trees, Zahraa's focus remains on tissue cultivation as an effective means of combatting environmental challenges such as diseases, soil salinity (which palm trees inherently resist), dusty weather, and various plant ailments.

Zahraa's participation in the SAAVI Tadreeb training has not only provided her with valuable knowledge but has also supported her confidence and equipped her with the necessary skills to embark on this project.

"I had a vision of what I wanted to do, but the Tadreeb training provided valuable insight into how to start and manage a small business. I learned how to assess needs, how to understand the market, and how to prepare and implement a business plan. I believe that introducing more youth to these training opportunities will foster greater interest and participation in such initiatives, leading to a wider community of learners," said Zahraa.

"I've shared information about the training with my friends and family members who may also be interested. The Association of Agricultural Engineering played a pivotal role in introducing me to this transformative training opportunity"

The Youth Barometer survey is intended to be a resource for entrepreneurs, duty bearers, and decision makers across the Iraqi public and private sector. In a country where the youth comprise the majority of the population, it remains crucial for all stakeholders and the Iraqi government to expand opportunities for young people.

Barometer findings can be understood across eight key themes: inclusiveness, access to skills and education, ease of starting a business, running a business in a competitive manner, and necessary support from the business ecosystem, including business support organization, government and public stakeholders as well as financial institutions. Key findings include: expansion of opportunities for women; need for job creation; easing of bureaucratic and infrastructure barriers to starting a business; ensuring fair business environment; investing in trainings and support for entrepreneurs; increasing availability of institutional finance; and facilitating increased access to available sources of support.

As Iraq rebuilds, and as systems are strengthened, it remains important to mitigate the potential long-term detrimental effects that lack of opportunities can have on the lives of young people, including prolonged unemployment, and brain drain where individuals seek better opportunities in other countries or aspire for a higher standard of living elsewhere.

By focusing on nurturing and preparing entrepreneurs through skill development programmes, encompassing training in life skills and appropriate education across various sectors, as well as facilitating access to financial resources like venture capital and debt financing, the productivity, profitability, and overall economic growth of the country can be enhanced. The development of human capital also requires time and patience, and long-term government policy frameworks that adequately supports growth of both systems and citizens. By prioritizing the creation of an enabling environment for youth, Iraq can harness its demographic dividend and pave the way for a prosperous future.



RECOMMENDATIONS

This iteration of the Barometer was designed to gain a deeper understanding of the barriers facing youth looking to contribute to the Iraqi economy. As the results above illustrate, while some change is evident, specific and concrete barriers remain to fostering entrepreneurship at scale. Initial recommendations were presented at a Youth Policy Dialogue in Baghdad attended by entrepreneurs, government officials, international donors and representatives, who generously engaged in meaningful discussions around ownership, capacity, and timeframes for progress. Their input added valuable context to findings, and informed final recommendations.

The recommendations below attempt to capture key

steps needed to support conducive environment for youth to be able to become entrepreneurs and have their own business. This recommendations by no means exhaustive list but should be seen as starting point to overcome barriers for policymakers, regulators and other key stakeholders. Overcoming these barriers and achieving successful youth financial inclusion requires a multi-stakeholder approach that engages government (including policymakers, regulators and line ministries), financial service providers, youth serving organizations and other youth stakeholders. Youth in Iraq, of course, need to be at the centre of this dialogue.

1

1. Facilitating business registration for start-ups can formalize small and budding businesses.

Respondents across all five governorates identified challenges with the process, including availability of information, procedural clarity, and ease of navigating bureaucratic requirements. Only half of the survey respondents believe that the process of business registration and obtaining necessary permits, certificates, and licenses is accessible and transparent. To address this, it is recommended that relevant stakeholders, such as the network of chambers of commerce, take steps to **identify and communicate the required steps** for registering businesses in each governorate.

Standardizing business registration requirements nationwide and setting up satellite offices to support registration can also streamline the process. Additionally, raising awareness about the benefits of registering businesses, including legal and financial safeguards, can encourage more entrepreneurs to formalize their ventures.



2

2. Opening bank accounts should be made easier and more cost-efficient for both first-time and advanced businesses.

The report highlights **low incentive and trust** in the banking sector as key barriers to engaging with financial services. Respondents overwhelmingly cited high account charges as a barrier, especially in Basra governorate where a staggering 88 percent reported it as a key deterrent to opening accounts. Trust in banks was also found to be an issue, with respondents indicating that high rates did not necessarily translate into higher quality of service. To address these challenges, it is recommended that **specific banks be identified and encouraged to cater to the specific needs of youth-owned businesses.**

Services such as access to finance and small loans with reasonable collateral requirements should be made available to support



3

their growth. **Lowering interest rates and transfer charges can also enhance access to banking services for youth entrepreneurs.** By making banking services more accessible and affordable, more young entrepreneurs can access the financial resources needed to start and grow their businesses.

3. Expanding access to finances across sectors will bolster entrepreneurship across the country.

In line with the previous report, this iteration of the Barometer found strong correlation between access to finance and entrepreneurship. Findings emphasize **the need for financial support in the form of grants and subsidized loans.** As the country's economy grows and attracts foreign investment, supporting the growth of **specific economies like agriculture through loans and economic schemes can foster entrepreneurship.**

A majority of surveyed youth who own businesses reported that their own savings and support from family and friends are the main source of finance, indicating a lack of access to formal financial services. Women and youth in small towns away from the larger cities cited higher barriers. Under the aegis of the Central Bank, **tailored programmes by banks, credit unions and/or microfinance institutions should focus on women entrepreneurs and youth in rural and hard-to-reach areas;** providing targeted financial support and making formal financial services more accessible. Lastly, regulatory frameworks should be designed to be youth inclusive and protective of youth rights.



4

4. Strengthening ecosystem collaboration among UN agencies, NGOs, and the private sector is essential for comprehensive support to youth entrepreneurs.

A majority of respondents do not believe that there is a business support network available, and **almost 90% of youth surveyed reported never receiving support from any organizations** to start their businesses. To enable greater access to information, trainings and support programmes for Iraqi youth, centralized information sharing platforms should be created.

In addition, interest in ecosystem support remains high, and greater investment is needed by agencies, private and public entities to cater to growing demand. **By fostering collaboration among key stakeholders and creating centralized platforms, youth entrepreneurs can easily access information, resources, and training opportunities that can significantly improve their chances of starting or growing businesses.** Collaborations can, in turn, lead to the establishment of mentoring programmes, cross-pollination of ideas, entrepreneurship incubators, and funding opportunities accessible to a wider cross-section of Iraqi youth.



5

5. Ensure equitable access to resources for Iraqi women looking to start their own businesses.

The report highlights significant barriers faced by women entrepreneurs, including unequal opportunities and limited access to support networks. **43 percent of all respondents agreed that it was much harder for women to build their own businesses, and not a single respondent among the 504 participants was a woman who owned her own business.**

In a country where just under half of the population are women, government, private and non-governmental institutions have a significant role to play to address this disparity. Targeted trainings, business grants, and mentorship programmes for women can be a vital source of support. Additionally, new and ongoing programming by private and non-governmental institutions can offer capacity- building workshops, mentorship, and networking opportunities to empower women to start and grow their businesses. Perhaps most importantly, gendered disparities across sectors — banking, academia, job opportunities—should be addressed through enforcement of regulatory frameworks.



6

6. Increased visibility of available ecosystem support for youth across the country is vital.

Lack of awareness of existing ecosystem support remains a concerning trend in this Barometer. 9 out of 10 youth surveyed reported never receiving support from any organizations to start their businesses, often because these opportunities did not exist, and often because youth were unaware of available sources of support. **Private and non-governmental institutions should take the lead in promoting and advertising the available support programmes, especially in areas with limited access to information systems.** Utilizing social media, community outreach through youth associations, and partnerships with local organizations will go a long way in engaging and encouraging youth engagement.



7

7. Facilitate youth accessibility to different levels of education, including TVET.

Skills building remains an integral component of fostering innovation and entrepreneurship. While a significant percentage of surveyed youth held a Bachelor degree (74 percent), and its importance was widely recognised, 52 percent of respondents also cited TVET as helpful to starting businesses. Moreover, access to skills and education goes beyond immediate employability. It facilitates lifelong learning and career development, enabling young individuals to adapt to changing market demands and explore new opportunities.

Investing in skills building for youth across the country can help bridge the gap between formal education and real-world application. By offering training in specific areas related to market systems, business management, and marketing, young entrepreneurs can build confidence and competence in running their businesses efficiently and competitively.



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